



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, September 10, 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).

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
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Public comment will be limited to 20 minutes total on the agenda. Individuals providing public comment will have 1 minute and organizations with combined comments may have 3 minutes.

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

August 27, 2025 meeting minutes

4. **Public Comment**

Public comment will be limited to 20 minutes total on the agenda. Individuals providing public comment will have 1 minute and organizations with combined comments may have 3 minutes.

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. 2025-0251](#) p. 9

AN ORDINANCE establishing the Broadway Facility fund; and adding a new section to K.C.C. chapter 4A.200.

Sponsors: Mosqueda

Sam Porter, Council staff

6. [Proposed Ordinance No. 2025-0250](#) p. 9

AN ORDINANCE relating to the Broadway Facility appropriation; making a supplemental appropriation of \$41,568,000 to the Broadway Facility fund; and adding a new section to the 2025 Annual Budget Ordinance, Ordinance 19861.

Sponsors: Mosqueda

Sam Porter, Council staff

7. [Proposed Ordinance No. 2025-0249](#) p. 9

AN ORDINANCE amending Ordinance 19862, enacted December 2, 2024, which authorized the issuance of limited tax general obligation bonds of the county; and amending Ordinance 19862, Section 1, as amended, Section 2, as amended, Section 4, as amended, Section 13, as amended, Section 17, as amended, and Section 19, as amended, and repealing Ordinance 19954, Attachment B.

Sponsors: Mosqueda

April Sanders, Council staff



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
TTY Number - TTY 711.
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8. [Proposed Ordinance No. 2025-0260](#) p. 210

AN ORDINANCE revising the loan agreement between King County and the Pacific Science Center Foundation.

Sponsors: Barón

Contingent Upon Referral to the Budget and Fiscal Management Committee

April Sanders, Council staff

Other Business

Adjournment



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
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1200 King County
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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, August 27, 2025

Hybrid Meeting

DRAFT MINUTES

1. **Call to Order**

Chair Dembowski called the meeting to order at 9:30 a.m.

2. **Roll Call**

Present: 7 - Balducci, Barón, Dembowski, Mosqueda, Perry, Quinn and Zahilay

3. **Approval of Minutes**

Councilmember Barón moved approval of the July 23, 2025 meeting minutes. There being no objections, the minutes were approved.

4. **Public Comment**

*The following individuals were present to provide public comment:
Alex Tsimmerman*

Discussion and Possible Action

5. [Proposed Ordinance No. 2025-0212](#)

AN ORDINANCE relating to the levy collection of the sales and use tax of one-tenth of one percent for the delivery of behavioral health services and therapeutic courts authorized by RCW 82.14.460; continuing the sales and use tax; adding a new section to K.C.C. chapter 4A.500, establishing an effective date, and establishing an expiration date.

Sam Porter, Council staff, briefed the committee and answered questions from the members. Susan McLaughlin, Director, Behavioral Health and Recovery Division, Department of Community and Human Services (DCHS), also addressed the committee and answered questions from the members.

Councilmember Barón moved Amendment 1. The Amendment was adopted.

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

Yes: 7 - Balducci, Barón, Dembowski, Mosqueda, Perry, Quinn and Zahilay

6. [Proposed Ordinance No. 2025-0182](#)

AN ORDINANCE relating to solid waste fees charged at recycling and transfer facilities and at the Cedar Hills regional landfill; and amending Ordinance 12564, Section 2, as amended, and K.C.C. 10.12.021 and establishing an effective date.

April Sanders, Council staff, briefed the committee and answered questions from the members. John Taylor, Director, Department of Natural Resources and Parks, Rebecca Singer, Director, Solid Waste Division, Department of Natural Resources and Parks, and David Pierce, Manager, Enterprise Services, Solid Waste Division, Department of Natural Resources and Parks, also addressed the committee and answered questions from the members.

Councilmember Barón moved Amendment 1. The Amendment was adopted.

Councilmember Barón moved Title Amendment T1. The amendment was adopted.

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

Yes: 7 - Balducci, Barón, Dembowski, Mosqueda, Perry, Quinn and Zahilay

7. [Proposed Ordinance No. 2025-0236](#)

AN ORDINANCE relating to the sale of biomethane and related environmental attributes held by the county; authorizing the solid waste division to enter into an agreement for the sale of biomethane and environmental attributes produced at the Cedar Hills regional landfill to Puget Sound Energy.

Wendy Soo Hoo, Council staff, briefed the committee and answered questions from the members. John Taylor, Director, Department of Natural Resources and Parks, Rebecca Singer, Director, Solid Waste Division, Department of Natural Resources and Parks, and David Broustis, Energy Manager, Solid Waste Division, Department of Natural Resources and Parks, also addressed the committee.

The Chair recessed the meeting into Executive Session under RCW 42.30.110 to discuss with legal counsel legal risk of a proposed action when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the County at 11:23 a.m. for 17 minutes. The Chair reconvened the meeting at 11:40 a.m.

Councilmember Barón moved Amendment 1. The Amendment was adopted.

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

Yes: 5 - Balducci, Barón, Dembowski, Perry and Quinn

Excused: 2 - Mosqueda and Zahilay

Briefing

8. [Briefing No. 2025-B0115](#)

King County Metro Reserve Levels

Mary Bourguignon, Council staff, briefed the committee and answered questions from the members. Jeannie Miller, Assistant General Manager, Finance & Administration, Metro Transit Department, and Geoff Kaiser, Director, Budget & Financial Planning, Finance & Administration Division, Metro Transit Department, briefed the committee via a PowerPoint presentation and answered questions from the members.

This matter was Presented

Other Business

There was no other business to come before the committee.

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:	5-7	Name:	Sam Porter April Sanders
Proposed No.:	2025-0249 2025-0250 2025-0251	Date:	September 10, 2025

SUBJECT

Three proposed ordinances related to the purchase of the Broadway Facility in Seattle intended to be used primarily as a crisis care center.

SUMMARY

This staff report covers three proposed ordinances related to the proposed purchase of property located at 1145 Broadway, Seattle, (referred to herein as “Broadway Facility”) previously primarily used by the Polyclinic. The Executive intends to use this property primarily as a crisis care center; additional uses are described in this staff report.

Important Note: Pursuant to the requirements of the CCC Implementation Plan¹, the Executive transmitted the notification letter of the intent to purchase this property for use as a crisis care center, on August 14, 2025, as 2025-RPT0087. Under the CCC IP, the Council has until September 13, 2025, to reject the purchase by motion.²

Proposed Ordinance 2025-0251 would create the Broadway Facility Fund for the purpose of collecting revenues and allocating costs for the proposed new Broadway Facility building.

Proposed Ordinance 2025-0250 would make a supplemental appropriation of \$41,568,000 to purchase the Broadway Facility.

Proposed Ordinance 2025-0249 would further amend the adopted LTGO bond ordinance, Ordinance 19862, to add one additional capital project. Specifically, \$17.5

¹ Attachment A to Ordinance 19783 is the CCC Levy Implementation Plan,
<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=6459911&GUID=F1D5851C-A12B-4808-A5A4-E8D167F04FE6&Options=Advanced&Search=>

² Broadway Facility Notification Letter – 2025-RPT0087,
<https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7514453&GUID=E3B8408B-109C-469B-A4C0-4B5943E89811&Options=Advanced&Search=>

million for the Broadway Facility Acquisition for the purpose of a Crisis Care Center, the appropriation authority for which is being requested in Proposed Ordinance 2025-0250.

BACKGROUND

Crisis Care Centers Levy. In 2023, Ordinance 19572 authorized the placement of a proposition on the April 25, 2023, special election ballot for voter approval to create a new nine-year levy (2024-2032) to support the creation of five new regional Crisis Care Center facilities distributed throughout the county, with one center focused on serving youth.³ The Levy also prioritizes the restoration of behavioral health residential treatment capacity and expansion of treatment availability and sustainability in King County as well as supporting behavioral health workforce needs. The initial Levy rate is \$0.145 per \$1,000 of assessed value in 2024 and is currently projected to generate a total of approximately \$1.2 billion in revenues during the nine-year Levy period.⁴

Harborview Bond Program. Harborview Medical Center (HMC), the region's Level 1 trauma center, is owned by King County, governed by a 13-member County-appointed Board of Trustees, and operated by the University of Washington. King County placed a proposition on the November 2020 ballot, that voters approved, authorizing the issuance of \$1.74 billion in capital bonds to fund public health, safety, and seismic improvements for HMC. Harborview has limited parking capacity which is anticipated to become more restricted during Bond Program construction. In the 2025 supplemental budget, a proviso was added requesting the Executive transmit a letter with information regarding the implementation of changes to parking on the Harborview Campus.⁵ This letter expected to be transmitted by September 25, 2025.

Broadway Facility Notification Letter. Transmitted to Council along with the legislation described in this staff report, the Executive's Broadway Facility Notification Letter⁶ appears to fulfill the CCC Levy Implementation Plan's requirement of notification in "exceptional circumstances" when the County intends to purchase an existing facility.

Note: The levy's Implementation Plan allows the Executive to proceed to close on the purchase *if* the King County Council has not passed a motion rejecting the purchase within 30 days from the date the Executive transmits the notification letter. The Broadway Facility Notification letter was transmitted on August 14 and Council offices were notified by the Clerk by email at 10:35 a.m., therefore, the deadline for Council to reject the purchase by motion is September 13.

The Broadway Facility Notification letter appears to include all required components outlined in the CCC Implementation Plan⁷ including a description of:

³ King County Elections, April 25, 2023, Official Final Elections Results, <https://aqua.kingcounty.gov/elections/2023/april-special/results.pdf>

⁴ King County Office of Economic Financial Analysis (OEFA) August 2023 revenue forecast

⁵ Ordinance 19956, Section 65, Proviso P2

⁶ 2025-RPT0087, Broadway Facility Notification Letter – 19783, <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=7514453&GUID=E3B8408B-109C-469B-A4C0-4B5943E89811&Options=Advanced&Search=>

⁷ CCC Levy Implementation Plan, p. 74, Ordinance 19783, <https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=6459911&GUID=F1D5851C-A12B-4808-A5A4-E8D167F04FE6&Options=Advanced&Search=>

- The exceptional circumstances making the County uniquely situated to purchase the site or existing facility;
- How this purchase will accelerate starting crisis care center operations;
- The competitive procurement process to be used to select the site's operator;
- The County's plans to retain ownership or control of the property;
- Fund sources planned to be used for the purchase, development, and or conversion of the site and how much anticipated to be expended from each source;
- The competitive process to be used to select the design and construction contractor to convert the facility, if known; and if not known, a description of the factors that need to be resolved to select a procurement process;
- How the proposed site satisfies the requirements in the Implementation Plan regarding the procurement and siting process; and
- The current land use, zoning, and permitting requirements of the site and if the crisis care center use is not allowed outright, the plan to obtain necessary local jurisdiction authorization to develop the site or convert the existing facility to be operated as a crisis care center.

Additional requirements outlined in the Implementation Plan for the notification letter are fulfilled through the following attachments:

- A. Purchase and Sale Agreement (PSA)
- B. First Amendment to the PSA
- C. Second Amendment to the PSA
- D. Third Amendment to the PSA
- E. Jurisdictional Letter of Support – Seattle Mayor
- F. Community Engagement Summary
- G. Property Summary

LTGO Bonds. In November 2024, the council adopted Ordinance 19862⁸, which authorized the issuance of \$604 million in limited tax general obligation (LTGO) bonds. The Council has amended Ordinance 19862 once in July 2025, through Ordinance 19954, which increased the aggregate principal amount by \$85 million for a new total of \$689 million.

CCC Revenue Projections. The CCC Levy Fund financial plan dated August 21, 2025, includes \$37,332,088 of appropriation authority under the Capital line item expense in the 2025 estimated column for, "\$23,832,088 from CCC Capital and \$13,500,000 from New Residential Treatment Capital in the Implementation Plan. Of this amount, \$23.8M will be transferred to the Broadway Facility Fund to cover the CCC portion of the facility purchase cost." The ending fund balance for the CCC Fund is \$106.29 million, with the balance allocated primarily in the Implementation Plan Expenditure Reserve.

⁸ [King County - File #: 2024-0307](#)

ANALYSIS

This section provides staff analysis on the three proposed ordinances related to this proposal as follows:

- Proposed Ordinance 2025-0251 – Fund Creation Ordinance
- Proposed Ordinance 2025-0250 – Supplemental Appropriation
- Proposed Ordinance 2025-0249 – LTGO Bond Amendment

Timing Consideration: To satisfy the Council Contingency in the Purchase and Sale Agreement, Council must approve this package of legislation no later than October 3, 2025. To avoid a special meeting, this means that Council must take final action no later than September 23, 2025.

PO 2025-0251 – Broadway Facility Fund Creation Ordinance. Proposed Ordinance 2025-0251 would establish a first-tier, internal service fund to be managed by the Director of the Department of Executive Services. This fund would account for revenue and expenditures for acquiring and operating the Broadway Facility building itself, and as such it does not include any reserves. Revenue sources for this Fund include CCC Levy Revenue for eligible expenditures, HMC Bond revenue to pay for HMC Bond Program staff offices, and revenue from leases and parking. Expenditures related to CCC and Residential Treatment Facility program operations would be paid through the CCC Levy Fund.

PO 2025-0250 – Broadway Facility Supplemental Ordinance. Proposed Ordinance 2025-0250 would make a supplemental appropriation of \$41,568,000 to the Broadway Facility Fund for the purchase of the former Polyclinic location in Seattle. This includes the purchase price of \$38.75 million and estimated closing fees. The property was appraised as having a fair market value of \$41.3 million in February 2025. The proposed appropriation would be revenue backed by \$24 million of CCC Levy bond proceeds for the CCC Levy eligible spaces, and \$17.5 million of LTGO bonds that are expected to be repaid with future lease and parking revenues. The LTGO bonds are summarized later in this staff report. The CCC Levy Fund 2025 budget includes \$37.3 million of appropriation authority intended to be used to cover capital costs at the Broadway Facility. Of this, \$23.8 million is intended to be transferred to the Broadway Facility Fund to cover the CCC portion of the facility purchase cost.⁹

After the Polyclinic's merger with Optum, operations were mostly moved offsite and Optum is currently the only building tenant with two specialty medical clinics that would continue under a lease agreement included in the PSA. The property is zoned NC3 and has 114,660 rentable square feet¹⁰, a 321-stall capacity parking garage, and a small parcel of undeveloped land on the south end of the site. The purchase price of the building is \$38.75 million as amended by Amendment 3 to the PSA.

Purchase and Sale Agreement (PSA) and Attachments. While the proposed ordinance would authorize the supplemental appropriation necessary to purchase the

⁹ CCC Levy Fund Financial Plan, August 21, 2025. Attachment 10 to this staff report.

¹⁰ The term "rentable square feet" excludes common areas of the building shared by all occupants, such as elevator lobbies, corridors and building entrances that are not exclusive to one tenant.

property, as previously noted, Council action is not required on the Purchase and Sale Agreement (PSA). However, to inform councilmember's decision making, the following section provides a summary of the PSA and amendments as they appear as Attachments A-D to the Executive's notification letter. The PSA and three amendments are summarized in Table 1 and 2.

Table 1. Summary of Terms of PSA

Category	Terms
Council Approval Contingency	<p>The Council Approval Contingency was amended twice by the first and second amendment to the PSA.</p> <p>This contingency would be satisfied if Council does not reject the purchase by motion within 30 days of the Executive's notification letter required by the CCC Implementation Plan, and if Council appropriates the funds necessary to purchase the property by October 3, 2025.</p>
Effective Date	January 16, 2025
Easement	<p>Yes, listed in the Title Commitment:</p> <ol style="list-style-type: none"> 1.) Grantee: City of Seattle. For: Sidewalk ramp 2.) Grantee: City of Seattle. For: Two permanent streetcar cable support eyebolts.
Liens	Yes, the 2025 property taxes are listed as a lien on the property until they are paid in their entirety. According to the PAO, the Seller has been paying taxes as due and the title company confirms before closing that there are none delinquent. Taxes due show as liens until paid in full.
Purchase Price and Payment	\$38,750,000 as amended by the Third Amendment to the PSA. ¹¹
Deposit	Within three (3) business days after the Effective Date, Buyer shall deliver to Stewart Title Guaranty Company \$1,000,000.00.
Inspection	<p>At all times prior to Closing, subject to Sections 4 and 5 of the PSA, the County can:</p> <ol style="list-style-type: none"> a.) (a) enter the Property; (b) perform any and all non-invasive tests, inspections, studies, b.) surveys or appraisals of the Property on any subject deemed appropriate by Buyer; (c) perform any c.) and all invasive tests, inspections and studies of the Property as deemed appropriate by Buyer, d.) subject to the approval requirements set forth herein; and (d) examine all Due Diligence Materials <p>(defined below) related to the Property that Buyer may request from Seller.</p> <p>Buyer may terminate this Agreement by delivering written notice of termination to Seller by March 31, 2025.</p> <p>The County's inspections occurred February 18, 2025 and March 20, 2025.</p>
Deed Type	Seller shall convey to Buyer the title to the Property by bargain and sale deed.

¹¹ Executive staff indicate that Optum (the current owners) offered the county \$750,000 in concessions to move the closing date from February 2026 to December 15, 2025.

Closing Date	The Closing of the PSA shall take place on or before December 15, 2025, or such earlier date as mutually agreed between Seller and Optum.
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Table 2. Amendments to the PSA

Amendment	Terms
1	Extends the due diligence and Council contingency period from June 30, 2025, to July 30, 2025.
2	Extends the due diligence and Council contingency period from July 30, 2025, to October 3, 2025.
3	Establishes the closing date as December 15, 2025. Amends the purchase price from \$39.5M to \$38.75M. ¹² Attaches a Clinic Lease Agreement executed May 22, 2025, between the Polyclinic and Guntower Capital, LLC that would transfer to King County and commence upon closing.

Proposed Uses of the Broadway Facility. The Executive's primary intended purpose for the property is as the crisis care center for the central crisis response zone¹³. According to the transmitted materials, the Executive also intends to open a residential treatment facility (RTF) at this site, and to lease unused portions of the Broadway Facility to Optum (the current tenant) and the Harborview Bond Program. Table 3 below outlines the estimated square feet to be used for each purpose, and estimated renovation cost and revenue.

Table 3. Estimated Square Feet Per Use, Est. Revenue and Renovation Cost.

Proposed Use	Sq Ft Usage		Renovation Cost	Revenue Source	Est. Lease Revenue 26-27	Est. Lease Revenue 28-29
	Low	High				
Crisis Care Center	25,000	35,000	\$16.1M to \$17.1M ¹⁴	CCC Levy	-	-
Residential Treatment Facility	5,000	7,000	\$3.5M	CCC Levy	-	-
Optum	15,823	28,404	-	-	\$3.5M	\$3.2M
HMC Bond Program	25,000	35,000	TBD ¹⁵	HMC Bond	\$3M	\$3.2M
Total	70,823	105,404				

¹² Executive staff indicate that Optum (the current owners) offered the county \$750,000 in concessions to move the closing date from February 2026 to December 15, 2025.

¹³ The Central crisis response zone includes all of the City of Seattle and some areas of unincorporated King County in Districts 2 and 8.

¹⁴ The notification letter indicates that the estimated cost to convert the facility is \$16.1 million with an additional \$1 million needed to create a separate first responder entrance to the crisis care center.

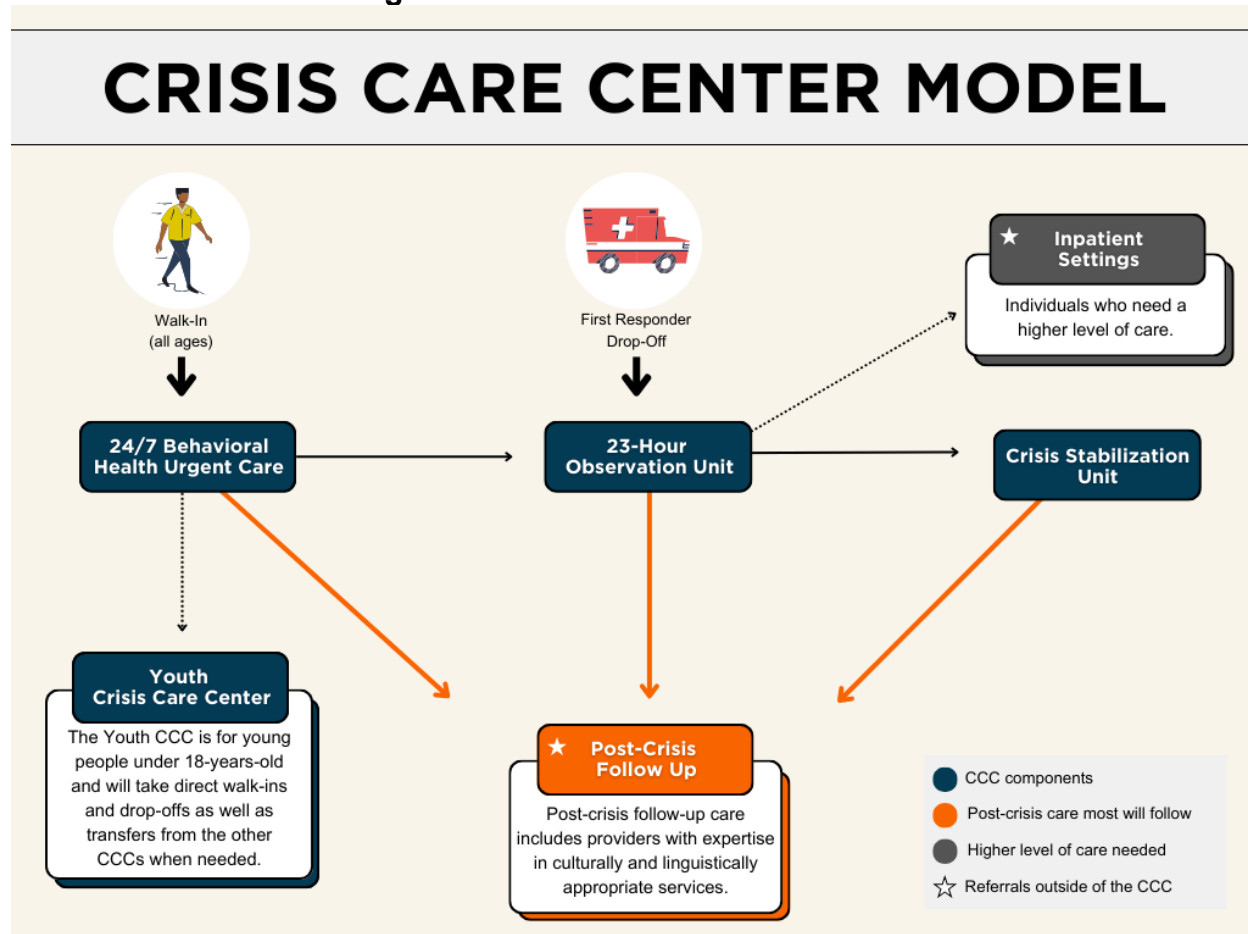
¹⁵ Executive staff state that while there are likely to be tenant improvement costs associated with the portion of the building the HMC Bond will be leasing, the details of HMC use has not been finalized and renovation costs will vary depending on what the space is used for. This is discussed later in this staff report.

CCC Operations. The CCC clinical model has three primary components:

- 24/7 behavioral health urgent care;
- a 23-hour observation unit; and
- a crisis stabilization unit.¹⁶

Individuals receiving care in any of these components can receive post-crisis follow-up care upon discharge. The Broadway Facility would include all three components of a CCC co-located within the same facility. Figure 4 below shows a visual depiction of the components of a CCC as indicated in the CCC Implementation Plan.

Figure 4. Crisis Care Clinical Model¹⁷



The CCC Implementation Plan defines site requirements for crisis care centers.¹⁸ The site requirements and Broadway Facility features are summarized in Table 5.

Table 5. CCC Implementation Plan Site Requirements

Category	CCC Plan Requirement	Broadway Facility
Sufficient Size	30,000 – 50,000 square feet of licensed clinical space.	114,660 rentable square feet; 25,000-35,000 of which is intended to be

¹⁶ CCC IP p. 49

¹⁷ Figure 13 on page 49, CCC IP

¹⁸ Figure 21 on page 69, CCC IP

		used for CCC-specific uses.
Meaningful Transportation Access	Accessible to transportation with preference given to sites with “meaningful access to public transportation, convenient access for ambulances and first responders, proximity to major transportation arterials, and free public access for any person.”	The site is located in First Hill and easily accessible by public transportation including streetcar, light rail, and bus. Easily accessible by pedestrians, bikes, and cars with close proximity to I-5. The site has dedicated parking and the Executive anticipates the site will accommodate an ambulance and first responder dedicated drop off location.
Accessibility Requirements	Compliance with the Americans with Disabilities Act. Preference given to “facility designs that incorporate the principles of universal design, meaning they are accessible to all people to the greatest extent possible without the need for adaption or specialized design.”	The facility was ADA compliant when it was originally permitted for healthcare services and Executive staff indicate that it is anticipated to become compliant again when renovated.
Zoning Requirements	Adherence to the relevant zoning and permitting laws and regulations of the jurisdiction within which a crisis care center facility is sited.	The site is zoned as neighborhood commercial 3. Crisis care centers are not listed in the Seattle Municipal Code. Additional detail regarding zoning requirements and issues is provided later in this staff report.
CCC Licensure Feasibility	Sites must be able to satisfy state licensure requirements that apply to the types of behavioral health facilities that will occupy the site.	The notification letter indicates that the initial due diligence analysis suggests the building will be able to attain the applicable licenses once renovation is complete. Washington State Department of Health Licensure may include any or all of the following: <ul style="list-style-type: none"> - Behavioral health agency license - 23-hour crisis relief center certificate - Crisis stabilization unit license

		<ul style="list-style-type: none"> - Residential treatment facility license - Withdrawal management certificate
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Crisis Care Center Operator. The Executive's notification letter indicates that the operator of the Central Crisis Response Zone (CRZ) has not been selected but according to the Executive's visual timeline of the acquisition, the operator will be announced in September 2025. DCHS and the County's Facilities Management Division intend to work closely with the selected provider on site design and remodeling. The transmitted notification letter states that the operator's involvement will inform, "decisions about clinical spaces, safety and accessibility features, staff workflow, and integration of co-located services."

Zoning Considerations. The CCC Implementation Plan requires that CCC operators adhere to zoning and permitting laws and regulations. As the notification letter indicates, there is not a specific category in Seattle Municipal Code for crisis care centers, but Executive staff indicate that the closest use is likely a hospital use under Seattle's Code. The following statement is quoted from the transmitted notification letter on page 10:

Hospitals are permitted outright in NC3 zoning. Even if the use is determined to be permitted outright, the County would likely seek to obtain a Type 1 Master Use Permit, which would formally vest the entitlement for a period of time and ensure predictability during design development.

The operations the Executive intends to operate at the Broadway Facility would include a legal nonconforming use. Executive staff indicate that an official zoning determination would not be done before the end of 2025, and not until the County submits a complete application for the master use permit, and the City of Seattle approval timeline is unknown. Councilmembers may wish to consider requesting that the Executive receive a formal interpretation issued by the Seattle's Department of Construction and Inspection's director, in order to confirm what use the City would consider a CCC.

Proposed Onsite Residential Treatment Facility (RTF). The Executive intends to open a residential treatment facilities (RTF) at this site funded by CCC levy revenue. RTFs are an eligible expense under the Levy's Supporting Purpose One to restore, expand and sustain residential treatment in King County. RTFs include many different types of 24-hour treatment to individuals with behavioral health conditions. RTFs are regulated by Washington State and can include such things as:

- Voluntary or involuntary triage facilities
- Evaluation & Treatment Services (E&T) for involuntary treatment
- Crisis stabilization units (no more than 12 hours involuntary before moved to E&T)
- Mental Health outpatient services
- Withdrawn management
- Intensive inpatient services
- Recovery House
- Long-term residential treatment services

Executive staff indicate that they plan to open a 16-bed mental health RTF on the second floor of the south building of the Broadway Facility above the crisis care center. Individuals would receive intensive treatment in this RTF within a structured setting with 24/7 support and provide co-occurring substance use disorder treatment. According to Executive staff, the length of stay for individuals at this RTF depends on individual client needs but is generally between one month and one year. Executive staff indicate that this RTF would provide, “services for individuals with severe and persistent mental illness, fostering stability, community engagement, and progression toward less restrictive housing options. These programs deliver residential stabilization and strengths-based case management services that emphasize recovery and resilience.”

Leases.

There are two leases contemplated as part of the proposed purchase of the Broadway Facility. Executive staff state that, “Given the scale of the building, the Executive intends to continue to have other tenants in the building throughout the life of its use. The building costs would still be feasible within the CCC budget if additional tenants were no longer possible.” Policy staff note that the CCC budget may only be used for CCC eligible expenditures.

Lease to Optum. A lease agreement was added to the PSA by Amendment 3 for Optum to continue tenancy for 36 months with two one-year options to extend. The lease is contingent upon the purchase of the property by King County. The lease contemplates two distinct premises (“short term” and “long term”) that total 28,404 square feet of the property. Estimated value of this lease appears in Table 6 below.

Table 6. Calculation of Lease Agreement Value for 28,404 Square Feet

Period	Annual Base Rent	Monthly Base Rent for Short Term Premises¹⁹	Monthly Base Rent for Long Term Premises²⁰	Value
Year 1	\$30.00/sf	\$31,452.50	\$39,557.50	\$852,120.00
Year 2	\$30.75/sf	\$32,238.81	\$40,546.44	\$873,423.00
Year 3	\$31.52/sf	\$33,046.09	\$41,561.75	\$895,294.08

Analysis is ongoing regarding the lease with Optum.

Lease to Harborview Bond Program. The Executive intends to lease the remaining office and healthcare space to the Harborview Medical Center (HMC) bond program, as

¹⁹ “Short Term” premises is defined as 12,581 square feet of space identified in Exhibit D of the Lease (3rd amendment to the PSA).

²⁰ “Long Term” premises is defined as 15,823 square feet of space identified in Exhibit C of the Lease (3rd amendment to the PSA).

well as a fluctuating number of parking spaces.²¹ While terms of the lease would be developed after the property is purchased, PSB estimates approximately \$3 million in revenue from the HMC Bond Program from this lease in the 2026-2027 biennium, and \$3.2 million in 2028-2029. This revenue is proposed to pay the debt service for LTGO bonds used to purchase the property. The LTGO Bond ordinance is discussed after the next section of this staff report.

According to Executive staff, the HMC bond program would use the Broadway Facility either as an “empty chair” for the HMC campus to relocate some existing services or staff temporarily, or as a mock-up space for design review by clinicians and administrators. Executive staff indicate that if the Broadway Facility is purchased, the HMC bond program is expected to move into the space in the middle of 2026 and Harborview is expected to begin leasing parking spaces starting in January 2026.

Community outreach. Attachment F to the Executive’s Notification Letter lists 47 events held from May 2025 through August 2025. This includes 12 community conversations (in person and virtual), 32 presentations, and three tours. The full list of participants appears Attachment F to the Notification Letter. A sample of participants included:

- Seattle University
- Seattle Central College
- Kroger
- First Hill Good Neighbor Group
- Washington Lived Experience Coalition
- Sound Alliance
- LGBTQ Commission
- Washington Peer Network
- Capitol Hill Community Council
- Mockingbird Society
- Seattle Public Libraries
- Seattle Metropolitan Chamber of Commerce Policy Group
- Greater Seattle Business Association

PO 2025-0249 – LTGO Bond Ordinance.

Proposed Ordinance 2025-0249 would further amend the LTGO bond ordinance, adding an additional \$17.5 million in bond authority, which would bring the total authorized debt issuance to \$706.5 million.

The project proposed to be added to the bond ordinance is identified in Table 7 below. Table 7 also shows the debt service anticipated in the Executive's transmitted fiscal note; the project newly proposed for bond financing is anticipated to be financed for 7 years at 4.5%. Bond financing is expected in Quarter 4 of 2025 and no debt service payments are expected in 2025.

²¹ Executive staff indicate that initially all spaces not needed by Optum would be leased to HMC, but as the CCC and RTF open, those spaces leased to HMC would be reduced by whatever is needed for the CCC and RTF operations.

**Table 7. Projects Proposed to be Added to Bond Ordinance in
Proposed Ordinance 2025-0158 and Anticipated Debt Service**

	PO 2025-0249 (Proposed)	Anticipated Biennial Debt Service	Anticipated Terms²²	Funding Source
Broadway Facility Acquisition	\$17,500,000	\$5,940,000	7 years at 4.5%	Parking and leasing revenue, backed by the CCC Levy

The LTGO bond ordinance would allow the Executive to bond for the capital expenses identified above. The \$17.5 million in financing is expected to be paid for by a combination of parking revenues, the current private lease revenue, and expected lease revenue for the HMC Bond program. The financing will be tied to the CCC Levy since those funds provide a financial backstop for the overall facility. Note that the General Fund is the financial guarantee for the bonds.

Legal Analysis. Council's legal counsel is reviewing the three proposed ordinances and legal analysis is ongoing.

INVITED

- Kelly Rider, Director, Department of Community and Human Services (DCHS)
- Susan McLaughlin, Director, Behavioral Health and Recovery Division, DCHS
- Tony Wright, Special Projects, Exec's office
- Dwight Dively, Director, Office of Performance, Strategy, and Budget
- Carol Basile, Public Finance Officer, Finance and Business Operations Division
- Ken Guy, Finance Director, Finance and Business Operations Division

ATTACHMENTS

1. Proposed Ordinance 2025-0251
2. Transmittal Letter
3. Fiscal Note
4. Proposed Ordinance 2025-0250
5. Transmittal Letter
6. Fiscal Note
7. 2025-RPT0087 Broadway Facility Notification Letter (and its attachments)
8. Executive's Polyclinic Acquisition Projected Timeline
9. DCHS Community Conversation Flyer
10. CCC Fund Financial Plan, dated August 21, 2025
11. Proposed Ordinance 2025-0249 (and its attachment)
12. Transmittal Letter
13. Fiscal Note

²² Debt payment amounts will be determined at debt issuance, when interest rates, repayment schedules, and the cost of issuance are set.



KING COUNTY
Signature Report

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

Ordinance

Proposed No. 2025-0251.1

Sponsors Mosqueda

1 AN ORDINANCE establishing the Broadway Facility
2 fund; and adding a new section to K.C.C. chapter 4A.200.

3 **STATEMENT OF FACTS:**

4 The County is acquiring the property located at 1145 Broadway, Seattle,
5 and known as the Broadway Facility building.

6 The acquisition and operating costs for the Broadway Facility will be
7 funded by bond proceeds, revenues from the crisis care centers levy, the
8 Harborview capital program, and revenues from private lease and parking.

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

10 **NEW SECTION. SECTION 1.** There is hereby added to K.C.C. chapter 4A.200
11 a new section to read as follows:

12 A. There is hereby created the Broadway Facility fund.

13 B. The fund shall be a first tier fund. It is an internal service fund.

14 C. The director of the department of executive services shall be the manager of
15 the fund.

16 D. All receipts from revenues and rates charged for acquiring and operating the
17 Broadway Facility shall be deposited in the fund.

18 E. The fund shall provide for the receipt of bond proceeds, grants, and other

- 19 revenues and disbursement of expenditures used to support the acquisition,
20 improvements, operations, and maintenance of the Broadway Facility.

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

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

August 14, 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, would create the Broadway Facility fund. This is companion legislation to the notification letter required by the Crisis Care Centers Levy Implementation Plan related to the proposed Broadway Facility purchase, which is transmitted concurrently under separate cover.

This proposed Ordinance establishes a new fund to manage all Broadway Facility revenues and expenditures within the Department of Executive Services, Facilities Management Division. Beginning in December 2025, revenue from the Crisis Care Centers levy, Limited Tax General Obligation (LTGO) Bond proceeds, lease income from the current tenant, and parking revenue would be deposited into the fund.

Thank you for your consideration of this proposed Ordinance. If you have any questions, please contact Drew Zimmerman, Director, Facilities Management Division, at 206-263-5935.

The Honorable Girmay Zahilay
August 14, 2025
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read 'Shannon Braddock', written over a horizontal line.

for

Shannon Braddock
King County Executive

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Stephanie Pure, Council Relations Director, Office of the Executive
Dwight Dively, Director, Office of Performance, Strategy and Budget

2025 FISCAL NOTE

Ordinance/Motion: 2025-xxxx
 Title: Broadway Facility Fund
 Affected Agency and/or Agencies: Department of Executive Services-Facilities Management Division
 Note Prepared By: Chris McGowan, PSB
 Date Prepared: 6/16/2025
 Note Reviewed By: Helene Ellickson
 Date Reviewed: 7/3/2025

Description of request:

The proposed Ordinances creates the new Broadway Facility fund, an internal service fund to administer costs of the Broadway Facility, located at 1145 Broadway, Seattle.

Revenue to:

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
DES	F5990				
TOTAL			0	0	0

Expenditures from:

Agency	Fund Code	Department	2025	2026-2027	2028-2029
DES	F5990	FMD	0	0	0
TOTAL			0	0	0

Expenditures by Categories

	2025	2026-2027	2028-2029
Operating Expenses	0		
TOTAL	0	0	0

Does this legislation require a budget supplemental? Yes

Notes and Assumptions:

The Broadway Facility Fund will be an Internal Service Fund (ISF), with the purpose of collecting revenues and allocating costs for the new facility located at 1145 Broadway, Seattle. The site will be used for a new Crisis Care Center, construction management for the Harborview Bond Program, and leased space.



KING COUNTY
Signature Report

ATTACHMENT 4
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0250.1

Sponsors Mosqueda

1 AN ORDINANCE relating to the Broadway Facility
2 appropriation; making a supplemental appropriation of
3 \$41,568,000 to the Broadway Facility fund; and adding a
4 new section to the 2025 Annual Budget Ordinance,
5 Ordinance 19861.

6 STATEMENT OF FACTS:

- 7 1. Ordinance 19572 authorized and the voters approved levying the new
8 property tax for crisis care centers beginning in 2024.
9 2. The Crisis Care Levy Implementation Plan identified the Seattle
10 Downtown core as a location for one of the five crisis care centers.
11 3. The building located at 1145 Broadway, Seattle, will be known as the
12 Broadway Facility.
13 4. The proposed Broadway Facility will be the location of the central
14 crisis care center.
15 5. The acquisition of the Broadway Facility will be partially funded by
16 bond proceeds with the debt service paid by lease and parking revenues.

17 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

18 NEW SECTION. SECTION 1. There is hereby added to Ordinance 19861 a new
19 section to read as follows:

22	Broadway Facility fund	\$41,568,000
----	------------------------	--------------

ATTEST:

APPROVED this _____ day of _____, _____.

Attachments: None


King County
Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800

Seattle, WA 98104

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August 14, 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 supplemental budget Ordinance that, if enacted, would appropriate \$41.6 million for the purchase and 2025 operating costs of the Broadway Facility building for conversion into a crisis care center. This is companion legislation to the notification letter required by the Crisis Care Centers Levy Implementation Plan related to the proposed Broadway Facility purchase, which is transmitted concurrently under separate cover.

The \$41.3 million purchase of the Broadway Facility will be financed with a combination of cash from the Crisis Care Centers Levy (\$23.8M) and proceeds from Limited Tax General Obligation (LTGO) Bonds (\$17.5M). This acquisition is a prudent investment in crisis care infrastructure, expediently advancing the County's commitment to expanding essential crisis response services and making possible a significant acceleration of the availability of crisis care center and mental health residential treatment facility services.

Thank you for your consideration of this proposed Ordinance. If you have any questions, please contact Dwight Dively, Director, Office of Performance, Strategy and Budget at 206-263-9727.

The Honorable Girmay Zahilay
August 14, 2025
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Karan Gill", with a stylized flourish at the end.

Shannon Braddock
King County Executive

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Stephanie Pure, Council Relations Director, Office of the Executive
Kelly Rider, Director, Department of Community and Human Services
Dwight Dively, Director, Office of Performance, Strategy and Budget

2025 FISCAL NOTE

Ordinance/Motion: 2025-xxxx
 Title: Broadway Facility Supplemental
 Affected Agency and/or Agencies: Department of Executive Services-Facilities Management Division
 Note Prepared By: Chris McGowan, PSB
 Date Prepared: 6/16/2025
 Note Reviewed By: Helene Ellickson
 Date Reviewed: 8/12/2025

Description of request:

The proposed Ordinance funds acquisition and 2025 operating expenses for the Broadway Facility, located at 1145 Broadway, Seattle

Revenue to:

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
DES	F5990	Bond Proceeds	17,500,000		
DES	F5990	Parking Revenues	33,000	1,660,500	1,744,563
DES	F5990	Outside Lease Revenues	35,000	3,569,899	3,246,136
DES	F5990	County Lease Revenues	0	3,085,583	3,216,680
DES	F5990	Crisis Care Levy	23,999,500	4,518,026	4,831,829
TOTAL			41,567,500	12,834,008	13,039,208

Expenditures from:

Agency	Fund Code	Department	FY-2025	2026-2027	2028-2029
DES	F5990	FMD	41,567,500	12,834,008	13,039,208
TOTAL			41,567,500	12,834,008	13,039,208

Expenditures by Categories

	FY-2025	2026-2027	2028-2029
Acquisition	41,250,000	0	0
Building Operations	142,500	6,840,000	7,045,200
Debt Service	175,000	5,994,008	5,994,008
TOTAL	41,567,500	12,834,008	13,039,208

Does this legislation require a budget supplemental? Yes**Notes and Assumptions:**

Assumes acquisition of the Broadway Facility on December 15, 2025.

Outside and County lease revenue is based on current and planned tenant agreements.

Parking revenues assumes \$800k annually beginning inflated by 3% per year.

Crisis Care Center Levy Additional Support is the expected additional contributions from the Crisis Care Center Levy to support the ongoing operating costs of the facility.


King County

Shannon Braddock
King County Executive

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Seattle, WA 98104

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August 14, 2025

The Honorable Girmay Zahilay Council Chair
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Zahilay:

Pursuant to Ordinance 19783, which adopted the Crisis Care Centers (CCC) Levy Implementation Plan, this letter transmits notification that the Executive has identified an existing facility at 1145 Broadway, Seattle, WA 98122, that is readily available for conversion to a crisis care center. Items 1-12 below provide the required information called for by the adopted Implementation Plan so that the County can acquire the building for a crisis care center.¹

At the same time as I transmit this notification letter, I am concurrently transmitting for Council consideration and adoption three related items:

- a proposed Ordinance to create a new Broadway Facility Fund specific to this site;
- a proposed supplemental appropriation Ordinance to support the purchase and 2025 operating expenses; and
- a proposed amendment to the limited tax general obligation (LTGO) bond authorization Ordinance 19862.

The County identified this building, located in the First Hill neighborhood of the City of Seattle, and referenced here as the Broadway Facility, as an advantageous site for the Central Crisis Response Zone (CRZ) crisis care center. This letter, the proposed supplemental appropriation Ordinance, and the proposed LTGO bond amendment Ordinance describe the anticipated funding sources for the purchase of the building which include cash from the Crisis Care Centers Levy and proceeds from Limited Tax General Obligation Bonds.

As established in Ordinance 19572, the CCC Levy's paramount purpose is establishing a network of five crisis care centers throughout King County. Currently, the County's behavioral

¹ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 74. [\[LINK\]](#)

health crisis service system relies heavily on phone support and mobile response, with few options for people to go for immediate, life-saving care when in crisis. As a result, people experiencing behavioral health crises often end up in the emergency room or jail, neither of which is equipped to provide appropriate care. The CCC Levy was designed to more quickly address this region's gap of "somewhere to go" in behavioral health crisis.²

The CCC Levy Implementation Plan establishes that in exceptional circumstances, the County may be uniquely situated to purchase a site or an existing facility readily available for development of or conversion to a crisis care center.³ In such situations, to provide the County with the flexibility to move forward expeditiously, the Implementation Plan permits levy funds to purchase such a site or facility. However, I am required to first notify the King County Council that it has identified a proposed site or an existing facility at least 30 days before the I can proceed to close on the purchase. Notably, I may proceed to closure only if the King County Council has not passed a motion rejecting the purchase.⁴

The Implementation Plan enumerates specific information that this notification letter must contain. The information contained in this letter, including the details provided below and in attachments, fulfills the Implementation Plan notification requirement.

1. **A copy of the purchase and sale agreement.** The purchase and sale agreement between King County and Guntower Capital LLC, with the first, second, and third amendments to the purchase and sale agreement, are included as Attachments A, B, C, and D.
2. **A copy of the written demonstration of the host jurisdiction's support of locating a crisis care center on the site or in the existing facility. Such demonstration may include, but not be limited to, the host jurisdiction's letter of support, memorandum of understanding, or legislation expressing support.** A written demonstration of the City of Seattle's support is included as Attachment E. Working with the City of Seattle, DCHS has agreed to partner with the City and surrounding neighborhood to draft a community launch plan for the Broadway Facility site and safety evaluations in the form of a CPTED (Crime Prevention Through Environmental Design) analysis with the Seattle Police Department. As required by the CCC Levy Implementation Plan, DCHS will also require the selected operator to create a "good neighbor policy" to help better meet community needs and ensure the successful launch of the CRZ crisis care center.⁵
3. **A description of the exceptional circumstances that makes the County uniquely situated to purchase the site or existing facility.** As established in Ordinance 19572 and the CCC Levy Implementation Plan adopted by Ordinance 19783, the County is committed to establishing a network of five crisis care centers as efficiently as possible. The CCC Levy Implementation Plan identifies the option for the County to use CCC Levy funds to purchase

² Substance Abuse and Mental Health Services Administration. (2020). National Guidelines for Behavioral Health Crisis Care - Best Practice Toolkit. [\[LINK\]](#)

³ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 74. [\[LINK\]](#)

⁴ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 74. [\[LINK\]](#)

⁵ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 98. [\[LINK\]](#)

a site or an existing facility readily available for development of or conversion to a crisis care center to allow for a more expeditious implementation of crisis care centers, under exceptional circumstances to achieve this goal.⁶ The timing of the sale, the financial resources available through the CCC Levy combined with the County's ability to bond against multiple funding sources, and the location and physical characteristics of the Broadway Facility site together make the County uniquely situated to purchase this building.

Timing of the Sale:

Purchasing the Broadway Facility at this time is critical to expediting the opening of a crisis care center. The Broadway Facility site became available for purchase before a crisis care center operator was selected for the central zone or resourced to develop a site. As of the drafting of this letter, no operator has yet been selected. The Department of Community and Human Services (DCHS) and the Facilities Management Division of the Department of Executive Services (FMD) estimate that completing site identification and due diligence prior to provider selection, along with reduced construction needs at this site, save nine to 12 months. This means site exploration has advanced months faster than an operator-led development. Acquisition by the County at this time further allows necessary planning, permitting, and renovation work to begin more expeditiously, accelerating the timeline for bringing essential crisis services online. If the County acts quickly, it will secure the property for public use and prevent it from being acquired by another buyer. If the County does not act expeditiously, purchase by another buyer would eliminate this key opportunity to more rapidly strengthen the region's behavioral health infrastructure, leaving development of a Central CRZ crisis care center on a slower timeline.

Financial Resources through CCC Levy Combined with Bonding:

The acquisition and renovation of this facility requires significant financial investment, which no single provider is likely to afford independently.^{7,8} However, the County is uniquely positioned to secure this property by leveraging multiple financial resources. In addition to CCC Levy revenue, the County has the capacity to access additional funding streams, including bonding authority. Furthermore, the County's bonding authority provides flexibility to finance the purchase and necessary renovations over time, ensuring fiscal sustainability while maintaining service continuity. This multifaceted funding approach leverages available resources and mitigates financial risk that a crisis care center operator most likely would not be able to take, by combining CCC Levy revenue with bond revenues, thereby balancing interest expenses with use of existing Levy cash. Together, these factors make the County the entity most capable of efficiently executing this acquisition. Additional details on the financial strategy can be found in Section 7 of this letter.

⁶ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 74. [\[LINK\]](#)

⁷ The CCC Levy Implementation Plan noted providers' lack of funding for capital improvements to existing mental health residential facilities. CCC Levy Implementation Plan, p. 23. [\[LINK\]](#)

⁸ The CCC Levy Implementation Plan noted: "Years of consistently paying less in Medicaid and BH-ASO funds than it costs to provide care have created a chronically underfunded behavioral health system that is challenged to meet growing needs or make long term investments. The focus on funding services rather than facilities has been made worse by limited state capital investment in community behavioral health facilities and workforce development." Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 15. [\[LINK\]](#).

Location and Physical Characteristics of the Broadway Facility Site:

The current availability of the Broadway Facility presents a unique opportunity to acquire a centrally located facility that meets the preestablished size, accessibility, and transit access requirements detailed in the Implementation Plan. The building is designed, zoned, and permitted to host healthcare services and includes more than enough square footage necessary to operate a crisis care center. Through community engagement summarized in Attachment F to this letter, DCHS has overwhelmingly heard that the neighborhood has an urgent need for crisis care center services. The building's central location in Seattle's First Hill neighborhood brings crisis services to this community while making them accessible to the larger CRZ at the same time.

The proximity of several other healthcare facilities is another compelling benefit of the location, allowing for ease of drop-off for first responders and transport between the facilities. The centrality of the location means first responders will be able to transport individuals to the crisis care center site and return out into the community more quickly.

The Broadway Facility includes 114,660 rentable square feet, more than double what is necessary for CCC operations as outlined in the Implementation Plan.⁹ This size also supports the establishment of additional behavioral health services, such as a 16-bed residential mental health residential treatment facility (RTF). The north wing would be available to be used for non-CCC Levy uses, which are detailed further in Section 7 of this letter. Because the building's north and south wings have several integrated architectural elements such as a shared elevator shaft, a single owner allows for efficient and cost-effective operations and maintenance. Additional information about the site is available in a property summary prepared by FMD that is included as Attachment G.

Based on this assessment of the physical design and location, the building closely aligns with CCC Levy siting requirements.¹⁰

4. **A description of how this purchase will accelerate the starting of crisis care center operations.** Purchasing the Broadway Facility, which is already well suited for CCC Levy uses, can accelerate a crisis care center opening by saving time and resources for future operators, described further below. Purchasing the Broadway Facility by December 2025 would make it possible to accelerate the opening of the central CRZ's crisis care center by approximately nine to 12 months. This acceleration would be possible because the County could move expediently into site planning with a selected provider, since County staff have already been performing facility due diligence and community engagement.

Saves Time for Future Operators:

As DCHS and FMD have already completed the due diligence for the site prior to operator selection, the purchase will save a selected Central CRZ crisis care center operator the time

⁹ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 69. [\[LINK\]](#)

¹⁰ Ibid.

and funding required to search for an appropriate site and do such due diligence. DCHS and FMD staff have been conducting analysis and completing due diligence on this building since fall 2024 and will have completed this process by mid-2025, with the transaction on track to be finalized before the end of 2025. Additionally, as detailed in Attachment F to this letter, DCHS began engaging community members on this site in May 2025, further expediting conversations and collaboration about the future site operations.

Building is Well Suited for Use:

The Broadway Facility is the appropriate size and location and already has the appropriate zoning in place, as described in Section 10 of this letter. This facility is already a healthcare office building and will need fewer renovations as compared to acquiring a standard office building. FMD is ready to begin collaborative design work with the operator once they are selected through the RFP process, described in Section 5 of this letter, and are under contract with the County.

5. **A description of the competitive procurement process to be used to select the operator of the crisis care center to be developed on the site or in the existing facility, including what if any consideration will be given for the selected operator to develop the site, convert the existing facility.** DCHS is using a competitive Request for Proposals (RFP) process to identify the operators for all five crisis care centers.¹¹ It launched a solicitation to select up to three crisis care center operators on September 23, 2024. Consistent with provisions in the Implementation Plan, a launch-ready site (in Kirkland) received an expedited award through the RFP on February 7, 2025. Other responses to the RFP that proposed new development of crisis care center sites were due on March 21, 2025. As of the drafting of this letter, award decisions for up to two more crisis care center operators were expected in fall 2025, with a second RFP to select the remaining providers is expected to open soon thereafter. A third RFP may be opened in 2026 if all five crisis care centers have not yet been procured.

DCHS aims to select providers for crisis care centers that offer the best value to the County and proposals that most closely align with the programmatic, financial, and policy goals described in the CCC Levy Implementation Plan that together support expanded and high-quality behavioral health crisis services for King County residents. This includes giving preference to proposals that can be developed and operated more rapidly while meeting crisis care center requirements defined in the Implementation Plan.¹²

Because DCHS and FMD were exploring this acquisition while the RFP was open, DCHS notified potential applicants that this site may serve as the site for the Central CRZ and gave them an opportunity to tour the building. DCHS expects that potential Central CRZ operators' applications will propose relevant funding and other needs to operate at this location.

¹¹ Crisis Care Centers RFP [\[LINK\]](#).

¹² Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 79. [\[LINK\]](#)

Because there are design features and components unique to behavioral health facilities that benefit from having direct experience and specialized knowledge on the design and renovation team, DCHS and FMD intend to work closely with the selected provider on site design and remodeling, as this is critical to the successful development of the site. Operator's insights will help shape the physical layout and operational flow of the space to make sure it meets the unique needs of a crisis care center. The operator's involvement will help inform decisions about clinical spaces, safety and accessibility features, staff workflow, and integration of co-located services. Early and active collaboration will also support a smoother transition from design to operations and ensure the center aligns with the crisis care center model and service delivery approach.¹³

6. **A description of the near- and long-term plans of the County retaining ownership or control of the property. If it is expected that the property will be ultimately transferred to the operator's ownership or control (i.e. lease), what conditions will be imposed on and/or considerations will be received from the operator in exchange for the property.** Given the scale and multiple uses of the building, the County expects to retain ownership of the facility over the long term.

In the near term, the County will allocate the second floor of the south wing to the Central CRZ crisis care center and intends to use the third floor for Levy-related services, such as a mental health RTF. Doing so directly supports the Levy's supporting purpose to restore residential treatment bed capacity. A lease between the County and the operators of the crisis care center and a potential RTF will formalize rights and responsibilities, but the neither will be charged rent.

Optum, a health solution and care delivery organization, currently operates specialized care clinics in the north wing of the facility.¹⁴ In May 2025, Optum agreed to extend its lease for three years, with two one-year extensions. The remaining office and healthcare space is anticipated to be leased to the County's Harborview Medical Center (HMC) bond program as the development of the new tower on the HMC campus moves forward over the next seven to 10 years. There are also 321 underground parking spaces on site. A portion of the spaces are expected be leased to the HMC bond program to temporarily make up for the loss of parking at HMC due to the building of its new tower.

The CCC Levy Implementation Plan requires a 50-year use restriction for all crisis care centers acquired with County funds. As a result, a crisis care center and mental health RTF are expected to occupy the building for the foreseeable future. The north wing leases are anticipated to extend for approximately another decade, with future uses beyond that time frame unknown.

In addition to the facility, the acquisition includes a small vacant parcel on the south side of the property of about 9,700 square feet. The existing neighborhood zoning, discussed below,

¹³ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 49. [\[LINK\]](#)

¹⁴ Optum. [\[LINK\]](#)

allows for a variety of future development options, including additional medical use, commercial, and multifamily residential. During the design development and after a provider is selected for the crisis care center, the design firm will analyze the vacant space's potential for development consistent with project scope and budget.

Should a transfer of ownership be warranted in the future, the Council's approval would be required for any building sale, and the new owner would be required to record a legal covenant requiring 50-year use for CCC Levy purposes.

7. A description of all funding sources planned to be used for the purchase of the site or existing facility when colocation of other uses at the site or in the existing facility is expected or contemplated, and a breakdown of how much money is anticipated to be expended from each funding source on the purchase of the site or existing facility.

As summarized in Table 1, the County intends to finance this \$41.25 million purchase with a combination of cash from the CCC Levy (\$23.75M) and LTGO bond proceeds (\$17.5M). The ongoing debt service for the LTGO bond is anticipated to be about \$3 million annually for seven years at a rate of 4.75 percent and would be paid for by lease income from the current tenant, the HMC bond program, and parking revenue.

Table 1: Acquisition Funds

Total Cost for Acquisition	\$41.3 million*
CCC Levy Cash	\$23.8 million
LTGO Bond Proceeds	\$17.5 million

*Estimated acquisition amounts include \$38.75M for purchase and \$2.5M estimated for anticipated fees, for a total of \$41.25M for the full acquisition price. This anticipated acquisition amount includes a \$750,000 price reduction for closing on or before December 15, 2025.

Expected income to back the LTGO bonds totals \$2.6 million annually, including an estimated \$840,000 from the existing building tenant (Optum), \$900,000 from the HMC bond program's expected use of part of the north wing, and \$800,000 from parking revenue, plus annual inflation of two and a half percent after 2026. Based on assumed County ownership by end of 2025, revenue assumptions for the acquisition include revenue from each source starting in 2026.

As shown in Table 2, annual rent and parking revenues are projected to be sufficient to cover the annual debt service for the Broadway Facility site through 2032. Total revenues projected through 2032 would be \$21.1 million, based on the assumption Optum or another tenant maintains tenancy for seven years through 2032. If Optum vacates after the initial five-year term and is not replaced by another tenant, the County would need to search for an alternate tenant. In the meantime, the County intends to create a CCC fund reserve that would serve as a contingency to cover the remaining debt service through 2032. This reserve would only be drawn upon temporarily if tenant revenues are insufficient and would not be used as a primary funding source for annual debt payments. Total debt payments through 2032 are projected to be \$21.1 million.

Table 2: Debt and Projected Revenues

Debt Service Owed	\$21.1 million
Optum rent (2026-2030)	\$4.5 million
Additional rent from Optum or other tenant (2031-2032), with CCC Fund reserve as contingency	\$3.4 million
HMC Rent (2026-2032)	\$7 million
Parking Revenue (2026-2032)	\$6.2 million
Total Estimated Tenant and Parking Revenue	\$21.1 million

The information in this section and in Section 8 of this letter show that the combined CCC Levy acquisition costs and conversion costs for the Broadway Facility site are expected to total lower the combined \$53.5 million that the CCC Levy fiscal model includes for capital costs for the central CRZ crisis care center plus one new mental health RTF.

8. **If the county will be responsible for developing the site or converting the existing facility, description of all funding sources planned to be used for developing the site or converting the existing facility, and a breakdown of how much money is anticipated to be expended from each funding source on the site or converting the existing facility.** The current estimated cost to convert the existing facility into the crisis care center is \$16.1 million, plus \$1 million to create a separate first responder entrance to the crisis care center. This estimate is based on a \$577 per square foot conversion cost applied to the portion of the building expected to be used for the crisis care center. This estimate is drawn from an FMD cost estimate based on site visits, discussions with industry experts, and a review of actual costs associated with the Kirkland crisis care center facility buildout, as well as an allowance for inflation. Based on a similar cost per square foot but a significantly smaller area, conversion costs for the mental health RTF are estimated at \$3.5 million. Combining both CCC Levy uses, the conversion cost for the site is expected to total \$20.6 million, to be funded with cash available in the CCC Levy fund. There may be some minimal costs for the HMC bond program to convert the space for the program's use, and those costs will be paid for by HMC from the 2020 bond program.
9. **If the county will be responsible for developing the site or converting the existing facility, then a description of the competitive process to be used to select the design and construction contractor or contractors (design-bid-build, design-build, GCCM, etc.) to develop the site or convert the existing facility to be used as a crisis care center, if known; and if not known, a description of the factors that need to be resolved to select a procurement process.** As described in Section 5 of this letter, FMD and DCHS believe that the input of the selected provider will benefit the design process. Therefore, FMD will initiate the contractor selection process for conversion of the facility until the second half of 2025, after the crisis care center operator has been selected and is under contract with the County. The design of a crisis care center involves many elements that are not routinely built in other projects. As a result, it is unlikely that the County would pursue an iterative-design process like a general contractor/construction manager (GCCM) model. Because the

opportunities for value engineering in this type of facility are more limited, the County expects to use a more traditional approach like design-bid-build.

- 10. A description of how the proposed site or existing facility to be purchased by the County will satisfy the site or facility requirements and preferences listed in Section V.A. Strategy 1: Create and Operate Five Crisis Care Centers: Crisis Care Center Procurement and Siting Process.** The CCC Levy Implementation Plan includes five crisis care center site requirements: sufficient size, meaningful transportation access, accessibility, zoning, and licensure feasibility. The Broadway Facility site satisfies all five requirements.

Sufficient Size:

The Broadway Facility building has sufficient space to deliver the crisis care center model's required clinical components. According to the CCC Levy Implementation Plan, sites should be able to accommodate a facility with approximately 30,000 to 50,000 square feet of licensed clinical space within one building, multiple adjacent buildings, or buildings that are connected by transportation for people accessing services. As described in Section 3 of this letter, the Broadway Facility building, which sits on a 1.5-acre lot, offers about 114,660 rentable square feet. This space is split between the north and south wings. DCHS identified the south wing as the appropriate location for the crisis care center because it has sufficient space at 65,670 square feet to accommodate both the crisis care center and RTF uses, and it can be more expediently converted to these CCC Levy-funded uses than the north wing.

Meaningful Transportation Access:

Located in the First Hill neighborhood of the City of Seattle, the Broadway Facility building is easily accessible via public transportation, including streetcar, light rail, and bus. The facility is also accessible to pedestrians and cyclists, as adjacent streets have both sidewalks and protected bike lanes. Proximity to I-5 and major transportation arterials, including Madison Street and Broadway, ensures easy access for those who are driving or transiting from other Seattle neighborhoods or other parts of King County. Dedicated parking further reduces barriers for vehicle access in this neighborhood. The County anticipates the site will accommodate convenient access for ambulances and first responders as the location and site configuration offers opportunities for dedicated drop off. As a result, the site provides a range of options for free and low-barrier public access.

Accessibility Requirements:

Per the CCC Initiative's crisis care centers RFP, crisis care center sites and buildings must be accessible for people with disabilities and comply with the Americans with Disabilities Act (ADA).¹⁵ Furthermore, the crisis care center selection process prefers facility designs that incorporate the principles of universal design, meaning they are accessible to all people to the greatest extent possible without the need for adaption or specialized design. The Broadway Facility building was in compliance with ADA standards when it was permitted for healthcare services and is anticipated to be permitted as compliant again when renovated for a crisis care center.

¹⁵ Crisis Care Centers RFP [\[LINK\]](#).

Additionally, the CCC Levy Implementation Plan emphasizes the opportunity for crisis care centers to advance behavioral health equity by increasing access to services for populations that continue to experience inequities.¹⁶ The Broadway Facility site achieves this equity goal through its central and transit-oriented location. Specifically, the Clinic's proximity to I-5 and multiple modes of public transit help promote ease of access for a wide range of King County residents, including traditionally lower income areas. The Broadway Facility building is also located near the Chinatown/International District neighborhood and the significant LGBTQIA+ community in Seattle's Capitol Hill neighborhood, easing access for disproportionately impacted groups.

Zoning Requirements:

The site is zoned as neighborhood commercial 3 with a 75-foot height limit (NC3P-75) and is located within the First Hill Urban Center. Though there is not a specific category under the Seattle Municipal Code for crisis care centers, they would most likely be classified as hospitals for zoning purposes. Hospitals are permitted outright in NC3 zoning. Even if the use is determined to be permitted outright, the County would likely seek to obtain a Type 1 Master Use Permit, which would formally vest the entitlement for a period of time and ensure predictability during design development. Additionally, the crisis care centers RFP requires compliance with relevant zoning, permitting laws, and regulations of the jurisdiction within which a crisis care center is sited.¹⁷ FMD commissioned a detailed zoning and permitting analysis for this site and is prepared to offer a detailed briefing to Councilmembers upon request.

Crisis Care Centers Licensure Feasibility:

The crisis care centers RFP requires crisis care center operators to obtain and maintain several licensures, certifications, and accreditations as required by federal regulations, the Revised Code of Washington (RCW), Washington Administrative Code (WAC), King County Code, the DCHS Behavioral Health and Recovery Division (BHRD) Provider Manual, and other applicable laws and regulations. These include but are not limited to:

- Facility licensure by the Washington State Department of Health may include any or all of the following:
 - o behavioral health agency (BHA) license;
 - o certification in behavioral health outpatient crisis, observation, and intervention;
 - o certification as a 23-hour crisis relief center (CRC);
 - o licensure as an RTF;
 - o certification as a crisis stabilization unit (CSU); and
 - o certification for withdrawal management.^{18,19}

¹⁶ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 38-39. [\[LINK\]](#)¹⁷ Crisis Care Centers RFP [\[LINK\]](#).

¹⁷ Crisis Care Centers RFP [\[LINK\]](#).

¹⁸ Ibid.

¹⁹ WA State Department of Health [\[LINK\]](#).²⁰ WA State Department of Health [\[LINK\]](#).

As CRCs are licensed under a BHA license, and the crisis care centers RFP requires BHA licensure, any CCC operator for the Central CRZ will be eligible for CRC certification. A CRC is defined as a 23-hour outpatient facility that provides a person in a behavioral health crisis with a place to go when they are experiencing a behavioral health crisis, as an alternative to a less desirable location, like an emergency room, involuntary treatment facility, or jail.²⁰ This aligns with DCHS' intent for a crisis care center. The County will work with the selected operator on any necessary site renovations to ensure the physical space satisfies licensure requirements, including RTF licensure for the CSU portion of the crisis care center. Initial due diligence analysis suggests the building will be able to attain the applicable licenses once renovation is complete.

Mental Health Residential Licensure Feasibility:

In addition to licensing and programmatic requirements for crisis care centers, the Broadway Facility can support co-location of services. The mental health residential RFP requires all applicants to be a currently licensed BHA or equivalent. Similar to the process for a crisis care center, the mental health RTF will also need to secure a license from the Washington State Department of Health. This process includes review and approval of the agency, the building design, and applicable policies and procedures, as well as a physical site inspection. The County will work with the selected provider to assure the physical space satisfies all licensure requirements.

By supporting both crisis and residential licensure processes and ensuring facility readiness for multiple programs, the County is creating the conditions necessary to fast-track the development of a fully integrated and responsive crisis care system.

Additional Site Preferences:

The CCC Levy Implementation Plan names several additional site preferences for potential crisis care centers, many of which the Broadway Facility building meets.²¹ First Hill is a dense, central, high traffic part of Seattle, making it a strategic location for the Central CRZ crisis care center. The site is near Swedish, Harborview, and Virginia Mason healthcare centers. As a result, the location can support partnerships and referral capabilities with other healthcare and social service providers.

Beyond the building's location, its physical characteristics also align with stated Implementation Plan preferences for potential crisis care center sites.²² For example, as the building is currently used for healthcare purposes, it includes infrastructure necessary to host a range of healthcare services, both for physical and behavioral health. Additionally, the facility includes potential expansion space and space that could be used for supporting service providers and the co-location of other complementary services. It also has capacity for 321 parking stalls, allowing for ample on-site parking.

²⁰ WA State Department of Health [[LINK](#)].

²¹ Crisis Care Centers Levy Implementation Plan 2024-2032, dated June 2024, p. 72-73. [[LINK](#)]

²² Ibid.

11. A description of the current land use, zoning, and permitting requirements of the site or existing facility and if the crisis care center use is not allowed outright, the plan to obtain necessary local jurisdiction authorization to develop the site or convert the existing facility to be operated as a crisis care center. Because zoning is one of the crisis care center siting requirements listed in Section V.A. Strategy 1: Create and Operate Five Crisis Care Centers: Crisis Care Center Procurement and Siting Process, zoning considerations are detailed above in Section 10 of this letter.

12. Identification if this purchase would result in the first crisis care center for the crisis response zone. This purchase would result in the first crisis care center in the Central CRZ.

The CCC Levy was designed to meet the urgent behavioral health needs of King County residents effectively and efficiently. The identification and purchase of the existing building aligns with the flexibility provisions outlined in the CCC Levy, allowing for the timely acquisition of a strategically located site to serve the Central CRZ.

This acquisition represents a prudent investment in crisis care infrastructure, expediently advancing the County's commitment to expanding essential crisis response services and accelerating the availability of crisis care center and mental health RTF services for King County residents in need. Throughout the community engagement process, DCHS heard about the overwhelming need for these services from the broader community and those who live in the immediate neighborhood. DCHS has also heard concerns about the necessity to work with the community, the City of Seattle, and surrounding businesses to collectively address greater public safety issues in support of the successful launch of the Broadway Facility and continued vibrance of Capitol Hill area. DCHS is committed to working with community, the City, and surrounding businesses, and in so doing, will continue to advance our commitment to making a welcoming community where everyone can thrive.

I appreciate your continued partnership as we work deliver on the promise of the CCC Levy and build a network of crisis care centers across our region.

If your staff have any questions, please contact Kelly Rider, Director, Department of Community and Human Services, at 206-263-5780.

The Honorable Councilmember Zahilay

August 14, 2025

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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

Melani Hay, Clerk of the Council

Karan Gill, Deputy King County Executive

Stephanie Pure, Council Relations Director, Office of the Executive

Derek Baker, Chief Strategy Officer, Office of the Executive

Kelly Rider, Director, Department of Community and Human Services

Anthony Wright, Director, Facilities Management Division

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered effective 1/16/2025, 2025 (the “Effective Date”) by and between **GUNTOWER CAPITAL LLC**, a Washington limited liability company (the “Seller”), and **KING COUNTY**, a political subdivision of the State of Washington (the “Buyer”). Seller and Buyer are also referred to herein individually as a “Party” or collectively as the “Parties.”

RECITALS

A. Seller (as purchaser, “PSA Buyer”) is party to that certain Purchase and Sale Agreement with the Polyclinic MSO, LLC, a Delaware limited liability company (as seller) (“Polyclinic”), dated January 10, 2024, governing Seller’s acquisition of the Property (the “Polyclinic PSA”), a copy of which is attached hereto as **EXHIBIT 1**.

B. Seller has the right pursuant to the Polyclinic PSA to acquire ownership of that certain real property located at 1145 Broadway, in the City of Seattle, King County, State of Washington, the legal description of which is attached hereto as **EXHIBIT A** (the “Land”).

C. Seller desires to sell the Property (as defined below) and Buyer desires to purchase the Property, under the terms and conditions identified herein.

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 PROPERTY

1.1. PROPERTY TO BE SOLD. Seller shall sell and convey to Buyer on the Closing Date (as hereinafter defined) and Buyer shall buy and accept from Seller on the Closing Date the following assets and properties:

1.1.1. fee simple interest in and to the Land;

1.1.2. all of the buildings, structures, structural appurtenances, facilities, installations and other improvements of every kind and description now or hereafter in, on, over and under the Real Property and all plumbing, gas, electrical, ventilating, lighting and other utilities and utility systems, ducts, hot water heaters, air conditioning systems and all other building systems and fixtures attached to or comprising a part of the building (collectively, the “Improvements”, and together with the land, collectively, the “Real Property”);

1.1.3. all easements, rights-of-way, appurtenances and other rights and benefits thereunto belonging to, on or abutting the Real Property;

1.1.4. any and all fixtures, tools, machines, appliances, apparatus, equipment, signs and all other personal property located on or about and otherwise used in connection with the Real Property and the businesses conducted thereon owned by Seller (collectively, the “Personal Property”). The Personal Property includes (to the extent applicable), but is not limited to, (a) all deposits made or other security given to utility companies, all deposits made or other security given to any other individuals or entities for any purpose whatsoever, all tax credits, all real property tax refunds (excluding any rights to receive tax refunds resulting from appeals of property tax assessments relating to the period of Seller’s ownership of the Personal Property and the Real Property), and all refundable fees paid to any governmental, quasi-governmental or private body, all cash refunds and credits of any type, all refundable fees paid to any other individuals and entities for any purpose whatsoever, (b) all heating, lighting, plumbing, drainage, electrical, air conditioning, and other mechanical fixtures and equipment and systems, (c) all elevators, and related motors and electrical equipment and systems, (d) all hot water heaters, furnaces, heating controls, motors and equipment, all shelving and partitions, all ventilating equipment, and all disposal equipment, (e) all equipment used in connection with the use and or maintenance of the common areas, and (f) all carpet. The Personal Property expressly excludes property belonging to tenants or other third parties.

1.1.5. any intangible property relating to the Real Property (collectively, the “Intangible Property”), including but not limited to the following: (a) all plans, specifications and surveys; (b) all engineering (including storm water management plans), soil, environmental and inspection reports; (c) all property management reports, marketing reports, marketing displays and brochures; (d) all warranties from contractors, architects, engineers and material and labor suppliers whether written or implied, and any other warranties, guaranties, indemnities and claims for the benefit of Seller with respect to the Real Property or any portion thereof; (e) all insurance proceeds; (f) all books, records and financial statements relating to operations of the Real Property in Seller’s possession; and (g) Seller’s interest in the goodwill associated with the operation of the businesses currently conducted at the Real Property (including any contracts, agreements or documents relating thereto); and (h) permits, licenses, certifications, authorizations and approvals, and the rights of Seller thereunder, issued by any governmental, regulatory, or private authority, agency, or other entity. Intangible Property shall not include any privileged documents or information of Seller.

1.1.6. all Assigned Contracts, if any.

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

1.2. POLYCLINIC PSA; LEASE; AGREEMENT TO CONVEY CONTRACT RIGHTS.

1.2.1 Seller shall use good faith efforts to obtain from Polyclinic, on or before February 14, 2025, an amendment to the Polyclinic PSA, pursuant to which Polyclinic provides its (a) consent to assign the Polyclinic PSA to Buyer (i.e., make Buyer an express permitted assignee of Seller’s rights to the contract vendee interests under the Polyclinic PSA) (the “Polyclinic Assignment Consent”), and (b) approval of the Polyclinic Lease Term Sheet (as defined in Section 5.2.2).

1.2.2 Reference is made to Schedule 1.2.2 with respect to certain defined terms relevant to the Polyclinic PSA.

1.2.3 Subject to Seller obtaining the Polyclinic Assignment Consent, at any time prior to February 2, 2026, upon Buyer's written notice (the "Assignment Notice"), which may be provided in Buyer's sole and absolute discretion, Buyer may elect to take assignment of all of Seller's contract vendee interests under the Polyclinic PSA (the "Assignment Transaction"). Buyer and Seller shall, within three (3) Business Days after delivery of the Assignment Notice, enter into and execute the Assignment of Contract Interests substantially in the form attached hereto as **EXHIBIT G** (the "Assignment of Contract Interests"). Seller shall execute such documents as reasonably necessary to evidence Buyer's rights and interest to the PSA Deposit held in escrow pursuant to the terms of the Polyclinic PSA. Effective as of the date Buyer delivers the Assignment Notice, Section 7.9 is replaced with the following: "RESERVED." Notwithstanding the earlier execution of the Assignment of Contract Interests, the Seller shall convey its contract vendee interests in the Polyclinic PSA effective as of the Closing under the Polyclinic PSA (the "Assignment Date"). Upon the Assignment Date, the provisions set forth in **EXHIBIT 3** shall have full force and effect and, in the event of a conflict, supersede and replace the terms in the body of this Agreement.

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 in cash or by wire transfer of immediately available funds to or at the direction of Seller on the Closing Date a purchase price equal to the \$39,500,000.00 (the "Purchase Price").

2.2. ALLOCATION OF PURCHASE PRICE. Seller and Buyer agree that the entire Purchase Price is allocable to the Real Property and that the value of the Personal Property, Intangible Property and Assigned Contracts, if any, is *de minimis*.

2.3 DEPOSIT. Within three (3) Business Days following the Effective Date Buyer shall deliver to Stewart Title Guaranty Company, Attn: Peter Johndrow, Commercial Escrow Officer, 1420 Fifth Avenue, Suite 440, Seattle, WA 98101 (the "Escrow Agent"), in its capacity as the closing agent, immediately available cash funds in the amount of One Million Dollars (\$1,000,000) (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 added to and become part of the Deposit. Upon deposit with Escrow Agent, the Deposit shall be non-refundable except as otherwise provided in this Agreement. The Deposit shall be applied as a credit against the Purchase Price at the Closing.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF THE PARTIES AND CONDITION OF PROPERTY

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. As used herein, whenever a

warranty or representation is made to “Seller’s knowledge”, such reference shall be construed and interpreted as meaning the actual knowledge (without any duty of investigation or inquiry) of Chris Langer and Charlie Bauman. As of the date hereof and as of the Closing Date, Seller represents and warrants as follows as provided in this Section 3.1.

3.1.1 POLYCLINIC PSA. The Polyclinic PSA is in full force and effect, and a true, correct, and complete copy is attached hereto as **EXHIBIT 1**. No event has occurred that, after giving of notice or passage of time or both, would constitute a default under the Polyclinic PSA by either Seller or, to Seller’s knowledge, Polyclinic. To Seller’s knowledge, Polyclinic is not in breach of any representation or warranty made to PSA Buyers under the Polyclinic PSA. Seller holds an enforceable right to purchase the Property, subject to the terms of the Polyclinic PSA and Seller has not previously sold, transferred or conveyed any interests under the Polyclinic PSA and there are no agreements, written or oral, whereby any party shall possess an option to acquire any of Seller’s interests under the Polyclinic PSA, and Seller is the holder of the entire interest of purchaser under the Polyclinic PSA, free and clear of any liens or other encumbrances. The Polyclinic PSA has not been modified, amended or supplemented, except as expressly set forth in the definition of Polyclinic PSA in the Recitals of this Agreement. Seller has provided Buyer true, correct and complete copies of all PSA Due Diligence Materials received from Polyclinic or prepared for and/or on behalf of Seller as Due Diligence Materials. Seller has paid all amounts due and owing under the Polyclinic PSA, including the PSA Deposit to Escrow Agent. Seller has the right under the Polyclinic PSA to grant Buyer the right to inspect the Property as provided in Section 5.1 of this Agreement. Polyclinic has no right to terminate the Polyclinic PSA except as expressly set forth in the Polyclinic PSA. Seller is not aware of the existence of any defenses to the enforcement of the Polyclinic PSA.

3.1.2 ORGANIZATION; AUTHORITY. Seller is a duly organized and validly existing limited liability company under the laws of the State of Washington, and has all requisite power, authority, capacity and legal right to execute, deliver and perform the terms of this Agreement. Seller has taken all necessary limited liability company action to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered by or on behalf of Seller, and constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3.1.3 EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT. The execution, delivery and performance of this Agreement by Seller will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Seller pursuant to any existing corporate charter, certificate of incorporation, bylaws, articles of organization, limited liability company agreement, partnership agreement or other organizational documents (as applicable), or the terms of any indenture, mortgage, deed of trust, loan agreement, management agreement or other agreement or instrument to which Seller is a party or by which Seller’s property or assets is subject, nor will such action result in any violation of the provisions of any statute or any order, rule or regulation of any governmental authority having jurisdiction

over Seller and/or Seller's property or assets, and any consent, approval, authorization, order, registration or qualification of or with any individual, entity, or governmental authority required for the execution, delivery and performance by Seller of this Agreement has been obtained and is in full force and effect.

3.1.4 NO BROKER/AGENCY DISCLOSURE. Except for CBRE, Inc., which shall be paid by Polyclinic pursuant to the Polyclinic PSA, Seller has not engaged any person, firm or corporation who is or may be entitled to any brokerage commission, finder's fee or other like payment in connection with the negotiation, execution or delivery of this Agreement and/or in connection with any sale, conveyance or other transfer of the Property, or any conveyance of Seller's contract vendee rights in and to the Polyclinic PSA.

Buyer acknowledges that one or more of the principals of Seller are licensed real estate brokers under RCW 18.85 provided, however, such principals are not representing either party (as contemplated in RCW 18.85) in the transaction contemplated by this Agreement.

3.1.5 NO LITIGATION. To Seller's knowledge, there is no currently pending lawsuit, litigation or arbitration pertaining to the Property or any part thereof, nor, to Seller's knowledge, is there any pending lawsuit, litigation or arbitration pertaining against Polyclinic that could adversely affect Polyclinic's ability to convey the Property pursuant to the Polyclinic PSA. To Seller's knowledge, there is no pending or threatened condemnation or similar proceeding pertaining to the Property or any part thereof.

3.1.6 NO VIOLATIONS OF LAW. Seller has no knowledge of any outstanding violation of any law, order, regulation, code, ordinance or other legal requirement applicable to the Property. To the knowledge of Seller, there are no pending or threatened (in writing), litigation, contractor claims, insurance claims, building code violations or environmental claims or notices pertaining to the Property. To Seller's knowledge, Seller has no unpaid creditors, except for trade payables incurred in the ordinary course of business that are not past due.

3.1.7 BANKRUPTCY. Seller is not the subject of a Bankruptcy Case (as defined below), nor has Seller received a written threat of the initiation of a Bankruptcy Case. "Bankruptcy Case" means any proceeding instituted by, on behalf of, or against Seller (whether voluntary or involuntary) under or in order to take advantage of the Bankruptcy Code, or any other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments or other debtor relief laws affecting the rights, remedies, powers, privileges and benefits of creditors generally, including any proceeding pursuant to which any creditor alleges that the transfer of the Property to Buyer or the receipt of any funds by any party under this Agreement constitutes a preference or a fraudulent conveyance, or otherwise alleges in any manner that any such transfer of the Property or such funds should be set aside, held ineffective, or otherwise modified, limited or adversely affected in any manner.

3.1.8 NOT A PROHIBITED PERSON. None of Seller or any of its respective directors, indirect owners, nor, to Seller's knowledge, any of their respective affiliates is, or is directly or indirectly acting by or on behalf of, any person, group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and

Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, “Specially Designated National and Blocked Person,” or other banned or blocked person, entity, or nation pursuant to any law that is enforced or administered by the Office of Foreign Assets Control, and Seller is not engaging in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity or nation.

3.1.9 FOREIGN PERSON. Seller is not a foreign person and is a “United States Person” as such term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the “Code”) and shall deliver to Buyer prior to the Closing an affidavit evidencing such fact, and such other documents as may be required under the Code.

3.1.10 HAZARDOUS SUBSTANCES. Except as may be disclosed in the Due Diligence Materials, Seller has no knowledge of the presence, discharge, release or disposal of Hazardous Substances or damage resulting therefrom in, on or about the Property or any adjacent property, in violation of any applicable Environmental Laws.

3.1.11 LEASES; CONTRACTS AND OBLIGATIONS. To Seller’s knowledge, and except as set forth on Schedule 3.1.11 hereto, there are no leases, licenses or occupancy agreements (collectively, “Leases”) affecting any part of the Property (other than the Polyclinic PSA Lease or other leases approved of by Buyer in writing). To Seller’s knowledge, and except as set forth on Schedule 3.1.11 hereto, there are no management agreements, service contracts or other property-level agreements (collectively, “Contracts”) affecting the Property or the operation or maintenance thereof which could be binding upon Buyer after Closing. Seller has no knowledge of any of any other obligations in connection with the Property, including, without limitation, mechanics’ liens or tax liens, accounts receivable, accounts payable, utility deposits, or any other agreements relating to the ownership, development, operation or maintenance of the Property that will be binding upon Buyer after Closing, except for those matters set shown in the Existing Commitment.

3.1.12 ONGOING WORK. Other than as set forth on Schedule 3.1.12 hereto, Seller has no knowledge of any ongoing capital improvement projects at the Property or outstanding tenant improvement allowances, and Seller has no knowledge of any contractors or other parties that may be entitled pursuant to applicable law to file a lien against the Property, in each case that has not been paid in full in connection with any work performed or services provided in connection with the Property. For avoidance of doubt, Seller shall be fully responsible for all costs of work commenced prior to Closing.

3.1.13 FULL DISCLOSURE. To Seller’s knowledge, (a) no representation or warranty by Seller in this Agreement or in any instrument or certificate prepared by Seller and furnished to Buyer for Closing pursuant to the terms of this Agreement contains or will contain any untrue statement of a material fact or fails to state a material fact which is necessary to make the statements set forth therein not false; (b) all books, records, leases, agreements and other items delivered to Seller pursuant to the Polyclinic PSA have been delivered to Buyer, and (c) Seller has delivered to Buyer all material documents in Seller’s possession regarding the condition of the Property.

3.1.14 INDEMNIFICATION. Seller hereby agrees to indemnify, defend and hold harmless Buyer and Buyer's trustees, officers, directors, participants, beneficiaries, agents, attorneys, affiliates and employees (collectively, the "Released Parties") from and against all claims, causes of action, documented, out-of-pocket and reasonable costs, damages, liabilities or indebtedness of any kind or nature (including without limitation, documented, out-of-pocket and reasonable costs of investigation and attorney's fees and expenses) actually incurred by, or imposed upon Buyer or the Released Parties with respect to any breach of the foregoing representations and warranties in Section 3.1 hereof.

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 political subdivision of the State of Washington, duly organized, validly existing and in good standing under the laws of the State of Washington.

3.2.2 EXECUTION, DELIVERY AND PERFORMANCE OF AGREEMENT, AUTHORITY. The execution, delivery and performance of this Agreement by Buyer is within the powers of Buyer as a political subdivision of the State of Washington. Subject to the Contingencies in Section 5.2 of this Agreement, the performance of this Agreement by Buyer has been or will be on or before the Closing Date, duly authorized by all necessary action of 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. Buyer has not engaged any person, firm or corporation who is or may be entitled to any brokerage commission, finder's fee or other like payment in connection with the negotiation, execution or delivery of this Agreement and/or in connection with any sale, conveyance or other transfer of the Property.

3.2.4 INDEMNIFICATION. Buyer hereby agrees to indemnify, defend and hold harmless Seller and Seller's trustees, officers, directors, participants, beneficiaries, agents, attorneys, affiliates and employees (collectively, the "Released Parties") from and against all claims, causes of action, documented, out-of-pocket and reasonable costs, damages, liabilities or indebtedness of any kind or nature (including without limitation, documented, out-of-pocket and reasonable costs of investigation and attorney's fees and expenses) actually incurred by, or imposed upon Seller or the Released Parties with respect to any breach of the foregoing representations and warranties in Section 3.2 hereof.

3.3. AS-IS CONDITION OF PROPERTY. Except for Seller's limited representations and warranties as set forth in this Agreement ("Seller's Limited Representations and Warranties"), Buyer acknowledges and agrees that Seller has not made, does not make, and that Seller hereby specifically disclaims, any and all representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, known or unknown, of, as to, concerning or with respect to: (i) the nature, quality or condition of the Property, including, without limitation, the water, soil, geology, and environmental condition on, of and/or under the Property; (ii) the income that may be derived from

the Property; (iii) the suitability of the Property for any and all development, construction, activities and uses which Buyer may conduct thereon; (iv) the compliance of or by the Property or its operation (whether existing or contemplated) with any applicable law, rule or regulatory requirement; (v) the habitability, merchantability or fitness of the Property for any particular purpose, (vi) any costs or fees required to extend, tie, or tap into any utilities serving the Property or to otherwise develop the Property, or (vii) any other matter with respect to the Property. Buyer further acknowledges and agrees that any and all information provided or to be provided by Seller 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 representation as to the accuracy or completeness of such information. Buyer further acknowledges and agrees that the sale of the Property as provided for herein is made on an “AS-IS, WHERE-IS and WITH ALL FAULTS” basis and subject only to Seller’s Limited Representations and Warranties. For the purposes of this Agreement, the term “Hazardous Substances” shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law, and 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.

3.4 SELLER RCW 64.06.005 DISCLOSURES. Buyer and Seller acknowledge that the Real Property constitutes “Commercial Real Estate” as defined in RCW 64.06.005. Buyer voluntarily waives receipt of the seller disclosure statement required under RCW 64.06 for transactions involving the sale of commercial real estate, except for the section entitled “Environmental” if any answer to such section would be “Yes.” If applicable, the Environmental section of the seller disclosure statement completed by Seller is attached to this Agreement as **EXHIBIT B** (the “Disclosure Statement”). Buyer acknowledges receipt of the Disclosure Statement and waives its right to rescind the Agreement under RCW 64.06.030. Buyer further acknowledges and agrees that the Disclosure Statement: (i) is for the purposes of disclosure only; (ii) will not be considered part of this Agreement; and (iii) will not be construed as a representation or warranty of any kind by the Seller.

ARTICLE 4. TITLE MATTERS

4.1. CONVEYANCE. If the Polyclinic PSA is not assigned to Buyer, Seller shall convey to Buyer the title to the Property by Bargain and Sale Deed in substantially the form attached hereto as **EXHIBIT C**, subject only to the Permitted Exceptions (as defined below), the lien of current real property taxes, fees and/or charges not yet due and payable, rights reserved in federal patents or state deeds, and building or use restrictions general to the governing jurisdiction.

4.2. TITLE COMMITMENT; SURVEY.

4.2.1. Seller shall within ten (10) business days after the Effective Date obtain and provide Buyer an update to the preliminary commitment for an owner's standard coverage policy of title insurance (the "Title Commitment") previously issued by Stewart Title Guaranty Company (the "Title Company") and dated January 22, 2024 (Commitment No. 24000200039 (the version in effect as of the date hereof, the "Existing Commitment")), describing the Real Property, listing Buyer as the prospective named insured and showing as the policy amount the total Purchase Price for the Property. The costs of additional or extended title insurance coverage and/or requested title endorsements, beyond standard coverage, will be paid by Buyer. Seller hereby authorizes Buyer's use of the Existing Commitment and shall use commercially reasonable efforts to facilitate the foregoing updates to the Existing Commitment upon Buyer's request.

4.2.2. Buyer acknowledges receipt of that certain ALTA/NSPS Land Title Survey of the Real Property prepared by Terrane ("Surveyor") dated February 9, 2024 under Job No. 171050 (the "Survey"). Buyer may, at its sole cost and expense, obtain a new survey and/or request updates to the Survey to, among other things, add Buyer's name as an addressee of the Survey and to update the Survey to conform to any updates to the Title Commitment and/or requirements of the Title Company necessary to issue the Title Policy. Seller hereby authorizes Buyer's use of the Existing Survey and shall use commercially reasonable efforts to facilitate the foregoing updates to the Existing Survey upon Buyer's request.

4.3. REVIEW OF TITLE COMMITMENT AND SURVEY. Buyer shall have until the expiration of the Due Diligence Period to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment or Survey ("Buyer's Objections"). Any exceptions or other items that are set forth in the Title Commitment or Survey and to which Buyer does not object at least ten (10) days prior to the expiration of the Due Diligence Period shall be deemed to be permitted exceptions (the "Permitted Exceptions"). Seller shall notify Buyer within five (5) Business Days after Seller receives Buyer's Objections of any exceptions to title which Seller will not, in good faith, attempt to remove or otherwise resolve to Buyer's satisfaction ("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 five (5) Business Days after receipt of Seller's Response. 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 three (3) Business Days to make Buyer's Objections to any new exception, Seller shall have three (3) Business Days to provide Seller's Response, Buyer may terminate this Agreement by notice to Seller within three (3) Business Days after receipt of 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. To the extent Seller agrees in a Seller's Response to remove or otherwise resolve to Buyer's satisfaction any Buyer's Objections, Seller shall cause same to be completed prior to Closing.

4.4. OWNER'S TITLE INSURANCE POLICY. At the Closing, Seller shall cause a standard owner's policy of title insurance to be issued by the Title Company in the full amount of the purchase price, effective as of the Closing Date, insuring Buyer that the fee simple title to the

Property is vested in Buyer, subject only to the Permitted Exceptions (“Title Policy”). Seller shall pay any sum owing to the Title Company for the preliminary and binding Title Commitments and the premium for a base Title Policy (without extended title coverage or any desired title endorsements). Buyer shall pay any additional premiums to obtain extended title coverage or any desired title endorsements.

ARTICLE 5. DUE DILIGENCE; 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 and confirmation of the Purchase Price by appraisal meets with its approval. If Buyer is not satisfied with the condition of the Property or the Purchase Price, Buyer may terminate this Agreement by delivering written notice of termination to Seller by March 31, 2025 (“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, except for such obligations as are designated to survive the termination of this Agreement.

5.1.1. RIGHT OF ENTRY AND INSPECTIONS. At all times prior to Closing, but subject to the conditions and requirements of Sections 4 and 5 of the Polyclinic PSA, Seller shall make provision for Buyer, its designated representatives, agents, consultants or other persons reasonably identified by Buyer (including, without limitation, prospective operators, vendors, or providers) to (a) enter the Property; (b) perform any and all non-invasive tests, inspections, studies, surveys or appraisals of the Property on any subject deemed appropriate by Buyer; (c) perform any and all invasive tests, inspections and studies of the Property as deemed appropriate by Buyer, subject to the approval requirements set forth herein; and (d) examine all Due Diligence Materials (defined below) related to the Property that Buyer may request from Seller. Buyer shall have the right, in its discretion, to determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyer’s intended use or development of the property; and whether Buyer’s intended use or development of the property is feasible. Buyer shall provide Seller with a minimum of three (3) Business Day advance verbal or email notice prior to entry to the Property and such right of entry will be limited to those times and dates that will not disrupt the current use of, or operations and activities on, the Property, and shall otherwise be in compliance with the terms and conditions of Section 5 of the Polyclinic PSA. Buyer shall not conduct any physically invasive and/or subsurface testing of the Property (including but not limited to environmental and soils sampling, seismic testing or geologic testing) unless such testing and/or analysis is approved in advance and in writing by Seller and Polyclinic, which approval from Seller will not be unreasonably withheld if Buyer’s Phase I environmental assessment recommends obtaining a Phase II environmental site assessment, and which approval from Polyclinic shall be governed by the terms of Section 5 of the Polyclinic PSA. If Buyer proposes any physically invasive or subsurface testing of the Property, it shall provide Seller with a written request at least five (5) days prior to the proposed testing that identifies the scope and location of the proposed testing, the party performing the test(s) and the proposed dates of testing. Upon completion of any testing, Buyer shall restore the Property to (as near as is reasonably possible) its condition existing prior to the Due Diligence Period. In connection with any

inspections and/or testing of the Property, Buyer agrees to hold harmless, indemnify and defend Seller for any loss or damage, including court costs and attorneys' fees, incurred by Seller due to Buyer's inspection of the Property hereunder. Buyer's indemnification obligations as set forth in this section shall survive the Closing or the earlier termination or expiration of this Agreement.

5.1.2. DUE DILIGENCE MATERIALS. Seller previously provided to Buyer all books, ledgers and records of Seller relating to the ownership, operation, leasing, development or construction of the Property and any applicable portion thereto or any applicable interest therein, including, without limitation, the following documents, reports and materials relating to the Property, in each case, in the possession, custody, or reasonable control of Seller and/or its respective affiliates ("Due Diligence Materials"):

- a) all "Due Diligence Materials" as defined in the Polyclinic PSA (the "PSA Due Diligence Materials");
- b) architectural, engineering and design plans and specifications and related drawings and calculations, surveys and blueprints for the Property, together with any and all amendments and/or modifications thereto in respect of the Property or any portion thereof or any interest therein, in each case, in the possession, custody or reasonable control of Seller and/or its respective affiliates;
- c) surveys and structural reviews pertaining to the Property or any portion thereof in the possession, custody or reasonable control of Seller and/or its respective affiliates;
- d) engineering, soils, seismic, geologic, environmental and architectural reports, studies, tests, and plans pertaining to the Property or any portion thereof;
- e) Leases (including, without limitation, all amendments, supplements, renewals, extensions side agreements, guaranties and other documents related thereto), if any, and any brokerage agreements pertaining to such Leases, if any; and
- f) Contracts.

Upon Buyer's request, Seller shall pass along any requests for documents or information from Buyer to Polyclinic and shall use commercially reasonable efforts to coordinate with Buyer and Polyclinic in connection with such requests, including providing Buyer prompt notice of any responses received from Polyclinic. Seller shall promptly provide to Buyer all PSA Due Diligence Materials subsequently provided to Seller by Polyclinic or otherwise obtained by Seller. Seller shall make the Due Diligence Materials available to Buyer on a single electronic data site or website.

5.1.3 UPDATE OF DUE DILIGENCE INVESTIGATIONS. Notwithstanding anything to the contrary contained herein, Buyer, at Buyer's option, shall have at all times prior to Closing the right to update all due diligence investigations of the Property (including, without limitation, any Environmental Site Assessment Phase I or II, including that certain Phase I Environmental Site Assessment dated February 8, 2024 prepared by Dixon Environmental Services LLC), and Seller will make provision for access to the Real Property as set forth in Section 5.1.1, and otherwise reasonably cooperate with such updated due diligence investigations. If the Due Diligence Period has expired at the time of such updated investigations, and such updated investigations identify (i) any litigation that materially affects the ability of Polyclinic to convey the Property to Seller or Buyer (in the case of an assignment), (ii) the pending or proposed

condemnation of any portion of the Property, or (iii) any material change to the Property (including, without limitation, the discovery of any REC (as defined below), which shall be automatically deemed to be a material change to the Property) that has occurred since the Due Diligence Period expiration date (other than any changes resulting from the continued operations in the ordinary course of business, and other activities that are otherwise required or permitted under this Agreement and/or the Polyclinic PSA), then Buyer, at Buyer's election, may terminate this Agreement and receive refund of the Deposit (to the extent delivered pursuant to Section 2.3). As used herein, "REC" means the presence or likely presence of any Hazardous Materials in, on, or at the Real Property: (1) due to any Release to the environment; (2) under conditions indicative of a Release to the environment; or (3) under conditions that pose a material threat of a future Release to the environment. As used herein, "Release" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility, or fixture).

5.1.4. THIRD-PARTY REPORTS. Seller, at no additional cost or expense to Seller charged by any third-party report preparer, agrees to reasonably cooperate with Buyer in connection with Buyer's use, review and reliance on any third-party reports prepared for or on behalf of Seller with respect to the Property, as may be reasonably requested by Buyer. Without limiting the generality of the foregoing, Seller shall facilitate connections and communications with such third-party report providers and shall use commercially reasonable efforts to obtain certifications or reliance letters from such third-party providers naming Buyer as a party that may rely on the contents of such reports, provided that, except for the Survey, such certifications or reliance letters are not a condition of Closing.

5.1.5 DCHS INSPECTION RIGHTS. Subject to the rights and obligations of Buyer set forth in this Section 5.1, Buyer's inspection rights are expressly intended to allow the King County Department of Community and Human Services ("DCHS") full access and rights to inspect the Building and Due Diligence Materials, including, without limitation, the right of DCHS and any proposed operators, service providers or vendors intended to be engaged by DCHS in connection with post-Closing operation of the Building by DCHS to enter and inspect the Property.

5.2. CONTINGENCIES.

5.2.1 METROPOLITAN KING COUNTY COUNCIL CONTINGENCY. Buyer's obligation to Close pursuant to this Agreement is contingent upon the approval of (a) the purchase of the Property by the Metropolitan King County Council (the "Council") under the terms and conditions of this Agreement, and (b) the appropriation of the funds necessary to consummate the purchase of the Property (collectively, the "Council Approval Contingency"). For avoidance of doubt, the "approval" from the Council necessary to satisfy foregoing item (a) of the Council Approval Contingency may, at Buyer's discretion and if permitted by applicable King County ordinance, be satisfied by (i) giving the Council formal notice of Buyer's intent and desire to purchase the Property under the terms and conditions of this Agreement, and (ii) the Council thereafter not rejecting such purchase within the applicable statutory timeframes, subject to budget appropriations.

5.2.2 POLYCLINIC CONTINGENCY. Buyer's obligation to Close pursuant to this Agreement is contingent (the "Polyclinic Contingency" and together with the Council Approval Contingency, collectively, the "Contingencies") upon Polyclinic (or an affiliate thereof), as tenant, executing a lease agreement with Seller, as landlord, (the "Polyclinic Long-Term Lease"), for the lease of a portion of the Property subject to the terms and conditions of **EXHIBIT 4** attached hereto (the "Polyclinic Lease Term Sheet"). Seller, with input from Buyer, shall use commercially reasonable efforts to negotiate and prepare the form of the Polyclinic Long-Term Lease with Polyclinic, provided, however, Seller shall not agree to the final form of Polyclinic Long-Term Lease without Buyer's prior written consent. For avoidance of doubt, the Polyclinic Long-Term Lease is separate and distinct from the Polyclinic PSA Lease as defined in **EXHIBIT 2** hereto; provided, however, that to the extent the Polyclinic Long-Term Lease includes the period between the Early Closing Date and the original "Closing Date" under the Polyclinic PSA (as such term is defined in the Polyclinic PSA), then such Polyclinic Long-Term Lease shall be deemed to satisfy both the Polyclinic PSA Lease and Polyclinic Long-Term Lease requirements under this Agreement.

5.2.3 CONTINGENCY PERIOD. Buyer shall have until June 30, 2025 (the "Council Contingency Period") to determine that the Council Approval Contingency has been satisfied or to waive same, in Buyer's sole and absolute discretion. Buyer shall have until the expiration of the Due Diligence Period to determine that the Polyclinic Contingency has been satisfied or to waive same, in Buyer's sole and absolute discretion. If all Contingencies are not satisfied or waived by Buyer in writing on or before the expiration of the Council Contingency Period with respect to the Council Approval Contingency or the expiration of the Due Diligence Period with respect to the Polyclinic Contingency, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder, except those that expressly survive the termination of this Agreement.

5.3. ASSIGNED CONTRACTS. Prior to the expiration of the Due Diligence Period, Buyer shall notify Seller which of the Contracts, if any, Buyer desires to assume at Closing (collectively, the "Assigned Contracts"). To the extent that Buyer does not expressly elect to assume any particular Contract, Seller shall be responsible for terminating such Contract on or prior to the Closing, and if such termination requires the payment of a penalty or fee, such fee or penalty shall be paid by Seller, which obligation shall survive Closing.

5.4. RISK OF LOSS. Promptly after obtaining knowledge thereof, Seller shall give Buyer written notice of any condemnation, damage or destruction of the Property occurring prior to the Closing. If prior to the Closing all or a material portion of the Property is condemned, damaged or destroyed, provided Polyclinic does not exercise any rights it may have to terminate the Polyclinic PSA, Buyer shall have the option of either (i) applying the net proceeds (after deducting Seller's reasonable out-of-pocket costs of obtaining such proceeds) of any condemnation award or payment under any insurance policies toward the payment of the Purchase Price, receiving from Seller an amount equal to any applicable deductible payable under any such insurance policy and receiving an assignment from Seller of Seller's right, title and interest in any such award or payment (including any such award or payment payable to Seller under the Polyclinic PSA), or (ii) terminating this Agreement by delivering written notice of such termination to Seller within fifteen (15) Business Days after Buyer has received written notice from Seller of such material

condemnation, damage or destruction. If prior to the Closing an immaterial portion of the Property is condemned, damaged or destroyed, the net proceeds (after deducting Seller's reasonable out-of-pocket costs of obtaining such proceeds) of any condemnation award or payment and any applicable deductible under any insurance policies shall be applied toward the payment of the Purchase Price to the extent such condemnation award or insurance payment has been received by Seller, and Seller shall assign to Buyer all of Seller's right, title and interest in any such award or payment. For purposes of this Section 5.4, condemnation will be considered to be "material" if (x) it is a taking of either (i) ten (10%) or more of the Real Property, or (ii) access to the Property, or (iii) parking for the Real Property which results in the parking becoming non-compliant with applicable zoning requirements, or (y) Polyclinic has the right to any condemnation proceeds that are not transferrable to Seller. For purposes of this Section 5.4, damage or destruction to the Property will be considered to be "material" if (x) either (a) the cost to repair or replace shall exceed ten percent (10%) of the Purchase Price, as determined by a licensed general contractor, or (b) the damage or destruction is uninsured and Seller does not elect to cause the damage or destruction to be repaired or restored or give Buyer a credit at Closing for such repair or restoration, or (y) Polyclinic has the right to decide whether to repair or restore the damage and elects not to complete such repairs or restoration and does not transfer any insurance proceeds to Seller in accordance with the Polyclinic PSA. Upon a termination of this Agreement pursuant to this Section 5.4, the Parties shall have no further obligations hereunder, except those that expressly survive the termination of this Agreement.

ARTICLE 6. COVENANTS OF SELLER PENDING CLOSING

6.1. POLYCLINIC PSA. With respect to the Polyclinic PSA, until the earlier of the Closing Date or the Assignment Date, Seller agrees as follows: (i) Seller will keep the Polyclinic PSA in full force and effect and will abide by all of the terms and conditions of the Polyclinic PSA in its role as PSA Buyer; (ii) Seller, as PSA Buyer, will pay when due all payments which are and which become payable under the Polyclinic PSA and timely carry out and perform all other terms, covenants, provisions and conditions of the Polyclinic PSA on behalf of PSA Buyer to be performed and shall not cause a default thereunder; (iii) Seller, as PSA Buyer, will not, and will not agree to, amend, modify or terminate the Polyclinic PSA or make any election or take any other action under the Polyclinic PSA without the prior consent of Buyer, which may be withheld or granted in Buyer's sole and absolute discretion, except in the event of amendments which do not alter or otherwise have an adverse effect on Buyer's rights or obligations hereunder or PSA Buyer's rights or obligations under the Polyclinic PSA, for which Buyer will not unreasonably withhold its consent; (iv) Seller will not assign, convey or otherwise transfer or encumber all or any portion of Seller's contract vendee interests in the Polyclinic PSA; (v) Seller will provide Buyer with copies of all notices and/or demands given or received under the Polyclinic PSA (x) simultaneously with respect to any notices or demands delivered to Polyclinic, or (y) within one (1) Business Day after receiving such notice; (vi) Seller will use commercially reasonable efforts to cause Polyclinic to perform all of its obligations set forth in the Polyclinic PSA, including, without limitation, Polyclinic's obligations set forth in Section 17 of the Polyclinic PSA; (vii) prior to the Polyclinic PSA being terminated by Seller, Seller shall notify Buyer of the circumstances surrounding such termination event and Buyer shall have no less than two (2) Business Days after it receives written notice to take assignment of all of Seller's right, title and interest under and

pursuant to the Polyclinic PSA, such assignment to be in form and substance reasonably acceptable to Buyer and Seller; and (viii) give Buyer prompt written notice of any change in any of the information contained in the representations and warranties made by Polyclinic under the Polyclinic PSA. . The terms in this Section 6.1 shall survive the Closing.

6.2. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the Effective Date and the Closing Seller shall (i) take such actions as may be necessary and within its control to assure that the representations and warranties set forth in Section 3.1 hereof will be true and complete as of the Closing (except such representations, warranties and matters which relate solely to an earlier date), (ii) take such actions as may be necessary to ensure that 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 (iii) give Buyer prompt written notice of any 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. To the extent within the reasonable control of Seller, Seller shall operate and maintain the Property, in a manner generally consistent with the manner in which the Property has been operated and maintained prior to the date hereof. Seller will not (and shall not consent to Polyclinic's request to), without Buyer's prior written consent (in Buyer's sole discretion), (a) amend, renew (other than any renewal which is automatic or can be done at the sole option of the tenant thereunder) or terminate any Leases or any Contracts, or (b) enter into any new Leases (other than the Polyclinic PSA Lease or other leases approved of by Buyer in writing) or Contracts, unless the same can be (and will be) terminated prior to Closing without penalty to Buyer or is otherwise permitted under Section 6.3 below. Except as may be conducted in the ordinary course of operation and maintenance of the Property, and/or as required by applicable law, Seller shall not, and Seller shall not permit authorize Polyclinic to, alter, deconstruct, demolish, or otherwise remove Improvements, fixtures, or other personal property from the Property without Buyer's prior written consent (in Buyer's sole discretion).

6.3. EXCLUSIVITY. Between the Effective Date and the Closing or earlier termination of this Agreement, Seller shall not enter into any agreements to sell or convey the Property. In addition, Seller shall not convey its contract vendee rights under the Polyclinic PSA to any party of than Buyer. Notwithstanding any provision to the contrary in the Polyclinic PSA, Seller may not convey its contract vendee rights under the Polyclinic PSA to any affiliate of Seller, the express intent of this Agreement being that Seller and PSA Buyer are the same entity, provided that Seller may assign its rights for the purposes of a like kind exchange of property pursuant to section 1031 of the Internal Revenue Code 1031, so long as Buyer incurs no liability, obligation, cost or expense associated with such assignment and exchange.

ARTICLE 7.

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 (or on such earlier date as set forth herein), and Seller shall, to the extent within its control, exert its best efforts to cause such conditions to be fulfilled:

7.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to the Closing all documents required by the terms of this Agreement to be delivered to Buyer.

7.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing shall have been performed in all respects.

7.3. TITLE. Seller shall have cured any exceptions to title to which Seller agreed to remove or resolve under Section 4.3 and the Title Company shall be irrevocably committed to issue the Title Policy as required by Section 4.4 of this Agreement.

7.4. REPRESENTATIONS. The representations and warranties by Seller set forth in Section 3.1 being true and correct in all respects as of the Closing.

7.5. CONTINGENCIES. The Council Contingency shall have been satisfied or waived on or before the expiration of the Council Contingency Period and the Polyclinic Contingency shall have been satisfied or waived on or before the expiration of the Due Diligence Period.

7.6. POLYCLINIC REPRESENTATIONS. The representations and warranties of Polyclinic contained in the Polyclinic PSA shall be true and correct in all respects as of the Closing.

7.7. LEGAL PROCEEDINGS. No court order, injunction, legal action, suit or other legal proceeding are pending against Seller or Polyclinic as of the Closing Date (i) seeking to restrain or prohibit in any respect the purchase and sale of the Property or the consummation of the transaction under this Agreement or Polyclinic PSA, (ii) seeking damages with respect to such purchase and sale or the consummation of the transaction under this Agreement or Polyclinic PSA, or (iii) that could, if determined adversely against Seller or Polyclinic, materially and adversely affect the ownership or operation of the Property (which, for purposes of this Section 7.7, means any court order, injunction, legal action, suit or other legal proceeding which disputes the ownership of the Property or seeks to restrain or prohibit in any respect the operation of the Property).

7.8. PROPERTY CONDITION; NO LEASES OR CONTRACTS. That, on the Closing Date, the Property shall be in substantially the same condition existing as of the Effective Date, including, without limitation, the same environmental condition existing as of the Effective Date. There are no Leases or Contracts affecting the Property, other than Assigned Contracts, if any, and the Polyclinic PSA Lease or Polyclinic Long-Term Lease, as applicable.

7.9. CLOSING ON POLYCLINIC PSA. Except in the case of an assignment of the Polyclinic PSA to Buyer, Seller shall have closed on its acquisition of the Property pursuant to the Polyclinic PSA. In the event Polyclinic defaults and does not sell the Property to Seller, Seller shall not be considered to be in default of this Agreement, but shall be required to pursue all of its remedies under the Polyclinic PSA to cause the Property to be sold to Seller using commercially reasonable efforts. In such event, Buyer agrees to delay the Closing on a day-for-day basis until the PSA Closing. However, if despite Seller's good faith efforts, using all commercially reasonable resources (including, if necessary, litigation), Seller is unable to cause the PSA Closing to occur on or before March 31, 2026, either Party shall have the right to terminate this Agreement by written notice to the other Party, in which event this Agreement shall terminate, the Deposit

shall be returned to Buyer, and the parties shall have no further obligations to the other hereunder; provided, however, if Seller notifies Buyer that Seller shall not further and diligently pursue enforcement of its rights under the Polyclinic PSA, Buyer may elect in Buyer's sole and absolute discretion, to take over the enforcement of those rights pursuant to an assignment to Buyer of the Polyclinic PSA.

7.10 WAIVER. Buyer may, in Buyer's sole discretion, upon notice to Seller and Escrow Agent, waive one or more of the conditions set forth in this Article 7.

ARTICLE 8. 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:

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

8.2. 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 respects.

8.3. WAIVER. Seller may, in Seller's sole discretion, upon notice to Buyer and Escrow Agent, waive one or more of the conditions set forth in this Article 8.

ARTICLE 9 CLOSING

9.1 CLOSING/CLOSING DATE.

9.1.1. The closing of the transactions contemplated hereby (the "Closing") shall take place on the same date as the PSA Closing (the "Closing Date"). Buyer and Seller agree acknowledge that Seller, as the PSA Buyer, has the right to accelerate the PSA Closing. At Buyer's sole option, Buyer may instruct Seller, pursuant to a written notice provided to Seller, to deliver the Early Closing Notice to Polyclinic, which Early Closing Notice shall identify the Early Closing Date under the Polyclinic PSA, as selected by Buyer in its sole discretion (but which shall be no earlier than one hundred (100) days after the date of the Early Closing Notice). The date set forth in such Early Closing Notice shall be deemed to be the Closing Date as used in this Agreement, subject to any reversion to the original "Closing Date" pursuant to the terms and conditions of Section 9.1.2 of this Agreement. Seller shall not deliver the Early Closing Notice without Buyer's express written instruction, which may be given or withheld in Buyer's sole discretion.

9.1.2. In the event Buyer elects to have Seller deliver an Early Closing Notice to Polyclinic as set forth in Section 9.1.1, Seller, as landlord, with input from Buyer, shall use

commercially reasonable efforts to negotiate and prepare the form of the Polyclinic PSA Lease; provided, however, Seller shall not agree to the final form of Polyclinic PSA Lease without Buyer's prior written consent. Notwithstanding anything to the contrary contained herein, consistent with the Polyclinic PSA, if Buyer and Polyclinic are unable to agree on the form of the Polyclinic PSA Lease, as evidenced by a written notice from Buyer to Seller of such agreement, no later than two (2) weeks prior to the Early Closing Date, then the Early Closing Notice shall be deemed null and void and Closing under this Agreement and the Polyclinic PSA will occur on the original Closing Date as contemplated herein.

9.1.3. Provided the PSA Closing has occurred and the Closing under this Agreement has not occurred on or before March 3, 2026 through no default of either Party, but subject to Section 7.9, then either Party may elect to terminate this Agreement by written notice to the other Party and the Escrow Agent. The Deposit shall be returned to Buyer effective with such termination pursuant to this Section 9.1.3.

9.2. PRORATIONS AND MONETARY LIENS.

9.2.1. PRORATIONS; ALLOCATION OF COSTS. Real property taxes, assessments and operating expenses related to the Property 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, the costs of the preliminary and binding Title Commitments and the base premium for the Title Policy, all real estate excise or other transfer taxes due in connection with this Agreement (and the transactions contemplated hereby) at Closing or otherwise and its own attorneys' fees. Buyer shall pay one-half (½) of the escrow fee charged by the Escrow Agent, the cost to record the deed, any additional title premiums to obtain extended coverage or additional title endorsements (to the extent required by Buyer), and its own attorneys' fees. All utility charges will be prorated as of the Closing Date. The parties waive the provisions of RCW 60.80.020. Except as otherwise provided in this Section 9.2.1, all other expenses hereunder shall be paid by the Party incurring such expenses.

9.2.2. TAXES. Buyer is exempt by law from the payment of real property ad valorem taxes ("Taxes") on the Property. Seller is and remains liable for the payment of such Taxes, Local Improvement District assessments ("LIDS") and assessments up to the Closing Date and any payments of Taxes, LIDs and assessments unpaid on the Closing Date will be paid from Seller's proceeds by the Escrow Agent on the Closing Date.

9.2.3. MONETARY LIENS. Except as otherwise expressly provided to the contrary in this Agreement, Seller shall pay or cause to be satisfied, at or before Closing, all monetary liens on or with respect to all or any portion of the Property. If Seller fails to pay or satisfy such liens, the Purchase Price shall be reduced by the aggregate amount necessary to satisfy and discharge such liens.

9.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At or prior to the Closing, Seller will deliver to Buyer, either directly or via escrow with the Escrow Agent, the following documents or other items:

9.3.1. A Bargain and Sale Deed (the "Deed") duly executed by the Seller

conveying the Property substantially in the form of **EXHIBIT C** attached hereto;

9.3.2. A bill of sale duly executed by the Seller in substantially the form of **EXHIBIT D** attached hereto for the Personal Property;

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

9.3.4. A general assignment duly executed by the Seller in substantially the form of **EXHIBIT F**, attached hereto.

9.3.5. An owner's affidavit in the form reasonably acceptable to the Title Company.

9.3.6. Such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonable satisfactory to Buyer and Seller, as may be required to give effect to this Agreement.

9.3.7. To the extent delivered to Seller by Polyclinic, a complete set of keys to the Improvements, appropriately tagged for identification, all access codes, security coded keys, and other access control devices for the Improvements and any and all other codes, information, documents, instruments or agreements and items which Buyer may reasonably require to carry out the intent of this Agreement.

9.3.8. To the extent not previously delivered, and to the extent available, originals of the Due Diligence Materials, which includes, without limitation, all Assigned Contracts and Leases.

9.3.9. A written notice of termination, in respect of each Contract that is not an Assigned Contract.

9.3.10. A real estate excise tax affidavit in the form required by the Washington Department of Revenue, executed by Seller.

9.3.11 A joint settlement statement, setting forth the prorations and adjustments to the Purchase Price respecting the Property to be made pursuant to this Agreement (the "Closing Statement"), executed by Seller.

9.3.12 An assignment and assumption of the Polyclinic PSA Lease and/or Polyclinic Long-Term Lease, as applicable, executed by Seller.

9.4. BUYER'S DELIVERY OF PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or by wire transfer of immediately available funds in the amount of the Purchase Price (less the Deposit) and the following properly executed documents:

9.4.1. A general assignment duly executed by Buyer in substantially the form of **EXHIBIT F**, attached hereto.

9.4.2. A real estate excise tax affidavit in the form required by the Washington Department of Revenue, executed by Buyer.

9.4.3. Such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonable satisfactory to Buyer and Seller, as may be required to give effect to this Agreement.

9.4.4 The Closing Statement, executed by Buyer.

9.4.5 An assignment and assumption of the Polyclinic PSA Lease and/or Polyclinic Long-Term Lease, as applicable, executed by Buyer.

ARTICLE 10 MISCELLANEOUS PROVISIONS

10.1 SURVIVAL; NON-MERGER. In the event that this Agreement shall terminate or expire pursuant to the terms hereof, the Parties shall have no further obligations hereunder except for any obligations and/or provisions which are expressly stated to survive such termination or expiration of this Agreement. Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall survive Closing and not merge with the recording of the Deed and shall survive for a period of twelve (12) months after Closing unless a different time period is expressly provided for in this Agreement, except for those representations set forth in Sections 3.1.2, 3.1.3, 3.1.4 and 3.1.8, each of which shall survive Closing until such time as the applicable statute of limitations for claims arising from a breach of each such representation has expired.

10.2 DEFAULT AND ATTORNEYS' FEES.

10.2.1. DEFAULT BY BUYER. In the event Closing does not occur due to a default by Buyer hereunder (and such default is not cured by Buyer within ten (10) Business Days after Seller has given Buyer written notice of same), Seller's sole and exclusive remedy shall be to terminate this Agreement by written notice to Buyer and to retain the Deposit as liquidated damages (and, in the event of such termination, the Parties shall have no further obligations hereunder, except those that expressly survive the termination of this Agreement). The Parties expressly agree that (i) the Deposit represent adequate consideration to compensate Seller for damages in the event of Buyer's default, acknowledging that actual damages may be difficult to ascertain, and (ii) that this provision does not constitute a penalty.

10.2.2. DEFAULT BY SELLER. Seller shall be deemed to be in default at any time prior to Closing of this Agreement if (a) Closing does not occur due to a default or breach of Seller hereunder (and such default is not cured by Seller within the shorter of (i) ten (10) Business Days after Buyer has given Seller written notice of same, or (ii) if such default is the result of, or otherwise is also, a default of Seller under the Polyclinic PSA as PSA Buyer, then, two (2) Business Days fewer than the time period to cure such a default provided under the Polyclinic PSA, if any), (b) Seller fails to comply with the terms and obligations in this Agreement, or Seller otherwise breaches any representations or warranties contained herein, and such failure or breach is not cured

within the shorter of (i) ten (10) Business Days after Buyer has given Seller written notice of same, or (ii) if such default is the result of, or otherwise is also, a default of Seller under the Polyclinic PSA as PSA Buyer, then, two (2) Business Days fewer than the time period to cure such a default provided under the Polyclinic PSA, if any, or (c) the transaction contemplated in the Polyclinic PSA does not occur by reason of a PSA Buyer default arising by act or omission of Seller. In the event Seller is in default of this Agreement prior to Closing as provided in the foregoing sentence, then Buyer may, as its sole and exclusive remedy for such default, either (i) terminate this Agreement by written notice to Seller and the Escrow Agent in which event the Deposit shall be immediately returned to Buyer and Seller shall reimburse Buyer for the reasonable out-of-pocket costs actually incurred to third parties in connection with this transaction but such reimbursement shall not exceed \$100,000, provided, however, that, for avoidance of doubt, any costs incurred by Buyer in connection with actions to cure a PSA Buyer default under the Polyclinic PSA pursuant to Section 10.2.4 shall not be subject to the foregoing cap or (ii) bring an action for specific performance. In seeking any equitable remedies, Buyer shall not be required to prove or establish that Buyer does not have an adequate remedy at law. Seller hereby waives the requirement of any such proof and acknowledges that Buyer would not have an adequate remedy at law for Seller's breach of this Agreement. Notwithstanding the foregoing, if Buyer elects to seek specific performance pursuant to the foregoing subsection (ii), but such specific performance request is denied by the relevant adjudicating body, then, effective one (1) day after such denial, Buyer shall be deemed to have elected the remedies under subsection (i) under this Section 10.2.2. Buyer may seek specific performance with respect to any failure by Seller to (x) convey the Property per the terms of this Agreement, or (y) assign Seller's contract vendee interest in the Polyclinic PSA as contemplated by this Agreement. Upon a termination of this Agreement pursuant to this Section 10.2.2, the Parties shall have no further obligations hereunder, except those that expressly survive the termination of this Agreement.

10.2.3. ATTORNEY'S FEES. If either Party commences any action or proceeding against the other Party to enforce this Agreement (including any action for specific performance or other equitable remedy), the prevailing party in such action or proceeding shall be entitled to recover from the other party actual and reasonable attorney's fees, costs and expenses incurred by such prevailing party in connection with such action or proceeding and in connection with enforcing any judgment or order thereby obtained, whether incurred in arbitration, at trial, on appeal, or in any bankruptcy or insolvency proceeding.

10.2.4 Default and Polyclinic PSA. Seller shall provide Buyer with written notice of any notice of default or breach of the Polyclinic PSA received from Polyclinic within one (1) day of Seller's receipt of same. Buyer shall have the right, but not the obligation, to take any and all actions to cure any alleged default of Seller, as PSA Buyer, under the Polyclinic PSA, and Seller shall coordinate and facilitate any such cure effort with Polyclinic, as may be required to effectuate any such cure. In the event Buyer expends any monies to cure a default of PSA Buyer thereunder, Buyer shall be entitled to reimbursement by Seller for such monies (which right shall survive termination of this Agreement), which right includes, without limitation, the right to set off the amount expended against the Purchase Price at Closing. Furthermore, to the extent that a Material Default (as defined below) occurs and Buyer directly purchases the Property from Polyclinic, whether pursuant to the Assignment Transaction as contemplated herein, or through direct conveyance between Buyer and Polyclinic following termination of the Polyclinic PSA, then, the

Parties acknowledge as follows: (a) neither the Purchase Price or Assignment Fee is due and payable by Buyer to Seller if Buyer directly purchases the Property from Polyclinic following termination of the Polyclinic PSA by reason of a Material Default, and (b) if the Closing occurs hereunder pursuant to an Assignment Transaction following a Material Default, the Assignment Fee shall be \$1.00. As used herein, a “Material Default” means (x) any uncured default of Seller hereunder or under the Polyclinic PSA which is the result of an intentional misrepresentation or from the willful misconduct of Seller which misconduct is cured by Buyer or which otherwise results in Polyclinic terminating the Polyclinic PSA or (y) any act of Seller to terminate the Polyclinic PSA absent written approval by Buyer, other than a termination by reason of an uncured default of Polyclinic (provided that (1) Seller timely delivers a notice of default to Polyclinic by reason of such breach, and Polyclinic does not timely cure, and (2) Seller is not also in default under the Polyclinic PSA at the time of such termination), or (z) Buyer, pursuant to Section 10.2.2, obtains an order of specific performance against Seller.

10.3 TIME.

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

10.3.2. 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 or “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.

10.4 NOTICES. Any notice required or allowed under this Agreement must be in writing and addressed to the appropriate address set forth below, and must either be: (i) hand delivered (deemed received on receipt or refusal of delivery); (ii) delivered by a nationally recognized overnight express delivery service (deemed received the next day); (iii) deposited in the United States Mail, registered or certified mail, postage prepaid, return receipt requested (deemed received the third (3rd) day after posting); or (iv) sent by electronic mail (deemed delivered on the date of transmission, so long as a copy of such notice is delivered using one of the foregoing delivery methods within two (2) business days following the date of the electronic mail transmission). Notice may be given by counsel for the parties, and such notice shall be deemed given by Seller or Buyer, as the case may be, for all purposes under this Agreement. Addresses for notice shall be as follows:

If to Buyer:	King County Real Estate Services Attention: Section Manager ADM-ES-0830 500 Fourth Avenue, Room 830
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Seattle, WA 98104
Email: steve.rizika@kingcounty.gov

with a copy to: K&L Gates LLP
Attention: Marisa N. Bocci
925 Fourth Avenue, Suite 2900
Seattle, WA 98104
Email: marisa.bocci@klgates.com

If to Seller: Guntower Capital LLC
1421 34th Avenue #300
Seattle, WA 98122
Attention: Chris Langer
Email: chris@gtcptl.com
Attention: Charlie Bauman
Email: charlie@gtcptl.com

with a copy to: Peterson Russell Kelly Livengood PLLC
10900 NE 4th Street, Suite 1850
Bellevue, WA 98004
Attention: John Sherwood Jr.
Email: jsherwoodjr@prklaw.com

If to Escrow Agent: Stewart Title Guaranty Company
1420 Fifth Avenue, Suite 440
Seattle, WA 98101
Attention: Peter Johndrow
Email: Peter.Johndrow@stewmi.com

10.5 ENTIRE AGREEMENT AND AMENDMENT. This writing (including the Exhibits and Schedules 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, signed by all Parties.

10.6. 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.

10.7. 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.

10.8. BINDING EFFECT. Subject to Section 10.14 below, this Agreement shall be binding upon and inure to the benefit of each Party and its successors and assigns.

10.9. LEGAL RELATIONSHIP. The Parties to this Agreement execute and implement this Agreement solely as seller and buyer of the Property. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

10.10. 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.

10.11. 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 any other Party in order to carry out the provisions and purposes of this Agreement. The obligations of this section shall survive Closing for a period of twelve (12) months.

10.12. 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 any 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.

10.13. NO THIRD PARTY BENEFICIARIES. This Agreement is made only to and for the benefit of the Parties and all such persons and entities indemnified under Section 5.1.1 above, and shall not create any rights in any other person or entity.

10.14. ASSIGNMENT. Neither Party shall not assign this Agreement or any rights hereunder without the other Party's prior written consent.

10.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated by the Parties and shall not be construed as if it has been prepared by one of the Parties, but rather as if all 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 any 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.

10.16. DUPLICATES AND COUNTERPARTS. Duplicate counterparts of this Agreement may be executed and together will constitute a single original document. A copy of an executed counterpart of this Agreement that is transmitted by facsimile or email in PDF or TIF (or other similar) format shall constitute an original for all purposes. Furthermore, this Agreement may be executed via DocuSign or similar electronic signature software, and such signatures shall constitute an original for all purposes.

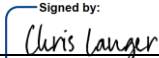
10.17. EXHIBITS AND SCHEDULES. The following exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

EXHIBIT 1	Polyclinic PSA
EXHIBIT 2	Polyclinic PSA Terms
EXHIBIT 3	Assignment Terms
Exhibit 4	Polyclinic Lease Term Sheet
EXHIBIT A	Legal Description
EXHIBIT B	Form 17 Environmental Disclosure Statement
EXHIBIT C	Bargain and Sale Deed
EXHIBIT D	Bill of Sale
EXHIBIT E	Certificate of Non-Foreign Status
EXHIBIT F	General Assignment
EXHIBIT G	Form of Assignment of Contract Interests
Schedule 3.1.11	Leases and Contracts
Schedule 3.1.12	Ongoing Work

[Signature Page Follows]

EXECUTED on the dates set forth below.

SELLER: GUNTOWER CAPITAL LLC,
a Washington limited liability company

By: 
Signed by: D65FC753403F4A1...

Name: Chris Langer

Title: Manager

Date: 1/7/2025

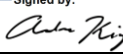
BUYER: KING COUNTY

By: 
DocuSigned by: 22F0157CCF6B4B8...

Name: Anthony O. Wright
Title: Director of the Facilities Management
Division of the Department of
Executive Services of King County

Date: 1/16/2025

APPROVED AS TO FORM:

By: 
Signed by: AB4A5094D9C34AF
Senior Deputy Prosecuting Attorney

JOINDER BY ESCROW AGENT

Stewart Title Guaranty Company, referred to in this Agreement as “Escrow Agent,” hereby acknowledges receipt of this Agreement.

STEWART TITLE GUARANTY COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT 1

Polyclinic PSA

[attached]

PURCHASE AND SALE AGREEMENT

Between

GUNTOWER CAPITAL LLC, a Washington limited liability company

as Purchaser,

and

THE POLYCLINIC MSO, LLC, a Delaware limited liability company

as Seller,

January 10, 2024

Dated ~~1st of February~~ 10th of January, 2024

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made and entered into as of 1'fo□□10,□□ (the "**Effective Date**") by and between GUNTOWER CAPITAL LLC, a Washington limited liability company and, if applicable, the Pennitted Assignee ("**Purchaser**"), and THE POLYCLINIC MSO, LLC, a Delaware limited liability company ("**Seller**").

W I T N E S S E T H:

For and in consideration of the mutual covenants and promises hereinafter set forth, the paaies hereto do hereby mutually covenant and agree as follows:

Section 1. **Agreement To Purchase.** Purchaser agrees to purchase and Seller agrees to sell, for the Purchase Price (as defined in Section 2 hereof) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to and upon each and every one of the telms and conditions hereinafter set fmih, all of Seller's rights, title and interest in the following described property (all of which are collectively refen-ed to as the "**Property**"):

(a) fee simple interest in and to the parcel of land located at 1145 Broadway, Seattle, Washington, and more particularly described on **Exhibit "A"** attached to this Agreement and made part of this Agreement (the "**Land**");

(b) all of the buildings, structures, structural appurtenances, facilities, installations and other improvements of every kind and description now or hereafter in, on, over and under the Land and all plumbing, gas, electrical, ventilating, lighting and other utilities and utility systems, ducts, hot water heaters, air conditioning systems and all other building systems and fixtures attached to or comprising a part of the building (the "**Improvements**"; and with the Land, collectively, the "**Real Property**");

(c) all easements, rights-of-way, appurtenances and other rights and benefits thereunto belonging to, on or abutting the Land; and

(d) to the extent assignable, any contracts, permits, licenses and wananties regarding the Property (collectively, the "**Property Documents**").

Section 2. **Purchase Price.** The purchase price to be paid to Seller for the Property shall be Twenty-Eight Million and No/100 Dollars (\$28,000,000.00) (the "**Purchase Price**"). The Purchase Price shall be paid by Purchaser by bank wire of same day U.S. funds as follows, subject to the prorations and adjustments set forth in Section 8 below:

(a) **Deposit.**

(i) An earnest money deposit of Five Hundred Thousand and Noll 00 Dollars (\$500,000.00) (such sum being the "**Initial Deposit**"; and together with the Second Deposit and any interest thereon, the "**Earnest Money Deposit**")

shall be deposited by Purchaser within three (3) Business Days (as hereinafter defined) after the Effective Date with Stewart Title Guaranty Company, 1420 5th Avenue, Suite 440, Seattle, Washington 98101, Attention: Peter Johndrow (the "**Escrow Agent**" or "**Title Company**"). The Initial Deposit shall immediately become non-refundable to Purchaser; however, if Closing occurs, the Initial Deposit will be applied to the Purchase Price.

(ii) On or before the date that is one year following the expiration of the Due Diligence Period, Purchaser shall deposit with Escrow Agent an additional earnest money deposit of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "**Second Deposit**"). The Second Deposit shall immediately become non-refundable to Purchaser; however, if Closing occurs, the Second Deposit, in addition to the Initial Deposit, will be applied to the Purchase Price.

(iii) The Earnest Money Deposit, while non-refundable, shall be held by Escrow Agent in an interest-bearing account (with interest credited to Purchaser).

(b) At Closing (as defined in Section 6 hereof), the balance of the Purchase Price shall be deposited with the Escrow Agent and shall be paid to Seller at Closing.

Section 3. *Escrow.*

(a) In performing any of its duties hereunder, Escrow Agent shall not incur any liability to anyone for any damages, losses or expenses, except for willful default or breach of trust, and it shall accordingly not incur any such liability with respect to:

(i) any action taken or omitted which is not in contravention of specific provisions of this Agreement and which is taken or omitted in good faith upon advice of its counsel; or

(ii) any action taken or omitted in reliance upon and in conformity with any instillment, including any written notice or instruction provided for in this Agreement, not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Agreement.

The parties hereby agree to indemnify and hold harmless Escrow Agent against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation and counsel fees and disbursements, which may be imposed upon Escrow Agent or incurred by Escrow Agent in connection with its acceptance or the performance of its duties hereunder, including any litigation arising from this Agreement or involving the subject matter hereof unless due to the gross negligence or willful misconduct of Escrow Agent. In the event of a dispute between any of the parties hereto sufficient in the discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to enter into the custody of any court of competent jurisdiction all money or property in its hands

under this Agreement, together with such legal pleadings as it deems appropriate, and thereupon be discharged from all further duties and liabilities under this Agreement. Any such legal action may be brought in such court as Escrow Agent shall determine to have jurisdiction thereof the parties shall bear all costs and expenses of any such legal proceedings.

Section 4. *Due Diligence Materials/Due Diligence Period.*

(a) Prior to the Effective Date, Seller delivered to Purchaser electronic copies of the following items to the extent the same are in Seller's possession (the "**Due Diligence Materials**"): (i) any development capacity studies, plan sets, design specifications, engineering or consultant reports, geotechnical/soils reports, and permit documentation; (ii) Seller's most recent Phase I environmental report and any other environmental reports or studies for the Property; (iii) Seller's most recent ALTA survey of the Property; (iv) as-built plans for the Property; (v) financial Statements for the Property for years 2019, 2020, 2021, 2022 and year-to-date 2023; (vi) all leases, service contracts and other agreements affecting the Property that will be binding upon Purchaser following Closing; (vii) operating expense Recovery Statements for the prior two (2) years, as well as corresponding back-up (e.g., utility bills, maintenance invoices); (viii) a rent roll for the Property, including a schedule of all outstanding tenant improvement allowances, leasing commissions, security deposits, and free and/or abated rent; (ix) capital budgets for the Property for years 2019, 2020, 2021, 2022 and 2023; (x) a list of any major repairs made to the Property over the prior three (3) years; (xi) a breakdown of the personnel employed by a third party in managing the Property, or, if the Property is managed by a third-party manager, a copy of the management agreement; (xii) Seller's existing title policy for the Property; (xiii) a copy of any unrecorded declarations or deed restrictions affecting the Property; and (xiv) a copy of all loan documents secured by the Property.

(b) Purchaser, at Purchaser's expense, shall be entitled to obtain or perform whatever investigations, tests, reports and inspections of the Property that Purchaser deems reasonably appropriate, together with all other information (other than matters of public record) obtained through inspection of the Property by Purchaser, its affiliates, lenders, engineers, employees, attorneys, accountants and other professionals or agents relating to the Property during the Due Diligence Period; provided, however, Purchaser shall not conduct any invasive or physical sampling, borings, or testing of soil, groundwater, building materials, or other substances on the Property without Seller's consent. Any final written reports by third parties obtained by and prepared for Purchaser shall be referred to collectively as the "**Purchaser's Reports.**"

Purchaser acknowledges and agrees to use the Due Diligence Materials and Purchaser's Reports solely for evaluating the purchase of the Property. The Due Diligence Materials and Purchaser's Reports will be treated by Purchaser, its affiliates, lenders, employees and agents as confidential, and will not be reproduced and/or disclosed to anyone other than on a need-to-know basis, except as otherwise required by law, and to Purchaser's agents and consultants who agree to maintain the confidentiality of such information. The Due Diligence Materials will be returned, and copies of the

Purchaser's Reports shall be delivered, to Seller by Purchaser if the Closing does not occur. The confidentiality provisions of this Section shall not apply to any disclosures made by Purchaser (x) as required by law, by court order or in connection with any subpoena served upon Purchaser; provided, Purchaser shall provide Seller with notice before making any such disclosure, or (y) to its lender(s) and/or partner(s) or investors or financial advisors, attorneys, accountants or engineers, or (z) to governmental agencies, departments or regulatory bodies if disclosures are made in connection with investigating the Property. If this Agreement is terminated prior to Closing, Purchaser shall promptly return to Seller all of the Due Diligence Materials and copies of all of the Purchaser's Reports. The obligations of Purchaser under this subsection shall survive the termination of this Agreement, and Purchaser acknowledges and agrees that these confidentiality requirements are reasonably necessary to protect and preserve the business and assets of Seller.

Purchaser shall have a period of time (the "**Due Diligence Period**"), which commences upon the Effective Date, and expires at 6:00 pm (Eastern Standard Time) forty-five (45) days thereafter within which to deliver to Seller a written notice of Purchaser's election to either (1) terminate this Agreement, and upon Seller's receipt of such written notice, this Agreement shall automatically terminate and Purchaser shall return to Seller all of the Due Diligence Materials and copies of the Purchaser's Reports, and the parties hereto shall be released of any further obligation or liability, each to the other, under the terms of this Agreement, except for those obligations intended to survive termination as expressly set forth herein; or (2) not terminate this Agreement, which election not to deliver to Seller a termination notice shall be conclusively deemed to constitute Purchaser's (i) waiver of Purchaser's right to cancel the Agreement pursuant to this Section; and (ii) desire to proceed to close the transaction contemplated hereby in accordance with the terms of this Agreement. If Purchaser fails to terminate this Agreement prior to the expiration of the Due Diligence Period, Purchaser is deemed to have waived its termination rights under this Section 4(b).

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED HEREIN, NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR CONSTRUED TO REQUIRE SELLER TO CURE ANY MATTER OR MATTERS TO WHICH PURCHASER OBJECTS OR TO REQUIRE PURCHASER TO PERMIT SELLER TO CURE ANY MATTER OR MATTERS TO WHICH PURCHASER OBJECTS.

Section 5. *Access to Property for Due Diligence.*

(a) Purchaser shall have until the expiration of the Due Diligence Period to inspect the Property and perform whatever investigations, tests and inspections Purchaser deems reasonably appropriate upon at least three (3) Business Days' prior notice to Seller; provided, however, Purchaser shall not conduct any invasive or physical sampling, borings, or testing of soil, groundwater, building materials, or other substances on the Property without Seller's consent which shall not be unreasonably withheld if Purchaser's Phase I environmental assessment recommends obtaining a Phase II environmental site assessment; provided, however, such consent

shall be conditioned on Purchaser delivering to Seller a reasonably detailed plan to complete such Phase II reasonably acceptable to Seller. During the term of this Agreement, including after expiration of the Due Diligence Period, Purchaser or its agents shall be permitted access to the Property upon at least three (3) Business Days' prior notice to Seller and, if Seller so elects, Purchaser or its agents shall be accompanied by a representative of Seller and/or Tenant during any such access. Purchaser agrees that such access shall be afforded in such a manner as not to unreasonably interfere with the current businesses or operations of Seller or Tenant or any of their respective clients, customers, suppliers or distributors. Purchaser shall indemnify Seller for any loss or damage, including court costs and attorneys' fees, incurred by Seller due to Purchaser's inspection of the Property hereunder. Purchaser shall promptly restore the Property to substantially the same condition existing prior to the commencement of such activities that disturb or alter the Property. Furthermore, Purchaser agrees to maintain and cause any of its representatives or agents conducting any surveys, tests, investigations, analysis or assessments pursuant to this Section to maintain and have in effect workers' compensation insurance, with statutory limits of coverage, and commercial general liability insurance with (i) all risk coverage (ii) waiver of subrogation, and (iii) limits of not less than Three Million Dollars (\$3,000,000) in the aggregate or Two Million Dollars (\$2,000,000) per occurrence for personal injury, including bodily injury and death, and property damage. Purchaser shall name Seller as an additional insured on such insurance.

(b) From the Effective Date until Closing, Purchaser shall be allowed to market the Property for lease prior to Closing, but no new leases (i) shall be entered into that are not contingent on the Closing of the sale of the Property to Purchaser and (ii) shall not commence prior to the Closing Date. If Purchaser desires to show the Property to a prospective tenant, Purchaser shall notify Seller and schedule any tour of the Property on a date and at a time reasonably acceptable to Seller in order to minimize any disruption in Seller's ongoing business operations at the Property.

(c) Following the Effective Date, subject to the confidentiality provisions of this Agreement, Purchaser may, in its sole and absolute discretion, pursue issuance of entitlements and permits with the City of Seattle for the Proposed Project, discuss the Property and/or Proposed Project publicly and with prospective tenants, and seek all other necessary governmental approvals to permit Purchaser to construct or modify the Property for the Proposed Project. Seller agrees to reasonably cooperate, at no liability or out-of-pocket cost or expense to Seller, with Purchaser's commercially reasonable efforts to obtain approvals, entitlements and permits that the Purchaser determines necessary for the Proposed Project, including executing, acknowledging, and delivering such documents as may be reasonably necessary and customary to affect approvals, entitlements and permits for the Proposed Project, such as signing of any application documents, and acquisition of utilities (the "**Approval Documents**"). Purchaser shall be responsible for all costs and expenses reasonably incurred by Seller in connection with Seller's cooperation under this Section 5(c). Notwithstanding the foregoing, no action by Purchaser taken under this Section 5(c) (i) may be binding upon the Property unless and until Closing

occurs and (ii) may not bind Seller without Seller's prior written consent, which consent shall be in its sole and absolute discretion, and if so consented, may not bind the Property unless and until the Closing occurs. **"Proposed Project"** means the redevelopment or renovation of the Property.

Section 6. *Closing.*

(a) Subject to the provisions of Section 7 of this Agreement, the closing of the purchase and sale transaction contemplated by this Agreement (the **"Closing"**) shall occur on the date that is two (2) years following the expiration of the Due Diligence Period (the **"Closing Date"**), or such earlier date as determined by Purchaser with at least ninety (90) days' prior written notice to Seller (**"Early Closing Notice"**) specifying the early closing date (**"Early Closing Date"**). Should Purchaser timely deliver Seller the Early Closing Notice, Seller, as tenant, and Purchaser, as landlord, shall execute and deliver a lease agreement for the Property to commence on the Early Closing Date and expiring on the Closing Date that would have occurred two (2) years following the expiration of the Due Diligence Period, having the terms and conditions set forth on **Exhibit "B"** of this Agreement (the **"Lease"**). If the Early Closing Notice is delivered, Seller shall draft the Lease and the parties shall diligently negotiate the final form of Lease in good faith. If the parties are unable to so agree at least two (2) weeks prior to the Early Closing Date, then the Early Closing Notice shall be null and void and Closing will occur on the original Closing Date.

(b) The Closing shall occur through escrow by the parties providing closing documents to the Title Company by mail or recognized overnight courier service. Nothing contained herein shall require Purchaser or Seller to be physically present at the Closing. Seller shall transfer to Purchaser physical possession of the Property at Closing, subject to the Permitted Exceptions (as hereinafter defined).

(c) **Seller Deliverables.** At or prior to Closing, Seller shall prepare and Seller shall execute, as required, and deliver, or cause to be executed and delivered to Purchaser, the following documents:

- (i) A bargain and sale deed (the **"Deed"**) conveying to Purchaser fee simple title in and to the Real Property, subject only to the Permitted Exceptions;
- (ii) A General Assignment of the Property Documents (the **"General Assignment"**);
- (iii) If applicable, the Lease;
- (iv) Commercially reasonable subordination and non-disturbance agreements executed by Seller, as tenant, under the Lease, if applicable;
- (v) A customary seller's affidavit in form and substance reasonably acceptable to Seller;

- (vi) A non-foreign affidavit that complies with the requirements of Section 1445 of the Internal Revenue Code of 1986, as amended (the **"Code"**);
 - (vii) Evidence of the existence, organization and authority of Seller and of the authority of the persons executing documents on behalf of Seller reasonably satisfactory to the Title Company;
 - (viii) A certificate certifying that each warranty and representation made by Seller in Section 11 of this Agreement is true and correct in all material respects as of the Closing as if made by Seller at such time, except as shall have been disclosed to and waived by Purchaser in writing;
 - (ix) A closing statement verifying the adjustments (if any) to the Purchase Price and other prorations, credits or charges (the **"Closing Statement"**); and
 - (x) Such other documents that may be reasonably required by the Title Company to close the transaction contemplated by this Agreement.
- (d) Purchaser Deliverables. At or prior to Closing, Purchaser shall execute, as required, and deliver, or cause to be executed and delivered to Seller, the following documents:
- (i) The General Assignment;
 - (ii) If applicable, the Lease;
 - (iii) Deliver the Purchase Price to the Title Company, plus or minus the prorations and any credits or charges, by wire transfer;
 - (iv) Evidence of the existence, organization and authority of Purchaser and of the authority of the persons executing documents on behalf of Purchaser reasonably satisfactory to the Title Company;
 - (v) A certificate certifying that each warranty and representation made by Purchaser in Section 12 of this Agreement is true and correct in all material respects as of the Closing as if made by Purchaser at such time, except as shall have been disclosed to and waived by Seller in writing;
 - (vi) The Closing Statement; and
 - (vii) Such other documents that may be reasonably required by the Escrow Agent and/or Title Company to close the transaction contemplated by this Agreement.

Section 7. *Conditions to Closing.*

(a) Purchaser shall not be obligated to close the purchase and sale transaction contemplated by this Agreement until all of the following conditions have been waived by Purchaser or satisfied (and the following shall constitute covenants of Seller hereunder):

(i) Seller has delivered those documents to Purchaser set forth in Section 6(c) of this Agreement; and

(ii) The Title Company shall be committed to provide to Purchaser, subject only to payment of the premium therefor and the Permitted Exceptions, the Title Policy.

(b) Seller shall not be obligated to close until all of the following conditions have been waived by Seller or satisfied (and the following shall constitute covenants of Purchaser hereunder):

(i) Purchaser shall have delivered to Seller those documents set forth in Section 6(d) of this Agreement.

Section 8. *Prorations; Transaction Costs.* Seller and Purchaser agree to the following prorations and allocation of costs regarding this Agreement:

(a) Seller will pay the cost of the standard coverage portion of the Title Policy and Purchaser will pay the cost of the extended coverage portion of the Title Policy and any endorsements desired by Purchaser, and the costs of any lender's policy of title insurance and any endorsements thereto, including but not limited to title search and examination fees, and premiums and endorsement costs. Purchaser will pay for any Survey.

(b) Seller and Purchaser will each pay one-half of any reasonable and customary closing fee or charge imposed by the Title Company.

(c) Seller will pay any State real estate stamp, document, deed, transfer, or excise taxes payable in connection with the recording of the Deed.

(d) Real and personal property taxes and assessments payable in the year in which Closing takes place will be prorated between Seller and Purchaser as of the Closing Date (with the Closing Date being charged to Purchaser). All prior years' taxes and assessments, if any, will be paid by Seller. The tax and assessments prorations shall be final and shall not be adjusted after Closing. Purchaser shall pay any sales or use tax applicable to the transfer of personal property included in the sale of the Property.

(e) Seller will pay the cost of recording the Deed. Purchaser will pay the cost of recording all documents related to any loan obtained by Purchaser.

(f) Utilities, water and all other operating costs of the Property will be allocated between Seller and Purchaser as of the Closing Date, so that Seller pays that part of operating costs accrued on and before the Closing Date, and Purchaser pays that part of operating costs accrued after the Closing Date. Purchaser and Seller hereby waive the right to have the Title Company disburse closing funds necessary to satisfy unpaid utility charges affecting the Property pursuant to RCW 60.80.

(g) Each of the parties will pay its own attorneys', accounting, lender and consultant fees, except that in the event of a default or dispute under this Agreement the provisions of Section 15(c) shall apply. Purchaser will pay the costs associated with Purchaser's inspection of the Property, including but not limited to the cost of any surveys or third party consultants' reports.

Section 9. *Title Commitment/Policy.*

(a) Seller shall order deliver to Purchaser a commitment for a policy of owner's title insurance (the "**Title Commitment**") for the Property from the Title Company with hyperlinks to any exceptions set forth in Schedule B of the Title Commitment. The Title Commitment shall be issued by the Title Company and shall provide for issuance of a title insurance policy in the American Land Title Association's owner's title insurance policy form, subject to the Title Company's requirements in the Title Commitment, and shall insure Purchaser's fee simple title in the amount of the Purchase Price for the same, subject to the Permitted Exceptions (the "**Title Policy**").

(b) Purchaser shall have until ten (10) days prior to the date upon which the Due Diligence Period expires (the "**Objection Period**") to examine Title Commitment and Survey (as defined below). Purchaser may (1) accept title as it is shown in the Title Commitment and, if applicable, the Survey, or (2) provide Seller with written notice (the "**Objection Notice**") on or before expiration of the Objection Period of those items to which Purchaser objects (the "**Title Defects**").

(c) Upon receipt of Purchaser's Objection Notice, Seller shall have five (5) days thereafter to give Purchaser written notice ("**Seller's Response**") either that (i) Seller shall remove all or some Title Defects prior to the Closing; or (ii) Seller elects not to cause all Title Defects to be removed (specifying which Title Defects Seller elects not to so remove). If Seller fails to respond to the Objection Notice, Seller shall be deemed to have refused to cure all Title Defects set forth in the Objection Notice on or before the Closing Date in accordance with clause (ii) above. If Seller elects to cure any of the Title Defects, Seller shall have until the Closing (the "**Cure Period**") in which to cure such Title Defects. If Seller gives Purchaser notice under either clause (i) that Seller is not causing all Title Defects to be removed or clause (ii) above, Purchaser may elect within five (5) business days after such notice to either (a) terminate this Agreement whereupon the Earnest Money Deposit shall be refunded to Purchaser, or (b) waive such objection and proceed to Closing and any Title Defects shall become Permitted Exceptions. If Seller agrees to cure any Title Defects, Seller may extend the Closing Date up to a maximum of twenty (20) days in order to cure such Title Defects. If Purchaser does not

make an election under either clause (a) or (b) above, Purchaser is deemed to have elected clause (b) and the parties shall proceed to Closing.

(d) In the event that Purchaser fails to timely deliver an Objection Notice prior to expiration of the Objection Period, Purchaser shall be deemed to have approved the Title Commitment and Survey and those matters disclosed on the Title Commitment and Survey shall be Permitted Exceptions; provided, however, that Seller is responsible for Monetary Liens and any Monetary Lien shall be automatically objected to by Purchaser. **"Monetary Lien"** means any lien affecting title to the Property that secures a monetary amount, including any mortgage or deed of trust liens, and which is created as a result of actions or inactions of Seller, its agents or affiliates, but excluding (i) property taxes and assessments, which shall be prorated as of the Closing Date, and (ii) liens created as a result of acts of Purchaser, its agents or affiliates.

(e) **"Permitted Exceptions"** are (i) those listed in Schedule B of the Title Commitment or Survey that are not timely objected to by Purchaser as Title Defects, (ii) matters disclosed by an accurate survey of the Property if the Survey is not obtained by Purchaser and if the Survey is obtained, matters disclosed by the Survey that are not timely objected to by Purchaser; (iii) those exceptions that are approved or deemed approved by Purchaser pursuant to the terms of this Section 9, (iv) matters created by, through or under Purchaser, (v) real estate taxes and assessments not yet due and payable, (vi) if applicable, rights of Seller, as tenant, under the Lease, and (vii) local, state and federal laws, ordinances or governmental regulations, including, but not limited to, applicable building and zoning laws, ordinances and regulations, in each case now or hereafter in effect relating to the Property.

(f) Purchaser may, at Purchaser's election and expense, employ a surveyor licensed by the state in which the Property is located to prepare an American Land Title Association survey (the **"Survey"**) of the Property. If obtained, the Survey shall be delivered to Purchaser and the Title Company. Purchaser shall be provided the same objection mechanisms and timeframes for objections to the Survey as are described for the Title Commitment in this Section 9.

Section 10. ***Risk of Casualty Loss and Condemnation.***

(a) From the Effective Date until Closing, Seller shall continue to maintain, or caused to be maintained, the Property and all other improvements in good condition and repair, reasonable wear and tear and casualty excepted. Seller shall maintain commercially reasonable insurance on the Real Property throughout the term of this Agreement. Any and all risks associated with ownership of the Property shall be borne by Seller from the Effective Date until Closing. If the Property incurs material damage prior to the Closing Date and is not substantially repaired or restored on or before the Closing Date, Purchaser may, at its election, (i) terminate and cancel this Agreement in which event Seller and Purchaser shall be relieved and discharged of any further liability or obligation under this Agreement, or (ii) proceed to Closing in which event Seller shall assign its right to receive any insurance proceeds as a result of such damage and the Purchase Price shall not be reduced except to the extent of any applicable deductible that

reduces such insurance proceeds. If Purchaser shall elect, in accordance with clause (i) above, to terminate this Agreement, promptly following receipt of such termination notice by Purchaser, the Escrow Agent shall return the Earnest Money Deposit to Purchaser and the parties shall be released of any further obligation or liability under the terms of this Agreement, except for those obligations that expressly survive termination under this Agreement. To the extent that there is damage to the Real Property that is not "material damage" and Seller has not substantially repaired or restored the Real Property prior to the Closing Date, Seller shall assign the insurance proceeds payable as a result such damage to Purchaser, with Seller being responsible for the payment of any applicable deductible and the parties shall proceed to Closing. For purposes of this Section 10(a), "**material damage**" shall mean a casualty wherein the cost to repair or replace shall exceed ten percent (10%) of the Purchase Price, as determined by a licensed general contractor selected by Seller and reasonably acceptable to Purchaser.

(b) If, after the Effective Date and prior to the Closing, Seller shall receive notice of the commencement or threatened commencement of eminent domain or other like proceedings against the all of the Real Property or any material portion thereof, Seller shall immediately notify Purchaser in writing, and Purchaser shall elect within fifteen (15) days from and after the date of such notice or Purchaser's independent discovery of such threatened or pending proceedings either:

(i) by written notice to Seller to terminate this Agreement and Purchaser shall return to Seller all of the Due Diligence Materials received, Escrow Agent shall return the Earnest Money Deposit to Purchaser and the parties shall be released of any further obligation or liability under the terms of this Agreement, except for those obligations that expressly survive termination under this Agreement, or

(ii) to not respond to such notice, in which event both Purchaser and Seller will proceed with the transaction contemplated hereby in accordance with its terms but subject to such proceedings, in which event the Purchase Price shall remain the same and Seller shall transfer and assign to Purchaser at Closing all condemnation proceeds and rights to additional condemnation proceeds, if any. All actions taken by Seller with regard to such eminent domain or like proceedings, including but not limited to, negotiations, litigation, settlement, appraisals, and appeals, shall be subject to the approval of Purchaser, which approval shall not be unreasonably withheld, conditioned or delayed.

The risk of condemnation or eminent domain shall be borne by Seller until the Closing Date. In the event of any negotiations with any authority regarding the payment of any awards or other sums or regarding any settlement on account of any damaging, taking or acquiring through condemnation or eminent domain, Seller will inform Purchaser of all such negotiations of which Seller has notice and will permit Purchaser to take part therein. In the event that Purchaser reasonably disapproves of the taking or the award related to any material taking, Purchaser may upon written notice to Seller, terminate this Agreement and the Earnest Money Deposit shall be returned to Purchaser and the parties

shall be released of any further obligation or liability under the terms of this Agreement, except for those obligations that expressly survive termination under this Agreement.

For purposes of this Section 10(b), a "**material**" eminent domain proceeding is one in which a taking of either (i) ten (10%) or more of the Real Property is proposed, or (ii) access to the Property will be materially affected following the taking, or (iii) the parking for the Real Property will become non-compliant with applicable zoning requirements.

Section 11. ***Representations of Seller.*** Seller represents and warrants to Purchaser, as of the Effective Date and as of the Closing Date (as if made separately on both of such dates), that the following shall be true, accurate and complete:

(a) **Organization and Standing.** Seller is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware and has all requisite corporate power and authority to own and operate the Property, to enter into this Agreement and to carry out the transactions contemplated hereby and thereby. Upon execution of this Agreement on behalf of Seller, this Agreement shall be a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

(b) **Litigation.** There are no actions or proceedings pending against Seller that materially adversely affects Seller's ability to perform under this Agreement.

(c) **Condemnation.** Except as set forth in the Due Diligence Materials, Seller has received no written notice from any governmental authority regarding any pending or proposed condemnation of any portion of the Property.

(d) **Foreign Person.** Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code.

(e) **OFAC.** Seller is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action, and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

(f) **Environmental Condition.** To Seller's knowledge, there are no known environmental issues affecting the Property.

(g) Any representations and warranties by Seller in this Agreement that are made to Seller's knowledge are only to the current actual knowledge (as opposed to constructive, implied or imputed) of Adam Wilford (the "**Seller's Representative**"), without any duty of inquiry or investigation on the part of Seller's Representative, and

shall not be construed, by imputation or otherwise, to refer to the knowledge of any parent, subsidiary or affiliate of Seller or to any other officer, agent, manager, representative or employee of Seller, and the above shall not be construed to create, in and of itself, any personal liability on the part of the Seller's Representative. The representations and warranties of Seller in this Agreement shall survive the Closing for a period of three (3) months.

Section 12. ***Representations of Purchaser.*** Purchaser represents and warrants to Seller, as of the Effective Date and as of the Closing Date (as if made separately on both of such dates), that the following shall be true, accurate and complete:

(a) **Authority.** Upon execution of this Agreement on behalf of Purchaser, this Agreement shall be a valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Washington and has all requisite corporate power and authority to acquire the Property, to enter into this Agreement and to carry out the transactions contemplated hereby and thereby.

(b) **Litigation.** There are no actions, proceedings or investigations pending involving Purchaser that question the validity of this Agreement or adversely affect Purchaser's ability to consummate the transactions contemplated by this Agreement.

(c) **Compliance With Other Instruments.** The execution, delivery and performance by Purchaser of this Agreement will not violate, or constitute a default under, any provision of Purchaser's organizational documents or of any agreement or other instruments to which Purchaser is a party or by which Purchaser or any of its property is bound.

(d) **OFAC.** Purchaser is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of OFAC (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action, and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

(e) **Bankruptcy.** No petition in bankruptcy, insolvency, reorganization or rearrangement under any bankruptcy or insolvency law has been filed by or against Purchaser; no action has been commenced for the appointment of a trustee or receiver of Purchaser or any of its properties; and Purchaser is not insolvent and has not made an assignment for the benefit of its creditors.

The representations and warranties of Purchaser set forth in this Agreement shall survive the Closing for a period of three (3) months.

Section 13. **Notices.** All notices must be in writing and given at the applicable pmii's addresses stated below. All notices provided or pennitted to be given under this Agreement may be served by delivering the same in person to such party by a nationally-recognized, overnight delivery service (e.g., Federal Express); or electronically during normal business hours (prior to 6:00 p.m. Eastern) with a conffinnation copy delivered by recognized, overnight delivery service (e.g., Federal Express):

If intended for Purchaser: Guntower Capital LLC
1421 34th Ave #300
Seattle, WA 98122
Attn: Charlie Bauman
E-Mail: charlie@guntowercapital.com

With a copy to: Peterson Russell Kelly Livengood PLLC
10900 NE 4th Street, Suite 1850
Bellevue, WA 98004
Attn: John Shelwood Jr., Esq.
E-Mail: jsherwoodir@prkla:w.com

If intended for Seller: The Polyclinic, LLC
c/o United HealthCare Services, Inc.
9900 Bren Road East
MN008-W310
Minnetonka, MN 55343
Attn: Lease Administration
Email: lease.administration@uhc.com

and

United HealthCare Services, Inc.
9900 Bren Road East
MN008-W310
Minnetonka, MN 55343
Attn: Admn Wilford
Email: adam_wilford@uhg.com

With a copy to: Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402
Attn: Alyson Van Dyk, Esq.
Email: van.dyk.alyson@dorsey.com

If to Escrow Agent: Stewart Title Guaranty Company
1420 5th Avenue, Suite 440
Seattle, Washington 98101
Attention: Peter Johndrow
Email: Peter.Johndrow@stewmi.com

or such other person or address which Seller or Purchaser shall have given upon notice as herein provided. Notices given shall be deemed delivered on the day such notices are sent. Notices given by Purchaser's counsel shall be deemed given by Purchaser and notices given by Seller's counsel shall be deemed given by Seller.

Section 14. **Assignment.** The rights and obligations of Purchaser under this Agreement may not be assigned to a third party without the prior consent of Seller, except in connection with (a) a like kind exchange of property pursuant to section 1031 of the Code as contemplated by Section 18(n); or (b) an assignment to, and assumption by, an entity wholly-owned, controlled by or under common control with Purchaser or with any existing principal of Purchaser as of the date of mutual execution of this Agreement (including any individual, partnership, joint venture, or trust controlled by any existing principal of Purchaser) ("**Permitted Assignment**"; the assignee pursuant to a Permitted Assignment being the "**Permitted Assignee**"). Purchaser shall notify Seller of any Permitted Assignment in writing at least ten (10) Business Days prior to Closing, which notice shall include copy of the assignment and assumption agreement for the Permitted Assignment. In any assignment which may be made by Purchaser of its rights and obligations under this Agreement, Purchaser shall remain primarily liable under this Agreement for any pre-closing obligations.

Section 15. **Default and Remedies.**

(a) If Purchaser shall be obligated by the provisions of this Agreement to consummate the purchase and sale transaction contemplated by this Agreement and shall fail to do so or shall otherwise breach this Agreement and such failure or breach is not cured within five (5) Business Days after Seller notifies Purchaser thereof, provided that if the nature of such cure cannot be completed within five (5) Business Days, such time shall be extended (but not past the Closing Date) so long as Purchaser is diligently pursuing such cure (except for the failure to close on the Closing Date for which no notice and cure period shall be required), the sole and exclusive remedy (except as provided in Section 15(c) below) of Seller against Purchaser shall be for Seller to terminate this Agreement and receive the Earnest Money Deposit from Escrow Agent as liquidated damages. Seller and Purchaser acknowledge that actual damages suffered by Seller in such event will be difficult or impossible to measure and that the amount of the Earnest Money represents a good-faith estimate thereof and does not constitute a penalty. Seller and Purchaser acknowledge and agree that any liability of Purchaser to Seller under the indemnities provided for in this Agreement or any obligations that survive termination of this Agreement will not be limited by this liquidated damages provision.

(b) If Seller shall be obligated by the provisions of this Agreement to consummate the purchase and sale transaction contemplated by this Agreement and shall fail to do so or shall otherwise breach this Agreement and such failure or breach is not cured within five (5) Business Days after Purchaser notifies Seller thereof, provided that if the nature of such cure cannot be completed within five (5) Business Days, such time shall be extended (but not past the Closing Date) so long as Seller is diligently pursuing such cure (except for the failure to close on the Closing Date for which no notice and cure period shall be required) (a "**Seller Default**"), Purchaser shall be entitled to, as its

sole and exclusive remedy (except as provided in Section 15(c) below) either: (i) terminate this Agreement and receive a return of the Earnest Money from Escrow Agent, (ii) sue for specific performance against Seller, or (iii) sue for Purchaser's actual, direct damages incurred as a result of Seller's breach, provided that such damages (excluding attorneys' fees allowed under Section 15(c)) do not exceed Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) provided such suit is filed or served on Seller within sixty (60) days after the Seller Default.

(c) In the event that either party to this Agreement brings an action or proceeding arising out of this Agreement, the prevailing party in any such action or proceeding shall be entitled to an award of reasonable attorneys' fees and any costs incurred in such action or proceeding, in addition to any other damages or relief awarded. In no event shall either party be liable to the other party for special, consequential or punitive damages. SELLER AND PURCHASER HEREBY IRREVOCABLY WAIVE TRIAL BY JURY IN ANY LITIGATION, INCLUDING ANY COUNTERCLAIM WITH RESPECT THERETO.

(d) Notwithstanding the remedies set forth above, with respect to any breach of representations or warranties that survive Closing, the non-defaulting party may seek to recover any actual damages suffered as a result of such breach from the defaulting party, as well as any reasonable attorneys' fees incurred in connection therewith. In no event shall either party be liable to the other party for special, consequential or punitive damages. This Section 15(d) shall survive the Closing but subject to the survival periods under Sections 11 and 12.

Section 16. **Brokers.**

(a) **Broker Commission.** Each of the parties represents and warrants to the other that neither party dealt with, negotiated through or communicated with any broker in connection with this transaction other than CBRE, Inc., representing Seller ("**Seller's Broker**"). The brokerage fees for Seller's Broker shall be paid by Seller, if, and when Closing occurs pursuant to the terms of a separate agreement between Seller and Seller's Broker.

(b) **Real Estate Agency.** Seller and Purchaser each warrant and represent to the other that such representing and warranting party has received the pamphlet on the law of real estate agency required by RCW 18.86.030(1)(f) attached as **Exhibit "C"** to this Agreement.

(c) **Agency Disclosure.** Pursuant to RCW 18.86.030(1)(g), Seller and Purchaser acknowledge and agree that Seller's Broker represents Seller and is agent for Seller only.

(d) **Licensee Disclosure.** Seller acknowledges that one or more of the principals of Purchaser are licensed real estate brokers under RCW 18.85 provided, however, such principals are not representing either party (as contemplated in RCW 18.85) in the transaction contemplated by this Agreement.

(e) Indemnification. Each such representing and warranting party agrees to indemnify, defend and hold the other harmless the other party from and against all claims, loss, costs and expenses, including but not limited to reasonable attorneys' fees, suffered or incurred by it as a result of the indemnifying parties' representation herein being untrue.

(f) Survival. The provisions of this Section 13 shall survive the termination of this Agreement and the Closing.

Section 17. ***Seller's Covenants Regarding Operation of the Property Through Closing.*** Prior to Closing, Seller shall at its sole cost and expense (i) materially comply with all legal and zoning requirements applicable to the Property, (ii) undertake commercially reasonable efforts to maintain the Real Property in accordance with applicable law requirements and in a manner as a prudent property owner winding down its business with an intent to sell its property; and (iii) not enter into any leases or agreements that would extend beyond the Closing Date without the prior written consent of Purchaser which shall not be unreasonably withheld. Purchaser agrees and acknowledges that Seller shall not be required (a) to operate its business at the Property or (b) to incur any capital expenditures relating to the maintenance and repair of the Property.

Section 18. ***As-Is.***

(a) Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement and the documents delivered at Closing, the Property is being sold on an "as is" "where is" and "with all faults" basis on the terms and conditions herein set forth. PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED (OTHER THAN AS CONTAINED HEREIN AND IN THE DOCUMENTS DELIVERED AT CLOSING), WITH RESPECT TO THE PROPERTY. OTHER THAN AS CONTAINED HEREIN, PURCHASER AGREES THAT WITH RESPECT TO THE PROPERTY, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY STATEMENT, REPRESENTATION OR WARRANTY OF SELLER OR ANY AGENT OF SELLER. PURCHASER REPRESENTS (I) THAT IT IS A KNOWLEDGEABLE BUYER OF REAL ESTATE, (II) THAT PURCHASER IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONTRACTORS AND ADVISORS, AND (III) THAT PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AND SHALL RELY UPON SAME, AND, UPON CLOSING, SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING, EXCEPT AS OTHERWISE PROVIDED HEREIN AND IN THE DOCUMENTS DELIVERED AT CLOSING, SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE

PROPERTY "AS IS, WHERE IS," "WITH ALL FAULTS," AND PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER, ANY AGENT OF SELLER OR ANY THIRD PARTY. THE TERMS AND CONDITIONS OF THIS SECTION SHALL EXPRESSLY SURVIVE THE CLOSING AND NOT MERGE THEREIN AND MAY BE INCORPORATED INTO THE DEED. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN OR IN THE DOCUMENTS DELIVERED AT CLOSING.

WITHOUT IN ANY WAY LIMITING ANY PROVISION OF THIS SECTION 18, BUT SUBJECT TO THE TERMS OF THIS AGREEMENT, PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT IT HEREBY WAIVES, RELEASES AND DISCHARGES ANY CLAIM IT HAS, MIGHT HAVE HAD OR MAY HAVE AGAINST SELLER WITH RESPECT TO (I) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, FITNESS OR DEVELOPMENT OF THE PROPERTY FOR ANY PURPOSES; (II) THE CONDITION OF THE PROPERTY, EITHER PATENT OR LATENT; (iii) THE PAST, PRESENT OR FUTURE CONDITION OR COMPLIANCE OF THE PROPERTY WITH REGARD TO ANY ENVIRONMENTAL LAWS; AND (iv) ANY OTHER STATE OF FACTS THAT EXISTS WITH RESPECT TO THE PROPERTY. PURCHASER, WITH PURCHASER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT, AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF. PURCHASER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT.

Section 19. *Miscellaneous.*

(a) The provisions of this Agreement shall not be amended, waived or modified except by an instrument, in writing, signed by the parties hereto to be charged.

(b) In construing this Agreement, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include every other and all genders.

(c) All sections and descriptive headings of this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

(d) This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but all counterparts shall together constitute one and the same instrument. This Agreement and other documents to be executed and delivered in connection herewith (other than the Deed for which the

original shall be delivered to the Escrow Agent at Closing) may be signed and delivered by electronic transmission of signatures.

(e) This Agreement and the exhibits hereto constitute the entire understanding between the parties with respect to its subject matter and supersedes all prior agreements, representations and understandings of the parties, written or oral.

(f) TIME IS OF THE ESSENCE OF THIS AGREEMENT. Notwithstanding the foregoing, in the event a deadline under this Agreement falls on a Saturday, Sunday or any federal holiday, such deadline shall be deemed extended to the next Business Day.

(g) This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall for any reason and to the extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to the persons or circumstances shall not be affected thereby **but** rather shall be enforced to the greatest extent permitted by law.

(h) The waiver of any party of any breach or default by any other party under any of the terms of this Agreement shall not be deemed to be, nor shall the same constitute, a waiver of any subsequent breach or default on the part of any other party.

(i) This Agreement shall be construed and enforced pursuant to the laws of the state in which the Property is located.

(j) All references to a number of days refer to a number of calendar days unless Business Days are expressly stated. A "**Business Day**" is, or "**Business Days**" are, any Monday, Tuesday, Wednesday, Thursday or Friday other than any federal holiday.

(k) All parties hereto acknowledge and agree that each has had the opportunity to revise and review this Agreement with the advice of its own legal counsel. Therefore, all parties to this Agreement acknowledge and agree that in the construction and interpretation of this Agreement, the normal rule of construing against the drafting party shall not be applicable.

(l) Purchaser or Seller may consummate the purchase and sale of the Property as part of a so-called like kind exchange (the "**Exchange**") pursuant to § 1031 of the Code, provided that: (i) the Closing shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to either party's obligations under this Agreement; (ii) the exchanging party shall effect the Exchange through an assignment of this Agreement, or its rights under this Agreement to a qualified intermediary; (iii) the other party shall not be required to take an assignment of the purchase contract for the relinquished property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; and (iv) the exchanging party shall pay any additional costs that would not otherwise have been incurred by Purchaser or Seller had the exchanging party not consummated this transaction through the Exchange. The non-exchanging party

shall not, by this Agreement or by the non-exchanging party's acquiescence to the Exchange, have its rights under this Agreement affected or diminished in any manner or be responsible for compliance with or be deemed to have warranted that the Exchange in fact complies with § 1031 of the Code. The terms and provisions of this Section 18(1) shall survive the Closing.

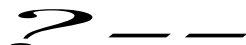
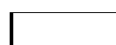
(m) This Agreement and all the obligations and covenants hereunder shall inure to the benefit of the parties and their successors and assigns.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the Effective Date.

PURCHASER:


GUNTOWER CAPITAL LLC

By: _____
Printed Name: Chris Langer
Title: Manager

SELLER:

THE POLYCLINIC MSO, LLC


By: Tom Wait (Jan 10, 2024 16:34 CST)

Printed Name: Tom Wait
Title: SVP

ESCROW AGENT ACCEPTANCE:

The undersigned Escrow Agent accepts this Agreement and agrees to perform the acts applicable to Escrow Agent in accordance with the terms of this Agreement. Escrow Agent acknowledges its receipt of both the Initial Deposit and a fully executed copy of this Agreement as of the date set forth underneath its signature below.

STEWART TITLE GUARANTY COMPANY



By: _____
Printed Name: Briana Everard
Title: LPO, Escrow Officer
Date: 11/19/2024

EXHIBIT "A" to Polyclinic PSA

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

Parcel 1:

LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 139; AND THAT PORTION OF BLOCK 138, LYING SOUTHERLY OF EAST UNION STREET AND NORTHEASTERLY OF HARVARD AVENUE;

ALL IN A. A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THOSE PORTIONS OF VACATED SENECA STREET ADJOINING SAID BLOCK 138 AND LOTS 1 AND 2 OF SAID BLOCK 139, WHICH ATTACHED BY OPERATION OF LAW.

APN: 197820-1270

Parcel 2:

LOT 1 IN BLOCK 140 OF A.A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 6 OF PLATS AT PAGE(S) 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF VACATED SPRING STREET LYING BETWEEN BLOCKS 139 AND 140 ADJOINING OR ABUTTING THEREON, WHICH UPON VACATION, ATTACHED TO SAID PREMISES BY OPERATION OF LAW.

APN: 197820-1290

EXHIBIT "B" to Polyclinic PSA

LEASE TERMS

<u>BUILDING:</u>	1145 Broadway, Seattle, WA 98122
<u>PREMISES:</u>	Up to 115,149 RSF in the Building, including the proportionate share of parking area serving the Building.
<u>LANDLORD:</u>	Guntower Capital, LLC
<u>TENANT:</u>	The Polyclinic (confirm correct entity and legal name)
<u>TERM:</u>	Month-to-Month; provided, however, only Tenant may terminate with one month's notice to Landlord in coordination with relocation schedule. Landlord is not entitled to terminate with one month's notice to Tenant.
<u>COMMENCEMENT DATE:</u>	TBD
<u>BASE RENT:</u>	The Base Rent shall be \$30.00 PRSF/year for the Term for any space where Tenant shall continue to occupy the Premises, including the right to access and use corridors and common areas, for the term of the Lease. Landlord shall provide and illustrate the proposed "rentable" square footage based on Tenant's proposed and/or required remaining occupancy with the Early Closing Notice.
<u>OPERATING EXPENSES:</u>	During this month to month tenancy, Tenant shall pay its pro-rata share of all Real Estate Taxes and utilities. Tenant shall provide day-to-day maintenance of its Premises, including janitorial services. Landlord shall be responsible for any capital expenditures, structural repairs, and/or replacements to Building systems.
<u>SECURITY DEPOSIT:</u>	Tenant shall not be required to post a security deposit.
<u>BUILDING SERVICES:</u>	Landlord shall provide utility services to the Building and maintain common areas which cost shall be included in Base Rent.

EXHIBIT "C" to Polyclinic PSA
REAL ESTATE AGENCY PAMPHLET

Please see attached.

THE LAW OF REAL ESTATE AGENCY

This pamphlet describes your legal rights in dealing with a real estate firm or broker. Please read it carefully before signing any documents.

The following is only a brief summary of the attached law.

- SEC. 1. Definitions.** Defines the specific terms used in the law.
- SEC. 2. Relationships between Brokers and the Public.** Prescribes that a broker who works with a buyer or tenant represents that buyer or tenant- unless the broker is the listing agent, a seller's subagent, a dual agent, the seller personally or the parties agree otherwise. Also prescribes that in a transaction involving two different brokers licensed to the same real estate firm, the firm's designated broker and any managing broker responsible for the supervision of both brokers, are dual agents and each broker solely represents his or her client - unless the parties agree in writing that both brokers are dual agents.
- SEC. 3. Duties of a Broker Generally.** Prescribes the duties that are owed by all brokers, regardless of who the broker represents. Requires disclosure of the broker's agency relationship in a specific transaction.
- SEC. 4. Duties of a Seller's Agent.** Prescribes the additional duties of a broker representing the seller or landlord only.
- SEC. 5. Duties of a Buyer's Agent.** Prescribes the additional duties of a broker representing the buyer or tenant only.
- SEC. 6. Duties of a Dual Agent.** Prescribes the additional duties of a broker representing both parties in the same transaction, and requires the written consent of both parties to the broker acting as a dual agent.
- SEC. 7. Duration of Agency Relationship.** Describes when an agency relationship begins and ends. Provides that the duties of accounting and confidentiality continue after the termination of an agency relationship.
- SEC. 8. Compensation.** Allows real estate firms to share compensation with cooperating real estate firms. States that payment of compensation does not necessarily establish an agency relationship. Allows brokers to receive compensation from more than one party in a transaction with the parties' consent.
- SEC. 9. Vicarious Liability.** Eliminates the liability of a party for the conduct of the party's agent or subagent, unless the principal participated in or benefited from the conduct or the agent or subagent is insolvent. Also limits the liability of a broker for the conduct of a subagent.
- SEC. 10. Imputed Knowledge and Notice.** Eliminates the common law rule that notice to or knowledge of an agent constitutes notice to or knowledge of the principal.
- SEC. 11. Interpretation.** This law establishes statutory duties which replace common law fiduciary duties owed by an agent to a principal.
- SEC. 12. Short Sale.** Prescribes an additional duty of a firm representing the seller of owner-occupied real property in a short sale.

SECTION 1: DEFINITIONS.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agency relationship" means the agency relationship created under this chapter or by written agreement between a real estate firm and a buyer and/or seller relating to the performance of real estate brokerage services.

(2) "Agent" means a broker who has entered into an agency relationship with a buyer or seller.

(3) "Broker" means broker, managing broker, and designated broker, collectively, as defined in chapter 18.85 RCW, unless the context requires the terms to be considered separately.

(4) "Business opportunity" means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof when the transaction or business includes an interest in real property.

(5) "Buyer" means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.

(6) "Buyer's agent" means a broker who has entered into an agency relationship with only the buyer in a real estate transaction, and includes sub-agents engaged by a buyer's agent.

(7) "Confidential information" means information from or concerning a principal of a broker that:

(a) Was acquired by the broker during the course of an agency relationship with the principal;

(b) The principal reasonably expects to be kept confidential;

(c) The principal has not disclosed or authorized to be disclosed to third parties;

(d) Would, if disclosed, operate to the detriment of the principal; and

(e) The principal personally would not be obligated to disclose to the other party.

(8) "Dual agent" means a broker who has entered into an agency relationship with both the buyer and seller in the same transaction.

(9) "Material fact" means information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.

(10) "Owner-occupied real property" means real property consisting solely of a single-family residence, a residential condominium unit, or a residential cooperative unit that is the principal residence of the borrower.

(11) "Principal" means a buyer or a seller who has entered into an agency relationship with a broker.

(12) "Real estate brokerage services" means the rendering of services for which a real estate license is required under chapter 18.85 RCW.

(13) "Real estate firm" or "firm" have the same meaning as defined in chapter 18.85 RCW.

(14) "Real estate transaction" or "transaction" means an actual or prospective transaction involving a purchase, sale, option, or exchange of any interest in real property or a business opportunity, or a lease or rental of real property. For purposes of this chapter, a prospective transaction does not exist until a written offer has been signed by at least one of the parties.

(15) "Seller" means an actual or prospective seller in a real estate transaction, or an actual or prospective landlord in a real estate rental or lease transaction, as applicable.

(16) "Seller's agent" means a broker who has entered

into an agency relationship with only the seller in a real estate transaction, and includes subagents engaged by a seller's agent.

(17) "Subagent" means a broker who is engaged to act on behalf of a principal by the principal's agent where the principal has authorized the broker in writing to appoint subagents.

SECTION

RELATIONSHIPS BETWEEN BROKERS AND THE PUBLIC.

(1) A broker who performs real estate brokerage services for a buyer is a buyer's agent unless the:

- (a) Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, in which case the broker is a seller's agent;
- (b) Broker has entered into a subagency agreement with the seller's agent's firm, in which case the broker is a seller's agent;
- (c) Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, and the broker's firm has appointed the broker to represent the buyer pursuant to a written agency agreement between the firm and the buyer, in which case the broker is a dual agent;
- (d) Broker is the seller or one of the sellers; or
- (e) Parties agree otherwise in writing after the broker has complied with RCW 18.86.030(1)(f).

(2) In a transaction in which different brokers affiliated with the same firm represent different parties, the firm's designated broker and any managing broker responsible for the supervision of both brokers, is a dual agent, and must obtain the written consent of both parties as required under RCW 18.86.060. In such case, each of the brokers

shall solely represent the party with whom the broker has an agency relationship, unless **all** parties agree in writing that the broker is a dual agent.

(3) A broker may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the broker complies with this chapter in establishing the relationships for each transaction.

SECTION 38

DUTIES OF A BROKER GENERALLY.

(1) Regardless of whether a broker is an agent, the broker owes to all parties to whom the broker renders real estate brokerage services the following duties, which may not be waived:

- (a) To exercise reasonable skill and care;
- (b) To deal honestly and in good faith;
- (c) To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;
- (d) To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the broker has not agreed to investigate;
- (e) To account in a timely manner for all money and property received from or on behalf of either party;
- (f) To provide a pamphlet on the law of real estate agency in the form prescribed in

RCW 18.86.120 to all parties to whom the broker renders real estate brokerage services, before the party signs an agency agreement with the broker, signs an offer in a real estate transaction handled by the broker, consents to dual agency, or waives any rights, under RCW 18.86.020(1)(e), 18.86.040(l)(e), 18.86.050(l)(e), or 18.86.060(2)(e) or (f), whichever occurs earliest; and

(g) To disclose in writing to all parties to whom the broker renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the broker, whether the broker represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure."

(2) Unless otherwise agreed, a broker owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the broker to be reliable.

SECTION

DUTIES OF A SELLER'S AGENT.

(1) Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;

(b) To timely disclose to the seller any conflicts of interest;

(c) To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the seller's agent has complied with RCW 18.86.030(l)(f), to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.

(2) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller's agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.

(b) The representation of more than one seller by different brokers affiliated with the same firm in competing transactions involving the same firm does not in and of itself breach the duty of loyalty to the sellers or create a conflict of interest.

SECTION 5:

DUTIES OF A BUYER'S AGENT.

(1) Unless additional duties are agreed to in writing signed by a buyer's agent, the duties of a buyer's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;

(b) To timely disclose to the buyer any conflicts of interest;

(c) To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to:

(i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the buyer's agent.

(2) (a) The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different brokers affiliated with the same firm in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

SECTION

DUTIES OF A DUAL AGENT.

(1) Notwithstanding any other provision of this chapter, a broker may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with

RCW 18.86.030(1)(f), which consent must include a statement of the terms of compensation.

(2) Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) and (f) of this subsection:

(a) To take no action that is adverse or detrimental to either party's interest in a transaction;

(b) To timely disclose to both parties any conflicts of interest;

(c) To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;

(d) Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;

(e) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and

(f) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to:

(i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the dual agent.

(3) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is

adverse or detrimental to the seller or create a conflict of interest.

(b) The representation of more than one seller by different brokers licensed to the same firm in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.

(4) (a) The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different brokers licensed to the same firm in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

SECTION

DURATION OF AGENCY RELATIONSHIP.

(1) The agency relationships set forth in this chapter commence at the time that the broker undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following:

- (a) Completion of performance by the broker;
- (b) Expiration of the term agreed upon by the parties;
- (c) Termination of the relationship by mutual agreement of the parties; or
- (d) Termination of the relationship by notice from either party to the other. However, such

a termination does not affect the contractual rights of either party.

(2) Except as otherwise agreed to in writing, a broker owes no further duty after termination of the agency relationship, other than the duties of:

- (a) Accounting for all moneys and property received during the relationship; and •
- (b) Not disclosing confidential information.

SECTION

COMPENSATION.

(1) In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms.

(2) An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the broker.

(3) A seller may agree that a seller's agent's firm may share with another firm the compensation paid by the seller.

(4) A buyer may agree that a buyer's agent's firm may share with another firm the compensation paid by the buyer.

(5) A firm may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.

(6) A firm may receive compensation based on the purchase price without breaching any duty to the buyer or seller.

(7) Nothing contained in this chapter negates the requirement that an agreement authorizing or employing a broker to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer.

SECTION 10:

VICARIOUS LIABILITY.

(1) A principal is not liable for an act, error, or omission by an agent or subagent of the principal arising out of an agency relationship:

- (a) Unless the principal participated in or authorized the act, error, or omission; or
- (b) Except to the extent that:
 - (i) the principal benefited from the act, error, or omission; and
 - (ii) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against the agent or subagent.

(2) A broker is not liable for an act, error, or omission of a subagent under this chapter, unless that broker participated in or authorized the act, error or omission. This subsection does not limit the liability of a firm for an act, error, or omission by a broker licensed to the firm.

SECTION 11:

IMPUTED KNOWLEDGE AND NOTICE.

(1) Unless otherwise agreed to in writing, a principal does not have knowledge or notice of any facts known by an agent or subagent of the principal that are not actually known by the principal.

(2) Unless otherwise agreed to in writing, a broker does not have knowledge or notice of any facts known by a subagent that are not actually known by the broker. This subsection does not limit the knowledge imputed to the designated broker or any managing broker responsible for the supervision of the broker of any facts known by the broker.

SECTION 12:

INTERPRETATION.

The duties under this chapter are statutory duties and not fiduciary duties. This chapter supersedes the fiduciary duties of an agent to a principal under the common law. The common law continues to apply to the parties in all other respects. This chapter does not affect the duties of a broker while engaging in the authorized or unauthorized practice of law as determined by the courts of this state. This chapter shall be construed broadly.

SECTION 13:

SHORT SALE.

When the seller of owner-occupied residential real property enters into a listing agreement with a real estate firm where the proceeds from the sale may be insufficient to cover the costs at closing, it is the responsibility of the real estate firm to disclose to the seller in writing that the decision by any beneficiary or mortgagee, or its assignees, to release its interest in the real property, for less than the amount the borrower owes, does not automatically relieve the seller of the obligation to pay any debt or costs remaining at closing, including fees such as the real estate firm's commission.

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Northwest Multiple Listing Service

Revised July 2013
RCW 18.86.120

EXHIBIT 2

Polyclinic PSA Terms

The following terms relate to the Polyclinic PSA and as used in this Agreement, shall have the meaning set forth below:

“Early Closing Date” shall have the meaning set forth in the Polyclinic PSA.

“Early Closing Notice” shall have the meaning set forth in the Polyclinic PSA.

“Polyclinic PSA Lease” means the Lease, as that term is defined in the Polyclinic PSA, with Polyclinic, as tenant, consistent with the terms of the Polyclinic PSA.

“PSA Buyer” shall have the meaning set forth in Recital A to this Agreement.

“PSA Closing” means the Closing as defined in the Polyclinic PSA.

“PSA Deposit” means the Initial Deposit as defined in the Polyclinic PSA.

“PSA Due Diligence Materials” is defined in Section 5.1.2 of this Agreement.

EXHIBIT 3

Assignment Terms

As of the effective date of the Assignment of Contract Interests, the Parties hereby incorporate the following provisions into the Agreement:

1. On or prior to Closing, Seller shall execute such documentation reasonably required of Escrow Agent to facilitate assignment of Seller's rights and interests in the PSA Deposit to Buyer, as assignee of Seller's rights under the Polyclinic PSA. Buyer shall credit Seller for the PSA Deposit in connection with the Assignment Transaction.
2. The definition "Closing" shall mean the consummation of the Assignment Transaction.
3. The definition "Purchase Price" is hereby replaced by "Assignment Fee."
4. Section 2.1 is hereby replaced with the following provision: Buyer shall pay \$11,500,000.00 to Seller as consideration for the Assignment Transaction (the "Assignment Fee"). The Assignment Fee shall be payable at Closing.
5. Section 2.2 is deleted.
6. Section 4.1 is deleted.
7. Section 4.4 is replaced with the following provision: Seller is responsible for the cost of cure (or costs to cause Polyclinic to cure) the Buyer's Objections (if any).
8. Section 5.1 (initial paragraph only) is replaced with the following provision: Due Diligence Inspection and Feasibility. Buyer has satisfied itself with respect to the investigation and inspection of the Property, subject to the remaining provisions in this Section 5.1.
9. Section 5.4 is deleted.
10. Section 7.9 is replaced with the following provision: Closing on Polyclinic PSA. Buyer shall have closed on the acquisition of the Property pursuant to the Polyclinic PSA.
11. Section 9.1.3 is hereby replaced with the following provision: In the event the Closing has not occurred on or before March 3, 2026, Buyer has the option to extend the deadline for Closing to March 31, 2026 by notice delivered to Seller and Escrow Agent.
12. Section 9.2 is deleted.
13. Section 9.3 is hereby replaced with the following provision: At or prior to the Closing, Seller will deliver to Buyer, either directly or via escrow with the Escrow Agent, the following documents or other items: 9.3.1 A seller's certificate of non-foreign status substantially in the form of **EXHIBIT E**, attached hereto; 9.3.2 To the extent not previously delivered, and to the extent available, originals of the Due Diligence Materials, which includes, without limitation, all Assigned Contracts and Leases.; 9.3.3 A real estate excise tax affidavit in the form required by the Washington Department of Revenue, executed by Seller; 9.3.4 A joint settlement statement, setting forth the prorations and adjustments to the Assignment Fee respecting the Assignment Transaction to be made pursuant to this Agreement (the "Closing Statement"), executed by Seller; 9.3.5, to the extent applicable,

an assignment and assumption of the Polyclinic PSA Lease and/or Polyclinic Long-Term Lease, as applicable, executed by Seller.

14. Section 9.4 is hereby replaced with the following provision: At the Closing, Buyer will deliver to Seller via escrow with the Escrow Agent cash or by wire transfer of immediately available funds in the amount of the Assignment Fee (less the Deposit) and the following properly executed documents: 9.4.1 A real estate excise tax affidavit in the form required by the Washington Department of Revenue, executed by Buyer; 9.4.2 the Closing Statement, executed by Buyer; 9.4.3 to the extent applicable, an assignment and assumption of the Polyclinic PSA Lease and/or Polyclinic Long-Term Lease, as necessary, executed by Buyer.
15. The last sentence of Section 10.1 is hereby replaced with the following provision: Each statement, representation, warranty, indemnity, covenant, agreement and provision in this Agreement shall survive Closing for a period of twelve (12) months after Closing unless a different time period is expressly provided for in this Agreement, except for those representations set forth in Sections 3.1.2, 3.1.3, 3.1.4 and 3.1.8, each of which shall survive Closing until such time as the applicable statute of limitations for claims arising from a breach of each such representation has expired.

EXHIBIT 4

Polyclinic Lease Term Sheet¹

<u>BUILDING:</u>	1145 Broadway, Seattle, WA 98122
<u>PREMISES:</u>	Existing Endoscopy Clinic on the entire Floor 3 which consists of approximately 13,917 RSF, AND entire Floor 2 which consists of approximately 13,917 RSF, equaling a total of approximately 27,834 RSF .
<u>LANDLORD:</u>	Guntower Capital LLC or Permitted Assignee
<u>TENANT:</u>	The Polyclinic (confirm correct entity and legal name)
<u>TERM:</u>	Sixty (60) months
<u>COMMENCEMENT DATE:</u>	Closing Date under the Purchase and Sale Agreement (i.e., the earlier of the Early Closing Date or February 24, 2026)
<u>BASE RENT:</u>	<p>Base Rent from the Commencement Date until February 24, 2026 will be zero. For the one year period commencing on February 24, 2026, Tenant's annual Base Rent will be as per below. Thereafter, Base Rent will increase each lease year by an amount equal to 3.0% of the annual Base Rent for the prior lease year. Base Rent will be structured on a NNN basis.</p> <p>\$35.00 NNN per rentable square foot of area in the Premises, payable in monthly installments.</p>
<u>OPERATING EXPENSES:</u>	Tenant shall pay its pro rata share of common area Operating Expenses payable during the entire term of the Lease.
<u>PARKING:</u>	Tenant shall be granted up to its pro rata share of parking within the garage and shall pay market parking rates.
<u>AS-IS:</u>	The Premises will be delivered as-is, where-is with no tenant improvement allowance.

¹ Terms under review

SECURITY DEPOSIT:

Two months of Base Rent.

SUBLEASE / ASSIGNMENT:

Tenant shall have the right at any time to sublease all or a portion of the Premises or assign its interest in the lease to any Affiliate without the consent of Landlord. Tenant may assign or sublease the Lease to any other parties with Landlord approval, not to be unreasonably withheld, conditioned, or delayed.

SIGNAGE:

Tenant shall have rights to reasonable building signage, subject to City code.

HOLDOVER:

If Tenant fails to surrender the Premises upon expiration, Tenant shall pay as holdover rate 150% of the then current base rent.

INSURANCE:

Tenant shall have the right, at its sole option, to self-insure at any time during the Term.

**MAINTENANCE, UTILITIES
AND HOURS OF
OPERATION:**

Landlord shall provide all services, which are normally provided in similar medical office buildings in the general area in a cost effective manner.

Tenant shall have access to the Premises 24 hours a day, 7 days a week. Tenant may operate at any hours designated by Tenant. Subject to municipal code & approval.

LEASE FORM:

The lease shall be on a mutually agreeable standard lease form, which contains required insurance and healthcare regulatory provisions, including but not limited to an acknowledgement of, and representation that, the parties follow applicable healthcare laws.

BUILDING SERVICES:

Landlord shall provide utility services to the Building and maintain common areas which cost shall be included in Operating Expenses billed to Tenant on a pro rata basis.

EXHIBIT A

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

Parcel 1:

LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 139; AND THAT PORTION OF BLOCK 138, LYING SOUTHERLY OF EAST UNION STREET AND NORTHEASTERLY OF HARVARD AVENUE;

ALL IN A. A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THOSE PORTIONS OF VACATED SENECA STREET ADJOINING SAID BLOCK 138 AND LOTS 1 AND 2 OF SAID BLOCK 139, WHICH ATTACHED BY OPERATION OF LAW.

APN: 197820-1270

Parcel 2:

LOT 1 IN BLOCK 140 OF A.A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 6 OF PLATS AT PAGE(S) 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF VACATED SPRING STREET LYING BETWEEN BLOCKS 139 AND 140 ADJOINING OR ABUTTING THEREON, WHICH UPON VACATION, ATTACHED TO SAID PREMISES BY OPERATION OF LAW.

APN: 197820-1290

EXHIBIT B

FORM 17 ENVIRONMENTAL DISCLOSURE STATEMENT

[Attached]

EXHIBIT C

FORM OF BARGAIN AND SALE DEED

AFTER RECORDING RETURN TO:

ATTN: _____

BARGAIN AND SALE DEED

Grantor: GUNTOWER CAPITAL LLC, a Washington limited liability company

Grantee: KING COUNTY, a political subdivision of the State of Washington

Legal: [INSERT SHORT FORM DESCRIPTION]

See Exhibit A for additional legal

Assessor’s Property Tax Parcel Number(s):

The Grantor, GUNTOWER CAPITAL LLC, a Washington limited liability company, for and in consideration of mutual benefits, in hand paid, bargains, sells and conveys to Grantee, King County, a political subdivision of the State of Washington, the following the real property situate in King County, Washington and described in EXHIBIT A, attached hereto and incorporated herein by this reference, and all rights, privileges, tenements, hereditaments, easements and appurtenances belonging to such real property, together with all of Grantor’s right, title and interest in and to all buildings, structures and other improvements on the real property and any and all fixtures attached to or incorporated within such buildings, structures and other improvements, if any (collectively, the “Property”), subject only to the permitted exceptions set forth in EXHIBIT B.

GRANTOR

GUNTOWER CAPITAL LLC,
a Washington limited liability company

By: _____

Name:

Title

DATE: _____

NOTARY BLOCK APPEARS ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

NOTARY BLOCK FOR

STATE OF WASHINGTON)

) *SS*

COUNTY OF KING

)

On this _____ day of _____, 202_, 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 Bargain and Sale Deed**

Legal Description

The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

Parcel 1:

LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 139; AND THAT PORTION OF BLOCK 138, LYING SOUTHERLY OF EAST UNION STREET AND NORTHEASTERLY OF HARVARD AVENUE;

ALL IN A. A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THOSE PORTIONS OF VACATED SENECA STREET ADJOINING SAID BLOCK 138 AND LOTS 1 AND 2 OF SAID BLOCK 139, WHICH ATTACHED BY OPERATION OF LAW.

APN: 197820-1270

Parcel 2:

LOT 1 IN BLOCK 140 OF A.A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 6 OF PLATS AT PAGE(S) 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF VACATED SPRING STREET LYING BETWEEN BLOCKS 139 AND 140 ADJOINING OR ABUTTING THEREON, WHICH UPON VACATION, ATTACHED TO SAID PREMISES BY OPERATION OF LAW.

APN: 197820-1290

Exhibit B
to Bargain and Sale Deed
Permitted Exceptions

[to be added]

EXHIBIT D

BILL OF SALE

This BILL OF SALE (this “Bill of Sale”) is executed as of [_____] , 202_ by GUNTOWER CAPITAL LLC, a Washington limited liability company (“Seller”) in favor of KING COUNTY, a political subdivision of the State of Washington (“Buyer”).

R E C I T A L S

A. Seller is the current owner of the fee simple interest in certain real property more particularly described on Exhibit A attached hereto and the improvements located thereon, commonly known as 1145 Broadway S, Seattle, Washington 98122 (the “Real Property”).

B. Seller and Buyer have entered into that certain Real Estate Purchase and Sale Agreement dated as of _____ , 202_ (as the same may have been amended, modified or otherwise supplemented, the “Purchase Agreement”), wherein Seller has agreed to convey to Buyer all of Seller’s right, title and interest in and to the Real Property. All capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Purchase Agreement.

C. Seller desires to assign to Buyer all of its right, title and interest in and to the Personal Property (as defined below) all in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and of the mutual conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby agrees as follows:

1. Transfer of Property. Seller hereby sells, assigns, transfers, conveys and delivers to Buyer, any and all of the following “Personal Property” (as such term is hereinafter defined), to have and to hold the same unto Buyer, its successors and assigns, forever and Buyer assumes the foregoing.

“Personal Property” shall mean all of Seller’s right, title and interest in all fixtures, furniture, furnishings, tools, machines, appliances, apparatus, equipment, signs and all other personal property located on or about and otherwise used in connection with the Real Property and the businesses conducted thereon. The Personal Property includes (to the extent applicable), but is not limited to, (a) all deposits made or other security given to utility companies, all deposits made or other security given to any other individuals or entities for any purpose whatsoever, all tax credits, all real property tax refunds (excluding any rights to receive tax refunds resulting from appeals of property tax assessments relating to the period of Seller’s ownership of the Personal Property and the Real Property), and all refundable fees paid to any governmental, quasi-

governmental or private body, all cash refunds and credits of any type, all refundable fees paid to any other individuals and entities for any purpose whatsoever, (b) all heating, lighting, plumbing, drainage, electrical, air conditioning, and other mechanical fixtures and equipment and systems, (c) all elevators, and related motors and electrical equipment and systems, (d) all hot water heaters, furnaces, heating controls, motors and equipment, all shelving and partitions, all ventilating equipment, and all disposal equipment, (e) all equipment used in connection with the use and or maintenance of the common areas, and (f) all carpet. The Personal Property expressly excludes property belonging to tenants or other third parties.

2. Additional Instruments. Seller agrees that it will, upon request from Buyer, at any time from time to time after the date hereof and without further consideration, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, assignments, transfers, conveyances and assurances reasonably deemed by Buyer to be necessary or proper to better effect the sale, assignment, transfer, conveyance and delivery of ownership of the Personal Property to Buyer.

3. Successors and Assigns. This Bill of Sale shall inure to the benefit of Buyer and be binding upon Seller, and each of their respective heirs, legal representatives, successors and assigns.

4. Counterparts. This Bill of Sale may be executed in counterparts, each of which shall constitute an original, but all of which shall collectively constitute one instrument.

5. Governing Law. This Bill of Sale shall be governed by the laws of the State of Washington.

[Signatures on next page.]

IN WITNESS WHEREOF Seller has executed this Bill of Sale as of [____], 202_.

SELLER:

GUNTOWER CAPITAL LLC,
a Washington limited liability company

By:_____

Name:

Title:

EXHIBIT A TO BILL OF SALE

Legal Description

The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

Parcel 1:

LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 139; AND THAT PORTION OF BLOCK 138, LYING SOUTHERLY OF EAST UNION STREET AND NORTHEASTERLY OF HARVARD AVENUE;

ALL IN A. A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THOSE PORTIONS OF VACATED SENECA STREET ADJOINING SAID BLOCK 138 AND LOTS 1 AND 2 OF SAID BLOCK 139, WHICH ATTACHED BY OPERATION OF LAW.

APN: 197820-1270

Parcel 2:

LOT 1 IN BLOCK 140 OF A.A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 6 OF PLATS AT PAGE(S) 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF VACATED SPRING STREET LYING BETWEEN BLOCKS 139 AND 140 ADJOINING OR ABUTTING THEREON, WHICH UPON VACATION, ATTACHED TO SAID PREMISES BY OPERATION OF LAW.

APN: 197820-1290

EXHIBIT E

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 _____ ("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 _____;
4. Transferor's office address is _____.

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 _____, 202__.

Transferor:

By: _____
Name: _____
Title: _____

EXHIBIT F

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (this “Assignment”) is made as of [____], 202 (the “Effective Date”), by and between GUNTOWER CAPITAL LLC, a Washington limited liability company (“Seller”), and KING COUNTY, a political subdivision of the State of Washington (“Buyer”).

RECITALS

A. Seller is the current owner of the fee simple interest in certain real property more particularly described on Exhibit A attached hereto and the improvements located thereon, commonly known as 1145 Broadway, Seattle, Washington 98122 (the “Real Property”).

B. Seller and Buyer have entered into that certain Real Estate Purchase and Sale Agreement dated as of _____, 202_ (as the same may have been amended, modified or otherwise supplemented, the “Purchase Agreement”), wherein Seller has agreed to convey to Buyer all of Seller’s right, title and interest in and to the Real Property. All capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Purchase Agreement.

C. Seller desires to assign to Buyer the Assigned Property (as defined below) and Buyer desires to accept and assume the Assigned Property all in accordance with the terms and conditions set forth below.

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

AGREEMENT

1. **Assignment.** Seller hereby sells, assigns, transfers and conveys to Buyer, to the extent assignable, all of Seller’s right, title and interest now owned or hereafter acquired in and to any and all of the following with respect to the Real Property and all businesses and business operations conducted by Seller thereon (the “Assigned Property”):

- (a) Seller’s rights under all contracts and all other items listed on Schedule 1 attached hereto;
- (b) to the extent assignable, all approvals, permits, licenses and entitlements held by Seller in connection with the Real Property, including, without limitation, those listed on Schedule 2 attached hereto; and
- (c) to the extent assignable, all Intangible Property and all other property

(other than the “Personal Property”, as such term is defined in the Bill of Sale).

“Intangible Property” shall mean all of Seller’s right, title and interest (if any) in and to any intangible property relating to the Real Property, including but not limited to the following: (a) all plans, specifications and surveys; (b) all engineering (including storm water management plans), soil, environmental and inspection reports; (c) all property management reports, marketing reports, marketing displays and brochures; (d) all warranties from contractors, architects, engineers and material and labor suppliers whether written or implied, and any other warranties, guaranties, indemnities and claims for the benefit of Seller with respect to the Real Property or any portion thereof; (e) all insurance proceeds; (f) all books, records and financial statements relating to operations of the Real Property during Seller’s ownership thereof; and (g) goodwill associated with Seller’s operation of the businesses currently conducted at the Real Property (including any contracts, agreements or documents relating thereto); and (h) permits, licenses, certifications, authorizations and approvals, and the rights of Seller thereunder, issued by any governmental, regulatory, or private authority, agency, or other entity.

2. Assumption. Buyer accepts the assignment and agrees to perform all obligations of Seller with respect to the Assigned Property arising or accruing on or after the Effective Date. All of the obligations of Seller with respect to the Assigned Property arising, accruing or relating to the period before the Effective Date shall be allocated to Seller.

3. Additional Instruments. Seller agrees that it will, upon request from Buyer, at any time from time to time after the date hereof and without further consideration, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, assignments, transfers, conveyances and assurances reasonably deemed by Buyer to be necessary or proper to better effect the sale, assignment, transfer, conveyance and delivery of ownership of the Assigned Property to Buyer.

4. Successors and Assigns. This Assignment shall inure to the benefit of Buyer and be binding upon Seller, and each of their respective heirs, legal representatives, successors and assigns.

5. Counterparts. This Assignment may be executed in counterparts, each of which shall constitute an original, but all of which shall collectively constitute one instrument.

6. Governing Law. This Assignment shall be governed by the laws of the State of Washington.

[Signatures on next page.]

IN WITNESS WHEREOF the parties have executed this Assignment as of the date first above written.

SELLER:

GUNTOWER CAPITAL LLC,
a Washington limited liability company

By: _____
Name:
Title:

BUYER:

KING COUNTY,
a political subdivision of the State of Washington

By: _____
Name:
Title:

EXHIBIT A TO GENERAL ASSIGNMENT

Legal Description

The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

Parcel 1:

LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 139; AND THAT PORTION OF BLOCK 138, LYING SOUTHERLY OF EAST UNION STREET AND NORTHEASTERLY OF HARVARD AVENUE;

ALL IN A. A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THOSE PORTIONS OF VACATED SENECA STREET ADJOINING SAID BLOCK 138 AND LOTS 1 AND 2 OF SAID BLOCK 139, WHICH ATTACHED BY OPERATION OF LAW.

APN: 197820-1270

Parcel 2:

LOT 1 IN BLOCK 140 OF A.A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 6 OF PLATS AT PAGE(S) 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF VACATED SPRING STREET LYING BETWEEN BLOCKS 139 AND 140 ADJOINING OR ABUTTING THEREON, WHICH UPON VACATION, ATTACHED TO SAID PREMISES BY OPERATION OF LAW.

APN: 197820-1290

SCHEDULE 1 TO GENERAL ASSIGNMENT

List of Contracts

CONTRACTS OR AGREEMENTS:

1. Purchase and Sale Agreement by and between Guntower Capital LLC, a Washington limited liability company, as purchaser, and Polyclinic MSO, LLC, a Delaware limited liability company, as Seller (to the extent assignable);

[to be inserted]

UTILITY DEPOSITS:

[to be inserted]

SCHEDULE 2 TO GENERAL ASSIGNMENT
APPROVALS, PERMITS AND
ENTITLEMENTS
List of Permits and Licenses

[to be inserted]

EXHIBIT G

FORM ASSIGNMENT OF CONTRACT INTERESTS

ASSIGNMENT OF CONTRACT INTERESTS

This ASSIGNMENT OF CONTRACT INTERESTS (this “*Assignment*”) is entered into, as of _____, 202__, by and between GUNTOWER CAPITAL LLC, a Washington limited liability company, or its nominee (“*Assignor*”), and KING COUNTY, a political subdivision of the State of Washington (“*Assignee*”).

RECITALS

A. Assignor and Assignee are parties to that certain Real Estate Purchase and Sale Agreement dated as of [_____], 202__ (the “*Agreement*”). Each capitalized term not defined herein shall have the respective meaning given to that term in the Agreement.

B. The Agreement provides, in part, that Assignor, upon election by Assignee, shall assign to Assignee all of Assignor’s rights, title, and interest (“*Contract Interests*”) under that certain Purchase and Sale Agreement, dated January 10, 2024, between Polyclinic MSO, LLC, a Delaware limited liability company (collectively, “*Seller*”), as seller, and Assignor, as buyer, (the “*Purchase Agreement*”), with respect to the sale and assignment of certain real property owned by Seller located at 1145 Broadway, in the City of Seattle, King County, State of Washington, and other related property and rights, all as more particularly described in the Purchase Agreement.

C. As used herein, the term Contract Interests includes all rights of Assignor to the Initial Deposit (as such term is defined in the Purchase Agreement).

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby absolutely and unconditionally assign to Assignee, the Contract Interests, together with all of the third-party reports, studies and other diligence materials of Assignor set forth on Schedule 1 attached hereto.

1. This Assignment shall be binding upon and inure to the benefit of the respective successors, assigns, personal representatives, heirs and legatees of Assignee and Assignor.

2. This Assignment is made subject to all of the terms and conditions set forth in the Agreement and the Purchase Agreement, provided, however, that Assignee does not assume any liabilities incurred by Assignor under the Purchase Agreement prior to the effective date of this Assignment.

3. Notwithstanding the date set forth above, this Assignment is effective concurrently with the Closing under the Purchase Agreement and not until then. This Assignment will automatically terminate and be of no further force or effect if the Purchase Agreement is terminated. Upon termination of this Assignment, the parties shall have no further obligations to each other except as set forth in the Agreement. Any capitalized terms used herein without definition shall have the meaning set forth in the Agreement.

4. The Parties hereto agree and acknowledge that the Polyclinic and Escrow Agent (as those terms are used in the Agreement), may rely on this Assignment as evidence of assignment and assumption of the Contract Interests.

[REMAINDER LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of the day and year first above written.

GUNTOWER CAPITAL LLC,
a Washington limited liability company

By: _____
Name: _____
Title: _____

The undersigned accepts the foregoing assignment and agrees to assume Assignor's Contract Interests and obligations set forth in the Purchase Agreement on the terms and conditions set forth in this Assignment and the Agreement.

KING COUNTY,
a political subdivision of the State of Washington

By: _____
Name: _____
Title: _____

The undersigned, being the Seller under the Purchase Agreement, hereby consents to this Assignment and the foregoing assignment of Assignor's Contract Interests to Assignee.

POLYCLINIC MSO LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

[Schedule 1 to Assignment of Contract Interests]

Diligence Materials

[to be inserted]

Schedule 3.1.11

Leases and Contracts

None

Schedule 3.1.12

Ongoing Work

None

FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT (“Amendment”) is made and entered into effective March 27, 2025 (the “Effective Date”) by and between GUNTOWER CAPITAL LLC, a Washington limited liability company (the “Seller”), and KING COUNTY, a political subdivision of the State of Washington (the “Buyer”).

RECITALS

This Amendment is made with respect to the following facts and circumstances:

A. Buyer and Seller are parties to that certain Real Estate Purchase and Sale Agreement dated as of January 16, 2025, concerning Buyer’s acquisition of certain real property located at 1145 Broadway, in the City of Seattle, King County, State of Washington (the “Agreement”). Capitalized terms used herein and not defined herein have the meaning given to such terms in the Agreement.

B. Buyer and Seller desire to amend the Agreement to extend the deadline to satisfy the Contingencies, as more particularly set forth herein.

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:

1. Recitals. The Recitals set forth above are hereby incorporated herein by reference as if fully set forth herein.
2. Contingency Period. Section 5.2.3 of the Agreement is hereby deleted in its entirety and replaced with the following:

“5.2.3 CONTINGENCY PERIOD. Buyer shall have until July 30, 2025 (the “Council Contingency Period”) to determine that the Council Approval Contingency has been satisfied or to waive same, in Buyer’s sole and absolute discretion. Buyer shall have until April 30, 2025 (the “Polyclinic Contingency Period”) to determinate that the Polyclinic Contingency has been satisfied or to waive same, in Buyer’s sole and absolute discretion. If all Contingencies are not satisfied or waived by Buyer in writing on or before the expiration of the Council Contingency Period with respect to the Council Approval Contingency or the expiration of the Polyclinic Contingency Period with respect to the Polyclinic Contingency, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder, except those that expressly survive the termination of this Agreement.”

3. Contingencies Condition to Closing. Section 7.5 of the Agreement is hereby deleted in its entirety and replaced with the following:

“**7.5. CONTINGENCIES.** The Council Contingency shall have been satisfied or waived on or before the expiration of the Council Contingency Period and the Polyclinic Contingency shall have been satisfied or waived on or before the expiration of the Polyclinic Contingency Period.”

4. Due Diligence Period. Buyer acknowledges and agrees that it has not elected to, and hereby waives its right to, terminate the Agreement prior to the expiration of the Due Diligence Period (i.e., March 31, 2025) as such right to terminate is set forth in Section 5.1 of the Agreement; provided, however, that for avoidance of doubt, the foregoing shall not be deemed a waiver or limitation on any other rights of Buyer as set forth in the Agreement that expressly survive the Due Diligence Period, including, without limitation, Buyer’s right to update its due diligence investigations as set forth in Section 5.1.3. As referenced in Section 5.1.3, the Due Diligence Period expiration date shall be deemed to be the Effective Date of this Amendment.

5. Miscellaneous.

A. Binding Effect. All provisions of the Agreement, as amended hereby, shall remain in full force and effect and unchanged, except as provided herein. If any provision of this Amendment conflicts with the Agreement, the provisions of this Amendment shall control. This Amendment is binding upon and shall inure to the benefit of Buyer and Seller, and their respective successors and assigns.

B. References. All references to the Agreement in any document, instrument, agreement, or writing delivered pursuant to the Agreement (as amended hereby) shall hereafter be deemed to refer to the Agreement as amended hereby.

C. Execution. This Amendment may be executed in multiple counterparts, each of which, when assembled to include a signature by each party, shall constitute one (1) complete and fully executed Amendment. Counterparts to this Amendment may be executed and delivered by e-mail or facsimile transmission, and/or executed using “DocuSign,” “esign” or a similar electronic program.

D. Headings. The headings in this Amendment are for reference only and shall not affect the interpretation of this Amendment.

[Signatures on following page(s)]

EXECUTED on the dates set forth below.

SELLER: GUNTOWER CAPITAL LLC,
a Washington limited liability company

BUYER: KING COUNTY

By: Signed by:

B4AB9D7D5C424D6...

Name: Chris Langer

Title: Manager

Date: 3/27/2025

By: DocuSigned by:

22F0157CCF6B4B8...

Name: Anthony O. Wright
Title: Director of the Facilities Management
Division of the Department of
Executive Services of King County

Date: 3/27/2025

SECOND AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT (Amendment ") is made and entered into effective April 26, 2025 (the "Effective Date") by and between **GUNTOWER CAPITAL LLC**, a Washington limited liability company (the "Seller"), and **KING COUNTY**, a political subdivision of the State of Washington (the "Buyer").

RECITALS

This Amendment is made with respect to the following facts and circumstances:

A. Buyer and Seller are parties to that certain Real Estate Purchase and Sale Agreement dated as of January 16, 2025, as amended by that certain First Amendment to Real Estate Purchase and Sale Agreement dated as of March 27, 2025, concerning Buyer's acquisition of certain real property located at 1145 Broadway, in the City of Seattle, King County, State of Washington (as amended, the "Agreement"). Capitalized terms used herein and not defined herein have the meaning given to such terms in the Agreement.

B. Buyer and Seller desire to amend the Agreement to extend the deadline to satisfy the Contingencies, as more particularly set forth herein.

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:

1. Recitals. The Recitals set forth above are hereby incorporated herein by reference as if fully set forth herein.
2. Contingency Period. Section 5.2.3 of the Agreement is hereby deleted in its entirety and replaced with the following:

"5.2.3 CONTINGENCY PERIOD. Buyer shall have until October 3, 2025 (the "Council Contingency Period") to determine that the Council Approval Contingency has been satisfied or to waive same, in Buyer's sole and absolute discretion. Buyer shall have until July 7, 2025 (the "Polyclinic Contingency Period") to determine that the Polyclinic Contingency has been satisfied or to waive same, in Buyer's sole and absolute discretion. If all Contingencies are not satisfied or waived by Buyer in writing on or before the expiration of the Council Contingency Period with respect to the Council Approval Contingency or the expiration of the Polyclinic Contingency Period with respect to the Polyclinic Contingency, this Agreement shall terminate, the Deposit shall be returned to Buyer and the Parties shall have no further obligations hereunder, except those that expressly survive the termination of this Agreement."

3. Miscellaneous.

A. Binding Effect. All provisions of the Agreement, as amended hereby, shall remain in full force and effect and unchanged, except as provided herein. If any provision of this Amendment conflicts with the Agreement, the provisions of this Amendment shall control. This Amendment is binding upon and shall inure to the benefit of Buyer and Seller, and their respective successors and assigns.

B. References. All references to the Agreement in any document, instrument, agreement, or writing delivered pursuant to the Agreement (as amended hereby) shall hereafter be deemed to refer to the Agreement as amended hereby.

C. Execution. This Amendment may be executed in multiple counterparts, each of which, when assembled to include a signature by each party, shall constitute one (1) complete and fully executed Amendment. Counterparts to this Amendment may be executed and delivered by e-mail or facsimile transmission, and/or executed using “DocuSign,” “esign” or a similar electronic program.

D. Headings. The headings in this Amendment are for reference only and shall not affect the interpretation of this Amendment.

[Signatures on following page(s)]

EXECUTED on the dates set forth below.

SELLER: GUNTOWER CAPITAL LLC,
a Washington limited liability company

By:  _____
Signed by:

Name: Chris Langer

Title: Manager

Date: 4/26/2025

BUYER: KING COUNTY

By:  _____
DocuSigned by:

Name: Anthony O. Wright
Title: Director of the Facilities Management
Division of the Department of
Executive Services of King County

Date: 4/26/2025

THIRD AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS THIRD AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT (“Amendment”) is made and entered into effective 5/29/2025, (the “Effective Date”) by and between **GUNTOWER CAPITAL LLC**, a Washington limited liability company (the “Seller”), and **KING COUNTY**, a political subdivision of the State of Washington (the “Buyer”).

RECITALS

This Amendment is made with respect to the following facts and circumstances:

A. Buyer and Seller are parties to that certain Real Estate Purchase and Sale Agreement dated as of January 16, 2025, as amended by that certain First Amendment to Real Estate Purchase and Sale Agreement dated as of March 27, 2025 and that certain Second Amendment to Real Estate Purchase and Sale Agreement dated as of April 26, 2025, concerning Buyer’s acquisition of certain real property located at 1145 Broadway, in the City of Seattle, King County, State of Washington (as amended, the “Agreement”). Capitalized terms used herein and not defined herein have the meaning given to such terms in the Agreement.

B. Seller and Polyclinic have amended the Polyclinic PSA by that certain First Amendment to Purchase and Sale Agreement dated May 22, 2025 (the “Polyclinic PSA Amendment”).

C. Buyer and Seller desire to amend the Agreement as more particularly set forth herein.

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:

1. Recitals. The Recitals set forth above are hereby incorporated herein by reference as if fully set forth herein.
2. Closing Date. Buyer hereby agrees and acknowledges that, pursuant to the Polyclinic PSA Amendment, the term “Closing Date” (as used in the Polyclinic PSA) was amended to mean December 15, 2025 or such earlier date as mutually agreed between Seller and Polyclinic pursuant to the terms of the Polyclinic PSA, as amended.
3. Purchase Price and Payment. Section 2.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

“In consideration of the conveyance of the Property, Buyer shall, in full payment therefor, pay in cash or by wire transfer of immediately available funds to or at the direction of Seller on the Closing Date a purchase price equal to \$38,750,000.00 (the ‘Purchase Price’).”

4. Assignment Notice. Section 7.9 of the Agreement is hereby deleted in its entirety and replaced with the following:

“Except in the case of an assignment of the Polyclinic PSA to Buyer, Seller shall have closed on its acquisition of the Property pursuant to the Polyclinic PSA. In the event Polyclinic defaults and does not sell the Property to Seller, Seller shall not be considered to be in default of this Agreement, but shall be required to pursue all of its remedies under the Polyclinic PSA to cause the Property to be sold to Seller using commercially reasonable efforts. In such event, Buyer agrees to delay the Closing on a day-for-day basis until the PSA Closing. However, if despite Seller’s good faith efforts, using all commercially reasonable resources (including, if necessary, litigation), Seller is unable to cause the PSA Closing to occur on or before January 14, 2026, either Party shall have the right to terminate this Agreement by written notice to the other Party, in which event this Agreement shall terminate, the Deposit shall be returned to Buyer, and the parties shall have no further obligations to the other hereunder; provided, however, if Seller notifies Buyer that Seller shall not further and diligently pursue enforcement of its rights under the Polyclinic PSA, Buyer may elect in Buyer’s sole and absolute discretion, to take over the enforcement of those rights pursuant to an assignment to Buyer of the Polyclinic PSA.”

5. Termination Right. Section 9.1.3 of the Agreement is hereby deleted in its entirety and replaced with the following:

“Provided the PSA Closing has occurred and the Closing under this Agreement has not occurred on or before December 22, 2025 through no default of either Party, but subject to Section 7.9, then either Party may elect to terminate this Agreement by written notice to the other Party and the Escrow Agent. The Deposit shall be returned to Buyer effective with such termination pursuant to this Section 9.1.3.”

6. Polyclinic Contingency. The Parties hereby acknowledge and agree that Seller, as landlord, and Polyclinic, as tenant, executed that certain Clinic Lease Agreement, effective as of May 22, 2025 and commencing on the date of the PSA Closing (as amended by the Polyclinic PSA Amendment) (the “Executed Polyclinic Lease”). Consequently, Buyer acknowledges the satisfaction of and hereby waives the Polyclinic Contingency prior to the expiration of the Polyclinic Contingency Period (i.e., July 7, 2025); provided, however, that for avoidance of doubt, the foregoing shall not be deemed a waiver or limitation on any other rights of Buyer as set forth in the Agreement including, without limitation, Buyer’s right to determine that the Council Approval Contingency has been satisfied or to waive same on or before the expiration of the Council Contingency Period. The Parties hereby desire to amend the Agreement further by incorporating the Executed Polyclinic Lease as **EXHIBIT H** to the Agreement. All references in the Agreement to the term Polyclinic Long-Term Lease shall mean the Executed Polyclinic Lease as defined in this Amendment.

7. Miscellaneous.

A. Binding Effect. All provisions of the Agreement, as amended hereby, shall remain in full force and effect and unchanged, except as provided herein. If any provision of this Amendment conflicts with the Agreement, the provisions of this Amendment shall control. This Amendment is binding upon and shall inure to the benefit of Buyer and Seller, and their respective successors and assigns.

B. References. All references to the Agreement in any document, instrument, agreement, or writing delivered pursuant to the Agreement (as amended hereby) shall hereafter be deemed to refer to the Agreement as amended hereby.

C. Execution. This Amendment may be executed in multiple counterparts, each of which, when assembled to include a signature by each party, shall constitute one (1) complete and fully executed Amendment. Counterparts to this Amendment may be executed and delivered by e-mail or facsimile transmission, and/or executed using “DocuSign,” “esign” or a similar electronic program.

D. Headings. The headings in this Amendment are for reference only and shall not affect the interpretation of this Amendment.

[Signatures on following page(s)]

EXECUTED on the dates set forth below.

SELLER: GUNTOWER CAPITAL LLC,
a Washington limited liability company

By:  _____
Signed by: B4AB907D5C424D8...

Name: Chris Langer

Title: Manager

Date: 5/29/2025

BUYER: KING COUNTY

By:  _____
DocuSigned by: 22F01576CF6B4B8...

Name: Anthony O. Wright
Title: Director of the Facilities Management
Division of the Department of
Executive Services of King County

Date: 5/29/2025

EXHIBIT H
Executed Polyclinic Lease
(attached)

CLINIC LEASE AGREEMENT

THIS CLINIC LEASE AGREEMENT (this “Lease”), dated May 22nd, 2025 (the “Effective Date”), is entered into by and between GUNTOWER CAPITAL LLC, a Washington limited liability company (“Landlord”), and THE POLYCLINIC MSO, LLC, a Delaware limited liability company (“Tenant”).

RECITALS

WHEREAS, Tenant, as seller, and Landlord, as purchaser, are parties to that certain Purchase Agreement (as defined below), whereby the parties agreed to that Tenant, as seller, would lease a portion of the Property (as defined in the Purchase Agreement) upon the Closing Date (as defined in the Purchase Agreement) thereunder.

WHEREAS, Tenant and Landlord agree that this Lease is effective as of the Effective Date, subject only to Section 2.07 of this Lease.

NOW, THEREFORE, in consideration of the above Recitals which are incorporated by this reference, and the mutual covenants contained herein, Landlord and Tenant agree as follows:

ARTICLE 1. DEFINITIONS, EXHIBITS

1.01 Definitions. Except as otherwise expressly provided herein, the following terms have their respective meanings set forth herein:

- A. “Additional Rent” means the amounts payable by Tenant to Landlord pursuant to this Lease other than Base Rent, including the Parking Rent.
- B. “Affiliates” mean any one or more of the following parties: (i) any party controlling, controlled by or under common control with Tenant; (ii) any party merging with, or surviving a reorganization of, Tenant; (iii) any party acquiring all or substantially all of either or both Tenant’s assets or equity; (iv) any party acquired by an Affiliate or subsidiary of Tenant’s ultimate parent company; (v) any partners or employees (whether one or more) who provided medical services on behalf of Tenant in the Premises if such partners or employees agree to assume responsibility for Tenant’s obligations under this Lease as part of a negotiated termination of such partnership or employment.
- C. “Alterations” means the Permitted Alterations and the Consent Required Alterations.
- D. “Base Rent” means the amount described in Section 3.01 hereof.
- E. “Building” means that certain building located on the Land having an address of 1145 Broadway, Seattle, Washington 98101.

- F. “Building Systems” means all systems required for the proper functioning of the Building and for Tenant's use of the Premises for conducting Tenant's business therein, including without limitation, electrical, mechanical, HVAC, plumbing, sewer, and fire-life safety systems, and for delivery of said services to the Building.
- G. “Business Day” means any day other than a Saturday, a Sunday, or a Holiday.
- H. “Commencement Date” is the Closing Date (as defined in the Purchase Agreement), which is anticipated to be on or before December 15, 2025. Promptly after the occurrence of the Commencement Date, Landlord and Tenant shall complete, execute and deliver a Commencement Date Memorandum in the form attached as **Exhibit A**, provided that the failure to execute and deliver such memorandum shall not affect the determination of the dates in accordance with this Lease.
- I. “Common Areas” are those parts of the Project that are outside the perimeter of the Building including any landscaping and parking facilities and those parts of the Building for use in common by owners and occupants of the Building.
- J. “Expiration Date” is the last day of the thirty-sixth (36th) month following the Commencement Date.
- K. “Holidays” means the calendar days on which the following holidays fall or are observed: New Year’s Day, Martin Luther King, Jr. Day, Memorial Day, Labor Day, Independence Day, Thanksgiving, and Christmas.
- L. “Initial Term” is the period commencing on the Commencement Date and expiring on the Expiration Date, subject to Section 2.06 and Section 6.05 below.
- M. “Land” means that certain real property described on **Exhibit B** attached hereto.
- N. “Lease Year” means each consecutive twelve (12) month period beginning on the Commencement Date or any anniversary thereof.
- O. “Legal Requirements” means all laws, ordinances, orders, rules and regulations, whether local, state, federal or promulgated by other agencies or bodies applicable to the Project, including, without limitation, applicable environmental laws.
- P. “Long Term Premises” means those certain premises located on the third floor of the Building consisting of approximately 15,823 rentable square feet and as depicted on **Exhibit C** attached hereto.
- Q. “Operating Expenses” means all costs and expenses paid by Landlord for operating and maintaining the Project in good condition and repair in accordance with this Lease, determined in accordance with generally accepted accounting principles consistently applied (“GAAP”), including (except as qualified and limited as set forth in Section 4.02 hereof), without limitation, Real Estate Taxes, the cost of supplying all utilities, the cost of operating, maintaining, repairing and managing

Building Systems, the cost of insurance carried by Landlord and paid to a third party insurer in such amounts as Landlord may be required hereunder, fees for required licenses and permits, and landscaping.

- R. “Parking Ratio” means five (5) parking spaces per 1,000 rentable square feet from time to time within the Premises.
- S. “Purchase Agreement” means that certain Purchase and Sale Agreement dated January 10, 2024 by and between Tenant, as seller, and Landlord, as purchaser, as amended by that certain First Amendment to Purchase and Sale Agreement dated May 22nd, 2025, with respect to the Project.
- T. “Premises” means collectively the Short Term Premises and the Long Term Premises, collectively containing approximately 28,404 rentable square feet.
- U. “Project” means the Building, the Land, and the Common Areas.
- V. “Short Term Premises” means collectively (i) those certain premises located on the first floor of the Building containing approximately 7,346 rentable square feet, as depicted on **Exhibit D** attached hereto, and (ii) those certain premises located on the second floor of the Building containing approximately 5,235 rentable square feet, as depicted on **Exhibit D** attached hereto.
- W. “Real Estate Taxes” means all real estate and ad valorem taxes, assessments (special or general), levies, charges, and any other governmental impositions, whether or not denominated as a tax, that are levied or assessed against the Building, the Common Areas and the Land as finally determined to be legally payable in any tax year, including any such amounts imposed in substitution for or in lieu of real estate taxes due to the tax-exempt status or nature of Landlord or the Project, excluding any income, transfer, sales, gift, franchise, margin, inheritance, excise (except to the extent imposed in substitution for or in lieu of Real Estate Taxes), capital gain, use or rent taxes.
- X. “Referral Source” means a “referring physician” or a “referral source” as to the Tenant for services paid for by any federal or state health care program, as the terms are defined under any federal or state health care anti-referral or anti-kickback regulation, interpretation or opinion.
- Y. “Rent” means Base Rent and Additional Rent payable by Tenant to Landlord under this Lease.
- Z. “Tenant’s Share” means the quotient of rentable square feet in the Premises divided by the rentable square feet in Building, which as of the Commencement Date is twenty-five percent (25%) and, if the termination option in Section 2.06 is exercised, Tenant’s Share shall be fourteen percent (14%).
- AA. “Term” is in the Initial Term as the same may be earlier terminated or extended.

ARTICLE 2. BASIC LEASE PROVISIONS

2.01 Parties. Upon the Commencement Date, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, together with the right to use the Common Areas.

2.02 Premises. Landlord shall deliver to Tenant, and Tenant shall accept from Landlord, the Premises on the Commencement Date and in the condition required by this Lease. Tenant shall have access to the Premises twenty-four (24) hours a day, seven (7) days a week.

2.03 Notices. Except as otherwise provided, all notices and notifications required or permitted under this Lease to be sent from one party to the other must be in writing and sent by a nationally recognized private carrier of overnight mail (e.g., Federal Express) or by United States certified mail, return receipt requested, and postage prepaid, to the addresses set forth below, or at such other addresses as the parties may designate by notice from time to time, with a courtesy copy to the e-mail address below. All notices sent by a nationally recognized private carrier of overnight mail are deemed effective one (1) Business Day after deposit with such nationally recognized private carrier. All notices sent by United States certified mail are deemed effective three (3) Business Days after deposit. Either party has the right to change its notice address at any time by giving ten (10) Business Days' written notice.

To Landlord:	Guntower Capital LLC 1421 34 th Ave #300 Seattle, WA 98122 Attn: Charlie Bauman E-Mail: charlie@guntowercapital.com
To Tenant:	The Polyclinic MSO, LLC 2 Optum Circle Mail Code: MN102-0800 Eden Prairie, MN 55344 Attn: Lease Administration – #USAWA105 With a copy to: lease.administration@uhc.com - #USAWA105

2.04 Use. Tenant may use the Premises for providing medical services necessary or desirable to render a complete program of treatment to patients and/or all other uses permitted by Legal Requirements.

2.05 Term. Tenant shall have and hold the Premises for the Term subject to the terms of this Lease. If this Lease is fully or partially terminated for any reason before the first anniversary of the Commencement Date, then Landlord and Tenant shall not enter into any agreement with each other for the portion of the Premises so terminated before the first anniversary of the Commencement Date.

2.06 Early Termination Option. Tenant and Landlord shall each have the ongoing right to terminate the Lease with respect to the Short Term Premises only by providing the other party at least one hundred twenty (120) prior written notice setting forth the early termination date (the “Early Termination Notice”), which early termination date can be no earlier than 11:59 p.m. local time on September 30, 2026 (the “Early Termination Date”). If the Early Termination Notice is given, then as of the Early Termination Date, the Lease, with respect to the Short Term Premises only, shall be terminated, Base Rent and Tenant’s Share shall be adjusted accordingly, and all references in the Lease to the Premises shall mean and refer to the Long Term Premises only.

2.07 Purchase Contingency. This Lease is expressly contingent upon the occurrence of the Closing (as defined in the Purchase Agreement) pursuant to the Purchase Agreement, and Landlord’s and Tenant’s rights and obligations under this Lease shall commence upon Closing.

ARTICLE 3. BASE RENT, PAYMENT OF RENT

3.01 Base Rent. Beginning on the Commencement Date, Tenant agrees to pay to Landlord Base Rent in monthly installments as follows:

<u>Time Period</u>	<u>Annual Base Rent / RSF</u>	<u>Monthly Base Rent for Short Term Premises</u>	<u>Monthly Base Rent for Long Term Premises</u>
Lease Year 1	\$30.00	\$31,452.50	\$39,557.50
Lease Year 2	\$30.75	\$32,238.81	\$40,546.44
Lease Year 3	\$31.52	\$33,046.09	\$41,561.75

3.02 Payment. Subject to Section 3.01, Tenant shall pay Base Rent on or before the first day of each calendar month during the Term commencing as of the Commencement Date. Rent for any partial months is prorated on a per diem basis based on the number of days in the subject calendar month. Tenant may pay Rent pursuant to the deposit instructions attached hereto as **Exhibit E**, Landlord represents that its current, completed Form W-9 Request for Taxpayer Information and Certification is attached hereto as **Exhibit F**.

ARTICLE 4. OPERATING EXPENSES

4.01 Operating Expenses Payment. Landlord shall pay, before delinquency, all Operating Expenses with respect to the Project. Landlord has the right, from time to time, to give notice to Tenant setting forth in reasonable detail the estimated Operating Expenses for any calendar year. Commencing with the first rental payment date at least thirty (30) days after receipt of such notice, Tenant shall pay each month, as Additional Rent, one twelfth (1/12) of Tenant’s Share of any such estimated Operating Expenses. Landlord shall, by June 1st of each year, deliver to Tenant a statement (a “Reconciliation Statement”) that identifies the amount of estimated Operating Expenses paid by Tenant and actual Operating Expenses paid by Landlord in the immediately preceding calendar year. In the event Tenant has paid less than its obligation for Operating

Expenses for the preceding calendar year, then Tenant shall pay to Landlord the difference between the aggregate of the estimated payments made during that year and the total payments due from Tenant for the same period. If the Reconciliation Statement shows an overpayment by Tenant, then any surplus paid by Tenant shall be credited to Tenant's next monthly installments of Rent or, if this Lease has expired or been terminated, be paid to Tenant within thirty (30) days after the end of the Term. The reconciliation obligations under this Section shall survive the termination or expiration of this Lease for a period of one (1) year.

4.02 Operating Expense Exclusions. Notwithstanding anything to the contrary in this Lease, Operating Expenses do not include any of the following:

- (a) depreciation or amortization of the Project or the Building, or the Project's contents, components, equipment, or fixtures;
- (b) expenses for the preparation of space or other work which Landlord performs for any prospective tenant of the Building or the Project;
- (c) expenses for repairs or restoration due to damage by fire, windstorm, casualty or any other insurable occurrence, including costs subject to Landlord's insurance deductible, or which is due to property being taken in condemnation;
- (d) expenses incurred in leasing or obtaining new tenants or retaining existing tenants (or any subleasing or assignments), including, without limitation, leasing commissions, legal expenses, advertising, marketing or promotional costs;
- (e) expenses incurred in enforcing the terms of any lease or costs incurred by Landlord relating to any violation by Landlord of any Legal Requirements;
- (f) principal, interest, amortization or other costs, including, but not limited to, legal fees associated with any mortgage, loan or refinancing or any other debt Landlord may have incurred or will incur in the future related to the ownership, operation, maintenance or sale of all or any part of the Building or the Project;
- (g) expenses incurred for any maintenance, repair or replacement of any item to the extent that it is covered under warranty or service contract;
- (h) accounting and legal fees relating to the ownership, construction, leasing or sale of the Building and the Project and accounting and legal fees paid or imputed to full time employees of Landlord or any management agent;
- (i) any interest or penalty incurred due to the late payment or nonpayment by Landlord of any Operating Expense;
- (j) any amount paid to an entity or individual related to Landlord which exceeds the amount which would be paid for similar goods or services on an arms-length basis between unrelated parties;
- (k) the cost of correcting latent defects in the Building or the Project;

- (l) costs and expenses for maintaining, repairing, and replacing the foundation, exterior windows, roof and roof membrane, any structural elements of the Building;
- (m) all costs and expenses that would, under GAAP, be deemed capital costs or capital expenditures;
- (n) all overhead expenditures pertaining to the administration of the Building or the Project;
- (o) all bad debt loss, rent loss or reserve for bad debt or rent loss, or Operating Expense reserve;
- (p) any other cost or expense which, under GAAP, would not be considered to be an operating cost of the Building or the Project; and
- (q) any entertainment, dining or travel expenses of Landlord for any purpose.

4.03 Janitorial. Tenant shall be responsible, at its sole cost and expense, for payment of any janitorial services required by Tenant within the Premises.

4.04 Internet Services. Tenant may contract and pay directly with any vendor or service provider to provide internet, cable, telephone and/or broadband services to and within the Premises without notice to or the consent of Landlord from time to time. Landlord has no right to require Tenant to utilize or switch to any such vendor or service provider.

ARTICLE 5. CERTAIN OBLIGATIONS

5.01 Repairs and Maintenance.

A. Landlord shall make, or cause to be made, all repairs and replacements and perform all necessary maintenance to the Building (excluding the interior, non-structural portions of the Premises), the Common Areas, and to all Building Systems, the foundation, exterior windows, roof and roof membrane, all structural elements of the Building, sidewalks, parking areas, driveways, landscaping, lawn care, exterior lighting to maintain them in good operating condition and repair.

B. Except to the extent such repair, replacement or maintenance is the responsibility of Landlord hereunder, Tenant shall make all repairs and perform all necessary maintenance to the interior, non-structural portions of the Premises.

C. When making repairs, Landlord shall take all necessary actions to protect Tenant's property and personnel from loss, damage and injury and to avoid disrupting Tenant's use and occupancy of the Premises.

5.02 Landlord Access and Tenant Locks.

A. Landlord Access. Tenant shall reasonably cooperate with Landlord to allow Landlord to perform its obligations under this Lease. Tenant shall have the right to have

an escort or representative accompany Landlord while accessing the Premises. Any work to the Premises or in the Building to the extent it affects Building Systems serving the Premises shall be performed during hours that Tenant is not treating patients (except in emergencies) unless Tenant, in the exercise of its reasonable discretion, otherwise agrees.

B. Tenant Locks. Tenant may install locks at Tenant's expense on areas within the Premises as required for operation of its business, such as areas containing patient records or regulated narcotics and pharmaceuticals.

5.03 Holding Over. If Tenant holds over in the Short Term Premises and/or Long Term Premises after the expiration of the Term hereof with or without the consent of Landlord, such holding over shall, in the absence of a written agreement to the contrary, be deemed to have created a tenancy from month to month, terminable on thirty (30) days' notice by either party. The holdover Base Rent will be at one hundred twenty-five percent (125%) of the Base Rent in effect during the last month of the current Term for holding over in the Long Term Premises and at two hundred percent (200%) of the Base Rent in effect during the last month of the current Term for holding over in the Short Term Premises with all other terms being unaffected.

5.04 Landlord Services. Landlord shall provide Tenant with the following services, at Landlord's cost but subject to reimbursement to the extent the same may be Operating Expenses: (a) HVAC systems serving the Premises in good, operating condition; and (b) electricity and water service to the Premises sufficient for Tenant's medical use; and (c) maintenance, repair and replacement services in accordance with Section 5.01 of this Lease.

5.05 Landlord's Warranties; Quiet Enjoyment; Title.

A. Landlord warrants that it is the fee owner of the Premises, and warrants that it is authorized to enter into this Lease and no third party's consent is needed and that the person executing this Lease has full power and authority to execute and bind the Landlord.

B. Landlord agrees that, provided no Tenant Default exists, Tenant shall have the peaceful possession and quiet enjoyment of the Premises during the Term, subject to the rights of Landlord under this Lease.

5.06 Tenant's Warranties and Representations. Tenant warrants and represents that it is authorized to enter into this Lease and no third party's consent is needed and that the person executing this Lease has full power and authority to execute and bind Tenant.

ARTICLE 6. TENANT'S RIGHTS

6.01 Subleasing and Assignment. Tenant may, from time-to-time, without Landlord's consent, assign this Lease, or sublet all or part of the Premises, to any one or more Affiliates. Any other assignment or sublease by Tenant will require Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. A transfer of any direct or indirect ownership interest in Tenant is not an assignment of this Lease.

6.02 Alterations. Tenant may make improvements, additions, installations, decorations and changes to the interior of the Premises that do not adversely affect the structural components of the Premises or the Building Systems in a material manner (collectively, “Permitted Alterations”) without Landlord’s consent. Tenant may make any other alterations (“Consent Required Alterations”) to the Premises with Landlord’s prior written consent, which consent will not be unreasonably withheld, conditioned or delayed. In the event Landlord fails to respond to Tenant’s request for approval of any plans and specifications for the Consent Required Alterations within ten (10) days, Landlord shall be deemed to have given its consent.

In connection with any Alterations, (a) Tenant shall have the right to select its own architectural and/or engineering firms, general contractors, subcontractors, or materialmen, (b) Landlord shall not charge any supervision, management, or similar fees, and (c) Tenant may perform Alterations during business hours.

All Alterations permitted pursuant to this Lease are Landlord’s property on completion and Tenant is not required to remove any of the same upon the expiration or earlier termination of the Lease. Furniture, Tenant’s trade fixtures, medical equipment and other personal property provided by Tenant are Tenant’s property and remain Tenant’s property at the Term’s expiration; provided, however, if the same are not removed within ten (10) days after the expiration of the Term, they are deemed abandoned and become the property of Landlord in their current as-is, all-faults condition. In making Alterations, Tenant shall comply with all applicable Legal Requirements and employ contractors licensed to perform the contemplated work. Tenant shall not permit any lien to be of record against the Project for work or materials provided or obligations incurred by or for Tenant for more than thirty (30) days after Tenant’s receipt of notice thereof. If Tenant does not remove any such lien within such thirty (30) day period, Landlord may, but shall not be obligated to, cause such lien to be removed and Tenant shall, upon written notice, reimburse Landlord for the costs and expenses thereof, including, without limitation, reasonable attorneys’ fees actually incurred.

6.03 Signage. Tenant shall have the right to install and display signage as Tenant may consider necessary or desirable on the exterior and interior walls, doors and windows of the Premises. Tenant is entitled to all Tenant’s signage existing the Project as of the Commencement Date, including, without limitation, exterior eyebrow signage at the Building’s Harvard Avenue entrance, exterior retaining wall signage at the corner of Union Street and Broadway, three (3) exterior Building signs at entrance to the parking garage off Broadway, and all interior wayfinding and directory signage. Such signage shall be designed, manufactured, and installed by Tenant, at Tenant’s sole cost and expense, in compliance with all Legal Requirements and shall not require the prior written consent of Landlord.

6.04 Parking. A. Throughout the Term, Landlord shall provide parking spaces to Tenant based on the Parking Ratio for Tenant’s use (the “Parking Spaces”) in the parking areas serving the Building and Project. Tenant shall pay for use of the Parking Spaces as follows (the “Parking Rent”):

- (i) As of the Commencement Date through September 30, 2026, Tenant shall pay Landlord \$10,000.00 per month for the exclusive use of the Parking Spaces, prorated for any partial month; and

- (ii) As of October 1, 2026 through the Expiration Date, Tenant shall pay Landlord \$200/month for each Parking Space Tenant actually uses for its exclusive use, prorated for any partial month (the “Reserved Parking Spaces”).

B. As of the Commencement Date, Tenant will be the only tenant within the Building. Should Landlord lease any space in the Building to another tenant, the Reserved Parking Spaces shall be reserved for the exclusive use of Tenant, its patients, and employees, and Tenant is entitled to install any signage to designate the Reserved Parking Spaces as reserved in accordance with Legal Requirements.

6.05 Extension Option.

A. Provided this Lease is in full force and effect, Tenant shall have two (2) options (each, an “Extension Option”) to extend the Term of this Lease for additional periods of one (1) year each (each, an “Extension Term”) on all the same terms and conditions as this Lease, except that Base Rent during an Extension Term shall increase two and one-half percent (2.5%) above the then current Base Rent; provided, however, if Landlord is a Referral Source, the Base Rent for such Extension Term shall be Fair Market Rent (as defined below). In order to exercise any Extension Option, Tenant must give notice (“Tenant’s Notice”) to Landlord thereof at least ninety (90) days’ prior to the expiration of the Initial Term or first Extension Term, as applicable.

B. “Fair Market Rent” is the annual rental rate then-being charged in the medical office market sector of the area where the Building is situated for comparable space for leases commencing on or about the date of the commencement of the applicable Extension Term taking into consideration the use and location of the applicable building, quality and age of the building, leasehold improvements or allowances provided, rental concessions, the term of the lease under consideration, the extent of services provided thereunder, applicable distinctions between “gross” leases and “net” leases, base year figures and base years for escalation purposes, and any other relevant term or condition in making such evaluation.

C. If Landlord is a Referral Source, Landlord shall notify Tenant in writing (“Landlord’s Notice”) of Landlord’s determination of the Fair Market Rent for the Extension Term within twenty (20) days after receiving Tenant’s Notice exercising an Extension Option. Landlord and Tenant shall use good faith, diligent efforts to agree on the Fair Market Rent within thirty (30) days after Tenant’s receipt of Landlord’s Notice. In the absence of such timely agreement, at Tenant’s option, to be exercised by Tenant within thirty (30) days after Landlord’s Notice, either: (i) the Fair Market Rate will be determined in accordance with Section 6.05(D); or (ii) this Lease will automatically expire at the end of the Initial Term, upon which termination, the parties shall be relieved of all further obligations hereunder except those that expressly survive termination of this Lease.

D. Tenant’s notice requiring a determination in accordance with this Section 6.05D must identify an appraiser selected by Tenant. Landlord shall give notice to the Tenant within fifteen (15) days after receipt of Tenant’s notice identifying an appraiser selected by Landlord. If Landlord fails to give notice identifying an appraiser within the time

provided, Landlord has waived the right to identify an appraiser and the decision of the Tenant's appraiser controls. If two appraisers are selected, they must within fifteen (15) days after the selection of the second agree to a third appraiser. If the two appraisers fail to identify the third appraiser within such fifteen (15) day period, the either Landlord or Tenant may petition the district court (or its equivalent) having jurisdiction over the Premises for the appointment of the third appraiser. The three appraisers must each, within thirty (30) days after the appointment of the third appraiser, simultaneously deliver to Landlord and Tenant their expert opinions of the Fair Market Rent in question. The Fair Market Rent is the average of the three appraisals unless one (1) appraisal is more than ten percent (10%) greater or lesser than the average of the other two (2) appraisals, in which case that appraisal is disregarded, and the average of the remaining appraisals is the Fair Market Rent. If, however, all three (3) appraisals are more than ten percent (10%) different from each other, then the average of all three (3) appraisals is the Fair Market Rent. There must be no hearings or other contact between the appraisers and the parties hereto. Each party must pay the cost of the appraiser selected by it and one half of the cost of the third appraiser. All appraisers must be disinterested and must have the designation, MAI, SRA or equivalent and must have not less than five (5) years' experience appraising lease rents in the business market wherein the Project is located. The decision of this appraisal process is binding upon the parties and must not be subject to appeal to a court or other body except based upon fraud.

6.06 Business Reduction. Notwithstanding anything in this Lease to the contrary, Tenant may, from time to time, either or both cease its business operations in the Premises and/or vacate the Premises, provided that Tenant otherwise continues to pay the Rent and comply with the terms of this Lease, and such cessation of business or vacation of the Premises will not be deemed to be a Tenant Default.

ARTICLE 7. LIABILITY

7.01 Insurance.

A. Tenant's Insurance. Tenant shall maintain in full force and effect during the Term:

1. "all-risk" commercial property insurance for personal property and Tenant's Alterations and improvements in the amount of the full replacement values thereof, as the values may exist from time to time;
2. Commercial General Liability insurance with limits of liability of not less than \$3,000,000 per occurrence and general aggregate for injuries, losses, claims, or damages to persons or property and contractual tort liability occurring in or on the Premises; and
3. Workers' Compensation insurance in compliance with statutory requirements for all Tenant's employees.

Tenant's insurance must be issued by duly licensed insurers in the state where the Premises is located with a general policyholder rating of at least A- and a financial rating of at least VIII as noted in the most current Best's Insurance Report. Failure to maintain the insurance policies as

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required by this Lease is a material breach of contract. Notwithstanding the foregoing, Tenant reserves the right to self-insure any of its obligations under this Lease or carry any insurance required by this Lease under a blanket policy or self-insured retention.

B. Landlord's Insurance. During the Term, Landlord shall procure and maintain, at Landlord's cost and expense, in full force and effect:

1. "all-risk" commercial property insurance for the Project in the amount of the full replacement values thereof, as the values may exist from time to time;
2. Commercial General Liability insurance with limits of liability of not less than \$3,000,000 per occurrence and general aggregate for injuries, losses, claims or damages to persons or property and contractual tort liability occurring in or on the Project;
3. Workers' Compensation insurance in compliance with statutory requirements for all Landlord's employees; and
4. earthquake and/or flood insurance if the Project is in an area where such hazards are a known risk and such insurance is reasonably available and subject to reasonably customary deductibles and sublimits.

Landlord's insurance must be issued by duly licensed insurers in the state where the Premises is located, with a general policyholder rating of at least A- and a financial rating of at least VIII as noted in the most current Best's Insurance Report. Failure to maintain the insurance policies as required by this Lease is a material breach of contract.

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

7.03 Requirements of Law. Landlord is responsible for compliance with Legal Requirements which are applicable to all or any part of the Project, excepting Tenant's responsibilities as set forth below. Tenant is responsible for compliance with all Legal Requirements which are applicable to Tenant's particular use and manner of use of the Premises, including disposal of medical waste.

ARTICLE 8. CASUALTY & CONDEMNATION

8.01 Damage. If the Building is totally destroyed by fire or any other casualty (a “Casualty”), this Lease automatically terminates as of the date of such destruction. If the Building, the Common Areas or the Premises are damaged by a Casualty to the extent that Tenant is unable to conduct its reasonable and ordinary business operations, Tenant may terminate this Lease as of the date of such Casualty by notice to the other within thirty (30) days after the Casualty. If the Building, Common Areas or Premises are damaged by a Casualty and this Lease is not terminated as aforesaid, the damage must be promptly repaired, or caused to be repaired, by Landlord at no cost to Tenant. If Landlord is obligated to repair, but repair is not completed within two hundred forty (240) days after the Casualty, Tenant again has the right to terminate this Lease if Landlord does not complete repairs within thirty (30) days after notice from Tenant given after such two hundred forty (240) day period. Until such repairs and restoration are completed, Rent is abated in proportion to the portion of the Premises or the Common Areas which are untenable or inaccessible by Tenant in the conduct of its business by virtue of the Casualty. If any such damage causes any portion of the Premises or the Common Areas to become unusable or inaccessible by Tenant in the conduct of its business during the last six (6) months of this Lease, either Landlord or Tenant may, on thirty (30) days’ notice to the other, terminate this Lease.

8.02 Eminent Domain. If the Premises are taken by eminent domain or condemnation (a “Taking”), this Lease terminates immediately on the effective date of the Taking. If there is a partial Taking of the Project that materially adversely affects the operation of Tenant’s business, Tenant may terminate this Lease by notice to the other within thirty (30) days after the effective date of the partial Taking. Any notice to terminate must be given on or before thirty (30) days after the date of Taking of possession by the condemning authority and is effective as of the date of taking of possession unless another date is specified in the notice. If Tenant does not terminate this Lease, Landlord shall proceed with due diligence to make, or cause to be made, all necessary renovations and repairs to the Project to restore the same to the condition that it was in prior to the partial Taking. If Tenant does not terminate this Lease, Tenant shall remain in possession of the portion of the Premises not taken on the same terms of this Lease, except that all Rent must be reduced in direct proportion to the area of the Premises or the Common Areas subject to the Taking. All Rent must also be reduced during any period of time which Tenant is not able to occupy any portion of the remaining Premises or to use the Common Areas while Landlord is making the required repairs. The entire award or compensation from any Taking, whether for a total or partial taking or for the value of the leasehold, including any bonus value, shall belong to Landlord, except that Tenant shall be entitled to any award for damages to Tenant resulting from the Taking, including those related to any unamortized leasehold improvements paid for by Tenant, the interruption of Tenant’s business, Tenant’s moving expenses or Tenant’s trade fixtures and equipment.

8.03 Termination. Upon termination pursuant to this Article 8, the parties shall be relieved of all further obligations under this Lease, except those which expressly survive termination of this Lease.

ARTICLE 9. DEFAULT, DISPUTES

9.01 Tenant Default. For purposes hereof the term “Tenant Default” means: (i) Tenant fails to pay the Base Rent within ten (10) days after the date when due; (ii) Tenant fails to pay any Additional Rent within five (5) days after written notice from Landlord that such Additional Rent was not received; (iii) Tenant fails to perform any of its other obligations under this Lease within thirty (30) days after written notice from Landlord specifying the nature and extent of the Tenant Default; provided, however, if the obligation is not reasonably curable within such thirty (30) day period, the time for cure shall be extended so long as Tenant commences the cure within the thirty (30) day period and uses diligent efforts to complete the cure; or (iv) a petition in bankruptcy is filed by or against Tenant and, if against, not discharged within ninety (90) days after filing.

9.02 Landlord Remedies.

A. If a Tenant Default has occurred, Landlord may in addition to all other remedies under the Lease, at law or in equity: (i) end this Lease after giving Tenant an additional five days written notice of its intention to do so and in accordance with any laws governing such termination, and Tenant shall then surrender the Premises to Landlord; (ii) Landlord may enter and take possession of the Premises, in accordance with any laws governing such repossession, and remove Tenant, with or without having terminated the Lease. Landlord’s exercise of any of its remedies or its receipt of Tenant’s keys prior to the expiration or termination of the Lease is not considered an acceptance or surrender of the Premises by Tenant. A surrender prior to the expiration or termination of the Lease must be agreed to in writing and signed by both parties; or (iii) Landlord may, after an additional five (5) days written notice, take such action as may be necessary to cure such default and charge the reasonable cost of cure to Tenant as Rent.

B. If Landlord terminates this Lease or terminates Tenant’s right to possess the Premises because of a Tenant Default, Landlord may hold Tenant liable for: (i) the Rent payable by Tenant to Landlord prior to the expiration of the Term and the present value of any future Rents payable over the remainder of the Term, less any amount which Landlord receives from reletting the Premises after all of Landlord’s reletting cost have been subtracted; (ii) any amounts Landlord actually and reasonably incurs in reletting the Premises during the remainder of the Term, including but not limited to reasonable attorneys’ fees, customary brokers’ commissions, and tenant improvement costs and allowances; and (iii) other necessary and reasonable expenses incurred by Landlord in enforcing its remedies. Tenant is liable for only those actual damages suffered by Landlord. Tenant shall pay any such sums due within thirty (30) days after receiving Landlord’s proper and correct invoice for the amounts. During each collection action, Landlord is limited to the amount of the Base Rent due that would have accrued had the Lease not been terminated. Landlord must mitigate any damage by using commercially reasonable efforts to relet the Premises on reasonable terms. Landlord is entitled to recover from Tenant, and Tenant shall pay to Landlord, at Landlord’s option, in lieu of any further damages, rights or remedies resulting from the Tenant Default, as and for liquidated and agreed final damages, a sum equal to the amount by which the Base Rent for the period which otherwise would have constituted the unexpired portion of the Term (commencing on the date immediately succeeding the last date with respect to which Base Rent was

collected) exceeds the then fair and reasonable rental value of the Premises for the same period, both discounted to present value as of the time of the Tenant Default. For purposes hereof present value means the discounted present value of the amount owing at an interest rate of the rate payable on a U.S. government security having a maturity date closest to the expiration of the Term.

9.03 Landlord Default; Tenant Remedies. If Landlord fails to perform any of its obligations under this Lease within ten (10) days after written notice from Tenant specifying the nature and extent of such failure, Tenant may, at its option, without waiving claims for breach of this Lease and in addition to any other rights and remedies available to Tenant at law or in equity, perform such obligation for the account and at the expense of Landlord; provided, however, if the obligation is not reasonably curable within such ten (10) day period, the time for cure will be extended so long as Landlord commences such cure within such ten (10) day period and thereafter uses diligent efforts to complete the cure. Landlord shall reimburse Tenant for all reasonable sums so paid by Tenant and all reasonable costs and expenses incurred by Tenant in connection with the making of any payments, the performance of any act or other steps taken by Tenant pursuant to this Section 9.03 after receiving Tenant's invoice and demand therefor. The provisions of this Section 9.03 shall not preclude Tenant from exercising any rights, powers or remedies available by law or in equity, as a result of a default or breach of this Lease by Landlord.

9.04 Governing Law. This Lease, and the rights and obligations of the parties hereto, must be construed and enforced in accordance with the laws of the state in which the Building is located without reference to conflicts of laws principles.

9.05 Waiver of Consequential or Special Damages. Neither Landlord nor Tenant is liable to the other under, or in connection with, this Lease for any consequential or special damages, and both Landlord and Tenant waive, to the full extent permitted by law, any claim for consequential or special damages.

9.06 Default Interest. If Tenant fails to pay any amount within ten (10) days after the date when due, including, but not limited to, the payment of Rent, then Tenant shall pay Landlord, as Additional Rent, default interest on such overdue amount at the rate of interest equal to five percent (5%) until such failure to pay is cured.

ARTICLE 10. MISCELLANEOUS

10.01 Force Majeure. Except where otherwise provided herein, in the event of a party's failure to perform any obligation under this Lease which is attributable to war, riot, acts of God or the elements or any other unavoidable act not within the control of the party whose performance is interfered with and which, by reasonable diligence, such party is unable to prevent (each an event of "Force Majeure"), such party shall be excused from such performance hereunder for such time as the event of Force Majeure continues and shall not be responsible to the other party for any losses resulting therefrom, provided however, that failure to obtain funds or any other event of Force Majeure shall not excuse or toll the due date of any monetary obligations of a party hereunder.

10.02 End of Term. On the expiration of the Term or earlier expiration of this Lease, Tenant shall return the Premises in good, broom-clean condition, excluding ordinary wear and tear, loss from Casualty and any other damage that Landlord is required to repair or restore pursuant to the provisions of this Lease. Tenant is not required to remove any Alterations permitted pursuant to this Lease.

10.03 Entire Agreement. This Lease, including the Exhibits, constitutes the entire agreement between Landlord and Tenant with respect to the Premises and may be amended or altered only by written agreement executed by both parties, and supersedes all prior agreements, whether written or oral, between the parties.

10.04 Binding on Successors. This Lease binds the parties, their heirs, successors, representatives and permitted assigns.

10.05 Ambiguities. Any rule of construction to the effect that any ambiguities are to be resolved against the drafting party does not apply to the interpretation of this Lease or any amendments or exhibits hereto.

10.06 Partial Invalidity. If any provision of the Lease is held by the final judgment of any court of competent jurisdiction to be illegal, invalid or unenforceable, the validity of the remaining portions or provisions must not be impaired or affected, and the rights and obligations of the parties must be construed and enforced as if the Lease did not contain that certain part, term or provision held to be illegal, invalid or unenforceable.

10.07 Waiver. The failure of either party to exercise any of its rights is not a waiver of those rights. A party waives only those rights specified in a written document signed by the party waiving its rights and such waiver shall not be a waiver of any other default concerning the same or any other provision of this Lease.

10.08 Survival. All unperformed obligations hereunder not fully performed at the end of the Term shall survive the end of the Term; provided, however, that Tenant's obligations to pay Rent only survive the expiration or earlier termination of this Lease for a period of one (1) year.

10.09 Limitation of Liability. The liability of Landlord under the Lease is limited to its interest in the Project including any proceeds and rentals or other income related thereto. If Landlord sells the Project or assigns the Lease, Landlord is relieved of all liability under this Lease for occurrences arising after the completion of that sale if the buyer or assignee agrees, in writing, to assume the same.

10.10 Healthcare Compliance; Referral Source. Landlord represents and warrants to Tenant that Landlord is not a Referral Source. It is expressly recognized and understood that the parties intend to comply with all Legal Requirements, including, but not limited to (i) the federal anti-kickback statute (42 U.S.C. 1320a-7(b)) and related "safe harbor" regulations; (ii) the federal "Stark Law" (42 U.S.C. 1395nn) and related regulations; and (iii) any and all state anti-kickback or anti-referral statutes, codes, laws, or regulations. Landlord and Tenant hereby acknowledge and agree that it is not a purpose of this Lease or any of the transactions contemplated herein to exert influence in any manner over the reason or judgment of any party with respect to the referral of patients or business of any nature whatsoever. It is the intent of the parties hereto that any referrals that may be made

directly or indirectly between Landlord and Tenant shall be based solely upon the medical judgment and discretion of a patient's physician while acting in the best interests of the patient. To the extent Landlord is a Referral Source, Landlord and Tenant hereby agree that Base Rent and any increases to the same (1) are set in advance, (2) reflect fair market value in an arms-length transaction, (3) do not take into account the volume or value of referrals or business that may otherwise be generated between the parties for which payment may be made in whole or in part under Medicare, Medicaid, or other federal or state health care programs, or any commercial payer programs, and (4) would be reasonable even if no referrals were made between the parties. If at any time this Lease no longer complies with the applicable Legal Requirements, as the same may be amended from time to time, then the parties shall negotiate an amendment to this Lease that cures the noncompliance. If such amendment is not possible, the parties agree that this Lease shall terminate. Upon such termination, the parties shall be relieved of all further obligations under this Lease, except those which expressly survive termination of this Lease.

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

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

10.12 Severability. The unenforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid or illegal.

10.13 Relationship of Parties. The only relationship of the parties is that of landlord and tenant. Landlord shall not in any way or for any purpose be deemed a partner, joint venturer or member of any joint enterprise with Tenant. No other party shall be deemed a third party beneficiary of the rights conferred in this Lease.

10.14 Counterparts. This Lease may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same Lease. Signatures of this Lease which are transmitted by either or both electronic or telephonic means (including, without limitation, facsimile, DocuSign, Adobe Sign and email) are valid for all purposes.

10.15 Attorneys' Fees. In the event of any legal action or proceeding between the parties, the prevailing party in such action or proceeding shall be entitled to reimbursement of costs and expenses from the other party, including without limitation reasonable attorneys' fees and expenses and the costs of enforcing the provisions of this Lease; provided, however, each party shall be responsible for payment of its own attorneys' fees if any such action or proceeding is settled unless otherwise agreed as part of any settlement agreement.

[The balance of this page is intentionally left blank.]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first written above.

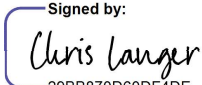

<p>LANDLORD:</p> <p>GUNTOWER CAPITAL LLC, a Washington limited liability company</p> <div><div>Signed by:</div><div></div></div> <p>By: <u>29BB870D60DE4DE</u></p> <p>Printed Name: <u>Chris Langer</u></p> <p>Title: <u>Manager</u></p>	<p>TENANT:</p> <p>THE POLYCLINIC MSO, LLC, a Delaware limited liability company</p> <div><div></div><div><u>Wes Wylie (05/21/2025 21:15 CDT)</u></div></div> <p>By: <u>WW</u></p> <p>Printed Name: <u>WW</u></p> <p>Title: <u>Assoc. Director</u></p>
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EXHIBIT A
COMMENCEMENT DATE MEMORANDUM

With respect to that certain Clinic Lease Agreement (“Lease”) dated _____, 2025, between Guntower Capital LLC, a Washington limited liability company (“Landlord”) and The Polyclinic MSO, LLC, a Delaware limited liability company (“Tenant”), whereby Landlord leased to Tenant and Tenant leased from Landlord space located at 1145 South Broadway, Seattle, Washington (the “Premises”). Tenant and Landlord hereby acknowledge as follows as of _____, 20__:

- (1) The Commencement Date is _____.
- (2) The Expiration Date of the Lease is _____.
- (3) The Early Termination Date is _____.
- (4) Tenant must exercise its option (i) for the first Extension Term no later than _____, 20__ (ii) for the second Extension Term no later than _____, 20__
- (5) The Base Rent schedule shall be revised as follows:

<u>Time Period</u>	<u>Annual Base Rent / RSF</u>	<u>Monthly Base Rent for Short Term Premises</u>	<u>Monthly Base Rent for Long Term Premises</u>
	\$30.00	\$31,452.50	\$39,557.50
	\$30.75	\$32,238.81	\$40,546.44
	\$31.52	\$33,046.09	\$41,561.75

All capitalized terms herein, not otherwise defined herein, shall have the meaning assigned in the Lease.

LANDLORD:	TENANT:
GUNTOWER CAPITAL LLC, a Washington limited liability company	THE POLYCLINIC MSO, LLC, a Delaware limited liability company
By:_____	By:_____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____

EXHIBIT B

Legal Description of the Land

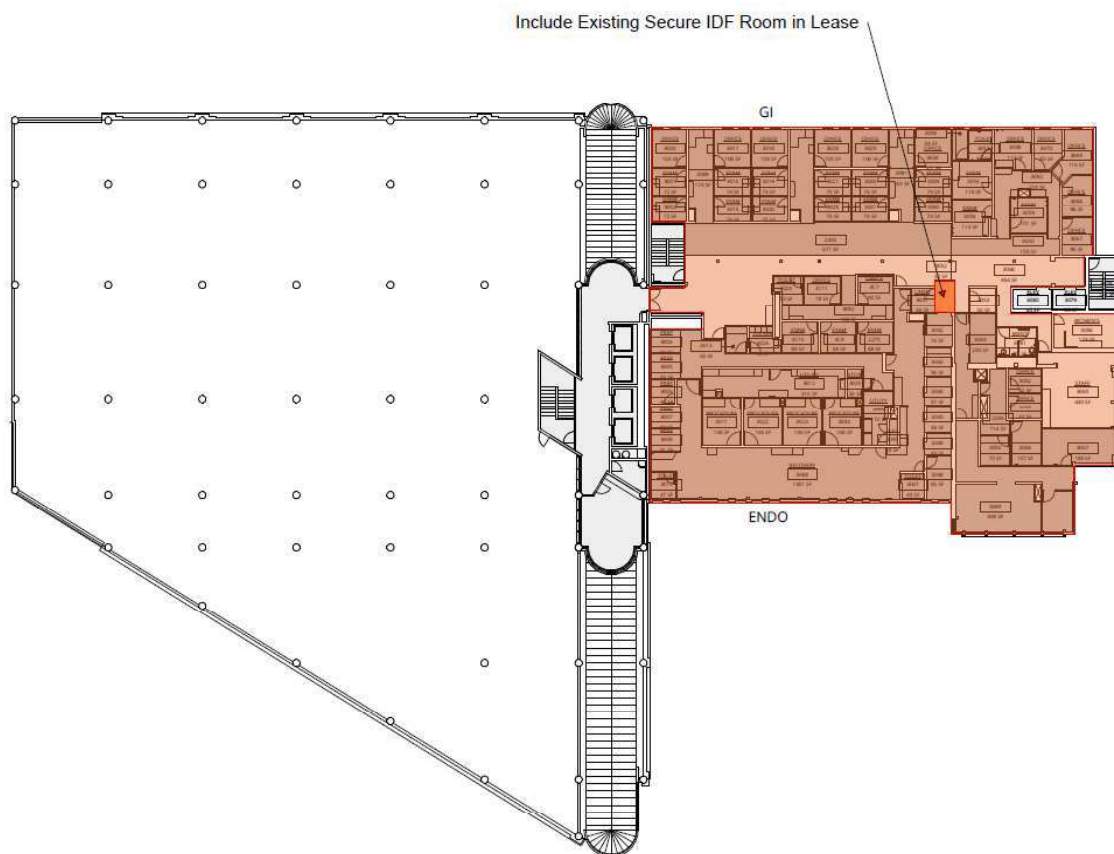
The Land referred to herein below is situated in the County of King, State of Washington, and is described as follows:

LOTS 1 THROUGH 7, INCLUSIVE, BLOCK 139; AND THAT PORTION OF BLOCK 138, LYING SOUTHERLY OF EAST UNION STREET AND NORTHEASTERLY OF HARVARD AVENUE; ALL IN A. A. DENNY'S BROADWAY ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 6 OF PLATS, PAGE 40, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THOSE PORTIONS OF VACATED SENECA STREET ADJOINING SAID BLOCK 138 AND LOTS 1 AND 2 OF SAID BLOCK 139, WHICH ATTACHED BY OPERATION OF LAW.

EXHIBIT C

Depiction of Long Term Premises



BROADWAY - 3RD FLOOR

Full Floor for Endoscopy and GI + Support: 15,823 RSF

1st Floor: 7,346 RSF
2nd Floor: 5,235 RSF
3rd Floor: 15,823 RSF

TOTAL Lease Request: 28,404 RSF

EXHIBIT D

Depiction of Short Term Premises



BROADWAY - 1ST FLOOR

Diagnostic Imaging: 7,346 RSF

1st Floor: 7,346 RSF
2nd Floor: 5,235 RSF
3rd Floor: 15,823 RSF

TOTAL Lease Request: 28,404 RSF



BROADWAY - 2nd FLOOR

Glaucoma + Security Corridor: 5,235 RSF

1st Floor: 7,346 RSF
2nd Floor: 5,235 RSF
3rd Floor: 15,823 RSF

TOTAL Lease Request: 28,404 RSF

EXHIBIT E

Direct Deposit Instructions

Please see attached.

UNITEDHEALTH GROUP®

Authorization for Electronic Funds Transfer (ACH)

Please allow 1-4 weeks for direct deposit to take effect.

All fields must be complete prior to setup by Accounts Payable

Payee Name: _____	Tax ID Number: _____
Remit Address: _____	

Requester Name: _____	Title: _____
Email Address: _____	Telephone Number: _____

UHG, Optum, UHC Contact Name: _____	Title: Lease Administration Analyst
Email Address: _____	Telephone Number: _____

Action (Check One): ☐ Enroll ☐ Change ☐ Cancel

- I hereby authorize, in the event UnitedHealth Group, 9900 Bren Road East, Minneapolis MN, hereinafter called COMPANY, identifies a payment issued by UnitedHealth Group or affiliates erroneously credited to my account, COMPANY may work with my bank as needed to reverse funds or, stop funds from being deposited into my DEPOSITORY account. I understand Savings accounts are not accepted DEPOSITORY accounts.
- To ensure my account is properly credited, I have attached one of the following:
 - ☐ Voided check (deposit ticket is not acceptable; routing numbers may be different)
 - OR
 - ☐ A letter from my Bank – confirming the bank account & routing number. (The bank letter must be on bank letterhead and include a bank authorizer name, title, physical address, email address, phone number, signed and dated within 90 days.)

Depository Bank Name: _____	Bank Transit #: _____
Depository Bank Address: _____	Bank Account #: _____

- This authorization is to remain in full force and effect until COMPANY has received written notification from me or a designated authorized delegate, of its termination in such time and manner as to afford COMPANY a reasonable opportunity to act on it.

Approver Information (Account Signatory or Authorized Delegate):

Print Name: _____	Title: _____
	<input type="checkbox"/> Account Signatory
	<input type="checkbox"/> Certified Signatory Delegate
Signature: _____	Date: _____
(Original or Adobe Sign signature required)	
Email: _____	Phone Number: _____
By signing, I certify that I am either the signatory or authorized delegate of the signatory.	

Return Completed Form and Required Back-up to lease.administration@uhc.com

EXHIBIT F

Landlord's W-9 Form

Please see attached.

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.																				
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. GUNTOWER CAPITAL LLC																						
2 Business name/disregarded entity name, if different from above _____																						
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.																						
<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate																						
<input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ P																						
Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.																						
<input type="checkbox"/> Other (see instructions) ▶ _____																						
5 Address (number, street, and apt. or suite no.) See instructions. 1421 34th Avenue, Suite 300		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>																				
6 City, state, and ZIP code Seattle, WA. 98122		Requester's name and address (optional) _____																				
7 List account number(s) here (optional) _____																						
Part I Taxpayer Identification Number (TIN)																						
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.																						
Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.																						
Social security number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> <td style="width: 10%;"> </td> </tr> </table>												OR Employer identification number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">8</td> <td style="width: 10%;">2</td> <td style="width: 10%;">-</td> <td style="width: 10%;">1</td> <td style="width: 10%;">4</td> <td style="width: 10%;">3</td> <td style="width: 10%;">4</td> <td style="width: 10%;">0</td> <td style="width: 10%;">4</td> <td style="width: 10%;">0</td> </tr> </table>	8	2	-	1	4	3	4	0	4	0
8	2	-	1	4	3	4	0	4	0													
Part II Certification																						
Under penalties of perjury, I certify that:																						
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and																						
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and																						
3. I am a U.S. citizen or other U.S. person (defined below); and																						
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.																						
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.																						
Sign Here	Signature of U.S. person ▶	Date ▶ 9/30/2019																				
General Instructions																						
Section references are to the Internal Revenue Code unless otherwise noted.																						
Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9 .																						
Purpose of Form																						
An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.																						
• Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) • Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) • Form 1099-S (proceeds from real estate transactions) • Form 1099-K (merchant card and third party network transactions) • Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition) • Form 1099-C (canceled debt) • Form 1099-A (acquisition or abandonment of secured property)																						
Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.																						
If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See <i>What is backup withholding</i> , later.																						
Cat. No. 10231X		Form W-9 (Rev. 10-2018)																				



August 13, 2025

Sent Via Email

King County Executive Shannon Braddock
401 Fifth Ave, Suite 800
Seattle, WA 98104

Dear Executive Braddock,

I am writing this letter to express the City of Seattle's conditional support of King County's intent to execute a Purchase and Sale Agreement for the property located at 1145 Broadway Avenue in Seattle, with the goal of locating the Central Zone Crisis Care Center at this site. This support is contingent on King County and your selected provider implementing the specific requirements listed below.

Seattle, along with other cities in the County, is facing an unprecedented behavioral health crisis. Too many residents are struggling with behavioral issues without adequate support. When the Seattle clinic opens it will provide same-day access to care for a person in crisis, which will help reduce the crisis we see on our streets every day.

Executive Braddock, the City of Seattle's support to site a Crisis Care Center at this location is contingent on King County's commitment to and implementation of the following specific requirements:

1. King County and the selected operator will partner with the Seattle Police Department (SPD) to complete an internal and external security assessment based on Crime Prevention Through Environmental Design (CPTED) principles and implement the resulting recommendations to help prevent crime and disorder. The City must review and agree that the recommendations have been successfully implemented.
2. King County and the selected operator will implement a strong launch, and ongoing safe operations plan for the building and the surrounding exterior spaces, including public sidewalks and other publicly accessible spaces. This plan should include a definition of roles and responsibilities for building security, provider staff, clients, and visitors. It should include early and consistent activation of the building's publicly accessible spaces and adjacent public spaces, including parking lots, a schedule of daily exterior cleaning and removal of trash from both the building's property and the immediately adjacent sidewalks and curb spaces, a cadence for scheduled communications with adjacent businesses, residents, and community groups, and what levels of private security staffing will be provided on a 24-hour, seven days-a-week basis. The City must review and approve this plan before implementation and be given the ability to review the effectiveness of the plan in maintaining a safe and disorder-free area adjacent to the building on a quarterly basis following the opening of the Clinic.
3. King County and the provider must enter into a Good Neighbor Agreement with the City that details roles and responsibilities, includes as part of the Agreement the above safety assessment and the launch and ongoing safe operations plan, obligates the provider to meet certain safety and disorder standards to be negotiated with the provider, and provides the name and contact

details of a provider staff member who will be the primary contact for community members who have complaints or concerns about safety and disorder issues. The agreement will set forth the protocols and process to proactively manage relationships with the adjacent community, ensuring the safety of everyone in the neighborhood. The City, King County, and the provider must execute this Good Neighbor Agreement before the Crisis Care Center can open.

4. King County and the provider shall engage in community outreach and education within a one-half mile radius of the building to explain the mission of the Crisis Care Center and detail the safety and disorder measures that will be implemented. City representatives must be invited to participate in this outreach and education effort. Following this outreach and education effort, which must be completed at least 60 days prior to the opening of the Center, the City will appoint a six-person community advisory group to work with King County, the provider, and the City during the first year of the Center's operation. The advisory group will represent the interests of the surrounding community, work to alleviate safety and disorder concerns, and help the Center to achieve its mission.

The above four requirements are intended to signal conditional support from the City in the opening of the Crisis Care Center at the Broadway location. Our intention is also to signal the City's commitment to the revitalization of this neighborhood and our goals for continued economic development and public safety improvements in Capitol Hill. We have heard many of the concerns of residents, small business owners, and health advocates who have questioned the decision to site the center in an area that has seen a rise in illicit drug activity and associated violence, and we are encouraging greater transparency and engagement with the community in the County's decision-making, including providing the reasoning and record of what other sites were considered and why they were or were not appropriate.

Regarding the conditions set forth above, the City and County followed a very similar process earlier this year when DESC successfully opened the STAR Center at Third Avenue and Cherry Street downtown. Both of these facilities should help save lives and treat those in need but also align with Seattle's need to improve the existing conditions being experienced by neighboring residents and small businesses.

As demonstrated by the overwhelming support of Seattle voters when the Crisis Care ballot measure was approved, I believe we need more behavioral health facilities to help people in crisis stabilize and receive the care and services they need. We will join with you in supporting a new facility in Seattle once it can be opened and operated safely without negative impact on the surrounding community.

Sincerely,



Bruce A. Harrell

Mayor of Seattle

Attachment F: Community Engagement

External Organization	Event Date
Community Conversations	
Community Conversation co-hosted with Greater Seattle Business Association (GSBA)	May 15, 2025
Virtual Crisis Care Centers Implementation Update (2pm)	June 17, 2025
Virtual Crisis Care Centers Implementation Update (6pm)	June 17, 2025
Seattle Housing Authority Leadership Council / Yesler Terrace	June 18, 2025
Community Conversation and panel at Recovery Cafe	June 23, 2025
Community Conversation/Voices Panel with Converge Media	July 7, 2025
Crisis Care Center Town Hall hosted by Rep. Shaun Scott	July 7, 2025
Virtual Crisis Care Centers Implementation Update (2pm)	July 15, 2025
Virtual Crisis Care Centers Implementation Update (6pm)	July 15, 2025
Community Conversation with Businesses and Residents at Community Roots	Aug. 6, 2025
Virtual Crisis Care Centers Implementation Update (2pm)	Aug. 12, 2025
Virtual Crisis Care Centers Implementation Update (6pm)	Aug. 12, 2025
Presentations	
Seattle Public Libraries	May 7, 2025
Seattle Metropolitan Chamber of Commerce Policy Group	May 8, 2025
Consejo Counseling and Referral Service	May 13, 2025
Swedish Health Services government relations and behavioral health leadership	May 13, 2025
Peer Washington	May 15, 2025
Lavender Rights Project	May 19, 2025
Sound Alliance	May 29, 2025
Housing Development Consortium	June 2, 2025
Peer Seattle	June 3, 2025
First Hill Improvement Association Board	June 4, 2025
Community Roots	June 4, 2025
Sound Alliance	June 4, 2025
Mockingbird Society	June 4, 2025
Plymouth Housing	June 5, 2025
King County Behavioral Health Advisory Board update, with community attendees	June 5, 2025
Plymouth Housing	June 6, 2025
Sound Generations	June 6, 2025
Choose 180	June 11, 2025
YouthCare	June 13, 2025
Seattle Women's Commission	June 16, 2025
Seattle Metropolitan Chamber of Commerce Business Issues Forum panel	June 17, 2025
Capitol Hill Community Council Q&A	June 20, 2025
Washington Peer Network	June 20, 2025
King County Substance Use Recovery Conference	June 25, 2025
Presentation to hospitals (Virginia Mason, Swedish, and Harborview)	July 9, 2025
Seattle Human Rights Commission	July 17, 2025

External Organization	Event Date
Presentations (continued)	
LGBTQ Commission	July 17, 2025
Sound Alliance	July 24, 2025
Washington Lived Experience Coalition	Aug. 1, 2025
Seattle Academy of Arts and Science	Aug. 6, 2025
King County Behavioral Health Advisory Board update, with community attendees	Aug. 7, 2025
Seattle Colleges / Seattle Central College	Aug. 8, 2025
Tours	
Walking Tour with the Good Neighbor Group on First Hill	June 11, 2025
Tour at Connections Kirkland with Seattle University	Aug. 13, 2025
Tour at Connections Kirkland with Kroger	Aug. 13, 2025

Acquisition Property Summary



Address 1145 Broadway, Seattle WA
Sale Price \$38,750,000
Sale Area 114,660 rentable sq. ft.
Assessor's Parcel 1978201270 and 1978201270
Zoning NC3
Council District 8
Funding Source Crisis Care Centers Levy plus bonds backed by anticipated tenant income
Template Status: Negotiated PSA with business considerations included.
Offer Expiration: Council Approval contingency included in the PSA. Parties have agreed to close on or before 12/15/2025.

Property Information

The building at 1145 Broadway consists of approximately 114,660 rentable square feet of medical office space and includes a 300+stall parking garage as well as a small parcel of undeveloped land on the South end of the site. The building was previously 100% occupied by the Polyclinic. After a merger with Optum, operations were merged and relocated off-site. As of this drafting, Optum is the only building tenant and is using the building primarily for two specialty clinics.

Context

Rationale for transaction: Purchase of this property will accelerate, potentially by a year, the opening of a crisis care center in the central Crisis Response Zone (CRZ). The building likely has the correct zoning, the correct mechanical and buildings systems for the use, and has historically been used for medical office purposes. In addition, the building is situated on First Hill in Seattle and has excellent transit connections as well as more than 300 on-site parking stalls.

Policy considerations: With the high demand for behavioral health services, opening a crisis care center in the most population dense area of the County is a high priority. In addition, there is a very tight real estate market for medical office space. This property would make quick renovation possible since it already has the correct zoning. There is no guarantee that another property could be found, as well situated, for the same cost of acquisition and development.

Political considerations: Any time the County looks to site a facility such as a crisis care center, communication with the surrounding community must be handled with care, as further discussed below. With mixed uses, including income generated from tenants who would occupy the portion of the building not used for CCC levy purposes, and inclusion of a floor of residential treatment beds, the County can finance the building acquisition by combining CCC Levy funds with tenant income and bond proceeds. As described below, the combined CCC Levy acquisition costs and conversion costs for the site are expected to total well below the amount that the CCC Levy fiscal model includes for capital costs for the central CRZ crisis care center plus one new mental health residential treatment facility (RTF).

Community considerations: The use of the facility is likely consistent with current zoning and the building has always been used for medical purposes. Through extensive community engagement in spring 2025, DCHS has confirmed the neighborhood has urgent need for crisis care center services.

Fiscal considerations: The cost of the building acquisition is \$38.75 million or approximately \$338 per square foot. The buildout of the crisis care center facility at this location is expected to cost between \$300 and \$750 per square foot with a current rough order of magnitude estimate of \$577 per square foot or \$16.1-\$17.1 million (assuming a roughly 28,000 square foot buildout). Additionally, the building is very suitable for a mental health RTF. DCHS intends to locate a RTF on the floor above the anticipated location of the crisis care center, with an additional anticipated conversion cost of \$3.5 million. Finally, approximately 55,000 square feet of space is available for use after crisis care center and the RFT are planned. Optum health has agreed to remain in a 28,000 square foot portion of the building, and the HMC bond program would likely pursue use of the majority of the remaining space, further reducing the net cost of acquisition to the CCC initiative. As a result of these multiple uses, the cost of acquisition and buildout would be funded by multiple sources. Financing of the acquisition through a combination of CCC Levy funds, bond proceeds, and tenant income are detailed above and below.

Other considerations: There is potential opportunity cost to not moving forward with this acquisition. This is because there is no guarantee that another building, sized correctly and zoned for a crisis care center, could be acquired or built by the County or an agency selected through a CCC Levy procurement. Additionally, FMD recognizes that the CCC may not be viewed by other building owners as a desirable tenant to be co-located with other private medical office uses inside of a larger commercial building, further limiting the options in the central zone. Real Estate Services has sought additional properties that could

be usable as a crisis care center and has not located any other facilities that are as situated for success as this site.

CIP/operational impacts: The cost of this acquisition and tenant improvements related to CCC Levy uses is estimated to total approximately \$61.85 million. Of this, \$44.35 million is expected to be paid by the CCC Levy, and \$17.5 million is supported by bond proceeds. The initial CCC Levy capital plan assumed \$40 million for the crisis care center facility in the central zone. DCHS also intends to locate a mental health RTF facility on the site. The CCC Levy Implementation Plan assumed \$13.5 million in capital for each mental health RTF, meaning the levy's share of capital costs are expected to total well below the planned \$53.5 million. To complete financing for the site, FMD has secured Optum as an additional tenant for vacant space in the building and expects the Harborview Medical Center (HMC) bond program to use the remainder of the site, including a portion of the site's underground parking spaces.

Change in property use: Detailed zoning analysis has been performed by outside counsel at K&L Gates. The most likely outcome of the City's land-use decision is that the crisis care center and RTF would be permitted outright or as legally non-conforming use. There is likely no change in use determination.

State Environmental Policy Act (SEPA) Review Required yes/no: Using a SEPA checklist reviewed by the Prosecuting Attorney's Office, DCHS conducted a programmatic SEPA review for the Crisis Care Centers initiative, resulting in a determination of non-significance (DNS) in November 2024. The SEPA checklist and DNS were posted publicly, including to the Department of Ecology's website, and returned no comments during the public comment period. This review included the potential for the County to acquire a site. The County believes that this acquisition would be categorically excluded from any SEPA requirements, however, future construction may be subject to a SEPA review, depending on scope of work and other considerations.

Equity and Social Justice impact: In accordance with Real Property Asset Management Plan (RAMP) policy, FMD and DCHS reviewed this potential acquisition for equity and social justice (ESJ) impacts. This purchase enables King County to offer a crisis care center and a mental health RTF at this location in the First Hill/Capitol Hill neighborhood of Seattle. This acquisition is expected to positively impact low-income communities, communities of color and limited English proficient communities by increasing access to crisis care services. The proposed use is similar to other property uses in the neighborhood, and consistent with the existing zoning.

Appraisal Process

Date of valuation: February 21, 2025

Appraised by: McKee Appraisal

Appraisal factors: Market Rate appraisal completed by use of the comparison method and the income method assuming highest and best use as medical office.

Comps analysis: Used market comparison of other comparable medical office space buildings in and around First/Capitol Hill Seattle.
Estimated FMV: \$41,300,000.

Vicinity View Map

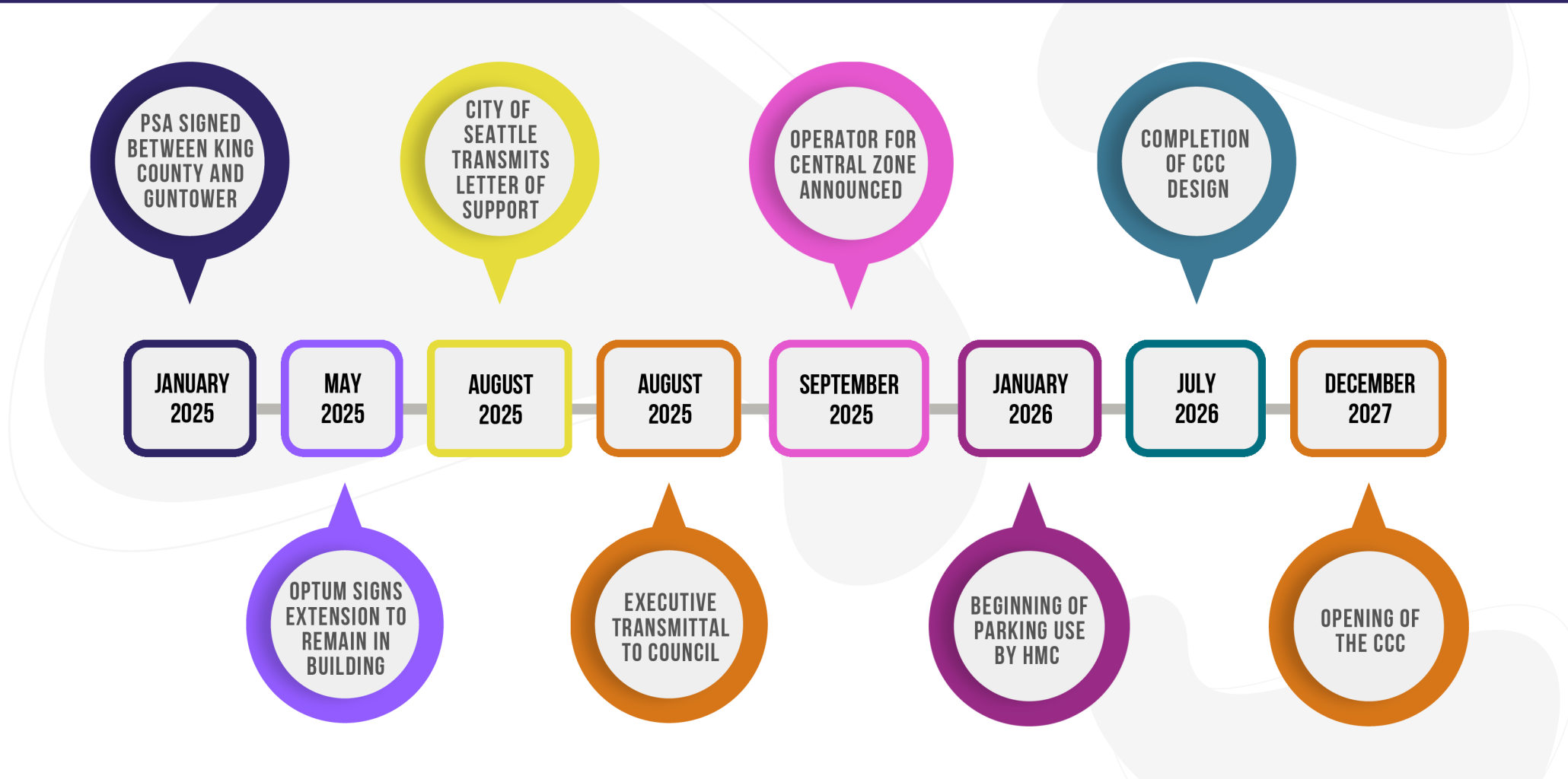


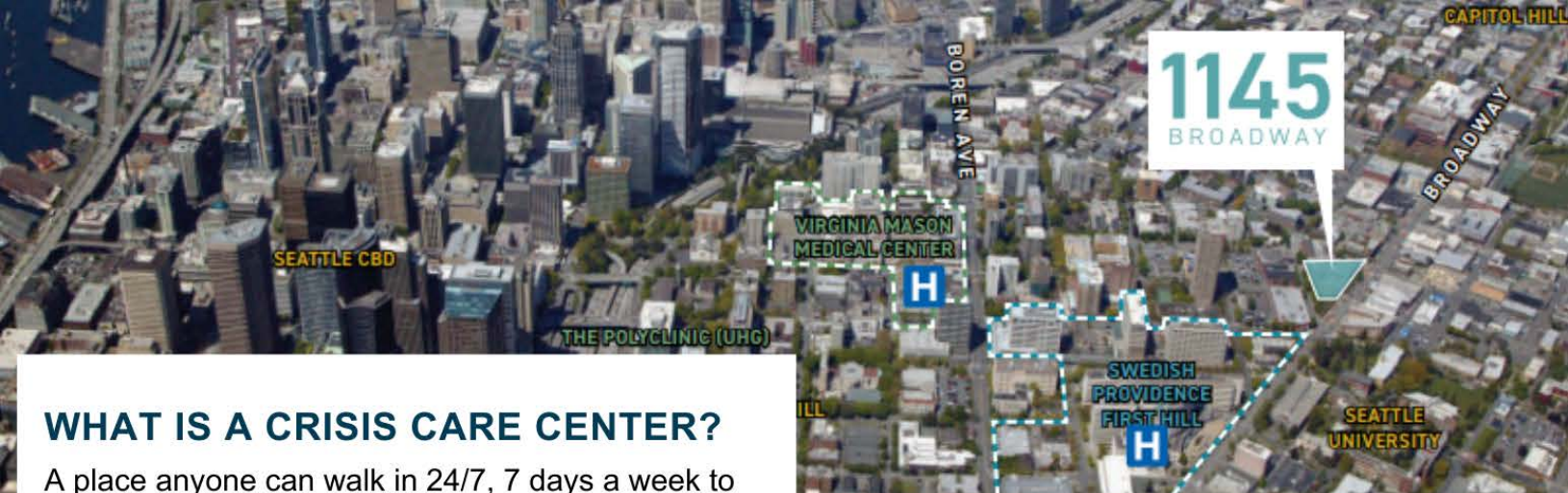
Parcel Map



POLYCLINIC ACQUISITION PROJECTED TIMELINE

Department of Community and Health Services





WHAT IS A CRISIS CARE CENTER?

A place anyone can walk in 24/7, 7 days a week to get urgent care for a wide range of mental health and substance use crises.

SERVICES PROVIDED

- **Crisis support:** De-escalation, assessment with a provider, treatment plans, prescriptions, referrals, withdrawal support, psychiatric observation or crisis stabilization services.
- **Post-crisis support:** Follow-up services to ongoing treatment options and support for recovery and wellbeing.

SEATTLE LOCATION

King County has an opportunity to purchase a building in Seattle at **1145 Broadway** to bring much-needed crisis services to our most populous city.

Benefits of this location include:

- Centrally located and near public transportation
- Close to three hospitals
- Zoning allows for behavioral health care
- Currently a medical center with necessary infrastructure for a Crisis Care Center


KING COUNTY CRISIS CARE CENTERS

How We Got Here: Two years ago, voters approved the Crisis Care Center Levy to fund five Crisis Care Centers across King County to make it easier for everyone to get the immediate care they need in a crisis. King County's first Crisis Care Center, Connections Kirkland is now open. By 2030, King County plans to open four more centers, including one for youth.

Crisis Care Centers Support Communities by:

- **Helping people** sooner before their crisis escalates
- Freeing up **first responders** for more calls
- Easing the strain on our **emergency departments**
- Creating more than **100 new jobs**

Community Engagement: King County values community input and is engaging with local leaders, businesses, and neighbors.

 **For more information, visit:**
kingcounty.gov/crisis-care-centers

 King County

DCHS

Department of Community
and Human Services



cclevy@kingcounty.gov



www.kingcounty.gov/crisis-care-centers

Financial Plan 2025.Q2 Monitoring
CRISIS CARE CENTER LEVY / Fund 1460

Category	2023-2024 Actuals	2025 Adopted	2025 Current Budget	2025 Annual-to- Date Actuals	2025 Estimated	2026-2027 Proposed	2028-2029 Projected
Beginning Fund Balance	-	34,140,836	104,944,149	104,833,189	104,833,189	89,193,033	52,075,933
Revenues							
State	-	-	-	-	-	-	9,700,000
Local	117,765,569	122,138,188	122,138,188	6,634,628	122,194,477	252,190,254	262,392,922
Other	2,324,537	611,125	611,125	801,075	1,602,150	1,260,951	1,311,965
Total Revenues	\$ 120,090,106	\$ 122,749,313	\$ 122,749,313	\$ 7,435,703	\$ 123,796,627	\$ 253,451,205	\$ 273,404,887
Expenditures							
Salaries, Wages & Benefits	2,536,099	5,686,527	5,686,527	2,506,270	5,016,702	14,158,227	14,094,823
Supplies	429	-	-	164	-	-	-
Other Operating Charges	7,198,783	23,769,735	23,769,735	6,301,743	37,359,970	102,189,127	150,978,789
Capital	-	90,540,000	90,540,000	1,000,000	77,343,461	168,519,921	136,291,194
Central Rates	-	800,000	800,000	-	800,000	1,598,686	1,757,344
Intragovernmental (DCHS)	901,771	800,000	800,000	627,822	800,000	2,029,000	1,600,000
Interfund Transfers	576,949	1,014,500	1,014,500	-	1,014,500	2,073,344	2,133,907
Election Costs (One-Time)	4,042,885	-	-	-	-	-	-
Total Expenditures	\$ 15,256,916	\$ 122,610,762	\$ 122,610,762	\$ 10,435,999	\$ 122,334,634	\$ 290,568,305	\$ 306,856,057
Estimated Underexpenditures							
Other Fund Transactions							
GAAP Adjustment - Revenue	110,959	-	-	-	-	-	-
Total Other Fund Transactions	\$ 110,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 104,944,149	\$ 34,279,387	\$ 105,082,700	\$ 101,832,893	\$ 106,295,183	\$ 52,075,933	\$ 18,624,763
Reserves							
Rainy Day Reserve (s)	2,508,000	2,137,398	2,137,398	1,880,784	1,880,784	11,961,084	21,380,577
Capital Expenditure Reserve	-	-	-	-	-	35,000,000	-
Implementation Plan Expenditure Reserve	102,436,149	32,141,989	102,945,302	99,952,110	104,414,399	5,114,849	-
Total Reserves	\$ 104,944,149	\$ 34,279,387	\$ 105,082,700	\$ 101,832,893	\$ 106,295,183	\$ 52,075,933	\$ 21,380,577
Reserve Shortfall	-	-	-	-	-	-	2,755,814
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes

All financial plans have the following assumptions, unless otherwise noted in below rows:

- 2025 Adopted Budget ties to PBCS.
- Outyear projections columns: revenues are projected based on the OEFA July 2025 forecast and expenditures are projected based on the CCC Implementation Plan.

Revenue Notes:

Local revenues are based on the July 2025 OEFA forecast.

2028-2029 projected revenue includes Department of Commerce funding for the south King County CCC (in response to the settlement agreement in A.B., by and through Trueblood, et al., v. DSHS, et al., No. 15-35462).

Expenditure Notes:

Expenses are based on a cost model that is based on assumptions related to CCC operation start dates, CCC providers operational costs, contract expense timing, and capital acquisitions.

CCC operations costs (pharmacy, transportation, capital maintenance) were inflated using BFPA growth assumptions.

2025 Estimated (under Capital) includes a total of \$37,332,088 in capital investment at Broadway facility/location (sum of \$23,832,088 from CCC Capital and \$13,500,000 from New Residential Treatment Capital in the Implementation Plan). Of this amount, \$23.8M will be transferred to the Broadway Facility Fund to cover the CCC portion of the facility purchase cost.

Reserve Notes:

60 days of CCC operations cost as directed in ordinance 19572, namely, the 60-day reserve is computed on the following expenditures:

Strategy 1: Creation and Operation of 5 CCCs (Operation and Maintenance) => The computation excludes Capital Investments, Pharmacy, Transportation.

Strategy 2: Residential Treatment Capacity (Rehab/Maintenance of Existing Facilities) => The computation excludes Investments in New Facilities.

Strategy 6: Evaluation and Performance.

Strategy 7: CCC Levy Administration.

Capital Expenditure Reserve is for the remaining capital investment in a fifth CCC planned for 2028-2029.



KING COUNTY
Signature Report

ATTACHMENT 11

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2025-0249.1

Sponsors Mosqueda

1 AN ORDINANCE amending Ordinance 19862, enacted
2 December 2, 2024, which authorized the issuance of
3 limited tax general obligation bonds of the county; and
4 amending Ordinance 19862, Section 1, as amended,
5 Section 2, as amended, Section 4, as amended, Section 13,
6 as amended, Section 17, as amended, and Section 19, as
7 amended, and repealing Ordinance 19954, Attachment B.

8 PREAMBLE:

9 Pursuant to RCW 39.46.110 and other county authority, the county may
10 issue limited tax general obligation bonds payable from tax revenues of
11 the county and such other money lawfully available and pledged or
12 provided by the county council.

13 The county council has either previously reviewed and approved or
14 expects to review and approve the capital improvement projects of the
15 county as generally described in Ordinance 19862 ("the Original
16 Ordinance").

17 Pursuant to the Original Ordinance, the county authorized the issuance and
18 sale from time to time one or more series of its limited tax general
19 obligation bonds in an aggregate principal amount not to exceed

20 \$604,000,000 to provide financing for these projects as identified in the
21 Original Ordinance, and to pay the costs of issuing the bonds.

22 In addition to the projects identified in the Original Ordinance, the county
23 council has either previously reviewed and approved or expects to review
24 and approve a project to replace the distributed antenna system at the King
25 County Correctional Facility, the King County Courthouse, and the Norm
26 Maleng Regional Justice Center, and the acquisition of and improvements
27 to a plant used to process and convert landfill gas to generate alternate gas
28 products or energy and related facilities and infrastructure.

29 Pursuant to Ordinance 19954, the county amended the Original Ordinance
30 to identify these additional projects as projects for which the county may
31 provide financing from the sale of limited tax general obligation bonds
32 authorized by the Original Ordinance, as amended by Ordinance 19954
33 ("the Amended Ordinance"), and to increase the aggregate principal
34 amount of these bonds to an aggregate principal amount not to exceed
35 \$689,000,000 to reflect inclusion of these projects.

36 In addition to the projects identified in the Amended Ordinance, the
37 county council has either previously reviewed and approved or expects to
38 review and approve the Broadway facility acquisition for a crisis care
39 center, Harborview and other county purposes.

40 The county council desires to identify this additional project as a project
41 for which the county may provide financing from the sale of limited tax
42 general obligation bonds authorized by the Amended Ordinance. Further,

43 the Council desires to increase the aggregate principal amount of these
44 bonds to an aggregate principal amount not to exceed \$706,500,000 to
45 reflect inclusion of this project.

46 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

47 SECTION 1. Definitions. Capitalized terms used in this ordinance have the
48 meaning given those terms in Ordinance 19862, as amended.

49 SECTION 2. Findings. The council finds that it is in the best interest of the
50 county to amend Ordinance 19862, as amended, to identify an additional project for
51 which the county may provide financing from the sale of limited tax general obligation
52 bonds authorized by the Amended Ordinance, and to increase the aggregate principal
53 amount of these bonds accordingly to an aggregate principal amount not to exceed
54 \$706,500,000.

55 SECTION 3. Ordinance 19862, Section 1, as amended, is hereby amended to
56 read as follows:

57 Definitions. The following capitalized words and terms as used in Ordinance
58 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-
59 0XXX), have the following meanings for all purposes of Ordinance 19862, as amended
60 by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX), unless some
61 other meaning is plainly intended:

62 "Beneficial Owner" means, with respect to a Bond, the owner of the beneficial
63 interest in that Bond.

64 "Bond Account" means, with respect to each Series of Bonds, the bond
65 redemption account established therefor pursuant to Ordinance 19862, Section 16.

66 "Bond Purchase Agreement" means any bond purchase agreement for the sale of a
67 Series of Bonds approved by the Finance Director pursuant to Ordinance 19862, Section
68 13.B., as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-
69 0XXX).

70 "Bond Register" means the registration books maintained by the Registrar for
71 purposes of identifying ownership of the Bonds.

72 "Bonds" means the county's Project Bonds, Refunding Bonds, or both, authorized
73 to be issued under Ordinance 19862, as amended by Ordinance 19954 and this ordinance
74 (Proposed Ordinance 2025-0XXX).

75 "Capital Improvement Project" means any project that can be capitalized such as,
76 for example, a project with a scope that includes one or more of the following elements:
77 acquisition of either a site or existing structure, or both; program or site master planning;
78 design and environmental analysis; information technology investment; construction;
79 major equipment acquisition; reconstruction; demolition; or alteration or renovation.

80 "Certificate of Award" means any certificate of award for the sale of a Series of
81 Bonds approved by the Finance Director pursuant to Ordinance 19862, Section 13.A, as
82 amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

83 "Code" means the Internal Revenue Code of 1986, as in effect on the date of
84 issuance of a Series of Tax-Advantaged Bonds or Tax-Exempt Bonds or, except as
85 otherwise referenced herein, as it may be amended to apply to obligations issued on the
86 date of issuance of the Tax-Advantaged Bonds or Tax-Exempt Bonds, together with
87 applicable proposed, temporary, and final regulations promulgated, and applicable
88 official public guidance published, under the Code.

89 "County council" means the Metropolitan King County Council.

90 "Debt Service Fund" means the "King County Limited Tax General Obligation
91 Bond Redemption Fund," as set forth in Ordinance 19862, Section 16.

92 "DTC" means The Depository Trust Company, New York, New York.

93 "Fair Market Value" means the price at which a willing buyer would purchase an
94 investment from a willing seller in a bona fide, arm's-length transaction, except for
95 specified investments as described in Treasury Regulation § 1.148-5(d)(6), including
96 United States Treasury obligations, certificates of deposit, guaranteed investment
97 contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is
98 generally determined on the date on which a contract to purchase or sell an investment
99 becomes binding, and, to the extent required by the applicable regulations under the
100 Code, the term "investment" will include a hedge.

101 "Federal Tax Certificate" means the certificate executed by the Finance Director
102 setting forth the requirements of the Code for maintaining the tax status of the applicable
103 Tax-Advantaged Bonds or Tax-Exempt Bonds, and attachments thereto.

104 "Finance Director" means the director of the finance and business operations
105 division of the department of executive services of the county or any other county officer
106 who succeeds to the duties now delegated to that office or the designee of such officer.

107 "Government Obligations" means "government obligations," as defined in
108 chapter 39.53 RCW, as such chapter may be hereafter amended or restated, except as
109 such definition is further limited in the Sale Document.

110 "Letter of Representations" means the Blanket Issuer Letter of Representations
111 dated May 1, 1995, by and between the county and DTC, as it may be amended from

time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

"Loan Agreement" means any loan agreement or direct purchase agreement for the sale of a Series of Bonds approved by the Finance Director pursuant to Ordinance 19862, Section 13.C., as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions.

"Official Notice of Bond Sale" means, with respect to each Series of Bonds sold by competitive bid, the official notice of sale therefor prepared pursuant to Ordinance 19862, Section 13.A., as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

"Owner" means, with respect to a Bond, without distinction, the Beneficial Owner or the Registered Owner.

"Project Bonds" means the limited tax general obligation bonds of the county authorized by Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX), to be issued in one or more series, in an aggregate principal amount not to exceed \$((~~689,000,000~~)) 706,500,000 to provide financing for one or more Projects, and any bond anticipation notes, commercial paper or other interim financing issued in advance thereof to be repaid from the proceeds of such bonds, as provided in Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

134 "Projects" means Capital Improvement Projects that, collectively, include each of
135 the projects set forth in Attachment B to ~~((this ordinance (Proposed Ordinance 2025-~~
136 ~~0158)))~~ this ordinance (Proposed Ordinance 2025-0XXX), as generally described therein.

137 "RCW" means the Revised Code of Washington.

138 "Record Date" means, except as otherwise set forth in the applicable Sale
139 Document, for an interest or principal payment date or for a maturity date, the 15th day of
140 the calendar month next preceding that date. With respect to redemption of a Bond prior
141 to its maturity, "Record Date" means the Registrar's close of business on the date on
142 which the Registrar sends notice of the redemption.

143 "Refunded Bonds" means, for each Series of Refunding Bonds, all or a portion of
144 the Refunding Candidates that will be refunded, including by purchase or exchange, with
145 proceeds of that Series of Bonds, as determined by the Finance Director pursuant to
146 Ordinance 19862, Sections 13 and 18, as amended by Ordinance 19954 and this
147 ordinance (Proposed Ordinance 2025-0XXX), and set forth in a closing certificate or a
148 Refunding Agreement in accordance with Ordinance 19862, Section 18.

149 "Refunding Account" means any account authorized to be created pursuant to
150 Ordinance 19862, Section 18, to provide for the refunding of any Refunded Bonds.

151 "Refunding Agreement" means a refunding trust agreement entered into between
152 the county and a Refunding Trustee in connection with the refunding of Refunded Bonds.

153 "Refunding Bonds" means the limited tax general obligation bonds of the county
154 authorized by Ordinance 19862, as amended by Ordinance 19954 and this ordinance
155 (Proposed Ordinance 2025-0XXX), to be issued in one or more series to refund the

Refunded Bonds, including by purchase or exchange, as provided in Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

"Refunding Candidates" means any limited tax general obligation bonds of the county and any bond anticipation notes, commercial paper or other interim financing issued in advance thereof to be repaid from the proceeds of such bonds identified by the Finance Director as Refunding Candidates, whether currently outstanding or issued after the effective date of Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX), including any Series of Bonds issued under Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

"Refunding Trustee" means each corporate trustee chosen pursuant to the provisions of Ordinance 19862, Section 18, to serve as refunding trustee or escrow agent in connection with the refunding of Refunded Bonds.

"Registered Owner" means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register.

"Registrar" means, except as may be set forth in the Sale Document, the fiscal agent of the State appointed from time to time by the Washington State Finance Committee pursuant to chapter 43.80 RCW, serving as the registrar, authenticating agent, paying agent and transfer agent for the Bonds.

"Rule" means Securities and Exchange Commission Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

"Sale Document" means the Bond Purchase Agreement, Certificate of Award or Loan Agreement, as applicable, for a Series of Bonds.

179 "Securities Depository" means DTC, any successor thereto, any substitute
180 securities depository selected by the county that is qualified under applicable laws and
181 regulations to provide the services proposed to be provided by it, or the nominee of any
182 of the foregoing.

183 "Series" or "Series of Bonds" means a series of Bonds issued pursuant to this
184 Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed
185 Ordinance 2025-0XXX).

186 "State" means the State of Washington.

187 "Taxable Bonds" means the Bonds of any Series determined to be issued on a
188 taxable basis pursuant to Ordinance 19862, Section 13, as amended by Ordinance 19954
189 and this ordinance (Proposed Ordinance 2025-0XXX).

190 "Tax-Advantaged Bonds" means the Bonds of any Series determined to be issued
191 on a tax-advantaged basis pursuant to Ordinance 19862, Section 13, as amended by
192 Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

193 "Tax-Exempt Bonds" means the Bonds of any Series determined to be issued on a
194 tax-exempt basis pursuant to Ordinance 19862, Section 13, as amended by Ordinance
195 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

196 "Term Bonds" means those Bonds identified as such in the Sale Document, the
197 principal of which is amortized by a schedule of mandatory redemptions, payable from a
198 bond redemption fund, prior to their maturity.

199 SECTION 4. Ordinance 19862, Section 2, as amended, is hereby amended to
200 read as follows:

201 Findings. The county council hereby makes the following findings:

202 A. The Projects will serve a county purpose for which the county and its
203 residents will receive benefits, including contributing to the health, safety and welfare of
204 county residents.

205 B. The issuance of limited tax general obligation bonds by the county,
206 payable from property taxes or other revenues and money of the county legally available
207 for such purposes, to provide financing for the Projects and to pay the costs of issuing
208 such Project Bonds, will reduce the overall costs of borrowing such funds and is in the
209 best interests of the county and its residents.

210 C. It is necessary and advisable that the county now issue and sell from time
211 to time one or more series of its limited tax general obligation bonds in an aggregate
212 principal amount not to exceed \$((~~689,000,000~~)) 706,500,000 to provide financing for
213 the Projects (the "Project Bonds"), and to pay the costs of issuing the Project Bonds.

214 D. Because conditions in the capital markets vary and provide opportunities
215 for debt service savings from time to time, it is in the best interests of the county that the
216 county retain the flexibility to refund all or a portion of the Refunding Candidates,
217 including by purchase or exchange, in order to effect a savings to the county or, when
218 necessary or in the best interest of the county, to refinance interim financing into long-
219 term debt and/or modify debt service requirements, sources of payment, covenants or
220 other terms of the Refunded Bonds.

221 E. It is necessary and advisable for the county to issue and sell from time to
222 time one or more series of Refunding Bonds for such refunding opportunities, and to pay
223 the costs of issuing such Refunding Bonds, as provided in Ordinance 19862, as amended
224 by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

225 F. In accordance with RCW 36.46.040, the Finance Director is authorized to
226 serve as the county's designated representative to accept offers to purchase the Bonds on
227 behalf of the county. This authorization includes the Finance Director's authority to sell
228 the Bonds in one or more Series, by competitive bid or negotiated sale, or to the federal
229 government or other purchaser, and to identify any Refunding Candidates to be refunded,
230 including by purchase or exchange, in consultation with the county's financial advisors,
231 and consistent with terms and parameters established by Ordinance 19862, as amended
232 by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX), and county
233 debt policy.

234 SECTION 5. Ordinance 19862, Section 4, as amended, is hereby amended to
235 read as follows:

236 Purpose, Authorization and Description of Bonds.

237 A. Purpose and Authorization of Bonds.

238 1. To provide funds to finance the Projects, the county is authorized
239 to issue one or more Series of Project Bonds in an aggregate principal amount not to
240 exceed \$((~~689,000,000~~)) 706,500,000.

241 2. To provide funds to refund the Refunded Bonds, including by purchase
242 or exchange, the county is authorized to issue one or more Series of Refunding Bonds in
243 principal amounts to be established as provided in Ordinance 19862, Sections 13 and 18,
244 as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

245 B. Description of Bonds. The Bonds may be issued in one or more Series, in
246 principal amounts to be established within the parameters provided in

Ordinance 19862, Section 13.D., as amended by Ordinance 19954 and this ordinance
(Proposed Ordinance 2025-0XXX). Each Series of Bonds will be designated "King
County, Washington, Limited Tax General Obligation [[and] Refunding] [Bonds] [Bond
Anticipation Notes]," with an applicable year and Series designation, all as established by
the related Sale Document.

The Bonds shall be fully registered as to both principal and interest; shall be in the
denomination of \$5,000 each or any integral multiple thereof within a Series and
maturity, except as provided in the Sale Document, provided that no Bond shall represent
more than one maturity within a Series; shall be numbered separately in such manner and
with any additional designation as the Registrar deems necessary for purposes of
identification; and shall be dated the date and mature on the dates in the years and in the
amounts approved by the Finance Director, subject to the parameters set forth in
Ordinance 19862, Section 13.D., as amended by Ordinance 19954 and this ordinance
(Proposed Ordinance 2025-0XXX).

Each Series of Bonds shall bear interest, computed, unless otherwise provided in
the Sale Document, on the basis of a 360-day year of twelve 30-day months, from their
dated date, payable on interest payment dates and at the rate or rates approved by the
Finance Director, subject to the parameters set forth in Ordinance 19862, Section 13.D.,
as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX),
and set forth in the Sale Document.

SECTION 6. Ordinance 19862, Section 13, as amended, is hereby amended to
read as follows:

269 Sale of Bonds. The county hereby authorizes the sale of the Bonds. The Finance
270 Director is authorized to proceed with the sale of the Bonds pursuant to subsections A.,
271 B. or C. of this section to refund the Refunded Bonds and finance the costs of any Project
272 that has been approved by the county council or will have been approved by the county
273 council prior to the sale date for such Bonds. The Finance Director is further authorized
274 to proceed under Ordinance 19862, as amended by Ordinance 19954 and this ordinance
275 (Proposed Ordinance 2025-0XXX), with the sale of the Project Bonds for any Project(s)
276 and with the sale of the Refunding Bonds to refund any Refunding Candidate(s),
277 including by purchase or exchange, pursuant to the sale provisions set forth in this section
278 and without regard to the requirements of any prior bond ordinance that authorized the
279 financing of the Project(s) or the refunding of the Refunding Candidate(s).

280 The Bonds will be sold in one or more Series, any of which may be sold in a
281 combined offering with other bonds or notes of the county, at the option of the Finance
282 Director. The Finance Director will determine, in consultation with the county's financial
283 advisors, the principal amount of each Series of the Project Bonds, which of the
284 Refunding Candidates will be refunded, whether such Refunding Candidates will be
285 refunded by purchase or exchange, whether any Series of Project Bonds or Refunding
286 Bonds will be sold separately or in one or more combined Series, whether each Series of
287 Bonds will be sold by competitive bid, negotiated sale or otherwise and for current or
288 future delivery, whether such Series of Bonds will be issued and sold as Tax-Advantaged
289 Bonds, Tax-Exempt Bonds or Taxable Bonds, and whether any Series will be designated
290 as "green bonds," social impact bonds, sustainability bonds, or otherwise.

291 A. Competitive Bid. If the Finance Director determines that any Series of
292 Bonds will be sold by competitive bid, bids for the purchase of such Series of Bonds will
293 be received at such time and place and by such means as the Finance Director will direct.
294 The Finance Director is authorized to prepare an Official Notice of Bond Sale for each
295 Series of Bonds to be sold pursuant to competitive bid, which notice will be filed with the
296 clerk of the county council. The Official Notice of Bond Sale will specify whether the
297 Bonds of such Series are being issued and sold as Tax-Advantaged Bonds, Tax-Exempt
298 Bonds or Taxable Bonds, and whether any Series will be designated as "green bonds,"
299 social impact bonds, sustainability bonds, or otherwise, and will identify the year and any
300 applicable Series designation, date, principal amounts and maturity dates, interest
301 payment dates, redemption and purchase provisions and delivery date for such Series of
302 Bonds.

303 Upon the date and time established for the receipt of bids for a Series of the
304 Bonds, the Finance Director or the Finance Director's designee will review the bids
305 received, cause the bids to be mathematically verified, and accept the winning bid by
306 executing the Certificate of Award, which shall designate any Term Bonds, subject to the
307 parameters set forth in subsection D. of this section. The county, acting through the
308 Finance Director, reserves the right to reject any and all bids for such Bonds.

309 B. Negotiated Sale. If the Finance Director determines that any Series of
310 Bonds will be sold by negotiated sale, the Finance Director will, in accordance with
311 applicable county procurement procedures, solicit one or more underwriting firms or
312 other financial institutions with which to negotiate the sale of such Bonds. Subject to the
313 parameters set forth in subsection D. of this section, the Bond Purchase Agreement for

such Series of Bonds will specify whether the Bonds of such Series are being issued and sold as Tax-Advantaged Bonds, Tax-Exempt Bonds or Taxable Bonds, and whether any Series of Bonds are designated as "green bonds," social impact bonds, sustainability bonds, or otherwise, and will also identify any Term Bonds and the year and any applicable Series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption and purchase provisions and delivery date for such Series of Bonds.

C. Other Sales. If the Finance Director determines that any Series of Bonds will be sold to the federal government or other purchaser to evidence a loan from that purchaser, the Finance Director will negotiate the sale of such Bonds and the terms of the Loan Agreement with the purchaser. Subject to the parameters set forth in subsection D. of this section, the Loan Agreement for such Series of Bonds will specify whether the Bonds of such Series are being issued and sold as Tax-Advantaged Bonds, Tax-Exempt Bonds or Taxable Bonds, and whether any Series of Bonds are designated as "green bonds," social impact bonds, sustainability bonds, or otherwise, and will also identify any Term Bonds and the year and any applicable Series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption and/or purchase provisions and delivery date for such Series of Bonds.

D. Sale Parameters. Subject to the terms and conditions set forth in this subsection, the Finance Director is hereby authorized to approve the issuance and sale of any Series of the Bonds upon the Finance Director's approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights for

each Series of the Bonds in accordance with the authority granted by this section so long as:

1. The aggregate principal amount for the Series of Project Bonds does not cause the aggregate principal amount of all Project Bonds issued under Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX), to exceed \$((689,000,000)) 706,500,000;

2. The aggregate principal amount of the Series of Refunding Bonds to be issued does not exceed the aggregate principal amount of the Refunded Bonds to be refunded, including by purchase or exchange, with such Series of Refunding Bonds, plus the amount deemed by the Finance Director as reasonably required to effect such refunding as described in RCW 39.53.050, including amounts reasonably required to acquire or pay the redemption price of the Refunded Bonds, and pay costs of issuance and the refunding;

3. The final maturity date for the Series of the Project Bonds to be issued is not later than 31 years after its date of issuance;

4. The final maturity date for the Series of the Refunding Bonds to be issued is not later than the end of the fiscal year that includes the final maturity date for the series of the Refunded Bonds to be refunded, including by purchase or exchange, with such Series of Refunding Bonds; provided, that the final maturity date for any Series of the Refunding Bonds to be issued to refund any bond anticipation notes, commercial paper, or other interim financing issued in advance of any limited tax general obligation bonds of the county and to be repaid from the proceeds of such bonds is not later than 31 years after the date of issuance of the interim financing;

359 5. The Series of the Bonds to be issued are sold, in the aggregate, at
360 a price not less than 95 percent;

361 6. The true interest cost for the Series of Bonds does not exceed
362 5.5% if the Series of Bonds are issued as Tax-Exempt Bonds;

363 7. The true interest cost for the Series of Bonds does not exceed
364 7.5% if the Series of Bonds are issued as Taxable or Tax-Advantaged Bonds; and

365 8. The Series of Bonds conforms to all other terms of Ordinance
366 19862, as amended by ~~((this ordinance (Proposed Ordinance 2025-0158)))~~ Ordinance
367 19954 and this ordinance (Proposed Ordinance 2025-0XXX).

368 Subject to the terms and conditions set forth in this section, the Finance Director
369 is hereby authorized to execute each Sale Document to be dated the date of sale of the
370 applicable Series of Bonds. The signature of the Finance Director shall be sufficient to
371 bind the county.

372 The Finance Director shall provide an annual report to the Executive Finance
373 Committee and county council describing the sale of any series of Bonds approved
374 pursuant to the authority delegated in this section. The report must be transmitted by
375 March 31 of each year. The annual report shall be electronically filed with the clerk of
376 the county council, who shall retain an electronic copy and provide an electronic copy to
377 all councilmembers. The requirement for an annual report provided by this subsection
378 expires December 31, 2027.

379 The authority granted to the Finance Director by this subsection D. to execute
380 Sale Documents shall expire December 31, 2025; provided that an amendment to a Sale
381 Document may be executed, and performance pursuant to any Sale Document may be

completed, at any time. If a Sale Document for a Series of the Bonds has not been executed by December 31, 2025, the authorization for the issuance of the Bonds shall be rescinded and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been reauthorized by ordinance of the county council. The ordinance reauthorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing Ordinance 19862, as amended by Ordinance 19954 and this ordinance (Proposed Ordinance 2025-0XXX), in whole or in part or may be in the form of an amendatory ordinance approving a bond purchase agreement, certificate of award or loan agreement or establishing terms and conditions for the authority delegated under this section.

The authority of the county to sell bonds, e.g., enter into a bond purchase agreement, accept a bid to sell any bonds or enter into a loan or other agreement for the sale of the bonds, as defined in and pursuant to Ordinance 19530, as amended by Ordinance 19624, Ordinance 19711 and Ordinance 19789, was terminated on December 31, 2024. All other provisions of Ordinance 19530, as amended by Ordinance 19624, Ordinance 19711 and Ordinance 19789, remain in full force and effect.

SECTION 7. Ordinance 19862, Section 17, as amended, is hereby amended to read as follows:

A. There is hereby created a subfund, with appropriate year and series designations for each Project identified in Attachment B, as set forth in Attachment B to ~~((this ordinance (Proposed Ordinance 2025-0158)))~~ this ordinance (Proposed Ordinance 2025-0XXX). Each subfund will be a first tier fund managed by the department for each Project identified in Attachment B to ~~((this ordinance (Proposed Ordinance 2025-0158)))~~

405 this ordinance (Proposed Ordinance 2025-0XXX), or any successor to the functions of
406 such department. The exact amount of proceeds from the sale of any Series of Bonds to
407 be deposited into each subfund to provide long-term financing for all or part of the capital
408 costs of the Project associated therewith shall be determined by the Finance Director
409 upon the sale of such Series of Bonds.

410 B. Notwithstanding the creation of a subfund under this section as set forth in
411 Attachment B to (~~this ordinance (Proposed Ordinance 2025-0158))~~) this ordinance
412 (Proposed Ordinance 2025-0XXX), pursuant to KCC 4A.200.020, the manager of the
413 finance and business operations division may establish additional administrative subfunds
414 as required to meet legal, administrative, and accounting requirements. If so required, the
415 manager of the finance and business operations division may deposit or transfer proceeds
416 from the sale of any Series of Bonds under this ordinance to the newly established
417 additional administrative subfund or funds to meet such requirements.

418 SECTION 8. Ordinance 19862, Section 19, as amended, is hereby amended to
419 read as follows:

420 Funds deposited in the funds and accounts described in Ordinance 19862,
421 Sections 16, 17 and 18, as amended by Ordinance 19954 and this ordinance (Proposed
422 Ordinance 2025-0XXX), and Attachment B to (~~this ordinance (Proposed Ordinance~~
423 ~~2025-0158))~~) this ordinance (Proposed Ordinance 2025-0XXX) will be invested as
424 permitted by law for the sole benefit of such funds and accounts. Irrespective of the
425 general provisions of Ordinance 7112 and K.C.C. chapter 4.10, the county current
426 expense fund will not receive any earnings attributable to such funds and accounts.
427 Money other than proceeds of the Bonds may be deposited in the funds and accounts

428 described in Ordinance 19862, Sections 16, 17, and 18, as amended by Ordinance 19954
429 and this ordinance (Proposed Ordinance 2025-0XXX), and Attachment B to ((this
430 ~~ordinance (Proposed Ordinance 2025-0158)))~~ this ordinance (Proposed Ordinance 2025-
431 0XXX); provided, however, that proceeds of each Series of Bonds that are issued as Tax-
432 Advantaged Bonds or Tax-Exempt Bonds and the earnings thereon will be accounted for
433 separately for purposes of the arbitrage rebate computations required to be made under
434 the Code and will be acquired and disposed of at Fair Market Value. For purposes of
435 such computations, Bond proceeds will be deemed to have been expended first, and then

436 any other funds.

437 SECTION 9. Ordinance 19954, Attachment B, is repealed.

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: B. List of Projects and Associated Funds

Attachment B: List of Projects and Associated Funds

ATTACHMENT B

List of Projects and Associated Funds

Project Name	General Project Description	Fund Name (Fund No.)	Subfund Name	Department
TOD Affordable Housing	Transit-oriented affordable housing and related transit-oriented development	Housing Community Development (2460)	G.O. Bonds Housing	Department of Community and Housing Services
Equitably Community Driven Affordable Housing Development	Affordable housing projects to benefit communities with high risk of displacement	Housing Community Development (2460)	G.O. Bonds Housing	Department of Community and Housing Services
Participatory Budgeting Projects	Capital improvement projects in unincorporated portions of the county, identified through the county participatory budgeting program	Unincorporated King County Capital (3760)	G.O. Bonds Participatory Budgeting	Department of Local Services
Fall City Septic	Design and construct decentralized wastewater treatment solution for Fall City, consisting of on-site septic system and combined community drain field	Unincorporated King County Capital (3760)	G.O. Bonds Fall City Septic	Department of Local Services
Energize Home Appliance Upgrade Project	Install high-efficiency heat pumps and solar panels in homes occupied by county residents with low or moderate incomes	Local Services (1350)	G.O. Bonds Energize Home Appliance	Department of Local Services
Conservation Futures Land Acquisition Projects	Acquire open spaces for conservation purposes	Conservation Futures (3151)	G.O. Bonds Conservation	Department of Natural Resources and Parks
Parks - Fall City Community Center/Climate Equity	Develop the Fall City Community Center	General Fund (0010)	G.O. Bonds Community Facilities Projects	Department of Natural Resources and Parks
Cedar Hills Regional Landfill Facilities Relocation	Develop new disposal capacity in the southeast section of the Cedar Hills Regional Landfill site; relocate existing support facilities to the southeast section of the site or offsite	Solid Waste Construction (3901)	G.O. Bonds Cedar Hills Relocation	Department of Natural Resources and Parks
Electric Vehicle Charging Infrastructure Projects	Install electric vehicle charging infrastructure for use by the county's electric vehicle fleet	Building Repair and Replacement (3591)	G.O. Bonds Electric Vehicle Charging Infrastructure	Department of Executive Services - Facilities Management Division

MRJC HVAC and Electrical System	Install HVAC and electrical system upgrades to the Norm Maleng Regional Justice Center	Major Maintenance (3421)	G.O. Bonds County Facilities	Department of Executive Services - Facilities Management Division
Community Facilities Bond Projects	Grants for capital projects at various community facilities	General Fund (0010)	G.O. Bonds Community Facilities Projects	Office of Performance, Strategy and Budget
Property Tax Administration System Project	Implement information technology improvements to the county's property tax administration system	Office of Information Resource Management Capital Projects (3771)	G.O. Bonds PTAS	Department of Assessments of the County
KCIT MFA for Login.KC	Develop, plan, and implement multifactor authentication for jail management system's inmate booking process, including communication plan for criminal justice partners who book inmates into the jail management system	ITS Capital (3781)	G.O Bonds KCIT	King County Information Technology
Renton Red Lion Acquisition	Acquisition of hotel for conversion into affordable housing and/or housing for the homeless	Building Repair and Replacement (3591)	G.O. Bonds Acquisition	Department of Executive Services - Facilities Management Division
Skyway Resource Center	Develop the Skyway Resource Center	Parks Recreation Open Space (3160)	G.O. Bonds Skyway Community Center	Department of Natural Resources and Parks
Road Safety Improvements	Making safety improvements to residential roads in the unincorporated area	County Road Major Maintenance (3855)	G.O. Bonds Roads Project	Department of Local Services
KCSO Helicopter Acquisition	Purchase of a helicopter for use by the King County Sheriff's Office	General Fund (0010)	G.O. Bonds KCSO Helicopter	King County Sheriff's Office
Dexter Horton Acquisition	Acquisition of the Dexter Horton Building	Building Repair and Replacement (3591)	G.O. Bonds Acquisition	Department of Executive Services - Facilities Management Division
Elections Facility Security Upgrades	Install new workstations, recorders, and network equipment; expand video network and camera locations and digital replacement throughout the building	Major Maintenance (3421)	G.O. Bonds Security Camera	Department of Executive Services - Facilities Management Division
DAJD Data Warehouse	Build out data warehouse system infrastructure; develop process to move data from jail management system into warehouse; reacquire historical data from Looking Glass database; and restructure Looking Glass data to work within jail management system	General Technology Capital (3280)	G.O. Bonds KCIT	King County Adult and Juvenile Detention

King County Courthouse Fire Alarm System	Upgrade and replacement of the existing fire alarm system in the King County Courthouse	Major Maintenance (3421)	G.O. Bonds County Facilities	Department of Executive Services - Facilities Management Division
KCSO Payroll System	Replacement of the KCSO payroll and timekeeping system	General Technology Capital (3280)	G.O. Bonds KCIT	King County Sheriff's Office
KCIT Shared Device Telephony Solution	Replacement of shared devices across County locations	ITS Capital (3781)	G.O. Bonds KCIT	King County Information Technology
Animal Shelter	Acquisition and Construction of new RASKC Shelter	Building Repair and Replacement (3591)	G.O. Bonds Acquisition	Department of Executive Services - Facilities Management Division
RCECC Fiber Optical Network Path	Construction of fiber optical network path at Regional Communications and Emergency Coordination Center	ITS Capital (3781)	G.O. Bonds KCIT	King County Information Technology
DAJD KCCF Replacement	Replacement of the distributed antenna system at the King County Correctional Facility	Major Maintenance (3421)	G.O. Bonds County Facilities	Department of Executive Services - Facilities Management Division
Landfill Gas Processing Facilities Acquisition and improvements	Acquisition and improvements of plant used to process and convert landfill gas to generate alternate gas products or energy and related facilities and infrastructure	Solid Waste Construction (3901)	G.O. Bonds Landfill Gas Plant Acquisition	Department of Natural Resources and Parks
<u>Broadway Facility Acquisition</u>	<u>Acquisition of the Broadway Facility.</u>	<u>Broadway Facility (5990)</u>	<u>G.O. Bonds Broadway Facility Acquisition</u>	Department of Executive Services - Facilities Management Division



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

August 14, 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 would, if enacted, amend Ordinance 19862 to allow for the cost of an additional capital project to be debt financed by issuing limited tax general obligation bonds. This is companion legislation to the notification letter required by the Crisis Care Centers Levy Implementation Plan related to the proposed Broadway Facility purchase, which is transmitted concurrently under separate cover.

Ordinance 19862 authorized the issuance of limited tax general obligation bonds in an amount not to exceed \$604 million to provide financing for various County capital projects. Since the adoption of Ordinance 19862, the Executive has identified an existing facility that is readily available for conversion to a crisis care center, resulting in the need to finance an additional \$17.5 million for the purchase of the Broadway Facility. Accordingly, this proposed legislation would include this additional project as a financing candidate and correspondingly increase the not-to-exceed the amount of the authorization under Ordinance 19862 to \$621.5 million.

Thank you for your consideration of this proposed Ordinance. Approval of this proposed Ordinance enables King County to finance this project with upcoming bond sales.

If your staff have any questions, please contact Ken Guy, Director, Finance and Business Operations Division, at 206-263-9254.

The Honorable Girmay Zahilay

August 14, 2025

Page 2

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

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council

Melani Hay, Clerk of the Council

Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive

Stephanie Pure, Council Relations Director, Office of the Executive

Dwight Dively, Director, Office of Performance, Strategy and Budget

Lorraine Patterson-Harris, Director, Department of Executive Services

Ken Guy, Director, Finance and Business Operations Division

2025 FISCAL NOTE

Ordinance/Motion: 2025-xxxx
 Title: 2025 L.T.G.O. Bond Authorization Amendment
 Affected Agency and/or Agencies: Department of Executive Services-Finance Business Operations Division and Department of Executive Services-Facilities Management Division.
 Note Prepared By: Chris McGowan, PSB
 Date Prepared: 4/2/2025
 Note Reviewed By: Carol Basil, FBOD
 Date Reviewed: 4/4/2025

Description of request:

The proposed Ordinance amends Ordinance 19862 to include the authorization to finance the acquisition of the building located at 1145 Broadway, Seattle.

Revenue to:

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
DES	F5990	Bond Proceeds	17,500,000		
TOTAL			17,500,000	0	0

Expenditures from:

Agency	Fund Code	Department	FY-2025	2026-2027	2028-2029
DES	F5990	FMD	0	5,940,000	5,940,000
TOTAL			0	5,940,000	5,940,000

Expenditures by Categories

	FY-2025	2026-2027	2028-2029
Debt Service	0	5,940,000	5,940,000
	-		
TOTAL	0	5,940,000	5,940,000

Does this legislation require a budget supplemental? Yes

Notes and Assumptions:

Debt service calculation is based on a rate of 4.5% and 7 year maturity.

Bond financing will be in 2025 Q4 and no debt service payments are expected in 2025.



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	8	Name:	April Sanders
Proposed No.:	2025-0260	Date:	September 24, 2025

SUBJECT

An ordinance revising the loan agreement between King County and the Pacific Science Center Foundation.

SUMMARY

Proposed Ordinance 2025-0260 would authorize the Executive to execute an amendment to the loan agreement between King County and the Pacific Science Center Foundation, substantially in the form of Attachment A to the ordinance.

This amendment to the loan agreement would add an additional principal amount of \$2.4 million to the loan agreement, for a total loan amount of \$14 million, to be remitted by King County to the Pacific Science Center Foundation 30 days after the proposed ordinance becomes effective.

The original loan amount was based on an estimate of the deferred sales taxes. With construction of the Climate Pledge Arena complete, the actuals have exceeded the estimates. Because of this, the Pacific Science Center has requested this additional loan based on a conservative estimate of the moneys to be received in 2026 through 2029.

BACKGROUND

Pacific Science Center Foundation. The Pacific Science Center Foundation is a Washington non-profit corporation that operates the Pacific Science Center (PacSci). In the last year, PacSci served more than 489,000 visitors and provided educational programming aimed at Science, Technology, Engineering, and Math (STEM). This programming includes educational programs at low- or no-cost to low-income schools, PacSci's Science on Wheels, field trips, and Digital Discovery Workshops.

State Deferral Authorization. RCW 82.32.558 allowed the developer of the Climate Pledge Arena a deferral on payments of local sales and use tax for the construction of the arena and the practice facility at Northgate. RCW 82.32.559 further directs that half

of the repayment of deferred local sales and use taxes be distributed to the Pacific Science Center Foundation for the construction or rehabilitation of capital facilities used for youth educational programming related to discovery, experimentation, and critical think in the sciences. During the COVID-19 pandemic, this legislation was amended to allow moneys distributed to the Pacific Science Center Foundation to be used for both capital and operating expenses.

Ordinance Authorizing the Original Loan Agreement. Due in part to the impacts of the COVID-19 pandemic on funding for nonprofit organizations, the Pacific Science Center Foundation sought a loan from King County of \$11.6 million, backed by future repayments of deferred local sales and use taxes from the construction of Climate Pledge Arena and the practice facility at Northgate. \$11.6 million constituted 80% of the \$14.5 million originally anticipated from the sales tax deferral payments to the Pacific Science Center Foundation.

Ordinance 19218¹, adopted on December 15, 2020, authorized the Executive to execute the original loan agreement between King County and the Pacific Science Center Foundation. The agreement requires the loan to be repaid over eight years from deferred sales and use taxes on the construction of Climate Pledge Arena and the practice facility. At the time the ordinance was adopted, the amount of deferred sales and use taxes provided annually by the Washington state Department of Revenue to be transferred to the Pacific Science Center Foundation was not known with certainty.

The loan was made from the King County Investment Pool with the payment schedule requiring a payment of \$1.45 million per year, plus interest², to the County beginning in 2022.

Loan Payments to Date. To date, four years of payments have been received from the Pacific Science Center Foundation, as shown in Table 1 below.

**Table 1.
Loan Payments to Date**

Year	Principal Payment	Total Payment with Interest
2022	\$1,450,000	\$2,241,327.70
2023	\$1,450,000	\$2,278,227.84
2024	\$1,450,000	\$2,356,874.95
2025	\$1,450,000	\$2,447,850.69

¹ [King County - File #: 2020-0424](#)

² According to Section 3.01.1 of the Loan Agreement, the annual interest payment with respect to the outstanding loan balance is calculated using the 12 month average King County Investment Pool's Monthly Gross Earnings Rate for the 12 months prior to the date of payment.

First Amendment to the Loan Agreement. The first amendment to the loan agreement, which did not require Council approval, reflected the change to state law allowing the moneys to go towards operating, instead of just capital expenses.

ANALYSIS

Proposed Ordinance 2025-0260 would authorize the Executive to execute the second amendment to the loan agreement between King County and the Pacific Science Center Foundation, substantially in the form of Attachment A to the ordinance.

This amendment to the loan agreement would add an additional principal amount of \$2.4 million to the loan agreement, for a total loan amount of \$14 million, to be remitted by King County to the Pacific Science Center Foundation 30 days after the proposed ordinance becomes effective.

The transmittal letter indicates that the loan amount was based on an estimate of the deferred sales taxes dedicated to the Pacific Science Center Foundation. With construction of the Climate Pledge Arena complete, the actuals have exceeded the estimates. Because of this, the Pacific Science Center has requested this additional loan based on a conservative estimate of the moneys to be received in 2026 through 2029.

Table 2 below shows the annual repayment schedule if the proposed ordinance is adopted and the additional \$2.4 million is remitted. This annual repayment schedule is Exhibit A to Attachment A. Note that if the Pacific Science Center receives a lump sum payment from the state, the remainder of the loan would be due in full. This is consistent with the original loan agreement.

**Table 2.
Amended Annual Repayment Schedule**

Year	Principal Payment	Notes
2022	\$1,450,000	Paid on time
2023	\$1,450,000	Paid on time
2024	\$1,450,000	Paid on time
2025	\$1,450,000	Paid on time
2026	\$2,050,000	
2027	\$2,050,000	
2028	\$2,050,000	
2029	\$2,050,000	
TOTAL	\$14,000,000	

The Pacific Science Center indicates that remitted moneys to date have been allocated towards operating deficits during the pandemic as well as capital investments in exhibits.

INVITED

- Dwight Dively, Director, King County Office of Performance, Strategy, and Budget

ATTACHMENTS

1. Proposed Ordinance 2025-0260 (and its attachments)
2. Transmittal Letter
3. Fiscal Note



KING COUNTY

Signature Report

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

Ordinance

Proposed No. 2025-0260.1

Sponsors Barón

1 AN ORDINANCE revising the loan agreement between
2 King County and the Pacific Science Center Foundation.

3 STATEMENT OF FACTS:

4 1. Ordinance 19218 authorized a loan by King County to the Pacific
5 Science Center Foundation based on the policy considerations included in
6 that ordinance.

7 2. The loan was to be repaid over eight years from deferred sales taxes on
8 construction of Climate Pledge Arena to be received by the Pacific
9 Science Center Foundation from the Washington state Department of
10 Revenue.

11 3. The first four loan repayments have been received as expected.

12 4. At the time of the original loan agreement, the amount of deferred sales
13 taxes provided annually by the Washington state Department of Revenue
14 for the benefit of the Pacific Science Center Foundation was not known
15 with certainty.

16 5. Since that time, four years of payments have been received, starting
17 with \$2,241,327.70 in 2022, \$2,278,227.84 in 2023, \$2,356,874.95 in
18 2024, and \$2,447,850.69 in 2025, all of which are significantly higher than
19 originally assumed.

20 6. The Pacific Science Center Foundation has requested an increase in the
21 loan amount authorized in the original loan agreement by \$2,400,000,
22 based on the higher revenue.

23 7. King County supports this request to help the Pacific Science Center
24 achieve the benefits discussed in Ordinance 19218.

25 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

26 SECTION 1. The executive is hereby authorized to execute the second

- 27 amendment to the loan agreement between King County and the Pacific Science Center
28 Foundation, substantially in the same form as Attachment A to this ordinance.

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. Second Amendment to Loan Agreement by and between King County and Pacific Science Center Foundation

SECOND AMENDMENT TO

LOAN AGREEMENT

by and between

KING COUNTY

and

PACIFIC SCIENCE CENTER FOUNDATION

Dated as of _____, 2025

LOAN AGREEMENT

This Second Amendment to Loan Agreement dated as of _____, 2025 ("Second Amendment") to the Loan Agreement, dated January 12, 2021 ("Original Loan Agreement") and the First Amendment dated July 16, 2021 ("First Amendment"), is made and entered into by and between King County, a charter county of the State of Washington (the "County") and the Pacific Science Center Foundation, a Washington non-profit corporation, d/b/a Pacific Science Center (the "Pacific Science Center"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in Section 12.01 of the Original Loan Agreement.

WITNESSETH:

WHEREAS, at the time of the Original Loan Agreement the amount of deferred sales taxes provided annually by the Washington State Department of Revenue for the benefit of the Pacific Science Center was not known with certainty; and

WHEREAS, since that time four years of payments have been received, starting with \$2,241,327.70 in 2022, \$2,278,227.84 in 2023, \$2,356,874.95 in 2024, and \$2,447,850.69 in 2025, all of which are significantly higher than originally assumed; and

WHEREAS, the Pacific Science Center has requested an increase in the loan amount authorized in the Original Loan Agreement by two million four hundred thousand dollars (\$2,400,000) (the "Additional Principal Amount") based on this higher revenue; and

WHEREAS, King County supports this request to help the Pacific Science Center achieve the benefits discussed in Ordinance 19218;

NOW, THEREFORE, in consideration of the covenants contained in the Original Loan Agreement, the parties hereto covenant, agree, and bind themselves as follows:

Section 1. Amendment to Section 3.01. Section 3.01 of the Original Loan Agreement is hereby amended to read as follows:

The County agrees, upon the terms and conditions contained in this Agreement, to lend to the Pacific Science Center and the Pacific Science Center agrees to borrow the principal amount of eleven million six hundred thousand dollars (\$11,600,000) (the "Loan") and an Additional Principal Amount of two million four hundred thousand dollars (\$2,400,000). The Loan shall be made by remitting the proceeds to the Pacific Science Center no later than thirty (30) days after the ordinance approving this Agreement becomes effective, unless that ordinance is subject to referendum ("Dated Date"). The Additional Principal Amount shall be made by remitting proceeds to the Pacific Science Center no later than thirty (30) days after the ordinance approving this Second Amendment becomes effective, unless that ordinance is subject to referendum.

Section 2. Amendment to Exhibit A. Exhibit A of the Original Loan Agreement is replaced by a new Exhibit A as attached to this Second Amendment.

IN WITNESS WHEREOF, the County and the Pacific Science Center have caused this Second Amendment to be executed in their respective legal names by their duly authorized officers, all as of the date first above written.

KING COUNTY

By _____
Shannon Braddock, King County Executive

PACIFIC SCIENCE CENTER FOUNDATION

By _____
Will Daugherty, President and Chief Executive Officer

EXHIBIT A

ANNUAL REPAYMENT SCHEDULE

Interest on outstanding principal shall be included with each principal payment.

YEAR	PRINCIPAL DUE
2022	\$1,450,000
2023	\$1,450,000
2024	\$1,450,000
2025	\$1,450,000
2026	\$2,050,000
2027	\$2,050,000
2028	\$2,050,000
2029	\$2,050,000

Loan is due in full if the Pacific Science Center receives a lump sum payment from the State.



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

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August 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:

I am pleased to transmit a proposed Ordinance, which, if enacted, would increase the principal amount of King County's loan to the Pacific Science Center by \$2.4 million.

As part of the construction of Climate Pledge Arena, the state allowed the developer to defer payment of a portion of the construction sales tax. The deferred funds are to be paid for the benefit of the Pacific Science Center over an eight-year period, which started in 2022.

In 2021, through Ordinance 19218, the County agreed to loan \$11,600,000 to the Pacific Science Center to be repaid from the deferred sales taxes. This allowed the Pacific Science Center to cover operating and capital costs associated with the COVID-19 pandemic and long-deferred maintenance. The first four years of the loan have been repaid on time.

The loan amount was based on an estimate of the deferred sales taxes that turned out to be significantly less than the actual amounts received from 2022 through 2025. The Pacific Science Center has requested an additional loan of \$2.4 million, based on a conservative estimate of the funds to be received in 2026 through 2029. I am happy to support this request.

The Pacific Science Center has been successful in obtaining other funding to support its operations, including private donations and funding from the Office of the Superintendent of Public Instruction. A new entrance will open next year and a multi-year project to improve the courtyard will also start in 2026.

The Honorable Girmay Zahilay

August 21, 2025

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If approved, the additional loan amount will be implemented through the Executive Finance Committee.

If your staff have questions, please contact Dwight Dively, the Performance, Strategy and Budget Director, at 206-650-6577. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Braddock".

for

Shannon Braddock
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Stephanie Pure, Council Relations Director, Office of the Executive
Dwight Dively, Director, Office of Performance, Strategy and Budget

2025 FISCAL NOTE

Ordinance/Motion:

Title: AN ORDINANCE revising the loan agreement between King County and the Pacific Science Center Foundation.

Affected Agency and/or Agencies: FBOD

Note Prepared By: Dwight Dively

Date Prepared: 8/13/2025

Note Reviewed By: Aaron Rubardt

Date Reviewed: 8/19/2025

Description of request:

King County entered into a loan agreement with the Pacific Science Center Foundation through Ordinance 19218 in 2021. This ordinance would increase the loan amount by \$2,400,000 based on higher tax payments from the State Department of Revenue that repay the loan. The additional loan amount will be repaid in four equal annual payments between 2026 and 2029.

Revenue to:

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
FBOD (cash pool)		Loan repayments		1,200,000	1,200,000
TOTAL			0	1,200,000	1,200,000

Expenditures from:

Agency	Fund Code	Department	2025	2026-2027	2028-2029
FBOD (cash pool)		DES	2,400,000		
TOTAL			2,400,000	0	0

Expenditures by Categories

	2025	2026-2027	2028-2029
TOTAL	0	0	0

Does this legislation require a budget supplemental? Yes No

Notes and Assumptions: