07/28/14 REVISED ATTACHMENT A
TO PO 2014-0239

ATTACHMENT A:

GOUND LEASE AND ATTACHMENTS

REVISED 7/28/14

GROUND LEASE AGREEMENT

BY AND BETWEEN

KING COUNTY, A MUNICIPAL CORPORATION AND A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON

AND

NEIGHBORCARE HEALTH, A WASHINGTON NONPROFIT CORPORATION

DATED: _____, 2014

REVISED 7/28/14

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REVISED 7/28/14

THIS GROUND LEASE AGREEMENT (the "Lease") is dated as of _____, 2014 ("Effective Date"), and is by and between KING COUNTY, a municipal corporation and a political subdivision of the State of Washington ("Lessor"), and NEIGHBORCARE HEALTH, a Washington nonprofit corporation ("Lessee"), individually, a "Party" and collectively, the "Parties."

ARTICLE 1
Recitals

The following facts and circumstances form the background of this Lease:

1. Pursuant to that certain Warranty Deed dated March 4, 1977 and recorded as instrument number 7706230601, the City of Seattle (the "City") conveyed land (the "Site") to Lessor in 1977 to be used for the construction and operation of a North Multi-Service Center (the "NMSC") for Public Health-Seattle & King County ("Public Health"), then known as the Seattle-King County Department of Public Health. Lessor constructed the NMSC on a portion of the Site utilizing proceeds of Referendum 29 social and health service facilities bonds issued by the State of Washington. The Site is depicted on the site plan attached hereto and incorporated herein as Exhibit A ("Site Plan").

2. Lessee has a 40-year history of providing health care services to the underserved and currently operates 24 nonprofit medical, dental and school-based clinics throughout Seattle, routinely serving some 50,000 low-income or uninsured patients annually. Lessee and Public Health have been exploring options for cooperating in the development of a new Neighborcare Health facility in north Seattle for a number of months. Toward that end, Lessee and Public Health adopted a joint vision statement for such a facility in December, 2012, a copy of which is attached hereto as Exhibit B ("Vision Statement").

3. Consistent with the Vision Statement and contemporaneously with the execution of this Lease, Lessee and Lessor entered into a Project Development Agreement dated in the form attached hereto as Exhibit C (the "Development Agreement") pursuant to which Lessee will develop an integrated health and human services center (the "Neighborcare Project" or "Project") that would meet the health and human services needs of underserved residents in north Seattle and north King County. The Development Agreement addresses the Parties' respective rights, duties and obligations concerning the design, development and construction of the Neighborcare Project.

4. The Neighborcare Project will be partially funded through a $5,000,000 grant from the U.S. Department of Health and Human Services, Health Resources and Services Administration (the "HRSA Grant"). In connection therewith, Lessor has executed, or promptly following mutual execution and delivery of this Lease shall execute, that certain Landlord Letter of Consent in the form attached hereto as Exhibit D-1 ("Landlord's Consent"), which Landlord's Consent authorizes Lessee to record a Notice of Federal Interest in the form attached hereto as Exhibit D-2.

5. The Neighborcare Project will occupy only that portion of the Site consisting of a single legal lot that is legally described on Exhibit E-1 attached hereto and incorporated herein (the "Neighborcare Lot"). The remainder of the Site is legally described on Exhibit E-2 attached hereto and incorporated herein (the "County Property"). The Neighborcare Lot and the County Property are depicted on the Site Plan.

6. Lessor desires to lease the Neighborcare Lot and the County Property to Lessee and Lessee desires to lease the Neighborcare Lot and the County Property from Lessor pursuant to the terms and conditions set forth herein.

ARTICLE 2
Incorporation of Documents and Materials; Definitions

Section 2.1 Incorporation of Documents and Materials. The following documents and materials are attached as exhibits to this Lease and by this reference are incorporated into this Lease:

Exhibit A – Site Plan
Exhibit B – Joint Vision Statement
Exhibit C – Development Agreement
Exhibit D-1 – Landlord's Consent
Exhibit D-2 – Notice of Federal Interest
Exhibit E-1 – Legal Description of the Neighborcare Lot
Exhibit E-2 – Legal Description of the County Property
Exhibit F – Permitted Exceptions
Exhibit G – Access Area
Exhibit G-1 – Access Easement
Exhibit H – Utility Areas
Exhibit I – Memorandum of Lease
Exhibit J – Medical and Dental FF&E

Section 2.2 Definitions. Defined terms are capitalized and underlined words which are not capitalized as the first word in a sentence and are defined in the body of this Lease. A defined term has the meaning given to it by the text when it is first defined. Where a defined term is defined in more than one document, it has the meaning for the particular document given it in that document. Defined terms in this Lease are as follows:

(a) "1948 Deed" is defined in Section 3.2.
(b) "Access Area" is defined in Section 3.3.
(c) "Access Rights" is defined in Section 3.3.
(d) "Access Easement" is defined in Section 3.3.
(e) "Alterations" is defined in Section 8.1.
(f) "Approved Alterations" is defined in Section 8.1.
(g) "Authority" is defined in Section 6.2(b).
(h) "Building" is defined in Section 3.1.
(i) "Casualty" is defined in Section 17.1.

(j) "Casualty Term Extension" is defined in Section 17.2.
(k) "Casualty Term Extension Deadline" is defined in Section 17.2.
(l) "City" is defined in Article 1, Recital 1.
(m) "Claims" is defined in Section 24.1.2(d).
(n) "Commencement Date" is defined in Section 4.1.
(o) "Common Areas" is defined in Section 3.1.
(p) "County Property" is defined in Article 1, Recital 5.
(q) "County Property Lease Commencement Date" is defined in Section 3.4.
(r) "County Property Termination Date" is defined in Section 3.4.
(s) "County Property Lease Term" is defined in Section 3.4.
(t) "Demolition Work" is defined in Section 3.4.
(u) "Demolition Work Documentation" is defined in Section 3.4.
(v) "Development Agreement" is defined in Article 1, Recital 3.
(w) "Effective Date" is defined in the first paragraph.
(x) "Environmental Laws" is defined in Section 24.1.1.
(y) "Extension Notice" is defined in Article 27.
(z) "Hazardous Substances" is defined in Section 24.1.1.
(aa) "HRSA Grant" is defined in Article 1, Recital 4.
(bb) "Landlord's Consent" is defined in Article 1, Recital 4.
(cc) "Lease" is defined in the first paragraph.
(dd) "Legal Requirements" is defined in Section 6.2(b).
(ee) "Lessee" is defined in the first paragraph.
(ff) "Lessee Lender" is defined in Article 10.
(gg) "Lessee's Parking Rights" is defined in Article 25.
(hh) "Lessee Parties" is defined in Section 12.2(a).
(ii) "Lessor" is defined in the first paragraph.
(jj) "Lessor Parties" is defined in Section 9.1(a).
(kk) "Lessor's Termination Option" is defined in Section 3.4.
(ll) "Maintenance Standard" is defined in Section 9.1(a).
(mm) "Memorandum of Lease" is defined in Article 28.
(nn) "Neighborcare Lot" is defined in Article 1, Recital 5.
(oo) "Neighborcare Project" or "Project" is defined in Article 1, Recital 3.
(pp) "NMSC" is defined in Article 1, Recital 1.
(qq) "Notice of Federal Interest" is defined in Article 1, Recital 4.
(rr) "Parties" or "Party" is defined in the first paragraph.
(ss) "Permitted Exceptions" is defined in Section 3.2.
(tt) "Permitted Tenants" is defined in Section 18.2.
(uu) "Permitted Use" is defined in Section 6.1.
(vv) "Premises" is defined in Section 3.1.
(ww) "Property" is defined in Section 3.1.
(xx) "Public Health" is defined in Article 1, Recital 1.
(yy) "Redevelopment" is defined in Section 3.4.
(zz) "Reserved Rights" is defined in Section 26.4.
(aaa) "Signage Rights" is defined in Article 14.
(bbb) "Site" is defined in Article 1, Recital 1.
(ccc) "Site Plan" is defined in Article 1, Recital 1.

(ddd) "Stormwater Basin" is defined in Section 12.3(a).
(eee) "Stormwater Basin Maintenance Work" is defined in Section 12.3(a).
(fff) "Surrender Notice" is defined in Section 23.1.
(ggg) "Surrender Period" is defined in Section 23.1.
(hhh) "Surrender Period Notice" is defined in Section 23.1.
(iii) "Surrender Work" is defined in Section 23.1.
(jjj) "Term" is defined in Section 4.1.
(kkk) "Utility Areas" is defined in Section 7.2.
(lll) "Utility Rights" is defined in Section 7.2.
(mmm) "Utility Work" is defined in Section 7.2.
(nnn) "Vision Statement" is defined in Article 1, Recital 2.

ARTICLE 3
Leased Premises

Section 3.1 Neighborcare Lot; Premises. Lessor is the fee owner of the Neighborcare Lot and the County Property, together with all appurtenances, rights and privileges now belonging or appertaining thereto (collectively, the "Property"). Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Neighborcare Lot, subject to the obligations, terms and conditions contained herein. Lessee intends to construct an approximately 44,667 gross square foot building (the "Building") on the Neighborcare Lot, as further set forth in the Development Agreement. Subject to Section 3.4 below, the Building and the Neighborcare Lot are collectively referred to herein as the "Premises." In addition, subject to Article 26 below, Lessee's right to use and occupy the Premises includes a non-exclusive right to use the common areas of the County Property, including without limitation, parking areas, access roads, driveways, sidewalks, entrances and exits shown on the Site Plan attached hereto as Exhibit A (the "Common Areas").

Section 3.2 Acceptance of the Neighborcare Lot; Acceptance of the County Property. Lessee has inspected and accepts the condition of the Neighborcare Lot and, subject to Lessor's maintenance obligations in Section 12.2(a), as of the County Property Lease Commencement Date (as defined below), Lessee shall accept the condition of the County Property, it is understood and agreed that the Neighborcare Lot and the County Property are leased on an "as is" basis without any obligation on the part of Lessor to make any changes, alterations or improvements to, or to incur any expenses whatsoever for the maintenance or repair of, the Neighborcare Lot or the County Property, except as expressly set forth herein or in the Development Agreement. Lessor and Lessee acknowledge, and Lessee agrees to accept, the Property, including without limitation, the Neighborcare Lot, is subject to certain conditions, restrictions, easements and other encumbrances affecting the Property and currently filed of record or to be filed and recorded in King County, Washington, as identified on Exhibit F attached hereto and incorporated herein (the "Permitted Exceptions"). Notwithstanding the foregoing, the parties acknowledge the covenant contained in that certain warranty deed dated May 25, 1948 and recorded on May 26, 1948 in the Official Records of King County as instrument number 3806113 ("1948 Deed"). Lessee hereby releases Lessor from any claims for damages and shall indemnify, defend and hold the Lessor harmless, in the event a third party enforces or attempts to enforce any rights or alleged rights under the 1948 Deed as a result of

Lessee exercising its rights under this Lease or under the Development Agreement; provided that Lessor agrees to commence a quiet title action to clear the 1948 Deed from title to the Property and provided further that Lessee agrees to reasonably cooperate with Lessor in connection with such quiet title action. The Lessor shall use its best efforts to commence the quiet title action no later than December 31, 2014.

Section 3.3 Access Rights. Subject to Section 3.4 below, for the term of this Lease or until its earlier termination, Lessor also grants and conveys to Lessee a non-exclusive right of access, ingress, egress and the passage of motor vehicles and pedestrians (collectively, the "Access Rights") across the portion of the County Property depicted on Exhibit G attached hereto ("Access Area"). The Memorandum of Lease (defined below) shall provide notice of the Access Rights granted herein and pursuant to Section 26.3 below, Lessor shall include a reservation of Lessee's Access Rights in any deed conveying all or a portion of the County Property. In addition, Lessor has executed, or promptly following mutual execution and delivery of this Lease shall execute and record, an access easement in the form attached hereto as Exhibit G-1 ("Access Easement").

Section 3.4 Lease of the County Property. Pursuant to the Development Agreement, Lessor is obligated to demolish the NMSC building located on the County Property and restore the County Property to a condition further set forth in the Development Agreement (collectively, the "Demolition Work"). Lessor shall provide Lessee with copies of final inspection certifications and signed off permits related to the Demolition Work and final lien releases from all parties performing work or supplying materials in connection with the Demolition Work ("Demolition Work Documentation"; the date that Lessor delivers the Demolition Work Documentation to Lessee shall be referred to herein as the "County Property Lease Commencement Date"). Upon the County Property Lease Commencement Date, the Premises shall be automatically expanded to include the County Property and all references to the "Premises" herein shall include the Building, the Neighborcare Lot and the County Property. The Parties shall promptly enter into an amended and restated memorandum of lease ("Amended MOL"), in substantially the form of the Memorandum of Lease, except that the Amended MOL shall burden both the Neighborcare Lot and the County Property and shall specify the County Property Lease Commencement Date.

Notwithstanding anything herein to the contrary, in the event that Lessor or the purchaser of Lessor's interest in the County Property, seeks to redevelop the County Property during the Term of this Lease (the "Redevelopment"), Lessor shall have the option to terminate the Lease as to the County Property only ("Lessor's Termination Option"). To exercise Lessor's Termination Option, Lessor shall provide Lessee with at least sixty (60) days' prior written notice of the effective date of the termination ("County Property Termination Date"; the period from the County Property Lease Commencement Date to the County Property Termination Date is referred to herein as the "County Property Lease Term"). As of the County Property Termination Date, all references to the "Premises" shall mean the Building and the Neighborcare Lot only and shall specifically exclude the County Property.

In the event that Lessor exercises Lessor's Termination Option but subject to Section 26.3 below, the Parties shall promptly enter into an amendment to this Lease that shall

provide that, for the period commencing on the County Property Termination Date through the expiration or earlier termination of this Lease, Lessor shall grant and convey to Lessee: (i) Access Rights across the Access Area; (ii) Utility Rights in the Utility Area; (iii) Lessee's right to use the Stormwater Basin and to access the County Property to perform the Stormwater Basin Maintenance Work as set forth in Section 12.3 below; (iv) Lessee's Parking Rights; and (v) Lessee's Signage Rights.

Section 3.5 Quiet Enjoyment. So long as Lessee is not in default under this Lease and subject to the specific provisions, covenants and agreements contained in this Lease and the Permitted Exceptions, Lessor covenants and agrees that the quiet and peaceful possession and enjoyment of the Premises by Lessee shall not be disturbed or interfered with by Lessor or by any other party claiming by or through Lessor.

ARTICLE 4
Term

Section 4.1 Effective Date; Lease Term. Subject to the terms and conditions of Section 3.4 above with respect to the County Property, this Lease shall be effective and the term of this Lease ("Term") shall commence upon the date that Lessee delivers a copy of the Notice to Proceed (as defined in the Development Agreement) to Lessor (the "Commencement Date") and end on the fiftieth (50th) anniversary of the Commencement Date, unless extended or sooner terminated pursuant to the provisions hereof.

Section 4.2 Renewals. Subject to Article 27 below, at Lessee's request, Lessor agrees to negotiate in good faith with Lessee to extend the Term beyond the initial 50-year Term.

ARTICLE 5
Consideration; Leasehold Excise Tax

Section 5.1 Consideration. The Parties agree that there is no monetary rent owed by Lessee to Lessor hereunder. Rather, the consideration for this Lease consists of Lessee's commitment to construct and operate the proposed Neighborcare Project in compliance with the requirements generally described herein and in the Development Agreement and as contemplated by the Vision Statement with regard to the services to be provided within the facility, and the maintenance and operation of the Premises at the expense of Lessee, except as otherwise provided herein.

Section 5.2 Leasehold Excise Tax. Lessee shall be responsible for any leasehold excise tax due and owing to the State of Washington in connection with this Lease. If Lessee provides Lessor with a proof of exemption from payment of leasehold excise tax issued by the Washington State Department of Revenue, then Lessee shall not be required to pay leasehold excise tax for the period that such exemption is effective. If the exemption is of limited duration, Lessee shall be required to obtain documented renewal of such exemption and provide such to Lessor in order to claim continued exemption under this Lease.

ARTICLE 6
Use of Premises

Section 6.1 Use of Premises. Lessee shall use the Premises for primary medical and dental care, and to provide other health and human services that are complementary thereto for low-income and uninsured residents in north Seattle and north King County (including without limitation, food services (i.e., a café) and other services of use to the population served at the Project) and related office and administrative uses (collectively, the "Permitted Use"), and for no other purpose without the prior written consent of Lessor, such consent not to be unreasonably withheld, conditioned or delayed.

Section 6.2 General Standards Regarding Use.

(a) Lessee shall occupy and use the entire Premises for the purpose set forth in Section 6.1 continuously during the entire Term of this Lease, with the exception of temporary closures to perform alterations or improvements to, or repairs or maintenance of, the Premises; provided that the length of any such closure shall be for a commercially reasonable period approved in advance by Lessor, such approval not to be unreasonably withheld, conditioned or delayed.

(b) Lessee shall not use, occupy or permit the Premises or any part thereof to be used or occupied, in whole or in part, in a manner which would in any way: (i) violate any present or future Legal Requirements (defined below); (ii) violate any of the covenants, agreements, provisions and conditions of this Lease; or (iii) violate the certificate of occupancy then in force with respect thereto. For purposes of this Lease, the term "Legal Requirements" shall mean and refer to all laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, permits, rules, regulations and requirements of all federal, state, county, city or other local jurisdiction departments, agencies, bureaus, offices and other subdivisions thereof, or any official thereof, or of any other governmental, public or quasi-public authority ("Authority"), which may be applicable to or have jurisdiction over the Premises, or the sidewalks or streets adjacent thereto and all requirements, obligations and conditions of the Permitted Exceptions.

(c) Lessee shall not conduct or permit to be conducted without the prior written consent of Lessor, any auction, fire, bankruptcy, "going out of business" or other distress sales of any nature upon or from the Premises, whether voluntary, involuntary, pursuant to any assignment for the payment of creditors, or pursuant to any bankruptcy or other insolvency proceeding, unless ordered by a court of competent jurisdiction.

Section 6.3 Continuing Compliance. Throughout the Term, Lessee shall, at its own cost and expense but subject to Article 27 below, promptly and diligently observe and comply with: (i) all Legal Requirements; and (ii) all permits, licenses, franchises and other authorizations required for Lessee's use of the Premises or any part thereof. Lessee shall comply with each of these whether or not they are now in force or at any time in the future may be passed, enacted, or directed.

ARTICLE 7
Utilities

Section 7.1 Utilities. Lessee shall be liable for and shall pay throughout the Term directly to the utility provider, all charges for all utility services furnished to the Premises, including, but not limited to, light, heat, electricity, gas, water, sewerage, recycling and garbage disposal.

Section 7.2 Utility Rights. Prior to the County Property Lease Commencement Date, Lessee, its authorized utility service provider, and their respective agents, shall have the right to enter the County Property, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, the electrical service, the roadways (specifically including routes of ingress and egress) and all other services and facilities on the portions of the Property depicted on Exhibit H attached hereto and incorporated herein ("Utility Areas"), as may be required by Lessee for its use of the Premises for the Permitted Use ("Utility Rights"), provided, however, that Lessee by virtue of such use, does not materially and unreasonably interfere with Lessor's use of County Property. In addition, prior to and following the County Property Lease Term, as applicable, Lessor agrees to enter into any commercially reasonable easement agreements ("Utility Easements") over, under and across the Utility Area required by Lessee to serve the Premises. In addition, pursuant to Section 26.3 below, Lessor shall include a reservation of Lessee's Utility Rights in any deed conveying all or a portion of the County Property.

Section 7.3 Utility Interruptions. Any repairs, alterations, connections, upgrades, relocations, or reconnections of the utility system (singularly or collectively, "Utility Work") on the County Property that may affect the utilities serving the Premises shall be planned, coordinated and performed in a manner that does not unreasonably impair Lessee's use of the Premises for the Permitted Use and shall perform such work in as short a time period as reasonably possible. In the event that Utility Work by or on behalf of Lessor is likely to unreasonably impair Lessee's use of the Premises for the Permitted Use, Lessor shall provide temporary utility service to the impacted Premises. Whenever possible, Lessor shall give Lessee no less than five (5) business days' prior notice of such Utility Work. Lessor shall not be liable to Lessee for any losses, including loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Premises, except to the extent caused by Lessor's negligence or willful misconduct. Lessor shall promptly repair any damage to the Premises caused by performance of the Utility Work.

ARTICLE 8
Alterations

Section 8.1 Limitation on Alterations. Lessee may, from time-to-time, at its own cost and expense, make interior changes, alterations, additions or improvements (collectively referred to as "Alterations") to the Building with Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Lessor shall respond to all requests by Lessee for consent to perform Alterations within ten (10) business days of receipt of a written request describing in reasonable detail the proposed Alterations. In the event that Lessee performs an

Alteration without Lessor's prior written consent, Lessor shall evaluate the completed Alteration and give or withhold its consent as described above in this section. If Lessor withholds its consent, Lessor, as its sole remedy, may require that Lessee commence removal of the Alteration within thirty (30) days after receipt of Lessor's written disapproval and pursue such removal until it is complete. Notwithstanding anything herein to the contrary, Lessee shall have the right throughout the Term, without obtaining Lessor's prior consent, to repair and maintain any and all portions of the Building included in the as-built plans delivered to Lessor pursuant to Section 4.9.6 of the Development Agreement and any other Alterations previously approved by Lessor pursuant to this Section 8.1 (collectively, "Approved Alterations") and to replace any such Approved Alterations with substantially similar Alterations. In addition, Lessee shall not make any material modifications to the County Property during the County Property Lease Term without Lessor's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

Section 8.2 Requirements for All Alterations. In addition to, and not in lieu of, conditions imposed by Lessor pursuant to Section 8.1, any Alterations made by Lessee shall be performed: (i) in a good and workmanlike manner; (ii) in compliance with all Legal Requirements; and (iii) to the extent of any Alterations performed prior to or following the County Property Lease Term (defined below), in a manner which will not unreasonably interfere with or disturb the use of the County Property. In addition, prior to commencement of any Alterations, Lessee shall furnish to Lessor proof of insurance for any and all contractors working on behalf of Lessee in the minimum form and limits as set forth in Section 15.1 below. Lessee shall have the right to use its own contractors to perform the Alterations and in no event shall Lessee be required to provide Lessor with a copy of its contracts with such contractors.

Section 8.3 Ownership of the Building and the Alterations. Title to the Building and any Alterations constructed by Lessee shall be vested in Lessee or, as may be required for financing purposes, other parties, until the expiration or earlier termination of this Lease, at which time, subject to the terms and conditions of Section 23.1 below, the Building and the Alterations thereto shall become the property of Lessor, free and clear of all liens and encumbrances. At Lessor's request, Lessee shall deliver a deed to the Building to Lessor confirming such end of Term transfer, together with a complete set of all as-built or other building plans and all keys to the Buildings and any other improvements on the Neighborcare Lot.

Section 8.4 Trade Fixtures; Equipment; Personal Property. Lessee shall retain ownership of all trade and removable fixtures, business equipment, furnishings and other personal property from time to time installed by Lessee at its expense. Lessee may remove any of such fixtures, equipment or personal property at any time during the Term and shall remove all such fixtures, equipment or personal property prior to the expiration of the Term. Any such property not removed at the expiration of the Term shall, at the election of Lessor, become the property of Lessor without payment to Lessee, or be deemed abandoned and removed by Lessor, at Lessee's expense. Upon any removal of such fixtures, equipment or property, Lessee shall promptly repair any and all damage to the Premises caused thereby and reimburse Lessor for its costs and expenses in removing any such fixtures, equipment or property not removed by Lessee and repairing any such damage not repaired by Lessee; this covenant shall survive the

termination of this Lease. Notwithstanding anything herein to the contrary, in the event that Lessor delivers a Surrender Notice (as defined in Section 23.1), Lessee shall have no obligation to repair any damage to any portion of the Premises that Lessee is required to demolish.

Section 8.5 Mechanic's Liens. Subject to Article 10 below, Lessee shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature upon, or in any manner to bind, the interest of Lessor in the County Property or its interest as ground lessor of the Neighborcare Lot or Premises for any claim in favor of any person dealing with Lessee, including those who may furnish materials or perform labor for any construction or repairs to the Premises. Each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Lessee by this Lease. Lessee will pay or cause to be paid all sums payable by them on account of any labor performed or materials furnished in connection with any work performed on the Premises. Lessee will discharge, by bond or otherwise, any mechanic's or material man's lien filed against the Property for work claimed to have been done for, or materials claimed to have been furnished to, Lessee within sixty (60) days after filing.

ARTICLE 9
Maintenance and Repair

Section 9.1 Maintenance and Repair of the Premises by Lessee.

(a) Lessee shall, at its sole cost and expense (except as otherwise expressly set forth herein), maintain, repair and replace the Premises (both outside and inside, together with all improvements, equipment and installations), in a manner consistent with the Maintenance Standard (defined below). Lessee's maintenance, repair and replacement activities shall be at a level substantially similar to the level of maintenance, repair and replacement standards that are typical in other similar buildings of similar age and primarily used as health and human services facilities (the "Maintenance Standard"); provided, that Lessor acknowledges that items within and components of the Premises that Lessee must maintain will be subject to reasonable wear and tear and, subject to Article 16, non-casualty damage caused by Lessor, its agents and contractors, and Lessee is not required to maintain the Premises in a "like-new" condition; and provided further that repair, maintenance and/or replacements necessitated in any material respect by any breach of this Lease by Lessor or any negligent act or omission of Lessor or its employees, agents, officers, affiliates, contractors, guests or invitees (collectively, "Lessor Parties") shall be performed at Lessor's cost and expense.

(b) Lessee shall also keep the Premises and entryways neat, clean and in sanitary condition, free from infestation of pests and conditions which might result in harborage for, or infestation of pests. As used in this section, the word "pests," as used herein, shall include without limitation, rodents, insects and birds in numbers to the extent that a nuisance is created. Lessee shall also specifically remove all snow and ice from the roads and sidewalks in front of and adjacent to the Premises.

Section 9.2 Lessor's Self-Help Rights. Subject to Article 22 below, if Lessee fails to comply with all or any portion of Lessee's maintenance and repair requirements provided in Section 9.1, after thirty (30) days' written notice from Lessor, Lessor may, but shall not be

obligated to, enter upon the Premises and perform such maintenance and repair and Lessee agrees to pay the reasonable costs thereof to Lessor upon receipt of a written demand therefor.

ARTICLE 10
Lessee's Financing

In addition to Lessee's rights under the Development Agreement, Lessee may, from time to time during the Term, seek private or other governmental sources of funding (individually and collectively, "Lessee Lender") to meet its operating and maintenance obligations hereunder and/or to fund any capital improvement projects it elects to undertake. Lessor will work in good faith with Lessee to assist with such efforts and will consider the use of security interests or finance contracts deemed necessary and appropriate for such funding, provided that no deed of trust or other financing encumbrance may attach to the Property. In addition, if any Lessee Lender requires Lessor's approval of or consent to grant, financing or other conditions or requirements, such as rights to receive written notice of any defaults under this Lease by Lessee and the right to cure any such default, Lessor shall not unreasonably withhold providing such approvals or consents and shall promptly execute any commercially reasonable documents evidencing such approvals or consents.

ARTICLE 11
Taxes

Section 11.1 Payment of Taxes. Subject to Section 5.2 above, Lessee shall be liable for, and shall pay throughout the Term, all real property taxes and assessments including assessments of improvement districts formed subsequent to the execution of this Lease, all license fees and all taxes payable for, or on account of, the activities conducted on the Premises and all taxes on the property of Lessee on the Premises and any taxes on the Premises created by this Lease, whether imposed on Lessee or on Lessor. All other tax amounts for which Lessor is or will be entitled to reimbursement from Lessee shall be payable by Lessee. Lessor shall provide Lessee with written notice at least twenty-five (25) days prior to the due dates of the respective taxes and the amounts involved and Lessee shall make payment to Lessor at least fifteen (15) days prior to the date the taxes are due.

Section 11.2 Personal Property Taxes. Lessee shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other real or personal property placed or installed in and upon the Premises by Lessee. If any such taxes on Lessee's personal property or trade fixtures are levied against Lessor or Lessor's property, and if Lessor pays the taxes based upon such increased assessment, Lessee shall, upon demand, repay to Lessor the taxes so levied.

ARTICLE 12
Use and Maintenance of the Stormwater Basin and County Property

Section 12.1 Use of the Common Areas. Lessor shall not install, or permit its tenants or subtenants to install, any fence, gate or barrier of any nature on the Common Areas (as the same may be modified pursuant to Section 26.1 below) that impairs the use of the Common Areas by

Lessee; provided that, Lessor shall have the right, upon thirty (30) days' prior notice to Lessee, to install temporary fences, gates and/or barriers to the extent required by a regulatory authority in connection with the Redevelopment.

Section 12.2 Maintenance and Repair of the Common Areas.

(a) Prior to the County Property Lease Commencement Date (as defined below), Lessor shall, at its sole cost and expense (except as otherwise expressly set forth herein), maintain, repair and replace the Common Areas in a manner consistent with the condition of the Common Areas as of the date of mutual execution and delivery of this Lease; provided further that repair, maintenance and/or replacements necessitated in any material respect by any breach of this Lease by Lessee or any negligent act or omission of Lessee or any its employees, agents, officers, affiliates, contractors, guests or invitees (collectively, "Lessee Parties") shall be performed at Lessee's cost and expense.

(b) During the County Property Lease Term, Lessee shall, at its sole cost and expense, maintain, repair and replace the Common Areas in a manner consistent with the Maintenance Standard; provided further that repair, maintenance and/or replacements necessitated in any material respect by any breach of this Lease by Lessor or any negligent act or omission of Lessor or any Lessor Parties shall be performed at Lessor's cost and expense.

Section 12.3 Use and Maintenance of the Stormwater Basin.

(a) Lessee shall have the right to use the drainage facilities and stormwater facilities as shown on Exhibit A attached hereto and incorporated herein (collectively, "Stormwater Basin"). Lessor acknowledges and agrees that, the full drainage capacity of the Stormwater Basin will be used upon the completion of the Building and parking areas on the Neighborcare Lot and the County Property, and that Lessor (or its successors or assigns), at its sole cost and expense, shall be responsible for modifying the Stormwater Basin to provide for any additional capacity required for the Redevelopment of the County Property. Subject to Section 22.2 below, Lessee, at its sole cost and expense (except as otherwise expressly set forth herein) shall have the right and responsibility to perform any necessary work to maintain the Stormwater Basin consistent with the Maintenance Standard (the "Stormwater Basin Maintenance Work"). All Stormwater Basin Maintenance Work shall be as minimally intrusive and as minimally damaging as reasonably possible and shall be performed in a professional and workmanlike fashion in accordance with all Legal Requirements and with all required governmental permits and approvals and as promptly as reasonably possible.

(b) Notwithstanding the above, to the extent that any Stormwater Basin Maintenance Work is required as a result of a Lessor's negligence or willful misconduct, the Stormwater Basin Costs shall be the sole responsibility of Lessor; in which case Lessor shall reimburse Lessee for such costs within thirty (30) days after receipt of a written invoice therefor (together with reasonable supporting evidence of such Stormwater Basin Costs incurred). Any amounts owed by Lessor to Lessee for all or any portion of the Stormwater Basin Costs that are not paid within such 30-day period shall bear interest at the maximum rate allowed by applicable law from the invoice date until paid.

(c) In addition, pursuant to Section 26.3 below, Lessor shall include a reservation of Lessee's rights under this Section 12.3 in any deed conveying all or a portion of the County Property.

ARTICLE 13
Indemnity and Hold Harmless

To the fullest extent permitted by law and subject to Article 16 below, Lessee agrees to indemnify and hold Lessor harmless as provided herein to the maximum extent possible under law. Accordingly, Lessee agrees for itself, its successors, assigns or by others including, without limitation, all persons directly or indirectly employed by Lessee, or any agents, contractors, subcontractors, licensees or invitees of Lessee, to defend, indemnify, and hold harmless Lessor, its appointed and elected officials, and employees from and against liability for all claims, demands, suits and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Lessee's exercise of rights and privileges granted by this Lease, except to the extent of Lessor's sole negligence. Lessee's obligations under this section shall include:

(a) The duty to promptly accept tender of defense and provide defense to Lessor with legal counsel reasonably acceptable to Lessor at Lessee's own expense;

(b) Indemnification of claims made by Lessee's own employees or agents; and

(c) Waiver of Lessee's immunity under the industrial insurance provisions of Title 51 RCW, but only to the extent necessary to indemnify Lessor, which waiver has been mutually negotiated by the Parties.

In the event it is necessary for Lessor to incur attorney's fees, legal expenses or other costs to enforce the provisions of this section, all such fees, expenses and costs shall be recoverable from Lessee.

The provisions of this Article 13 shall survive the expiration, abandonment or termination of this Lease for a period of two (2) years. Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Lease.

ARTICLE 14
Signs

Lessee shall have the right to place signs, symbols or other advertising matter on the interior and exterior of the Premises, including windows and doors thereof. Lessee shall also have the right to place and maintain throughout the Term: (i) all signage installed by Lessee pursuant to the Development Agreement; and (ii) informational and directional signage at the entrances to the Property on N. 105th Street and Meridian Avenue N. to inform the public about the location of any access to the Premises with Lessor's prior approval, not to be unreasonably

withheld, conditioned or delayed (collectively, "Signage Rights"). Prior to the expiration of the County Property Lease Term with respect to the County Property and at the expiration or sooner termination of this Lease with respect to the Neighborcare Lot, all signs, symbols, advertising matter or canopies placed by Lessee on or in the Neighborcare Lot or the County Property, as applicable, shall be removed by Lessee at its expense, and Lessee shall repair any damage or injury to the Premises or the Property caused thereby and correct any unsightly condition caused by the maintenance or removal of said signs or other advertising matter. The Memorandum of Lease shall provide notice of Lessee's Signage Rights and pursuant to Section 26.3 below, Lessor shall include a reservation of Lessee's Signage Rights in any deed conveying all or a portion of the County Property.

ARTICLE 15
Insurance Requirements

Section 15.1 Lessee's Liability Insurance. By the date of execution of this Lease and throughout the Term and any extension thereof, Lessee, at its sole cost and expense, shall procure and maintain for the duration of this Lease, the insurance coverage meeting the requirements set forth herein:

(a) Commercial General Liability: $1,000,000 per occurrence and $2,000,000 in the aggregate.

(b) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington.

(c) Employers Liability/Stop Gap: $1,000,000.

The Commercial General Liability policy shall contain or be endorsed to contain the following provisions: (1) Lessor, its officers, officials, employees and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of Lessee in connection with this Lease; (2) Lessee's insurance coverage shall be primary insurance as respects Lessor, its officers, officials, employees and agents; and (3) Lessee's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

Section 15.2 Lessee's Property Insurance. By the date of execution of this Lease and throughout the Term and any extension thereof, Lessee, at its sole cost and expense, shall procure and maintain for the duration of this Lease, a standard form property insurance policy providing coverage in an amount not less than 100% of the replacement cost of the Building and all other improvements, structures and buildings located on or within the Premises. Coverage shall include Earthquake and Flood.

Section 15.3 Commercial General Liability Insurance Requirements. Each insurance policy shall be endorsed to provide that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after thirty (30) days' prior notice has been given to Lessor. All insurance policies required hereunder shall be issued by insurers who are authorized

to do business in the State of Washington and having an A.M. Best's rating of no less than A-;VII.

Section 15.4 Verification of Coverage. Lessee shall furnish Lessor with certificate(s) of insurance and endorsement(s) required by this Lease. The certificate(s) and endorsement(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms reasonably approved by Lessor and are to be received and approved by Lessor prior to the Commencement Date. If at any time, any of the foregoing policies fail to meet the above stated requirements, Lessee shall, upon notice to that effect from Lessor, promptly obtain a new policy, and shall submit the same to Lessor, with the appropriate certificates and endorsements for approval.

ARTICLE 16
Mutual Release and Waiver

Lessor and Lessee release and relieve the other from any liability they might otherwise have and waive their entire right of recovery for loss or damage to property located within or constituting a part or all of the Property to the extent that the loss or damage either (a) is actually covered by the injured party's property insurance; or (b) would have been covered by the property insurance the injured party is required to carry under Article 15, whichever is greater. This waiver applies regardless of the cause or origin of the claim, including without limitation loss due to the negligent acts or omissions of Lessor or Lessee, or their respective officers, directors, council members, employees, agents, contractors, invitees, assignees, or subtenants. The Parties shall have their property insurers endorse the applicable insurance policies to reflect the foregoing waiver of claims; provided, however, that the endorsement shall not be required if the applicable policy of insurance permits the named insured to waive rights of subrogation on a blanket basis, in which case the blanket waiver shall be acceptable.

ARTICLE 17
Damage or Destruction

Section 17.1 Restoration. If the Premises are damaged by fire, the elements, earthquake, accident or other casualty (collectively, "Casualty"), Lessee shall, subject to Section 17.2 below, repair the damage and restore the Premises. Lessee shall use reasonable efforts to repair and restore the Premises to substantially their former condition to the extent permitted by then-applicable Legal Requirements. Notwithstanding the foregoing, Lessee's obligation to repair or restore the Premises, if any, shall in all instances be limited to the availability of insurance proceeds, which shall be subject to the sole discretion of Lessee.

Section 17.2 Right to Terminate. Lessee may elect to terminate this Lease in the event that: (i) Lessee, in its sole judgment, concludes that (a) the available insurance proceeds are not sufficient to restore the Premises; or (b) Lessee's Lender requires that the insurance proceeds be applied to the indebtedness evidenced by its secured interest; or (ii) if less than twenty (20) years remain in the then-current Term, and Lessor does not agree, within one hundred twenty (120) days following the date of the casualty ("Casualty Term Extension Deadline"), to extend the

Term for a period equal to or longer than the useful life of the Building following such restoration ("Casualty Term Extension"). In the event that Lessee elects to terminate this Lease, Lessee shall notify Lessor of that fact within thirty (30) days following the Casualty Term Extension Deadline and all insurance proceeds received by Lessee shall be paid to Lessor, which obligation shall survive the termination of the Lease. Lessee's notice shall include the date on which the Lease will terminate, whereupon subject to Section 23.1 below, all rights and obligations hereunder shall cease and terminate, except for any liabilities of Lessor or Lessee which accrued prior to Lease termination or survive the termination of the Lease.

Section 17.3 Limited Restoration. In the event that less than twenty (20) years remain in the then-current Term and this Lease is not terminated by Lessee pursuant to Section 17.2 above following a Casualty, then Lessee shall have the right to complete only such portion of the restoration necessary, in Lessee's reasonable opinion, to continue its operations in the Premises for the balance of the Term; provided that Lessee shall provide written notice to Lessor of Lessee's election not to fully restore the Premises on or before the date that is sixty (60) days prior to the date that Lessee commences such partial restoration.

ARTICLE 18
Assignment and Sublease

Section 18.1 Prohibition. Except as otherwise specifically set forth herein or in the Development Agreement, Lessee shall not, in whole or in part, assign, sublet, license or permit occupancy by any party other than Lessee of all or any part of the Premises, without the prior written consent of Lessor in each instance which shall not be unreasonably withheld, conditioned or delayed. If Lessee desires to assign, sublet, license or permit occupancy for the whole or part of the Premises, Lessee shall request the consent of Lessor in writing at least thirty (30) days prior to the proposed assignment, sublet, license or permit to occupy. Lessee shall at the time Lessee requests the consent of Lessor, deliver to Lessor such information in writing as Lessor may reasonably require respecting the proposed assignee, subtenant or licensee including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee, subtenant or licensee.

(a) As a condition for Lessor's consent to any assignment, encumbrance or sublease, Lessee shall deliver to Lessor a true copy of the fully executed instrument of assignment, sublease or license and an agreement executed by the assignee, sublessee or licensee in form and substance satisfactory to Lessor and expressly enforceable by Lessor, whereby the assignee, sublessee or licensee assumes and agrees to be bound by the terms and provisions of this Lease and perform all the obligations of Lessee hereunder. In all subleases authorized by Lessor, the term of the sublease shall be at least one (1) day less than Lessee's term. Any unauthorized sublease equal in duration to the term of Lessee shall be null and void. For any proposed assignment, sublease or license wherein the assignee, sublessee or licensee is unable to reasonably satisfy Lessor as to its financial standing to satisfy the duties and obligations of Lessee under this Lease, Lessor may condition its approval on the provision of reasonable financial guarantees in form and amount sufficient to guarantee performance; provided that the foregoing shall in no event apply to a lease under Section 18.2 below.

(b) In the event of any assignment, Lessee and each respective assignor, waives notice of default by the tenant in possession and consents that Lessor may in each and every instance deal with the tenant in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Lease and modify the same, and in general deal with the tenant then in possession without notice to or consent of any assignor, including Lessee; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Lessee and of each respective assignor.

(c) Lessee agrees that any sublease or license will contain a provision in substance that if there be any termination whatsoever of this Lease then the subtenant or licensee, at the request of Lessor, will attorn to Lessor and the sublessee or licensee, if Lessor so requests, shall continue in effect with Lessor, but Lessor shall be bound to the subtenant or licensee in such circumstances only by privity of estate. Nothing herein shall be deemed to require Lessor to accept such attornment; provided that Lessor will reasonably consider nondisturbance agreements request by subtenants or licensees.

(d) No assignment, subletting or license by Lessee shall relieve Lessee of any obligation under this Lease. Any purported assignment, subletting or license contrary to the provisions hereof without consent shall be void. The consent by Lessor to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

Section 18.2 Permitted Tenants. Notwithstanding anything herein to the contrary, Lessee shall have the right, without the need to obtain Lessor's prior consent, to lease any part or parts of the Premises to: (i) a tax credit entity, pursuant to Sections 3.3.2 and 4.6 of the Development Agreement; (ii) Public Health, pursuant to Section 5.1 of the Development Agreement; or (iii) one or more non-profit entities so long as any such entity shall use such portion(s) of the Premises for the Permitted Use (the entities set forth in clause (i), (ii) and (iii) above are individually referred to herein as a "Permitted Tenant" and collectively referred to herein as a "Permitted Tenants"); provided, however, with respect to a lease under clause (iii) above, Lessee shall conduct commercially reasonable due diligence on the financial condition and operating history of such Permitted Tenant and shall provide a summary of the same, along with written notice to Lessor of such lease, prior to entering into any such lease.

Section 18.3 No Release. No assignment, subletting, occupancy or collection shall be deemed a release of Lessee from the further performance by Lessee of covenants on the part of Lessee herein contained. No assignment or subletting shall affect the continuing primary liability of Lessee (which, following assignment, shall be joint and several with the assignee), and Lessee shall not be released from performing any of the terms, covenants and conditions of this Lease.

ARTICLE 19
Default

Section 19.1 Defaults. The occurrence of any one or more of the following events constitutes a default of this Lease by Lessee:

(a) The failure by Lessee to make any payment required by this Lease within five (5) business days following receipt of written notice from Lessor of the amount due.

(b) The failure by Lessee to observe or perform any covenant, condition, or agreement to be observed or performed by Lessee in this Lease for a period of thirty (30) days after written notice is provided by Lessor to Lessee; provided that if the default cannot reasonably be cured within thirty (30) days, Lessee shall not be in default provided that Lessee commences to cure the default within said thirty (30) day period and diligently pursues such cure to completion.

(c) The filing of a petition in bankruptcy by or against Lessee, Lessee being adjudged bankrupt or insolvent by any court, a receiver of the property of Lessee being appointed in any proceeding brought by or against Lessee, Lessee making an assignment for the benefit of creditors, or any proceeding being commenced to foreclose any mortgage or other lien on Lessee's interest in the Premises or on any personal property kept or maintained on the Premises by Lessee.

Section 19.2 Remedies. Whenever any default continues unremedied in whole or in part beyond any applicable notice and cure period set forth in Section 19.1 above, this Lease and all of Lessee's rights under it will automatically terminate if the written notice of default so provides. Upon termination, Lessor may reenter the Premises using such force as may be reasonably necessary and remove all persons and property from the Premises. If upon any reentry permitted under this Lease, there remains any personal property upon the Premises, Lessor, in its sole discretion, may remove and store the personal property for the account and at the expense of Lessee. In the event Lessor chooses to remove and store such property, it shall take reasonable steps to notify Lessee of Lessor's action. All risks associated with removal and storage shall be on Lessee. Lessee shall reimburse Lessor for all reasonable expenses incurred in connection with removal and storage as a condition to regaining possession of the personal property. Lessor has the right to sell any property which has been stored for a period of thirty (30) days or more, unless Lessee has tendered reimbursement to Lessor for all expenses incurred in removal and storage. The proceeds of sale will be applied first to the costs of sale (including reasonable attorneys' fees), second to the payment of storage charges, and third to the payment of any other amounts which may then be due and owing from Lessee to Lessor. The balance of sale proceeds, if any, will then be paid to Lessee.

Section 19.3 Remedies Cumulative. All rights, options and remedies of Lessor contained in this Lease shall be construed and held to be distinct, separate and cumulative, and no one of them shall be exclusive of the other, and Lessor shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease.

ARTICLE 20
Dispute Resolution

Although each of the Parties specifically reserves the right to initiate a lawsuit, including, without limitation, seeking injunctive relief, whenever either Party deems necessary, the Parties agree to consider resolving disputes at an early stage as expeditiously as possible through negotiations at the lowest possible decision-making level, and in the event such negotiations are unsuccessful, the matter shall be referred to the Facilities Management Director of Lessor and the Executive Director of Lessee. If those officials are unable to resolve the dispute within a period of fifteen (15) days after the matter has been referred to them for resolution, the Parties may then consider participating in mediation with an agreed upon mediator for a reasonable amount of time and in good faith. If they agree to mediation, they shall meet during the immediately succeeding seven (7) days to select a mediator to assist in the resolution of such dispute. The cost of the mediation shall be shared equally between Lessor (one-half) and Lessee (one-half).

ARTICLE 21
Condemnation

Section 21.1 Total Taking. In the case of a taking by eminent domain of either all of the Premises or such portion of the Premises as shall be required for reasonable use of the Premises for the Permitted Use, as determined by Lessee, this Lease shall terminate as of the date of such taking. The term "date of such taking" shall mean the date upon which title to the Premises or a portion thereof passes to and vests in the condemnor.

Section 21.2 Partial Taking. In the case of a temporary taking or the taking of only a portion of the Premises that does not constitute a total taking under Section 21.1 above, this Lease shall continue in full force and effect, subject to the terms and conditions set forth herein, in which case, Lessee shall promptly restore and reconstruct the Premises as near as reasonably attainable to its condition prior to the date of such taking, provided that Lessee's obligation to restore and reconstruct the Premises shall be limited to the availability of the condemnation proceeds awarded to Lessee as set forth below.

Section 21.3 Damages. Except as explicitly set forth herein: (i) Lessor reserves all right to the entire damage award or payment for taking by eminent domain related to the value of the Neighborcare Lot or the County Property, and Lessee waives all claim whatsoever against Lessor and/or the authority exercising eminent domain for damages relating thereto; and (ii) Lessee shall have all right to the entire damage award or payment for taking by eminent domain related to the value of the Building, and Lessor waives all claim whatsoever against Lessee and/or the authority exercising eminent domain for damages relating thereto. In addition, Lessee shall have the right to make a separate claim against the authority exercising eminent domain for such compensation as may be separately awarded or recoverable by Lessee for amounts for moving and other relocation expenses, and to Lessee's personal property; provided that in the event that the authority exercising eminent domain has included such amounts within the proceeds awarded to Lessor, Lessor shall promptly pay such amounts to Lessee. Lessor shall

promptly notify Lessee of any correspondence received from, and/or any discussions with, the authority exercising eminent domain and shall provide Lessee with an opportunity to participate in all discussions and decisions related thereto. All decisions regarding the eminent domain proceeding made by Lessor (specifically including any response to a motion for order adjudicating public use and necessity or and request for immediate possession), shall be subject to Lessee's prior written approval.

Section 21.4 Eminent Domain. The term "eminent domain" as used in this Article 21 shall include taking or damaging of property by, through or under any governmental or quasi-governmental authority, and the purchase or acquisition in lieu thereof.

ARTICLE 22
Access

Section 22.1 Lessor's Access. Lessor shall have the right to enter the Premises for the purpose of ascertaining the condition of the Premises or whether Lessee is observing and performing the obligations assumed by it under this Lease, provided that Lessor shall use commercially reasonable efforts to minimize any interference with Lessee's business operations. Lessor shall also have the right to enter upon the Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Lessee's failure to make any such repairs or perform any such work pursuant to Section 9.1 above. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Lessee (except that no notice shall be required in the event of an emergency).

Section 22.2 Lessee's Access. Prior to the commencement of the County Property Lease Term, Lessee shall have the right to enter the County Property for the purpose of exercising its rights under Section 12.3 of this Lease, provided that Lessee shall use commercially reasonable efforts to minimize any interference with Lessor's business operations. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Lessor (except that no notice shall be required in the event of an emergency).

ARTICLE 23
Surrender and Holding Over

Section 23.1 Surrender. Upon expiration of the Term or earlier termination of Lessee's right of possession, Lessee shall surrender the Premises to Lessor in good usable condition, broom clean, reasonable wear and tear, casualty loss and condemnation covered by Sections 17 and 21, any damage caused by any Lessor Parties, and any repairs or maintenance for which Lessee is not responsible under this Lease excepted. Lessee shall assign to Lessor any and all outstanding or remaining claims related to construction of the Building under the Development Agreement it has or may have against the general contractor Lessee retained for construction of such Building. This assignment shall be self-operative, and no further instrument of assignment shall be necessary to effectuate it; nevertheless, Lessee shall execute such additional instruments of assignment the Lessor may reasonably request. Lessor specifically acknowledges that ordinary wear and tear may leave the Premises in need of painting, re-carpeting, and patching of picture hanging holes and the like, and that such work is not required of Lessee at the time of surrender

of the Premises. Notwithstanding anything to the contrary contained herein, Lessor specifically reserves the right to require Lessee, upon written notice (the "Surrender Notice") from Lessor to demolish all or a portion of the Building and any other improvements on the Neighborcare Lot constructed by Lessee. Lessor shall deliver a Surrender Notice, if at all, either (A) at any time prior to the date which is twelve (12) months prior to the scheduled expiration of the Term; or (B) on or around the date of any early termination of the Lease. If Lessor delivers a Surrender Notice, Lessee shall promptly commence its demolition obligations ("Surrender Work") upon the expiration or earlier termination of the Lease, and thereafter diligently pursue the same to completion. If, pursuant to the foregoing provisions of this Section 23.1, Lessor requires Lessee to demolish any portion(s) or all of the Building, then provided that Lessee delivers a Surrender Period Notice (as defined below) to Lessor at least six (6) months prior to the expiration or termination of the Lease (or within fifteen (15) business days following Lessee's receipt of the Surrender Notice in the event that the Surrender Notice is delivered in connection with an early termination of the Lease), Lessee shall have the right to retain possession of the Premises for the Surrender Period (as defined below) for the sole purpose of performing the Surrender Work. As used herein, a "Surrender Period Notice" shall mean a written notice from Lessee to Lessor stating that Lessee desires to retain possession of the Premises after the termination or expiration of the Lease for purposes of completing the Surrender Work, and further stating the total number of days that Lessee intends to so possess the Premises (the "Surrender Period"). Notwithstanding anything herein to the contrary, in the event that Lessor exercises its right to require Lessee to complete the Surrender Work, Lessee shall have the right to remove, at is sole cost and expense, and to reuse, all or any portion of the Building or any Alterations made by Lessee to the Premises, including, without limitation, the items set forth on Exhibit J attached hereto and made a part hereof.

Section 23.2 Holding Over. If Lessee, with or without the consent of Lessor, holds over after the expiration or sooner termination of this Lease, the resulting tenancy will, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. Lessee will continue to be bound by all of the additional provisions of this Lease insofar as they may be pertinent.

Section 23.3 For Rent Signs. Lessor shall have the right to place and maintain "For Rent" signs in conspicuous places on the Premises for ninety (90) days prior to the expiration or sooner termination of this Lease.

ARTICLE 24
Hazardous Substances and Environmental Compliance

Section 24.1 Hazardous Substances.

24.1.1 For the purposes of this Lease: (a) the term "Environmental Law" means any federal, state, or local law, statute, ordinance, regulation, or order pertaining to hazardous substances or materials, including without limitation those defined in this Section 24.1.1 as "Hazardous Substances"; and (b) the term "Hazardous Substance" means any hazardous or toxic substance, material or waste, pollutants or contaminants, as defined, listed, or regulated now or in the future by any federal, state, or local law, ordinance, code, regulation, rule, order, or decree

regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substances, including without limitation: (i) chlorinated solvents; (ii) petroleum products or by-products; (iii) asbestos; (iv) polychlorinated biphenyls; (v) lead-based paint; and (vi) mold, fungus and other microbial matter.

24.1.2 Lessee agrees that:

(a) Neither Lessee nor any Lessee Parties will use, generate, manufacture, produce, store, release, discharge, or dispose of, on, under, or about the Property, or transport to or from the Property, any Hazardous Substances except in such quantities as are typically used in connection with the construction, rehabilitation, operation and use of property of the similar sort for the uses permitted under this Lease, and then only in compliance with all Environmental Laws.

(b) Lessee shall give prompt written notice to Lessor of:

(i) Any proceeding or inquiry by any governmental authority known to Lessee with respect to the presence or release of any Hazardous Substance on, in, about, or from the Property, or relating to any loss or injury resulting from any Hazardous Substance;

(ii) All claims made or threatened by any third party in writing against Lessee with respect to the Property relating to any loss or injury resulting from any Hazardous Substance;

(iii) Discovery after the Effective Date by Lessee of any occurrence or condition on the Neighborcare Lot that could cause them to be subject to any restrictions on occupancy or use under any Environmental Law; and

(iv) Any release of a Hazardous Substance on, from or to the Property by Lessee.

(c) Excluded from all obligations of Lessee under this Section 24.1 are any obligations, claims, or liabilities arising out of the use or condition of or events occurring with respect to (i) the County Property prior the County Property Lease Commencement Date; or (ii) surrounding property or property in the vicinity of the Property, unless, in either case, arising in whole or in part from the conduct of the Lessee or any Lessee Parties.

(d) Except as provided in Section 24.2 and Article 13, Lessee shall protect, indemnify, pay the defense costs of, and hold harmless Lessor Parties from any loss, damage, cost, expense, claim, suit, action, penalty, government order or requirement, or liability (collectively, "Claims"), including, without limitation, reasonable attorneys' fees and costs and the costs of any required or necessary repairs or remedial action on the Property and the implementation of any remediation or other plans required by any Environmental Law directly or indirectly arising out of or attributable to the presence, use, generation, manufacture, production,

storage, release, discharge, or disposal of a Hazardous Substance on, under, or emanating from the Property: (i) on or after the Effective Date; and (ii) caused by Lessee or any Lessee Parties.

(e) For any discharge, disposal, or other form of release ("Release") of a Hazardous Substance subject to Section 24.1.2(d), Lessee shall promptly remove or otherwise remediate the Release to the applicable cleanup standards under applicable Environmental Laws that will allow for unrestricted use of the Neighborcare Lot with no environmental covenant or other deed restriction required to be recorded, unless County, in its sole discretion, requests otherwise in writing. All remedial actions, as defined in MTCA, must meet the substantive requirements of MTCA and its implementing rules. Lessee shall, at Lessee's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities concerning the Release under all applicable Laws and shall simultaneously provide Lessor with the same information and submittals. Documents subject to this requirement include, but are not limited to, permit applications, any reports or sampling data submitted to permitting agencies, studies, or audits, and any reporting necessary for the existence and location of Hazardous Substances on the Property, including any independent remedial action report required under WAC 173-340-515(4).

24.1.3 The indemnity provisions of this Section 24.1 shall survive expiration or termination of this Lease.

24.2 Lessor Obligation. Lessor agrees to the following:

24.2.1 Lessor shall give prompt written notice to Lessee of:

(a) Any proceeding or inquiry by any governmental authority known to Lessor with respect to the presence or release of any Hazardous Substance on, in, about, or from the Property;

(b) All claims made or threatened by any third party in writing against Lessor with respect to the Property relating to any loss or injury resulting from any Hazardous Substance; and

(c) Lessor's discovery of any occurrence or condition on the Property that could cause them to be subject to any restrictions on use under any Environmental Law.

Excluded from Lessor's obligations under this Section 24.2 are any obligations, claims, or liabilities arising out of the use or condition of the Property on or after the Effective Date caused by Lessee or any Lessee Parties that are the responsibility of Lessee under Section 24.1.2.

24.2.2 Except for Pre-Existing Hazardous Substances discovered by Lessee or its contractor during construction of the Project, which are governed by the Development Agreement, Lessor shall protect, indemnify, pay the defense costs of and hold harmless Lessee and its board members, officers, employees and agents from any Claims, including, without limitation, reasonable attorneys' fees, expenses and costs, arising from and shall be responsible for conducting any required or necessary repairs or cleanup of the Property and the

implementation of any remediation or other plans required by any Environmental Law directly or indirectly arising out of or attributable to: the presence, use, generation, manufacture, production, storage, release, discharge or disposal of a Hazardous Substance on, under or emanating from the Property, to the extent such Hazardous Substance was introduced to: (i) the Neighborcare Lot prior to the Effective Date; (ii) the County Property prior to the County Property Lease Commencement Date; or (iii) the Neighborcare Lot or the County Property by Lessor, its employees, agents, contractors or subcontractors.; In addition, Lessor shall be responsible for conducting any required or necessary repairs or cleanup of the Property and the implementation of any remediation or other plans required by any Environmental Law directly or indirectly arising out of or attributable to the presence of Hazardous Substances that migrated onto the Property and was caused by someone other than Lessee or Lessee Parties. Lessee shall provide Lessor and its authorized contractors and representatives with access to the Property at all reasonable times to conduct activities under this Section 24.2.2. Lessor shall use its best efforts to conduct said activities in a manner that minimizes any disruption of Lessee's use of the Property.

24.2.3 The indemnity provisions of this Section 24.2 shall survive expiration or termination of this Lease.

ARTICLE 25
Parking

The Parties recognize that Lessee will require the use of approximately one hundred (100) parking spaces located on the Property, which will include the Fleet Parking Stalls as defined in the County Lease attached as Exhibit E to the Development Agreement, starting at the commencement of the County Property Lease Term, and continuing through the entire Term; provided however, during the construction of a Redevelopment of the County Property, the requirement of the use of parking spaces located on the County Property shall be temporarily suspended until the completion of the construction of the Redevelopment of the County Property. The Lessor agrees, as part of its obligation to minimize any adverse impact on the Neighborcare Project during Redevelopment of the County Property, to provide temporary replacement parking spaces during the construction of the Redevelopment of the County Property in an amount, at a location and on terms reasonably acceptable to Lessee. Upon completion of the design of all parking areas to be constructed on the Property (including without limitation any parking structures to be constructed on the Property), the Parties shall promptly enter into an amendment to this Lease to include an exhibit showing the location of such parking areas. In addition, following the expiration of the County Property Lease Term, Lessor agrees to enter into any commercially reasonable agreements for such parking over, under and across the County Property as are reasonably required by Lessee to serve the Premises, without any additional cost to Lessee for the purposes expressed hereinabove (such rights are referred to herein as "Lessee's Parking Rights"). In addition, pursuant to Section 26.3 below, Lessor shall include a reservation of Lessee's rights under this Article 25 in any deed conveying all or a portion of the County Property.

ARTICLE 26
Redevelopment of County Property

Section 26.1 Lessee's Participation in the Redevelopment. The Parties shall use good faith efforts to explore an option or other rights that Lessee may be provided to undertake or provide services or otherwise participate in any Redevelopment. Lessee shall not unreasonably withhold its consent to any modifications to the Common Areas as a result of the Redevelopment; provided that the same do not materially adversely affect Lessee's rights and obligations under this Lease, including, without limitation, Access Rights, Utility Rights, Lessee's Parking Rights and Signage Rights and the Parties shall promptly enter into an amendment to this Lease to include an exhibit showing any such modifications to the Common Areas.

Section 26.2 Management and Coordination During Redevelopment. Lessor recognizes that the Project will be in operation during the Redevelopment. In performing the Redevelopment, Lessor shall protect from damage or destruction all Lessee property and all property of Lessee's or Permitted Tenants' employees, patients and others associated with Lessee or its tenants on or in the vicinity of the Neighborcare Lot. In particular, all construction and other activity or work performed by or for Lessor shall be carried out in a manner that minimizes any adverse impact on the Neighborcare Project and the use thereof by Lessee. Lessor shall prepare for Lessee's reasonable review and approval a plan for fencing, including routes for temporary pedestrian access around the Redevelopment site, before mobilization work begins. Lessor shall work with Lessee to schedule Redevelopment activity to minimize impacts such as noise, dust and fumes, to the extent practicable. If Redevelopment causes interruption of the operation of the Project, Lessor shall direct its Redevelopment contactor to restore the Project to operation as promptly as reasonably possible. Lessor shall reimburse Lessee for the reasonable costs associated with the interruption of the operation of the Project caused by the Redevelopment to the extent such costs are not fully recovered by Lessee from the Redevelopment contractor or the contractor's insurance. If Redevelopment damages the Premises, Lessor shall direct its contractor to repair the Premises to its condition prior to the damage within thirty (30) calendar days of the occurrence of the damage, unless an alternate deadline is approved by Lessee or repair or replacement should occur at a later date to ensure that additional damage would not occur during the normal course of the Redevelopment. Lessee and Lessor will jointly inspect any such damage; evaluate the extent of the damage attributable to the Redevelopment and Lessor's construction activity; and provide such documentation as may be necessary and useful to determining appropriate repairs or replacements to redress it. Lessee reserves the right to perform or complete such repairs itself. Lessor shall reimburse Lessee for all costs of repairing any such damage to the Premises caused by the Redevelopment, to the extent that such costs are not fully paid by Lessor's contractor or recovered by Lessee from Lessor's contractor's insurance.

Section 26.3 Deed Restrictions. Lessor covenants and agrees to include in any deed conveying all or a portion of the County Property, reservations of the rights granted hereunder to Lessee, including without limitation: (i) Lessee's Access Rights over the Access Area; (ii) Lessee's Utility Rights over the Utility Areas; (iii) Lessee's right to use the Stormwater Basin and to access the County Property to perform the Stormwater Basin Maintenance Work as set

forth in Section 12.3 above; (iv) Lessee's Signage Rights; (v) Lessee's Parking Rights; and (vi) Lessee's rights under Section 26.2 above (collectively, "Reserved Rights"); provided that Lessee shall have the right to approve the form of such Reserved Rights, such approval not to be unreasonably withheld, conditioned or delayed.

ARTICLE 27
Capital Improvements and Compliance with Laws

Upon Lessee's written request ("Extension Notice") to be given at any time following the twenty-fifth (25th) anniversary of the Commencement Date, Lessor agrees to promptly meet and confer with Lessee in good faith to extend the Term for an additional period expiring as of the end of the fiftieth (50th) year following the date the Parties enter into an agreement for such extension; provided that in no event shall the Term, as extended, be for a period in excess of ninety-nine (99) years. In the event that Lessor does not agree to extend the Term as set forth above, within one (1) year following the date Lessor received the Extension Notice, then notwithstanding anything in this Lease to the contrary, Lessee shall not be required to make any capital repairs or replacements to the Building if such capital repairs or replacements have a useful life that extend beyond the remainder of the then-current Term, except to the extent required to comply with Legal Requirements.

ARTICLE 28
Memorandum of Lease

This Lease shall not be recorded except as permitted in this Article 28. Concurrently with the execution of this Lease, the Parties shall execute and record, at Lessee's expense, a Memorandum of Lease in the form attached hereto as Exhibit I (the "Memorandum of Lease").

ARTICLE 29
Miscellaneous

Section 29.1 Notice. All notices hereunder shall be in writing and shall be delivered personally or by recognized overnight courier addressed as follows:

To Lessor:

King County Real Estate Services Section
King County Administration Building
500 - 4th Avenue, Room 500
Seattle, WA 98104-2337

To Lessee:

Neighborcare Health
905 Spruce Street, Suite 300
Seattle, WA 98104
Attn: Mark Secord, Executive Director/CEO
Telephone: (206) 548-3050
Fax: (206) 461-8382
Email: marks@neighborcarehealth.org

Copy to:

Gerry Johnson
Pacifica Law Group LLP
1191 2nd Avenue, Suite 2100
Seattle, WA 98101-2945
Telephone: (206) 245-1700
Fax: (206) 245-1750
Email: gerry.johnson@pacificalawgroup.com

or to such other respective addresses as either Party hereto may hereafter from time to time designate in writing. Notices shall be deemed delivered: (i) when personally delivered; (ii) on the date transmitted by facsimile, if the facsimile is confirmed received; or (iii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient.

Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by Lessor.

Section 29.2 Heirs, Agents and Assigns. Without limiting any provisions of this Lease pertaining to assignment and subletting, the provisions of this Lease shall bind the heirs, successors, agents and assigns of any of the Parties to this Lease.

Section 29.3 Brokers. Lessor and Lessee each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. Lessor and Lessee each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent. This section is not intended to benefit any third party and shall not be deemed to give any rights to brokers or finders. No commission(s) or

finder's fee(s) shall be paid to Lessee, employee(s) of Lessee or any unlicensed representative of Lessee.

Section 29.4 Consent. Whenever Lessor's prior consent or approval is required by this Lease, the same shall not be unreasonably withheld, conditioned or delayed, unless otherwise specifically provided by this Lease. All requests for Lessor consents or approvals required under this Lease shall be submitted to the Facilities Management Director or his or her functional successor. Lessor authorizes its Facilities Management Director or his or her functional successor to provide any consents or approvals from Lessor required under this Lease, except for any such consent or approval that requires the approval of another official of Lessor or the County Council. The Facilities Management Director shall be responsible for promptly forwarding requests for approval or consents that he or she is not able to provide or not able to provide without the concurrence of another official of Lessor to the appropriate officials or the County Council. He or she also shall promptly notify Lessee of Lessor's process involved in securing any such consent or approval, including identifying any other official or officials of Lessor whose decision is required in providing any such consent or approval. Whenever the consent of Lessor to any act to be performed is required under this Lease, Lessee must obtain the consent or approval expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by Lessor in its regulatory, public utility, or other capacity. No permission, consent, or approval of Lessor contained herein or given pursuant to this Lease is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing. Lessee authorizes its Executive Director/CEO or his or her functional successor to provide any consents or approvals required under this Lease.

Section 29.5 Relationship to Lessor and Lessee. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture partners, and no provision contained in this Lease nor any acts of Lessee and Lessor shall be deemed to create any relationship other than that of Lessee and Lessor.

Section 29.6 Time. Time is of the essence of each and every one of Lessee's obligations, responsibilities and covenants under this Lease.

Section 29.7 Subordination, Attornment. Unless otherwise designated by Lessor, this Lease shall be subordinate to all existing or future mortgages and deeds of trust on the Neighborcare Lot or any larger property of which the Premises may be a part, and to all extensions, renewals or replacements thereof and Lessee agrees to attorn to any successor to Lessor following any foreclosure, sale or transfer in lieu thereof. Within ten (10) business days of Lessor's request, Lessee shall execute and deliver all commercially reasonable instruments or certificates which may be necessary or appropriate to reflect such subordination. Notwithstanding the foregoing, Lessee shall not be required to subordinate to future mortgages or deeds of trust unless the mortgagee or beneficiary under the deed of trust agrees that if it becomes the owner of the property, it will recognize the Lease as long as Lessee is not in default. Within ten (10) business days of either Party's request, the other Party shall execute and deliver to third parties designated by the requesting Party, an estoppel certificate or letter in the form

requested by such Party or any lender thereof, that correctly recites the facts with respect to the existence, terms and status of this Lease.

Section 29.8 Anti-Discrimination. Lessee shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Lessee shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a breach of this Lease and shall be subject to the provisions of Article 19 of this Lease.

Section 29.9 Joint and Several Liability. Each and every Party who signs this Lease, other than in a representative capacity, as Lessee, shall be jointly and severally liable hereunder. It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender or fact of incorporation of the Party who is, or of the Parties who are, the actual Lessee or Lessees under this Agreement.

Section 29.10 Captions. The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

Section 29.11 Governing Law; Venue. This Lease shall be construed under the laws of Washington. Exclusive jurisdiction and venue for any action relating this Ground Lease shall be in the Superior Court of the State of Washington in and for King County.

Section 29.12 Attorneys' Fees. In the event that either Party shall be required to bring any action to enforce any of the provisions of this Lease, or shall be required to defend any action brought by the other Party with respect to this Lease, and in the further event that one Party shall substantially prevail in such action, the losing Party shall, in addition to all other payments required therein, pay all of the prevailing Party's actual costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorneys' fees in the trial court and in any appellate courts.

Section 29.13 Invalidity of Particular Provisions. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

Section 29.14 Survival of Indemnities. All indemnities provided in this Lease shall survive the expiration or any earlier termination of this Lease. In any litigation or proceeding within the scope of any indemnity provided in this Lease, Lessee shall, at Lessor's option, defend Lessor at Lessee's expense by counsel satisfactory to Lessor.

Section 29.15 Entire Agreement; Amendments. Together with the executed Development Agreement, this Lease and any and all exhibits attached hereto, shall constitute the whole integrated agreement between the Parties as to the matters covered herein and supersedes any oral statements or representations or prior written matter not contained herein (or in the Development Agreement). No modification or amendment of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both Parties.

IN WITNESS WHEREOF the Parties hereto have signed this Lease as of the day and year first above written.

LESSOR:

King County, a Washington municipal corporation and political subdivision of the State of Washington

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

By: _____

LESSEE:

NEIGHBORCARE HEALTH, a Washington nonprofit corporation

By: _____
Name: _____
Title: _____
Date: _____

REVISED 7/28/14

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me _____ to me known to be the _____ of the _____ that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

Given under my hand and official seal this _____ day of _____, 20 ___.

_____
NOTARY PUBLIC in and for the State of
Washington residing at _____
My appointment expires _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that _____ signed this instrument, on oath stated that (he/she) was authorized by the King County Executive to execute the instrument, and acknowledged it as the Manager, Property Services Division of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Given under my hand and official seal this _____ day of _____, 20 ___.

_____
NOTARY PUBLIC in and for the State of
Washington residing at _____
My appointment expires _____

EXHIBIT A
SITE PLAN

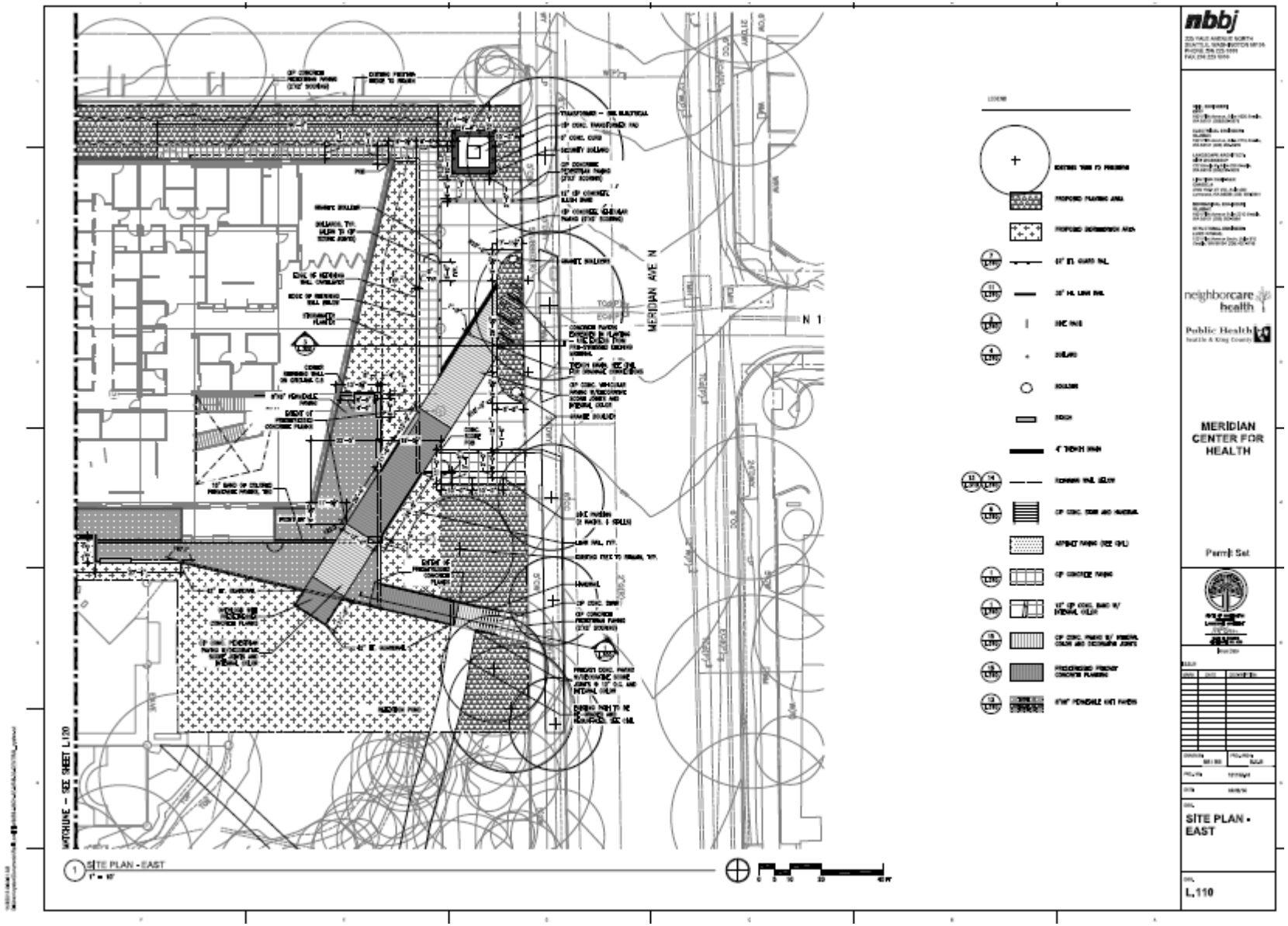

EXHIBIT A
SITE PLAN

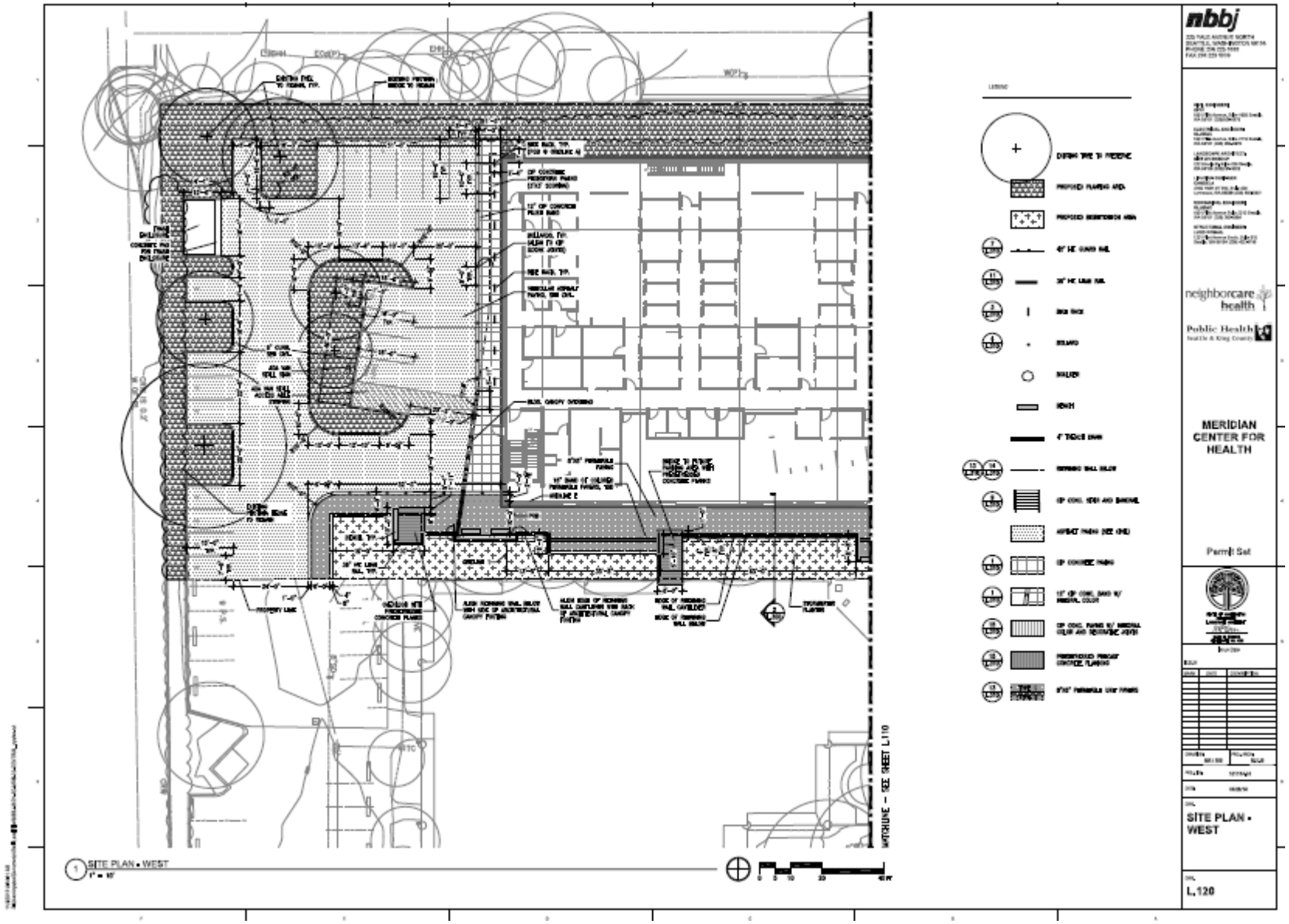

EXHIBIT B
JOINT VISION STATEMENT

December 12, 2012

Joint Statement of Intent to Develop a North Meridian Health Neighborhood Campus

The King County region has a long history of innovative collaborations among health and human service providers, working with local communities, to help individuals and families realize their full potential. Public Health–Seattle & King County and Neighborcare Health are two organizations with a longstanding presence in the north Seattle community and with complementary missions to improve health. We know, however, that too many families and individuals still face health inequities, rising costs of care, and a lack of access to health and social services.

We are excited about creating a more integrated and efficient approach to health, human services, and prevention and wellness support in north Seattle. This direction is consistent with state and county-level health reform planning that envisions greater integration in order to better address the full range of services needed to keep people and communities healthy.

We therefore sign on together to express our intent to create and support a project that achieves the following vision and principles:

Vision

We will create a community health and human service campus for low-income, underserved residents of north Seattle and environs. The Northend Multi-Service Center (currently home to the North Public Health Center and Community Psychiatric Clinic) will be transformed to a campus of integrated programs designed to address a broad range of health and social concerns. The site will offer an array of medical, dental, behavioral health, public health, and human services that are responsive to community needs and aspirations. As a result, the campus and its partners expect to expand access to services, contribute to the improved health and well-being of the north Seattle community, and better control overall costs.

Guiding Principles

1. Foster a “no wrong door” experience for visitors to the campus and any outreach programs that may be affiliated with it. Programs and staff will respect and respond to what brings a person to the door.
2. Assure that no one will be turned away based on inability to pay.
3. Provide client-centered services which honor the racial, ethnic, socioeconomic, gender and cultural diversity of the north Seattle community.
4. Develop and coordinate services to meet clients’ needs through increased availability and decreased fragmentation.
5. Work with the community to identify and respond to unmet needs, and to proactively support health and wellness throughout all stages of life.
6. Create and sustain a leadership structure that will promote joint service delivery planning, remove barriers to integrated services across partner organizations, and effectively steward financial resources.
7. Capitalize on new opportunities afforded under health care reform.

REVISED 7/28/14

EXHIBIT C
PROJECT DEVELOPMENT AGREEMENT

PROJECT DEVELOPMENT AGREEMENT

BY AND BETWEEN

KING COUNTY,
A MUNICIPAL CORPORATION AND A POLITICAL SUBDIVISION
OF THE STATE OF WASHINGTON

AND

NEIGHBORCARE HEALTH,
A WASHINGTON NONPROFIT CORPORATION

DATED: _____, 2014

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Exhibit A – Survey and Legal Description of Neighborcare Lot
Exhibit B – Project Timeline
Exhibit C – Project Budget
Exhibit D – Neighborcare Project Concept Design
Exhibit E – Form of County Lease
Exhibit F – Site Shared Use Plans and Protocols

REVISED 7/28/14

THIS PROJECT DEVELOPMENT AGREEMENT ("Development Agreement") is dated as of _____, 2014 and is by and between KING COUNTY ("County"), a municipal corporation and a political subdivision of the State of Washington, and NEIGHBORCARE HEALTH, a Washington nonprofit corporation ("Neighborcare"), collectively, the "Parties."

ARTICLE 1
Recitals

The following facts and circumstances form the background of this Development Agreement:

1. Pursuant to that certain Warranty Deed dated March 4, 1977 and recorded as instrument number 7706230601, the City of Seattle (the "City") conveyed land (the "Site") to County in 1977 to be used for the construction and operation of a North Multi-Service Center (the "NMSC") for Public Health-Seattle & King County ("Public Health"), then known as the Seattle-King County Department of Public Health. County constructed the NMSC on a portion of the Site utilizing proceeds of Referendum 29 social and health service facilities bonds issued by the State of Washington.

2. Nonprofit Neighborcare has a 40-year history of providing health care services to the underserved and currently operates 24 nonprofit medical, dental and school-based clinics throughout Seattle, routinely serving some 50,000 low-income or uninsured patients annually. Neighborcare and Public Health have been exploring options for cooperating in the development of a new Neighborcare facility in north Seattle for a number of months. Toward that end, Neighborcare and Public Health adopted a joint vision statement for such a facility in December, 2012.

3. Consistent with the Parties' joint vision statement and to initiate the development of a new campus that would meet the health and human services needs of underserved residents in north Seattle and north King County, Neighborcare desires to construct the Meridian Center for Health, an integrated health and human services center (the "Neighborcare Project" or "Project"). The facility would occupy a portion of the Site. Construction and operation of the Neighborcare Project would represent a use of the Site that also would be consistent with the purposes for which the City provided the Site to County; and requirements of County ordinances pursuant to which a portion of the Site is to be provided to Neighborcare.

4. On May 24, 2013, the Parties entered into a Term Sheet Agreement (as amended) (the "Term Sheet") that described their mutual understandings and preliminary agreements with respect to the Neighborcare Project and identified the subsequent binding agreements between the Parties that would be necessary for them to proceed with the Project.

5. Under the Term Sheet, Neighborcare was required to undertake certain due diligence to determine the suitability of the Site for the construction of the Neighborcare Project. Following completion of its review, Neighborcare notified County on July 30, 2013 that the

portion of the Site on which the Neighborcare Project will be located is suitable and viable for the Project.

6. Under the Term Sheet, Neighborcare was required to select its design team for the Project by June 1, 2013. Also, as specified in the Term Sheet, two County representatives participated as voting members of the selection committee. On May 16, 2013, Neighborcare selected NBBJ to lead the design team for the Project, as recommended by the committee.

7. The Term Sheet also provided for the creation of a legal lot within the Site on which the Neighborcare Project will be located, generally encompassing the northerly portion of the Site. As required under the Term Sheet, Neighborcare commissioned a survey of the Site and subsequently requested County's approval of the boundaries of the proposed new lot. On August 27, 2013, County approved the boundaries of the proposed lot (see attached Exhibit A, "Survey and Legal Description of Neighborcare Lot") and Neighborcare, on behalf of County, filed with the City a proposed short plat of the Site, creating the legal lot on which the Project will be located (the "Neighborcare Lot"). On May 13, 2014, the City approved the short plat, as proposed. The remainder of the Site shall be referred to as the "County Property."

8. County desires to provide the Neighborcare Lot and the County Property to Neighborcare on a long-term ground lease (the "Ground Lease") in exchange for Neighborcare's commitment to construct and operate the proposed Neighborcare Project in compliance with the requirements generally described above and as agreed to between the Parties with regard to the integration of services to be provided within the facility.

9. The Parties also desire to enter into this Development Agreement addressing the Parties' respective rights, duties and obligations concerning design, development and construction of the Project.

ARTICLE 2
Effective Date; Incorporation of Documents and Materials; Definitions

Section 2.1 Effective Date. This Development Agreement will be effective on the date when each of the following conditions are satisfied: (a) the County Council has authorized this Development Agreement and the Ground Lease and the authorizing legislation has taken effect; (b) this Development Agreement and the Ground Lease have been approved by Neighborcare; and (c) this Development Agreement (and the Ground Lease) have been executed by authorized representatives of County and Neighborcare.

Section 2.2 Incorporation of Documents and Materials. The following documents and materials are attached as exhibits to this Development Agreement and by this reference are incorporated into this Development Agreement:

Exhibit A – Survey and Legal Description of Neighborcare Lot
Exhibit B – Project Timeline
Exhibit C – Project Budget
Exhibit D – Neighborcare Project Concept Design

Exhibit E – Form of County Lease
Exhibit F – Site Shared Use Plans and Protocols

Section 2.3 Definitions. Defined terms are capitalized and underlined words which are not capitalized as the first word in a sentence and are defined in the body of this Development Agreement. A defined term has the meaning given to it by the text when it is first defined. Where a defined term is defined in more than one document, it has the meaning for the particular document given it in that document. Defined terms in this Development Agreement are as follows:

(a) "Building" is defined in Section 3.1
(b) "City" is defined in Article 1, Recital 1.
(c) "Conditions Precedent Satisfaction Date" is defined in Section 4.7.
(d) "County" is identified as a party to this Development Agreement.
(e) "County Lease" is defined in Section 5.1.
(f) "County Optioned Space" is defined in Section 5.1.
(g) "County Property" is defined in Article 1, Recital 7.
(h) "Development Agreement" means this agreement.
(i) "Final Capital Budget" is defined in Section 4.5.
(j) "Final Project Design" is defined in Section 4.5.
(k) "Ground Lease" is defined in Article 1, Recital 8.
(l) "Initial Conditions Precedent Satisfaction Date" is defined in Section 4.6.
(m) "Neighborcare" is identified as a party to this Development Agreement.
(n) "Neighborcare Lot" is defined in Article 1, Recital 7.
(o) "Neighborcare Project" is defined in Article 1, Recital 3.
(p) "NMSC" is defined in Article 1, Recital 1.
(q) "Option" is defined in Section 5.1.
(r) "Option Notice" is defined in Section 5.1.
(s) "Parties" means King County and Neighborcare Health, collectively.
(t) "Project" is defined in Article 1, Recital 3.
(u) "Project Budget" is defined in Section 3.3.1.
(v) "Project Coordinator" is defined in Section 4.9.1.
(w) "Project Manager" is defined in Section 4.9.1.
(x) "Project Timeline" is defined in Section 3.2.
(y) "Public Health" is defined in Article 1, Recital 1.
(z) "Required Additional Spaces" is defined in Section 4.11.
(aa) "S&C Notice" is defined in Section 5.1.
(bb) "Security Interests" is defined in Section 3.3.2.
(cc) "Site" is defined in Article 1, Recital 1.
(dd) "Term Sheet" is defined in Article 1, Recital 4.

ARTICLE 3
Project Scope and Timeline and Budget

Section 3.1 Neighborcare Project Description and Scope. Neighborcare agrees to construct, at its expense utilizing resources that it will generate, a state-of-the-art health care

facility including approximately 44,667 gross square feet to serve the health and human services needs of low-income, underserved residents of north Seattle and north King County (the "Building"). The facility will be owned by Neighborcare. The facility will house medical, dental and pharmacy services provided by Neighborcare. In such a facility, some space would be available for other health and human services including certain behavioral health services and other health and human services to be provided within the premises by others. Such services may be provided by Public Health and/or other nonprofit health and human services providers. In addition, space within the facility will be made available for an integrated reception and service navigation area. Neighborcare agrees to construct the Project consistent with gold level LEED-developed standards.

Section 3.2 Schedule. Neighborcare agrees to use its best efforts to complete construction and place its integrated Health Center in service during the fall of 2015. County agrees to cooperate in good faith in supporting Neighborcare in meeting this goal, including using its best efforts to expeditiously fulfill its responsibilities under this Development Agreement. The current "Project Timeline" is attached hereto as Exhibit B. The Project Timeline remains subject to change.

Section 3.3 Project Budget and Financing.

3.3.1 Project Budget. The current "Project Budget" is attached hereto as Exhibit C. The Project Budget remains subject to change and the Parties' continuing review and approval, as provided herein.

3.3.2 Ownership and Financing of the Project. Title to the Building and related improvements that constitute the Project shall be vested in Neighborcare, or, as may be required for financing purposes, other parties, until the expiration or earlier termination of the Ground Lease, at which time the Project shall become the property of County, free and clear of all liens and encumbrances and without compensation to Neighborcare and subject to the County's reservation of rights in Section 23.1 of the Ground Lease.. Subject to Section 4.6, Neighborcare is specifically authorized to utilize federal tax credits in support of the development of the Project, specifically including providing for an ownership structure involving requisite tax credit entities. Although any Neighborcare financing structure may involve Security Interests held by others in Neighborcare's Building and related improvements and its leasehold interest under the Ground Lease, no such deed of trust, financing encumbrance or other Security Interest may attach to County Property nor may use of the Project under any such structure be inconsistent with the uses permitted under the Ground Lease.

ARTICLE 4
Project Design and Construction

Section 4.1 Project Management and Coordination. Subject to the requirements of this Development Agreement, Neighborcare shall undertake and be responsible for the management of all aspects of the design and construction of the Project. Neighborcare shall engage and manage, without limitation, project managers, architects and other design professionals and a general contractor with the expertise and experience necessary to

successfully complete the Project. In conducting any construction work on the Project, Neighborcare shall cause all work to be done in a good and workmanlike manner and shall comply with or cause compliance with all laws. Neighborcare shall obtain or cause to be obtained and maintain in effect, as necessary, all building permits, licenses and other governmental approvals that may be required in connection with such work. Neighborcare shall complete construction of the Project substantially consistent with the Final Project Design, except as specifically provided herein. Neighborcare shall use its good faith best efforts to resolve issues that may arise during construction to avoid material or other changes to the Final Project Design that would require the approval of County.

Section 4.2 Requirements for Construction. In managing the Project, Neighborcare shall ensure that the Project and its general contractor and others as appropriate comply with the following requirements and shall ensure that all Project construction contracts include the following requirements, adjusting only as necessary for to identify the contracting parties, as follows:

4.2.1 Neighborcare shall require that its general contractor and all subcontractors (herein after collectively referred to as "contractor") for the Project complies with prevailing wage requirements as if the Project were a public work for purposes of RCW 39.12.

4.2.2 The Project will be subject to County's nondiscrimination and equal employment opportunity requirements as follows:

(a) Neighborcare's contractor shall comply with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit discrimination. These laws include, but are not limited to, Chapter 49.60 RCW, Titles VI and VII of the Civil Rights Act of 1964, the American with Disabilities Act, and the Restoration Act of 1987. KCC chapters 12.16, 12.17 and 12.18 are incorporated herein by reference and the requirements in these code sections shall specifically apply to its construction contract. The contractor shall further comply fully with any equal opportunity requirements set forth in any federal regulations, statutes or rules included or referenced in the contract documents.

(b) During performance of the work:

(1) The contractor shall not discriminate against any employee or applicant for employment because of sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except for minimum age and retirement provisions, unless based upon a bona fide occupation qualification.

(2) The contractor will undertake equal employment opportunity efforts to ensure that applicants and employees are treated, without regard to their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age. The contractor's equal employment opportunity efforts shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. The contractor agrees to

post in conspicuous places available to employees and applicants for employment notices setting forth this nondiscrimination clause. In accordance with KCC 12.16.010.J, "equal employment opportunity efforts" shall mean active efforts to ensure equal opportunity in employment that is free from all forms of discrimination.

(3) The contractor shall not create barriers to open and fair opportunities to participate in Project contracts or to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. In considering offers from and doing business with subcontractors and suppliers, the contractor shall not discriminate against any person because of their sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except for minimum age and retirement provisions, unless based upon a bona fide occupation qualification.

(4) The contractor shall permit access to its books, records and accounts, and to its premises by County, its representatives or governmental officials, for the purposes of investigation to ascertain compliance with this section of the contract for the longer of the duration of any contractor warranty period or one (1) year following issuance of the Project's certificate of occupancy.

(c) Equal Benefits to Employees with Domestic Partners. The contractor shall not discriminate in the provision of employee benefits between employees with spouses and employees with domestic partners during the performance of this contract. Failure to comply with this provision shall be considered a material breach of the Project contract, and may subject the contractor to administrative sanctions and remedies for breach. County Ordinance 14823 (which is codified at KCC Chapter 12.19), and related administrative rules are incorporated herein by reference. They are also available online at:
http://www.kingcounty.gov/operations/procurement/Services/Equal_Benefits.aspx

(1) The contractor shall complete a Worksheet and Declaration form for County review and acceptance prior to contract execution. The EB Compliance forms, County Ordinance 14823 (which is codified at KCC Chapter 12.19), and related administrative rules are incorporated herein by reference. They are also available online at:
http://www.kingcounty.gov/operations/procurement/Services/Equal_Benefits.aspx

(d) Sanctions for Violations. Any violation of the requirements of the provisions of this section shall be a material breach of contract, which may result in termination of contractor's contract by Neighborcare or such other remedy as County deems appropriate and directs, including but not limited to invoking the enforcement provisions of KCC Chapter 12.16 that provide for penalties, liquidated damages or other remedies, and may result in ineligibility of the contractor for County contracts. Any resulting claims against County for actions under this section taken by Neighborcare at County's direction shall be considered as having resulted from construction of the Project for purposes of Neighborcare's indemnification obligations to the County under Section 7.1.1 of this Development Agreement.

(e) Assistance with the Requirements of this Section. Obtain copies of KCC Chapters 12.16, 12.17, 12.18 and 12.19 at the following link:

http://your.kingcounty.gov/mkcc/clerk/code/15_Title_12.pdf

Address questions related to this section by contacting King County Business Development and Contract Compliance (BDCC) Section at the address below. Please include the contract number in all correspondence.

King County Business Relations and Economic Development
Business Development and Contract Compliance Section
Chinook Building
401 Fifth Avenue, Third Floor
Seattle, WA 98104

4.2.3 Upon completion of construction of the Project, Neighborcare shall apply for Leadership in Environmental Design (LEED) certification at least at the gold level for new construction, under the U.S. Green Building Council's Rating System.

4.2.4 Remediation of Hazardous Substances. If Neighborcare or its contractor discover during construction of the Project that a Hazardous Substance, as defined in the Ground Lease, exists in the soil, sediment, surface water or groundwater at the Neighborcare Lot or that an underground storage tank (UST) exists, the presence of which was not caused by Neighborcare or any of its employees, agents, officers, affiliates, contractors, guests or invitees ("Pre-Existing Hazardous Substances"), the following shall apply.

4.2.4.1 Neighborcare shall promptly notify County in writing of the discovery of Pre-Existing Hazardous Substances, and all known information about the nature and extent of such Pre-Existing Hazardous Substances. Neighborcare and its contractor shall timely provide County all other information reasonably requested by County necessary for County to meet any obligations under the Model Toxics Control Act (MTCA), RCW 70.105D and/or other applicable laws to report the discovery.

4.2.4.2 Neighborcare shall cause any UST to be removed and disposed of in accordance with all applicable Environmental Laws, as defined in the Ground Lease. Neighborcare shall cause all other Pre-Existing Hazardous Substances to be remediated to the applicable cleanup standards under applicable Environmental Laws that will allow for unrestricted use of the Neighborcare Lot with no environmental covenant or other deed restriction required to be recorded, unless County, in its sole discretion, requests otherwise in writing. Neighborcare shall provide County with a minimum of ten (10) business days to review and approve Neighborcare's proposed remediation plan and an estimate of the anticipated costs for such remediation. Neighborcare shall cause the work to be performed in accordance with all applicable laws and regulations. All remedial actions, as defined in MTCA, must meet the substantive requirements of MTCA and its implementing rules. The work shall be conducted by qualified contractors under the supervision of an environmental consultant with experience in the field of hazardous substance remediation.

4.2.4.3 Neighborcare shall promptly notify County of the planned schedule for performance of the work under this Section 4.2.4. County shall have the right to access the Neighborcare Lot to observe performance of the work.

4.2.4.4 Neighborcare shall timely prepare and submit to the Washington State Department of Ecology (Ecology) an independent remedial action report in compliance with MTCA regulations, including WAC 173-340-515(4). Neighborcare shall provide County with a copy of the report and with copies of all other written communications to or from Ecology or other government entities concerning the work under this Section 4.2.4.

4.2.4.5 County agrees to reimburse Neighborcare for its reasonable and necessary remedial action costs incurred in accordance with this Section 4.2.4. Costs in excess of $200,000 will require prior written approval from County. "Remedial action costs" subject to reimbursement shall be limited to those costs necessary to investigate, sample or test, segregate, export, dispose of or otherwise manage any UST, soil, groundwater, surface water or sediment containing Hazardous Substances that exceed the costs of handling or managing the UST, soil, groundwater, surface water or sediment had it not contained Hazardous Substances. Remedial action costs shall also include the cost of preparing and submitting the independent remedial action report under Section 4.2.4.4. Neighborcare shall, to the extent practicable, use commercially reasonable measures to minimize the cost of the work under Section 4.2.4 and shall limit the scope of the work to that which is reasonable and necessary. Neighborcare shall provide County with monthly invoices for the work for which it requests reimbursement. Each invoice shall contain sufficient supporting documentation or Neighborcare shall provide reasonable documentation sufficient to allow County to review and understand the charges incurred by Neighborcare and to determine whether they are reasonable and necessary remedial action costs subject to reimbursement under this Development Agreement. County agrees to pay any undisputed charges within sixty (60) days of receipt of an invoice and the documentation required under this Section 4.2.4.5.

4.2.4.6 Except for the costs subject to reimbursement under Section 4.2.4.5, County shall not be liable to Neighborcare for delay damages, or any other damages, costs, losses, expenses, fines, penalties, liabilities, suits or claims (collectively "Claims") arising out of or connected with the presence of Pre-Existing Hazardous Substances, and Neighborcare hereby releases County from any such Claims.

4.2.5 Upon completion of construction of the Project, Neighborcare shall apply for Leadership in Environmental Design (LEED) certification at least at the gold level for new construction, under the U.S. Green Building Council's Rating System.

Section 4.3 Required Additional Spaces. In addition to space for Neighborcare's own use, the Final Project Design shall include the following Required Additional Spaces:

4.3.1 Not less than 5,752 rentable square feet of finished space available for use by one or more other nonprofit service providers offering services other than but complementary to services provided by Neighborcare, specifically including certain behavioral health services such as those currently provided in the NMSC;

4.3.2 Not less than 9,628 total rentable square feet of finished space optioned to County for use by Public Health for the provision of health care services other than but complementary to services provided by Neighborcare, as more specifically provided in Article 5 herein;

4.3.3 Reasonably sufficient and appropriately located space for an integrated reception and service navigation area; and

4.3.4 If County exercises its Option to lease the space described in Section 4.3.2 as provided in Article 5, the tenant improvements to the Public Health space that shall be completed by Neighborcare's contractor in conjunction with construction of similar work in the balance of the Project.

Section 4.4 [RESERVED]

Section 4.5 Design Review and Approval. Sequential, major phase design documents shall be subject to review and approval by County, which approval shall not be unreasonably denied or delayed. For purposes of this Development Agreement, such phases include the Concept Design, the Master Use Permit Design and the Building Permit Design. County shall respond in writing to Neighborcare's request for County's approval of each design phase within thirty (30) days of Neighborcare's request with either a decision or an explanation of additional information required before a decision can be made on the Neighborcare request. In the event County fails to respond in any such thirty (30) day period, Neighborcare may terminate this Development Agreement and, except as otherwise expressly provided herein, neither Party hereto shall have any further rights, duties or obligations to the other. County-approved Neighborcare Project Concept Design dated August 16, 2013, attached hereto as Exhibit D, represents a mutually acceptable baseline for ongoing refinement by Neighborcare's design team. The Building Permit Design approved by County shall constitute the "Final Project Design" for purposes of this Development Agreement. Evolution of the Project design is subject to the parallel evolution of a consistent Capital Budget at each major design phase. The Capital Budget updated for consistency with the Final Project Design shall constitute the "Final Capital Budget" for purposes of this Development Agreement. The Project Final Capital Budget includes a stand-alone construction contingency of two percent (2%) of contracted capital costs consistent with Neighborcare grant limitations.

Section 4.6 Initial Conditions Precedent; Approval of Financing Plan for Neighborcare Project. As an initial condition precedent to County's obligations to lease the Neighborcare Lot to Neighborcare, and Neighborcare's obligations to design, develop, construct and finance the Neighborcare Project, County approval of the Financing Plan for Neighborcare's Project, as set forth in this Section 4.6 must be met to the reasonable satisfaction of the Parties hereto prior to December 31, 2015 ("Initial Conditions Precedent Satisfaction Date"). Upon execution of this Development Agreement, Neighborcare and County shall each work diligently and in good faith to satisfy the condition set forth in this Section 4.6 below on or before the Initial Conditions Precedent Satisfaction Date. Neighborcare intends to finance the development and construction of the Project with a combination of tax credit financing; a construction loan; public grants and

private contributions; and equity investments by Neighborcare. Neighborcare shall make the following information available in Seattle, Washington for review by County's Director of the Office of Performance, Strategy and Budget or such person's designee who shall recommend approval or disapproval of such Financing Plan to the King County Executive. All financial and tax information provided by Neighborcare will be kept strictly confidential by County and its attorneys, consultants and employees to the fullest extent permitted by law and shall not be copied or distributed by County to any third party (except as required by law or in legal proceedings brought to enforce either the Ground Lease or this Development Agreement. Information to be provided:

4.6.1 Evidence reasonably acceptable to County of the source and availability of any debt and equity funding required to construct the Neighborcare Project. Such evidence shall include, but are not limited to copies of executed term sheets or executed commitment letters from institutional, tax credit or other lenders or investors reasonably acceptable to County, along with the Capital Budget associated with the most recent major phase design approved by County, supported by a professional estimate of the cost to complete the Project.

4.6.2 If Neighborcare determines to utilize Federal tax credits in support of the development of the Project, copies of the organizational documents for Neighborcare's limited liability company or other Neighborcare-formed tax credit entity. Such other due diligence information and documents as County may reasonably request regarding any tax credit structure involving the Project to ensure that (i) no Security Interest or other financing encumbrance associated with any such structure may attach to County's fee simple interest in the Site; and (ii) no use of the Project under such structure would be inconsistent with the uses permitted under the Ground Lease. County's approval of any such structure may not be unreasonably withheld.

4.6.3 County Approvals and Consents. If Neighborcare grantors, lenders or others involved in funding the Neighborcare Project require County approval of or consent to grant, financing or other conditions or requirements such as rights to receive notice of Neighborcare defaults and opportunities to cure defaults, County shall not unreasonably withhold providing such approvals or consents.

If the foregoing condition set forth in this Section 4.6 is not satisfied by the Initial Conditions Precedent Satisfaction Date, either Party shall have the right to terminate its obligations under the Ground Lease and this Development Agreement upon written notice to the other, whereupon the Ground Lease and this Development Agreement shall terminate, and except as otherwise expressly provided therein, neither Party hereto shall have any further rights, duties or obligations to the other. The Parties also may agree to extend the Initial Conditions Precedent Date.

Section 4.7 Final Conditions Precedent. In addition to continued satisfaction of the condition set forth in Section 4.6 above, the conditions set forth in this Section 4.7 must be met to the reasonable satisfaction of the Parties on or before December 31, 2016 ("Conditions Precedent Satisfaction Date"). Following satisfaction of the conditions set forth in Section 4.6,

Neighborcare shall work diligently and in good faith to satisfy the conditions set forth in this Section 4.7 on or before the Conditions Precedent Satisfaction Date:

4.7.1 The Final Project Design as approved by the Parties, together with the Final Capital Budget for the Project.

4.7.2 Short Plat of Land Completed. Neighborcare has completed the short plat of the Site into the Neighborcare Lot and the remaining County Property.

4.7.3 Issuance of Building Permits. Neighborcare has participated in a pre-application meeting with the City and has submitted an overall site plan for the Neighborcare Project and such other information as may be requested by the permitting jurisdictions and the permitting jurisdictions have issued final building permits for the Neighborcare Project on terms and conditions which are acceptable to the Parties.

4.7.4 Construction Contracts. Neighborcare has executed a general construction contract containing the price as reflected in the Final Capital Budget for completion of the Neighborcare Project as depicted in the Final Project Design and which general construction contracts shall comply with all the requirements of this Development Agreement, respectively.

4.7.5 Performance Guarantee. Neighborcare has obtained payment and performance bonds for the Neighborcare Project for the benefit of itself and County which guarantee the completion of the Neighborcare Project as contemplated in the Ground Lease and this Development Agreement issued by a surety in an amount and otherwise in a form reasonably acceptable to County.

4.7.6 Financing Obtained. All conditions precedent imposed by any lender or investor to funding of any debt and equity required under the Approved Financing Plan shall have been met or waived.

The conditions contained in Sections 4.6 and 4.7 are solely for the benefit of the Parties. Each Party shall act reasonably and in good faith in determining whether the conditions have been satisfied. If any of the foregoing conditions set forth in Sections 4.6 and 4.7 are not satisfied by the Conditions Precedent Satisfaction Date, either Party shall have the right to terminate its obligations under the Ground Lease and this Development Agreement upon written notice to the other, whereupon the Ground Lease and this Development Agreement shall terminate, and except as otherwise expressly provided therein, neither Party thereto shall have any further rights, duties or obligations to the other. The Parties also may mutually agree in writing to extend the Conditions Precedent Satisfaction Date. Once all of the conditions precedent set forth in Sections 4.6 and 4.7 have been met to the satisfaction of the Parties, County shall deliver to Neighborcare a notice of conditions precedent satisfaction and Neighborcare may then issue its Notice to Proceed to its general contractor. The date such Notice to Proceed is delivered to the County shall be the effective date of the Ground Lease.

Section 4.8 Shared Use of Site and Demolition of NMSC.

4.8.1 Use of Site; Site Condition Upon Completion of Demolition of NMSC; North 105th Street Improvements.

(a) Shared Use of Site Until NMSC Demolition. The Parties acknowledge the need for and will cooperate in the shared use of the Site, specifically including the County Property portion of the Site, for shared pedestrian and vehicular access, parking, utilities and other matters until the NMSC is demolished. Shared use of the Site (i) during construction of the Project; and (ii) following completion of the Project until the NMSC is demolished, is illustrated and described in the Site Use Plans and Protocols, attached hereto as Exhibit F. At its expense, Neighborcare shall remove the existing security fencing that identifies specific spaces currently utilized by County Fleet Administration vehicles when it commences construction of the Project. During construction of the Project, County will continue to utilize the surface parking on the west side of the County Property of NMSC for patient parking. For the duration of Project construction, Neighborcare shall provide at its expense up to a total of eighty (80) stalls of offsite parking for County use, including by NMSC staff. Forty (40) stalls of primary offsite parking shall be provided at the nearby Northwest Hospital/UW Medicine Outpatient Medical Center (10330 Meridian Avenue North); up to an additional forty (40) stalls of secondary offsite parking shall be available at the Northwest Hospital and Medical Center (1550 North 115th Street). A map showing the primary and secondary offsite parking locations is included in Exhibit F. Following completion of the Neighborcare Project until the NMSC is demolished, all surface parking on the Site shall be available for shared, undifferentiated County NMSC and Neighborcare patient parking. No offsite staff parking will be provided by Neighborcare after substantial completion of the Project and Public Health has vacated the NMSC. Long-term rights are addressed in the Ground Lease.

(b) Site Condition Upon Demolition of the NMSC. At its expense as a feature of the demolition of the NMSC, County shall restore the County Property to the condition illustrated and described in the Site Use Plans and Protocols, attached hereto as Exhibit F. Restoration of the County Property specifically includes construction of the surface parking located on the County Property.

(c) North 105th Street Improvements. County shall complete at its expense certain street improvements along North 105th Street, if and when required by the City.

4.8.2 Demolition of the NMSC. At its expense, County shall completely demolish the NMSC and restore the County Property in general conformance with Exhibit F no later than six (6) months following issuance by the City of the Project's temporary certificate of occupancy consistent with the following steps that also are reflected in the Project Timeline (Exhibit B), unless it is prevented from doing so due to force majeure events as provided in Section 8.8:

(a) No later than when Neighborcare issues its Notice to Proceed, County shall give notice to Community Psychiatric Clinic of termination of its Lease Agreement with County dated October 1, 2012, effective no later than a date sufficiently prior to the

projected date of demolition of the NMSC, to ensure the tenant's space will be vacated and demolition will not be delayed.

(b) No later than the date when Neighborcare issues its Notice to Proceed, County also shall terminate any other leases or use rights for spaces within the NMSC, effective no later than a date sufficiently prior to the projected date of demolition of the NMSC, to ensure the tenant's space will be vacated and demolition will not be delayed. Following the date when Neighborcare issues its Notice to Proceed, County will not lease or grant use rights to any space within the NMSC for a term that expires later than a date sufficiently prior to the projected date of demolition of the NMSC, to ensure the tenant's space will be vacated and demolition will not be delayed.

(c) County shall ensure that Public Health vacates the remaining space in the NMSC sufficiently prior to the projected date of demolition of the NMSC, to ensure the remaining space in the NMSC will be vacated and demolition will not be delayed.

(d) Liquidated Damages. If the NMSC is not or will not be demolished and the County Property restored by the date six (6) months following the date of the issuance by the City of the Project's temporary certificate of occupancy or as otherwise required by the City, County shall: (i) promptly, at its sole expense, secure and cover all NMSC doors and windows or take any other actions deemed necessary by the City to allow continued, uninterrupted use and occupancy of the Project; and (ii) reimburse Neighborcare for any and all costs associated with any delay in securing its final permanent certificate of occupancy, including but not limited to costs and fees for extending the term of the Project's construction financing and costs associated with cessation of any or all operations as a result of County's failure to timely demolish the NMSC.

(e) Minimization of Adverse Impacts. County recognizes that the Project will be in operation during demolition of the NMSC. In demolishing the NMSC, County shall require its demolition contractor to protect from damage or destruction all Neighborcare or Project tenant property or property of Neighborcare or Project tenant employees, patients and others associated with Neighborcare or its tenants. In particular, all demolition and other activity or work performed by or for County shall be carried out in a manner that minimizes any reasonably foreseeable adverse impact on the Neighborcare Project and the use thereof by Neighborcare. County shall prepare for Neighborcare's reasonable review and approval a plan for fencing, including routes for temporary pedestrian access around the demolition site, before mobilization work begins. County shall work with the Neighborcare Project Manager to schedule demolition activity to minimize impacts such as noise, dust and fumes, to the extent practicable. If demolition of the NMSC causes interruption of the operation of the Project, County shall direct its demolition contactor to restore the Project to operation as promptly as reasonably possible. County shall reimburse Neighborcare for the reasonable costs associated with the interruption of the operation of the Project caused by the demolition of the NMSC to the extent such costs are not fully recovered by Neighborcare from available insurance. If demolition of the NMSC damages the Project, County shall direct its demolition contractor to repair the Project to its condition prior to the damage. Neighborcare reserves the right to perform or complete such repairs itself. County shall reimburse Neighborcare for all reasonable

costs of repairing any such damage to the Project caused by the demolition of the NMSC, to the extent that such costs are not fully paid by County's demolition contractor or recovered by Neighborcare from available insurance.

(f) County Property Restoration. Following demolition of the NMSC, County shall, at County's expense, restore the former NMSC location and conform the rest of the County Property to a condition suitable for the contemplated shared use of such County Property following demolition of the NMSC as provided under Section 4.8.1.

4.8.3 Insurance Requirements. County maintains a fully funded Self-Insurance program as defined in King County Code 4.12 for the protection and handling of County's liabilities including injuries to persons and damage to property. In addition, for the NMSC demolition project, County shall require its design professionals and contractor, as appropriate, to obtain insurance in the following forms and with the limits of not less than those stated, with Neighborcare named as an additional insured, unless County and Neighborcare modify these requirements:

(a) Professional Liability Insurance. Architect's and engineer's professional liability insurance covering the architect and engineers with a minimum limit of $1,000,000 for each claim and $2,000,000 in the aggregate.

(b) Commercial General Liability. Commercial General Liability insurance for the contractor with minimum combined single limits of $1,000,000 per occurrence and $2,000,000 aggregate shall be required. The policy shall include without limitation coverage for bodily injury, broad form property damage, personal injury (including but not limited to coverage for contractual and employee acts), blanket contractual, owner's and contractor's protective liability, and products and completed operations. Further, the policy for the contractor shall include without limitation coverage for the hazards commonly referred to as "XCU" and shall contain a severability of interests provision. Contractor and all subcontractors shall name Neighborcare, its officers, officials, agents and employees as additional insureds.

(c) Commercial Automobile Liability for contractor shall be provided for minimum limits of $1,000,000 per occurrence.

Section 4.9 Project Management and Coordination.

4.9.1 Project Manager and Coordinator. At least thirty (30) days prior to issuing its Notice to Proceed, Neighborcare shall notify County of the identity of the Neighborcare construction contractor's project manager ("Project Manager") by name and such person's business, mobile and home telephone numbers, and County shall provide to Neighborcare comparable contact information for County project coordinator ("Project Coordinator"). In the event either such person is replaced, the party making such change in personnel shall provide notice to the other no later than the effective date of such replacement, including such replacement's name and business and home telephone numbers.

4.9.2 Project Coordination. The Neighborcare Project Manager shall keep County Project Coordinator informed of the time and place of each regular and special project construction meeting to enable County Project Coordinator to attend, become informed about the status of the Project, participate in discussions and present County's position with respect to matters being discussed. The Neighborcare Project Manager shall also participate in such separate meetings with County as may be scheduled by County with at least three (3) days' prior notice. County Project Coordinator may also inspect the Project construction premises upon reasonable prior notice to the Neighborcare Project Manager. The Neighborcare Project Manager shall arrange for such inspection and accompany County Project Coordinator in any such inspection personally or arrange for another appropriate representative of the Project to do so.

4.9.3 Minimization of Adverse Impacts. Neighborcare recognizes that the NMSC will be in operation during construction of the Project. Neighborcare shall require its contractor to protect from damage or destruction all County Property or property of County or NMSC tenant employees, patients and others associated with County or NMSC tenants. However, the NMSC will be demolished, as required under this Development Agreement. Neighborcare shall ensure that construction of the Neighborcare Project will not unreasonably impair the basic functionality of the NMSC until it is vacated for demolition. All Project-related demolition, construction, alteration, addition, improvement and other activity or work performed by or for Neighborcare on the construction premises shall be carried out in a manner that minimizes any reasonably foreseeable adverse impact on County Property and the use thereof by County. Neighborcare shall prepare for County's reasonable review and approval a plan for construction fencing, including routes for temporary pedestrian access around the construction site, before mobilization work begins. Neighborcare shall work with County Project Coordinator to schedule construction activity to minimize construction impacts such as noise, dust and fumes, to the extent practicable. If construction of the Project causes interruption of the operation of the NMSC, Neighborcare shall direct its contactor to restore the NMSC to operation as promptly as reasonably possible. Neighborcare shall reimburse County for the reasonable costs associated with the interruption of the operation of the NMSC caused by construction of the Project to the extent such costs are not fully recovered by County from the available insurance. If construction of the Project damages the NMSC, Neighborcare shall direct its contractor to repair the NMSC to basic functionality recognizing that the NMSC will be demolished upon completion of the Project. Neighborcare shall reimburse County for all costs of repairing any such damage to the minimal extent necessary to restore the NMSC to basic functionality, and only to the extent that such costs are not fully paid by the Project contractor or recovered by County from the Project contractor's insurance.

4.9.4 Site Restoration. Neighborcare shall be responsible for full restoration of the County Property and related improvements, specifically excluding the NMSC, solely or to the extent attributable to Neighborcare's construction activity to a condition suitable for the contemplated shared use of such County Property following demolition of the NMSC as provided under Section 4.8.1. Neighborcare shall repair damage to or replace County personal property or improvements on the County Property other than the NMSC within thirty (30) calendar days of the occurrence of damage solely or to the extent attributable to Neighborcare's construction activity to said personal property or improvements, unless an alternate deadline is

approved by County or repair or replacement should occur at a later date to ensure that additional damage would not occur during the normal course of Neighborcare's construction activity. Neighborcare and County will jointly inspect any such damage; evaluate the extent of the damage attributable to Neighborcare's construction activity; and provide such documentation as may be necessary and useful to determining appropriate repairs or replacements to redress it. Neighborcare shall provide to County a video of pre-existing Site conditions prior to mobilization.

4.9.5 Costs. Neighborcare and County shall each bear their own costs of performing their respective responsibilities under this Section 4.9.

4.9.6 As-Built Plans. At the conclusion of construction, Neighborcare shall provide County with a complete set of Project as-built plans and specifications for its records. Such plans shall be provided both in printed and digital formats.

Section 4.10 Neighborcare Cost Overruns Responsibility and Risk Management.

4.10.1 Cost Overruns. Funds required for any net increases in the Final Capital Budget necessary to complete the Project substantially consistent with the Final Project Design (as potentially modified under this Development Agreement) shall be provided by Neighborcare from sources other than County. Neighborcare's responsibility for cost overruns includes responsibility for those due to unforeseen conditions that need to be addressed in order for the Project to proceed, including any unforeseen preexisting conditions, but only to the extent such conditions can be remedied with resources available within the Final Capital Budget. Upon discovery of an unforeseen condition that must be addressed in order for the Project to proceed, Neighborcare will notify County. Neighborcare will evaluate ways to resolve any such conditions to the extent necessary for the Project to proceed and determine the cost of doing so. In addressing such additional cost, Neighborcare may, among other measures, apply contingency funds within the Final Capital Budget, make modifications to the Final Project Design, and apply such additional funds that Neighborcare, in its sole discretion, determines to provide to increase the Final Capital Budget. Neighborcare will keep the Project Coordinator apprised of its work and advise him or her of its plans for addressing such conditions, specifically including any proposed changes in the Final Project Design requiring his or her approval under Section 4.11. In the event Neighborcare concludes that it lacks the resources to address any such unforeseen conditions and that, as a result, it will not be able to complete the Project, it will so notify County. The Development Agreement Parties will cooperate in developing and implementing a plan to suspend, revise or terminate the Project.

4.10.2 Retainage. Neighborcare shall establish retainage at not less than five percent (5%) of its contractor's guaranteed maximum price.

4.10.3 Insurance Requirements. In addition to the insurance obligations under the Ground Lease, Neighborcare shall obtain or cause to be obtained insurance in the following forms and with the limits of not less than those stated, with County named as an additional insured, unless Neighborcare and County modify these requirements:

(a) Professional Liability Insurance. Architect's and engineer's professional liability insurance covering the architect and engineers with a minimum limit of $2,000,000 for each claim and in the aggregate.

(b) Commercial General Liability. Commercial general liability insurance for the architect and the general contractor with minimum combined single limits of $1,000,000 per occurrence and $2,000,000 aggregate for the architect and $3,000,000 per occurrence and $3,000,000 aggregate for the general contractor. The policy shall include without limitation coverage for bodily injury, broad form property damage, personal injury (including but not limited to coverage for contractual and employee acts), blanket contractual, owner's and contractor's protective liability, and products and completed operations. Further, the policy for the general contractor shall include without limitation coverage for the hazards commonly referred to as "XCU" and shall contain a severability of interests provision. The products and completed operations coverage for the general contractor shall extend for six (6) years following the substantial completion of the Project. General contractor, professional consultants and all subcontractors shall name King County, its officers, officials, agents and employees as additional insureds. The general contractor's additional insured status shall extend for a period of six (6) years after Project completion and shall include products-completed operations.

(c) Contractor's Equipment. Contractor's equipment insurance for the architect and general contractor covering owned, non-owned and leased equipment used in connection with construction of the Project. With the approval of Neighborcare, the architect and the general contractor may self-insure owned, non-owned or leased equipment.

(d) Builder's Risk. Builder's risk insurance shall be written on all risk of direct damage basis and shall include coverage for fire and physical loss or damage from flood and earthquake. Coverage shall be provided on a replacement cost basis. Builder's risk insurance shall cover construction at the Site, at any off-site storage location, if appropriate, and while in transit, any and all materials, equipment, machinery, tools and supplies, including buildings to be used in or incidental to the fabrication, erection, testing or completion of the Project. Debris removal for a minimum of ten percent (10%) of construction values shall be included. Builder's risk shall waive all rights of subrogation against County. County shall be a Named Insured as its interests may appear.

(e) Commercial Automobile Liability for general contractor shall be provided for minimum limits of $1,000,000 per occurrence.

(f) Contractor's Pollution Liability: Contractor shall provide Contractor's Pollution Liability coverage in the amount of $1,000,000 per occurrence and in the aggregate to cover sudden and non-sudden bodily injury and/or property damage to include the destruction of tangible property, loss of use, clean up costs and the loss of use of tangible property that has not been physically injured or destroyed. If Asbestos, Lead or PCB's are a potential exposure, such insurance shall not exclude pollution arising out of Asbestos, Lead and/or PCB operations. Evidence of Insurance must specifically state that coverage is included.

Contractor shall name King County, its officers, officials, agents and employees as additional insureds.

4.10.4 Liens. Neighborcare covenants and agrees that it shall not during the Term of the Ground Lease suffer or permit any Liens (other than Security Interests as permitted herein) to be attached to, upon or against the Neighborcare Lot or any other portion of the Site for any reason, including without limitation, Liens arising out of the possession, use, occupancy, acquisition, construction, repair, or rebuilding of the Project or by reason of the furnishing of labor, services, materials, or equipment to the Project or to Neighborcare. Neighborcare shall keep the Neighborcare Lot and every other portion of the Site free and clear of all construction liens resulting from the construction of the Project. Neighborcare agrees to indemnify, protect, defend and hold County harmless from and against all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and costs) incurred in connection with any such Lien. Neighborcare's obligations pursuant to this Section 4.10.4 shall survive the Expiration Date of this Development Agreement.

Neighborcare will promptly, and in all events within thirty (30) days following the attachment of same, remove and discharge any and all Liens (other than Security Interests) which attach to, upon or against the Neighborcare Lot or any portion of the Site. Neighborcare reserves the right to contest the validity or amount of any such Lien in good faith provided that, within thirty (30) days after the filing of such Lien, Neighborcare discharges said Lien of record or records a bond which complies with the requirements of RCW 60.04.161 eliminating said Lien as an encumbrance. In the event Neighborcare shall fail to so remove any such Lien, County may take such action as County shall reasonably determine to remove such Lien and all costs and expenses incurred by County including, without limitation, amounts paid in good faith settlement of such Lien and attorneys' fees and costs shall be paid by Neighborcare to County together with interest thereon at the rate of twelve percent (12%) interest per annum from the date advanced until paid. Neighborcare's obligations pursuant to this Section 4.10.4 shall survive the expiration or earlier termination of this Development Agreement and the Ground Lease.

Section 4.11 Changes During Construction. Any material change to the Final Project Design requires the approval of County, which approval shall not be unreasonably withheld or delayed. A material change represents a major departure from the Final Project Design including but not limited to elimination or addition of a significant element or feature; discernible or functional alteration in the quality or projected performance of any significant feature or system; or any significant change in the use or appearance of any major space or component. Any changes in the "Required Additional Spaces" required under Section 4.3 and as represented in the Final Project Design shall require the approval of County in its sole discretion.

ARTICLE 5
County Option

Section 5.1 County Option of Space for Public Health. Subject to the terms and conditions set forth in this Section 5.1, County shall have the option to lease ("Option") from Neighborcare the space identified in Exhibit D (Neighborcare Project Concept Design) as the

"County Optioned Space," consisting of not less than a total of some 9,628 square feet of rentable area (as determined by BOMA standard (NASI/BOMA 265.1-1996) and expressed as "rentable square feet" in this Development Agreement, including not less than 5,014 dedicated rentable square feet plus 21.6 percent (approximately 4,613 rentable square feet) of the total common area and circulation space in the Building. When the shell and core of the Project is substantially complete, Neighborcare shall provide County written notice (the "S&C Notice") thereof. County may exercise the Option only by providing Neighborcare with written notice ("Option Notice") within thirty (30) calendar days of its receipt of the S&C Notice, which Option Notice shall be irrevocable. Promptly following receipt of the Option Notice by Neighborcare, the Parties shall execute a lease substantially in the form of the lease attached hereto as Exhibit E ("County Lease"), which was approved by the County Council in conjunction with its review and approval of this Development Agreement. If County fails to timely exercise the Option as provided herein or fails to execute the County Lease within sixty (60) days following delivery of the County Notice, the Option shall be null and void and of no further force or effect and Neighborcare shall be free to lease the County Optioned Space to one or more other tenants or to use it itself, in either case in a manner consistent with the requirements of this Development Agreement and the Ground Lease, which, notwithstanding any other provision in this Development Agreement, shall be Neighborcare's sole remedy if the County fails to execute the County Lease.

ARTICLE 6
Project Identification

Section 6.1 Project Naming. Neighborcare may name its Project in its sole discretion, after reasonable consultation with County. The initial name of the Project is the Meridian Center for Health.

Section 6.2 Signage. Neighborcare shall have the right to place signs, symbols or other advertising matter on the exterior of the Building, including windows and doors thereof. Neighborcare may place appropriate signage identifying the location and providing directions to its Project on the Site, specifically including the County Property portion of the Site, as more specifically provided under the Ground Lease. Such signage shall be reasonably necessary for Project identification and access as well as be sized and located consistent with applicable City signage requirements. Content of Neighborcare signage located on the County Property shall be subject to the prior review and approval of County, which approval may not be unreasonably withheld. Such signage shall include reasonable recognition of County participation in the Neighborcare Project.

ARTICLE 7
Indemnification and Dispute Resolution

Section 7.1 Indemnification.

7.1.1 Neighborcare Indemnification. To the fullest extent permitted by law, Neighborcare shall indemnify, defend (using counsel acceptable to County) and hold County, its officers, agents, employees and elected officials (collectively, the "County Indemnified Parties")

harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including County's actual and reasonable personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever arising out of the Project, including, but not limited to, claims resulting from, arising out of, or connected with the following: (i) the acts or omissions of Neighborcare, its employees, agents, officers, affiliates, contractors, guests or invitees throughout the course of the Project; (ii) Neighborcare's breach of this Development Agreement; or (iii) construction of the Project, including activities conducted by Neighborcare or its contractors or consultants under Section 4.2.3. Neighborcare's defense and indemnity obligations extend to claims brought by its own employees and Neighborcare's foregoing obligations are specifically and expressly intended to act as a waiver of Neighborcare's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to the County Indemnified Parties and to the extent necessary to provide the County Indemnified Parties with a full and complete defense and indemnity.

7.1.2 County Indemnification. To the fullest extent permitted by law, County shall indemnify, defend (using counsel acceptable to Neighborcare) and hold Neighborcare, its board members, employees, agents, officers, contractors, guests or invitees throughout the course of the Project (collectively, "Neighborcare Indemnified Parties") harmless from and against all claims, suits, losses, damages, fines, penalties, liabilities and expenses (including Neighborcare's actual and reasonable personnel and overhead costs and attorneys' fees and other costs incurred in connection with claims, regardless of whether such claims involve litigation) of any kind whatsoever resulting from, arising out of, or connected with County's breach of this Development Agreement. County's defense and indemnity obligations extend to claims brought by its own employees and County's foregoing obligations are specifically and expressly intended to act as a waiver of County's immunity under Washington's Industrial Insurance Act, RCW Title 51, but only as to Neighborcare Indemnified Parties and to the extent necessary to provide Neighborcare Indemnified Parties with a full and complete defense and indemnity.

Section 7.2 Limitation of Indemnification Obligation.

7.2.1 Limitation of Neighborcare's Obligation. To the extent necessary to comply with RCW 4.24.115 as in effect on the date of this Development Agreement, Neighborcare's obligation to indemnify County for damages arising out of bodily injury to persons or damage to property relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, road, or other structure, project, development, or improvement attached to real estate, including the Project (i) shall not apply to damages caused by or resulting from the sole negligence of the County Indemnified Parties; and (ii) to the extent caused by or resulting from the concurrent negligence of (A) the County Indemnified Parties; and (B) Neighborcare, its board members, agents, contractors, officers, affiliates, employees, guests or invitees shall apply only to the extent of the negligence of Neighborcare, its board members, agents, contractors, officers, employees, guests or invitees; PROVIDED, HOWEVER, the limitations on indemnity set forth in this section shall automatically and without further act by either County or Neighborcare be deemed amended so as to remove any of the restrictions contained in this Section 7.2 no longer required by then applicable law.

7.2.2 Limitation of County's Obligation. County's obligation to indemnify Neighborcare shall not apply to (i) damages caused by or resulting from the sole negligence of Neighborcare Indemnified Parties; and (ii) to the extent caused by or resulting from the concurrent negligence of (A) Neighborcare Indemnified Parties and (B) County, its agents, contractors, officers and employees shall apply only to the extent of the negligence of County, its agents, contractors, officers, or employees; PROVIDED, HOWEVER, the limitations on indemnity set forth in this section shall automatically and without further act by either County or Neighborcare be deemed amended so as to remove any of the restrictions contained in this Section 7.2 no longer required by then applicable law.

Section 7.3 Waiver of Indemnity; Indemnities Negotiated. County and Neighborcare agree that the foregoing indemnities specifically include, without limitation, claims brought by any of the Development Agreement Parties' employees against any other such party. THE FOREGOING INDEMNITIES ARE EXPRESSLY INTENDED TO CONSTITUTE A WAIVER OF EACH DEVELOPMENT AGREEMENT PARTY'S IMMUNITY UNDER WASHINGTON'S INDUSTRIAL INSURANCE ACT, RCW TITLE 51, TO THE EXTENT NECESSARY TO PROVIDE ANY OTHER SUCH PARTY WITH A FULL AND COMPLETE INDEMNITY FROM CLAIMS MADE BY EACH SUCH PARTY AND ITS EMPLOYEES, TO THE EXTENT OF THEIR NEGLIGENCE. COUNTY AND NEIGHBORCARE ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF THIS ARTICLE WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

Section 7.4 Dispute Resolution. Although each of the Parties specifically reserves the right to initiate a lawsuit, including, without limitation, seeking injunctive relief, whenever either Party deems necessary, the Parties agree to consider resolving disputes at an early stage as expeditiously as possible through negotiations at the lowest possible decision-making level, and in the event such negotiations are unsuccessful, the matter shall be referred to County Facilities Management Director and the Executive Director of Neighborcare, or their respective functional successors. If those officials are unable to resolve the dispute within a period of fifteen (15) days after the matter has been referred to them for resolution, the Parties may then consider participating in mediation with an agreed upon mediator for a reasonable amount of time and in good faith. If they agree to mediation, they shall meet during the immediately succeeding seven (7) days to select a mediator to assist in the resolution of such dispute. The cost of the mediation shall be shared equally between County (one-half) and Neighborcare (collectively, one-half).

ARTICLE 8
Miscellaneous

Section 8.1 Amendments. This Development Agreement may not be effectively amended, changed, modified or altered, except by an instrument in writing duly executed by County and Neighborcare (or their successors in title) upon passage of an ordinance by the County Council.

Section 8.2 Authority. Each Development Agreement Party hereto warrants that it has the authority to enter into this Development Agreement and to perform its obligations hereunder

and that all necessary approvals, acts or resolutions to authorize this transaction have been taken, and the signatories, by executing this Development Agreement, warrant that they have the authority to bind the respective Parties.

Section 8.3 Binding Effect; No Assignment. This Development Agreement shall inure to the benefit of and shall be binding upon the Development Agreement Parties and their successors. This Development Agreement may not be assigned without the written consent of the Development Agreement Parties, except for possible joinder of the Tax Credit Entity under Section 3.3.2.

Section 8.4 Consents and Approvals. In any instance when any Development Agreement Party's consent or approval is required under this Development Agreement, such consent or approval shall not be unreasonably withheld, conditioned or delayed. All requests for County consents or approvals required under this Development Agreement shall be submitted to the Facilities Management Director or his or her functional successor. With respect to requests for approval or consents that the Facilities Management Director is not able to provide or not able to provide without the concurrence of another County official, he or she shall be responsible for promptly forwarding such request to the appropriate County officials or the County Council. He or she also shall promptly notify Neighborcare of the County process involved in securing any such consent or approval, including identifying any other County official or officials whose decision is required in providing any such consent or approval. Whenever the consent of County to any act to be performed is required under this Development Agreement, Neighborcare must obtain the consent or approval expressly for the purposes of this Development Agreement, regardless of whether a consent or approval shall have been granted by County in its regulatory, public utility, or other capacity. No permission, consent, or approval of County contained herein or given pursuant to this Development Agreement is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing. Neighborcare authorizes its Executive Director/CEO or his or her functional successor to provide any consents or approvals required under this Development Agreement.

Section 8.5 Construction. The following rules shall apply to the construction of this Development Agreement unless the context otherwise requires.

8.5.1 Words describing the singular number shall include the plural number and vice versa, except where otherwise indicated.

8.5.2 All references herein to particular articles, sections or exhibits are references to articles, sections or exhibits of this Development Agreement, unless otherwise expressly stated.

8.5.3 The headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Development Agreement nor shall they affect its meaning, construction or effect.

8.5.4 This Development Agreement shall not be construed as if it had been prepared by one of the Development Agreement Parties, but rather as if all Development Agreement Parties had prepared it.

Section 8.6 Counterparts. This Development Agreement may be executed in counterparts for the convenience of the Development Agreement Parties, and such counterparts shall together constitute one Agreement.

Section 8.7 Cumulative Remedies. The rights and remedies that any Development Agreement Party may have under this Development Agreement or at law or in equity, upon any breach, are distinct, separate and cumulative and shall not be deemed inconsistent with each other, and no one of them shall be deemed to be exclusive of any other.

Section 8.8 Force Majeure. Except as otherwise expressly provided in this Development Agreement, time periods for any Development Agreement Party's performance under any provisions of this Development Agreement shall be extended for periods of time during which such performance is prevented due to circumstances beyond such party's reasonable control, including without limitations, strikes, embargoes, shortages of labor or materials, governmental regulations, acts of God, unforeseen Site conditions, casualty, war or other strife.

Section 8.9 Governing Law; Venue. This Development Agreement is governed by and shall be construed in accordance with the laws of the State of Washington and shall be liberally construed so as to carry out the purposes hereof. Any action under this Development Agreement shall be brought in the Superior Court of the State of Washington in and for King County.

Section 8.10 Integration. Together with the Ground Lease, this Development Agreement contains the entire integrated agreement between the Parties as to the matters covered herein and supersedes any oral statements or representations or prior written matter not contained in this instrument as to the matters set forth herein.

Section 8.11 Limitation on Third Party Rights. Nothing in this Development Agreement expressed or implied is intended or shall be construed to give to any person other than the Development Agreement Parties any legal or equitable right, remedy or claim under or in respect of this Development Agreement or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Development Agreement Parties.

Section 8.12 No Partnership. Nothing contained in this Development Agreement shall create any partnership, joint venture or other relationship between Neighborcare and County.

Section 8.13 No Waiver. Failure of any Development Agreement Party to complain of any act or omission on the part of the other, no matter how long the failure may continue, shall not constitute a waiver of any rights under this Development Agreement. No waiver by any Development Agreement Party of any breach of any provisions of this Development Agreement

shall be deemed a waiver of a breach of any other provision of this Development Agreement or consent to any subsequent breach of any other provision. If any action of any Development Agreement Party requires the consent or approval of another, consent or approval given on one occasion shall not be deemed a consent to or approval of that action on any other occasion. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

Section 8.14 Notices. All notices, demands or requests that may or are required to be given by any Development Agreement Party to another under this Development Agreement shall be given in writing and delivered personally, or sent by U.S. certified mail, postage prepaid, return receipt requested, or nationally recognized overnight air carrier, and addressed to County's address or Neighborcare's address, as follows:

If to County:
Kathy Brown
Facilities Management Director
King County
500 4th Avenue, Suite 820
Seattle, WA 98104
Phone: (206) 296-0631
Fax: (206) 205-5070
Email: kathy.brown@kingcounty.gov

Copy to:
Tim Barnes
Senior Deputy Prosecuting Attorney
King County Prosecutor's Office
516 3rd Avenue, W400
Seattle, WA 98104
Telephone: (206) 477-1153
Fax: (206) 296-0191
Email: timothy.barnes@kingcounty.gov

If to Neighborcare:
Neighborcare Health
905 Spruce Street, Suite 300
Seattle, WA 98104
Attn: Mark Secord, Executive Director/CEO
Telephone: (206) 548-3050
Fax: (206) 461-8382
Email: marks@neighborcarehealth.org

Copy to:
Gerry Johnson
Pacifica Law Group LLP
1191 2nd Avenue, Suite 2100
Seattle, WA 98101
Telephone: (206) 245-1700
Fax: (206) 245-1750
Email: gerry.johnson@pacificalawgroup.com

Notices shall be deemed to have been given upon receipt or attempted delivery where delivery is not accepted. Any Development Agreement Party may change its address and/or those receiving copies of notices upon written notice given to the other.

Section 8.15 Severability. If any provision of this Development Agreement is determined to be invalid or unenforceable, then that provision and the remainder of this Development Agreement shall continue in effect and be enforceable to the fullest extent permitted by law. It is the intention of the Development Agreement Parties that if any provision of this Development Agreement is capable of two constructions, one of which would render the provision void, and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.

Section 8.16 Termination of Agreement.

8.16.1 Upon Project Completion. Unless otherwise stated herein, this Development Agreement and all obligations hereunder shall terminate when the Project receives its final certificate of occupancy, the NMSC has been demolished and the Site (including the County Property and the Neighborcare Lot) has been restored to a condition suitable for the contemplated shared use of such County Property following demolition of the NMSC as provided under Section 4.8.1 and Exhibit F, except that the provisions of Sections 3.3.2; 4.2.2(b)(4); 4.2.2(d); 4.2.3; 4.8.1 and Exhibit F; 4.8.2; 4.8.3; 4.9.3; 4.9.4; 4.9.5; 4.10.3; 4.10.4; 5.1; 6.1; 6.2; Article 7 and Article 8; survive the expiration or termination of this Development Agreement.

8.16.2 For Failure to Proceed. This Development Agreement and the Ground Lease shall terminate if Neighborcare has not satisfied all conditions precedent identified in Section 4.6 by the Conditions Precedent Satisfaction Date. Neighborcare may terminate this Development Agreement upon at least thirty (30) days' notice to County, prior to issuing its Notice to Proceed to its contractor, if Neighborcare, for any reason, in its sole discretion, determines that it will not be feasible for Neighborcare to undertake the Project or to operate it as contemplated under this Development Agreement or the Ground Lease.

Section 8.17 Time of Essence. Time and all terms and conditions shall be of the essence of this Development Agreement.

[signatures on next page]

REVISED 7/28/14

KING COUNTY, a Washington municipal corporation and political subdivision of the State of Washington

By: _____
Name: _____
Title: _____

Approved as to form:

_____

NEIGHBORCARE HEALTH,
a Washington nonprofit corporation

By: _____
Name: _____
Title: _____

DEVELOPMENT AGREEMENT
EXHIBIT A

SURVEY LEGAL DESCRIPTION

V 310 P 160

SHORT SUBDIVISION NO. 3015969

GRANTOR (Owners): KING COUNTY PROPERTY SERVICES

GRANTEE: CITY OF SEATTLE

SE 1/4	30	26N	04E
QUARTER	SECTION	TOWNSHIP	RANGE

FOR FULL LEGAL DESCRIPTIONS, SEE THIS PAGE

ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER: 302604-9025-02

REFERENCE NUMBERS: VOLUME 40 OF CONDOMINIUMS, PAGE 60

CONTACT PERSON:
NAME: TAYLOR SCHULTE AC173422
ADDRESS: 2009 MINOR AVE EAST
CITY, STATE, ZIP: SEATTLE, WA 98102
PHONE: (206) 323-4144
FAX: (206) 323-7135
E-MAIL: taylors@brhinc.com

DECLARATION:

We the undersigned, owner(s) in fee simple of the land herein described do hereby make a short subdivision thereof pursuant to RCW 58.17.060 and declare this short plat to be the graphic representation of same, and that said short subdivision is made with the free consent and in accordance with the desire of the owner(s). In Witness whereof we have set our hands and seals.

NAME Kathy D Brown

STATE OF WASHINGTON, } ss.
County of KING

On this day personally appeared before me

KATHY BROWN

to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged that SHE signed the same as HERSELF free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 9th day of MAY, 2014

Taylor R. Schulte

PRINT NAME: TAYLOR R. SCHULTE
NOTARY PUBLIC in and for the State of Washington, residing NORTH BEND
Commission Expires 03/11/18 at

TAYLOR R. SCHULTE
COMMISSION EXPIRES
NOTARY
PUBLIC
MARCH 11, 2018
STATE OF WASHINGTON

APPROVAL

CITY OF SEATTLE

DEPARTMENT OF PLANNING AND DEVELOPMENT

DIANE SUGIMURA, ACTING DIRECTOR

Examined and approved this 13th day of May 2014

By: Michael D. Harvey, for Director, Land Use Division

(Note: Approval of this short subdivision by the Director of the Department of Planning and Development under Chapter 23.24 of the Seattle Municipal Code, as amended, is not to be construed as satisfaction of any other applicable legislation or regulations.)

KING COUNTY DEPARTMENT OF ASSESSMENTS

Examined and approved this 21st day of May 2014

Lloyd Hara by Allan Wolfson
Assessor

EXISTING LEGAL DESCRIPTION

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF MERIDIAN AVENUE NORTH WITH THE CENTER LINE OF NORTH 105TH STREET;
THENCE WESTERLY ALONG THE CENTER LINE OF SAID NORTH 105TH STREET, A DISTANCE OF 399.54 FEET;
THENCE NORTHERLY PARALLEL WITH THE CENTER LINE OF SAID MERIDIAN AVENUE NORTH, A DISTANCE OF 30 FEET TO THE NORTHERLY MARGIN OF SAID NORTH 105TH STREET AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTHERLY ALONG THE LAST DESCRIBED LINE PRODUCED, A DISTANCE OF 384.32 FEET;
THENCE EASTERLY PARALLEL WITH THE CENTER LINE OF SAID NORTH 105TH STREET, A DISTANCE OF 359.54 FEET TO THE WESTERLY MARGIN OF MERIDIAN AVENUE NORTH AS NOW ESTABLISHED;
THENCE SOUTHERLY ALONG SAID WESTERLY MARGIN, A DISTANCE OF 374.27 FEET TO A POINT OF CURVATURE;
THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 10 FEET, THROUGH AN ANGLE OF 90°47'47", AN ARC DISTANCE OF 15.85 FEET TO A POINT OF TANGENCY ON THE NORTHERLY MARGIN OF SAID NORTH 105TH
STREET;
THENCE WESTERLY ALONG SAID NORTHERLY MARGIN TO THE TRUE POINT OF BEGINNING.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON

NEW LEGAL DESCRIPTIONS

LOT A

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;

THENCE NORTH 00°26'20" EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET, SAID LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44'16' EAST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET;
THENCE SOUTH 01°15'36" WEST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44'16" EAST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET TO THE WEST RIGHT OF WAY MARGIN OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;
THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 172.93 FEET TO A TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 10.00 FEET;
THENCE SOUTHWESTERLY ALONG SAID CURVE, AN ARC LENGTH OF 15.85 FEET, THROUGH A CENTRAL ANGLE OF 90°48'01" TO THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
THENCE NORTH 88°45'39" WEST, ALONG SAID LINE, A DISTANCE OF 349.36 FEET TO THE POINT OF BEGINNING;

SUBJECT TO AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;
THENCE SOUTH 88°45'39" EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.
THENCE NORTH 02°02'31" EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44'16" EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26'20" EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

LOT B

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
THENCE NORTH 00°26'20" EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET TO TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 00°26'20" EAST, A DISTANCE OF 152.41 FEET;
THENCE SOUTH 88°44'16" EAST, A DISTANCE OF 359.50 FEET TO THE WEST LINE OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;
THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 201.28 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET;
THENCE NORTH 01°15'36" EAST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET TO THE TRUE POINT OF BEGINNING

TOGETHER WITH AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;
THENCE SOUTH 88°45'39" EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.
THENCE NORTH 02°02'31" EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44'16" EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26'20" EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

NOTE:
STREET IMPROVEMENTS FOR 105TH AVENUE WILL BE COMPLETED UNDER A DIFFERENT PERMIT, NOT RELATED TO THIS SHORT PLAT.

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in KC REAL ESTATE SPM 153.00
PAGE-001 OF 004 VOL 310 PG 160
05/21/2014 15:28
KING COUNTY, WA
BL

Mgr. Supt. of Records Jonathan Scherer

SURVEYOR'S CERTIFICATE

This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Survey Recording Act at the request of

KING COUNTY PROPERTY SERVICES

in MAY, 2014.

Taylor R. Schulte 05/09/14
Taylor R. Schulte Certificate No. 44646

TAYLOR R. SCHULTE
STATE OF WASHINGTON
44646
REGISTERED
PROFESSIONAL LAND SURVEYOR
05/09/14

BRH

LEGAL DESCRIPTION
DECLARATIONS
& APPROVALS

BUSH, ROED & HITCHINGS, INC.
CIVIL ENGINEERS & LAND SURVEYORS
2009 MINOR AVE. EAST
SEATTLE, WA 98102 (206) 323-4144

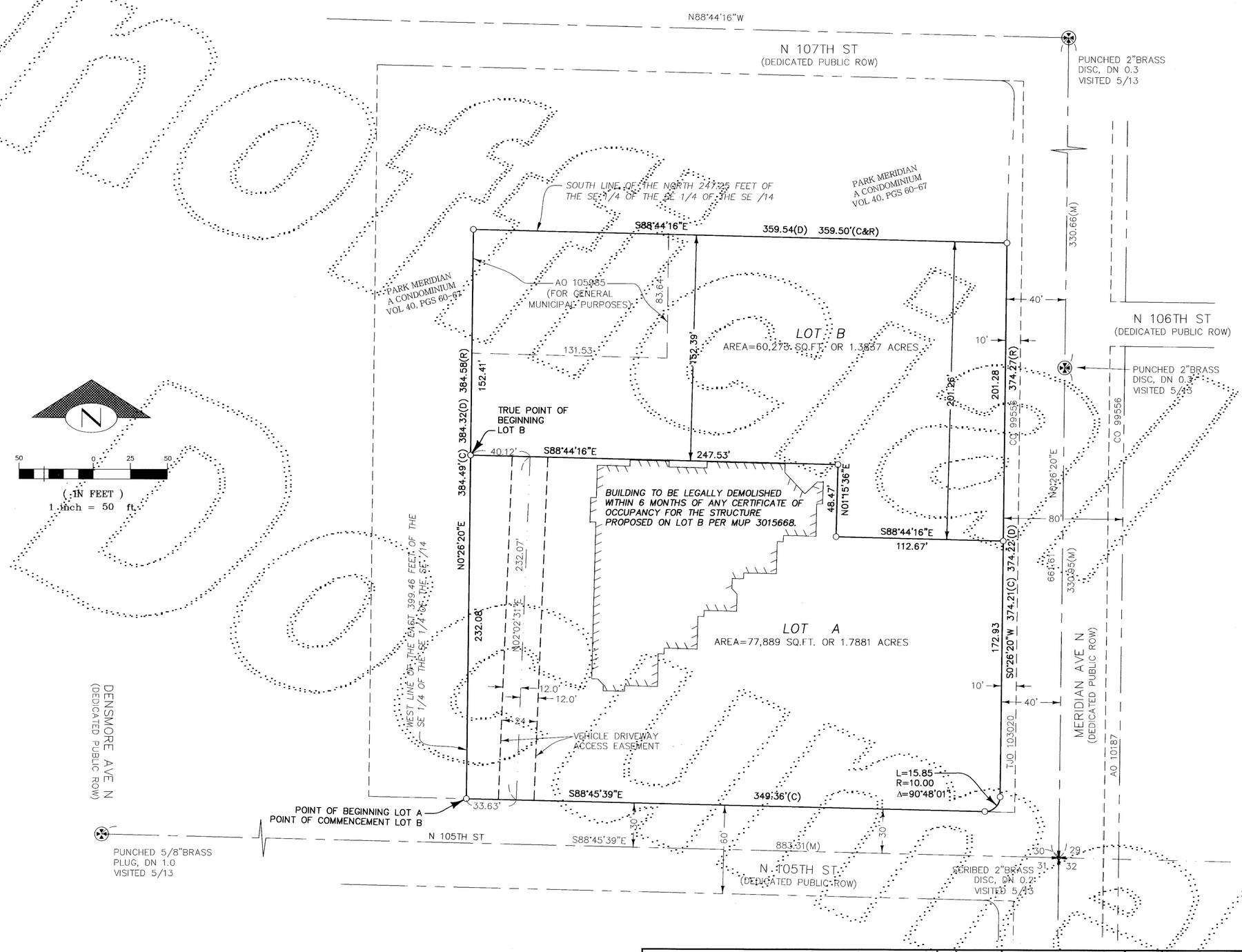
SURVEY IN THE SE 1/4 OF THE SE 1/4 OF SECTION 30-T26N-R04E, W.M.

DWN. BY: TRD/LMK	DATE: 03/26/14	JOB NO. 2013089.01
CHK. BY: TRS	SCALE: N/A	SHEET 1 OF 4

v 310 P161

SHORT SUBDIVISION NO. 3015969

SE 1/4, SE 1/4, SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M.



LEGEND

(C)	CALCULATED
⊗	FOUND MONUMENT IN CASE
✛	FOUND SECTION CORNER MONUMENT
○	SET 5/8" REBAR WITH YELLOW PLASTIC CAP "BRH PLS 44646"
(M)	MEASURED
(R)	RECORD (PARK MERIDIAN, A CONDO, VOL 40, PGS 60-67; CITY OF SEATTLE ENGINEERING MAP)
(D)	DEED

TAYLOR R. SCHULTE
STATE OF WASHINGTON
44646
REGISTERED
PROFESSIONAL LAND SURVEYOR
05/09/14

BRH

LOT LAYOUT

BUSH, ROED & HITCHINGS, INC.
CIVIL ENGINEERS & LAND SURVEYORS
2009 MINOR AVE. EAST
SEATTLE, WA 98102 (206) 323-4144

SURVEY IN THE SE 1/4 OF THE SE 1/4 OF SECTION 30-T26N-R04E, W.M.

DWN. BY: TRS/LMK	DATE: 03/26/14	JOB NO. 2013089.01
CHK. BY: TRS	SCALE: 1"=50"	SHEET 2 OF 4

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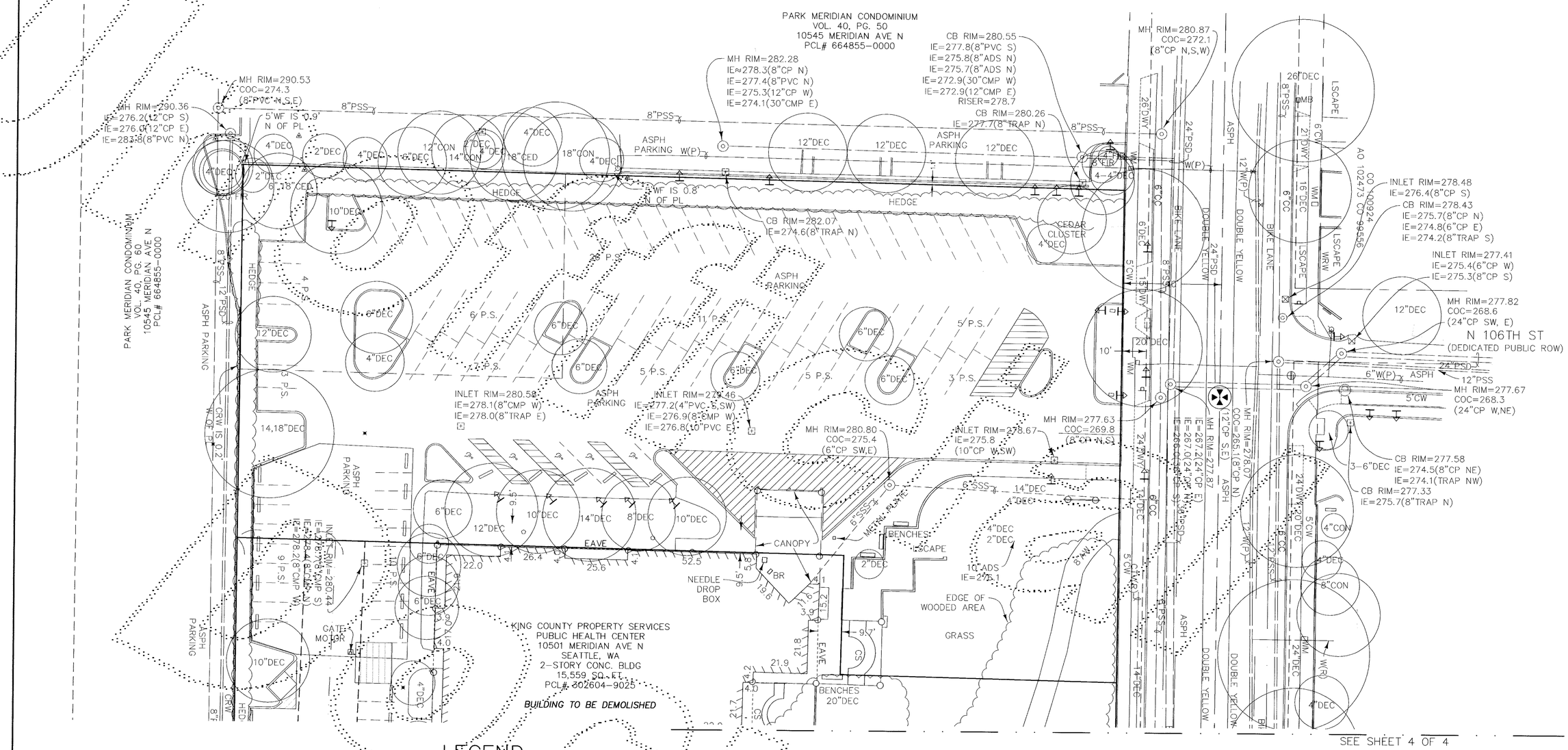
KC REAL ESTATE SPT 150.00
PAGE-002 OF 004 05/21/2014 15:28 VOL 310 PG 160
KING COUNTY, WA

V 310 P162

SHORT SUBDIVISION NO. 3015969

SE 1/4, SE 1/4, SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M.



LEGEND

ADS	PLASTIC PIPE
⊕	AREA DRAIN
ABAN/RET	ABANDONED/RETIRED
	ASPHALT (ASPH)
	BUILDING LINE
BC	BUILDING CORNER
o	BOLLARD
BR	BIKE RACK
	CANOPY
	CATCH BASIN (CB)
	CONCRETE SURFACE (CONC)
CW/AW	CONCRETE/ASPHALTWALK
CRW/WRW	CONCRETE/WOOD RETAINING WALL
CC/XC	CONCRETE/EXTRUDED CURB
CP/IP	CONC./IRON PIPE
	CHAIN LINK FENCE (CLF)
CTV	CABLE TV
COL	COLUMN
CS/WS	CONC./WOOD STAIRS
	H/C PARKING SPACE
CON	CONIFEROUS TREE
DEC	DECIDUOUS TREE
DWY	DRIVEWAY
ECd	ELECTRICAL CONDUIT (BURIED)

℄/M	CENTERLINE/MONUMENT LINE
EHH	ELECTRICAL HANDHOLE
EM	ELECTRICAL METER
EMH	ELECTRICAL MANHOLE
EV/ET	ELECTRICAL VAULT/TRANSFORMER
	FOUND MONUMENT IN CASE
	FIRE HYDRANT
	FIRE DEPT. CONNECTION (FDC)
FFE	FINISHED FLOOR ELEVATION
G	GAS MAIN
GM	GAS METER
	GAS VALVE
	GUY ANCHOR
	IRRIGATION BOX
IV	IRRIGATION VALVE
IE	INVERT ELEVATION
LP	LIGHT POLE (METAL)
PP	LIGHT POLE (WOOD)
	LIGHT POLE (ORNAMENTAL)
LSCAPE	LANDSCAPE PLANTER
	MANHOLE
MB	MAILBOX
OHP/T	OVERHEAD POWER/TELEPHONE

P.S.	PARKING SPACE
PL	PROPERTY LINE
(P)	PAINTED UTILITY LOCATION
PS/PSS	COMBINED/SANITARY SEWER
PSD	PIPE STORM DRAIN
	PRIVATE CATCH BASIN
	PEDESTRIAN SIGNAL
(R)	RECORD DATA
	GRAVEL SURFACE
	ROCKERY
RE	ROOF ELEVATION
SD	SERVICE DRAIN (STORM)
CO	CLEANOUT
SSS	SANITARY SIDE SEWER (RECORD)
	SIGN/STREET NAME SIGN
TC/SL	TRAFFIC CONTROL/ STREET LIGHTING HANDHOLE
TRSCC	TRAFFIC CONTROL CABINET
	TEMPORARY BENCHMARK (TBM)
TCd	TELEPHONE CONDUIT (BURIED)
TV	TELEPHONE VAULT
TMH	TELEPHONE MANHOLE

TS	TELEPHONE SENTRY
	TRAFFIC SIGNAL
	TRAFFIC FLOW DIRECTION
TOE	TOE OF SLOPE
TOP	TOP OF BANK
UPO	UTILITY POLE (WOOD)
W	WATER MAIN
WM	WATER METER
	WATER VALVE
	WATER GATE VALVE/ CHAMBER
AO/CO	ACCEPTANCE/CONDEMNATION ORDINANCE
	WOOD FENCE (WF)
	YARD LIGHT
	BLDG LIGHT

N

30 0 15 30

(IN FEET)
1 inch = 30 ft.

TAYLOR R. SCHULTE
STATE OF WASHINGTON
44646
REGISTERED
PROFESSIONAL LAND SURVEYOR
05/09/14

BRH

EXISTING CONDITIONS

BUSH, ROED & HITCHINGS, INC.
CIVIL ENGINEERS & LAND SURVEYORS
2009 MINOR AVE. EAST
SEATTLE, WA 98102
(206) 323-4144

SURVEY IN THE SE 1/4 OF THE SE 1/4 OF SECTION 30-T26N-R04E, W.M.

DWN. BY: TRS/LMK	DATE: 03/26/14	JOB NO. 20130389.01
CHK. BY: TRS	SCALE: 1"=30	SHEET 3 OF 4

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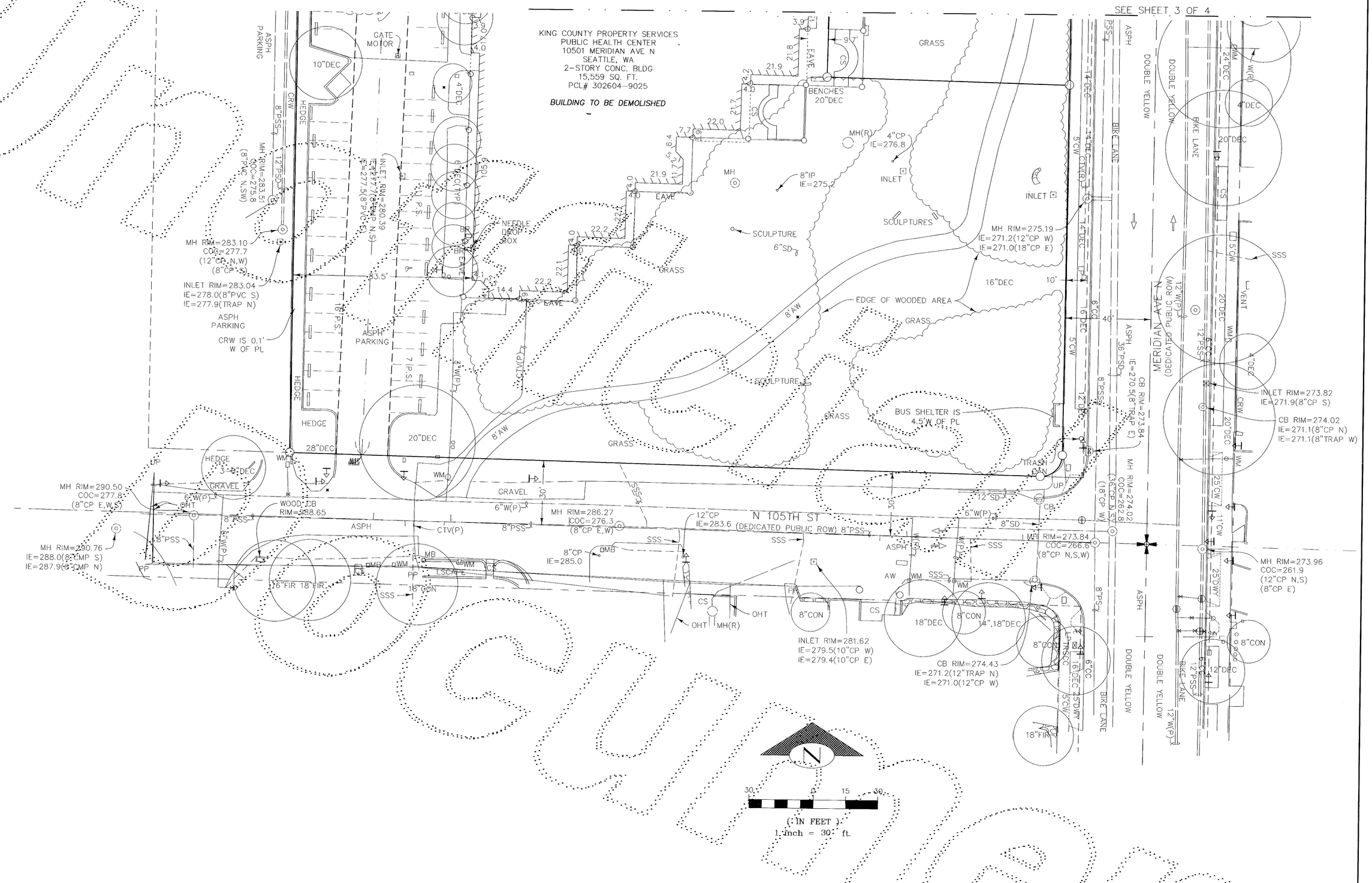
KC REAL ESTATE SPT
PAGE-003 OF 004 VOL 310 PG 160
05/21/2014 15:28
KING COUNTY, WA

v310 p163

SHORT SUBDIVISION NO. 3015969

SE 1/4, SE 1/4, SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M.



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KC REAL ESTATE SPH
PAGE 004 OF 004 VOL 310 PG 160
05/21/2014 15:28
KING COUNTY, WA
153.00

TAYLOR R. SCHULTE
STATE OF WASHINGTON
44840
REGISTERED
PROFESSIONAL LAND SURVEYOR
05/09/14

BRH

EXISTING CONDITIONS

BUSH, ROED & HITCHINGS, INC.
CIVIL ENGINEERS & LAND SURVEYORS
2009 MINOR AVE. EAST
SEATTLE, WA 98102
(206) 323-4144

SURVEY IN THE SE 1/4 OF THE SE 1/4 OF SECTION 30-T26N-R04E, W.M.

DWN. BY: TRS/LMK	DATE: 03/26/14	JOB NO. 2013089.01
CHK. BY: TRS	SCALE: 1"=30	SHEET 4 OF 4

DEVELOPMENT AGREEMENT
EXHIBIT B

PROJECT TIMELINE

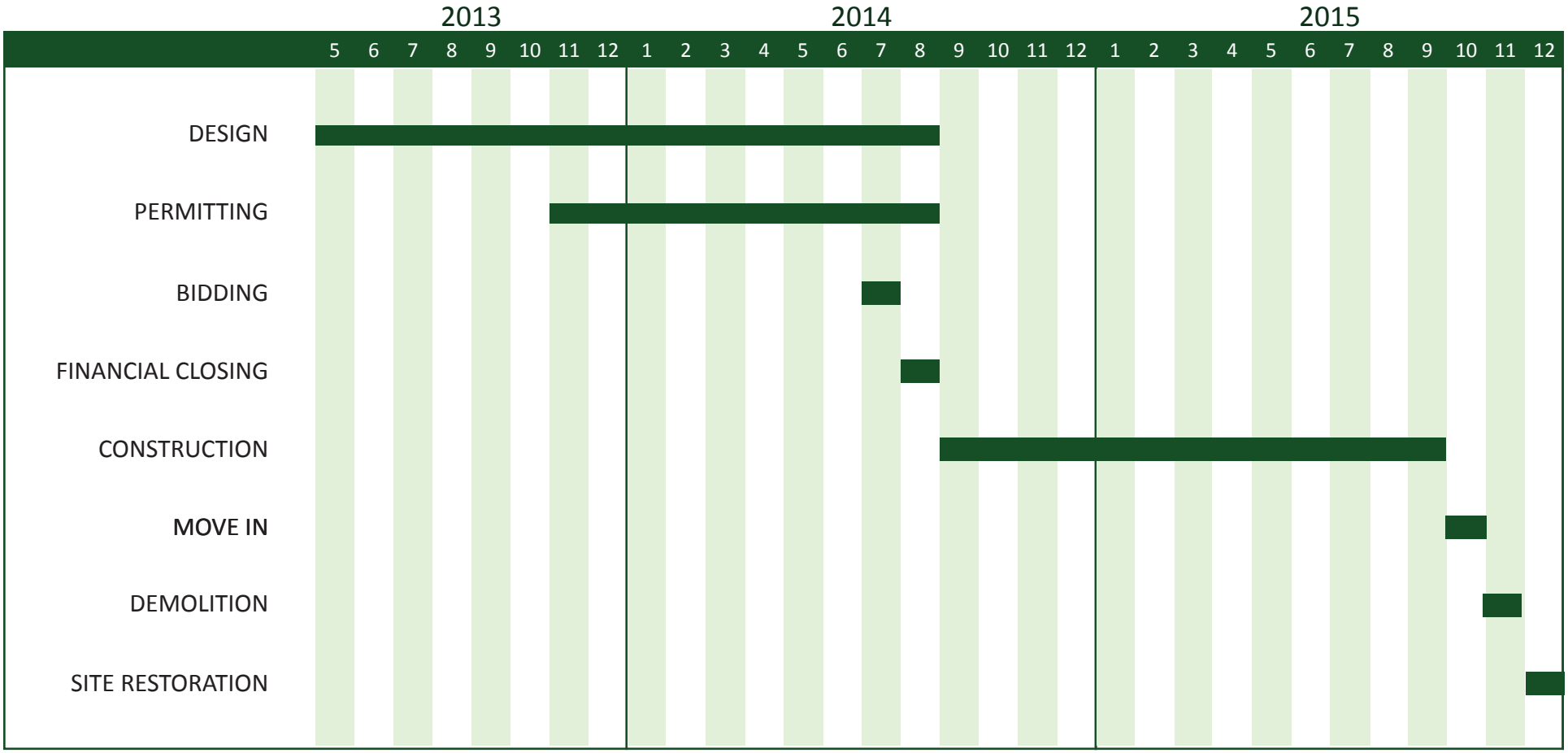
17856

PROJECT SCHEDULE FOR MERIDIAN CENTER FOR HEALTH

10521 Meridian Avenue N, Seattle, WA 98133

November 2013

neighborcare health



SPECTRUM DEVELOPMENT SOLUTIONS LLC

DEVELOPMENT AGREEMENT
EXHIBIT C

BUDGET

17856

Partnership Grants Portfolio

Budget and Financial Report Templates for Capital Grants

BILL & MELINDA GATES foundation

General instructions for completing these financial forms:

1) Save a copy of this template, naming it: "[Organization Name] Budget - mm.dd.yy".
2) Cells highlighted in light yellow are input cells. No other cells should be modified. Example:
3) Please do not add or delete rows as they are tied to calculations. (If you need more rows to enter data in a particular area, click the "+" symbol in the left margin to reveal any hidden rows that may be available. If you need more rows than are available, please email pnwreports@gatesfoundation.org to request a customized template.)
4) If you are copying data from another source, highlight the values to be copied, select "Copy" under the "Edit" menu, then select "Paste Special" and choose "Values".

Instructions for completing the Budget Proposal (light orange tab):

If you have questions about completing a Budget Proposal after reading these instructions, please contact your Program Officer or Grants Manager.

1) Enter the organization and project names, contact info for the preparer, and submission date.
2) **Foundation & Public Source Revenue Detail** - In the rows highlighted in yellow, enter the projected public and foundation/corporate revenue sources. In the "Fundraising Status" column, choose "Secured", "Pending", or "Prospect" from the drop-down menu. If you expect multiple small grants, you may choose to aggregate them below an amount that makes sense for your project. If you do, please enter separate totals for secured and pending aggregated small grants.
3) **Revenue Summary** - Foundation and public revenue totals are automatically pulled from the Revenue Detail section above. Enter projected totals for the additional categories listed in the white cells, including the amount requested of the Bill & Melinda Gates Foundation. In the cells highlighted in yellow, enter any revenue categories not referenced above, along with their fundraising status.
4) **Direct Costs** - Complete the detail information for each expenditure category. Category types are listed as a general guideline. Types highlighted in yellow may be replaced with types more relevant to this project.

Instructions for submitting a Proforma (yellow tab):

If you have questions about submitting a Proforma after reading these instructions, please contact your Program Officer.

1) The sample proforma template is provided as a guide. Applicants are welcome to use an existing proforma as long as it contains the same level of detail.
2) If you choose to use the sample proforma template, start by entering contact info for the preparer.
3) Revenue and Expense types highlighted in yellow may be replaced with types more relevant to your organization.
4) Complete the Revenue, Expense and Debt Service categories for the current year and for years 1 through 10.

Partnership Grants Portfolio
Budget Proposal Template for Capital Grants
17856

BILL & MELINDA GATES foundation

Org	
Project Title: Meridian Center for Health	
Completed By: Joseph Sparacio, Chief Development Officer	
Contact Telephone: 206-548-3271	
Contact Email: josephs@neighborcare.org	
Submission Date: April 17, 2014	

I. REVENUES

	Other Foundation & Public Source Revenue Detail	FUNDRAISING STATUS	TOTAL BUDGET
	Public Sources(Government):		
1	Health Resource Service Administration (HRSA)	Secured	5,000,000
2	City of Seattle	Secured	250,000
3	City of Seattle additional request	Prospect	750,000
4	State of Washington	Prospect	1,000,000
5			
	Other Foundations & Corporations:		
1	Washington Dental Service Foundation	Pending	300,000
2	D.V. and Ida J. McEachern Charitable Trust	Pending	50,000
3	Hearst Foundations	Prospect	300,000
4	Norcliffe Foundation	Prospect	300,000
5	M.J. Murdock Charitable Trust	Prospect	300,000
6	The Harry & Jeannette Weinberg Foundation	Prospect	100,000
7	Foster Foundation	Prospect	50,000
8			
9			
10			
21	**Aggregated Small Grants - Pending**	Pending	
22	**Aggregated Small Grants - Secured**	Secured	

Revenue Summary	FUNDRAISING STATUS	TOTAL BUDGET
PUBLIC SOURCES: (*Government - complete detail section above*)		7,000,000
PRIVATE CONTRIBUTIONS:		
Other Foundations & Corporations (*complete detail section above*)		1,400,000
Requested of Bill & Melinda Gates Foundation	Pending	**100,000**
Board of Directors	Secured	26,910
Individual Donors	Prospect	473,090
Special Events		-
Long-Term Financing	Secured	6,500,000
New Markets Tax Credits	Pending	5,000,000
Neighborcare Health Reserves	Secured	2,000,000
Other (Please describe)		
Other (Please describe)		
Other (Please describe)		
TOTAL REVENUE		**$ 22,500,000**
BMGF Funds % of Total Private Contributions		**0.6%**

Revenue Status Summary	
Prospect	**3,273,090**
Pending	**5,450,000**
Secured	**13,776,910**
TOTAL	**22,500,000**

Partnership Grants Portfolio
Budget Proposal Template for Capital Grants
17856

BILL & MELINDA GATES foundation

Org	
Project Title: Meridian Center for Health	
Completed By: Joseph Sparacio, Chief Development Officer	
Contact Telephone: 206-548-3271	
Contact Email: josephs@neighborcare.org	

II. EXPENDITURES

DIRECT COSTS	TOTAL BUDGET
Acquisition:	
Purchase Price	
Closing, Title & Recording Costs	5,000
Other Acquisition (please describe)	
Construction:	
Basic Construction Contract	13,412,602
Infrastructure Improvements	
Construction Contingency (2%)	-
Escalation/Inflation	
Sales Tax	1,274,197
Hazardous Abatement & Monitoring	
Other Construction (please describe) Demolition, Sitework & Utilities	1,260,777
Development	
Appraisal	2,500
Architect/Engineer	1,419,000
Environmental Assessment	-
Fundraising Consultant	
Geotechnical Study	35,000
Legal	359,200
Project Management	690,000
Other Consultants (please describe): Survey, Traffic Study & GC Preconstruction Fee	84,000
Other Development	
Bidding	
Bridge, Construction and/or Permanent Loan Fees	44,409
Bridge/Construction Loan Interest	504,260
Furnishings & Equipment	2,726,773
Impact/Mitigation Fees	
Insurance During Construction	109,000
Permits	177,000
Relocation	
Testing & Inspection	78,000
Utilities During Construction	
Other (please describe) Soft Cost Contingency	318,282
Other - General (please describe)	
Total Expenses	**$ 22,500,000**
Project Surplus / Deficit	**$ -**
BMGF Funds % of Total Expenditures	**0.4%**

Partnership Grants Portfolio
Sample Proforma Template for Capital Grants
17856

BILL & MELINDA GATES foundation

Organization Name:	**Neighborcare Health**
Project Title:	**Meridian Center for Health**
Completed By:	**Joseph Sparacio**
Contact Telephone:	**206-548-3271**
Contact Email:	**josephs@neighborcare.org**

REVENUES	Current Year Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Fundraising:											
Foundations & Corporations											
Board of Directors											
Individual Donors											
Special Events											
United Way											
Public Sources (Government grants and contracts)											
Fees/Earned Income											
Other (please describe)											
Total Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Annual Percentage Change

EXPENSES	Current Year Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries & Wages											
Benefits & Taxes											
Training & Education											
Professional Fees											
Licenses & Permits											
Marketing											
Rent											
Utilities											
Office Supplies											
Postage											
Telephone											
Other (please describe)											
Total Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Annual Percentage Change

Net Operating Income (Income - Total Expenses)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Annual Percentage Change

Debt Service	Loan Amount	Rate (%)	Amortiza-tion (yrs)	Term (years)	Current Year Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Lender															
Lender															
Lender															
				Total Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				Projected Gross Cash Flow	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				Debt Coverage Ratio (DCR)											

OPERATION PROFORMA

Partnership Grants Portfolio
Actuals Report Template for Capital Grants
17856

BILL & MELINDA GATES foundation

Organization Name:	**Neighborcare Health**
Project Title:	**Meridian Center for Health**
Grant ID#:	
Completed By:	
Contact Telephone:	
Contact Email:	

YEAR 1 REPORT

Start Date Year 1	End Date Year 1

I. REVENUES

	Other Foundation & Public Source Revenue Detail	FUNDRAISING STATUS	ORIGINAL BUDGET	Revised Budget as of:	Revenue Pledged or Received as of: 01/00/00
	Public Sources(Government):				
1	Health Resource Service Administration (HRSA)		5,000,000		
2	City of Seattle		250,000		
3	City of Seattle additional request		750,000		
4	State of Washington		1,000,000		
5	-		-		
15	Other - not included in original proposal				
	Other Foundations & Corporations:				
1	Washington Dental Service Foundation		300,000		
2	D.V. and Ida J. McEachern Charitable Trust		50,000		
3	Hearst Foundations		300,000		
4	Norcliffe Foundation		300,000		
5	M.J. Murdock Charitable Trust		300,000		
6	The Harry & Jeannette Weinberg Foundation		100,000		
7	Foster Foundation		50,000		
8	-		-		
9	-		-		
10	-		-		
21	**Aggregated Small Grants - Pending**	**Pending**	-		
22	**Aggregated Small Grants - Secured**	**Secured**	-		
23	Other - not included in original proposal				
24	Other - not included in original proposal				
25	Other - not included in original proposal				
26	Other - not included in original proposal				
27	Other - not included in original proposal				
28	Other - not included in original proposal				
29	Other - not included in original proposal				
30	Other - not included in original proposal				
31	Other - not included in original proposal				
32	Other - not included in original proposal				

Revenue Summary	FUNDRAISING STATUS	ORIGINAL BUDGET	Revised Budget as of: 01/00/00	Revenue Pledged or Received as of: 01/00/00
PUBLIC SOURCES: (*Government - complete detail section above)*		7,000,000	-	-
PRIVATE CONTRIBUTIONS:				
Other Foundations & Corporations (*complete detail section above*)		1,400,000	-	-
Bill & Melinda Gates Foundation Grant Funds	Secured	**100,000**		
Board of Directors		26,910		
Individual Donors		473,090		
Special Events		-		
Long-Term Financing		6,500,000		
New Markets Tax Credits		5,000,000		
Neighborcare Health Reserves		2,000,000		
Other (Please describe)		-		
Other (Please describe)		-		
Other (Please describe)		-		
Other - not included in original proposal				
Other - not included in original proposal				
Other - not included in original proposal				
Other - not included in original proposal				
Other - not included in original proposal				
TOTAL REVENUE		**$ 22,500,000**	**$ -**	**$ -**

Revenue Status Summary		
Prospect	-	-
Pending	-	-
Secured	-	-
TOTAL	-	-

% Change from Original Budget	**-100.0%**	-1	-1

Partnership Grants Portfolio

Actuals Report Template for Capital Grants

17856

Organization Name: Neighborcare Health			
Project Title: Meridian Center for Health			
Grant ID#:	**YEAR 1 REPORT**		
Completed By:	**Start Date Year 1**	**End Date Year 1**	
Contact Telephone:			
Contact Email:			
BMGF Funds % of Total Private Contributions	**0.6%**		

Partnership Grants Portfolio
Actuals Report Template for Capital Grants
17856

BILL & MELINDA GATES foundation

Organization Name: Neighborcare Health	
Project Title: Meridian Center for Health	
Grant ID#:	**YEAR 1 REPORT**
Completed By:	**Start Date Year 1** / **End Date Year 1**
Contact Telephone:	
Contact Email:	

II. EXPENDITURES

DIRECT COSTS	ORIGINAL BUDGET	Revised Budget as of: 01/00/00	Expenditures to date as of: 01/00/00	BMGF Funds Expended as of: 01/00/00
Acquisition:				
Purchase Price	-			
Closing, Title & Recording Costs	5,000			
Other Acquisition (please describe)	-			
Construction:				
Basic Construction Contract	13,412,602			
Infrastructure Improvements	-			
Construction Contingency (2%)	-			
Escalation/Inflation	-			
Sales Tax	1,274,197			
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Legal	359,200			
Project Management	690,000			
Other Consultants (please describe): Survey, Traffic Study & GC Preconstruction Fee	84,000			
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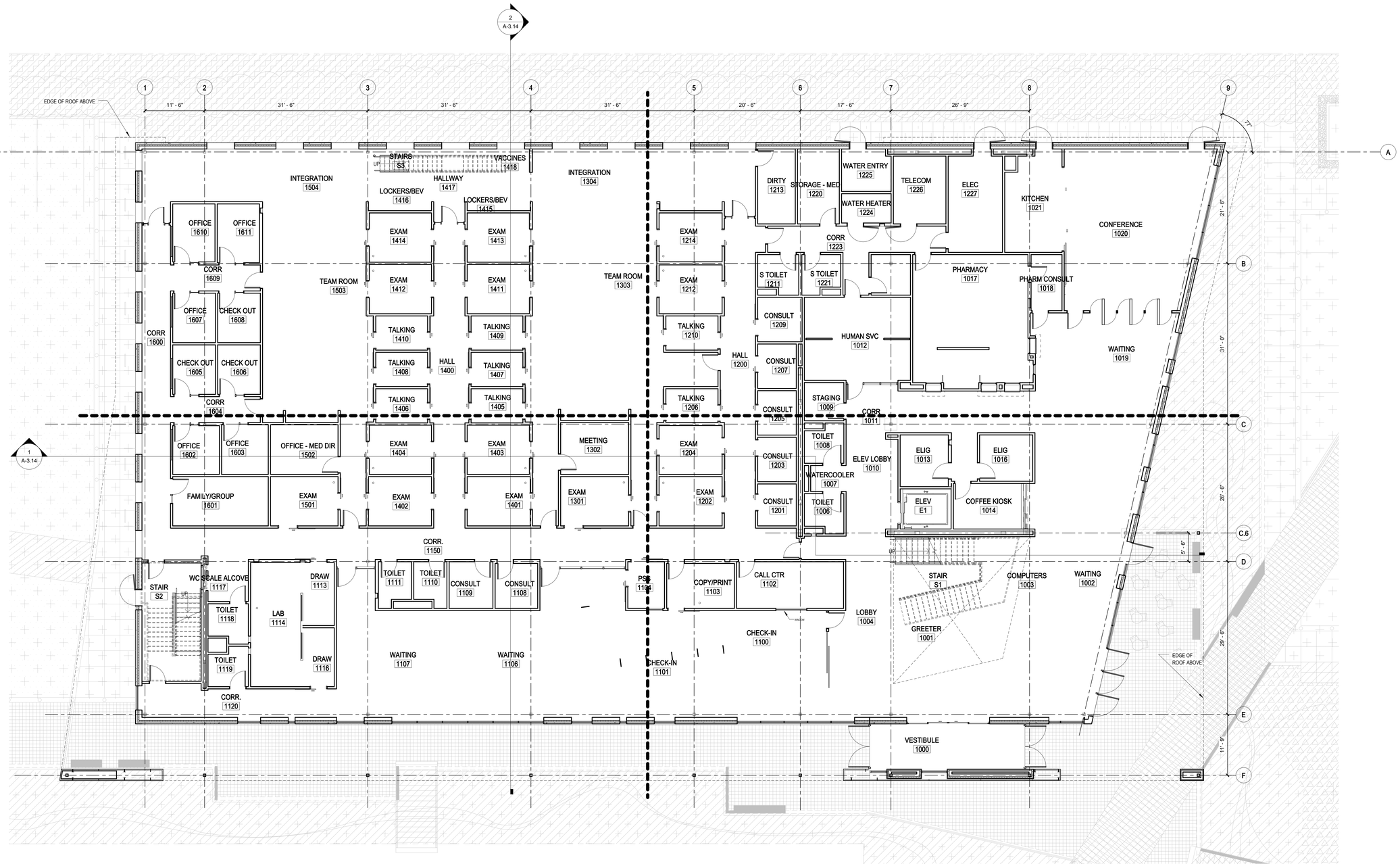
Permits	177,000			
Relocation	-			
Testing & Inspection	78,000			
Utilities During Construction	-			
Other (please describe) Soft Cost Contingency	318,282			
Other - General (please describe)	-			
Other - not included in original proposal				
Other - not included in original proposal				
Other - not included in original proposal				
Other - not included in original proposal				
Other - not included in original proposal				
Total Expenses	**$ 22,500,000**	**$ -**	**$ -**	**$ -**
Project Surplus / Deficit	**$ -**	**$ -**	**$ -**	
% Change from Original Budget		**-100.0%**	-1	
BMGF Funds % of Total Expenditures	**0.4%**			

DEVELOPMENT AGREEMENT
EXHIBIT D

ARCHITECTURAL DRAWINGS

17856



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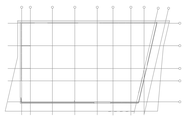

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STRUCTURAL ENGINEER:
LUND OPSAHL
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neighborcare health

Public Health
Seattle & King County

MERIDIAN CENTER FOR HEALTH

PERMIT SET

APRIL 8, 2014

ISSUE

MARK	DATE	DESCRIPTION

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PROJ. NO.:	101136.00
DATE:	04/08/14

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LEVEL 1 OVERALL FLOOR PLAN

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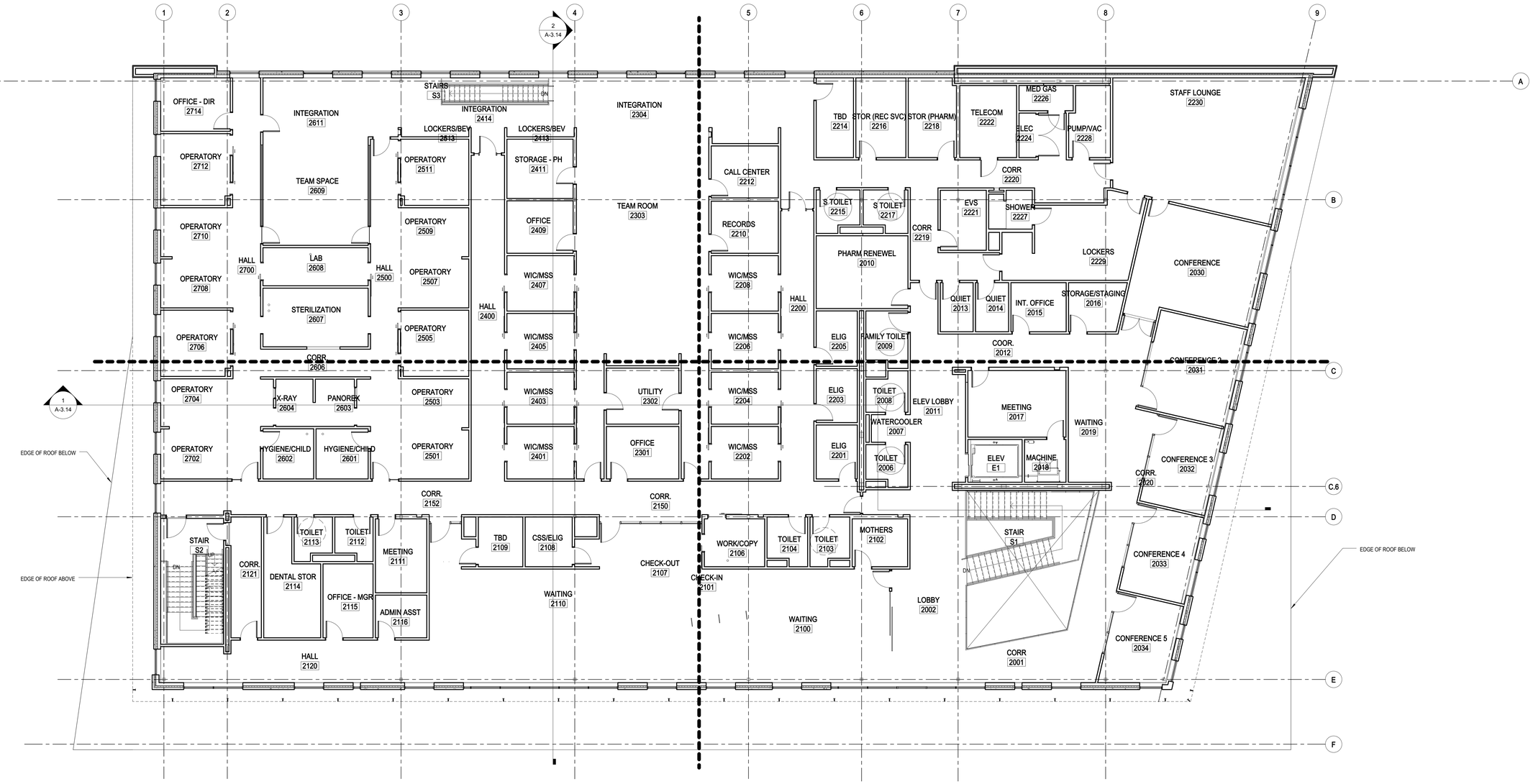

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APRIL 8, 2014

ISSUE

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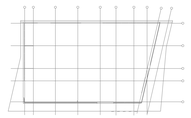
KEYPLAN



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LEVEL 2 OVERALL FLOOR PLAN

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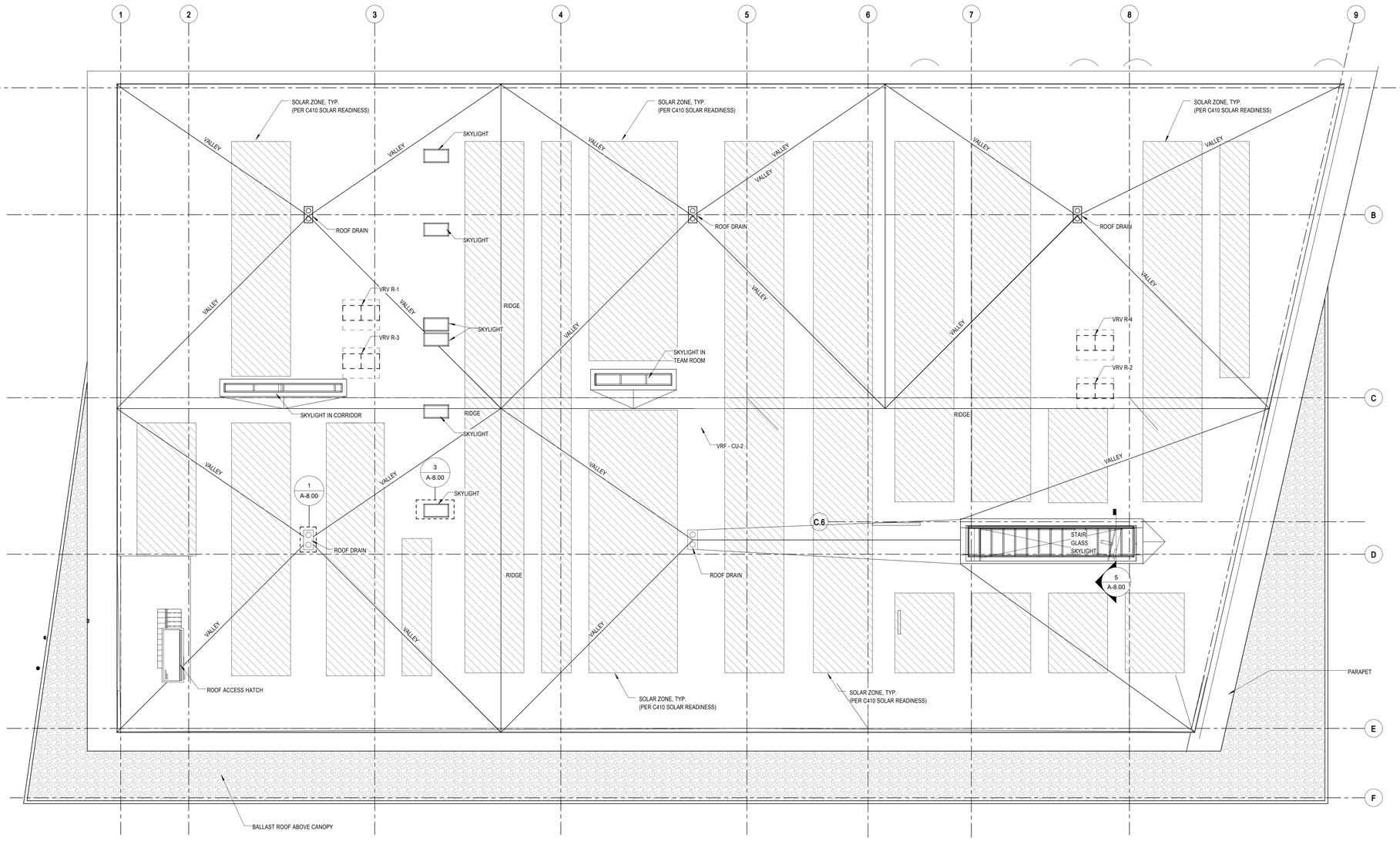

- WHITE PVC ROOF

- BALLAST

- SOLAR ZONE

SOLAR ZONE CALCULATION:
8,537 / 21,332 =0.40 40% OF SOLAR READY AREA

nbbj
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ROOF PLAN

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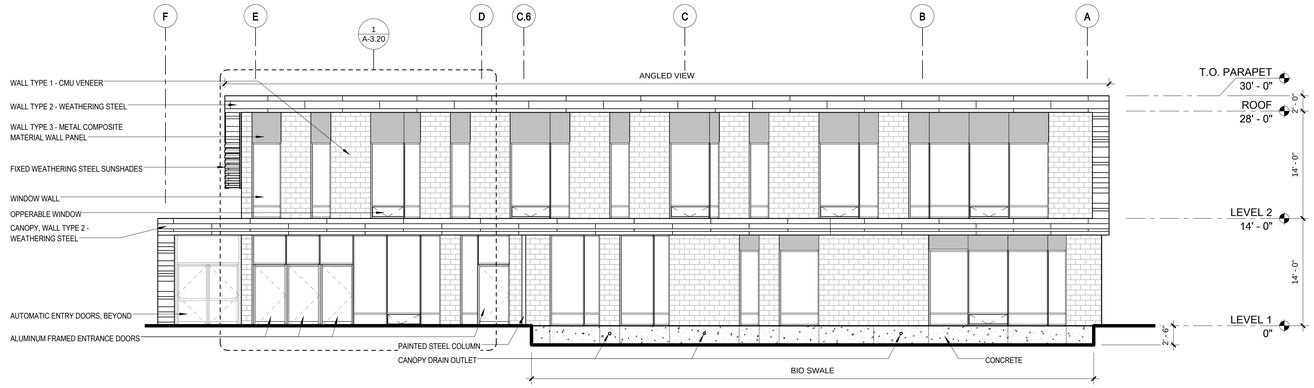
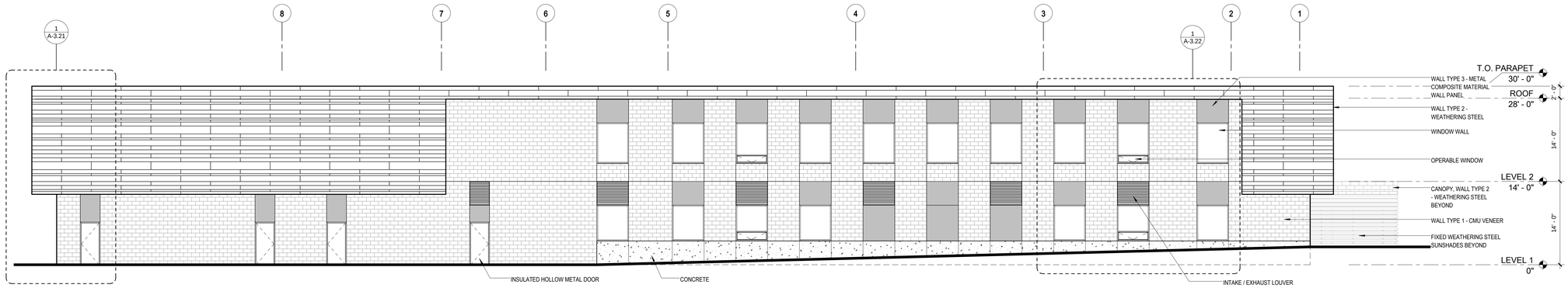


1 EAST ELEVATION
1/8" = 1'-0"



2 NORTH ELEVATION
1/8" = 1'-0"

EXTERIOR WALL ASSEMBLY TYPES

TYPE 1 (CMU VENEER)

- VENEER MASONRY
- 1 5/8" AIR SPACE
- BOARD INSULATION (R10)
- WEATHER BARRIER
- GYPSUM SHEATHING
- 6" COLD-FORM METAL FRAMING WITH BLANKET INSULATION (R21)
- GYPSUM BOARD

TYPE 2 (RAINSCREEN SYSTEM - WEATHERING STEEL)

- 16 GA WEATHERING STEEL RAIN SCREEN WALL PANEL ON SUBFRAMING
- 1 1/2" AIR SPACE
- WATER SHEDDING BARRIER
- GYPSUM SHEATHING
- 6" COLD-FORMED METAL FRAMING
- 1'-11 3/4" AIR SPACE
- CONTINUOUS INSULATION (R10)
- WEATHER BARRIER
- GYPSUM SHEATHING
- 6" COLD-FORMED METAL FRAMING WITH BLANKET INSULATION (R21)
- GYPSUM BOARD

TYPE 3 (METAL COMPOSITE MATERIAL WALL PANEL)

- METAL COMPOSITE MATERIAL WALL PANEL ON SUBFRAMING
- 3 1/8" AIR SPACE
- WATER SHEDDING BARRIER
- CONTINUOUS INSULATION (R10)
- WEATHER BARRIER
- GYPSUM SHEATHING
- 6" COLD-FORMED METAL FRAMING WITH BLANKET INSULATION (R21)
- GYPSUM BOARD

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EXTERIOR ELEVATIONS

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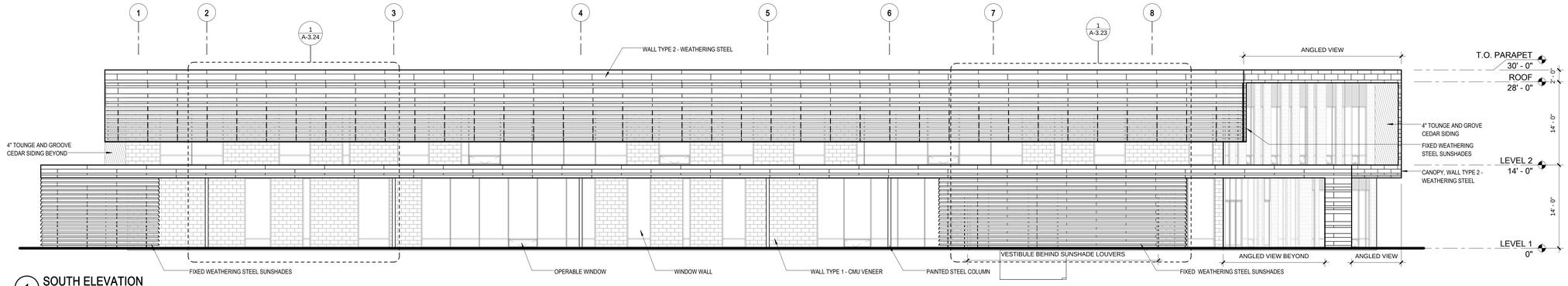
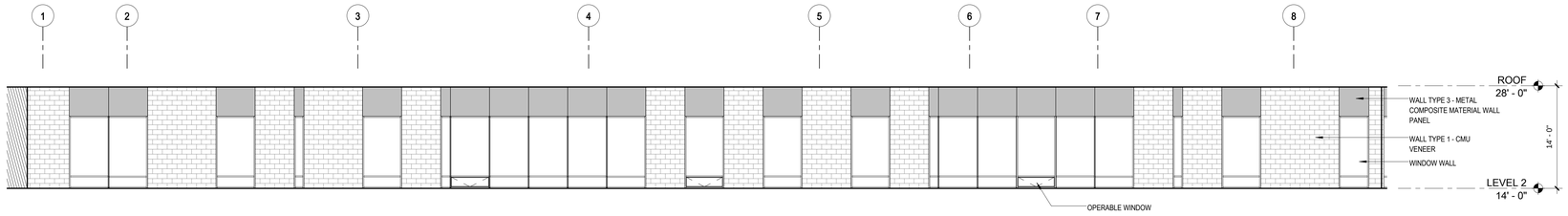
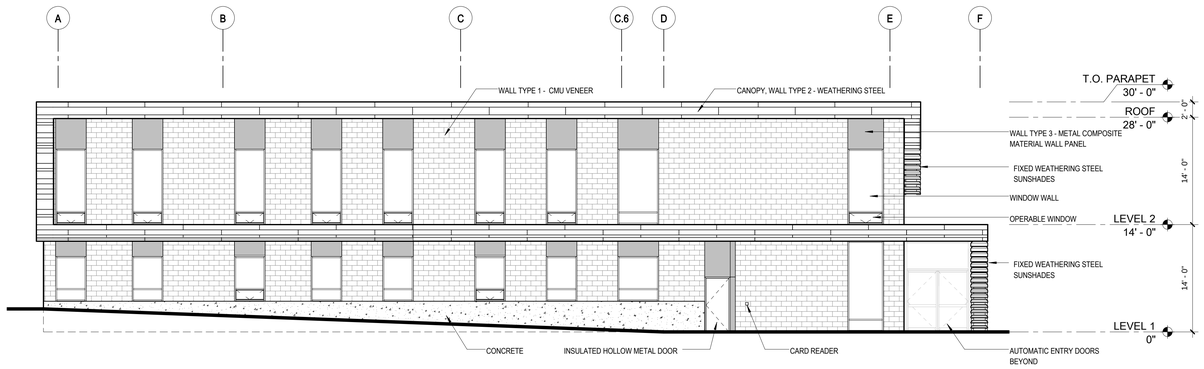


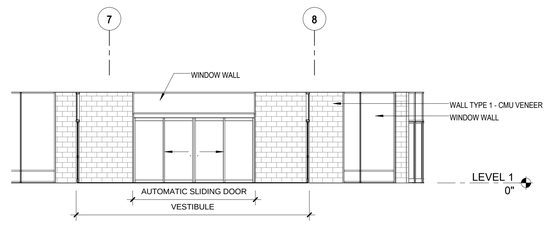
1 SOUTH ELEVATION
1/8" = 1'-0"



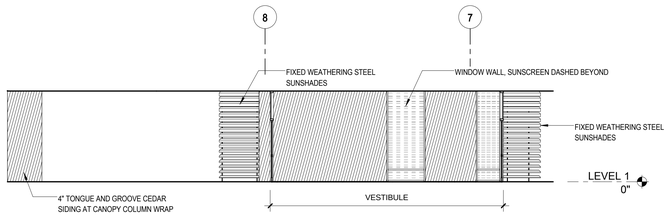
2 HIDDEN SOUTH ELEVATION AT LEVEL 2 BEHIND SUNSCREENS
1/8" = 1'-0"



3 WEST ELEVATION
1/8" = 1'-0"



4 HIDDEN SOUTH ELEVATION AT VESTIBULE
1/8" = 1'-0"



5 HIDDEN NORTH ELEVATION AT VESTIBULE
1/8" = 1'-0"

EXTERIOR WALL ASSEMBLY TYPES

TYPE 1 (CMU VENEER)

- VENEER MASONRY
- 1 5/8" AIR SPACE
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- GYPSUM BOARD

TYPE 2 (RAINSCREEN SYSTEM - WEATHERING STEEL)

- 16 GA WEATHERING STEEL RAIN SCREEN WALL PANEL ON SUBFRAMING
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- WATER SHEDDING BARRIER
- GYPSUM SHEATHING
- 6" COLD-FORMED METAL FRAMING
- 1'-11 3/4" AIR SPACE
- CONTINUOUS INSULATION (R10)
- WEATHER BARRIER
- GYPSUM SHEATHING
- 6" COLD-FORMED METAL FRAMING WITH BLANKET INSULATION (R21)
- GYPSUM BOARD

TYPE 3 (METAL COMPOSITE MATERIAL WALL PANEL)

- METAL COMPOSITE MATERIAL WALL PANEL ON SUBFRAMING
- 3 1/8" AIR SPACE
- WATER SHEDDING BARRIER
- CONTINUOUS INSULATION (R10)
- WEATHER BARRIER
- GYPSUM SHEATHING
- 6" COLD-FORMED METAL FRAMING WITH BLANKET INSULATION (R21)
- GYPSUM BOARD

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neighborcare health

Public Health Seattle & King County

MERIDIAN CENTER FOR HEALTH

PERMIT SET

APRIL 8, 2014

ISSUE

MARK	DATE	DESCRIPTION

DRAWN BY: BU	PROJ. ARCH.: JS
PROJ. NO.:	101136.00
DATE:	04/08/14

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EXTERIOR ELEVATIONS

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DEVELOPMENT AGREEMENT
EXHIBIT E

LEASE

REVISED 7/28/14

LEASE AGREEMENT

BY AND BETWEEN

KING COUNTY,
A MUNICIPAL CORPORATION AND A POLITICAL SUBDIVISION
OF THE STATE OF WASHINGTON

AND

NEIGHBORCARE HEALTH,
A WASHINGTON NONPROFIT CORPORATION

DATED: _____, 2014

TABLE OF CONTENTS

Page

1. PREMISES; USE 1
   1.1 Premises and Shared Space 1
   1.2 Acceptance of the Premises 2
   1.3 Use 2
   1.4 Stewardship 2
2. TERM…. 3
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REVISED 7/28/14

LEASE AGREEMENT

This Lease Agreement ("Lease") is made as of _____, 2014, by and between NEIGHBORCARE HEALTH, a Washington nonprofit corporation ("Landlord"), and KING COUNTY, a municipal corporation and a political subdivision of the State of Washington ("Tenant").

RECITALS

A. Tenant is the fee owner of the real property described on Exhibit A-1 (the "Neighborcare Lot") and Exhibit A-2 (the "County Property").

B. Landlord and Tenant entered into a Project Development Agreement dated _____, 2014 ("Development Agreement") pursuant to which Landlord developed an integrated health and human services center. In connection therewith, Landlord constructed an approximately 44,667 rentable square foot building (the "Building") on the Neighborcare Lot.

C. In addition, Landlord as Lessee and Tenant as Lessor entered into a Ground Lease Agreement dated _____, 2014 ("Ground Lease") pursuant to which Tenant leased the Neighborcare Lot to Landlord. In addition, Landlord has certain rights to Lease the County Property from Tenant. As used herein, the "Project" shall mean the Building, the Neighborcare Lot, and, to the extent leased by Landlord pursuant to the Ground Lease, the County Property.

AGREEMENT

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

1. PREMISES; USE.

1.1 Premises and Shared Space. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, those certain premises consisting of an agreed 5,105 square feet of Dedicated Space within the Building, which is shown in yellow and labeled "WIC/MSS/FP" on Exhibit B-1 (the "Tenant's Dedicated Space"). In addition, Tenant shall have access and the right to use, on a non-exclusive basis, all common and shared spaces, including, the conference rooms, integration space, staff lounge, staff lockers, kitchenette, shower, telecom room, greeter area, storage and staging areas shown on Exhibit B-1 (collectively, the "Shared Space"). Tenant's Share (as defined in Section 3.2) of the Shared Space consists of approximately 2,199 square feet of the "Common Space" shown in brown and labeled "SHARED SVC" on Exhibit B-1 and 2,334 square feet of "Circulation Space" which is all of the space in the Building shown on Exhibit B-1 that is not labeled, for 9,638 Total Rentable Square Feet (4,533 square feet of Shared Space plus 5,105 square feet of Dedicated Space) as further described on Exhibit B-2. For the purposes of this Lease, the Parties agree that Rentable Square Feet means rental area as determined by 1996 ANZI BOMA

Standard of Measurement ("BOMA") and is expressed as "rentable square feet" in this Lease. Landlord and Tenant acknowledge and agree that Tenant's Share of the Shared Space shall not increase over the Term except to the extent that the amount of dedicated space leased by the Tenant increases or Tenant otherwise agrees in writing to any such increase. As used herein, the "Premises" consists of Tenant's Dedicated Space and Tenant's Share of the Shared Space.

1.2 Acceptance of the Premises. Tenant accepts the Premises in their "as-is, where-is" condition without any representations or warranties from Landlord whatsoever, except as set forth herein. Tenant acknowledges that Landlord has made no representations whatsoever as to the suitability of the Premises for Tenant's intended use, nor any representations as to the compliance of the Premises with government rules and regulations applicable to their use. Subject to Landlord's ongoing maintenance and repair obligation set forth in this Lease, Landlord shall not be obligated to perform any alterations or improvements to the Premises or elsewhere, provided only that Landlord agrees (i) to complete the Building and perform the tenant improvements pursuant to the Final Project Design approved by Tenant pursuant to the Development Agreement in compliance with all applicable laws, codes, rules, regulations and permit conditions; and (ii) to provide Building-standard furniture (including, without limitation, desks, chairs, book cases, and file cabinets, but specifically excluding art decorations, computers, telephones, copy machines, IT systems or other equipment specific to Tenant's program services) for the Premises prior to the Commencement Date (defined below) (collectively, the "Initial Furniture") as reasonably determined by Landlord, but not to be less in quantity or quality than what Landlord supplies to itself or other tenants in the Building, and such Initial Furniture is reasonably acceptable to Tenant. Upon the Commencement Date, the Initial Furniture in Tenant's Dedicated Space shall become property of Tenant.

1.3 Use. Tenant may use the Premises only for the purpose of providing public health and human services to low-income and uninsured residents, emphasizing residents of north Seattle and neighboring areas and related office and administrative uses, and for no other business or purpose without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall use the Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. In addition, this Lease is granted subject to the terms hereof, the rights and interests of third parties under liens in effect as of the Commencement Date, ground leases (including without limitation, the Ground Lease), easements and encumbrances affecting the Project, all zoning regulations, rules, ordinances, building restrictions and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction over the Project or any part thereof (collectively, "Encumbrances").

1.4 Stewardship. Landlord and Tenant acknowledge and agree that they are committed to integrated service delivery within the Project and agree that one (1) or more representative(s) appointed by Landlord and one (1) or more representative(s) appointed by Tenant shall participate in a committee intended to establish policies and procedures for the shared stewardship of the Project, including without limitation the use of the Shared Space (the "Stewardship Committee"). The Stewardship Committee shall be guided by the Meridian Center for Health Stewardship statement attached hereto as Exhibit C. Notwithstanding anything herein

to the contrary, Tenant's rights under this Section 1.4 are personal to the original named Tenant and may not be exercised by any subtenant or assignee of the original named Tenant.

2. TERM.

2.1 Delivery. Within five (5) days ("Inspection Period") after Landlord gives notice to Tenant that the tenant improvements have been substantially completed, Tenant shall make such inspection of the Premises as Tenant deems reasonably appropriate. As used herein, "substantial completion" or "substantially completed" means that the tenant improvements have been performed in substantial accordance with the Final Project Design, other than uncompleted items of construction that do not materially interfere with Tenant's operations in the Premises. Except as otherwise specified by Tenant in writing to Landlord within the Inspection Period, Tenant shall be deemed to have accepted the Premises at the end of the Inspection Period. If, during the Inspection Period, Tenant discovers minor deviations or variations from the requirements set forth in the Final Project Design which do not materially affect Tenant's use of the Premises and are of a nature commonly found on a "punch list" (as that term is used in the construction industry), Tenant shall, during the Inspection Period, notify Landlord in writing of such deviations. Landlord shall promptly complete all punch list items. The existence of such punch list items shall not postpone the Commencement Date of this Lease nor the obligation of Tenant to pay Rent (as defined below).

2.2 Initial Term. The Term of this Lease shall be for one hundred forty-four (144) full calendar months ("Term"), commencing on the earlier of the date (i) Tenant commences business operations in the Premises; or (ii) the tenant improvements are substantially complete (the "Commencement Date"), and terminating on the last day of the 144th full calendar month thereafter.

2.3 Renewal Term. Provided that Tenant is not in default under the terms of this Lease, Tenant shall have four (4) options to extend the Term of this Lease for an additional five (5) years each (each, an "Extended Term"), subject to providing Landlord no more than twelve (12) months and no less than nine (9) months' prior written notice of Tenant's intent to exercise said option(s). If Tenant has defaulted in its obligations under this Lease, and failed to cure such defaults within any applicable cure period, then Tenant's right to extend the Lease for an Extended Term shall automatically terminate. Tenant's right to extend the Lease for the Extended Term is personal to Tenant and may not be exercised by any subtenant or assignee of Tenant. Tenant's extension rights shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of the Lease shall continue in full force and effect as written, except that Monthly Rent for the Extended Term shall be at the rate that a willing, comparable, new, non-expansion, non-renewal, non-equity tenant would pay, and a willing, comparable landlord of a comparable building would accept under the transaction as further defined above, including any landlord concessions and inducements ("Fair Market Rent"). If Landlord and Tenant are not able to agree on the Fair Market Rent for the Extended Term within thirty days (30) after Tenant's notice of election to renew, then such Fair Market Rent shall be determined as follows. Landlord and Tenant shall each select an appraiser with at least ten (10) years' experience in the King County industrial market in the north Seattle area. If the two (2) appraisers are unable to agree within ten (10) days after their selection, they shall select a similarly qualified third appraiser (the "Neutral Appraiser"). Within twenty (20)

days after selection of the Neutral Appraiser, the three (3) appraisers shall simultaneously exchange determinations of Fair Market Rent. If the lowest appraisal is not less than ninety percent (90%) of the highest appraisal, then the three (3) appraisals shall be averaged and the result shall be the Fair Market Rent. If the lowest appraisal is less than ninety percent (90%) of the highest appraisal, then the Fair Market Rent shall be deemed the rent set forth in the appraisal submitted an appraiser appointed by a party that is closest in dollar amount to the appraisal submitted by the Neutral Appraiser.

3. RENT.

3.1 Monthly Rent. Tenant covenants and agrees to pay Landlord, at the offices of Landlord, or to such other party or at such other place as Landlord may hereafter designate, in advance, on the first day of each month of the Term, without any offset, notice or demand monthly rent ("Monthly Rent") as set forth below:

Period	Total Rentable Square Footage	Rental Rate	Monthly Rent
Month 1 – Month 12	9,638	$38.00	$30,520.33*
Month 13 – Month 24	9,638	$38.95	$31,283.34
Month 25 – Month 36	9,638	$39.92	$32,062.41
Month 37 – Month 48	9,638	$40.92	$32,865.58
Month 49 – Month 60	9,638	$41.94	$33,684.81
Month 61 – Month 72	9,638	$42.99	$34,528.14
Month 73 – Month 84	9,638	$44.07	$35,395.55
Month 85 – Month 96	9,638	$45.17	$36,279.03
Month 97 – Month 108	9,638	$46.30	$37,186.61
Month 109 – Month 120	9,638	$47.46	$38,118.29
Month 121 – Month 132	9,638	$48.64	$39,066.02
Month 133 – Month 144	9,638	$49.86	$40,045.89

* Notwithstanding the foregoing, Tenant is entitled to an abatement of Monthly Rent in the amount of Fifty Thousand and No/100 Dollars ($50,000.00), which shall be applied to the first and second calendar month of the Term; provided that Tenant shall pay all other amounts due under this Lease during such period, including, without limitation, Additional Rent.

All sums owed by Tenant to Landlord under this Lease other than Monthly Rent shall be deemed "Additional Rent" and shall be payable when designated in this Lease or, if not so designated, then within thirty (30) days of demand by Landlord. If Tenant fails to pay any Monthly Rent or Additional Rent due hereunder within five (5) business days of the due date, a late charge equal to five percent (5%) of the unpaid amount shall be assessed and be immediately due and payable. In

addition, interest shall accrue at the rate of ten percent (10%) per annum on any Monthly Rent or Additional Rent that is not paid when due. Monthly Rent and Additional Rent may be collectively referred to in this Lease as "Rent."

3.2 Operating Expenses. In addition to Monthly Rent, Tenant shall pay as Additional Rent Tenant's Share of Operating Expenses of the Building and/or Project (as applicable), in the manner set forth below. As used herein, "Tenant's Share" shall mean the percentage obtained by dividing (a) the number of total rentable square feet in the Premises (which as of the date of this Lease is 9,638), by (b) the total rentable square feet in the Building, which at the time of Lease execution consists of 44,667 rentable square feet. Subject to the last sentence of Section 1.1 above, Landlord and Tenant acknowledge that if physical changes or additions or deletions are made to the Premises or the Project, including the Circulation Space (defined below), or the configuration thereof, then Landlord shall adjust Tenant's Share to reflect the change, to be confirmed through remeasurement of the space within sixty (60) days of occupancy per BOMA. Landlord's determination of Tenant's Share, and whether any Operating Expenses are attributable to the Project, shall be conclusive so long as it is commercially reasonable and consistently applied to all other tenants of the Building including Landlord. "Operating Expenses" shall mean all reasonable expenses of Landlord for owning, maintaining, operating and repairing the Neighborcare Lot, the County Property and Building and the personal property used in connection therewith, including without limitation insurance premiums, utilities, customary management fees (not to exceed five percent (5%) of Monthly Rent) and other expenses which in accordance with generally accepted accounting and management practices would be considered an expense of maintaining, operating or repairing the Building. In addition, Operating Expenses shall include:

(a) Real Property Taxes. All real property taxes and assessments, possessory interest taxes, sales taxes, personal property taxes, business or license taxes or fees, gross receipts taxes, license or use fees, excises, transit charges, and other impositions of any kind (including fees "in-lieu" or in substitution of any such tax or assessment) which are now or hereafter assessed, levied, charged or imposed by any public authority upon the Project, its operations or the Rent (or any portion or component thereof, or the ownership, operation, or transfer thereof). Operating Expenses shall not include inheritance or estate taxes imposed upon or assessed against the interest of any person in the Project or any portion thereof, or taxes computed upon the basis of the net income of any owners of any interest in the Project or any portion thereof.

(b) Landlord Insurance. All commercially reasonable insurance premiums and costs, including, but not limited to, any deductible amounts, premiums and other costs of insurance incurred by Landlord with respect to the Project or any portion thereof.

"Operating Expenses" shall not include:

(1) Costs of any special services rendered to individual tenants for which a separate charge is collected;

(2) Leasing commissions and other leasing expenses;

(3) Costs of improvements required to be capitalized in accordance with generally accepted accounting principles, except Operating Expenses shall include amortization of capital improvements (A) made subsequent to initial development of the Building which are designed with a reasonable probability of improving the operating efficiency of the Building, or providing savings in the cost of operating the Building; or (B) which are reasonably responsive to requirements imposed with respect to the Building under any amendment to any applicable building, health, safety, fire, nondiscrimination, or similar law or regulation ("law"), or any new law, or any new interpretation of an existing law ("new interpretation"), which amendment, law or new interpretation is adopted or arose after the Commencement Date of this Lease. For purposes of this Lease, a new interpretation shall mean any interpretation, enforcement or application of a law enacted prior to the Commencement Date that imposes requirements with respect to the Building that Landlord in the exercise of sound business judgment and good faith at the time of Landlord's execution of this Lease would not have deemed applicable to the Building;

(4) Depreciation;

(5) Financing and refinancing costs, interest on debt or amortization payments on any mortgage or mortgages, and rental under any ground or underlying leases or lease;

(6) The cost of any repair to remedy damage caused by or resulting from the negligence of any other tenants in the Building, including their agents, servants, employees or invitees, if and to the extent Landlord shall recover the cost thereof from said parties in excess of costs and expenses of recovery incurred by Landlord, provided Landlord exercises reasonable efforts to recover the cost;

(7) Legal and other fees, leasing commissions, advertising expenses and other costs incurred solely in connection with leasing of the Building or disputes with other tenants;

(8) Costs incurred in renovating or otherwise improving, decorating or redecorating space for tenants or other occupants in the Building or vacant space in the Building or costs related thereto and costs incurred by Landlord and reimbursed to Landlord by other tenants in connection with maintenance or repair of above-shell condition improvements;

(9) Costs to the extent Landlord is reimbursed by insurance (or, if Landlord fails to maintain the insurance required to be carried by Landlord under this Lease, to the extent such costs are reimbursable by customary policies of such insurance), from condemnation proceeds or from other tenants of the Building (other than as part of such other tenant's share of Operating Expenses), less the out-of-pocket cost of collection;

(10) A bad debt loss, rent loss or reserves for bad debts or rent loss;

(11) Any item of cost which is includable in Operating Expenses, but which represents an amount paid to an affiliate of Landlord or an affiliate of any partner or shareholder of Landlord, to the extent the same is in excess of the fair market value of said item or service;

(12) The costs associated with operating the entity that constitutes Landlord. Excluded items shall specifically include, but shall not be limited to, formation of the entity, internal accounting and legal matters, including but not limited to preparation of tax returns and financial statements and gathering of data therefor, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interests in the Building, costs of any disputes between Landlord and its employees (if any) not engaged in the operation of the Building, disputes between Landlord and managers of the Building, and disputes between Landlord and tenants within the Building;

(13) All costs of services, utilities and other benefits supplied for the use of a tenant in the Building for which such tenant does not pay its full pro rata share;

(14) Landlord's costs of electricity and other services sold to tenants for which Landlord is entitled to be reimbursed by tenants (whether or not actually collected by Landlord) as a separate additional charge or rental;

(15) Costs that would duplicate costs already included in Operating Expenses;

(16) Costs of removal and/or abatement of hazardous or toxic substances, wastes or materials from or within the Building and/or the Land unless such removal and/or abatement is the result of Tenant or Tenant's invitees' occupancy, actions or inactions; and

(17) Costs associated with tap fees or other equivalent costs or fees related to the provision of central or municipal potable water and sewer services.

At the beginning of each year of the Term, Landlord shall furnish Tenant a written statement of estimated Operating Expenses for such year and a calculation of Tenant's Share of any such amount. Tenant shall pay one-twelfth (1/12) of that amount as Additional Rent for each month during the year. If at any time during the year Landlord reasonably believes that the actual Operating Expenses will vary from such estimated Operating Expenses by more than five percent (5%), Landlord may by written notice to Tenant revise the estimate for such year, and Additional Rent for the balance of such year shall be paid based upon such revised estimates.

"Operating Expense Adjustment" means the difference between Estimated Operating Expenses and actual Operating Expenses for any fiscal year determined as hereinafter provided. Within one hundred twenty (120) days after the end of each fiscal year, or as soon thereafter as practicable, Landlord shall deliver to Tenant a statement of actual Operating Expenses for the fiscal year just ended, accompanied by a computation of any Operating Expense Adjustment. If such statement shows that Tenant's payment based upon Estimated Operating Expenses is less than Tenant's Share of Operating Expenses, then Tenant shall pay to Landlord the difference within forty-five (45) days after receipt of such statement. If such statement shows that Tenant's payments of Estimated Operating Expenses exceed Tenant's Share of Operating Expenses, then (provided that Tenant is not in default under this Lease) Landlord shall, at Landlord's election, either credit Tenant the amount of such overpayment against Tenant's Share of Operating

Expenses next becoming due or pay Tenant the difference within such 45-day period. The provisions of this section shall survive the expiration or sooner termination of this Lease. Landlord's failure to provide any notices or statements within the time periods specified above shall in no way excuse Tenant from its obligation to pay Tenant's Share of Operating Expenses.

Tenant shall have the right for a period of ninety (90) days following the receipt of Landlord's annual statement of actual Operating Expenses, at its own cost and expense, to review and/or inspect Landlord's records with respect to any Operating Expenses shown on Landlord's annual statement of actual Operating Expenses provided to Tenant. Tenant's review/inspection shall be conducted at Landlord's main business office, or at such other location as Landlord may keep its relevant business records, and on a date reasonably agreed upon by Landlord and Tenant. Tenant must provide written notice within such 90-day period to Landlord specifying any and all claims it may have determined in good faith. Tenant agrees to diligently pursue its review/inspection of Landlord's records in order to determine if it concurs or disagrees with Landlord's statement.

Except as required by the Washington Public Records Act, ch. 42.56 RCW, and other applicable law, the information and results of any inspection conducted by or on behalf of Tenant shall be kept confidential by Tenant. All such inspection(s) shall be at the sole cost and expense of Tenant, provided that in the event Tenant's review reasonably determines there is an overcharge of Operating Expenses which has not been credited to Tenant, said overcharge being more than five percent (5%) of Tenant's share of the Operating Expenses, and Landlord does not contest the Tenant's results, then Landlord shall pay Tenant's reasonable out-of-pocket costs of such inspection, not to exceed Two Thousand Dollars ($2,000). Notwithstanding Section 24, the Parties agree that if Landlord desires to contest the result of Tenant's inspection, Landlord may do so within fifteen (15) business days of its receipt of the inspection results, by submitting the results of the inspection to binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, to be conducted by a mutually acceptable single arbitrator with not less than ten (10) years' experience as a real estate attorney, or a retired judge with experience in commercial real estate litigation and/or leases. Any overcharge or undercharge determined as a result of Tenant's inspection or by the arbitrator shall be paid by the appropriate party to the other within thirty (30) days after the inspection results are provided to Landlord or the arbitrator's decision, as applicable. In the case of arbitration, the non-prevailing party shall pay to the prevailing party all attorneys' fees and costs as provided in this Lease. Nothing in this paragraph shall relieve Tenant of its obligation under this Section 3 to pay Additional Rent without notice, demand, offset or deduction.

4. UTILITIES AND SERVICES. So long as Tenant is not in default under this Lease, Landlord shall provide electricity, water, sewer and garbage removal service, subject to direct payment by Tenant if separately metered or subject to reimbursement to Landlord as Operating Expenses and payable as Additional Rent as provided in Section 3.2 above. If Tenant uses any such services or utilities in a quantity greater than that customarily used for the use set out in this Lease (in Landlord's reasonable discretion), then Tenant shall reimburse Landlord for the additional costs attributable for such excess usage. All other costs necessary for Tenant to do business in the Premises, including without limitation all license fees and other governmental charges levied on the operation of Tenant's business on the Premises, will be paid directly by Tenant. No interruption or

failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant or relieve Tenant from any of Tenant's obligations hereunder, provided that Landlord shall use commercially reasonable efforts to repair the same as quickly as possible.

5. CIRCULATION SPACE. Landlord also grants Tenant a nonexclusive license to use, in common with Landlord and other tenants, their guests and invitees, those portions of the Project made available from time to time by Landlord for the use and enjoyment of Tenant, Landlord, and other tenants of the Building and their guests and invitees (the "Circulation Space"). Tenant agrees to conform to Landlord's rules and regulations pertaining to the Circulation Space. Landlord shall have the right to do and perform all such acts in and to the Circulation Space as Landlord shall determine in its sole discretion, including without limitation reconfiguring and temporarily closing the same from time to time, subject to reasonable advance written notice and no disruption of Tenant's permitted use.

6. REPAIRS AND MAINTENANCE. Landlord shall keep the Building in which the Premises are located and the Premises in good operating condition and repair, reasonable use and wear and tear and damage by fire and other casualty excepted. During the Term of this Lease, Landlord shall repair malfunctioning fixtures, and repair and maintain the structural portions of the Building, Circulation Space of the Project, and the Premises including, without limitation, the basic plumbing, air conditioning, heating and electrical systems, and garbage removal service unless such repairs are required as a result, in whole or in part, of the act or neglect of any duty by Tenant, its agents, servants, employees, or invitees. Tenant shall pay to Landlord, as part of Operating Expenses, the reasonable and actual cost of such maintenance and repairs. Landlord shall also provide janitorial service for the Premises, the cost of which shall be included in Operating Expenses. Tenant shall, at its own expense and at all times, keep the Premises neat, clean and in a sanitary condition. Tenant shall permit no waste, damage or injury to the Premises. Tenant shall promptly provide Landlord with written notice of the need for any repairs or maintenance to the Premises or the Building. In addition, during the Term, Tenant shall, at its own cost and expense, maintain, repair and/or replace the Initial Furniture within Tenant's Dedicated Space and all personal property located in Tenant's Dedicated Space; provided that all replacements of the Initial Furniture within Tenant's Dedicated Space and/or any additional or replacement furniture purchased by Tenant shall comply with Building-standards. At the termination of this Lease, Tenant will remove the Initial Furniture within Tenant's Dedicated Space unless Landlord requests that some or all of the Initial Furniture be left in place.

7. SIGNS. All signs or symbols placed by Tenant in the windows and doors of the Premises, or upon any exterior part of the Building, shall be subject to Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed. At the termination of this Lease, Tenant will remove all signs placed by it upon the Premises, and will repair any damage caused by such removal. All signs must comply with sign ordinances and be placed in accordance with required permits.

8. ALTERATIONS. After prior written consent of Landlord, Tenant may make alterations, additions and improvements ("Alterations") in Tenant's Dedicated Space, at its sole cost and expense. In the performance of such work, Tenant agrees to comply with all laws, ordinances, rules and regulations of any proper public authority, and to save Landlord harmless from damage,

loss or expense. Such Alterations shall become Landlord's property upon termination of this Lease, provided that if specified by Landlord at the time of Landlord's approval of such Alterations, Tenant shall remove such Alterations and restore Tenant's Dedicated Space to its original condition not later than the Expiration Date, at Tenant's sole cost and expense.

Notwithstanding anything in the Development Agreement or this Lease to the contrary, in the event that Tenant requests any changes to the Premises following approval of the Final Project Design but prior to substantial completion of the Project, such changes ("Tenant Changes") shall be subject to Landlord's review and approval, not to be unreasonably withheld; provided that it shall be reasonable for Landlord to withhold its consent to such Tenant Changes if Landlord reasonably estimates (i) that the cost of such Tenant Changes shall exceed $5,000 in the aggregate and/or (ii) the performance of such Tenant Changes shall materially delay the substantial completion of the Project under the Development Agreement. If approved by Landlord, and at least five (5) business days before the Landlord's contractor begins construction of the Tenant Changes, Landlord shall provide to Tenant the estimated costs and expenses for constructing such Tenant Changes ("Tenant Changes Notice"), in order that Tenant may decide to withdraw the request. Tenant shall deliver any such notice to withdraw the request within three (3) business days following the date Tenant receives the Tenant Changes Notice. Any Tenant Changes shall be performed by Landlord and all costs and expenses incurred by Landlord in performing the Tenant Changes shall be included in the first month rent and paid when Rent is due under the Lease.

9. CONDEMNATION. In the event a substantial part of the Premises is taken or damaged by the right of eminent domain, or purchased by the condemnor, in lieu thereof, so as to render the remaining Premises economically untenantable, then this Lease shall be canceled as of the time of taking at the option of either party. In the event of a partial taking which does not render the Premises economically untenantable, the Monthly Rent shall be reduced in direct proportion to the leased property taken. Tenant shall have no claim to any portion of the compensation for the taking or damaging of the Building only. In addition, if the Ground Lease is terminated as a result of a taking, this Lease shall be terminated as of the date the Ground Lease is terminated and Landlord shall have no claim to any portion of the compensation for the taking or damaging of the fee simple interest in the Neighborcare Lot or the County Property.

10. PARKING. Tenant shall have the non-exclusive right, during the Term of the Lease, to use the parking spaces shown on Exhibit D attached hereto; such parking spaces to be used principally for patient parking. Landlord shall provide up to ten (10) on-site parking spaces for Tenant's fleet vehicles used in connection with Tenant's operations in the Premises ("Fleet Parking Stalls"); provided that any further rights or obligations with respect to the Fleet Parking Stalls shall be established by the Stewardship Committee. Notwithstanding anything herein to the contrary, during the construction of the Redevelopment (as defined in the Ground Lease) of the County Property, Landlord's requirement to provide parking, including without limitation, the Fleet Parking Stalls, shall be temporarily suspended until the completion of the construction of the Redevelopment of the County Property; provided that Tenant shall be entitled to the non-exclusive use of any replacement parking available to the tenants of the Building.

11. LIENS AND INSOLVENCY. Tenant shall keep the Premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Tenant and

shall hold Landlord harmless against the same. In the event Tenant becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, Landlord may cancel this Lease at its option.

12. SUBLETTING OR ASSIGNMENT.

12.1 Prohibition. Tenant shall not, in whole or in part, assign, sublet, license or permit occupancy by any party other than Tenant of all or any part of the Premises, without the prior written consent of Landlord in each instance which shall not be unreasonably withheld, conditioned or delayed. If Tenant desires to assign, sublet, license or permit occupancy for the whole or part of the Premises, Tenant shall request the consent of Landlord in writing at least thirty (30) days prior to the proposed assignment, sublet, license or permit to occupy. Tenant shall at the time Tenant requests the consent of Landlord, deliver to Landlord such information in writing as Landlord may reasonably require respecting the proposed assignee, subtenant or licensee including, without limitation, the name, address, nature of business, ownership, financial responsibility and standing of such proposed assignee, subtenant or licensee. Notwithstanding anything herein to the contrary, it shall be reasonable for Landlord to withhold its consent to any sublease or assignment to any entity that, in Landlord's reasonable opinion, is a direct competitor of Landlord.

(a) As a condition for Landlord's consent to any assignment, encumbrance or sublease, Tenant shall deliver to Landlord a true copy of the fully executed instrument of assignment, sublease or license and an agreement executed by the assignee, sublessee or licensee in form and substance satisfactory to Landlord and expressly enforceable by Landlord, whereby the assignee, sublessee or licensee assumes and agrees to be bound by the terms and provisions of this Lease and perform all the obligations of Tenant hereunder. In all subleases authorized by Landlord, the term of the sublease shall be at least one (1) day less than Tenant's term. Any unauthorized sublease equal in duration to the term of Tenant shall be null and void. For any proposed assignment, sublease or license wherein the assignee, sublessee or licensee is unable to reasonably satisfy Landlord as to its financial standing to satisfy the duties and obligations of lessee under this Lease, Landlord may condition its approval on the provision of reasonable financial guarantees in form and amount sufficient to guarantee performance.

(b) In the event of any assignment, each respective assignor except Tenant, waives notice of default by the tenant in possession. Tenant and each respective assignor consents that Landlord may in each and every instance deal with the tenant in possession, grant extensions of time, waive performance of any of the terms, covenants and conditions of this Lease and modify the same, and in general deal with the tenant then in possession without notice to; and any and all extensions of time, indulgences, dealings, modifications or waivers shall be deemed to be made with the consent of Tenant and of each respective assignor.

(c) Tenant agrees that any sublease or license will contain a provision in substance that if there be any termination whatsoever of this Lease then the subtenant or licensee, at the request of Landlord, will attorn to Landlord and the sublessee or licensee, if Landlord so requests, shall continue in effect with Landlord, but Landlord shall be bound to the subtenant or licensee in such circumstances only by privity of estate. Nothing herein shall be deemed to

require Landlord to accept such attornment; provided that Landlord will reasonably consider nondisturbance agreements request by subtenants or licensees.

(d) No assignment, subletting or license by Tenant shall relieve Tenant of any obligation under this Lease. Any purported assignment, subletting or license contrary to the provisions hereof without consent shall be void. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

12.2 No Release. No assignment, subletting, occupancy or collection shall be deemed a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee), and Tenant shall not be released from performing any of the terms, covenants and conditions of this Lease. In the event that the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment, plus any bonus or other consideration therefor or incident thereto) less Tenant's reasonable transaction costs (i.e., reasonable attorneys' fees and customary brokerage commissions) exceeds the Rent payable under this Lease, then Tenant shall be bound and obligated to pay Landlord, as additional rent hereunder, one-half of all such excess Rent and other excess consideration within ten (10) days following receipt thereof by Tenant.

13. ACCESS. Landlord shall have the right to enter Tenant's Dedicated Space at all reasonable times and upon reasonable advance notice for the purpose of inspection or of making repairs, additions, or alterations, and to show Tenant's Dedicated Space to prospective tenants for one hundred twenty (120) days prior to the Expiration Date, provided that the parties coordinate such visits so as to not materially disrupt Tenant's operations or delivery of services. Landlord shall retain a key for such purposes.

14. DAMAGE OR DESTRUCTION. If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed thirty percent (30%) of the replacement value of the Building (exclusive of foundations) just prior to the occurrence of the damage, or if insurance proceeds sufficient for restoration are for any reason unavailable, then Landlord may no later than the sixtieth (60th) day following the damage, give Tenant a notice of election to terminate this Lease. In the event of such election, this Lease shall be deemed to terminate on the third (3rd) day after the giving of said notice, and Tenant shall surrender possession of the Premises within a reasonable time thereafter (not to exceed thirty (30) days), and the Rent shall be apportioned as of the date of said surrender and any Rent paid for any period beyond such date shall be repaid to Tenant. If the cost of restoration as estimated by Landlord shall amount to less than thirty percent (30%) of said replacement value of the Building and insurance proceeds sufficient for restoration are available, or if Landlord does not elect to terminate this Lease, Landlord shall restore the Building and the Premises (to the extent of improvements to the Premises originally provided by Landlord hereunder) with reasonable promptness, subject to delays beyond Landlord's control and delays in the making of insurance adjustments by Landlord, and Tenant shall have no right to terminate this Lease except as herein provided. To the extent that the Premises are rendered untenantable, the Rent shall proportionately abate, except in the event such damage resulted solely from,

directly or indirectly, the act, fault or neglect of Tenant, Tenant's officers, contractors, agents, employees, clients, customers, or licensees. In the event that Tenant contributed to the untenable state of the Premises, the rent abatement bill will be further apportioned based on the percentage of fault Landlord, in its reasonable discretion, attributes to Tenant. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises or of the Building. Landlord shall use its best efforts to effect such repairs promptly.

15. ACCIDENTS AND LIABILITY; INDEMNIFICATION; INSURANCE.

15.1 Accidents and Liability. Except to the extent of Landlord's negligence or wilful misconduct, Landlord or its agent shall not be liable for any injury or damage to persons or property sustained by Tenant or any other person or entity, in and about the Premises, including without limitation any loss or damage to person or property sustained by Tenant, its appointed and elected officials, and employees, which may be caused by the Building, the Project or the Premises, or any appurtenance thereto, being out of repair, or the bursting or leakage of any water, gas, sewer or steam pipe, or by theft, or by any act or neglect of any tenant or occupant of the Building, or of any other person, or by any other cause of whatsoever nature.

15.2 Indemnification.

15.2.1 Tenant Indemnification. To the fullest extent permitted by law and subject to Section 16 below, Tenant agrees to indemnify and hold Landlord harmless as provided herein to the maximum extent possible under law. Accordingly, Tenant agrees for itself, its successors, assigns or by others including, without limitation, all persons directly or indirectly employed by Landlord, or any agents, contractors, subcontractors, licensees or invitees of Tenant, to defend, indemnify, and hold harmless Landlord, its board members, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Tenant's exercise of rights and privileges granted by this Lease, except to the extent of Landlord's negligence. Tenant's obligations under this section shall include:

(a) The duty to promptly accept tender of defense and provide defense to Landlord with legal counsel reasonably acceptable to Landlord at Tenant's own expense;

(b) Indemnification of claims made by Tenant's own employees or agents; and

(c) Waiver of Tenant's immunity under the industrial insurance provisions of Title 51 RCW but only to the extent necessary to indemnify Landlord, which waiver has been mutually negotiated by the parties.

In the event it is necessary for Landlord to incur attorney's fees, legal expenses or other costs to enforce the provisions of this section, all such fees, expenses and costs shall be recoverable from Tenant.

The provisions of this Section 15.2.1 shall survive the expiration, abandonment or termination of this Lease for a period of six (6) years. Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Lease.

15.2.2 Landlord Indemnification. To the fullest extent permitted by law and subject to Section 16 below, Landlord agrees to indemnify and hold Tenant harmless as provided herein to the maximum extent possible under law. Accordingly, Landlord agrees for itself, its successors, assigns or by others including, without limitation, all persons directly or indirectly employed by Landlord, or any agents, contractors, subcontractors, licensees or invitees of Landlord, to defend, indemnify, and hold harmless Tenant, its appointed and elected officials, and employees from and against liability for all claims, demands, suits, and judgments, including costs of defense thereof for injury to persons, death, or property damage which is caused by, arises out of, or is incidental to Landlord's exercise of rights and privileges granted by this Lease, except to the extent of Tenant's negligence. Landlord's obligations under this section shall include:

(a) The duty to promptly accept tender of defense and provide defense to Tenant with legal counsel reasonably acceptable to Tenant at Landlord's own expense;

(b) Indemnification of claims made by Landlord's own employees or agents; and

(c) Waiver of Landlord's immunity under the industrial insurance provisions of Title 51 RCW, but only to the extent necessary to indemnify Tenant, which waiver has been mutually negotiated by the parties.

In the event it is necessary for Tenant to incur attorney's fees, legal expenses or other costs to enforce the provisions of this section, all such fees, expenses and costs shall be recoverable from Landlord.

The provisions of this Section 15.2.2 shall survive the expiration, abandonment or termination of this Lease for a period of two (2) years. Nothing contained within this provision shall affect and/or alter the application of any other provision contained within this Lease.

15.3 Insurance.

15.3.1 Tenant's Insurance. Landlord acknowledges, accepts, and agrees that Tenant is a self-insured government entity for its liability exposures including Workers Compensation. Tenant shall provide Landlord with notice of any change in self-insured status within thirty (30) days of electing to cease self-insurance. If Tenant ceases to self-insure or assigns its interest under this Lease (other than to another self-insured government entity), Tenant or such assignee shall provide Landlord with proof of insurance satisfying the requirements set forth below.

15.3.1.1 Tenant's Liability Insurance. Tenant, at its sole cost and expense, shall procure and maintain for the duration of this Lease, the insurance coverage meeting the requirements set forth herein:

(a) Commercial General Liability: $1,000,000 per occurrence and $2,000,000 in the aggregate.

(b) Workers' Compensation: Workers' Compensation coverage, as required by the Industrial Insurance Act of the State of Washington.

(c) Employers Liability/Stop Gap: $1,000,000.

The Commercial General Liability policy shall contain or be endorsed to contain the following provisions: (1) Landlord, its officers, board members, employees, and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of Tenant in connection with this Lease; (2) Tenant's insurance coverage shall be primary and non-contributory insurance as respects Landlord, its officers, board members, employees, and agents; and (3) Tenant's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

15.3.1.2 Tenant's Property Insurance. Tenant, at its sole cost and expense, shall procure and maintain for the duration of this Lease, "All Risk" property insurance in an amount not less than one hundred percent (100%) of the replacement cost of the its business personal property at the Premises.

15.3.1.3 Commercial General Liability Insurance Requirements. Each insurance policy shall be endorsed to provide that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, until after thirty (30) days prior notice has been given to Landlord. All insurance policies required hereunder shall be issued by insurers who are authorized to do business in the State of Washington and having an A.M. Best's rating of no less than A-;VII.

15.3.1.4 Verification of Coverage. Tenant shall furnish Landlord with certificate(s) of insurance and endorsement(s) required by this Lease. The certificate(s) and endorsement(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements for each insurance policy are to be on forms reasonably approved by Landlord and are to be received and approved by Landlord prior to the Commencement Date. If at any time, any of the foregoing policies fail to meet the above stated requirements, Tenant shall, upon notice to that effect from Landlord, promptly obtain a new policy, and shall submit the same to Landlord, with the appropriate certificates and endorsements for approval.

15.3.2 Landlord's Insurance. Landlord shall procure and maintain (i) Commercial General Liability insurance in the amount of $1,000,000 per occurrence and $2,000,000 in the

aggregate; and (ii) "All Risk" property insurance in an amount equal to the full replacement value of the building and its personal property located in the Premises.

16. SUBROGATION WAIVER. Landlord and Tenant each herewith and hereby releases and relieves the other and waives its entire right of recovery against the other for loss or damage to property arising out of or incident to the perils required to be insured against hereunder or actually insured against by the parties, whether due to the negligence of either party, their agents, employees or otherwise.

17. DEFAULT AND RE-ENTRY. Time is of the essence of this Lease. If Tenant shall violate or breach or fail to keep or perform any covenant, agreement, term or condition of this Lease, and if such default or violation shall continue or shall not be remedied within five (5) business days in the case of a failure to pay Rent or for any other default within thirty (30) days after notice in writing thereof given by Landlord to Tenant specifying the matter claimed to be in default (provided, if the nature of Tenant's failure is such that more time is reasonably required in order to cure, Tenant shall not be in default if Tenant commences to cure promptly and thereafter diligently prosecutes such cure to completion), Landlord at its option may immediately declare Tenant's rights under this Lease terminated, and with or without terminating this Lease, may re-enter the Premises, using such force as may be necessary, and repossess itself thereof. Failure of Landlord to insist upon strict performance of any of the covenants and agreements of this Lease, or to exercise any option herein conferred in any one or more instance, shall not be construed to be a waiver or relinquishment of any such, or other covenants or agreements, but the same shall be and remain in full force and effect. Notwithstanding any such re-entry, the liability of Tenant for the full rental provided for herein shall not be extinguished for the balance of the Term of this Lease, and Tenant shall make good to Landlord each month during the balance of said Term any deficiency arising from a re-letting of the Premises at a lower rental than that herein agreed upon as the monthly rental, plus the cost of renovating the Premises for the new tenant and any leasing commissions incurred.

18. REMOVAL OF PROPERTY. In the event Landlord lawfully re-enters the Premises as provided herein, Landlord shall have the right, but not the obligation, to remove all the personal property located herein and to place such property in storage at the expense and risk of Tenant.

19. COST AND ATTORNEY'S FEES. If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the prevailing party shall recover its reasonable costs and attorney's fees in connection therewith.

20. SUBORDINATION. This Lease shall be automatically subordinate to the Ground Lease and all of Landlord's mortgages or deeds of trust which heretofore and hereafter affect the Premises or Building to any sale and leaseback to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, modifications, consolidations, replacements or extensions thereof. This subordination shall be self-operative, and no further instrument of subordination shall be necessary to effect such subordination; nevertheless, Tenant shall execute such additional instrument of subordination as may be required by any Lender or ground lessor if such instrument of subordination shall provide that so long as Tenant is not in

default hereunder beyond any applicable cure period, Tenant shall have continued enjoyment of the Premises free from any disturbance or interruption by reason of any foreclosure of Lender's deed of trust or mortgage. In the event of sale or foreclosure of any such mortgage or deed of trust, or exercise of the power of sale thereunder, or in the event of a transfer in lieu of foreclosure, Tenant shall attorn to the purchaser (or transferee) of the Building at such foreclosure or sale and recognize such purchaser (or transferee) as Landlord under this Lease if so requested by such purchaser (or transferee). Such attornment shall be self-operative and no further instruments need be executed to effect such attornment. If any Lender elects to have this Lease superior to its mortgage or deed of trust and gives notice of its election to Tenant, then this Lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded before or after the mortgage or deed of trust.

21. NO WAIVER OF COVENANTS. Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.

22. SURRENDER OF PREMISES. Tenant agrees, upon termination of this Lease, to peacefully quit and surrender the Premises without notice, remove all of the Initial Furniture (except as expressly set forth in Section 6) and Tenant's personal property, leave the Premises neat and clean and to deliver all keys to the Premises to Landlord.

23. HOLDING OVER. If Tenant, with the implied or express consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month and Monthly Rent shall be at the then current monthly rent for three (3) months, then one hundred twenty-five percent (125%) of the then current Monthly Rent thereafter. If Tenant, without the written consent of Landlord, shall hold over after the expiration of the term of this Lease, Tenant shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month and Monthly Rent shall be at one hundred fifty percent (150%) of the then current Monthly Rent.

24. DISPUTE RESOLUTION. Although each of the parties specifically reserves the right to initiate a lawsuit, including, without limitation, seeking injunctive relief, whenever either party deems necessary, the parties agree to consider resolving disputes at an early stage as expeditiously as possible through negotiations at the lowest possible decision-making level, and in the event such negotiations are unsuccessful, the matter shall be referred to the Facilities Management Director of Tenant or the person assigned at the discretion of the King County Executive (provided Tenant has provided Landlord with written notice thereof), and the Executive Director of Landlord. If those officials are unable to resolve the dispute within a period of fifteen (15) days after the matter has been referred to them for resolution, the parties may then consider participating in mediation with an agreed upon mediator for a reasonable amount of time and in good faith. If they agree to mediation, they shall meet during the immediately succeeding seven (7) days to select a mediator to assist in the resolution of such dispute. The cost of the mediation shall be shared equally between Landlord (one-half) and Tenant (one-half).

25. HAZARDOUS SUBSTANCES AND ENVIRONMENTAL COMPLIANCE.

25.1 Hazardous Substances.

25.1.1 For the purposes of this Lease (a) the term "Environmental Law" means any federal, state, or local law, statute, ordinance, regulation, or order pertaining to hazardous substances or materials, including without limitation those defined in this Section 25.1.1 as "Hazardous Substances;" and (b) the term "Hazardous Substance" means any hazardous or toxic substance, material or waste, pollutants or contaminants, as defined, listed, or regulated now or in the future by any federal, state, or local law, ordinance, code, regulation, rule, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substances, including without limitation, (i) chlorinated solvents, (ii) petroleum products or by-products, (iii) asbestos, (iv) polychlorinated biphenyls, (v) lead-based paint, and (vi) mold, fungus, and other microbial matter.

25.1.2 Tenant agrees that:

(a) Neither Tenant nor any officials, employees, contractors, agents or invitees of Tenant ("Tenant Parties") will use, generate, manufacture, produce, store, release, discharge, or dispose of, on, under, or about the Premises, or transport to or from the Premises, any Hazardous Substances except in such quantities as are typically used in connection with the construction, rehabilitation, operation, and use of property of the similar sort for the uses permitted under this Lease, and then only in compliance with all Environmental Laws.

(b) Tenant shall give prompt written notice to Landlord of:

(i) Any proceeding or inquiry by any governmental authority known to Tenant with respect to the presence or release of any Hazardous Substance on, in, about, or from the Premises, or relating to any loss or injury resulting from any Hazardous Substance, all caused or alleged to be caused by Tenant or any Tenant Parties;

(ii) All claims made or threatened by any third party in writing against Tenant with respect to the Premises relating to any loss or injury resulting from any Hazardous Substance caused or alleged to be caused by Tenant;

(iii) Discovery after the date of mutual execution and delivery of this Lease by Tenant of any occurrence or condition on the Neighborcare Lot or the County Property that could cause them to be subject to any restrictions on occupancy or use under any Environmental Law; and

(iv) Any release of a Hazardous Substance on or from the Premises by any Tenant Party.

(c) Except as provided in Sections 25.2 and 15.2, Tenant shall protect, indemnify, pay the defense costs of, and hold harmless Landlord Parties from any loss, damage,

cost, expense, claim, suit, action, penalty, or liability (collectively, "Claims"), including, without limitation, reasonable attorneys' fees and costs and the costs of any required or necessary repairs or cleanup of the Premises and the implementation of any remediation or other plans required by any Environmental Law directly or indirectly arising out of or attributable to the presence, use, generation, manufacture, production, storage, release, discharge, or disposal of a Hazardous Substance on, under, or emanating from the Premises (i) on or after the Commencement Date and (ii) caused by Tenant or any Tenant Parties.

25.1.3 The indemnity provisions of this Section 25.1 shall survive expiration or termination of this Lease.

25.2 Landlord Obligation. Landlord agrees to the following:

25.2.1 Landlord shall give prompt written notice to Tenant of:

(a) Any proceeding or inquiry by any governmental authority known to Landlord with respect to the presence or release of any Hazardous Substance on, in, about, or from the Neighborcare Lot and/or the County Property;

(b) All claims made or threatened by any third party in writing against Landlord with respect to the Neighborcare Lot and/or the County Property relating to any loss or injury resulting from any Hazardous Substance; and

(c) Landlord's discovery of any occurrence or condition on the Neighborcare Lot and/or the County Property that could cause them to be subject to any restrictions on use under any Environmental Law.

Excluded from Landlord's obligations under this Section 25.2 are any obligations, claims, or liabilities arising out of the use or condition of the Premises or the Building on or after the Commencement Date caused by Tenant or any of its employees, board members, contractors, agents or invitees that are the responsibility of Tenant under Section 25.1.2.

25.2.2 Except as provided in Section 15.2, Landlord shall protect, indemnify, pay the defense costs of and hold harmless Tenant and its elected officials, officers, employees and agents from any Claims, including, without limitation, reasonable attorneys' fees, expenses and costs and the costs of any required or necessary repairs or cleanup of the Neighborcare Lot and/or the County Property and the implementation of any remediation or other plans required by any Environmental Law directly or indirectly arising out of or attributable to the presence, use, generation, manufacture, production, storage, release, discharge or disposal of a Hazardous Substance on, under or emanating from the Neighborcare Lot and/or the County Property, to the extent caused by Landlord, or its employees, agents, contractors or subcontractors.

25.2.3 The indemnity provisions of this Section 25.2 shall survive expiration or termination of this Lease.

26. BINDING ON HEIRS, SUCCESSORS AND ASSIGNS. The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.

27. NOTICE. All notices hereunder shall be in writing and shall be delivered personally or by recognized overnight courier addressed as follows:

To Tenant:

King County Real Estate Services Section
King County Administration Building
500 - 4th Avenue, Room 800
Seattle, WA 98104-2337

Copy to:

Senior Deputy Prosecuting Attorney
King County Prosecutor's Office
516 3rd Avenue, W400
Seattle, WA 98104
Attn: Timothy Barnes
Telephone: (206) 477-1153
Fax: (206) 296-0191
Email: timothy.barnes@kingcounty.gov

To Landlord:

Neighborcare Health
905 Spruce Street, Suite 300
Seattle, WA 98104
Attn: Mark Secord, Executive Director/CEO
Telephone: (206) 548-3050
Fax: (206) 461-8382
Email: marks@neighborcarehealth.org

Copy to:

Gerry Johnson
Pacifica Law Group LLP
1191 2nd Avenue, Suite 2100
Seattle, WA 98101-2945
Telephone: (206) 245-1700
Fax: (206) 245-1750
Email: gerry.johnson@pacificalawgroup.com

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing; provided that, in the event of an assignment of this Lease, notices shall also be provided as required under Section 12.1(b). Notices shall be deemed delivered (i) when personally delivered; or (ii) on the first business day after deposit with a recognized overnight courier if deposited in time to permit overnight delivery by such courier as determined by its posted cutoff times for receipt of items for overnight delivery to the recipient. Payments may be made in the manner provided for notice or may be delivered by regular mail (postage prepaid); provided, payments made by regular mail (postage prepaid) shall be deemed delivered when actually received by Landlord.

28. LANDLORD'S LIABILITY. Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements or for the purpose of binding Landlord personally or the assets of Landlord except Landlord's interest in the Premises and the Building, but are made and intended for the purpose of binding only Landlord's interest in the Premises and the Building. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against Landlord or its partners and their respective heirs, legal representatives, successors and assigns on account of this Lease or on account of any covenant, undertaking or agreement of Landlord contained in this Lease. In consideration of the benefits accruing hereunder, Tenant agrees that, in the event of any actual or alleged failure, breach or default of this Lease by Landlord, Landlord's liability under this Lease shall be limited to, and Tenant shall look only to Landlord interest in the Building and the rents and proceeds thereof.

29. BROKERS. Landlord and Tenant each warrant to the other that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. Landlord and Tenant each agree to indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such party's discussions, negotiations and/or dealings with any real estate broker or agent. This Section is not intended to benefit any third parties and shall not be deemed to give any rights to brokers or finders. No commission(s) or finder's fee(s) shall be paid to Tenant, employee(s) of Tenant or any unlicensed representative of Tenant.

30. CONSENT. Whenever Landlord's or Tenant's prior consent or approval is required by this Lease, the same shall not be unreasonably withheld, conditioned or delayed, unless otherwise specifically provided by this Lease. All requests for Tenant consents or approvals required under this Lease shall be submitted to the Facilities Management Director or his or her functional successor. Tenant authorizes its Facilities Management Director or his or her functional successor to provide any consents or approvals from Tenant required under this Lease, except for any such consent or approval that requires the approval of the another official of Tenant or the County Council. The Facilities Management Director shall be responsible for promptly forwarding requests for approval or consents that he or she is not able to provide or not

able to provide without the concurrence of another official of Tenant to the appropriate officials or the County Council. He or she also shall promptly notify Landlord of Tenant's process involved in securing any such consent or approval, including identifying any other official or officials of Tenant whose decision is required in providing any such consent or approval. Whenever the consent of Tenant to any act to be performed under this Lease, Landlord must obtain the consent or approval expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by Tenant in its regulatory, public utility, or other capacity. No permission, consent, or approval of Tenant contained herein or given pursuant to this Lease is, or shall be construed as, a representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing. Landlord authorizes its Executive Director/CEO or his or her functional successor to provide any consents or approvals required under this Lease.

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

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

33. ANTI-DISCRIMINATION. Neither Landlord nor Tenant shall discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord and Tenant shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964.

34. INTENTIONALLY OMITTED.

35. CAPTIONS. The captions in this Lease are for convenience only and do not in any way limit or amplify the provisions of this Lease.

36. GOVERNING LAW; VENUE. This Lease shall be construed under the laws of Washington. Exclusive jurisdiction and venue for any action relating hereto shall be in the Superior Court of the State of Washington in and for King County.

37. INVALIDITY OF PARTICULAR PROVISIONS. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or enforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

38. ENTIRE AGREEMENT; AMENDMENTS. Together with the Development Agreement and the Ground Lease, this Lease and any and all exhibits attached hereto, shall constitute the whole integrated agreement between the parties as to the matters covered herein and supersedes any oral statements or representations or prior written matter not contained herein (or in the Ground Lease or the Development Agreement). No modification or amendment of this Lease shall be valid or effective unless evidenced by an agreement in writing signed by both Landlord and Tenant.

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

LANDLORD:

NEIGHBORCARE HEALTH, a Washington nonprofit corporation

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

By: _____

TENANT:

KING COUNTY, a political subdivision of the State of Washington

By: _____
Name: _____
Its: _____

REVISED 7/28/14

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me _____to me known to be the _____ of the _____ that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

Given under my hand and official seal this _____ of _____, 2014.

_____
NOTARY PUBLIC in and for the State of
Washington residing at _____
My appointment expires _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that _____ signed this instrument, on oath stated that (he/she) was authorized by the King County Executive to execute the instrument, and acknowledged it as the Manager, Property Services Division of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

Given under my hand and official seal this _____ day of _____, 2014.

_____
NOTARY PUBLIC in and for the State of
Washington residing at _____
My appointment expires _____

Exhibit A-1
Legal Description of the Neighborcare Lot

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
THENCE NORTH 00°26’20” EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET TO TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 00°26’20” EAST, A DISTANCE OF 152.41 FEET;
THENCE SOUTH 88°44’16” EAST, A DISTANCE OF 359.50 FEET TO THE WEST LINE OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;
THENCE SOUTH 00°26’20” WEST, ALONG SAID LINE, A DISTANCE OF 201.28 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE NORTH 88°44’16” WEST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET;
THENCE NORTH 01°15’36” EAST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE NORTH 88°44’16” WEST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET TO THE TRUE POINT OF BEGINNING

TOGETHER WITH AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;
THENCE SOUTH 88°45’39” EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.
THENCE NORTH 02°02’31” EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44’16” EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26’20” EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

Exhibit A-2
Legal Description of the County Property

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;

THENCE NORTH 00°26’20” EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET, SAID LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44°16’ EAST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET;
THENCE SOUTH 01°15’36” WEST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44’16” EAST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET TO THE WEST RIGHT OF WAY MARGIN OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;
THENCE SOUTH 00°26’20” WEST, ALONG SAID LINE, A DISTANCE OF 172.93 FEET TO A TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 10.00 FEET;
THENCE SOUTHWESTERLY ALONG SAID CURVE, AN ARC LENGTH OF 15.85 FEET, THROUGH A CENTRAL ANGLE OF 90°48’01” TO THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
THENCE NORTH 88°45’39” WEST, ALONG SAID LINE, A DISTANCE OF 349.36 FEET TO THE POINT OF BEGINNING;

SUBJECT TO AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

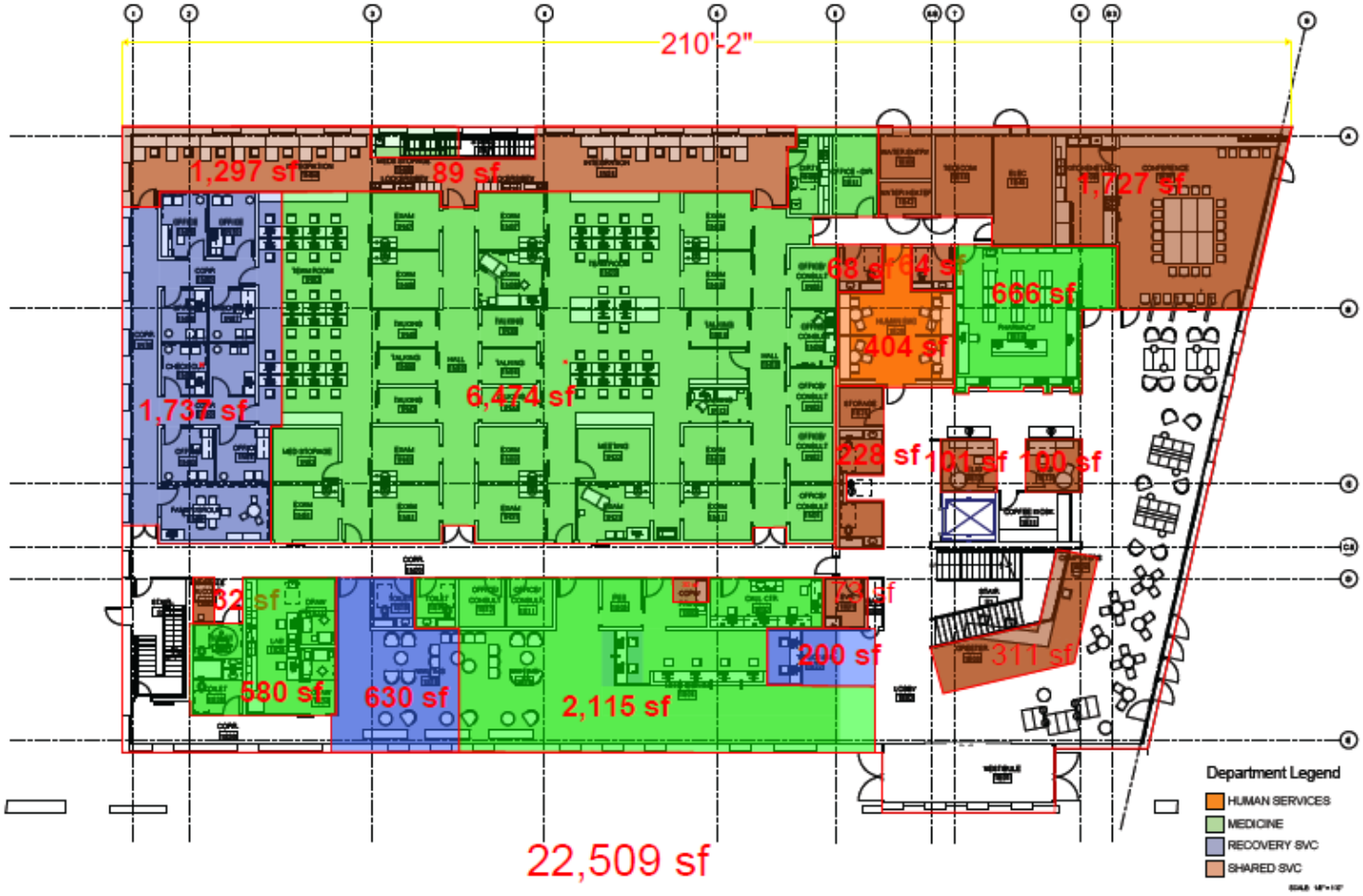
THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;
THENCE SOUTH 88°45’39” EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.
THENCE NORTH 02°02’31” EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44’16” EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26’20” EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

Exhibit B-1
Depiction of Tenant's Dedicated Space and the Shared Space



NOTE : Design is in process and allocations changing accordingly

MERIDIAN CENTER FOR HEALTH

Level 01

nbbj

Exhibit B-1
Depiction of Tenant's Dedicated Space and the Shared Space

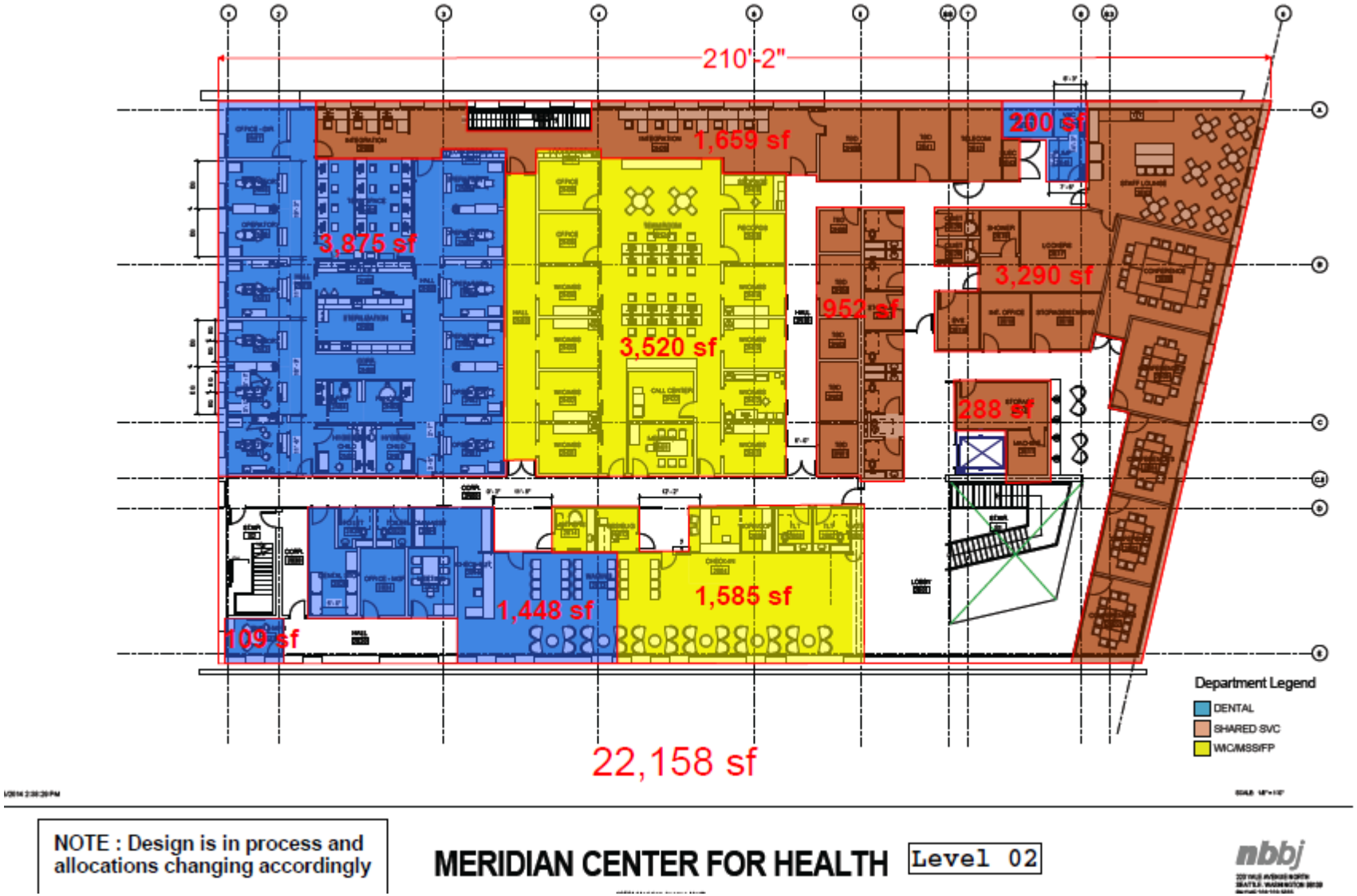


Exhibit B-2
Space Allocation

Neighborcare Meridian
Center for Health 44.6K w/o land
1/29/2014

Space Allocation

	WIC/MSS/FP			Dental			Recovery SVC			Medical			Human SVC			Common areas		
Exam / Team /consul	1	3520	3520	1	3875	3875	1	1737	1737	1	0	0	1	404	404			0
Exam / Team /consul										1	6474	6474						
Office /consul	1	0	0			0	0		0	1	0	0			0			0
toilet /lab						0	0		0	1	580	580			0			0
soiled / office						0	0		0	1	0	0			0			0
check in/waiting	1	1585	1585	1	1448	1448	1	630	630	1	2068	2068			0			0
Med storage						0	0		0	1	89	89			0			0
records / stg	1	0	0							0		0			0			0
other				1	109	109	1	278	278	0		0			0			0
office						0				0		0			0			0
pump / gas				1	200	200												
hygiene						0												
x-ray						0												
Pharmacy										1	666	666			0			0
Corridor	1	0	0	1	0		0		0	1	0	0			0			0
1st floor common																1	4001	4001
2nd floor common																1	6189	6189
expended welcome area																1	0	0
spec tlt										0	60	0			0			0
	Dedicated		5105	Dedicated		5632	Dedicated		2543	Dedicated		9877	Dedicated		404			
	Common		2199	Common		2426	Common		1138	Common		4254	Common		174	Common		10190
	Circulation		2334	Circulation		2575	Circulation		1208	Circulation		4515	Circulation		185	Circulation		10816
	total		9637	total		10632	total		4889	total		18646	total		763	total		21006
			21.6%			23.8%			11.2%			41.7%			1.7%			

Total dedicated	23661
Total common	10190
Total	44667
Total circulation	10816
% dedicated	53.0%
% common	22.8%
% circulation	24.2%
check	44667

100.0%

Exhibit C
Meridian Center for Health Stewardship

Creation of the Meridian Center for Health (the "Center") reflects the close collaboration of Neighborcare and Public Health and represents their shared commitment to integrated service delivery. That commitment was memorialized in their Joint Statement of Intent to Develop a North Meridian Health Neighborhood Campus of December 12, 2012 (the "Joint Statement"). The Parties intend that the Center will be operated in a manner generally consistent with the integration principles articulated in the Joint Statement.

Both Public Health and Neighborcare have contractually binding roles and responsibilities under various formal agreements between them. The Parties also have contractually binding roles and responsibilities under various agreements with funders and others. The Parties intend to continue to collaborate in the shared stewardship of the Center, to the extent practicable and possible without undermining their respective roles and responsibilities under any such agreements.

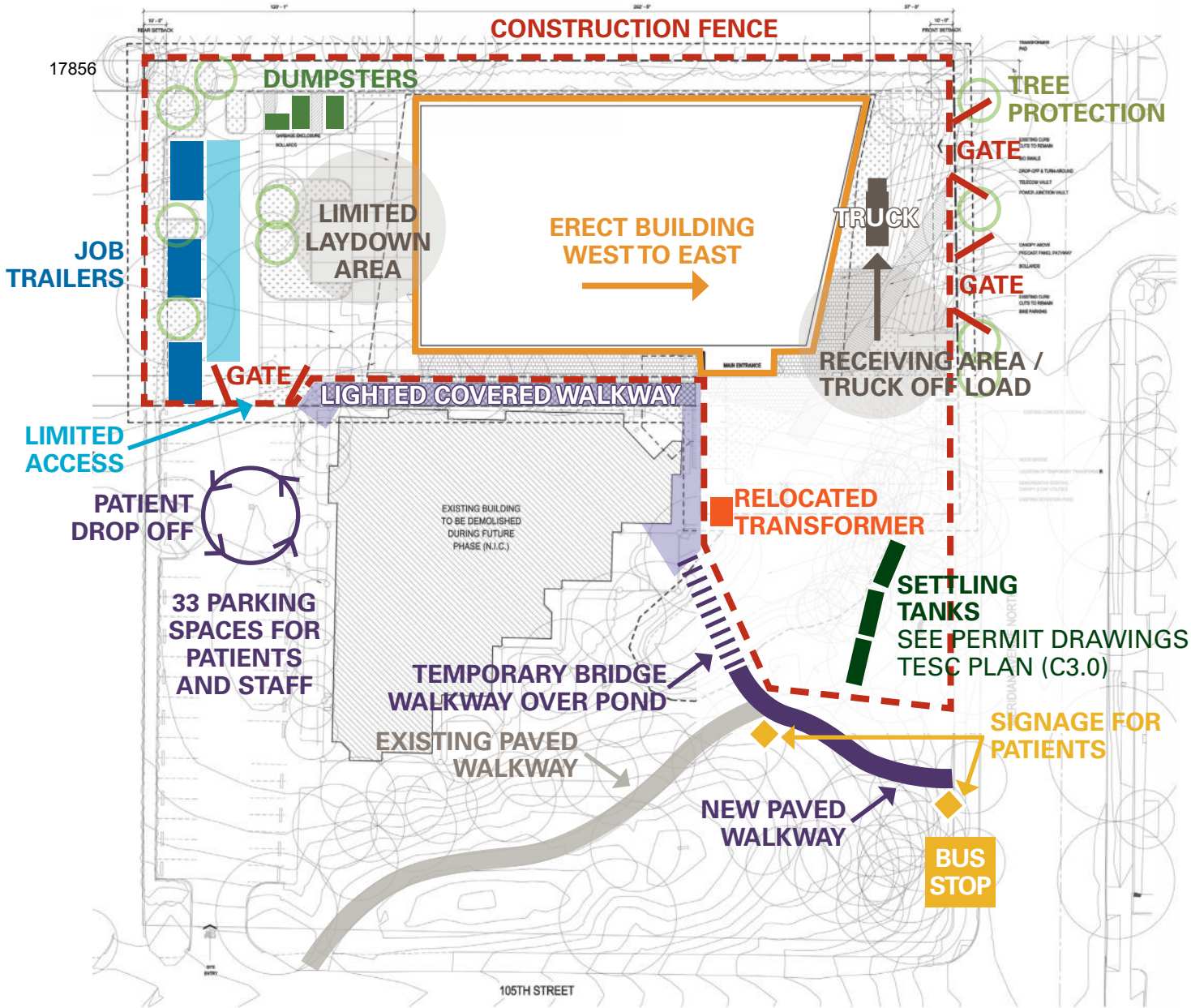
Neighborcare and Public Health are the initial core service partners in the Center and expect to be joined by one or more additional core service partners in the future. A Shared Stewardship Committee comprised of core service partner executive leadership shall jointly consider and advise on matters such as:

- Adding or removing service partners.
- Major administrative policies and procedures for Center operation.
- Development of maintenance, repair and replacement plans consistent with contractual obligations.
- Continuing adherence to the Joint Statement integration principles and evolution of such principles over time.
- Allocation of shared costs among core service partners consistent with contractual obligations.
- Alignment with core service partner policies as they respond to broader health care delivery system challenges and opportunities.
- Such other matters the core service partners may agree would benefit from the joint consideration and advice of the Committee.

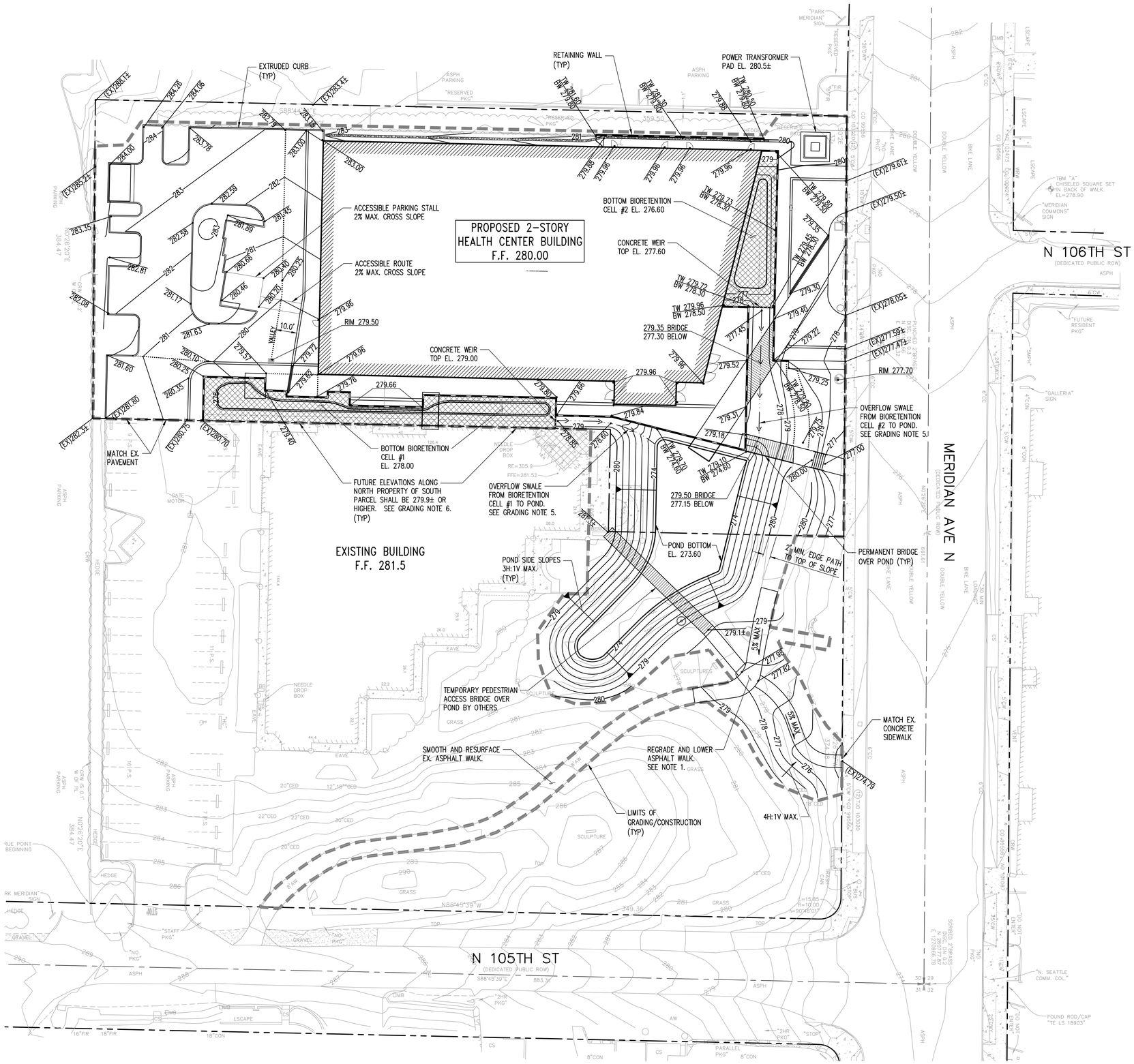
Exhibit D
Parking Areas

DEVELOPMENT AGREEMENT
EXHIBIT F

SITE PLAN AND PARKING MAP



Site Logistics Plan
Attachment F
4/18/14



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0 10 20 40
1 inch = 20 feet

GRADING NOTES

1. NO PORTION OF PEDESTRIAN ASPHALT WALK SHALL EXCEED 5% RUNNING SLOPE AND 2% CROSS SLOPE FROM EXISTING CONCRETE SIDEWALK TO PROPOSED BUILDING ENTRANCE.
2. SLOPE FINISHED GRADE AROUND BUILDING TO DRAIN AWAY FROM BUILDING FOUNDATIONS.
3. ALL CURB SPOT ELEVATIONS ARE AT BASE OF CURB UNLESS OTHERWISE INDICATED.
4. SEE LANDSCAPE PLANS FOR HORIZONTAL CONTROL, PAVEMENTS, AND PLANTING.
5. OVERFLOW SWALE TO BE REINFORCED WITH 8-INCH DEPTH OF STREAMBED COBBLES KEYED INTO SLOPE FROM BIORETENTION CELL TO POND BOTTOM. STREAMBED COBBLES SHALL BE CDS SPEC 9-03.3 WITH 4-INCH MINUS COBBLE SIZE HAND PLACED FOR A FINISHED LOOK.
6. FUTURE ELEVATIONS ARE AFTER THE DEMOLITION OF THE EXISTING BUILDING.

EARTHWORK QUANTITIES

CUT	3,000 CY
FILL	300 CY
NET	2,700 CY (CUT)

NOTE:
EARTHWORK QUANTITIES SHOWN ARE FOR PERMITTING PURPOSES ONLY. THESE QUANTITIES SHOULD NOT BE USED FOR BIDDING OR ESTIMATING PURPOSES.

LEGEND

- PROPERTY LINE
- CLEARING AND GRADING LIMITS
- 100 PROPOSED CONTOUR
- 100 EXISTING CONTOUR
- GRADE BREAK
- RETAINING WALL
- CONCRETE WEIR
- EXTRUDED CURB
- BOTTOM OF POND/BIORETENTION
- FINISH GRADE SLOPE
- 100.00 SPOT ELEVATION
- BIORETENTION (RAINGARDEN)

CALL TWO BUSINESS DAYS BEFORE YOU DIG 1-800-424-5555

nbbj
223 YALE AVENUE NORTH
SEATTLE, WASHINGTON 98109
PHONE 206 223 5555
FAX 206 223 5000

kpff Consulting Engineers
1601 Fifth Avenue, Suite 1600
Seattle, Washington 98101-3665
(206) 622-5822 Fax (206) 622-8130

CIVIL ENGINEER:
KPFF
1601 Fifth Avenue, Suite 1600
Seattle, WA 98101 (206)926-0675

ELECTRICAL ENGINEER:
GLUMAC
1601 Fifth Avenue, Suite 2210
Seattle, WA 98101 (206) 262-8376

LANDSCAPE ARCHITECT:
SITE WORKSHOP
222 Etruria St. Suite 200 Seattle, WA 98109 (206)285-3026

LIGHTING DESIGNER
CANDELA
4100 194th ST SW, Suite 400
Lynnwood, WA 98036 (206) 667-0581

MECHANICAL ENGINEER:
GLUMAC
1601 Fifth Avenue Suite 2210
Seattle, WA 98101 (206) 262-8364

STRUCTURAL ENGINEER:
LUND OPSAHL
1201 First Avenue South, Suite 310
Seattle, WA 98134 (206) 402-5156

neighborcare health

Public Health Seattle & King County

MERIDIAN CENTER FOR HEALTH

PERMIT SET

ISSUE

MARK	DATE	DESCRIPTION

DRAWN BY: JLS	PROJ. ENGR.: JSF
NBBJ PROJ. NO.:	101136.00
KPFF PROJ. NO.:	113323
DATE:	04/08/14

DWG.

GRADING PLAN

DWG.

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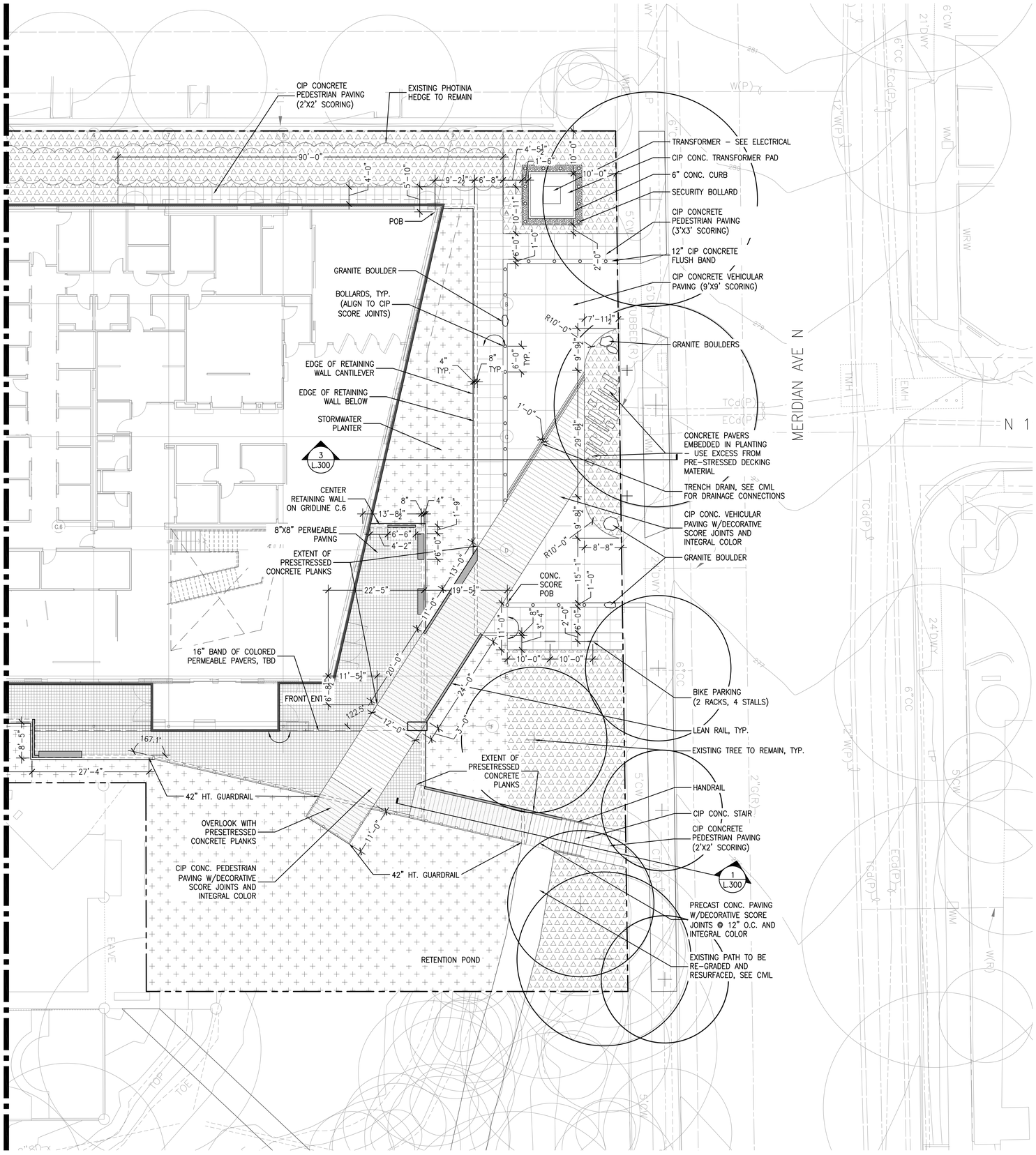

1 SITE PLAN - EAST
1" = 10'

0 5 10 20 40 FT

LEGEND

- EXISTING TREE TO PRESERVE
- PROPOSED PLANTING AREA
- PROPOSED BIORETENTION AREA
- 7 / L.310 — 42" HT. GUARD RAIL
- 11 / L.310 — 36" HT. LEAN RAIL
- 3 / L.310 — BIKE RACK
- 4 / L.310 — BOLLARD
- BOULDER
- BENCH
- 4" TRENCH DRAIN
- 13 / L.310, 14 / L.310 — RETAINING WALL BELOW
- 9 / L.310 — CIP CONC. STAIR AND HANDRAIL
- ASPHALT PAVING (SEE CIVIL)
- 1 / L.310 — CIP CONCRETE PAVING
- 1 / L.310 — 12" CIP CONC. BAND W/ INTEGRAL COLOR
- 15 / L.310 — CIP CONC. PAVING W/ INTEGRAL COLOR AND DECORATIVE JOINTS
- 15 / L.310 — PRESETRESSED PRECAST CONCRETE PLANKING
- 13 / L.310 — TYPE 1, TYPE 2 — 8"X8" PERMEABLE UNIT PAVERS

nbbj
223 YALE AVENUE NORTH
SEATTLE, WASHINGTON 98109
PHONE 206 223 5555
FAX 206 223 5000

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LANDSCAPE ARCHITECT:
SITE WORKSHOP
222 Etruria St, Suite 200 Seattle, WA 98109 (206)285-3026

LIGHTING DESIGNER
CANDELA
4100 194th ST SW, Suite 400 Lynnwood, WA 98036 (206) 667-0581

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neighborcare health

Public Health Seattle & King County

MERIDIAN CENTER FOR HEALTH

Permit Set

STATE OF WASHINGTON REGISTERED LANDSCAPE ARCHITECT
MARK E. BRANDS
CERTIFICATE NO. 680

Issue Date

ISSUE

MARK	DATE	DESCRIPTION

DRAWN BY: NR / MB	PROJ. ARCH.: M.E.B
PROJ. NO.: 101136.00	
DATE: 04/08/14	

DWG.

SITE PLAN - EAST

DWG.

L.110

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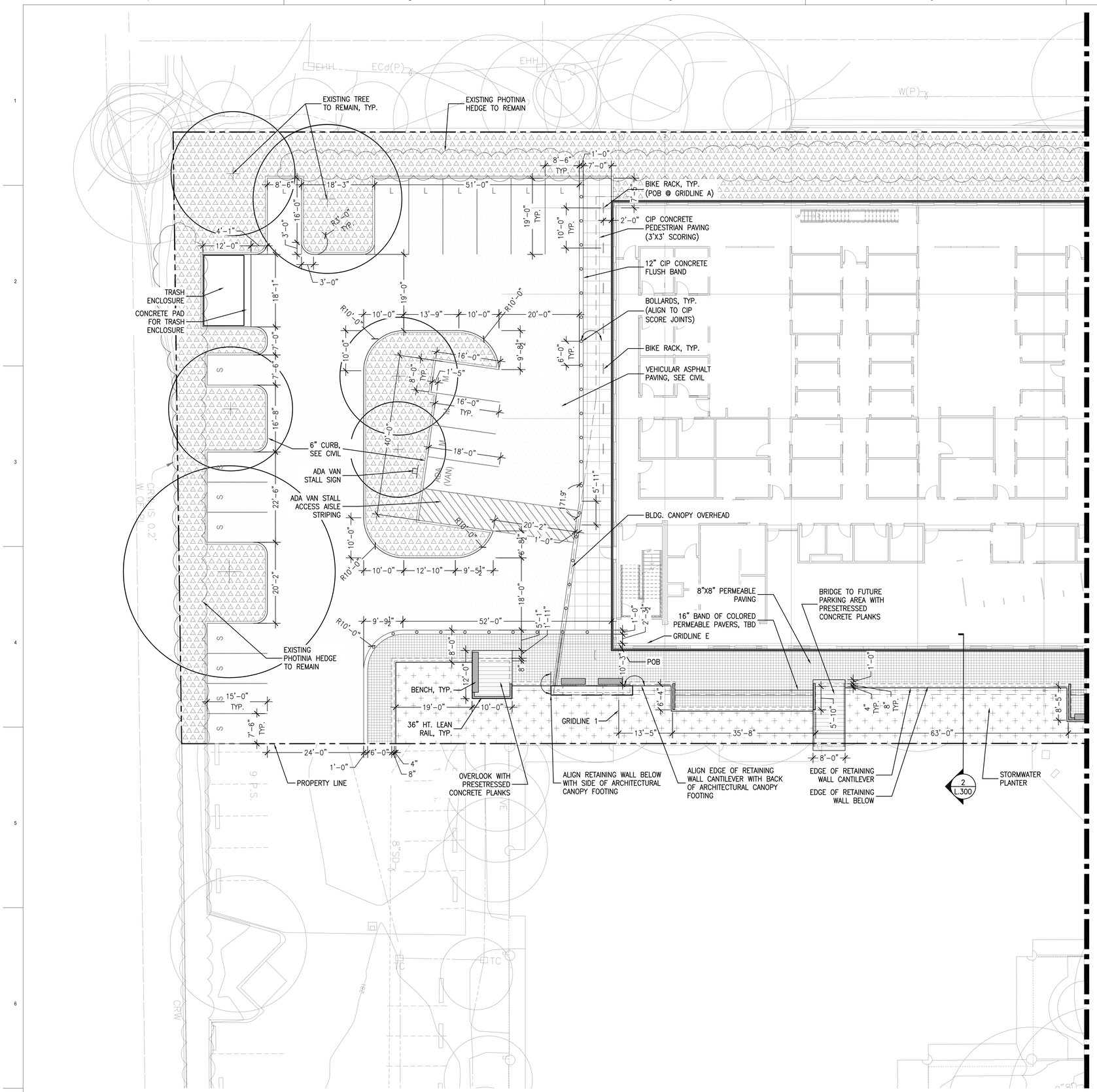

1 SITE PLAN - WEST
1" = 10'

0 5 10 20 40 FT

LEGEND

- EXISTING TREE TO PRESERVE
- PROPOSED PLANTING AREA
- PROPOSED BIORETENTION AREA
- 7 / L.310 — 42" HT. GUARD RAIL
- 11 / L.310 — 36" HT. LEAN RAIL
- 3 / L.310 — BIKE RACK
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- BOULDER
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- 13 / L.310 — TYPE 1, TYPE 2 — 8"X8" PERMEABLE UNIT PAVERS

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neighborcare health

Public Health
Seattle & King County

MERIDIAN CENTER FOR HEALTH

Permit Set

STATE OF WASHINGTON
REGISTERED
LANDSCAPE ARCHITECT
MARK E. BRANDS
CERTIFICATE NO. 680

Issue Date

ISSUE

MARK	DATE	DESCRIPTION

DRAWN BY: NR / MB	PROJ. ARCH.: M.E.B
PROJ. NO.: 101136.00	
DATE: 04/08/14	

DWG.

SITE PLAN - WEST

DWG.

L.120

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17856

MERIDIAN CENTER FOR HEALTH
EXISTING TREES TO REMAIN, TYP.
PARKING AND VEHICULAR DROP OFF
STORMWATER PLANTERS
COVERED WALK ZONE
MAIN ENTRY
SOUTH SITE MEADOW
STORM POND
SOUTH SITE PARKING LOT
MINERAL SPRINGS PARK
LOOP TRAIL
N 105TH ST
MERIDIAN AVE N
SUNKEN RAIN-GARDEN PLANTING BED
VEHICULAR DROP OFF
BOLLARDS
PEDESTRIAN BRIDGE
BIKE PARKING
CAFE SEATING
EXISTING TREE - TO SAVE
ACCESS TO LOOP TRAIL
POND OVERLOOK
PROPERTY LINE
TEMPORARY CONST. ACCESS
ADA PEDESTRIAN ACCESS FROM MERIDIAN
BUS STOP - SOUTHBOUND (SOUTHBOUND @ 103RD ST)
0' 10' 20' 40'

17856

MERIDIAN CENTER FOR HEALTH
EXISTING TREES TO REMAIN, TYP.
PARKING AND VEHICULAR DROP OFF
COVERED WALK ZONE
MAIN ENTRY
STORMWATER PLANTERS
SOUTH SITE PARKING LOT
SOUTH SITE MEADOW
POND OVERLOOK
STORM POND
PEDESTRIAN BRIDGE
PEDESTRIAN BRIDGE
SUNKEN RAIN-GARDEN PLANTING BED
CAFE SEATING
BOLLARDS
VEHICULAR DROP OFF
BIKE PARKING
EXISTING TREE - TO SAVE
0'
32'

17856
N 121st St
N 121st St
Burke Ave N
N 120th St
N 120th St
NE 120th
Ave NE
NORTHWEST HOSPITAL
N 117th St
Stone Ave N
Meridian Ave N
Corliss Ave N
1st Ave NE
1st Ave NE
N 116th St
173
N 115th St
N 115th St
N 115th St
NE
N 114th St
5
N 113th St
1st Ave NE
N 112th St
2nd Ave NE
5
Corliss Ave N
1st Ave NE
dvale
ter Facility
Stone Ave N
N 107th St
N Northgate Way
Meridian Ave N
N 106th St
SUBJECT PROPERTY
Mineral Springs Park
Way
N 105th St
Interlake Ave N
1st Ave NE
OUTPATIENT FACILITY
173
5
N 103rd St
Densmore Ave N
Wallingford Ave N

EXHIBIT D-1
LANDLORD'S CONSENT

King County Real Estate Services Section
Meridian Center for Health

Landlord Letter of Consent

King County, a municipal corporation and political subdivision of the State of Washington ("King County") is the owner of the property legally described on Exhibit A attached hereto. The property is currently leased to Neighborcare Health, a Washington nonprofit corporation ("Neighborcare") by King County pursuant to a ground lease agreement with a term of 50 years.

King County is in full agreement of the proposed improvements to the aforementioned leased property, consisting of an approximately 44,667 rentable square foot building (the "Building"), as part of the Health Resources and Services Administration (HRSA) (*Capital Development – Building Capacity Grant Program*) funding opportunity, and grants permission to Neighborcare to undertake the construction of the Building.

King County also acknowledges that there will be a Federal interest in the Building to be constructed on the property and King County agrees that Neighborcare may file a Notice of Federal Interest encumbering the Building prior to work commencing, if required by the HRSA, in the form attached hereto as Exhibit B.

LANDLORD:

KING COUNTY, a political subdivision
of the State of Washington

By: _____

Name: _____

Its: _____

Exhibit A
to
Landlord's Consent
Legal Description

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;

THENCE NORTH 00°26'20" EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET TO TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 00°26'20" EAST, A DISTANCE OF 152.41 FEET;

THENCE SOUTH 88°44'16" EAST, A DISTANCE OF 359.50 FEET TO THE WEST LINE OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;

THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 201.28 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;

THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET;

THENCE NORTH 01°15'36" EAST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;

THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET TO THE TRUE POINT OF BEGINNING

TOGETHER WITH AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;

THENCE SOUTH 88°45'39" EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.

THENCE NORTH 02°02’31” EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44’16” EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26’20” EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

Exhibit B
to
Landlord's Consent
Notice of Federal Interest

On April 17, 2012, the Health Resources and Services Administration (HRSA) awarded Grant No. C8ACS23751 to Neighborcare Health, a Washington nonprofit corporation ("Neighborcare"). The grant provides Federal funds for the construction of an integrated health and human services center to be constructed on certain property leased by Neighborcare from King County, a municipal corporation and political subdivision of the State of Washington ("King County") under a 50-year ground lease, which real property is located in King County, State of Washington and legally described on Exhibit A attached hereto (the "Property").

The Notice of Grant Award for this grant includes conditions on use of the approximately 44,667 rentable square foot building (the "Building") to be constructed on the Property and provides for a continuing Federal interest in the Building. Specifically, the Building may not be (1) used for any purpose inconsistent with the statute and any program regulations governing the award under which the Building was constructed; (2) mortgaged or otherwise used as collateral without the written permission of the Office of Federal Assistance Management (OFAM), HRSA, or its designee; or (3) sold or transferred to another party without the written permission of the OFAM, HRSA, or its designee, or its designee. These conditions are in accordance with the provisions set forth in Title 45 CFR part 74 or 92 (as appropriate), the HHS Grants Policy Statement, and other terms and conditions of award:

These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership of the Building must be provided to the Associate Administrator, OFAM, HRSA, or its designee.

NEIGHBORCARE HEALTH, a Washington
nonprofit corporation

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A
to
Notice of Federal Interest
Legal Description

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;

THENCE NORTH 00°26'20" EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET TO TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 00°26'20" EAST, A DISTANCE OF 152.41 FEET;

THENCE SOUTH 88°44'16" EAST, A DISTANCE OF 359.50 FEET TO THE WEST LINE OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;

THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 201.28 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;

THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET;

THENCE NORTH 01°15'36" EAST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;

THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET TO THE TRUE POINT OF BEGINNING

TOGETHER WITH AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

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COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;

THENCE SOUTH 88°45’39” EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.

THENCE NORTH 02°02’31” EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44’16” EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26’20” EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

EXHIBIT D-2
NOTICE OF FEDERAL INTEREST

On April 17, 2012, the Health Resources and Services Administration (HRSA) awarded Grant No. C8ACS23751 to Neighborcare Health, a Washington nonprofit corporation ("Neighborcare"). The grant provides Federal funds for the construction of an integrated health and human services center to be constructed on certain property leased by Neighborcare from King County, a municipal corporation and political subdivision of the State of Washington ("King County") under a 50-year ground lease, which real property is located in King County, State of Washington and legally described on Exhibit A attached hereto (the "Property").

The Notice of Grant Award for this grant includes conditions on use of the approximately 44,667 rentable square foot building (the "Building") to be constructed on the Property and provides for a continuing Federal interest in the Building. Specifically, the Building may not be (1) used for any purpose inconsistent with the statute and any program regulations governing the award under which the Building was constructed; (2) mortgaged or otherwise used as collateral without the written permission of the Office of Federal Assistance Management (OFAM), HRSA, or its designee; or (3) sold or transferred to another party without the written permission of the OFAM, HRSA, or its designee, or its designee. These conditions are in accordance with the provisions set forth in Title 45 CFR part 74 or 92 (as appropriate), the HHS Grants Policy Statement, and other terms and conditions of award:

These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership of the Building must be provided to the Associate Administrator, OFAM, HRSA, or its designee.

NEIGHBORCARE HEALTH, a Washington
nonprofit corporation

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A
to
Notice of Federal Interest
Legal Description

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COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;

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THENCE CONTINUING ALONG SAID LINE, NORTH 00°26'20" EAST, A DISTANCE OF 152.41 FEET;

THENCE SOUTH 88°44'16" EAST, A DISTANCE OF 359.50 FEET TO THE WEST LINE OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;

THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 201.28 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;

THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET;

THENCE NORTH 01°15'36" EAST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;

THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET TO THE TRUE POINT OF BEGINNING

TOGETHER WITH AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;

THENCE SOUTH 88°45’39” EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.

THENCE NORTH 02°02’31” EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44’16” EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26’20” EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

EXHIBIT E-1
LEGAL DESCRIPTION OF THE NEIGHBORCARE LOT

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
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THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 201.28 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET;
THENCE NORTH 01°15'36" EAST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET TO THE TRUE POINT OF BEGINNING

TOGETHER WITH AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

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THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

EXHIBIT E-2
LEGAL DESCRIPTION OF THE COUNTY PROPERTY

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;

THENCE NORTH 00°26'20" EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET, SAID LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44°16' EAST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET;
THENCE SOUTH 01°15'36" WEST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44'16" EAST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET TO THE WEST RIGHT OF WAY MARGIN OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;
THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 172.93 FEET TO A TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 10.00 FEET;
THENCE SOUTHWESTERLY ALONG SAID CURVE, AN ARC LENGTH OF 15.85 FEET, THROUGH A CENTRAL ANGLE OF 90°48'01" TO THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
THENCE NORTH 88°45'39" WEST, ALONG SAID LINE, A DISTANCE OF 349.36 FEET TO THE POINT OF BEGINNING;

SUBJECT TO AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

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EXHIBIT F
PERMITTED EXCEPTIONS

1. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following
   For : Side Sewer
   Dated : July 15, 1959
   Recorded : July 28, 1959 in Volume 3940 of Deeds, Page 450 under Recording Number 5061116
   Affects : 6 feet in width in the Southerly portion of Lot A (County Property)

2. Terms and provisions as contained in an instrument,
   Entitled : Release of Damage
   Dated : July 30, 1959
   Recorded : August 7, 1959 in Volume 3944 of Deeds, Page 643 under Recording Number 5065539
   Affects Lot A (County Property)

3. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following
   Granted To : City of Seattle
   For : Right to construct and maintain upon the abutting property for cuts and/or fill slopes
   Dated : February 4, 1974
   Recorded : February 6, 1974 in City of Seattle Official Records under Ordinance Number 103020
   Affects : The Easterly portion

4. Terms and provisions as contained in an instrument,
   Entitled : Motion No. 2766
   Recorded : December 20, 1976 in Official Records under Recording Number 7612200759
   Which, among other things, provides: Transfer of land for the purpose of constructing a new North District Health Office and Multiservice Center.

5. Terms and provisions as contained in an instrument,
   Entitled : Ordinance No. 114630
   Executed By : City of Seattle
   Recorded : September 27, 1989 in Official Records under Recording Number 8909270769
   Which, among other things, provides: Adopt interim standards for the mitigation of impacts of land use and development on the traffic and environment.

6. Terms and provisions as contained in an instrument,
   Entitled : City of Seattle Short Subdivision No. 3015969
   Recorded : May 21, 2014 in Official Records under Recording Number 20140521900007

EXHIBIT G
ACCESS AREA

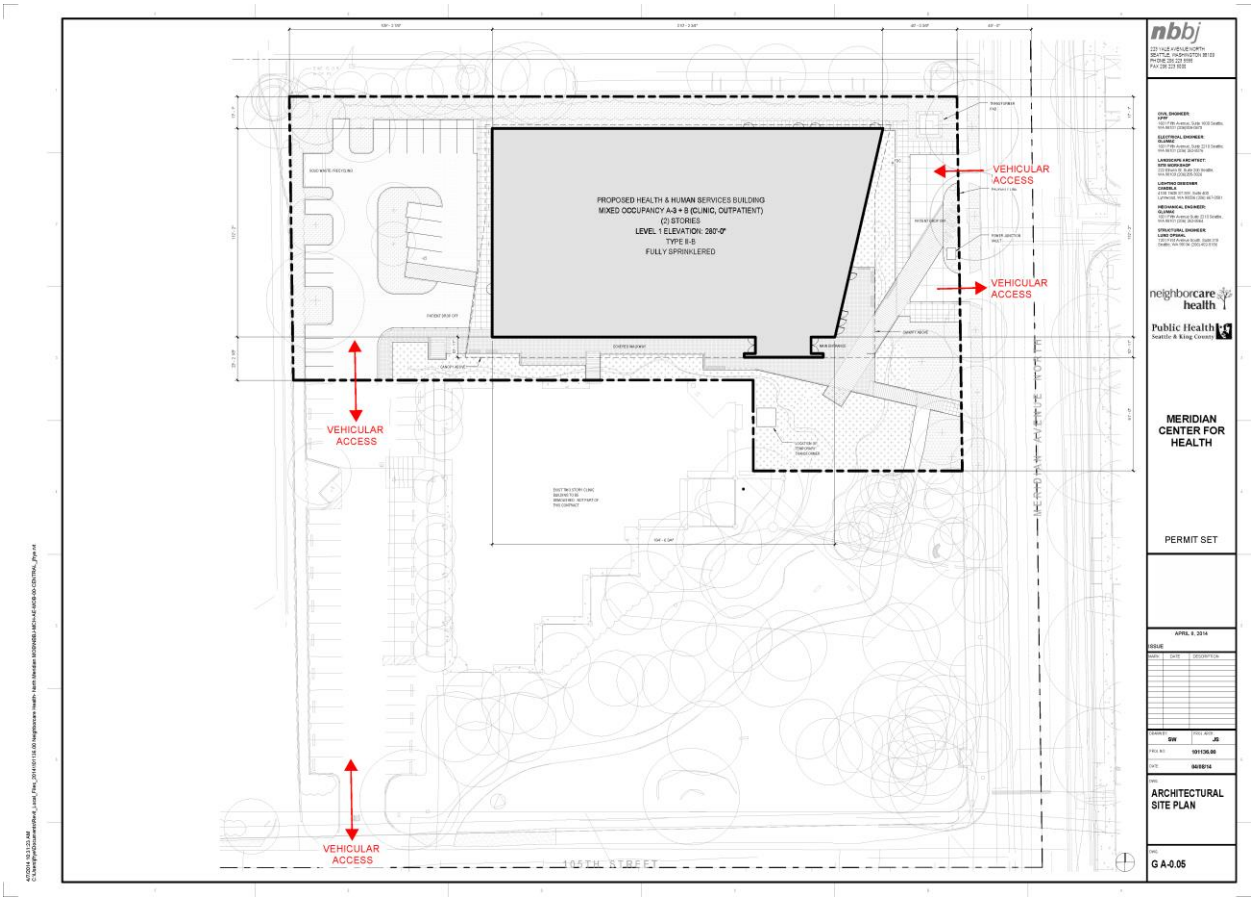

EXHIBIT G-1
ACCESS EASEMENT

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

_____
_____
_____

ACCESS EASEMENT

GRANTOR:	King County, a municipal corporation and political subdivision of the State of Washington
GRANTEE:	King County, a municipal corporation and political subdivision of the State of Washington
ABBREVIATED LEGAL DESCRIPTION (County Property):	
ABBREVIATED LEGAL DESCRIPTION (Neighborcare Lot):	
ASSESSORS' TAX PARCEL ID NO.:	
REFERENCE NO.:	N/A

ACCESS EASEMENT

For and in consideration of the mutual benefits to be derived and other valuable consideration the sufficiency of which is hereby acknowledged, King County, a municipal corporation and political subdivision of the State of Washington ("Grantor") as the owner of the property legally described on Exhibit A attached hereto (the "County Property") hereby grants, declares, reserves and conveys to King County, a municipal corporation and political subdivision of the State of Washington ("Grantee"), in gross, in its capacity, severally, as the owner of the property legally described on Exhibit B attached hereto (the "Neighborcare Lot"; the County Property and the Neighborcare Lot are collectively referred to as the "Parcels") for the purposes hereinafter set forth, a non-exclusive, perpetual easement appurtenant, in, along, over, across, under and through a mutually acceptable paved driveway, roadway and walkway as presently or hereafter constructed on the County Property, to provide for the passage of motor vehicles and pedestrians to the Neighborcare Lot and to and from all abutting streets or rights of way furnishing access to the Neighborcare Lot. The County Property and the Neighborcare Lot were created by and are further described in the City of Seattle Short Subdivision No. 3015969 as recorded under Recording No. 20140521900007, Records of King County, Washington.

This Easement is granted subject to and conditioned upon the following terms, conditions and covenants which Grantee hereby covenants to faithfully and fully observe and perform:

1. Grantee's Use and Activities. Grantee shall at all times exercise its rights under this Easement so as to minimize, and avoid if reasonably possible, interference with Grantor's use of the County Property.

2. Grantor's Use of the County Property. Grantor reserves the right to use the County Property for any purpose not inconsistent with the rights herein granted.

3. Miscellaneous.

3.1 Attorneys' Fees. In the event a party institutes any legal action or proceeding for the enforcement of any right or obligation herein contained, the substantially prevailing party after a final adjudication shall be entitled to recover from the other its costs and reasonable attorneys' fees incurred in the preparation and prosecution of such action or proceeding.

3.2 Amendment. The parties agree that the provisions of this Easement may be modified or amended, in whole or in part, or terminated, only by the written consent of Grantor and Grantee, evidenced by a document that has been fully executed and acknowledged by all such record Grantor and Grantee and recorded in the official records of the County Recorder of King County, Washington.

3.3 No Waiver. No waiver of any of the provisions of this Easement shall be effective unless it is in writing, signed by the party against whom it is asserted and any such

written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

3.4 No Agency. Nothing in this Easement shall be deemed or construed by either party or by any third person to create the relationship of principal and agent or of limited or general partners or of joint venturers or of any other association between the parties.

3.5 Covenants to Run with Land. It is intended that each of the easements, covenants, conditions, restrictions, rights and obligations set forth herein shall run with the land and create equitable servitudes in favor of the real property benefited thereby, shall bind every person having any fee, leasehold or other interest therein and shall inure to the benefit of the respective parties and their successors, assigns, heirs, and personal representatives.

3.6 No Merger of Estates. The Easement granted herein shall not be extinguished or terminated by operation of the doctrine of merger or otherwise due to the existing or future common ownership of the real property described herein.

3.7 Severability. Each provision of this Easement and the application thereof is hereby declared to be independent of and severable from the remainder of this Easement. If any provision contained herein shall be held to be invalid or to be unenforceable or not to run with the land, such holding shall not affect the validity or enforceability of the remainder of this Easement.

3.8 Time of Essence. Time is of the essence of this Easement.

3.9 Entire Agreement. This Easement contains the complete understanding and agreement of the parties hereto with respect to all matters referred to herein, and all prior representations, negotiations, and understandings are superseded hereby.

3.10 Governing Law. The laws of the State in which the Parcels are located shall govern the interpretation, validity, performance, and enforcement of this Easement.

DATED as of the day and year first above written.

GRANTOR:

KING COUNTY,
a municipal corporation and political subdivision of the State of Washington

By:_____
Name:_____
Its:_____

GRANTEE:

KING COUNTY,
a municipal corporation and political subdivision of the State of Washington

By:_____
Name:_____
Its:_____

STATE OF WASHINGTON

COUNTY OF

_____

ss.

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

Dated this _____ day of _____, 2014.

_____
(Signature of Notary)

_____
(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington, residing at _____

My appointment expires _____

STATE OF WASHINGTON

COUNTY OF

_____

ss.

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

Dated this _____ day of _____, 2014.

_____
(Signature of Notary)

_____
(Legibly Print or Stamp Name of Notary)
Notary public in and for the state of Washington, residing at _____

My appointment expires _____

EXHIBIT A
to
Access Easement
Legal Description of County Property

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;

THENCE NORTH 00°26'20" EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET, SAID LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44°16' EAST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET;
THENCE SOUTH 01°15'36" WEST, A DISTANCE OF 48.47 FEET TO A LINE BEING DISTANT 201.26 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION;
THENCE SOUTH 88°44'16" EAST, ALONG SAID LINE, A DISTANCE OF 112.67 FEET TO THE WEST RIGHT OF WAY MARGIN OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;
THENCE SOUTH 00°26'20" WEST, ALONG SAID LINE, A DISTANCE OF 172.93 FEET TO A TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 10.00 FEET;
THENCE SOUTHWESTERLY ALONG SAID CURVE, AN ARC LENGTH OF 15.85 FEET, THROUGH A CENTRAL ANGLE OF 90°48'01" TO THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
THENCE NORTH 88°45'39" WEST, ALONG SAID LINE, A DISTANCE OF 349.36 FEET TO THE POINT OF BEGINNING;

SUBJECT TO AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, LYING WITHIN A STRIP OF LAND 24.0 FEET IN WIDTH, 12.0 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET;
THENCE SOUTH 88°45’39” EAST, ALONG SAID NORTH MARGIN, A DISTANCE OF 33.63 FEET TO THE POINT OF BEGINNING OF SAID CENTERLINE.

THENCE NORTH 02°02’31” EAST A DISTANCE OF 232.07 FEET TO A POINT ON A LINE WHICH IS 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TERMINUS OF THE HEREIN DESCRIBED CENTERLINE.

SAID TERMINUS LIES 40.12 DISTANT FROM, AT A BEARING OF SOUTH 88°44’16” EAST FROM A POINT ON THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION. SAID POINT ON SAID WEST LINE LIES 232.08 FEET DISTANT FROM, AT A BEARING OF NORTH 00°26’20” EAST FROM THE POINT OF COMMENCEMENT.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED AS NECESSARY TO CLOSE UPON THE NORTH RIGHT-OF-WAY MARGIN OF NORTH 105TH STREET AND UPON THE ABOVE DESCRIBED LINE LYING 152.39 FEET SOUTH OF, AND PARALLEL WITH, THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION.

EXHIBIT B
to
Access Easement
Legal Description of Neighborcare Lot

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

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THENCE NORTH 00°26'20" EAST, ALONG SAID WEST LINE, A DISTANCE OF 232.08 FEET TO TO A LINE BEING DISTANT 152.39 FEET SOUTH AND PARALLEL WITH THE SOUTH LINE OF THE NORTH 247.25 FEET OF SAID SUBDIVISION AND THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 00°26'20" EAST, A DISTANCE OF 152.41 FEET;
THENCE SOUTH 88°44'16" EAST, A DISTANCE OF 359.50 FEET TO THE WEST LINE OF MERIDIAN AVENUE NORTH AS DELINEATED BY CITY OF SEATTLE TRANSFER JURISDICTION ORDINANCE NUMBER 103020;
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THENCE NORTH 88°44'16" WEST, ALONG SAID LINE, A DISTANCE OF 247.53 FEET TO THE TRUE POINT OF BEGINNING

TOGETHER WITH AN EASEMENT FOR VEHICLE DRIVEWAY ACCESS MORE PARTICULARLY DESCRIBED AS FOLLOWS;

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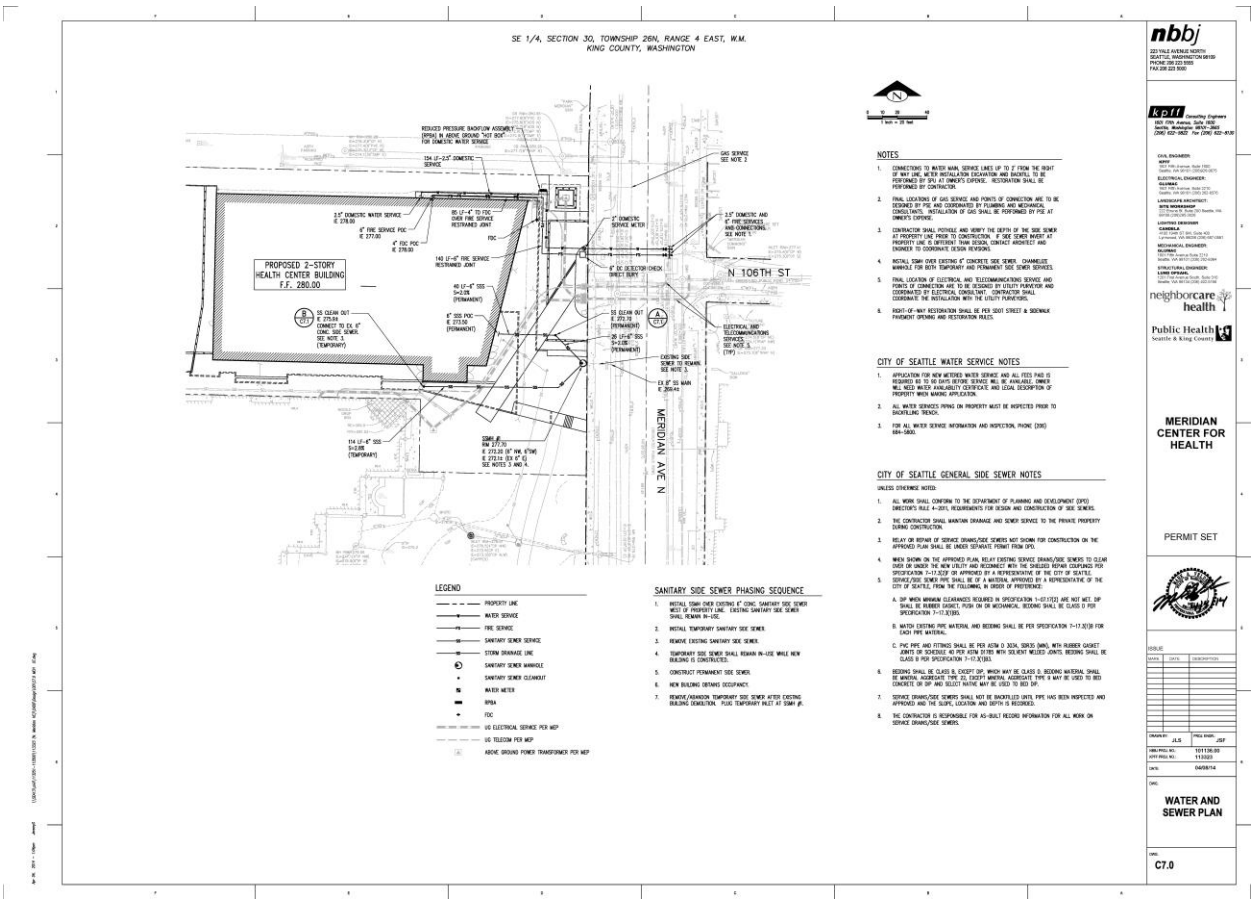
EXHIBIT H
UTILITY AREAS



]

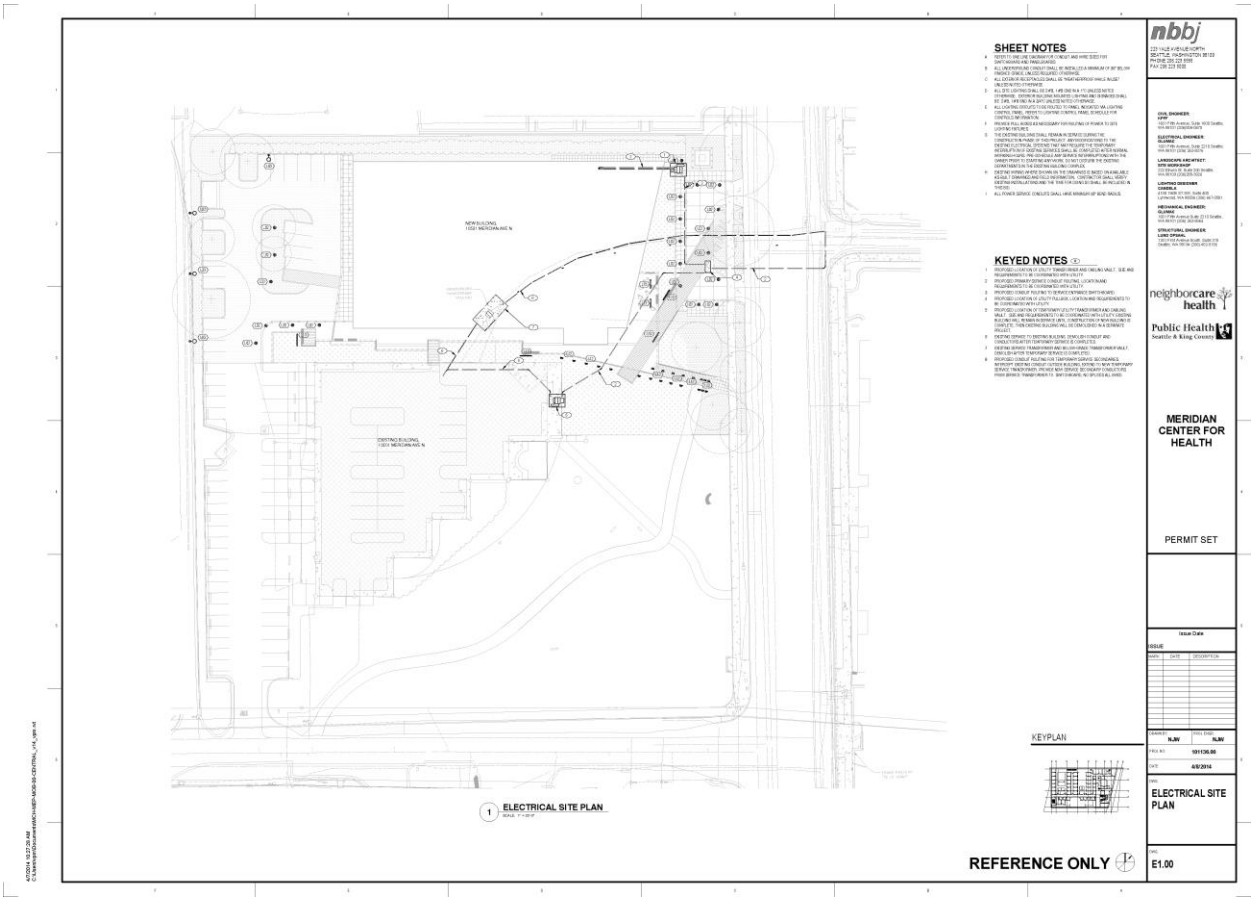

SHEET NOTES
KEYED NOTES
NEW BUILDING
1001 MERIDIAN AVE N
EXISTING BUILDING
1001 MERIDIAN AVE N
1 ELECTRICAL SITE PLAN
KEYPLAN
REFERENCE ONLY
nbbj
neighborcare health
Public Health
Seattle & King County
MERIDIAN CENTER FOR HEALTH
PERMIT SET
Issue Date
ISSUE
DATE
DESCRIPTION
DRAWN BY
NJW
CHK'D BY
NJW
PROJ. NO.
191136.00
DATE
4/8/2014
TITLE
ELECTRICAL SITE PLAN
NO.
E1.00

EXHIBIT I
MEMORANDUM OF LEASE

After Recording, Return to:

Pacifica Law Group LLP
1191 2nd Avenue
Suite 2100
Seattle, WA 98101-2945
Attention: Gerry Johnson

WASHINGTON STATE RECORDER'S Cover Sheet (RCW 65.04)

DOCUMENT TITLE(S) (or transactions contained therein): Memorandum of Lease
REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED: n/a ☐ Additional reference #s on page ___ of document(s)
GRANTOR(S) (Last name first, then first name and initials) King County, a political subdivision of the State of Washington ☐ Additional names on page ___ of document
GRANTEE(S) (Last name first, then first name and initials) Neighborcare Health, a Washington nonprofit corporation ☐ Additional names on page ___ of document
LEGAL DESCRIPTION (abbreviated: i.e., lot, block, plat or section, township, range) Portion of the Southeast quarter of the Southeast quarter of Section 30, Township 26 North, Range 4 East, W.M. ☒ Additional legal is on page Exhibit A of document
ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER 302604-9025-02 ☐ Assessor Tax # not yet assigned

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum"), dated for reference purposes as of the ___ day of _____, 2014, by and between King County, a political subdivision of the State of Washington ("Landlord"), and Neighborcare Health, a Washington nonprofit corporation ("Tenant").

1. Landlord has leased to Tenant, pursuant to the terms and conditions of that certain Ground Lease Agreement (the "Lease") dated as of the ___ day of _____, 2014 (the "Effective Date"), that certain property located at in the City of Seattle, King County, Washington, which property is more particularly described on Exhibit A attached hereto and made a part hereof (the "Neighborcare Lot").

2. The Lease has an initial term of fifty (50) years.

3. Pursuant to that certain Development Agreement between Landlord and Tenant dated _____, 2014, Tenant will develop an integrated health and human services center on the Neighborcare Lot (the "Project"). The Project will be partially funded through a $5,000,000 grant from the U.S. Department of Health and Human Services, Health Resources and Services Administration.

4. Tenant has certain Access Rights and Signage Rights, over adjacent property owned by Landlord and described on Exhibit B attached hereto and made a part hereof (the "County Property"), upon the terms and conditions specifically set forth in the Lease.

5. The Lease contains numerous other provisions in addition to the provisions stated in this Memorandum of Lease.

6. This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease, the terms of which are incorporated herein by reference. This instrument is merely a memorandum of the Lease and is subject to all of the terms, provisions and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall prevail.

7. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

[Signature Pages Follow]

IN WITNESS WHEREOF, Landlord has executed this Memorandum of Lease as of the date set forth below.

LANDLORD:

KING COUNTY**,** a political subdivision of
the State of Washington

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

By: _____

Acknowledgment of Landlord

STATE OF _____)
)ss:
COUNTY OF _____)

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

_____
[Signature of Notary]

_____
[Print Name of Notary]

Notary Public in and for the State of
_____, residing at _____
_____

My commission expires:_____

IN WITNESS WHEREOF, Tenant has executed this Memorandum of Lease as of the date set forth below.

TENANT:

NEIGHBORCARE HEALTH, a Washington nonprofit corporation

By: _____
Name: _____
Its: _____

Acknowledgment of Tenant

STATE OF WASHINGTON)
: ss.
COUNTY OF KING)

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

Dated this ____ day of _____, 2014.

_____
[Signature of Notary]

_____
[Print Name of Notary]

Notary Public in and for the State of
_____, residing at _____
_____

My commission expires:_____

EXHIBIT A
To
Memorandum of Lease

Legal Description of Neighborcare Lot

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COMMENCING AT THE INTERSECTION OF TWO LINES, BEING THE WEST LINE OF THE EAST 399.46 FEET OF SAID SUBDIVISION AND THE NORTH RIGHT OF WAY MARGIN OF NORTH 105TH STREET;
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EXHIBIT B
To
Memorandum of Lease

Legal Description of County Property

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EXHIBIT J
MEDICAL AND DENTAL FF&E

Dental chairs
Dental assistant delivery systems
Dental provider delivery systems
Panorex xray machine
Intraoral xray machines
Dental compressor
Dental dry vacuum system
Dental amalgam separation system
Dental nitrous system
Dental sterilization washer
Medical exam tables
Medical and dental exam lights
Medical diagnostics centers
Autoclaves, statim and ultrasonic machines