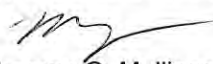


**APPLICATION FOR CERTIFICATE OF NEED**  
**Health Care Facility Projects**  
*(excluding nursing home, hospital, or CCRC related projects)*

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and WAC 246-310, rules and regulations adopted by the Washington State Department of Health. I hereby certify that the statements made in this application are correct to the best of my knowledge and belief.

<p>Signature and Title of Responsible Officer</p>  <p>Thomas G. Mulligan, M.D., Member</p>	<p>Date March 15, 2018</p> <p>Telephone Number (206) 937-9600</p>
<p>Legal Name of Applicant</p> <p>Clearview Eye and Laser, PLLC</p> <p>Address of Applicant</p> <p>7520 35th Avenue S.W. Seattle, WA 98126</p>	<p>Type of Application:</p> <p><input checked="" type="checkbox"/> Ambulatory Surgical Facility  <input type="checkbox"/> Kidney Disease Treatment Center</p> <p>Type of Project (check all that apply)</p> <p><input checked="" type="checkbox"/> New Health Care Facility  <input type="checkbox"/> Capital expenditure over expenditure minimum  <input type="checkbox"/> Pre-development Expenditure  <input type="checkbox"/> Increase in the number of dialysis stations  in a kidney disease center</p>
<p>Intended date of incurring contractual obligation to construct, acquire, lease or finance capital asset:</p> <p>Estimated capital expenditure: \$0</p>	<p>Intended date of undertaking project:</p> <p>Upon issuance of certificate of need</p> <p>Intended date for beginning to offer services or operate completed project:</p> <p>Project Summary: Certificate of need approval to establish and operate a freestanding ambulatory surgical facility with two operating rooms</p>

**Certificate of Need Application  
Clearview Eye and Laser**

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**Certificate of Need Application  
Clearview Eye and Laser**

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I. *APPLICANT DESCRIPTION:*

a. *Legal name(s) of applicant(s)*

*Note: The term “applicant” for this purpose is defined as any person or individual with a ten percent or greater financial interest in a partnership or corporation or other comparable legal entity that engage in any undertaking which is subject to review under provisions of RCW 70.38.*

The applicant is Clearview Eye and Laser, PLLC (“Clearview Eye and Laser”).

b. *Name and address of the proposed/existing facility.*

Clearview Eye and Laser is seeking certificate of need (“CN”) approval for its existing ambulatory surgical facility (“ASF”) that currently operates pursuant to Determination of Reviewability No. 14-33 issued on September 19, 2014. The name of the existing ASF is Westwood Eye Surgery and Laser, and its address is 7520 35th Avenue S.W., Seattle, WA 98126.

c. *Type of ownership (public/private/corporation, etc.).*

Clearview Eye and Laser is a Washington professional limited liability company.

d. *Name and address of owning entity at completion of project (unless same as applicant).*

The name and address of the owning entity is and will be the same as the applicant.

e. *Name, title, address, and telephone number of the person to whom questions regarding this application should be directed.*

Please direct questions regarding this application simultaneously to the following:

Louise Coomes, Controller  
Clearview Eye and Laser, PLLC  
7520 35th Avenue S.W.  
Seattle, WA 98126  
Tel: (206) 937-9600  
E-mail: lcoomes@clearviewseattle.com

AND

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

- f. *Corporate structure and related parties. Attach chart showing organizational relationship to related parties.*

Clearview Eye and Laser is wholly-owned by the following physicians: Thomas G. Mulligan, M.D., Marcus A. Meyer, M.D., and Aaron P. Weingeist, M.D. Please see Exhibit 1 for an organizational chart for Clearview Eye and Laser. Each of the foregoing physicians is a one-third owner of Clearview Eye and Laser.

- g. *Name and address of operating entity at completion of project (unless same as applicant).*

The name and address of the operating entity will be the same as the applicant.

- h. *General description and address of each facility owned and/or operated by applicant.*

7520 35th Avenue S.W.  
Seattle, WA 98126  
Ophthalmology clinic and ophthalmic ASF

16259 Sylvester Road S.W., Suite 304  
Burien, WA 98166  
Ophthalmology clinic

- i. *Facility licensure/accreditation status.*

Westwood Eye Surgery and Laser is licensed by the Washington State Department of Health as an ASF, License #ASF.FS.60532154. It is also certified by the Centers for Medicare and Medicaid Services as an ambulatory surgical center, 50-C0001256.

- j. *Is applicant reimbursed for services under Titles V, XVIII, and XIX of Social Security Act?*

Westwood Eye Surgery and Laser is reimbursed for services under Titles V, XVIII, and XIX of Social Security Act.

- k. *Geographic identification of primary service area.*

For purposes of the numeric need analysis, the primary service area is the Southwest King Secondary Health Services Planning Area, as defined in WAC 246-310-270(3). Please see Exhibit 2 for the planning area map and zip code definition.

- l. *List physician specialties represented on active medical staff and indicate number of active staff per specialty.*

Any qualified, credentialed and privileged physician on Clearview Eye and Laser's medical staff will be able to use the proposed CN-approved facility.

Medical staff currently employed or contracted by Clearview Eye and Laser include the following:

- 3 ophthalmic surgery
- 1 ophthalmology

Please see Exhibit 3 for the names and specialties of Clearview Eye and Laser’s current medical staff.

*m. List all other generally similar providers currently operating in the primary service area.*

Hospitals in the Southwest King Secondary Health Services Planning Area include the following: Highline Medical Center.

There are no CN-approved ASFs in the Southwest King Secondary Health Services Planning Area.

CN-exempt ASFs in the Southwest King Secondary Health Services Planning Area include the following: Aesthetic and General Dermatology of Seattle; Vincent Muoneke, M.D.; la Belle Vie Cosmetic Surgery Center; Northwest Center for Plastic and Reconstructive Surgery; Southwest Seattle Ambulatory Surgery Center; and Westwood Eye Surgery and Laser (the proposed project).

*n. For existing facilities, provide applicant’s overall utilization for the last five years, as appropriate.*

- 1. Ambulatory Surgical Facility - surgeries per year;*
- 2. Kidney Disease Treatment Center - dialyses and/or transplants per year;*

Westwood Eye Surgery and Laser was established in 2006. Please see Table 1 for Westwood Eye Surgery and Laser’s historical utilization for the last five years.

**Table 1**  
**Westwood Eye Surgery and Laser Historical Utilization**

<b>Year</b>	<b>Utilization</b>
2018	1,610 (through September 30, 2018)
2017	2,070
2016	2,112
2015	2,097
2014	1,800

2013	1,823
------	-------

- o. Describe the history of applicant entity with respect to criminal convictions related to ownership/operation of health care facility, license revocations, and other sanctions described in WAC 246-310-230(5)(a). If there have been no such convictions or sanctions, please state.*

Clearview Eye and Laser has no history with respect to criminal convictions related to ownership/operation of health care facility, license revocations, and other sanctions described in WAC 246-310-230(5)(a).

**II. PROJECT DESCRIPTION**

*Include the following elements in the project description. Be aware that an amendment to a Certificate of Need is required for certain project modifications as described in WAC 246-310-100(1).*

- a. Describe the project for which Certificate of Need approval is sought.*

Clearview Eye and Laser proposes to establish an ASF with two operating rooms (“ORs”) in the Southwest King Secondary Health Services Planning Area. The ASF is currently built out, and it operates pursuant to Determination of Reviewability No. 14-33 issued on September 19, 2014. The ASF occupies 4,125 square feet of space within the West Seattle office of Clearview Eye and Laser, located at 7520 35th Avenue S.W., Seattle, WA 98126.

The ASF will provide the following services: ophthalmic, otolaryngological, oral maxillofacial, and plastic surgery. All physicians who meet Westwood Eye Surgery and Laser’s credentialing requirements for the ASF would be permitted to use the facility. The project cost for the ASF is estimated to be \$0, since the ASF already is built out and operational.

- b. Total estimated capital expenditures.*

The total estimated capital expenditure for the project is \$0.

- c. Total estimated operating expense for the first and second years of operation (please show separately).*

Please see Table 2 for Westwood Eye Surgery and Laser’s total estimated operating expenses for the first and second years of operation:

**Table 2  
Westwood Eye Surgery and Laser Operating Expenses: 2019-2021**

	2019 (Year 1)	2020 (Year 2)	2021 (Year 3)
Total Operating Expenses	\$1,571,233	\$1,542,960	\$1,591,439

d. *New services/changes in services represented by this project.*

The ASF will provide the following services: ophthalmic, otolaryngological, oral maxillofacial, and plastic surgery.

e. General description of types of patients to be served by the project.

The ASF will provide care to patients 15 years of age and older who require ambulatory surgery, are not expected to require hospitalization, and can be treated appropriately in an outpatient surgery setting.

f. Projected utilization of service(s) for the first and second year of operation following project completion (please show separately). This should be expressed in appropriate workload unit measures.

Please see Table 3 for Westwood Eye Surgery and Laser’s projected utilization for the first three years of operation:

**Table 3**  
**Westwood Eye Surgery and Laser Projected Utilization: 2019-2021**

	2019 (Year 1)	2020 (Year 2)	2021 (Year 3)
Procedure Volumes	2,600	2,700	2,850

g. *A copy of the letter of intent, per WAC 246-310-080.*

Please see Exhibit 4 for the Letter of Intent for the project.

h. *Sources of patient revenue (Medicare, etc.) with anticipated percentage of revenue from each source. Estimate the percentage of change for each of the sources of revenue by payer that will result from this project.*

Please see Table 4 for the projected sources of patient revenue by payer for the proposed facility.

**Table 4**  
**Projected Sources of Patient Revenue by Payer**

<b>Payer</b>	<b>Percentage of Total Cases</b>
Commercial insurance	22%
Medicaid	73%
Medicare	2%
Other government sponsored	1%



Other	0%
Self-pay	1%
Charity care	1%

*i. Source(s) of financing.*

The cost of the proposed project is estimated to be \$0, since the ASF is already built out and operational. This question is not applicable.

*j. Equipment proposed:*

1. *Description of equipment proposed.*
2. *Description of equipment to be replaced, including cost of the equipment, and salvage value (if any) or disposal, or use of the equipment to be replaced.*

No equipment will be purchased or replaced for the proposed project. This question is not applicable.

*k. Drawings:*

1. *Single line drawings, at least approximately to scale, of current locations which identify current department and services.*
2. *Single line drawings, at least approximately to scale, of proposed locations which identify proposed services and departments.*
3. *Total net and gross square feet of project.*
4. *Describe any changes in dialysis station capacity proposed as part of this project.*

Please see Exhibit 5 for single line drawings of the proposed ASF. The total gross square feet of the proposed project is 4,125. The total net square feet of the proposed project is 3,771.

*l. Anticipated dates of both commencement and completion of project.*

The proposed ASF is already built out and operational. Therefore, project commencement for the ASF should be deemed effective upon CN approval, anticipated to occur in approximately March 2019.

*m. Describe the relationship of this project to the applicant's long-range plan and long-range financial plan (if any).*

For nearly 13 years, Clearview Eye and Laser has been working to improve the eye health and well-being of residents of the Southwest King Secondary Health Services Planning Area. Its proposed ASF will expand the scope of services it can provide, consistent with its long-term strategy. Additionally, approval of this project will allow Clearview Eye and Laser to offer a more convenient, lower-cost alternative to hospital-based outpatient surgery for an array of procedures. This is increasingly an important consideration for our physicians and their patients.

- n. *Describe any of the following which would currently restrict usage of the proposed site and/or alternate site for the proposed project: (a) mortgages; (b) liens; (c) assessments; (d) mineral or mining rights; (e) restrictive clauses in the instrument of conveyance; (f) easements and right-of-ways; (g) building restrictions; (h) water and sewer access; (i) probability of flooding; (j) special use restrictions; (k) existence of access roads; (l) access to power and/or electricity sources; (m) shoreline management/environmental impact; (n) others (please explain).*

The physician owners of Clearview Eye and Laser own the property and building on which the proposed ASF is built through a holding company, Over the Moon Investment, LLC. Please see Exhibit 6 for Over the Moon Investment, LLC Certificate of Formation. Please see Exhibit 7 for Lease Agreement between Over the Moon Investment, LLC and Clearview Eye and Laser, PLLC.

- o. *Provide documentation that the proposed site may be used for the proposed project. Documentation may include, but not limited to a letter from any appropriate municipal authority, zoning information, and signed letter from leasing agent or realtor attesting to appropriate usage.*

The physician owners of Clearview Eye and Laser own the property and building on which the proposed ASF is built through a holding company, Over the Moon Investment, LLC. Please see Exhibit 6 for Over the Moon Investment, LLC Certificate of Formation. Please see Exhibit 7 for Lease Agreement between Over the Moon Investment, LLC and Clearview Eye and Laser, PLLC.

- p. *Provide documentation that the applicant has sufficient interest in the site or facility proposed.*  
*“Sufficient interest” includes but not limited to one of the following:*
- a. *clear legal title to the proposed site;*
  - b. *a lease for at least one year with, options to renew for not less than a total of five years;*
  - c. *a draft lease for at least one year with, options to renew for not less than a total of five years. A draft is acceptable only if all parties identified in the draft agreement provide a signed “Letter of Intent to finalize” the agreement.*
  - d. *an earnest money agreement provided all parties identified in the agreement have signed it.*
  - e. *a letter signed by a duly authorized representative of the property owner attesting to the property owners intent to sale the site as represented in the application.*

The physician owners of Clearview Eye and Laser own the property and building on which the proposed ASF is built through a holding company, Over the Moon Investment, LLC. Please see Exhibit 6 for Over the Moon Investment, LLC Certificate of Formation. Please see Exhibit 7 for Lease Agreement between Over the Moon Investment, LLC and Clearview Eye and Laser, PLLC.

### *III. PROJECT RATIONALE*

*Provide documentation to establish conformance of this project with applicable review criteria.*

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

##### *1. Identify and analyze the unmet health services needs and/or other problems toward which this project is directed.*

Clearview Eye and Laser is requesting CN approval to establish an ASF to improve access to accessible, affordable and local ambulatory surgical services to the Southwest King Secondary Health Services Planning Area residents. Based on the Department's quantitative need methodology, the Southwest King Secondary Health Services Planning Area is projected to need more than **13.05** additional outpatient ORs by 2022.

CN approval will also allow the proposed ASF to be made available to all physicians in the community who are credentialed, privileged and in good standing and who perform the ambulatory surgical services offered at the ASF. Local physicians gaining access to the proposed ASF will improve Southwest King Secondary Health Services Planning Area residents' access to a full complement of all procedures expected to be performed at the ASF, including ophthalmic, otolaryngological, oral maxillofacial, and plastic surgery. Further, because freestanding ASFs are more efficient and cost-effective in comparison to hospital outpatient surgery departments, the contractual rates for purchasers can be lower in a freestanding setting, which translates to cost savings to patients.

As shown in Exhibit 8, the Southwest King Secondary Health Services Planning Area has shown steady population growth and is forecasted to continue growing steadily through 2025. Please see Exhibit 8 for additional historical and projected resident population statistics for the Southwest King Secondary Health Services Planning Area.

In addition, the ASF forecast provided below uses a comprehensive, statistically valid survey of ambulatory surgery cases by the National Center for Health Statistics, which is based on 2006 survey statistics and published in a revised report in September 2009. This survey includes surgery use rates by major age cohort groups. It demonstrates use rates for persons 65-74 years old are 2.6 times the average use rate, and 2.4 times higher for persons 75 years of age and older. These use rates are presented in Table 5. Considering the much higher growth in the 65+ age cohort, these use rate differences signify demand for health services will be much higher in the future as populations age.

**Table 5<sup>1</sup>**  
**National Center for Health Statistics Ambulatory Surgery Use Rates**  
**per 10,000 Residents, by Major Age Cohort**

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

There is an increasing need for additional outpatient surgery capacity in the Southwest King Secondary Health Services Planning Area and surrounding areas. There continues to be significant shifting of surgeries to outpatient settings, where costs are lower and patient satisfaction is higher due to patients’ preference for outpatient-based care. Having a local ASF not only reduces travel time and costs, it reduces inconvenience and anxiety when patients are able to obtain both clinical and surgical care in the same location.

Clearview Eye and Laser’s proposed project will respond to projected planning area demand for outpatient ORs and is validated by the need methodology, as shown below.

Need Methodology

Please see Answer to Question I.m. for the step-by-step methodology and supporting documentation regarding surgical volumes and number of ORs by facility. The methodology, which is defined in WAC 246-310-270(9), describes how to use current surgical capacity, hospital and ambulatory surgery utilization figures, and population estimates and forecasts to prepare a planning area need forecast to determine whether there is need for additional inpatient/mixed use and/or outpatient ORs in the planning area.

Current Supply of CN-approved ORs - Southwest King Secondary Health Services Planning Area

There are nine CN-approved ORs in the Southwest King Secondary Health Services Planning Area. These are all inpatient/mixed use ORs. There are zero CN-approved outpatient ORs in the Southwest King Secondary Health Services Planning Area. Furthermore, while licensed, CN-exempt outpatient ORs have been identified and their outpatient surgery volumes included in the methodology to determine planning area surgery use rates, their ORs have not been included in the count of ORs within the forecast need model. The methodology also excludes gastroenterology/endoscopy ORs. Thus, the number of such ORs and the procedure volumes from these facilities are also excluded from the methodology.

After identifying planning area inpatient/mixed use and outpatient surgical capacity, surgery volumes by licensed surgery centers were obtained from the three sources cited below.

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<sup>1</sup> Source: “Ambulatory Surgery in the United States, 2006,” U.S. Department of Health and Human Services, National Center for Health Statistics, Report Number 11, January 28, 2009, revised September 4, 2009. Table 7, page 18.

1. When available, data from the Department's 2017 Annual Ambulatory Surgery Survey for Surgical Procedures Performed during CY2016 was utilized.

2. The Department's 2016 Annual Ambulatory Surgery Survey for Surgical Procedures Performed during CY2015.

### Need for Services

CN approval for the proposed ASF will help create patient choice in the Southwest King County secondary health services planning area. A CN-approved ASF will allow patients the option of receiving services in a significantly less expensive setting than the local hospital in the health services planning area. It would not only be more costly, but also more disruptive to establish a new ASF in the health services planning area to address this need for services.

### Need for Additional Capacity

The Department uses the numeric methodology outlined in WAC 246-310-270 for determining the need for additional ASFs in Washington. The numeric methodology provides a basis of comparison of existing OR capacity for both outpatient and inpatient ORs in a planning area using the current utilization of existing providers. The methodology separates Washington into 54 secondary health services planning areas. The proposed ASF would be located in the in Southwest King County secondary health services planning area.

The numeric methodology estimates OR need in a planning area using steps defined in WAC 246-310-270(9). This methodology relies on a variety of assumptions and initially determines existing capacity of dedicated outpatient and mixed-use ORs in the planning area, subtracts this capacity from the forecast number of surgeries to be expected in the planning area in the target year, and examines the difference to determine:

- 1) Whether a surplus or shortage of ORs is predicted to exist in the target year.
- 2) If a shortage of ORs is predicted, the shortage of dedicated outpatient and mixed-use ORs are calculated. Preference is given to dedicated outpatient ORs.
- 3) Data used to make these projections specifically exclude specialty purpose rooms, such as open-heart surgery rooms, delivery rooms, cystoscopic rooms, and endoscopic rooms.

Exhibit 9 contains the applicant's need methodology evaluation. The evaluation shows that there is a need for an additional **13.05** outpatient ORs by the year 2022 in the Southwest King County secondary health services planning area. Currently there is a shortage of **13.05** outpatient ORs in the Southwest King County secondary health services planning area.

A CN would allow all patients a choice between a hospital outpatient surgery department and a free-standing ambulatory surgery center. The cost per procedure for the patient as well as his or her insurance company is significantly less in a free-standing ASF.

For the above reasons, we believe that the proposed project meets applicable need criteria.

In addition to the above reasons that demonstrate the proposed ASF meets applicable need criteria, Clearview Eye and Laser requests that, if needed, the Department exercise its discretion under WAC 246-310-270(4) to grant a CN for the proposed ASF. Without a CN, Clearview Eye and Laser cannot make available the proposed ASF and the additional surgical services it seeks to provide, despite the fact that the ASF is built out and operational. Issuing a CN to the proposed ASF will allow these to receive the care they need and to receive that care locally.

2. *Define the population that is expected to be served by the project. The specific manner of definition is of necessity based on the specific project proposed and may require definitions for different elements of the project.*

*In all cases, provide Office of Fiscal Management population forecasts for the next ten years, broken down into age and gender categories.*

*In the case of an existing facility, include a patient origin analysis for at least the most recent three-month period, if such data is maintained, or provide patient origin data from the last statewide patient origin study. Patient origin is to be indicated by zip code. Zip codes are to be grouped by city and county and include a zip code map illustrating the service area.*

*The population expected to be served can be defined according to specific needs and circumstances of patients (e.g., alcoholism treatment, renal dialysis), or by the number of persons who prefer to receive the services of a particular recognized school or theory of medical care.*

3. *Provide utilization forecasts for each service included in the project. Include the following:*
  - a. *Utilization forecasts for at least five years following project completion.*
  - b. *The complete quantitative methodology used to construct each utilization forecast.*
  - c. *Identify and justify all assumptions related to changes in use rate, market share, intensity of service, and others.*
  - d. *Evidence of the number of persons now using the service(s) who will continue to use the service(s). Utilization experience for existing services involved in the project should be reported for up to the last ten years, as available. Such utilization should be reported in recognized units of measure appropriate to the service.*
  - e. *Evidence of the number of persons who will begin to use the services(s).*

The proposed ASF is located in the Southwest King Secondary Health Services Planning Area, which is defined using the zip codes in Table 6.

**Table 6<sup>2</sup>**  
**Southwest King Secondary Health Services Planning Area Zip Codes**

<b>Zip Code</b>	<b>City</b>
98013	Burton
98062	Seahurst
98070	Vashon
98106	Seattle
98116	Seattle
98126	Seattle
98136	Seattle
98146	Seattle
98148	Seattle
98158	Seattle
98166	Seattle
98168	Seattle
98188	Seattle

Clearview Eye and Laser has developed this proposed project to ensure that there is sufficient capacity in the planning area to meet current and projected need. There is no construction, renovation or expansion associated with this project. The proposed ASF's ORs are fully built-out and operational. Without a CN, however, Clearview Eye and Laser cannot make available the proposed ASF to physicians who are not owners or employees of Clearview Eye and Laser or their patients. These patients currently are experiencing delays in receiving needed care or are being forced to travel significant distances to receive the care.

Table 7 below shows an increase in the total number of cases from 2,146 in 2018 to 2,950 in 2023. Conservatively, Clearview Eye and Laser projects there will be at least an increase of 75 procedures performed annually from 2019 to 2023. In addition to making the proposed ASF available to Clearview Eye and Laser's patients for ophthalmic and other surgical procedures, which will account for the number of procedures performed at the proposed ASF, population growth will also cause an increase in the number of procedures to be performed. Accordingly, Clearview Eye and Laser could also make the proposed ASF available to other qualified, credentialed and privileged physicians in good standing.

Clearview Eye and Laser has taken a conservative approach in estimating growth, and the projections are far below the likely increase in utilization.

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<sup>2</sup> Source: Office of Financial Management.

**Table 7<sup>3</sup>**  
**Proposed ASF**  
**Projected Utilization**

Year	Number of Procedures
2018	2,146
2019	2,600
2020	2,700
2021	2,850
2022	2,925
2023	2,950

- 4.
- a. *Provide information on the availability and accessibility of similar existing services to the defined population expected to be served. This section should concentrate on other facilities and services which “compete” with the applicant.*
    - i. *Identify all existing providers of services similar to those proposed and include sufficient utilization experience of those providers that demonstrates that such existing services are not available in sufficient supply to meet all or some portion of the forecaster utilization.*
    - ii. *If existing services are available to the defined population, demonstrate that such services are not accessible to that population. Time and distance factors, among others, are to be analyzed in this section.*
    - iii. *If existing services are available and accessible to the defined population, justify why the proposed project does not constitute an unnecessary duplication of services.*

As noted in other sections of this application, the establishment of the proposed ASF is being undertaken to provide additional capacity for the planning area. The proposed ASF will not duplicate services, but it will expand the existing services Clearview Eye and Laser presently offers.

We believe the only other providers of outpatient surgical services in the Southwest King Secondary Health Services Planning Area are the following: Highline Medical Center; Aesthetic and General Dermatology of Seattle; Vincent Muoneke, M.D.; la Belle Vie Cosmetic Surgery Center; Northwest Center for Plastic and Reconstructive Surgery; Southwest Seattle Ambulatory Surgery Center; and Westwood Eye Surgery and Laser (the proposed project).

- b. *In the context of the criteria contained in WAC 246-310-210(1)(a) and (b), document the manner in which:*

---

<sup>3</sup> Source: Applicant.



- i. *Access of low-income persons, racial and ethnic minorities, women, mentally handicapped persons, and other under-served groups to the services proposed is commensurate with needs for the health services.*

A copy of the proposed ASF's proposed charity care and admission policies are included as Exhibits 10 and 11, respectively. Consistent with the requirements of WAC 246-310-270(7), the proposed ASF projects to provide the average charity care for Southwest King County.

- ii. *In the case of the relocation of a facility or service, or the reduction or elimination of a service, the present needs of the defined population for that facility or service, including the needs of under-served groups, will continue to be met by the proposed relocation by alternative arrangements.*

This project does not propose the relocation, reduction or elimination of existing services. As such, this question is not applicable.

*Applicants should include the following:*

- *Copy of admissions policy;*
  - *Copy of community service policy;*
  - *Copy of its charity care policy;*
  - *Reference appropriate access problems and discuss how this project addresses such problems;*
  - *As appropriate, reference health facility related access problems of under-served groups noted in social services plan documents;*
  - *Other information as appropriate*
5. *As applicable, substantiate the following special needs and circumstances that the proposed project is to serve.*
    - a. *The special needs and circumstances of entities such as medical and other health professions' schools, multi-disciplinary clinics, and specialty centers that provide a substantial portion of their services, resources, or both, to individuals not residing in the health services areas in which the entities are located or in adjacent health services areas.*
    - b. *The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages.*
    - c. *The special needs and circumstances of osteopathic hospitals and non-allopathic services with which the proposed facility/service would be affiliated.*

This question is not applicable to this project.

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

1. *Proposed capital expenditures should be broken out in detail and should account for at least the following:*

- *Land acquisition;*
- *Site survey, tests, inspections;*
- *Construction contract;*
- *Financial feasibility studies, architectural fees/engineering fees/consulting fees;*
- *Fixed equipment (not in construction contract);*
- *Movable equipment;*
- *Freight and delivery charges;*
- *Sales tax;*
- *Cost of tuning up and trial runs;*
- *Reconditioning costs (in case of used asset);*
- *Cost of title investigations, legal fees, brokerage commissions;*
- *Other activities essential to the acquisition, improvement, expansion, or replacement of plant and equipment due to the project; and*
- *Financing costs, including interim interest expense, reserve account, interest expense, and other financing costs.*

2. *The method and sources for calculating construction costs and other estimated capital expenditures should be fully explained.*

This question is not applicable to this project.

3. *Documentation of project impact on (a) capital costs, and (b) operating costs and charges for health services.*

This question is not applicable to this project.

4. *Source(s) of financing (loan, grant, gifts, etc.). Provide all financing costs, including reserve account, interest expense, and other financing costs. If acquisition of the asset is to be by lease, copies of any lease agreements, and/or maintenance repair contracts should be provided. The proposed lease should be capitalized with interest expense and principal separated. For debt amortization, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.*

This question is not applicable to this project.

5. *Provide a cost comparison analysis of the following alternative financing methods: purchase, lease, board-designated reserves, and interfund loan or bank loan. Provide the rationale for choosing the financing method selected.*

This question is not applicable to this project.

6. *Provide a pro forma balance sheet and the accounting statement, statement of changes in financial position of unrestricted funds and changes in components of working capital.*

Exhibit 12 contains the pro forma income statement.

7. *Provide a capital expenditure budget through the project completion and for three years following completion of the project.*

This question is not applicable to this project.

8. *The expected sources of revenues for the applicant's total operations (e.g., Medicaid, Blue Cross, Labor and Industries, etc.) with anticipated percentage of revenue from each source.*

Please see Table 8 for the projected sources of patient revenue by payer for the proposed facility.

**Table 8**  
**Projected Sources of Patient Revenue by Payer**

<b>Payer</b>	<b>Percentage of Total Cases</b>
Commercial insurance	22%
Medicaid	73%
Medicare	2%
Other government sponsored	1%
Other	0%
Self-pay	1%
Charity care	1%

9. *Expense and revenue statements for the last three full years.*

Exhibit 13 contains Clearview Eye and Laser's income statements for the last three full years.

NOTE: This exhibit represents the unofficial and unaudited income statements of Clearview Eye and Laser. This exhibit is confidential and proprietary to Clearview Eye and Laser and should not be used for any purpose other than evaluation of this certificate of need application.

10. *Cash flow statement for the last three full years.*

Exhibit 14 contains Clearview Eye and Laser's cash flow statement for the last three full years.

NOTE: This exhibit represents the unofficial and unaudited cash flow statements of Clearview Eye and Laser. This exhibit is confidential and proprietary to Clearview Eye and Laser and should not be used for any purpose other than evaluation of this certificate of need application.

11. *Balance sheets detailing the assets, liabilities, and net worth of facility for the last three full fiscal years.*

Exhibit 15 contains Clearview Eye and Laser’s balance sheets detailing the assets, liabilities, and net worth of facility for the last three full fiscal years.

NOTE: This exhibit represents the unofficial and unaudited balance sheets of Clearview Eye and Laser. This exhibit is confidential and proprietary to Clearview Eye and Laser and should not be used for any purpose other than evaluation of this certificate of need application.

12. *Indicate the reduction or addition of FTEs with the salaries, wages, employee benefits for each FTE affected.*

Table 9 identifies the projected staffing, by FTE, for each of the first three years of operation. Information regarding the salaries, wages and employee benefits is included in the pro forma financials contained in Exhibit 13.

**Table 9  
Proposed ASF  
Estimated Total Staffing 2018-2022<sup>4</sup>**

<b>Position</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Clinical Director/Charge Nurse	1	1	1	1	1	1
Registered Nurse	0.7	0.7	0.7	0.7	0.7	0.7
LPN/Techs/MA	1	1	1	1	1	1
Registration/Receptionist	2	2	2	2	2	2
<b>Total</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>

- C. *Structure and Process (Quality) of Care (WAC 246-310-230)*

*Please document the following associated with structure and process of care.*

1. *The availability of sufficient numbers of qualified health manpower and management personnel. If the staff availability is a problem, describe the manner in which the problem will be addressed.*

---

<sup>4</sup> Source: Applicant.

The proposed ASF intends to continue employment of all its staff in good standing. A sufficient number of qualified health manpower and management personnel are already in place and will be added, as needed, in accordance with Table 9.

2. *Identify the facility's Medical Director, Director of Nursing, and other key staff. For each provide their professional license number for Washington. If they are also licensed in other states, provide their license number for those states.*

Marcus A. Meyer, M.D. (MD00038833) is the proposed ASF's Medical Director. Shelby Milne, R. N. is the proposed ASF's Director of Nursing.

3. *For the Medical Director indicate if he/she will be an employee of the facility or contractual. If performing his/her duties through a contract, provide a copy. A draft is acceptable only if all parties identified in the draft agreement provide a signed "Letter of Intent to finalize" the agreement and all terms and costs are included.*

Marcus A. Meyer, M.D. (MD00038833) is the proposed ASF's Medical Director. Shelby Milne, R. N. is the proposed ASF's Director of Nursing.

4. *The relationship of ancillary and support services to proposed services, and the capability of ancillary and support services to meet the service demands of the proposed project.*

Clearview Eye and Laser will offer all of the necessary ancillary and support services on site. Exhibit 16 contains a copy of the executed Patient Transfer Agreement between Clearview Eye and Laser, PLLC and Highline Medical Center, CHI Franciscan Health.

5. *The specific means by which the proposed project will promote continuity in the provision of health care to the defined population and avoid unwarranted fragmentation of services. This section should include the identification of existing and proposed formal working relationships with hospitals, nursing homes, and other health service resources serving your primary service area. This description should include recent, current, and pending cooperative planning activities, shared services agreements, and transfer agreements. Copies of relevant agreements and other documents should be included.*

Clearview Eye and Laser will offer all of the necessary ancillary and support services on site. Exhibit 16 contains a copy of the executed Patient Transfer Agreement between Clearview Eye and Laser, PLLC and Highline Medical Center, CHI Franciscan Health.

6. *Fully describe any history of the applicant entity with respect to the actions noted in Certificate of Need rules and regulations WAC 246-310-230 (5) (a). If there is such history, provide clear, cogent, and convincing evidence that the proposed project will be operated in a manner that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.*

Clearview Eye and Laser has no history with respect to the actions described in CN criteria WAC 246-310-230(5)(a).

7. *Services to be provided will be provided (a) in a manner that ensures safe and adequate care, and (b) in accord with applicable federal and state laws, rules, and regulations.*

Clearview Eye and Laser operates all existing programs in conformance with applicable state and federal laws, rules and regulations.

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

*Please document the following associated with cost containment.*

1. *Exploration of alternatives to the project you have chosen to pursue, including postponing action, shared service arrangements, merger, contract services, and different methods of service provision, including different spacial configurations you have evaluated and rejected.*

*Each alternative should be analyzed by application of the following:*

- *Decision making criteria (cost limits, availability, quality of care, legal restriction, etc.);*
- *Advantages and disadvantages, and whether the sum of either the advantages or the disadvantages outweigh each other by application of the decision-making criteria;*
- *Capital costs;*
- *Staffing impact.*

As discussed above, there is significant net need for outpatient surgery ORs in the Southwest King Secondary Health Services Planning Area. The proposed ASF will improve access, a key criterion for a certificate of need. The proposed ASF will also provide a low cost, freestanding ASF in the health planning area to meet the needs of patients and help residents of the planning area avoid wait times for procedures and lower health care costs.

Clearview Eye and Laser has a presence in the Southwest King Secondary Health Services Planning Area, and the proposed ASF will build upon this presence and offer the proposed ASF and other patients convenient access to surgical services. Clearview Eye and Laser is committed to providing high quality, affordable care in the Southwest King Secondary Health Services Planning Area, and the proposed ASF will help accomplish this goal. The proposed project promotes continuity of care with Clearview Eye and Laser's other services as well as cost containment. Making the proposed ASF available to qualified, credentialed and privileged physicians in good standing is significantly less costly than building a new ASF to address waiting times for surgical services.

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

### **Alternative 1: “Do Nothing”**

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

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

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

There are no disadvantages to granting Clearview Eye and Laser’s request for CN approval. The facility is built out and ready to operate. The data demonstrates there would not be a duplication of services, given a projected net demand of over **13.05** outpatient ORs in the health planning area.

A CN-approved ambulatory surgical facility would better serve the interests of the planning area residents and achieve Southwest King Secondary Health Services Planning Area’s desire to reduce wait times for outpatient surgical services.

#### *2. The specific ways in which the project will promote staff or system efficiency or productivity.*

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

3. *In the case of construction, renovation, or expansion, capital cost reductions achieved by architectural planning and engineering methods and methods of building design and construction. Include an inventory of net and gross square feet for each service and estimated capital cost for each proposed service. Reference appropriate recognized space planning guidelines you have employed in your space allocation activities.*

There is no construction, renovation or expansion associated with this project. The proposed ASF's ORs are fully built-out and operational.

4. *In the case of construction, renovation or expansion, an analysis of the capital and operating costs of alternative methods of energy consumption, including the rationale for choosing any method other than the least costly. For energy-related projects, document any efforts to obtain a grant under the National Energy Conservation Act.*

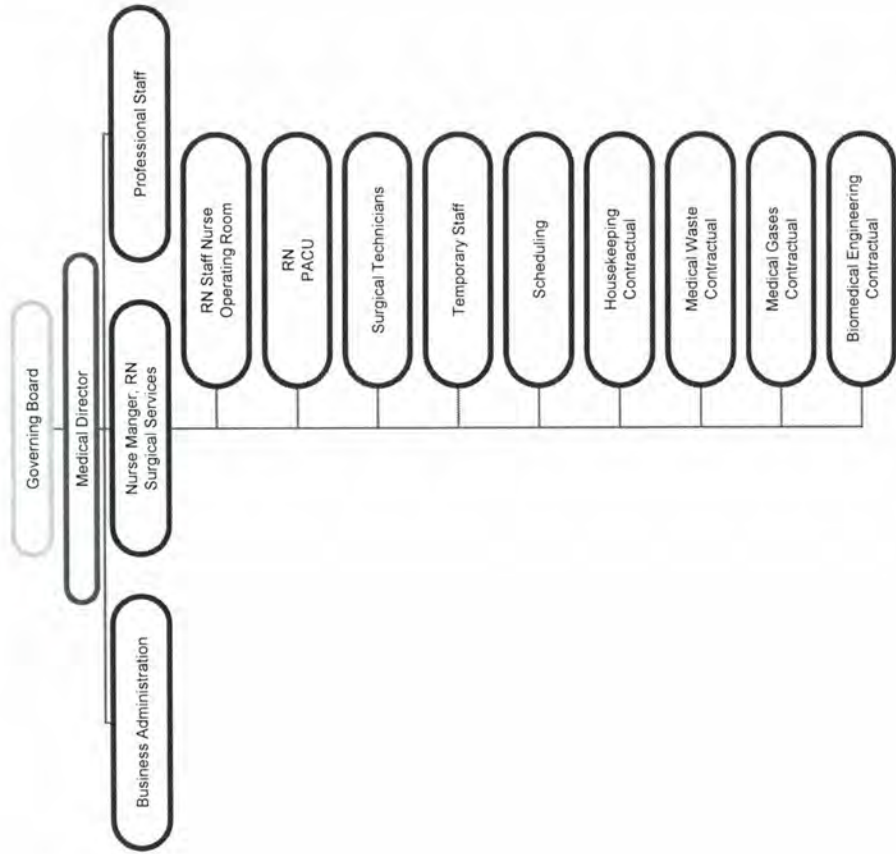
There is no construction, renovation or expansion associated with this project. The proposed ASF's ORs are fully built-out and operational.



**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 1  
CLEARVIEW EYE AND LASER  
ORGANIZATIONAL CHART**

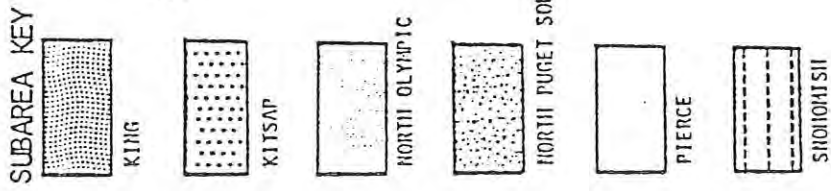
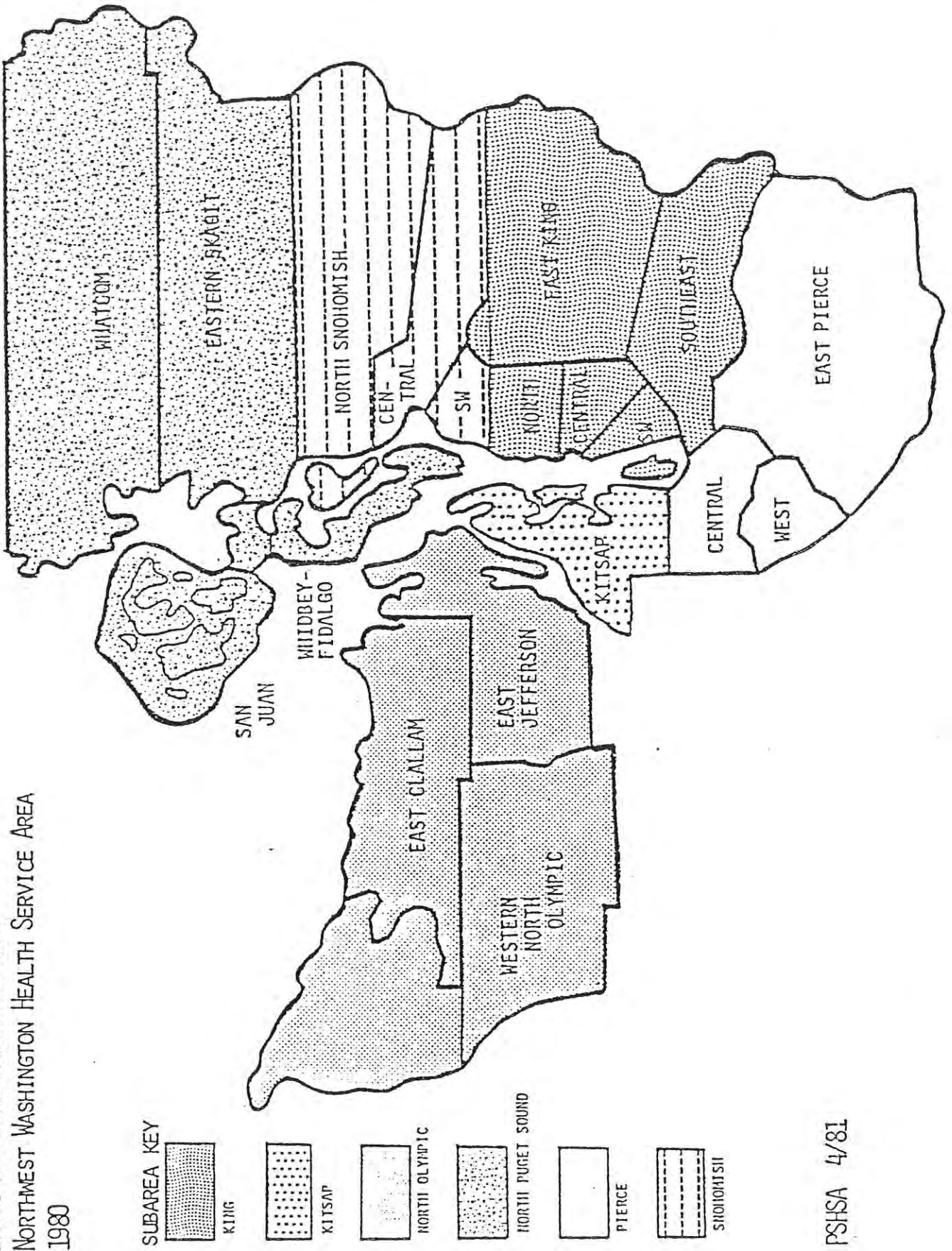
# Organizational Chart



**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 2  
SOUTHWEST KING PLANNING AREA  
MAP AND ZIP CODE DEFINITION**

BASIC HOSPITAL PLANNING AREAS  
 NORTHWEST WASHINGTON HEALTH SERVICE AREA  
 1980



PSHSA 4/81

ZIPCODES BY PLANNING AREAS  
 Northwest Washington Health Service Area  
 June, 1980

King Central	King East	King North	King Southeast	King Southwest
98101	98004	98103	98002	98013
98102	98005	98105	98003	98018
98104	98006	98107	98010	98062
98108	98007	98115	98015 - east King	98070
98109	98008	98117	98022	98106
98111	98009	98125	98025	98116
98112	98011	98133	98031	98126
98114	98014	98155	98035	98136
98118	98019	98160	98038	98146
98119	98024	98177	98047	98148
98121	98026	98185	98048 - rd such #	98158
98122	98027	98195	98051	98166
98124	98028		98054	98168
98134	98033		98055	98188
98144	98039		98064	
98154	98040			
98178	98045			
98199	98050			
	98052			
	98065			
	98068			
	98072			

Kitsap

98061	98353
98110	98359
98310	98364
98311	98366
98312	98370
98313	98378
98314	98380
98315	98383
98322	98384
98337	98386
98340	98392
98341	98393
98342	
98345	
98346	

ZIPCODES BY PLANNING AREAS  
 Northwest Washington Health Service Area  
 June, 1980

ASCS

Pierce Central	Pierce East	Pierce West
98303	98301	98327
98333	98304	98387
98335	98321	98388
98349	98323	98412
98351	98328	98430
98394	98330	98431
98395	98338	98433
98401	98344	98438
98402	98348	98439
98403	98352	98444
98404	98354	98445
98405	98360	98468
98406	98371	98491
98407	98385	98492
98408	98390	98493
98409	98396	98494
98411	98397	98498
98416	98398	98499
98421	98423	
98422	98446	
98424	98447	
98443	98558	
98465	98580	
98466		
98467		

Snohomish Central	Snohomish East	Snohomish North	Snohomish Southwest
98201	98224	98223	98020
98202	98251	98241	98036
98203	98254	98252	98043
98204	98256	98259	98063
98205	98272	98287	
98206	98288	98292	
98258	98290		
98270	98293		
98275	98294		

ZIPCODES BY PLANNING AREAS  
 Northwest Washington Health Service Area  
 June, 1980

27  
 NW

NORTH OLYMPIC REGION		
East Clallam	East Jefferson	Western North Olympic
98324	98320	98305
98343	98325	98326
98362	98334	98331
98382	98339	98350
	98358	98357
	98365	98379
	98368	98381
	98376	98399

NORTH PUGET SOUND REGION			
Eastern Skagit	San Juan	Whatcom	Island Co. Whidbey/Fidalgo
98231	98222	98220	98221
98232	98242	98225	98236
98233	98243	98230	98239
98235	98245	98240	98249
98237	98250	98244	98253
98238	98261	98247	98260
98246	98279	98248	98277
98255	98280	98262	98278
98257	98286	98264	
98263	98297	98266	
98267		98268	
98273		98276	
98283		98281	
98284		98285	
98296		98295	

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 3  
CLEARVIEW EYE AND LASER'S  
CURRENT MEDICAL STAFF**



Clearview Eye and Laser, PLLC  
Medical Staff

Name	Specialty
Keshia Casimir, O.D.	Ophthalmology
Marcus A. Meyer, M.D., FACS	Ophthalmic Surgery
Thomas G. Mulligan, M.D.	Ophthalmic Surgery
Aaron P. Weingeist, M.D.	Ophthalmic Surgery

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 4  
LETTER OF INTENT**

April 23, 2018

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

RECEIVED

MAY 08 2018

CERTIFICATE OF NEED PROGRAM  
DEPARTMENT OF HEALTH

Re: Letter of Intent – Clearview Eye and Laser, PLLC

Dear Ms. Sigman:

In accordance with WAC 246-310-080, Clearview Eye and Laser, PLLC (“Clearview Eye and Laser”) hereby submits this Letter of Intent proposing to operate its ambulatory surgical center (“ASC”) as a certificate of need approved ASC in the Southwest King County Planning Area. Clearview Eye and Laser’s ASC has historically operated as a certificate of need exempt ASC.

Pursuant to WAC 246-310-080, Clearview Eye and Laser submits the following information:

1. Description of proposed services: Clearview Eye and Laser proposes to operate the ASC as a two-operating room free-standing ASC providing ophthalmic, otolaryngological, oral maxillofacial, and plastic surgery.
2. Estimated cost of proposed project: There are no capital expenditures associated with this project. These operating rooms are fully built-out and operational.
3. Identification of service area: The service area is the Southwest King County Planning Area.

Thank you for your assistance in this matter. If you have any questions, please do not hesitate to contact our attorney, Emily R. Studebaker, at [estudebaker@hallrender.com](mailto:estudebaker@hallrender.com) or (206) 406-2729.

Sincerely,



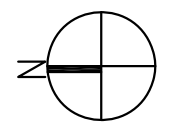
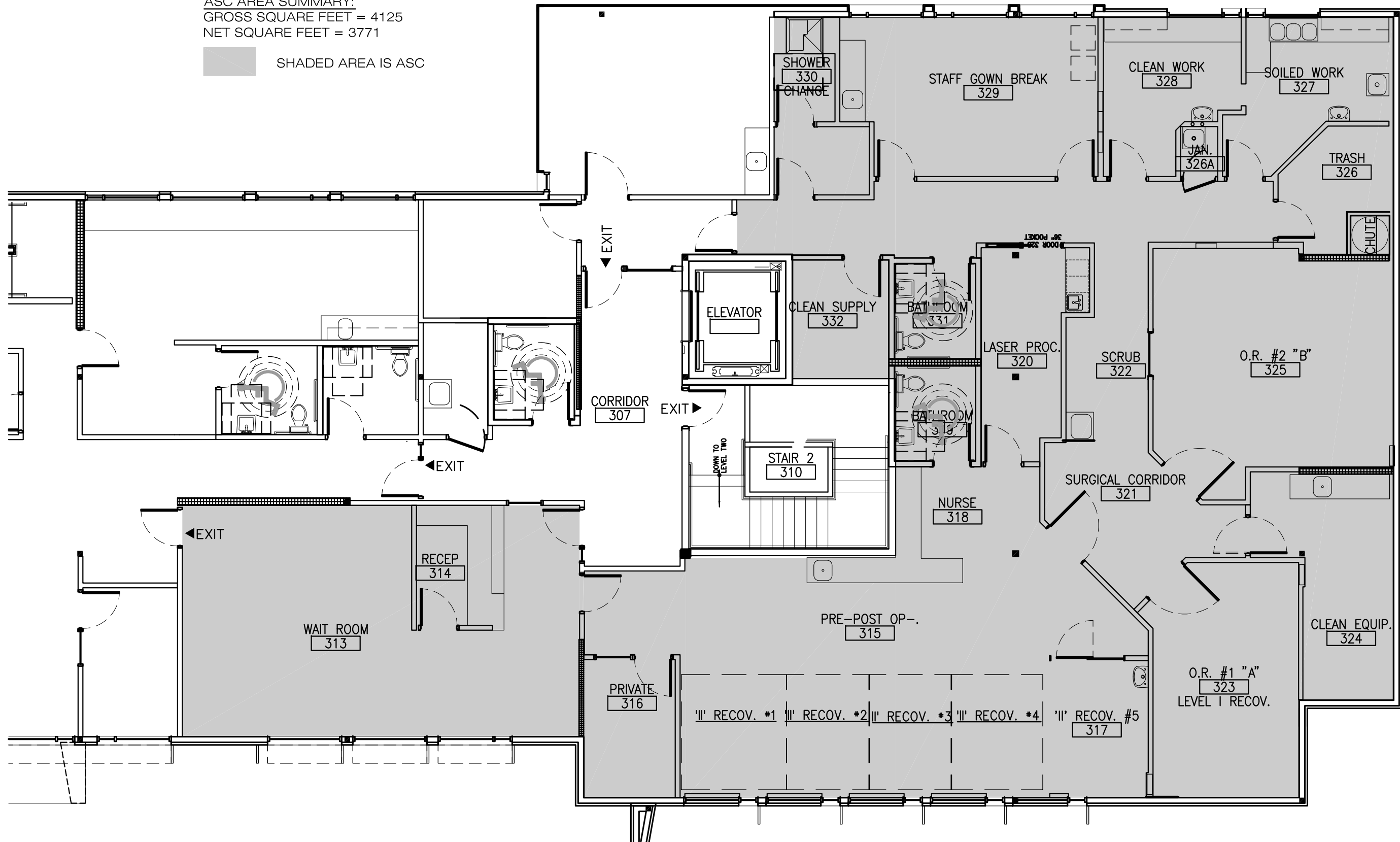
Thomas G. Mulligan, M.D.  
Owner

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 5  
CLEARVIEW EYE AND LASER SINGLE  
LINE DRAWINGS**

ASC AREA SUMMARY:  
 GROSS SQUARE FEET = 4125  
 NET SQUARE FEET = 3771

■ SHADED AREA IS ASC



**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 6  
OVER THE MOON INVESTMENT, LLC  
CERTIFICATE OF FORMATION**

FILED  
SECRETARY OF STATE  
DECEMBER 4, 2014  
STATE OF WASHINGTON

*State of Washington*

**Secretary of State**

CORPORATIONS DIVISION  
James M. Dolliver Building  
801 Capitol Way South  
PO Box 40234  
Olympia WA 98504-0234  
360.725.0377

**Limited Liability Company**

**Office Information**

**Application ID** 3228274

**Tracking ID** 2888259

**Validation ID** 2795801-001

**Date Submitted for Filing:** 12/4/2014

**Contact Information**

**Contact Name** David Kerruish

**Contact Address** 7016 - 35th Avenue NE  
Seattle  
WA  
98115

**Contact Email** david@kerruishlaw.com

**Contact Phone** 206-386-4710

**Certificate of Formation**

**Preferred Name** OVER THE MOON INVESTMENTS, LLC

**Alternate Name 1** ~~Over the Moon Properties, LLC~~

**Alternate Name 2** ~~Over the Moon Holdings, LLC~~

**Physical Address**

2515 SW Trenton Street  
Suite 201  
Seattle  
WA  
98106

**Purpose** Any Lawful Purpose

**Duration** Perpetual

**Formation Date** Effective Upon Filing by the Secretary of State

**Expiration Date** 12/31/2015

**Limited Liability Company Management Members**

**Limited Liability Company mailing Address** Reg Agent

**Members Signature** On File

**Registered Agent Information**

**Agent is Entity**

**Agent Name** David S Kerruish, PS

**Agent Street Address** 7016 - 35th Avenue NE  
Seattle  
WA  
98115

**Agent Mailing Address** Same as Street Address

**Agent Email Address**

**Executors Information**

**Executor #1**

**Executor Name** Aaron Weingeist

**Executor Title** Executor

**Executor Address** 2515 SW Trenton Street  
Suite 201  
Seattle  
WA  
98106

**Executor #2**



**Executor Name**

Marcus Meyer

**Executor Title** Executor

**Executor Address** 2515 SW Trenton Street  
Suite 201  
Seattle  
WA  
98106

**Executor #3**

**Executor Name** Thomas Mulligan

**Executor Title** Executor

**Executor Address** 2515 SW Trenton Street  
Suite 201  
Seattle  
WA  
98106

**Submitter Information**

**Submitted By** David S Kerruish, ~~PS~~

SPOKE WITH DAVID S KERRUISH @  
2:30 PM 12/8/14 WAS GIVEN  
PERMISSION TO CROSS OUT THE  
PS ON SUBMITTER INFO.

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 7  
LEASE AGREEMENT BETWEEN OVER  
THE MOON INVESTMENT AND  
CLEARVIEW EYE AND LASER, PLLC**



**Colliers International**  
 601 Union Street, Suite 5300  
 Seattle, WA 98101  
 Phone: (206) 223-0866  
 Fax: (206) 223-1427

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 Association 2011  
 ALL RIGHTS RESERVED



CBA Form ST-NNN  
 Single Tenant NNN Lease  
 Rev. 3/2011  
 Page 1 of 22

**LEASE AGREEMENT**  
 (Single Tenant For Entire Parcel - NNN)

THIS LEASE AGREEMENT (the "Lease") is entered into and effective as of this 2nd day of October, 2018, between Over the Moon Investments, LLC ("Landlord"), and Clearview Eye and Laser, PLLC ("Tenant"). Landlord and Tenant agree as follows:

**1. LEASE SUMMARY.**

a. **Leased Premises.** The leased commercial real estate (the "Premises") consist of the real property legally described on attached Exhibit A, and all improvements thereon, and commonly described as 7520 35<sup>th</sup> Avenue SW, Seattle, WA.

b. **Lease Commencement Date.** The term of this Lease shall be for a period of 180 months and shall commence on April 1, 2017 or such earlier or later date as provided in Section 3 (the "Commencement Date").

c. **Lease Termination Date.** The term of this Lease shall terminate at midnight on March 31, 2032 or such earlier or later date as provided in Section 3 (the "Termination Date"). Tenant shall have no right or option to extend this Lease, unless otherwise set forth in a rider attached to this Lease (e.g., Option to Extend Rider, CBA Form OR).

d. **Base Rent.** The base monthly rent shall be (check one):  \$\_\_\_\_\_, or  according to the Rent Rider attached hereto ("Base Rent"). Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.

e. **Prepaid Rent.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$50,000 as prepaid rent, to be applied to the Rent due for months 1 through \_\_\_\_\_ of the Lease.

f. **Security Deposit.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$60,000 to be held as a security deposit pursuant to Section 5 below. The security deposit shall be in the form of (check one):  cash,  letter of credit according to the Letter of Credit Rider (CBA Form LCR) attached hereto, or  check.

g. **Permitted Use.** The Premises shall be used only for medical clinic and for no other purpose without the prior written consent of Landlord (the "Permitted Use").

**h. Notice and Payment Addresses.**

Landlord: Over the Moon Investments, LLC  
c/o Louise Coomes  
Controller  
7520 35<sup>th</sup> Avenue SW  
Seattle, WA 98126  
 Fax No.: \_\_\_\_\_  
 Email: \_\_\_\_\_

Tenant: Clearview Eye and Laser, PLLC  
7520 35<sup>th</sup> Avenue SW  
Seattle, WA 98126



**Colliers International**  
 601 Union Street, Suite 5300  
 Seattle, WA 98101  
 Phone: (206) 223-0866  
 Fax: (206) 223-1427

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CBA Form ST-NNN  
 Single Tenant NNN Lease  
 Rev. 3/2011  
 Page 2 of 22

**LEASE AGREEMENT**  
 (Single Tenant For Entire Parcel - NNN)

Fax No.: \_\_\_\_\_  
 Email: \_\_\_\_\_

**2. PREMISES.**

a. **Lease of Premises.** Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in this Lease.

b. **Acceptance of Premises.** Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises or the condition of all mechanical, electrical, and other systems on the Premises. Except for any tenant improvements to be completed by Landlord as described on attached Exhibit B (the "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had an adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work); and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

c. **Tenant Improvements.** Attached Exhibit B sets forth all Tenant's Work, if any, and all tenant improvements to be completed by Tenant (the "Tenant's Work"), if any, that will be performed on the Premises. Responsibility for design, payment and performance of all such work shall be as set forth on attached Exhibit B. If Tenant fails to notify Landlord of any defects in the Landlord's Work within thirty (30) days of delivery of possession to Tenant, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work during this 30-day period that would prevent Tenant from using the Premises for the Permitted Use, Tenant shall notify Landlord in writing and the Commencement Date shall be delayed until after Landlord has notified Tenant that Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for the Permitted Use. Tenant shall prepare a punch list of all minor defects in Landlord's Work and provide the punch list to Landlord, which Landlord shall promptly correct.

**3. TERM.** The term of this Lease shall commence on the Commencement Date specified in Section 1, or on such earlier or later date as may be specified by notice delivered by Landlord to Tenant advising Tenant that the Premises are ready for possession and specifying the Commencement Date, which shall not be less than \_\_\_\_\_ days (thirty (30) days if not filled in) following the date of such notice.

a. **Early Possession.** If Landlord permits Tenant to possess or occupy the Premises prior to the Commencement Date specified in Section 1, then such early occupancy shall not advance the Commencement Date or the Termination Date set forth in Section 1, but otherwise all terms and conditions of this Lease shall nevertheless apply during the period of early occupancy before the Commencement Date.

b. **Delayed Possession.** Landlord shall act diligently to make the Premises available to Tenant; provided, however, neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided in this Lease. If possession is delayed, the Commencement



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Date set forth in Section 1 shall also be delayed. In addition, the Termination Date set forth in Section 1 shall be modified so that the length of the Lease term remains the same. If Landlord does not deliver possession of the Premises to Tenant within \_\_\_\_ days (sixty (60) days if not filled in) after the Commencement Date specified in Section 1, Tenant may elect to cancel this Lease by giving written notice to Landlord within ten (10) days after such time period ends. If Tenant gives such notice of cancellation, the Lease shall be cancelled, all prepaid rent and security deposits shall be refunded to Tenant, and neither Landlord nor Tenant shall have any further obligations to the other. The first "Lease year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease year. To the extent that the tenant improvements are not completed in time for the Tenant to occupy or take possession of the Premises on the Commencement Date due to the failure of Tenant to fulfill any of its obligations under this Lease, the Lease shall nevertheless commence on the Commencement Date set forth in Section 1.

**4. RENT.**

a. **Payment of Rent.** Tenant shall pay Landlord without notice, demand, deduction, or offset, in lawful money of the United States, the monthly Base Rent stated in Section 1 in advance on or before the first day of each month during the Lease term beginning on (check one):  the Commencement Date, or  \_\_\_\_ (if no date specified, then on the Commencement Date), and shall also pay any other additional payments due to Landlord ("Additional Rent"), including Operating Costs (collectively the "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall also constitute Additional Rent, and upon failure of Tenant to pay any such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

b. **Triple Net Lease.** This Lease is what is commonly called a "Net, Net, Net" or "triple-net" Lease, which means that, except as otherwise expressly provided herein, Landlord shall receive all Base Rent free and clear of any and all other impositions, taxes, liens, charges or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. In addition to Base Rent, Tenant shall pay to the parties respectively entitled thereto, or satisfy directly, all Additional Rent and other impositions, insurance premiums, repair and maintenance charges, and any other charges, costs, obligations, liabilities, requirements, and expenses, which arise with regard to the Premises or may be contemplated under any other provision of the Lease during its term, except for costs and expenses expressly made the obligation of Landlord in this Lease.

c. **Late Charges; Default Interest.** If any sums payable by Tenant to Landlord under this Lease are not received within five (5) business days after their due date, Tenant shall pay Landlord an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as Additional Rent. All delinquent sums payable by Tenant to Landlord and not paid within five (5) business days after their due date shall, at Landlord's option, bear interest at the rate of fifteen percent (15%) per annum, or the highest rate of interest allowable by law, whichever is less (the



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"Default Rate"). Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

d. **Less Than Full Payment.** Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims. Any portion that remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section 4.

**5. SECURITY DEPOSIT.** Upon execution of this Lease, Tenant shall deliver to Landlord the security deposit specified in Section 1 above. Landlord's obligations with respect to the security deposit are those of a debtor and not of a trustee, and Landlord may commingle the security deposit with its other funds. If Tenant breaches any covenant or condition of this Lease, including but not limited to the payment of Rent, Landlord may apply all or any part of the security deposit to the payment of any sum in default and any damage suffered by Landlord as a result of Tenant's breach. Tenant acknowledges, however, that the security deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant, and any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default. If Landlord applies the security deposit as contemplated by this Section, Tenant shall, within five (5) days after written demand therefore by Landlord, deposit with Landlord the amount so applied. If Tenant complies with all of the covenants and conditions of this Lease throughout the Lease term, the security deposit shall be repaid to Tenant without interest within thirty (30) days after the surrender of the Premises by Tenant in the condition required hereunder by Section 11 of this Lease.

**6. USES.** The Premises shall be used only for the Permitted Use specified in Section 1 above, and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises, or cause the cancellation of any insurance on the Premises. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises which will obstruct or interfere with the rights of other tenants or occupants of the Premises, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees or to injure or annoy such persons.

**7. COMPLIANCE WITH LAWS.** Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant that, as of the Commencement Date, to Landlord's knowledge, but without duty of investigation, and with the exception of any Tenant's Work, the Premises comply with all applicable laws, rules, regulations, or orders, including without limitation, the Americans With Disabilities Act, if applicable, and Landlord shall be responsible to promptly cure at its sole cost any noncompliance which existed on the Commencement Date. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of the Permitted Use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for Tenant's Permitted Use at its sole cost and expense. Otherwise, if changes or alterations are required by rule, law, regulation, or order unrelated to the Permitted Use, Landlord shall make changes and alterations at its expense.

**8. UTILITIES.** Landlord shall not be responsible for providing any utilities to the Premises and shall not be liable for any loss, injury or damage to person or property caused by or resulting from any



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variation, interruption, or failure of utilities due to any cause whatsoever, and rent shall not abate as a result thereof, except to the extent due to the intentional misconduct or gross negligence of Landlord. Tenant shall be responsible for determining whether available utilities and their capacities will meet Tenant's needs. Tenant shall install and connect, if necessary, and directly pay for all water, sewer, gas, janitorial, electricity, garbage removal, heat, telephone, and other utilities and services used by Tenant on the Premises during the term, whether or not such services are billed directly to Tenant. Tenant will also procure, or cause to be procured, without cost to Landlord, all necessary permits, licenses or other authorizations required for the lawful and proper installation, maintenance, replacement, and removal on or from the Premises of wires, pipes, conduits, tubes, and other equipment and appliances for use in supplying all utilities or services to the Premises. Landlord, upon request of Tenant, and at the sole expense and liability of Tenant, shall join with Tenant in any reasonable applications required for obtaining or continuing such utilities or services.

**9. TAXES.** Tenant shall pay all Taxes (defined below) applicable to the Premises during the Lease term. All payments for Taxes shall be made at least ten (10) days prior to their due date. Tenant shall promptly furnish Landlord with satisfactory evidence that Taxes have been paid. If any Taxes paid by Tenant cover any period of time before or after the expiration of the term, Tenant's share of those Taxes paid will be prorated to cover only the period of time within the tax fiscal year during which this Lease was in effect, and Landlord shall promptly reimburse or credit Tenant to the extent required. If Tenant fails to timely pay any Taxes, Landlord may pay them, and Tenant shall repay such amount to Landlord upon demand. Landlord may also elect to pay all such Taxes directly to the appropriate taxing authority/ies and receive reimbursement thereof from Tenant within ten (10) days after invoice, either of the full amount paid or at Landlord's election in equal monthly installments.

The term "Taxes" shall mean: (i) any form of tax or assessment imposed on the Premises by any authority, including any city, county, state or federal government, or any improvement district, as against any legal or equitable interest of Landlord or Tenant in the Premises or in the real property of which the Premises are a part, or against rent paid for leasing the Premises; and (ii) any form of personal property tax or assessment imposed on any personal property, fixtures, furniture, tenant improvements, equipment, inventory, or other items, and all replacements, improvements, and additions to them, located on the Premises, whether owned by Landlord or Tenant. "Taxes" shall exclude any net income tax imposed on Landlord for income that Landlord receives under this Lease.

Tenant may, upon reasonable prior notice to Landlord, contest the amount or validity, in whole or in part, of any Taxes at its sole expense, only after paying such Taxes or posting such security as Landlord may reasonably require in order to protect the Premises against loss or forfeiture. Upon the termination of any such proceedings, Tenant shall pay the amount of such Taxes or part of such Taxes as finally determined, together with any costs, fees, interest penalties, or other related liabilities. Landlord shall reasonably cooperate with Tenant in contesting any Taxes, provided Landlord incurs no expense or liability in doing so.

**10. ALTERATIONS.** Tenant may make alterations, additions or improvements to the Premises, including any Tenant Work identified on attached Exhibit C (the "Alterations"), only with the prior written consent of Landlord, which, with respect to Alterations not affecting the structural components of the Premises or utility systems therein, shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have thirty (30) days in which to respond to Tenant's request for any Alterations so long as such request includes the name of Tenant's contractors and reasonably detailed plans and specifications therefore. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures that may be performed without damaging existing improvements or the



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structural integrity of the Premises and Landlord's consent shall not be required for Tenant's installation or removal of those items. Tenant shall perform all work at Tenant's expense and in compliance with all applicable laws and shall complete all Alterations in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord. Tenant shall pay, when due, or furnish a bond for payment (as set forth in Section 18) all claims for labor or materials furnished to or for Tenant at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's liens against the Premises or any interest therein. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration, and it shall become Landlord's property. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

**11. REPAIRS AND MAINTENANCE; SURRENDER.** Tenant shall, at its sole expense, maintain the entire Premises including without limitation the roof surface and normal repairs and maintenance to all heating, ventilation, and air conditioning ("HVAC") equipment at the Premises, in good condition and promptly make all repairs and replacements, whether structural or non-structural, necessary to keep the Premises in safe operating condition, including all utilities and other systems serving the Premises, but excluding the roof structure, subfloor, foundation, exterior walls, and capital repairs and replacements to the HVAC system (collectively, "Landlord's Repair Items"), which Landlord shall maintain in good condition and repair at Landlord's expense, provided that Tenant shall not damage any Landlord's Repair Items and shall promptly repair any damage or injury done thereto caused by Tenant or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligence or willful misconduct of Landlord or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees therein. If Tenant fails to perform Tenant's obligations under this Section, Landlord may at Landlord's option enter upon the Premises after ten (10) days' prior notice to Tenant and put the same in good order, condition and repair and the cost thereof together with interest thereon at the default rate set forth in Section 4 shall be due and payable as Additional Rent to Landlord together with Tenant's next installment of Base Rent. Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

**12. ACCESS AND RIGHT OF ENTRY.** After twenty-four (24) hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term; and, (b) for posting "for lease" signs within one hundred eighty (180) days prior to the expiration or sooner termination of the Lease term.

**13. SIGNAGE.** Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.





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**14. DESTRUCTION OR CONDEMNATION.**

**a. Damage and Repair.** If the Premises are partially damaged but not rendered untenable, by fire or other insured casualty, then Landlord shall diligently restore the Premises to the extent required below and this Lease shall not terminate. The Premises shall not be deemed untenable if twenty-five percent (25%) or less of the Premises are damaged. Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoring the Premises, or if Landlord's lender shall not permit all or any part of the insurance proceeds to be applied toward restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to their previous condition to the extent required below; provided, however, if such casualty event occurs during the last six (6) months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within sixty (60) days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease upon twenty (20) days' written notice to Landlord unless Landlord, within such twenty (20) day period, notifies Tenant that it will in fact restore the Premises or actually completes such restoration work to the extent required below, as applicable.

If Landlord restores the Premises under this Section 14, Landlord shall proceed with reasonable diligence to complete the work, and the base monthly rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant or any alterations or improvements paid for by Tenant; any Tenant Improvements identified in Exhibit B (regardless of who may have completed them); Tenant's furniture; or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord's restoration obligations hereunder shall not include any obligation to repair any damage thereto or replace the same.

**b. Condemnation.** If the Premises are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall automatically terminate as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises that does not render the Premises untenable, then this Lease shall continue in full force and effect and the base monthly rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning



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authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses, provided that in no event shall Tenant's claim reduce Landlord's award.

**15. INSURANCE.**

**a. Tenant's Liability Insurance.** During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord, its property manager (if any), and other parties designated by Landlord as additional insureds using an endorsement form acceptable to Landlord, and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000, and a deductible of not more than \$10,000. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain business income coverage for at least six (6) months, business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehouseman's coverage.

**b. Tenant's Property Insurance.** During the Lease term, Tenant shall pay for and maintain special form clauses of loss coverage property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises are situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures and equipment in the amount of their full replacement value, with a deductible of not more than \$10,000.

**c. Miscellaneous.** Tenant's insurance required under this Section shall be with companies rated A-VII or better in Best's Insurance Guide, and which are admitted in the state in which the Premises are located. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days prior written notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies of the insurance policies or evidence of insurance and copies of endorsements required by this Section. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, and such failure continues for three (3) days after notice from Landlord, Landlord may, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of rent hereunder.

**d. Waiver of Subrogation.** Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective



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property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such property policies or to the extent of liabilities exceeding the limits of such policies.

**16. INDEMNIFICATION.**

a. **Indemnification by Tenant.** Tenant shall defend, indemnify, and hold Landlord and its property manager, if any, harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.

b. **Indemnification by Landlord.** Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Landlord or Landlord's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises, or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.

c. **Waiver of Immunity.** Landlord and Tenant each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.

d. **Exemption of Landlord from Liability.** Except to the extent of claims arising out of Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for injury to Tenant's business or assets or any loss of income therefrom or for damage to any property of Tenant or of its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or any other person in or about the Premises.

e. **Survival.** The provisions of this Section 16 shall survive expiration or termination of this Lease.

**17. ASSIGNMENT AND SUBLETTING.** Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent which shall not be unreasonably withheld, conditioned, or delayed. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing same, including attorneys' fees, upon demand of Landlord, up to a maximum of \$1,250.



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If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreement or documents.

**18. LIENS.** Tenant is not authorized to subject the Landlord's assets to any liens or claims of lien. Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability for any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, within 10 days after Landlord's demand, at Tenant's expense, either remove the lien or furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien.

**19. DEFAULT.** The following occurrences shall each constitute a default by Tenant (an "Event of Default):

a. **Failure To Pay.** Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days' notice from Landlord of the failure to pay.

b. **Vacation/Abandonment.** Vacation by Tenant of the Premises (defined as an absence for at least fifteen (15) consecutive days without prior notice to Landlord), or abandonment of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

c. **Insolvency.** Tenant's insolvency or bankruptcy (whether voluntary or involuntary), or appointment of a receiver, assignee or other liquidating officer for Tenant's business; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within sixty (60) days after its institution or commencement.

d. **Levy or Execution.** The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in this Lease by any creditor of Tenant, if such attachment is not discharged within fifteen (15) days after being levied.

e. **Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after notice by Landlord to Tenant of the breach.



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f. **Failure to Take Possession.** Failure by Tenant to take possession of the Premises on the Commencement Date or failure by Tenant to commence any Tenant's Work in a timely fashion.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant's sole remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under this Lease. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

**20. REMEDIES.** Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

a. **Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described in Section 20(b) below.

b. **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord all Reletting Expenses (defined below); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and



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Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises and after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

c. **Waiver of Redemption Rights.** Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, or any extension thereof.

d. **Nonpayment of Additional Rent.** All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.

e. **Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law or to foreclose Landlord's lien for unpaid rent.

**21. MORTGAGE SUBORDINATION AND ATTORNMEN**T. This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"). Tenant shall attorn to the holder of any Landlord's Mortgage or any party acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided the acquiring party assumes the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days after request execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section to subordinate in the future are conditioned on the holder of each Landlord's Mortgage and each party acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.



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**22. NON-WAIVER.** Landlord's waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.

**23. HOLDOVER.** If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return them to Landlord after the expiration or termination of the term, the tenancy shall be a holdover tenancy and shall be on a month-to-month basis, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 150% of the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.

**24. NOTICES.** All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 1; or (iii) upon confirmed transmission by facsimile to the other party at the facsimile numbers set forth in Section 1. The addresses for notices and payment of rent set forth in Section 1 may be modified by either party only by written notice delivered in conformance with this Section.

**25. COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, and in any bankruptcy proceeding.

**26. ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Lease term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days to Landlord's request for the statement required by this Section, Landlord may provide the statement and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.



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**27. TRANSFER OF LANDLORD'S INTEREST.** This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for collateral purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.

**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 for the purpose of binding Landlord personally or the assets of Landlord but are made and intended for the purpose of binding only the Landlord's interest in the Premises, as the same may from time to time be encumbered. In no event shall Landlord or its partners, shareholders, or members, as the case may be, ever be personally liable hereunder.

**29. RIGHT TO PERFORM.** If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's behalf. Tenant shall, within ten (10) days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

**30. HAZARDOUS MATERIAL.** As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. Landlord represents and warrants to Tenant that, to Landlord's knowledge without duty of investigation, there is no Hazardous Material on, in, or under the Premises as of the Commencement Date except as may otherwise have been disclosed to Tenant in writing before the execution of this Lease. If there is any Hazardous Material on, in, or under the Premises as of the Commencement Date which has been or thereafter becomes unlawfully released through no fault of Tenant, then Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Lease term as the result of such contamination.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except with Landlord's prior consent and then only upon strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises; damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, or elsewhere; damages arising from any adverse impact on marketing of space at the Premises; and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water





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on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any unlawful release of any Hazardous Materials on the Premises or any other property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or any other property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion. The provisions of this Section shall survive expiration or termination of this Lease.

**31. QUIET ENJOYMENT.** So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.

**32. MERGER.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

**33. GENERAL.**

**a. Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

**b. Brokers' Fees.** Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described or disclosed in Section 35 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that except for Landlord's Broker, if any, described and disclosed in Section 35 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.

**c. Entire Agreement.** This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended to except in writing signed by Landlord and Tenant.

**d. Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.



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**e. Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

**f. Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

**g. Memorandum of Lease.** Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's prior consent.

**h. Submission of Lease Form Not an Offer.** One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both of them.

**i. No Light, Air or View Easement.** Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Premises shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.

**j. Authority of Parties.** Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against the party on signing.

**k. Time.** "Day" as used herein means a calendar day and "business day" means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence of this Lease.

**34. EXHIBITS AND RIDERS.** The following exhibits and riders are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease:

- Exhibit A: Legal Description of the Property
- Exhibit B – Tenant Improvement Schedule

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- Rent Rider
- Arbitration Rider
- Letter of Credit Rider
- Guaranty of Tenant's Lease Obligations Rider
- Option to Extend Rider

**35. AGENCY DISCLOSURE.** At the signing of this Lease, Landlord is represented by \_\_\_\_\_ (insert both the name of the Broker and the Firm as licensed) (the "Landlord's Broker"), and Tenant is



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represented by \_\_\_\_\_ (insert both the name of the Broker and the Firm as licensed) (the "Tenant's Broker").

This Agency Disclosure creates an agency relationship between Landlord, Landlord's Broker (if any such person is disclosed), and any managing brokers who supervise Landlord's Broker's performance (collectively the "Supervising Brokers"). In addition, this Agency Disclosure creates an agency relationship between Tenant, Tenant's Broker (if any such person is disclosed), and any managing brokers who supervise Tenant's Broker's performance (also collectively the "Supervising Brokers"). If Tenant's Broker and Landlord's Broker are different real estate licensees affiliated with the same Firm, then both Tenant and Landlord confirm their consent to that Firm and both Tenant's and Landlord's Supervising Brokers acting as dual agents. If Tenant's Broker and Landlord's Broker are the same real estate licensee who represents both parties, then both Landlord and Tenant acknowledge that the Broker, his or her Supervising Brokers, and his or her Firm are acting as dual agents and hereby consent to such dual agency. If Tenant's Broker, Landlord's Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant consent to Tenant's Broker, Landlord's Broker and their Firm being compensated based on a percentage of the rent or as otherwise disclosed on the attached addendum. Neither Tenant's Broker, Landlord's Broker nor either of their Firms are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

**36. COMMISSION AGREEMENT.** If Landlord has not entered into a listing agreement (or other compensation agreement with Landlord's Broker), Landlord agrees to pay a commission to Landlord's Broker (as identified in the Agency Disclosure paragraph above) as follows:

- \$ \_\_\_\_\_
- \_\_\_\_\_ % of the gross rent payable pursuant to the Lease
- \$ \_\_\_\_\_ per square foot of the Premises
- Other \_\_\_\_\_

Landlord's Broker  shall  shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated  as provided above or  as follows \_\_\_\_\_ (if no box is checked, as provided above).  
 Landlord's Broker  shall  shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Lease term pursuant to any right reserved to Tenant under the Lease calculated  as provided above or  as follows \_\_\_\_\_ (if no box is checked, as provided above).  
 Landlord's Broker  shall  shall not (shall not if not filled in) be entitled to a commission upon any expansion of Premises pursuant to any right reserved to Tenant under the Lease, calculated  as provided above or  as follows \_\_\_\_\_ (if no box is checked, as provided above).

Any commission shall be earned upon execution of this Lease, and paid one-half upon execution of the Lease and one-half upon occupancy of the Premises by Tenant. Landlord's Broker shall pay to Tenant's Broker (as identified in the Agency Disclosure paragraph above) the amount stated in a separate agreement between them or, if there is no agreement, \$ \_\_\_\_\_ or \_\_\_\_\_ % (complete only one) of any commission paid to Landlord's Broker, within five (5) days after receipt by Landlord's Broker.

If any other lease or sale is entered into between Landlord and Tenant pursuant to a right reserved to Tenant under the Lease, Landlord  shall  shall not (shall not if not filled in) pay an additional



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commission according to any commission agreement or, in the absence of one, according to the commission schedule of Landlord's Broker in effect as of the execution of this Lease. Landlord's successor shall be obligated to pay any unpaid commissions upon any transfer of this Lease and any such transfer shall not release the transferor from liability to pay such commissions.

**37. BROKER PROVISIONS.**

LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES; THE MEANING OF THE TERMS AND CONDITIONS OF THIS LEASE; LANDLORD'S OR TENANT'S FINANCIAL STANDING; ZONING OR COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS; SERVICE OR CAPACITY OF UTILITIES; OPERATING COSTS; OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.

IN WITNESS WHEREOF this Lease has been executed the date and year first above written.

LANDLORD: OVER THE MOON INVESTMENTS, LLC

TENANT: CLEARVIEW EYE AND LASER, PLLC

LANDLORD:

TENANT:

ARON P. WEINGERST

THOMAS S MULLIGAN

BY:

BY:

OWNER/MEMBER

OWNER/MEMBER

ITS:

ITS:



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STATE OF WASHINGTON

COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Arnon P. Wengert is the person who appeared before me and said person acknowledged that Arnon P. Wengert signed this instrument, on oath stated that Arnon P. Wengert was authorized to execute the instrument and acknowledged it as the OWNER/MEMBER of OVER THE MOON to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 5<sup>th</sup> day of OCT, 2018.

[Signature]  
 (Signature of Notary)

LOUISE COOMES

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,  
 residing at SEATTLE, WA  
 My appointment expires 12-03-21

**Notary Public**  
**State of Washington**  
**Louise Coomes**  
**Commission Expires 12-03-21**

STATE OF WASHINGTON

COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that THOMAS G. MULLIGAN is the person who appeared before me and said person acknowledged that THOMAS G. MULLIGAN signed this instrument, on oath stated that THOMAS G. MULLIGAN was authorized to execute the instrument and acknowledged it as the OWNER/MEMBER of CLEARVIEW EYE MULLIGAN the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 5<sup>th</sup> day of OCT, 2018.

[Signature]  
 (Signature of Notary)

LOUISE COOMES

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,  
 residing at SEATTLE, WA  
 My appointment expires 12-03-21

**Notary Public**  
**State of Washington**  
**Louise Coomes**  
**Commission Expires 12-03-21**



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 Single Tenant NNN Lease  
 Rev. 3/2011  
 Page 20 of 22



**LEASE AGREEMENT**  
 (Single Tenant For Entire Parcel - NNN)

STATE OF WASHINGTON

ss.

COUNTY OF \_\_\_\_\_

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
 (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

ss.

COUNTY OF \_\_\_\_\_

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
 (Signature of Notary)

\_\_\_\_\_  
 (Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,  
 residing at \_\_\_\_\_  
 My appointment expires \_\_\_\_\_



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**LEASE AGREEMENT**  
(Single Tenant For Entire Parcel - NNN)

**EXHIBIT A**

[Legal Description of the Property]

Exhibit A



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**LEASE AGREEMENT**  
(Single Tenant For Entire Parcel - NNN)

**EXHIBIT B**

[Tenant Improvement Schedule (Landlord's Work)]

1. **Tenant Improvements to be Completed by Landlord**
  
2. **Tenant Improvements to be Completed by Tenant**





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CBA Form RR  
 Rent Rider  
 Rev. 1/2011  
 Page 1 of 1

**RENT RIDER**

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 New text inserted by licensee indicated by small capital letters.

This Rent Rider ("Rider") is a part of the lease agreement dated October 2, 2018 (the "Lease") between Over the Moon Investments, LLC ("Landlord") and Clearview Eye and Laser, PLLC ("Tenant") concerning the space commonly known as 7520 35th Avenue SW, Seattle, WA (the "Premises"), located at the property commonly known as 7520 35th Avenue SW, Seattle, WA (the "Property").

- 1. BASE MONTHLY RENT SCHEDULE.** Tenant shall pay Landlord base monthly rent during the Lease Term according to the following schedule:

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
<u>1-72</u>	<u>\$50,000</u>
<u>73-180</u>	<u>\$60,000</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

- 2. CONSUMER PRICE INDEX ADJUSTMENT ON BASE MONTHLY RENT.** The base monthly rent shall be increased on the first day of the second year of the Lease and on the first day of each year of the Lease thereafter (each, an "Adjustment Date") during the term of this Lease (but not during any extension term(s) unless specifically set forth elsewhere in the Lease or another Rider attached thereto). The increase shall be determined in accordance with the increase in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (all items for the geographical statistical area in which the Premises is located on the basis of 1982-1984 equals 100) (the "Index"). The base monthly rent payable immediately prior to the applicable adjustment date shall be increased by the percentage that the Index published for the date nearest preceding the applicable Adjustment Date has increased over the Index published for the date nearest preceding the first day of the Lease Year from which the adjustment is being measured. Upon the calculation of each increase, Landlord shall notify Tenant of the new base monthly rent payable hereunder. Within twenty (20) days of the date of Landlord's notice, Tenant shall pay to Landlord the amount of any deficiency in Rent paid by Tenant for the period following the subject Adjustment Date, and shall thereafter pay the increased Rent until receiving the next notice of increase from Landlord. If the components of the Index are materially changed after the Commencement Date, or if the Index is discontinued during the Lease term, Landlord shall notify Tenant of a substitute published index which, in Landlord's reasonable discretion, approximates the Index, and shall use the substitute index to make subsequent adjustments in base monthly rent. In no event shall base monthly rent be decreased pursuant to this Rider.

INITIALS: LANDLORD AW DATE 10/5/18 TENANT My DATE 10/5/18  
 LANDLORD \_\_\_\_\_ DATE \_\_\_\_\_ TENANT \_\_\_\_\_ DATE \_\_\_\_\_



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CBA Form OR  
 Option to Extend Rider  
 Rev. 1/2011  
 Page 1 of 2

**OPTION TO EXTEND RIDER**

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This Option to Extend Rider ("Rider") is made part of the lease agreement dated October 2, 2018 (the "Lease") between Over the Moon Investments, LLC ("Landlord") and Clearview Eye and Laser, PLLC ("Tenant") concerning the leased space commonly known as 7520 35th Avenue SW, Seattle, WA (the "Premises"), located at the property commonly known as 7520 35th Avenue SW, Seattle, WA (the "Property").

1. **Extension of Lease.** Provided Tenant is not in default of any provision of the Lease at the time that Tenant exercises the right to extend the Lease or at the time the new term begins, Tenant shall have 1 (zero if not completed) successive options to extend the term of the Lease for 15 years each. The term of the Lease shall be extended on the same terms, conditions and covenants set forth in the Lease, except that (i) the amount of the Base Rent stated in the Lease shall be adjusted as set forth below (provided, however, that Base Rent shall not be decreased); (ii) there shall be no free or abated rent periods, tenant improvement allowances or other concessions that may have been granted to Tenant at the beginning of the initial term hereof; and (iii) after exercise of Tenant's final extension term option, there shall be no further extension or renewal term options.
2. **Notice.** To extend the Lease, Tenant must deliver written notice to Landlord not less than one hundred eighty (180) days prior to the expiration of the then-current Lease term. Time is of the essence of this Rider.
3. **Monthly Rent.** Landlord and Tenant shall make a good faith effort to determine and agree on the fair market value of rent for the Premises for the next term of the Lease.
  - a. **Failure to Agree on Rent.** If Landlord and Tenant are unable to agree on the fair market rental value for the Premises within thirty (30) days after Tenant gives notice to extend, they shall then have ten (10) days to select or, appoint one real estate appraiser to determine the fair market value of rent for the Premises. All appraisers selected or appointed pursuant to this Rider shall be a Member of the American Institute of Real Estate Appraisers ("M.A.I.") with at least ten (10) years experience appraising commercial properties in the commercial leasing market in which the Premises are located, or equivalent. The appraiser appointed shall determine the fair market rental value for the Premises within twenty (20) days of appointment, which determination shall be final, conclusive, and binding upon both Landlord and Tenant, and Base Rent shall be adjusted accordingly for the new term. The appraiser's fees and expenses shall be shared equally between the parties.
  - b. **Failure to Appoint One Appraiser.** If Landlord and Tenant cannot mutually agree upon an appraiser, then either party may give the other party written notice that it has selected and appointed an M.A.I. appraiser, complete with the name, address, and other identifying information about the appraiser. The party receiving such notice shall then have ten (10) days to select and appoint its own M.A.I. appraiser and respond by giving written notice to the other party, complete with the name, address, and other identifying information about the appraiser. If, however, the responding party fails to select and appoint an appraiser and give notice to the other party within ten (10) days, the determination of the appraiser first appointed shall be final, conclusive and binding upon both parties, and the Base Rent shall be adjusted accordingly for the new term. The appraiser's fees and expenses shall be shared equally between the parties.
  - c. **Method of Determining Rent.** The appraisers appointed shall proceed to determine fair market rental value within twenty (20) days following their appointment. The conclusion shall be final, conclusive and binding upon both Landlord and Tenant. If the appraisers should fail to agree, but the difference in their conclusions as to fair market rental value is ten percent (10%) or less of the lower of the two appraisals, then the fair market rental value shall be deemed to be the average of the two, and Base Rent shall be adjusted accordingly for the new term. If the two appraisers should fail to agree on the fair market rental value, and the

INITIALS: LANDLORD MW DATE 10/5/18 TENANT MJ DATE 10/5/18  
 LANDLORD \_\_\_\_\_ DATE \_\_\_\_\_ TENANT \_\_\_\_\_ DATE \_\_\_\_\_



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**OPTION TO EXTEND RIDER**

difference between the two appraisals exceeds ten percent (10%) of the lower of the two appraisals, then the two appraisers shall appoint a third M.A.I.-qualified appraiser. If they fail to agree on a third appraiser within ten (10) days after their individual determination of the fair market rental value, either party may apply to the courts for the county in which the Premises are located, requesting the appointment of a the third M.A.I.-qualified appraiser. The third appraiser shall promptly determine the fair market rental value of the Premises. The parties shall then take the average of the two appraisals that are closest in value, which shall then constitute the fair market value; shall be final, conclusive and binding upon both parties; and Base Rent shall be adjusted accordingly for the new term. Each party shall pay the fees and expenses for its own appraiser. In the event a third appraiser must be appointed, his or her fees and expenses shall be borne equally by the parties.

INITIALS: LANDLORD AW DATE 10/5/18 TENANT my DATE 10/5/18  
 LANDLORD \_\_\_\_\_ DATE \_\_\_\_\_ TENANT \_\_\_\_\_ DATE \_\_\_\_\_

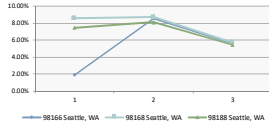
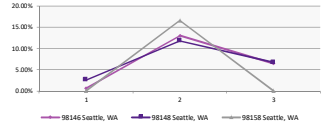
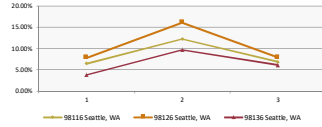
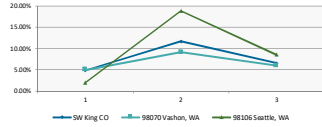
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Clearview Eye and Surgery**

**EXHIBIT 8  
SOUTHWEST KING SECONDARY HEALTH  
SERVICES PLANNING AREA**

# Southwest King County Population Data

## Population Summary

Population by:	SW King CO		98070 Vashon, WA		98106 Seattle, WA		98116 Seattle, WA		98126 Seattle, WA		98136 Seattle, WA		98146 Seattle, WA		98148 Seattle, WA		98158 Seattle, WA		98166 Seattle, WA		98168 Seattle, WA		98188 Seattle, WA		
	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	Total Population	Population Growth	
2023 Projection	242,953		12,281		30,009		26,676		25,995		17,050		20,470		11,466		7		23,760		38,645		26,633		26,633
2018 Estimate	228,005		11,594		27,639		24,962		24,095		16,071		28,617		10,766		7		22,512		36,564		25,268		25,268
2010 Census	204,124		10,624		23,257		22,244		20,752		14,651		25,316		9,631		6		20,737		33,633		23,374		23,374
2000 Census	194,708		10,123		22,799		20,895		19,249		14,119		25,163		9,393		6		20,348		30,983		21,755		21,755



Growth 2000 - 2010	4.84%	4.95%	2.01%	6.46%	7.81%	3.77%	0.61%	2.53%	0.00%	1.91%	8.55%	7.44%
Growth 2010 - 2018	11.70%	9.13%	18.84%	12.22%	16.11%	9.69%	13.04%	11.78%	16.67%	8.56%	8.71%	8.10%
Growth 2018 - 2023	6.56%	5.93%	8.57%	6.87%	7.89%	6.09%	6.48%	6.69%	0.00%	5.63%	5.69%	5.42%

Census Data	2010	2015	2016	2017	2018	2019	2020	2021	2022	2010-2017 Growth Rate	2017-2022 Growth Rate
SW King CO	204,124	220,910	224,430	228,005	230,919	233,871	236,860	239,887	242,953	1.8%	1.3%
98070 Vashon, WA	10,624	11,308	11,450	11,594	11,728	11,864	12,001	12,140	12,281	1.3%	1.2%
98106 Seattle, WA	23,257	26,309	26,966	27,639	28,098	28,564	29,038	29,519	30,009	2.5%	1.7%
98116 Seattle, WA	22,244	24,153	24,554	24,962	24,464	24,838	25,177	25,324	25,995	1.7%	1.3%
98126 Seattle, WA	20,752	23,088	23,586	24,095	24,464	24,838	25,177	25,303	25,995	2.2%	1.5%
98136 Seattle, WA	14,651	15,652	15,860	16,071	16,262	16,456	16,651	16,850	17,050	1.3%	1.2%
98146 Seattle, WA	25,316	27,632	28,120	28,617	28,978	29,344	29,715	30,090	30,470	1.8%	1.3%
98148 Seattle, WA	9,631	10,429	10,596	10,766	10,906	11,048	11,192	11,338	11,486	1.6%	1.3%
98158 Seattle, WA	6	7	7	7	7	7	7	7	7	2.2%	0.0%
98166 Seattle, WA	20,737	21,990	22,249	22,512	22,760	23,011	23,264	23,521	23,780	1.2%	1.1%
98168 Seattle, WA	33,633	35,701	36,130	36,564	36,971	37,383	37,799	38,220	38,645	1.2%	1.1%
98188 Seattle, WA	23,374	24,712	24,988	25,268	25,536	25,807	26,081	26,358	26,638	1.1%	1.1%

CLARITAS  
 Pop-Facts Demographics Trend  
 Claritas Pop-Facts Premier 2017  
 Report Generated: March 8, 2018 5:10:44 PM EST  
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**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 9  
CLEARVIEW EYE AND LASER'S NEED  
METHODOLOGY EVALUATION**

Numeric Need Methodology Calculation

Row	Facility	CN Exempt Facility	Special Procedure Rooms	Dedicated Inpatient ORs	Dedicated Outpatient ORs	Mixed Use ORs	Mixed Use min/case	Inpatient Cases in Mixed Use ORs	Inpatient Mins. in Mixed Use ORs	Outpatient Min/Case	Outpatient Cases	Outpatient Mins.	Data Source	
1	Aesthetic and General Dermatology of Seattle	Yes	-	-	4	-	N/A	-	-	50.00	5,508	275,400	ASF Detailed Information (Cases/Minutes per Statutory Assumption)	700
2	Southwest Seattle Ambulatory Surgery Center	Yes	-	-	2	-	N/A	-	-	95.21	876	83,402	CY2016 Data	
3	Dr. Vincent Muoneke, MD	Yes	-	-	1	-	N/A	-	-	50.00	1,377	68,850	ASF Detailed Information (Cases/Minutes per Statutory Assumption)	100
4	La Belle Vie Cosmetic Surgery Centers	Yes	-	-	2	-	N/A	-	-	50.00	2,754	137,700	ASF Detailed Information (Cases/Minutes per Statutory Assumption)	450
5	Northwest Center for Plastic and Rconstructive Surgery	Yes	-	-	1	-	N/A	-	-	100.85	134	13,514	CY2016 Data	
6	Westwood Eye Surgery and Laser	Yes	-	-	1	-	N/A	-	-	50.00	1,377	68,850	ASF Detailed Information (Cases/Minutes per Statutory Assumption)	1700
7	Highline Medical Center	No	-	-	-	9	103.09	3,710	382,451	50.00	-	-	CY2016 Data	
8	Total		-	-	11	9	103.09	3,710	382,451	71.03	12,026	854,266		

ORs counted in numeric methodology

68850

0

Survey Data Year (1st Year)

2016

Survey Data Year (2nd Year)

2017

Year 1 of Operation

2019

Year 3 of Operation

2021

Total Surgeries

15,736

Area Population 2016 Estimated

224,430

Claritas data and annual estimates using Claritas growth rates

Area Population 2017 Estimated

228,005

Claritas data and annual estimates using Claritas growth rates

Use Rate

69.0

Planning Area Projected Population Year: 2021

239,887

Claritas data and annual estimates using Claritas growth rates

% Outpatient of Total Surgeries

76.42%

% Inpatient of Total Surgeries

23.58%

a.i.	Minutes/year/mixed-use OR			<b>94,250</b>		
a.ii.	Minutes/year/dedicated outpatient OR			<b>68,850</b>		
a.iii.	Outpatient OR capacity		0	dedicated outpatient ORs x 68850 minutes =	-	mins dedicated OR capacity - Outpatient surgeries
a.iv.	Mixed-use OR capacity in minutes		9	mixed-use ORs x 94250 minutes =	848,250	mins mixed-use OR capacity 8,229 Mixed-use surgeries
b.i.	Projected surgeries		3,966	projected inpatient surgerie ----->	408,793	minutes inpatient surgeries
			12,653	projected outpatient surger ----->	898,785	minutes outpatient surgeries
b.ii.	Forecast # of outpatient surgeries - capacity of dedicated outpatient ORs		12,653	-	-	= 12,653 outpatient surgeries
b.iii.	Average time per surgery			Average time of inpatient surgeries	=	103.09
				Average time of outpatient surgeries	=	71.03
b.iv.	Projected OR capacity need in minutes			Inpatient surgeries x average time	=	408,793 minutes Number of minutes needed for inpatient surgery
				Remaining outpatient surgeries x avg time	=	<u>898,785</u> minutes Number of minutes needed for outpatient surgery over current dedicated outpatient OR capac
						1,307,578 minutes
c.i.	Determination of excess mixed-use OR capacity			if b.iv < a. iv., divide (a. iv. - b.iv.) by 94250 to determine surplus of mixed-use ORs		b.iv. 1,307,578 projected OR capacity need a.iv. 848,250 current mixed-use OR capacity
				<b>Condition not met (b.iv &gt; a.iv). DO NOT USE. PROCEED TO STEP c.ii.</b>		
				<u>848,250</u>		
				(1,307,578)		
				(459,328) / 94,250 =		(4.87)
c.ii.	Determination of inpatient and outpatient OR shortage			if b.iv > a. iv., divide (inpatient part of b. iv. - a.iv.) by 94250 to determine shortage of inpatient ORs		
				<u>408,793</u>		
				(848,250)		
				(439,457) / 94,250 =		(4.66)
				divide outpatient part of b.iv. by 68850 to determine shortage of dedicated outpatient ORs		
				898,785 / 68,850 =		13.05



**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 10  
CLEARVIEW EYE AND LASER'S  
PROPOSED CHARITY CARE POLICY**

## CHARITY CARE POLICY

---

### **POLICY:**

Clearview Eye and Laser, PLLC, is pleased to provide a charity care program to serve needs of our community. As part of this program, patients who reside in our service area and who meet eligibility requirements may receive a partial or full adjustment on Ambulatory Surgical Center (ASC) medical service charges. Charity Care qualification criteria will be reviewed annually.

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

### **PURPOSE:**

*Charity Care:* Health care services rendered at Clearview Eye and Laser, PLLC, to persons whose family income is at or below 200 percent of the federal poverty level. Charity care is considered secondary to all other financial resources available to the patient including: medical plans, workers' compensation, Medicare, Medicaid, federal and military programs, third party liability situations and any other situation in which a person or entity may have a legal responsibility to pay for the cost of medical services.

### **PROCEDURE:**

#### *Eligibility Determinations:*

All patient accounts that are preparing to receive services at Clearview Eye and Laser, PLLC, are eligible for charity care consideration. Patient eligibility will be identified prior to eligible provided services. Patient eligibility approval will be for a one-time adjustment for medical service charges rendered at Clearview Eye and Laser, PLLC. Services eligible for charity care are defined as fees related to appropriate ASC-based medical services.

A Department of Social and Health Services (DSHS) coverage determination is required to be considered for this program. A confidential financial statement application will be completed by the patient including all the following:

**Clearview Eye and Laser, PLLC, dba Westwood Eye Surgery and Laser Center**

- x Most current year income tax return or SSI award letter
- x Most recent pay stub
- x Information (and proof) of all other income
- x Determination notice from the Department of Social and Health Services (Medicaid)

The application (and attachments) must be returned to Clearview Eye and Laser, PLLC Financial Office for review.

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

**Review Process:**

Applications and other information obtained by Clearview Eye and Laser, PLLC, will be reviewed as they are received. Clearview Eye and Laser, PLLC, will notify the applicant of the decision in writing, within thirty (30) business days after the complete application has been received.

<b>2018 Federal Poverty Level (FPL) Guideline Table</b>						
	100% FPL	135% FPL	150% FPL	175% FPL	200% FPL	>200% FPL
	100% Discount	75% Discount	75% Discount	50% Discount	25% Discount	
Family Size	Monthly Income Limit					
1	\$1,012	\$1,366	\$1,518	\$1,770	\$2,023	0% Discount
2	\$1,372	\$1,852	\$2,058	\$2,400	\$2,743	
3	\$1,732	\$2,338	\$2,598	\$3,030	\$3,463	
4	\$2,092	\$2,824	\$3,138	\$3,660	\$4,183	
5	\$2,452	\$3,310	\$3,678	\$4,290	\$4,903	
6	\$2,812	\$3,796	\$4,218	\$4,920	\$5,623	
7	\$3,172	\$4,282	\$4,758	\$5,550	\$6,343	
8	\$3,532	\$4,768	\$5,298	\$6,180	\$7,063	
9	\$3,892	\$5,254	\$5,838	\$6,810	\$7,783	
10	\$4,252	\$5,740	\$6,378	\$7,440	\$8,503	

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 11  
CLEARVIEW EYE AND LASER'S  
PROPOSED ADMISSION POLICIES**

## CRITERIA FOR PATIENT ADMISSION

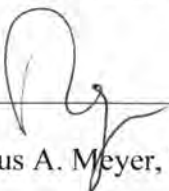
### POLICY:

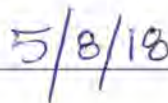
It is the policy of the facility to adopt, implement, review and revise patient admission criteria for the facility. Criteria will be developed by the Professional Staff providers and approved by the Governing Board.

### CRITERIA:

- A. Patients will be in good health with no fever or flu symptoms.
- B. Patients will be an **ASA level 3 or lower**. **ASA level 4 needs special approval from the medical director. Patient's will have received information regarding Advanced Medical Directives/living wills if interested, patient rights and grievances before the scheduled procedure.**
- C. Patient Medical Record will have a **complete history and physical, current within 30 days**, and updated as needed, on their chart prior to admittance to the Operating Room.
- D. Patient's will have an escort, unless exempted by the surgical provider by a written order.
- E. Patient's that do not speak English will have a translator present or available, scheduled by a staff member of the facility. A family member is permitted to translate if requested by the patient.
- F. The patient must weigh **less than 400 pounds** to have surgery in the surgical stretcher per manufacturer's guidelines. Any patient above this weight limit will be referred to the hospital.
- G. A Consent for Procedure will be completed before the procedure begins.

Signed By: Medical Director

  
\_\_\_\_\_  
Marcus A. Meyer, MD

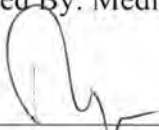
  
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5/8/18

## ADMISSIONS AND DISCHARGES

### PROFESSIONAL STAFF: RULES AND REGULATIONS

- A. All admissions for surgery shall be arranged through the facility's Business Office by a member of the Professional Staff and will be in accordance with the facility admitting policy.
- B. When arranging for admission for surgery, the attending practitioner will be expected to furnish the facility with a provisional diagnosis.
- C. When arranging for admission of a patient, the attending practitioner shall be expected to state any unusual conditions or known dangers his patient may present to other patients or staff.
- D. Patients shall be discharged only on a written order of the attending practitioner. Should a patient leave the facility against the advice of the attending practitioner or without proper discharge, a notation of the incident shall be made in the patient's Medical Record.
- E. In the event of an emergency transfer from the facility to an acute care hospital, the attending practitioner shall be responsible for providing adequate documentation in the patient's Medical Record so that the receiving hospital and/or physician can continue providing appropriate care to the patient and the facility's committee can evaluate the reason for transfer. A copy of the appropriate sections of the Medical Record shall accompany the patient.
- F. In the event of a death in the facility, the deceased shall be pronounced dead by the attending practitioner. The body shall not be released until an entry has been made and signed in the deceased's Medical Record by the attending practitioner. Policies with respect to release of dead bodies shall conform to local law.

Signed By: Medical Director



Marcus A. Meyer, MD

5/8/18

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 12  
PROFORMA INCOME STATEMENT**

	2019	2020	2021	2022
Current				
Ophthalmology - Incisional	1,322,160	1,446,160	1,477,460	1,517,500
Ophthalmology - Lasers	280,959	307,309	313,900	322,461
Ophthalmology - Plastics	49,581	54,231	55,465	56,871
New				
Otolaryngological	200,000	218,000	221,000	224,000
Plastics	100,000	107,000	110,000	113,000
Ophthalmology - Retinal	170,100	180,000	200,000	220,000
<b>Total Fees</b>	<b>2,122,800</b>	<b>2,312,700</b>	<b>2,377,825</b>	<b>2,453,832</b>
Expenses				
CEUS - ASC	1,200	1,300	1,325	1,350
Depreciation - ASC	17,000	17,700	18,350	19,083
Depreciation - New specialites	155,000			
Drugs - ASC	1,300	1,300	1,350	1,400
Dues - ASC	1,000	1,000	1,100	1,100
Janitorial - ASC	9,000	9,350	9,700	10,100
Laundry - ASC	21,000	22,000	22,700	23,600
Licenses - ASC	533	550	574	600
Outside Services - ASC	3,600	3,700	3,900	4,015
Overhead Allocated to ASC ***	315,700	317,500	318,200	319,400
R & M - Equip - ASC	4,500	4,600	4,800	5,000
Supplies - Implants - ASC	476,200	495,200	512,600	533,100
Supplies - ASC	120,720	171,120	184,320	191,520
Taxes - Payroll - ASC	19,920	20,640	21,360	23,400
Wages - ASC	424,560	477,000	491,160	507,960
	-	-	-	-
<b>Total Expenses</b>	<b>1,571,233</b>	<b>1,542,960</b>	<b>1,591,439</b>	<b>1,641,628</b>
<b>Net Income</b>	<b>551,567</b>	<b>769,740</b>	<b>786,386</b>	<b>812,204</b>

\*\*\*

These expenses include administrative wages, rent, utilities, billing services, office expenses, computer and communication costs.



**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 13  
CLEARVIEW EYE AND LASER'S INCOME  
STATEMENT**

Clearview Eye and Laser, PLLC  
d/b/a Westwood Eye Surgery & Laser Center LLC  
Income Statement - Tax Basis  
For the Twelve Months Ending December 31, 2017

	Year to Date	
Facility Fees Collected		
Facility Fees Collected	\$ 1,547,893.60	100.64
Facility Fee - Refunds	<u>(9,910.33)</u>	<u>(0.64)</u>
Total Fees Collected	<u>1,537,983.27</u>	<u>100.00</u>
Expenses		
CEUS - ASC	37.00	0.00
Depreciation - ASC	30,707.04	2.00
Depreciation-Abandoned LHI	471,844.84	30.68
Drugs - ASC	281.50	0.02
Janitorial - ASC	12,701.80	0.83
Laundry - ASC	20,215.47	1.31
Legal - ASC	150.00	0.01
Licenses - ASC	6,309.50	0.41
Rent - ASC	112,183.02	7.29
R & M - Equip - ASC	10,385.02	0.68
Supplies - Implants - ASC	417,675.14	27.16
Supplies - ASC	240,787.68	15.66
Taxes - Business - ASC	2,560.32	0.17
Taxes - Payroll - ASC	17,027.04	1.11
Utilites - ASC	1,514.90	0.10
Wages - ASC	201,476.83	13.10
Overhead Allocated to ASC	<u>55,500.00</u>	<u>3.61</u>
Total Expenses	<u>1,601,357.10</u>	<u>104.12</u>
Net Income	<u>\$ (63,373.83)</u>	<u>(4.12)</u>

For Management Purposes Only

Clearview Eye and Laser, PLLC  
 Optical Department  
 Income Statement - Tax Basis  
 For the Twelve Months Ending December 31, 2017

	Year to Date	
<b>Revenues</b>		
Sales - Optical	\$ 952,838.83	78.13
Sales - Optical - H/L	272,753.58	22.37
Refunds - Optical	(4,541.84)	(0.37)
Refunds - Optical - H/L	(1,518.42)	(0.12)
	<hr/>	
Total Revenues	1,219,532.15	100.00
<b>Cost of Sales</b>		
COGS - Optical	596,679.18	48.93
Purchases Discounts- Optical	(52,331.05)	(4.29)
	<hr/>	
Total Cost of Sales	544,348.13	44.64
	<hr/>	
Gross Profit	675,184.02	55.36
<b>Expenses</b>		
CEUs - Optical	325.00	0.03
Depreciaton - Optical	58,016.30	4.76
Emp Bene- Life Ins-Optical	344.00	0.03
Emp Bene- Medical Ins-Optical	29,915.77	2.45
Laundry - Optical	104.67	0.01
Licenses - Optical	442.50	0.04
R & M Equip - Optical	49.79	0.00
Supplies Medical - Optical	7,652.06	0.63
Supplies - Office - Optical	7,349.34	0.60
Taxes - Payroll - Optical	27,341.06	2.24
Wages - Optical	331,769.76	27.20
Overhead Allocated to Optical	140,000.00	11.48
	<hr/>	
Total Expenses	603,310.25	49.47
	<hr/>	
Net Income	\$ 71,873.77	5.89
	<hr/> <hr/>	

Clearview Eye and Laser, PLLC  
 LASIK Department  
 Income Statement - Tax Basis  
 For the Twelve Months Ending December 31, 2017

	Year to Date	
<b>Revenues</b>		
LASIK Fees - TGM	\$ 47,513.79	67.39
LASIK Fees - MAM	41,736.57	59.20
LASIK Fees - APW	<u>7,130.00</u>	10.11
<b>Total Revenues</b>	<u>96,380.36</u>	136.70
<b>Cost of Sales</b>		
LASIK Costs - TGM	13,980.08	19.83
LASIK Costs - MAM	9,671.20	13.72
LASIK Costs - APW	<u>2,226.34</u>	3.16
<b>Total Cost of Sales</b>	<u>25,877.62</u>	36.70
<b>Gross Profit</b>	<u>70,502.74</u>	100.00
<b>Expenses</b>		
R & M - LASIK	44,437.85	63.03
Supplies - LASIK	24,221.32	34.36
Supplies-LASIK Custom License	(13,457.86)	(19.09)
Supplies - LASIK Flap/Ring	(1,511.48)	(2.14)
Wages LASIK	<u>5,188.12</u>	7.36
<b>Total Expenses</b>	<u>58,877.95</u>	83.51
<b>Net Income</b>	<u>\$ 11,624.79</u>	16.49

For Management Purposes Only

West Seattle-Highline Eye Clinic, LLP  
Clinic Expenses  
For the Twelve Months Ending December 31, 2017

OD Costs		160,516.99	5.47%
CEUs	3,574.70		
Emp Benefits - Medical Insu OD	6,880.04		
Emp Benefits - Life Ins	105.00		
License	391.00		
Malpractice Insurance	633.00		
Taxes - Payroll OD	13,933.25		
Wages	135,000.00	-	
Employee Costs		1,256,256.71	42.83%
CEUs	1,820.00		
Dues	495.00		
Emp Benefits - Life Ins	1,958.50		
Emp Benefits - Medical Ins	115,548.21		
Emp Benefits - Uniforms	4,314.15		
Licenses	850.00		
Taxes - Payroll	98,193.41		
Wages	1,033,077.44	-	
Equipment Costs		428,090.58	14.59%
Depreciation	282,580.91		
Equipment Rental	19,033.79		
Repair & Maintenance	126,475.88		
Facility Costs		666,963.27	22.74%
Abandoned Leasehold Improvements	44,432.09		
Insurance	15.00		
Janitorial	11,248.25		
Rent	374,165.32		
Rent - Burien	138,836.16		
Repair & Maintenance - Building	61,337.76		
Telephone	23,743.47		
Utilities	57,617.30	-	
Taxes		171,775.33	5.86%
Taxes - Business	133,116.06		
Taxes - Business - Burien	38,659.27	-	
Other Clinic Costs		367,268.63	12.52%
Advertising	37,486.00		
Bank Charges	56,591.21		
Books & Subscriptions	967.96		
Drugs	15,138.90		
Interpreters	2,563.23		
Interest	11,386.98		
Legal	4,579.18		
Malpractice	3,491.00		
Miscellaneous	3,919.31		
Outsides Services	14,147.50		
Supplies - Medical	17,740.98		
Supplies - Medical - Burien	1,004.80		
Supplies - Office	190,372.46		
Supplies - Office - Burien	7,705.62		
Taxis	93.50		
Overhead Allocated		(195,500.00)	-6.67%
Optical	(140,000.00)		
ASC	(55,500.00)	-	
<b>Total Expenses</b>	<b>2,899,803.60</b>		<b>0.97</b>

**Clearveiw Eye and Laser, PLLC**  
**Statement of Income and Expenses**  
**For the Twelve Months ended December 31, 2017**

	<u>CLINIC</u>		<u>TGM</u>		<u>MAM</u>		<u>APW</u>	
<b>Income</b>								
Fees - Patients	2,577,348.57		1,128,952.31		863,251.04		585,145.22	
Fees - Patients Burien	1,604,725.56		393,226.50		734,718.13		476,780.93	
Fees - OD	235,488.03		78,496.01		78,496.01		78,496.01	
Fees - Patients Burien - OD	94,084.78		31,361.59		31,361.59		31,361.60	
Refunds	(18,818.55)		(11,516.95)		(5,444.56)		(1,657.04)	
Refunds OD	(1,193.53)		(397.84)		(397.84)		(397.85)	
Refunds Burien	(10,517.93)		(3,426.29)		(3,423.96)		(3,667.68)	
Refunds Burien - OD	(891.30)		(297.10)		(297.10)		(297.10)	
Avastin Revenue	15,327.53		4,598.75		2,396.14		8,332.64	
Avastin Costs	(14,761.52)		(4,428.93)		(2,396.14)		(7,936.45)	
Botox Revenue	5,276.99		2,960.02		1,841.77		475.20	
Botox Costs	(4,676.00)		(2,336.00)		(1,753.50)		(584.50)	
Eylea Revenue	1,605,683.63		613,908.22		652,833.10		338,942.31	
Eylea Costs	(1,542,394.95)		(579,999.05)		(658,674.00)		(303,721.90)	
Lucentis Revenue	41,007.85		27,210.06		12,547.56		1,250.23	
Lucentis Costs	(33,029.10)		(25,689.30)		(7,339.60)		-	
Ozurdex	1,549.94		1,549.94		-		-	
Ozurdex Costs	(3,999.00)		(3,999.00)		-		-	
Trience Revenue	725.88		427.51		298.37		-	
Trience Costs	(906.96)		(680.22)		(226.74)		-	
Contact Lens Fees	124,214.01		75,519.56		29,318.95		19,377.50	
Contact Lens Fees - OD	127,067.43		42,355.81		42,355.81		42,355.81	
Contact Lens Fees Burien	54,362.49		18,522.40		17,773.29		18,066.80	
Contact Lens Fees Burien - OD	36,767.25		12,255.75		12,255.75		12,255.75	
Contact Lens Purchases	(134,908.60)		(72,963.78)		(32,858.21)		(29,086.61)	
Contact Lens Purchases - OD	(96,792.99)		(32,264.33)		(32,264.33)		(32,264.33)	
Prokera Revenue	3,571.82		3,571.82		-		-	
Prokera Costs	(1,730.00)		(1,730.00)		-		-	
Refunds	(610.10)		(421.10)		(53.00)		(136.00)	
Refunds OD	(1,182.70)		(394.23)		(394.23)		(394.24)	
Refunds Burien	(449.86)		(67.00)		(263.86)		(99.00)	
Refunds Burien OD	-		-		-		-	
Interest Income	19.86		6.65		6.65		6.66	
Other Income	(1,268.66)		(422.89)		(422.89)		(422.88)	
Other Income	11,713.94		3,661.61		5,567.66		2,484.67	
<b>Total Income</b>	<b>4,671,003.91</b>		<b>1,697,528.50</b>	<b>100%</b>	<b>1,738,809.66</b>	<b>100%</b>	<b>1,234,665.75</b>	<b>100%</b>
Income percentage	100.0000%		36.341834%		37.2256%		26.4326%	
<b>Total Equal Expenses</b>	<b>2,899,803.62</b>	<b>62.08%</b>	<b>966,601.21</b>	<b>56.94%</b>	<b>966,601.21</b>	<b>55.59%</b>	<b>966,601.21</b>	<b>78.29%</b>
<b>Separate Expense</b>								
Business Meals	678.63		272.72		149.65		256.26	
CEUs	4,332.05		2,862.89		1,369.16		100.00	
Dues	8,686.00		1,750.00		3,601.00		3,335.00	
Insurance - Life/Disb/Buy	38,966.60		12,988.86		12,988.87		12,988.87	
Insurance - Malpractice	20,237.00		7,005.00		7,005.00		6,227.00	
Laundry	1,060.88		169.26		682.75		208.67	
Licenses	2,778.00		659.00		1,388.00		731.00	
Outside Services	3,939.25		-		2,500.00		1,439.25	
Supplies	200.00		-		200.00		-	
Telephone - Cellular & Pagers	6,609.60		-		-		-	
Travel	6,251.71		436.26		2,653.96		3,955.64	
<b>Total Separate Expenses</b>	<b>93,739.52</b>	<b>2.01%</b>	<b>26,143.99</b>	<b>1.54%</b>	<b>38,090.38</b>	<b>2.19%</b>	<b>29,505.15</b>	<b>2.39%</b>
<b>Total Operating Expenses</b>	<b>2,993,543.14</b>	<b>64.09%</b>	<b>992,745.20</b>	<b>58.48%</b>	<b>1,004,691.59</b>	<b>57.78%</b>	<b>996,106.36</b>	<b>80.68%</b>
<b>Net Operating Income</b>	<b>1,677,460.77</b>	<b>35.91%</b>	<b>704,783.30</b>	<b>41.52%</b>	<b>734,118.07</b>	<b>42.22%</b>	<b>238,559.39</b>	<b>19.32%</b>
Optical Profit (Loss)	71,873.77		23,957.82		23,957.92		23,957.92	
ASC Profit (Loss)	(63,373.83)		(21,124.61)		(21,124.61)		(21,124.61)	
LASIK Profit (Loss)	11,624.79		11,602.38		10,999.61		(10,977.20)	
	<u>1,697,585.50</u>		<u>719,219.00</u>		<u>747,951.00</u>		<u>230,415.51</u>	

For Management Purposes Only

Clearview Eye and Laser, PLLC  
d/b/a Westwood Eye Surgery & Laser Center LLC  
Income Statement - Tax Basis  
For the Twelve Months Ending December 31, 2016

	Year to Date	
Facility Fees Collected		
Facility Fees Collected	\$ 1,573,712.94	100.35
Facility Fee - Refunds	(5,489.72)	(0.35)
	<hr/>	
Total Fees Collected	1,568,223.22	100.00
	<hr/>	
Expenses		
Bank Charges - ASC	96.93	0.01
CEUS - ASC	1,165.00	0.07
Depreciation - ASC	16,470.00	1.05
Drugs - ASC	1,212.00	0.08
Dues - ASC	160.00	0.01
###Dues - ASC	775.00	0.05
Janitorial - ASC	8,684.40	0.55
Laundry - ASC	20,400.82	1.30
Licenses - ASC	515.00	0.03
Outside Services - ASC	3,465.00	0.22
Rent - ASC	68,010.91	4.34
R & M - Equip - ASC	4,314.35	0.28
Supplies - Implants - ASC	460,088.91	29.34
Supplies - ASC	68,901.64	4.39
Taxes - Business - ASC	9,151.38	0.58
Taxes - Payroll - ASC	16,007.29	1.02
Utilites - ASC	2,577.35	0.16
Wages - ASC	188,936.79	12.05
Overhead Allocated to ASC	55,500.00	3.54
	<hr/>	
Total Expenses	926,432.77	59.08
	<hr/>	
Net Income	\$ 641,790.45	40.92
	<hr/> <hr/>	

For Management Purposes Only

Clearview Eye and Laser, PLLC  
LASIK Department  
Income Statement - Tax Basis  
For the Twelve Months Ending December 31, 2016

	Total	TGM	MAM	APW
Income from LASIK procedures				
TGM	28,185.81	28,185.81		
MAM	39,335.03		39,335.03	
APW	9,507.50			9,507.50
<b>Total Revenue</b>	<b>77,028.34</b>	<b>28,185.81</b>	<b>39,335.03</b>	<b>9,507.50</b>
Percentage of Revenue		0.37	0.51	0.12
Per Procedure Costs				
TGM	7,250.08	7,250.08		
MAM	9,573.76		9,573.76	
APW	2,797.60			2,797.60
<b>Total Cost of Procedures</b>	<b>19,621.44</b>	<b>7,250.08</b>	<b>9,573.76</b>	<b>2,797.60</b>
<b>Gross Profit</b>	<b>57,406.90</b>	<b>20,935.73</b>	<b>29,761.27</b>	<b>6,709.90</b>
Expenses				
Custom Licenses & Flap Rings	7,888.60	2,629.53	2,629.53	2,629.53
R & M	42,144.46	14,048.16	14,048.15	14,048.15
Supplies	5,852.77	2,141.62	2,988.76	722.40
Wages - LASIK	6,383.41	2,335.78	3,259.73	787.90
<b>Total Expenses</b>	<b>62,269.24</b>	<b>21,155.09</b>	<b>22,926.17</b>	<b>18,187.97</b>
<b>Net Income</b>	<b>(4,862.34)</b>	<b>(219.36)</b>	<b>6,835.10</b>	<b>(11,478.07)</b>

For Management Purposes Only



Clearview Eye and Laser, PLLC  
 Optical Department  
 Income Statement - Tax Basis  
 For the Twelve Months Ending December 31, 2016

	Year to Date	
<b>Revenues</b>		
Sales - Optical	\$ 1,051,143.17	80.05
Sales - Optical - H/L	268,956.73	20.48
Refunds - Optical	(5,902.68)	(0.45)
Refunds - Optical - H/L	(1,152.98)	(0.09)
	<hr/>	
Total Revenues	1,313,044.24	100.00
	<hr/>	
<b>Cost of Sales</b>		
COGS - Optical	632,933.67	48.20
Purchases Discounts- Optical	(47,564.03)	(3.62)
	<hr/>	
Total Cost of Sales	585,369.64	44.58
	<hr/>	
Gross Profit	727,674.60	55.42
	<hr/>	
<b>Expenses</b>		
Books & Subscriptions- Optical	854.95	0.07
CEUs - Optical	265.00	0.02
Emp Bene- Life Ins-Optical	435.00	0.03
Emp Bene- Medical Ins-Optical	32,913.38	2.51
Laundry - Optical	512.89	0.04
Licenses - Optical	487.00	0.04
R & M Equip - Optical	415.38	0.03
Supplies Medical - Optical	7,424.98	0.57
Supplies - Office - Optical	5,167.36	0.39
Taxes - Payroll - Optical	27,360.15	2.08
Travel - Optical	1,015.71	0.08
Wages - Optical	343,169.01	26.14
Overhead Allocated to Optical	140,000.00	10.66
	<hr/>	
Total Expenses	560,020.81	42.65
	<hr/>	
Net Income	\$ 167,653.79	12.77
	<hr/> <hr/>	

For Management Purposes Only

**Clearveiw Eye and Laser, PLLC**  
**Statement of Income and Expenses**  
**For the Twelve Months ended December 31, 2016**

	<u>CLINIC</u>		<u>TGM</u>		<u>MAM</u>		<u>APW</u>	
Income								
Fees - Patients	2,505,028.44		1,085,660.98		868,641.75		550,725.71	
Fees - Patients Burien	1,515,640.79		385,653.17		701,192.89		428,794.73	
Fees - OD	245,023.83		81,674.61		21,200.44		81,674.61	
Fees - Patients Burien - OD	63,601.34		21,200.44		21,200.45		21,200.45	
Refunds	(13,852.14)		(6,487.55)		(5,249.16)		(2,115.43)	
Refunds OD	(1,641.05)		(547.01)		(547.02)		(547.02)	
Refunds Burien	(8,726.95)		(1,527.61)		(4,957.88)		(2,241.46)	
Refunds Burien - OD	(517.75)		(172.59)		(172.58)		(172.58)	
Avastin Revenue	29,476.64		9,820.05		12,677.54		6,979.05	
Avastin Costs	(30,739.50)		(9,882.00)		(13,284.00)		(7,573.50)	
Botox Revenue	2,330.62		712.12		1,618.50		-	
Botox Costs	(2,895.00)		(1,158.00)		(1,737.00)		-	
Eylea Revenue	876,811.76		382,514.84		241,950.77		252,348.15	
Eylea Costs	(926,850.00)		(414,400.00)		(264,550.00)		(247,900.00)	
Lucentis Revenue	187,994.44		99,626.17		78,083.91		10,284.38	
Lucentis Cost	(175,119.75)		(86,642.40)		(77,067.90)		(11,409.45)	
Ozudex Revenue	2,633.40		2,633.40		-		-	
Ozudex Costs	(2,666.00)		(2,666.00)		-		-	
Triesence Revenue	2,141.14		738.46		1,402.68		-	
Triesence Costs	(3,202.56)		(1,000.80)		(2,201.76)		-	
Contact Lens Fees	134,507.92		73,603.73		33,251.74		27,652.45	
Contact Lens Fees - OD	112,334.73		37,444.91		37,444.91		37,444.91	
Contact Lens Fees Burien	60,878.13		19,636.43		21,865.15		19,376.55	
Contact Lens Fees Burien - OD	31,417.43		10,472.48		10,472.48		10,472.47	
Contact Lens Purchases	(129,335.78)		(63,902.22)		(36,052.00)		(29,381.56)	
Contact Lens Purchases - OD	(97,382.41)		(32,460.80)		(32,460.80)		(32,460.81)	
Prokera Revenue	3,165.53		-		1,882.30		1,283.23	
Prokera Costs	(1,730.00)		-		(865.00)		(865.00)	
Refunds	(1,398.70)		(425.70)		(475.50)		(497.50)	
Refunds OD	(1,239.40)		(413.14)		(413.13)		(413.13)	
Refunds Burien	(755.15)		(160.00)		(130.00)		(465.15)	
Refunds Burien OD	-		-		-		-	
Interest Income	108.45		36.15		36.15		36.15	
Other Income - equal	3,452.37		1,150.79		1,150.79		1,150.79	
Other Income - Separate	20,310.54		7,883.82		6,975.71		5,451.01	
	-		-		-		-	
	-		-		-		-	
<b>Total Income</b>	<b>4,398,805.36</b>		<b>1,598,616.73</b>	<b>100%</b>	<b>1,681,358.60</b>	<b>100%</b>	<b>1,118,830.03</b>	<b>100%</b>
Income percentage	100.0000%		36.342066%		38.2231%		25.4349%	
<b>Total Equal Expenses</b>	<b>2,183,248.87</b>	<b>49.63%</b>	<b>727,749.62</b>	<b>45.52%</b>	<b>727,749.62</b>	<b>43.28%</b>	<b>727,749.62</b>	<b>65.05%</b>
<b>Separate Expense</b>								
Business Meals	901.94		-		45.36		856.58	
CEUs	5,194.95		-		3,394.95		1,800.00	
Dues	6,082.00		1,925.00		2,262.00		1,895.00	
Insurance - Life/Disb/Buy	41,614.08		13,871.36		13,871.36		13,871.36	
Insurance - Malpractice	20,627.00		7,200.00		7,200.00		6,227.00	
Laundry	956.24		208.19		539.87		208.18	
Licenses	659.00		-		-		659.00	
Outside Services	6,600.00		1,700.00		2,450.00		2,450.00	
Supplies	365.00		-		365.00		-	
Telephone - Cellular & Pagers	4,936.91		-		2,776.51		2,160.40	
Travel	2,899.49		-		1,401.77		1,497.72	
<b>Total Separate Expenses</b>	<b>90,836.61</b>	<b>2.07%</b>	<b>24,904.55</b>	<b>1.56%</b>	<b>34,306.82</b>	<b>2.04%</b>	<b>31,625.24</b>	<b>2.83%</b>
<b>Total Operating Expenses</b>	<b>2,274,085.48</b>	<b>51.70%</b>	<b>752,654.17</b>	<b>47.08%</b>	<b>762,056.44</b>	<b>45.32%</b>	<b>759,374.86</b>	<b>67.67%</b>
<b>Net Operating Income</b>	<b>2,124,719.88</b>	<b>48.30%</b>	<b>846,962.56</b>	<b>52.92%</b>	<b>919,302.16</b>	<b>54.68%</b>	<b>359,455.17</b>	<b>32.13%</b>
Optical Profit (Loss)	167,653.79		55,884.60		55,884.60		55,884.59	
ASC Profit (Loss)	641,790.45		213,930.15		213,930.15		213,930.15	
LASIK Profit (Loss)	(4,862.33)		(219.38)		6,835.10		(11,478.07)	
	<b>2,929,301.79</b>		<b>1,115,557.95</b>		<b>1,195,952.01</b>		<b>617,791.84</b>	

For Management Purposes Only

Clearview Eye and Laser, PLLC  
d/b/a Westwood Eye Surgery & Laser Center LLC  
Income Statement - Tax Basis  
For the Twelve Months Ending December 31, 2015

	Year to Date	
Facility Fees Collected		
Facility Fees Collected	\$ 1,403,400.36	100.94
Facility Fee - Refunds	<u>(13,117.30)</u>	<u>(0.94)</u>
Total Fees Collected	<u>1,390,283.06</u>	<u>100.00</u>
Expenses		
Bank Charges - ASC	316.86	0.02
Depreciation - ASC	97,693.00	7.03
Drugs - ASC	18,041.58	1.30
Dues - ASC	125.00	0.01
###Dues - ASC	400.00	0.03
Janitorial - ASC	11,594.65	0.83
Laundry - ASC	19,028.61	1.37
Legal - ASC	1,722.00	0.12
Licenses - ASC	247.00	0.02
Outside Services - ASC	3,604.57	0.26
Rent - ASC	73,826.34	5.31
R & M - Equip - ASC	7,278.25	0.52
Supplies - Implants - ASC	206,751.63	14.87
Supplies - ASC	138,325.89	9.95
Taxes - Business - ASC	3,301.20	0.24
Taxes - Payroll - ASC	12,340.55	0.89
Travel - ASC	1,852.35	0.13
Utilites - ASC	2,819.58	0.20
Wages - ASC	148,897.13	10.71
Overhead Allocated to ASC	<u>55,500.00</u>	<u>3.99</u>
Total Expenses	<u>803,666.19</u>	<u>57.81</u>
Net Income	<u>\$ 586,616.87</u>	<u>42.19</u>

Clearview Eye and Laser, PLLC  
LASIK Department  
Income Statement - Tax Basis  
For the Twelve Months Ending December 31, 2015

	Total	TGM	MAM	APW
Income from LASIK procedures				
TGM	35,649.91	35,649.91		
MAM	82,666.41		82,666.41	
APW	11,727.00			11,727.00
<b>Total Revenue</b>	<b>130,043.32</b>	<b>35,649.91</b>	<b>82,666.41</b>	<b>11,727.00</b>
Percentage of Revenue		0.27	0.64	0.09
Per Procedure Costs				
TGM	8,253.07	8,253.07		
MAM	21,683.91		21,683.91	
APW	4,593.60			4,593.60
<b>Total Cost of Procedures</b>	<b>34,530.58</b>	<b>8,253.07</b>	<b>21,683.91</b>	<b>4,593.60</b>
<b>Gross Profit</b>	<b>95,512.74</b>	<b>27,396.84</b>	<b>60,982.50</b>	<b>7,133.40</b>
Expenses				
R & M	43,399.90	14,466.63	14,466.63	14,466.64
Supplies	21,659.90	7,219.97	7,219.97	7,219.96
Wages - LASIK	6,670.81	1,828.73	4,240.52	601.56
<b>Total Expenses</b>	<b>71,730.61</b>	<b>23,515.33</b>	<b>25,927.12</b>	<b>22,288.16</b>
<b>Net Income</b>	<b>23,782.13</b>	<b>3,881.51</b>	<b>35,055.38</b>	<b>(15,154.76)</b>

For Management Purposes Only

Clearview Eye and Laser, PLLC  
 Optical Department  
 Income Statement - Tax Basis  
 For the Twelve Months Ending December 31, 2015

	Year to Date	
<b>Revenues</b>		
Sales - Optical	\$ 1,046,227.79	79.04
Sales - Optical - H/L	285,418.87	21.56
Refunds - Optical	(6,455.95)	(0.49)
Refunds - Optical - H/L	(1,523.61)	(0.12)
	<hr/>	
Total Revenues	1,323,667.10	100.00
	<hr/>	
<b>Cost of Sales</b>		
COGS - Optical	599,811.48	45.31
Purchases Discounts- Optical	(53,476.55)	(4.04)
	<hr/>	
Total Cost of Sales	546,334.93	41.27
	<hr/>	
Gross Profit	777,332.17	58.73
	<hr/>	
<b>Expenses</b>		
Books & Subscriptions- Optical	834.90	0.06
CEUs - Optical	130.00	0.01
Depreciaton - Optical	2,601.00	0.20
Emp Bene- Life Ins-Optical	442.50	0.03
Emp Bene- Medical Ins-Optical	38,043.99	2.87
Laundry - Optical	489.86	0.04
Licenses - Optical	275.00	0.02
R & M Equip - Optical	1,929.39	0.15
Supplies Medical - Optical	6,806.75	0.51
Supplies - Office - Optical	6,736.02	0.51
Taxes - Payroll - Optical	29,505.18	2.23
Travel - Optical	1,291.56	0.10
Wages - Optical	358,460.32	27.08
Overhead Allocated to Optical	140,000.00	10.58
	<hr/>	
Total Expenses	587,546.47	44.39
	<hr/>	
Net Income	\$ 189,785.70	14.34
	<hr/> <hr/>	

For Management Purposes Only

**Clearveil Eye and Laser, PLLC**  
**Statement of Income and Expenses**  
**For the Twelve Months ended December 31, 2015**

	<u>CLINIC</u>		<u>TGM</u>		<u>MAM</u>		<u>APW</u>	
<b>Income</b>								
Fees - Patients	2,457,046.15		1,049,932.34		881,218.61		525,895.20	
Fees - Patients Burien	1,621,628.76		379,172.88		767,603.59		474,852.31	
Fees - OD	230,520.98		76,840.33		76,840.33		76,840.32	
Fees - Patients Burien - OD	53,270.24		17,756.75		17,756.75		17,756.74	
Refunds	(12,297.25)		(5,688.97)		(4,803.37)		(1,804.91)	
Refunds OD	(2,078.27)		(692.76)		(692.76)		(692.75)	
Refunds Burien	(5,911.32)		(1,871.87)		(2,539.27)		(1,500.18)	
Refunds Burien - OD	(556.80)		(185.60)		(185.60)		(185.60)	4,341,622.49
Avastin Revenue	28,018.31		10,966.74		10,428.66		6,622.91	
Avastin Costs	(26,626.50)		(9,760.00)		(9,455.00)		(7,411.50)	
Botox Revenue	2,231.08		1,674.08		557.00		-	
Botox Costs	(2,790.00)		(2,232.00)		(558.00)		-	
Eylea Revenue	554,848.76		209,080.11		150,831.80		194,936.85	
Eylea Costs	(551,300.00)		(209,050.00)		(144,300.00)		(197,950.00)	
Lucentis Revenue	276,631.92		146,617.51		127,639.67		2,374.74	
Lucentis Cost	(265,590.00)		(147,030.00)		(116,220.00)		(2,340.00)	
Trisence Revenue	2,009.01		294.81		1,567.94		146.26	
Trisence Costs	(2,623.10)		(374.73)		(2,061.01)		(187.36)	14,809.48
Contact Lens Fees	137,816.84		78,526.41		27,817.65		31,472.58	
Contact Lens Fees - OD	93,046.68		31,015.56		31,015.56		31,015.56	
Contact Lens Fees Burien	55,840.32		15,775.17		15,604.70		24,460.45	
Contact Lens Fees Burien - OD	7,305.50		2,435.17		2,435.17		2,435.16	
Contact Lens Fees - Outside MD	2,068.00		689.33		689.33		689.34	
Contact Lens Purchases	(135,472.81)		(68,932.33)		(28,634.20)		(37,906.28)	
Contact Lens Purchases - OD	(60,160.62)		(20,053.54)		(20,053.54)		(20,053.54)	
Prokera Revenue	11,395.32		1,574.48		9,820.84		-	
Prokera Costs	(4,371.05)		(911.05)		(3,460.00)		(882.31)	
Refunds	(3,708.98)		(1,801.66)		(1,025.01)		(532.80)	
Refunds OD	(1,598.40)		(532.80)		-		(541.38)	
Refunds Burien	(541.38)		-		-		-	
Refunds Burien OD	-		-		-		-	101,619.42
Interest Income	30.58		10.19		10.19		10.20	
Other Income	845.71		281.90		281.90		281.91	
Other Income	13,181.88		4,363.36		5,312.51		3,506.01	
<b>Total Income</b>	<b>4,472,109.56</b>		<b>1,557,889.79</b>	<b>100%</b>	<b>1,792,911.84</b>	<b>100%</b>	<b>1,121,307.93</b>	<b>100%</b>
Income percentage	100.0000%		34.835680%		40.0910%		25.0734%	
<b>Total Equal Expenses</b>	<b>2,311,233.78</b>	<b>51.68%</b>	<b>770,411.26</b>	<b>49.45%</b>	<b>770,411.26</b>	<b>42.97%</b>	<b>770,411.26</b>	<b>68.71%</b>
<b>Separate Expense</b>								
Business Meals	344.60		-		32.29		312.31	
CEUs	4,274.00		326.00		375.00		3,574.00	
Dues	6,650.00		1,095.00		2,020.00		3,535.00	
Drugs	3,950.00		-		3,950.00		-	
Insurance - Life/Disb/Buy	45,391.30		15,130.43		15,130.43		15,130.44	
Insurance - Malpractice	17,627.00		5,723.00		5,952.00		5,852.00	
Laundry	826.04		226.28		372.53		226.25	
Licenses	2,045.00		1,388.00		657.00		-	
Outside Services	4,800.00		-		2,350.00		2,450.00	
Supplies	832.84		-		828.90		3.94	
Telephone - Cellular & Pagers	4,015.53		-		2,076.98		1,938.55	
Travel	10,513.60		25.00		1,025.41		9,483.19	
<b>Total Separate Expenses</b>	<b>101,268.91</b>	<b>2.26%</b>	<b>23,912.69</b>	<b>1.53%</b>	<b>34,770.54</b>	<b>1.94%</b>	<b>42,585.68</b>	<b>3.80%</b>
<b>Total Operating Expenses</b>	<b>2,412,502.69</b>	<b>53.95%</b>	<b>794,323.95</b>	<b>50.99%</b>	<b>805,181.80</b>	<b>44.91%</b>	<b>812,996.94</b>	<b>72.50%</b>
<b>Net Operating Income</b>	<b>2,059,606.87</b>	<b>46.05%</b>	<b>763,565.84</b>	<b>49.01%</b>	<b>987,730.04</b>	<b>55.09%</b>	<b>308,310.99</b>	<b>27.50%</b>
Optical Profit (Loss)	189,785.70		63,261.90		63,261.90		63,261.90	
ASC Profit (Loss)	586,616.87		195,538.96		195,538.96		195,538.95	
LASIK Profit (Loss)	23,782.13		3,881.51		35,055.38		(15,154.76)	
	<b>2,859,791.57</b>		<b>1,026,248.21</b>		<b>1,281,586.28</b>		<b>551,957.08</b>	

For Management Purposes Only

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 14  
CLEARVIEW EYE AND LASER'S CASH  
FLOW STATEMENT**

**Clearview Eye and Laser, PLLC**  
**Cash Available for Withdrawal**  
**For the Twelve Months ending December 31, 2017**

	Book Value	TGM	MAM	APW
Capital Accounts at	465,952	155,431	316,709	(6,188)
Each Capital Account includes the following:				
AVR - Employees	1,308	436	436	436
Inventory - All	295,392	98,464	98,464	98,464
Equipment net of depreciation	147,281	49,094	49,094	49,094
Accounts Payable - Eylea in Inventory	(64,039)	(21,346)	(21,346)	(21,347)
Accounts Payable - Eylea used in 2017	(338,485)	(130,814)	(141,682)	(65,989)
Line of Credit	(250,000)	(83,333)	(83,333)	(83,333)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital account without cash	(208,543)	(87,499)	(98,368)	(22,676)
Cash in Bank per Partner	<u>674,495</u>	242,930	415,077	16,488
Reserve for next months bills		(90,000)	(90,000)	(90,000)
Line of Credit		(83,333)	(83,333)	(83,333)
Draws		(20,000)	(50,000)	(20,000)
Federal Income Taxes		(50,000)	(80,000)	-
		<u>-</u>	<u>-</u>	<u>-</u>
Cash available after current obligations		<u>(403)</u>	<u>111,744</u>	<u>(176,845)</u>



**Clearveiw Eye and Laser, PLLC**  
**Cash Available for Withdrawal**  
**For the Twelve Months ending December 31, 2016**

	Book Value	TGM	MAM	APW
Capital Accounts at 12/31/2016	1,364,836	408,787	505,709	450,340
Each Capital Account includes the following:				
AVR - Employees	2,147	716	716	716
Inventory - All	326,936	108,979	108,979	108,978
Security Deposit	20,994	6,998	6,998	6,998
Equipment net of depreciation	671,890	223,963	223,964	223,963
Accounts Payable - Eyelea	(129,500)	(43,166)	(43,167)	(43,167)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital account without cash	892,467	297,490	297,490	297,488
Cash in Bank per Partner	<u>472,369</u>	111,297	208,219	152,852
Reserve for next months bills		(90,000)	(90,000)	(90,000)
Draws		-	(50,000)	(20,000)
Federal Income Taxes		(96,605)	(146,000)	(37,047)
		<u>-</u>	<u>-</u>	<u>-</u>
Cash available after current obligations		<u>(75,308)</u>	<u>(77,781)</u>	<u>5,805</u>

For Management Purposes Only

**Clearview Eye and Laser, PLLC**  
**Cash Available for Withdrawal**  
**For the Twelve Months ending December 31, 2015**

	Book Value	TGM	MAM	APW
Capital Accounts at	1,853,895.56	681,667.94	740,052.54	432,175.08
Each Capital Account includes the following:				
A/R - Employees	100.00	33.00	33.00	34.00
Inventory - All	416,341.83	138,780.61	138,780.61	138,780.61
Security Deposit	20,993.42	6,997.81	6,997.81	6,997.80
Equipment net of depreciation	691,773.69	230,591.23	230,591.23	230,591.23
Lease Payable	-	-	-	-
	-	-	-	-
Capital account without cash	1,129,208.94	376,402.65	376,402.65	376,403.64
Cash in Bank per Partner	<u>724,686.62</u>	305,265.29	363,649.89	55,771.44
Reserve for next months bills		(90,000.00)	(90,000.00)	(90,000.00)
Draws			(50,000.00)	(14,000.00)
		-	-	
Cash available after current obligations		<u>215,265.29</u>	<u>223,649.89</u>	<u>(48,228.56)</u>
Funds spent on Webster Street 2015		153,350.65	153,350.65	153,350.65
Interest Expense on Webster 2015		9,695.49	9,695.49	9,695.48

NOTES:

FEDERAL INCOME TAXES ARE DUE FRIDAY!!!  
The CPA will provide this number

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 15  
CLEARVIEW EYE AND LASER'S  
BALANCE SHEETS**

Clearview Eye and Laser, PLLC  
 Balance Sheet - Tax Basis  
 December 31, 2017

ASSETS

Current Assets		
Cash & Cash on Hand - Unresric	\$	674,494.22
Accounts Receivable - Clinic		891,674.68
Accounts Receivable - Optical		172,342.10
Accounts Receivable - ASC		314,243.09
Accounts Receivable - Employee		1,307.90
Inventory - Contact Lenses		2,595.00
Inventory - Optical		212,691.25
Inventory - Drugs		80,105.42
		<hr/>
Total Current Assets		2,349,453.66
Property and Equipment		
Equipment - Clinic WS	1,477,375.65	
Accum Depr'n Clinic WS	(1,454,513.72)	
LHI - Clinic Burien	227,983.53	
Accum Depr'n LHI Clinic Burien	(126,727.75)	
Equipment - Burien	409,129.81	
Accum Depr'n - Equip Burien	(396,149.94)	
Equip - Optical	232,324.97	
Accum Depr'n - Equip Optical	(230,376.30)	
Equipment - ASC	408,175.66	
Accum Depr'n - Equip ASC	(399,940.66)	
		<hr/>
Total Property and Equipment		147,281.25
Other Assets		
		<hr/>
Total Other Assets		0.00
		<hr/>
Total Assets	\$	<u><u>2,496,734.91</u></u>

For Management Purposes Only

Clearview Eye and Laser, PLLC  
 Balance Sheet - Tax Basis  
 December 31, 2017

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	402,523.00
Line of Credit		250,000.00
		652,523.00
Total Current Liabilities		
		652,523.00
Long-Term Liabilities		
		0.00
Total Long-Term Liabilities		
		0.00
Total Liabilities		
		652,523.00
Capital		
Capital Beginning of Year		1,356,568.83
Deferred Income - Accounts Rec		1,378,259.87
Withdrawals by partners		(2,588,202.31)
Net Income		1,697,585.52
		1,844,211.91
Total Capital		
		1,844,211.91
Total Liabilities & Capital		
	\$	2,496,734.91

**Clearview Eye and Laser, PLLC**  
**Statement Changes in Partners' Equity**  
**For the Twelve Months ended December 31, 2017**

	<u>CLINIC</u>	<u>TGM</u>	<u>MAM</u>	<u>APW</u>
<b>Statement of Changes In Partners Equity</b>				
Capital at 1/1/2017	1,356,568.83	406,030.97	502,953.43	447,584.43
Cash Withdrawals				
Cash	992,943.79	410,093.33	402,037.58	180,812.88
Federal Income Tax - 2017	156,970.00	115,000.00	41,970.00	-
Federal Income Tax - 2016 Over the Moon	397,224.00	105,177.00	146,000.00	146,047.00
Interest for Over the Moon	931,783.95	310,594.65	310,594.65	310,594.65
Donations	70,181.07	23,393.69	23,393.69	23,393.69
Retirement Plan	600.00	200.00	200.00	200.00
Medical Insurance	20,000.00	-	10,000.00	10,000.00
Insurance Premiums	13,139.50	-	-	13,139.50
	<u>5,360.00</u>	<u>5,360.00</u>	<u>-</u>	<u>-</u>
<b>Year to Date</b>	<b>2,588,202.31</b>	<b>969,818.67</b>	<b>934,195.92</b>	<b>684,187.72</b>
Net Income	1,697,585.51	719,219.00	747,951.00	230,415.51
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Income 2017</b>	<b>1,697,585.51</b>	<b>719,219.00</b>	<b>747,951.00</b>	<b>230,415.51</b>
<b>Ending Capital at 12/31/2017</b>	<b><u>465,952.03</u></b>	<b><u>155,431.30</u></b>	<b><u>316,708.51</u></b>	<b><u>(6,187.78)</u></b>

Clearview Eye and Laser, PLLC  
Balance Sheet - Tax Basis  
December 31, 2016

ASSETS

<b>Current Assets</b>		
Cash & Cash on Hand - Unresric	\$	472,433.30
Accounts Receivable - Clinic		852,397.96
Accounts Receivable - Optical		151,726.54
Accounts Receivable - ASC		244,463.61
Accounts Receivable - Employee		2,147.12
Inventory - Contact Lenses		7,618.00
Inventory - Optical		207,863.87
Inventory - Drugs		111,454.94
		2,050,105.34
<b>Total Current Assets</b>		
<b>Property and Equipment</b>		
LHI - Clinic WS		110,928.59
Accum Depr'n - LHI Clinic WS		(63,992.00)
Equipment - Clinic WS		1,220,258.43
Accum Depr'n Clinic WS		(1,199,967.00)
LHI - Clinic Burien		236,532.53
Accum Depr'n LHI Clinic Burien		(121,885.00)
Equipment - Burien		385,142.12
Accum Depr'n - Equip Burien		(377,221.00)
Equip - Optical		174,308.67
Accum Depr'n - Equip Optical		(172,360.00)
LHI - ASC		658,808.84
Accum Depr'n - LHI ASC		(178,729.00)
Equipment - ASC		377,468.62
Accum Depr'n - Equip ASC		(377,468.62)
		671,825.18
<b>Total Property and Equipment</b>		
<b>Other Assets</b>		
Security Deposit - Westwood		17,303.00
Security Deposit - ASC		3,690.42
		20,993.42
<b>Total Other Assets</b>		
<b>Total Assets</b>	<b>\$</b>	<b>2,742,923.94</b>

For Management Purposes Only

Clearview Eye and Laser, PLLC  
Balance Sheet - Tax Basis  
December 31, 2016

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$ 129,500.00	
Total Current Liabilities		129,500.00
Long-Term Liabilities		
Total Long-Term Liabilities		0.00
Total Liabilities		129,500.00
Capital		
Capital Beginning of Year	1,853,895.56	
Deferred Income - Accounts Rec	1,248,588.11	
Withdrawals by partners	(3,418,361.50)	
Net Income	2,929,301.77	
Total Capital		2,613,423.94
Total Liabilities & Capital		\$ 2,742,923.94

For Management Purposes Only



**Clearview Eye and Laser, PLLC**  
**Statement Changes in Partners' Equity**  
**For the Twelve Months ended December 31, 2016**

	<u>CLINIC</u>	<u>TGM</u>	<u>MAM</u>	<u>APW</u>
<b>Statement of Changes In Partners Equity</b>				
Capital at 1/1/2016	1,853,895.56	681,768.16	740,027.13	432,100.27
Cash Withdrawals				
Cash	1,442,251.62	694,691.75	553,194.33	194,365.54
Webster Street Costs	782,206.92	260,735.64	260,735.64	260,735.64
Webster Street Interest	83,358.19	27,786.07	27,786.06	27,786.06
Federal Income Tax - 2016	864,587.00	345,000.00	478,587.00	41,000.00
Federal Income Tax - 2015	210,000.00	55,000.00	110,000.00	45,000.00
Donations	(100.00)	(34.00)	(33.00)	(33.00)
Clinic Purchase	18,230.80	-	-	18,230.80
Medical Insurance	12,466.97	-	-	12,466.97
Insurance Premiums	5,360.00	5,360.00	-	-
<b>Year to Date</b>	<b>3,418,361.50</b>	<b>1,388,539.46</b>	<b>1,430,270.03</b>	<b>599,552.01</b>
<b>Net Income</b>	<b>2,929,301.80</b>	<b>1,115,557.95</b>	<b>1,195,952.01</b>	<b>617,791.84</b>
<b>Ending Capital at 12/31/2016</b>	<b><u>1,364,835.86</u></b>	<b><u>408,786.65</u></b>	<b><u>505,709.11</u></b>	<b><u>450,340.10</u></b>

For Management Purposes Only

Clearview Eye and Laser, PLLC  
 Balance Sheet - Tax Basis  
 December 31, 2015

ASSETS

Current Assets		
Cash & Cash on Hand - Unresric	\$	724,686.62
Accounts Receivable - Clinic		669,127.50
Accounts Receivable - Optical		186,013.67
Accounts Receivable - ASC		296,641.37
Accounts Receivable - Employee		100.00
Inventory - Contact Lenses		6,354.97
Inventory - Optical		240,622.85
Inventory - ASC Lenses		46,632.00
Inventory - Drugs		122,732.00
		2,292,910.98
Total Current Assets		
Property and Equipment		
LHI - Clinic WS		110,928.59
Accum Depr'n - LHI Clinic WS		(58,983.00)
Equipment - Clinic WS		1,206,219.19
Accum Depr'n Clinic WS		(1,185,862.00)
LHI - Clinic Burien		227,983.86
Accum Depr'n LHI Clinic Burien		(114,924.00)
Equipment - Burien		380,738.94
Accum Depr'n - Equip Burien		(372,818.00)
Equip - Optical		174,308.67
Accum Depr'n - Equip Optical		(172,360.00)
LHI - ASC		658,808.84
Accum Depr'n - LHI ASC		(162,259.00)
Equipment - ASC		377,468.62
Accum Depr'n - Equip ASC		(377,477.01)
		691,773.70
Total Property and Equipment		
Other Assets		
Security Deposit - Westwood		17,303.00
Security Deposit - ASC		3,690.42
		20,993.42
Total Other Assets		
Total Assets	\$	3,005,678.10

For Management Purposes Only

Clearview Eye and Laser, PLLC  
 Balance Sheet - Tax Basis  
 December 31, 2015

LIABILITIES AND CAPITAL

Current Liabilities		
Total Current Liabilities		0.00
Long-Term Liabilities		
Total Long-Term Liabilities		0.00
Total Liabilities		0.00
Capital		
Capital Beginning of Year	\$ 1,551,302.12	
Deferred Income - Accounts Rec	1,151,782.54	
Withdrawals by partners	(2,557,198.13) #	
Net Income	2,859,791.57	
Total Capital		3,005,678.10
Total Liabilities & Capital	\$	3,005,678.10

# INCLUDES COSTS FOR NEW BUILDING OF \$460,211.95  
 AND INTEREST ON LAND OF \$28,926.46

**Clearview Eye and Laser, PLLC**  
**Statement Changes in Partners' Equity**  
**For the Twelve Months ended December 31, 2015**

	<u>CLINIC</u>	<u>TGM</u>	<u>MAM</u>	<u>APW</u>
<b>Statement of Changes In Partners Equity</b>				
Capital at 1/1/2015	1,551,302.12	470,503.76	597,961.14	482,837.22
Cash Withdrawals				
Cash	1,075,600.39	395,355.67	435,215.15	245,029.57
Webster Property Costs 2015	460,051.95	153,350.65	153,350.65	153,350.65
Interest on Webster Property	29,086.46	9,695.49	9,695.49	9,695.48
Federal Income Tax - 2015	946,273.00	252,344.00	541,226.00	152,703.00
Donations	100.00	34.00	33.00	33.00
Clinic Purchase	31,252.80	-	-	31,252.80
Medical Insurance	10,629.53	-	-	10,629.53
Insurance Premiums	4,204.00	4,204.00	-	-
<b>Year to Date</b>	<b>2,557,198.13</b>	<b>814,983.81</b>	<b>1,139,520.29</b>	<b>602,694.03</b>
<b>Net Income 2015</b>	<b>2,859,791.57</b>	<b>1,026,248.21</b>	<b>1,281,586.28</b>	<b>551,957.08</b>
<b>Ending Capital at 12/31/2015</b>	<b><u>1,853,895.56</u></b>	<b><u>681,768.16</u></b>	<b><u>740,027.13</u></b>	<b><u>432,100.27</u></b>

**Certificate of Need Application  
Clearview Eye and Surgery**

**EXHIBIT 16  
EXECUTED PATIENT TRANSFER  
AGREEMENT BETWEEN CLEARVIEW  
EYE AND LASER AND HIGHLINE  
MEDICAL CENTER**

# Patient Transfer Agreement

This Agreement is between:

Highline Medical Center  
CHI Franciscan Health  
16251 Sylvester Rd SW  
Burien, WA. 98166

And

Clearview Eye and Laser, PLLC,  
dba Westwood Eye Surgery and Laser Center  
7520 35<sup>th</sup> Ave SW  
Seattle, WA. 98126

Highline Medical Center, CHI Franciscan Health, herein referred to as "Highline", and Clearview Eye and Laser, PLLC, dba Westwood Eye Surgery and Laser Center, herein referred to as "Clearview", enter into an agreement to facilitate continuity of care and timely transfer of patients who require medial facilities, treatment modalities, and/or expertise not available at Clearview.

The terms of the agreement are as follows:

1. **Determination of Transfer.** When a patient's need for transfer from Clearview to another facility has been determined by the patient's physician, Highline agrees to provide Clearview with information about its resources sufficient to determine whether the care needed by the patient is available; to perform any required pre-admission screening; to admit the patient as promptly as possible, provided customary admission requirements are met in accordance with Highline admission policies; and to promptly make available diagnostic and medical services. Patients shall be admitted without regard to race, color, creed, physical or mental handicap, or nation origin unless otherwise prohibited by federal or state law or regulation which includes but is not limited to Highlines inability to meet the patient's care needs.
2. **Transfer Arrangements.** Clearview will have the responsibility for arranging the transfer of the patient and agrees to use qualified personnel and equipment as required, including the use of necessary medically appropriate life support measures during the transfer.
3. **Compliance with Law & Patient Stability.** The transfer will conform with all applicable State and Federal laws, regulations and obligations, including the Emergency Medical Treatment and Active Labor Act (42 USC 1395 & 42 CFR 498.24). Once any necessary emergency services and care have been provided, transfer may be considered if the patient is stabilized, or if unstable and the transferring physician has deemed the transfer is for a medical reason which requires transfer. Prior to transfer of the patient, the following condition will be met by Clearview:

A. Risks Minimized

Clearview has provided the medical treatment within its capacity which minimizes the risks to the patient's health. The need for transfer has been discussed and reviewed with the patient and his/her authorized representative and they have been informed of the benefits/risks associated with the transfer.

B. Receiving Physician/Facility

Clearview has notified a physician at Highline and obtained his/her consent for receipt of the transfer and confirms that Highline has agreed to accept the patient and will assume medical care of the patient upon arrival to Highline.

C. Appropriate Transportation Arrangements

The patient, or authorized representative of the patient, must be notified prior to the transfer and of the reasons therefore indicated. The patient's acknowledgement of such notification should be reflected in an appropriate written form. Notification in advance of the transfer is not required where the patient is unaccompanied, Clearview has made a reasonable effort to locate an authorized representative of the patient and notification of the patient is not possible due to the patient's mental or physical condition.

4. Documentation. Clearview agrees to provide appropriate documentation of clinical care in order to ensure continuity of patient care. This information should include the patient's medical record (i.e., summary of physician's findings, nursing notes and flow sheets, laboratory and radiology reports, copy of EKG and X-Rays, pertinent diagnostic documentation, etc.) This information will be provided at the time of transfer, or in the case of emergency, as quickly as possible.
5. Warranty of Non-Exclusion. Each party represents and warrants to the other that the party, its officers, directors and employees (i) are not currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined in 42 USC 1320a-7b(f) (the "federal health care programs"), (ii) have not been convicted of a criminal offense related to the provision of health care items or services and have not been excluded, debarred, or otherwise declared ineligible to participate in the federal healthcare programs, and (iii) are not, to the best of its knowledge, under investigation or otherwise aware of any circumstances which may result in the party or any such individual being excluded from participation in the federal healthcare programs. This shall be an ongoing representation and warranty during the term of this agreement and each party shall immediately notify the other of any change in the status of the representations and warranty set forth

in this section. Any breach of this section shall give the other party the right to terminate this agreement immediately for cause.

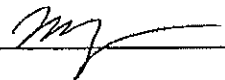
6. **Personal Property.** Clearview will be responsible for the transfer of other appropriate disposition of personal effects, particularly money and valuables, and information related to those items.
7. **Charges & Liability for Expenses.** Charges for services performed by either Clearview or Highline shall be collected by the party rendering such services, directly from the patient, third party payor, or other sources normally billed by the party. Neither facility shall have any liability to the other for such charges.
8. **Limitation of Rights.** Nothing in this agreement shall be construed as limiting the rights of either institution to contract with any other facility on a limited or general basis.
9. **Duration.** This Agreement shall be in effect for one year and may be renewed for additional periods upon agreement of the parties. However, it may be terminated by either party upon 30 days written notice.
10. **Inconsistency with Law.** Nothing in this agreement shall be construed in a manner inconsistent with federal or state laws and regulations.
11. **Governing Law.** This agreement shall be construed in accordance with the laws of the State of Washington.
12. **Partial Invalidity.** If any provision in this agreement is prohibited by law or court decision, the said prohibition shall not invalidate or affect the remaining provisions in this agreement.
13. **Assignment.** Facilities may not assign or transfer, in whole or in part, this agreement or any of facilities' rights, duties or obligations under this agreement without prior written consent of the other facility, and any assignment or transfer by either facility without consent shall be null and void.
14. **Entire Agreement & Modification.** This agreement contains the entire understanding of both Highline and Clearview with respect to the subject matter herein and supersedes all prior agreements, oral or written, and all other communications between the parties relating to such subject matter. This agreement may not be amended or modified except by mutual written agreement.



Signed:

Clearview Eye and Laser, P LLC, dba Westwood Eye Surgery and Laser Center

Name: Thomas Mulligan, MD

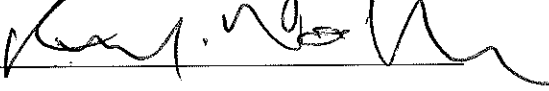
Signature: 

Title: owner

Date: 5/3/17

Highline Medical Center, CHI Franciscan Health

Name: Russell Woolley

Signature: 

Title: COO

Date: 5/22/17