

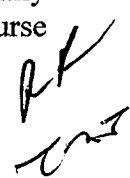
MEMORANDUM OF AGREEMENT

KING COUNTY PUBLIC HOSPITAL DISTRICT, NO. 5, a Washington municipal corporation ("PHD"), and SEA MAR COMMUNITY HEALTH CENTERS, a Washington not-for-profit corporation ("SEA MAR") now enter into this Memorandum of Agreement ("Agreement") to set forth their agreement regarding for the provision of long-term primary health care services for Vashon Island.

1. Sea Mar commits to building in compliance with all applicable building codes and operating a primary care clinic ("the Clinic") at the site of 17710 100th Avenue S.W., Vashon, WA 98070 ("the Spinnaker site") on a continuous basis, during the term of the Agreement, without subsidy by PHD, and to integrate the financials of the Clinic into the Sea Mar system income statement for purposes of profit and loss management. Sea Mar shall operate the Clinic consistent with and in pursuit of appropriate current and future comprehensive primary care needs of Vashon Island, envisioning potential care requirements of approximately 7,500 individuals; its organization's Mission Statement and its nonprofit purposes; and the terms of the Agreement. Sea Mar commits to maintaining, and enhancing where appropriate, current and appropriate levels of operating hours, same-day appointments, and integrated behavioral health services.
2. The parties have separately entered into an agreement for an extension of the Commercial Sublease Agreement and an amendment of the Clinic Services Agreement between them, to conform with the provisions of the Agreement; and shall work collaboratively to achieve the continuity and quality of the delivery of health care to Vashon Island. The extension of the Commercial Sublease Agreement shall be conditioned on Sea Mar's continued compliance with the terms of the Agreement.
3. The parties shall work in good faith to negotiate and to enter into an agreement granting the PHD an option to purchase the realty, including the Clinic facility to be built by Sea Mar at the Spinnaker site, and certain of the Clinic equipment, should Sea Mar terminate its provision of primary care services on Vashon Island or otherwise seek to divest itself of the Clinic. The terms of the option shall grant PHD the right to acquire the Clinic for a price at fair market value, subject to a discounting adjustment for the grant funding to be received by Sea Mar from the State of Washington for the construction of the Clinic facility. Further, the adjustment shall be increased to include the proportionate amount of increase in value of the Clinic facility attributable to that grant funding in relation to Sea Mar's entire cost of the Clinic facility, including land purchase, design, engineering, construction and other such costs as shall be capitalized for the realty and facilities.
4. Sea Mar shall give PHD at least twelve months advance written notice of termination should Sea Mar decide to terminate its provision of health care services on Vashon Island. Upon such termination, any equipment donated or funded by donation to Sea Mar for the benefit of Vashon shall remain with the facility. All equipment purchased by Sea Mar shall remain the property of Sea Mar Community Health Center.




5. The parties acknowledge there is a shortage on the local and national levels of health care providers and of clinical support staff and acknowledge there are challenges with recruiting staff to work on Vashon Island. Sea Mar will make its best efforts to hire staff and provide resources to meet the needs of Vashon Island at levels commensurate with staff and resources available at other clinics operated in the Puget Sound region by Sea Mar, and sufficient to meet patient volumes and care as listed in section one of the Agreement.
6. Sea Mar shall participate in future community-wide and PHD-led health assessments and planning processes, and shall collaborate as practicable with other organizations providing health care services on Vashon Island.
7. Sea Mar shall provide public reporting through at least a quarterly newsletter or other similar means performance metrics including number of patients served, appointment wait times, satisfaction survey results, and other performance measures as shall be mutually agreed upon.
8. The parties shall draft a mutually agreeable joint statement regarding these matters for public dissemination, including a press release.
9. PHD shall provide an extension to Sea Mar as Subtenant of the Commercial Sublease Agreement at the Sunrise Ridge facility for the period of time as may be necessary for Sea Mar to complete the construction of its facility at the Spinnaker site, pursuant to the terms of amendment to the existing sublease.
10. PHD shall support Sea Mar's use of the \$3 Million allocation from the State of Washington to build its facility at the Spinnaker site.
11. PHD shall cease its current search for an alternative primary care health provider on Vashon Island. Such cessation shall not preclude the PHD from engaging in such future search as it may deem appropriate due to non or under performance by Sea Mar, or other services that may contain elements of services provided by Sea Mar.
12. The PHD shall publicly support the efforts of Sea Mar in good faith, and Sea Mar shall publicly support the efforts of PHD in good faith. The parties shall continue to work collaboratively, and agree to make good faith efforts to inform each other of non-compliance under the terms of the Agreement, and to remedy such by collaborative means, including mediation, wherever possible.
13. Recognizing the need to both enforce compliance under the Agreement, and the difficulty of providing remedies that do not interrupt or otherwise impede or degrade delivery of care to the residents of Vashon Island, the parties agree, in the event of an inability to agree on or resolve an element of noncompliance within the terms of The Agreement to mutual satisfaction, to engage in nonbinding mediation. Both parties shall select a mediator through the American Arbitration Association. The cost shall be borne equally by the parties. This provision does not preclude either party from exercising any recourse through litigation in court.



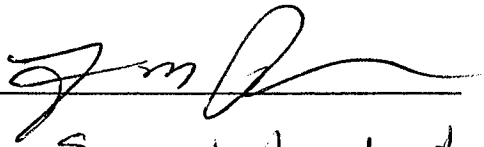
14. The term of the Agreement shall continue until terminated by either party with 12 months' written notice.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and date first above written.

SEA MAR COMMUNITY HEALTH CENTERS:

By 
Title CEO
Date 12/27/22

KING COUNTY PUBLIC HOSPITAL DISTRICT NO. 5:

By 
Title Superintendent
Date 12-27-22