

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") is entered into between **UW Physicians Network**, a Washington non-profit corporation ("Licensor) and **Peace Health**, a Washington non-profit corporation ("Licensee").

RECITALS:

A. Licensor conducts operations at the UW Medicine Clinic located at #7 Deye Lane, Eastsound, Orcas Island, Washington (the "Building") pursuant to a lease ("Lease") between Licensor and the Orcas Medical Foundation ("Landlord").

B. Licensee desires to utilize certain medical office space within the Building and Licensor is willing to grant Licensee a license to do so, upon the terms and conditions contained herein.

NOW THEREFORE, for good and valuable consideration, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Grant of License.** Licensor hereby grants to Licensee a license (the "License") to enter into and utilize, three (3) exam rooms (403 square feet) for medical office space use and for no other purpose (the "Licensed Premises") for one (1) day per month on a schedule that is mutually agreed to by Licensor and Licensee in advance. While Licensee is occupying the Licensed Premises during the above-referenced one (1) day per month, Licensee has the right to nonexclusive use of one physician office and the common areas of the Building which include 725 square feet of common hallways, waiting areas and common restrooms.

2. **Condition of Licensed Premises.** Licensor will deliver the Licensed Premises in its present "as is" condition. Licensee shall make no alterations to the Licensed Premises without the prior written consent of Licensor.

3. **Equipment.** Subject to Licensor's approval, Licensee may store and use its own equipment ("Licensee's Equipment") at the Licensed Premises. Licensee shall at all times be solely responsible for Licensee's Equipment, and hereby forever releases Licensor and Landlord from any and all liability related to any damage to or loss of Licensee's Equipment.

3. **Term/Termination.** The term of this Agreement shall commence on December 4, 2017 and continue for a period of one (1) year, expiring on December 3, 2018. Either party may terminate this Agreement upon thirty (30) business days written notice in the event of a breach of this Agreement by the other party, which breach remains uncured for such thirty (30) day period. Either party may terminate this Agreement without cause upon thirty (30) calendar days written notice to the other party. Licensee shall vacate the Licensed Premises and the Building on or before the effective date of the termination of this Agreement, and shall leave the Licensed Premises clean and in good order and condition. Any and all property issued to Licensee or its employees by Licensor (including, without limitation, identification badges and keys to the Licensed Premises) shall be returned to Licensor immediately upon the effective date of the termination of this Agreement.

4. **License Fee/Expenses.** In exchange for the License, Licensee shall pay to Licensor a fee in the amount of \$600 per month, which shall be paid in advance on the first day of each month. The License Fee includes use of the Licensed Premises and the common areas of the Building as described in Section 1. Licensee shall separately reimburse Licensor, upon demand by Licensor, for any and all expenses related to Licensee's exercise of the License, including, but not limited to use of front desk staff for patient check in. The Licensee Fee represents the fair market value for the use of Licensed Premises and common areas of the Building and has not been determined in a manner that takes into account the volume or value of any referrals or other business generated between Licensor and Licensee.

5. **Parking.** The License and License Fee shall include parking access for Licensee's or any of Licensee's employees, patients or invitees.

6. **Access by Licensor.** Licensor shall have free access to the Licensed Premises, for the purpose of examining the Licensed Premises or making any alterations, repairs or improvements thereto which Licensor may deem necessary for the preservation of the Licensed Premises; provided, however, Licensor shall exercise reasonable efforts to avoid or minimize any interference with Licensee's business operations.

7. **Confidentiality.** Licensee acknowledges and agrees that any and all information obtained or received by Licensee regarding Licensor including, but not limited to, patient health information, medical records, business strategy, service offerings, plans, projections, intellectual property, trade secrets (as defined under applicable law), and other financial and non-financial information, whether or not such information is marked "confidential" or described as confidential at the time of its disclosure, whether disclosed orally, in writing or by any other means, shall be deemed to be "Confidential Information" for purposes hereof. Licensee shall not disclose the Confidential Information to any third party at any time during the term of this Agreement or thereafter. Licensee understands and acknowledges that any disclosure or misappropriation of any of the Confidential Information in violation of this Agreement may cause the disclosing party irreparable harm, the amount of which may be difficult to ascertain and, therefore, agrees that the disclosing party shall be entitled to immediate injunctive and other equitable relief in addition to any other remedy it may have hereunder or otherwise.

8. **Compliance with Laws, Rules and Policies.** Licensee shall comply with all federal, state, and local laws, and shall abide by all rules, regulations and policies related to the Building adopted by Licensor or Landlord (including, without limitation, rules, regulations and policies related to (a) materials and substances handled, stored or utilized by Licensee in the Suite/Building, and (b) use and possession of identification badges, keys and other property that may be issued to Licensee in connection with the License), as the same may be revised from time to time. Licensee shall be required to complete, to Licensor's satisfaction, training offered by Licensor, if any, regarding such rules, regulations and policies.

9. **Insurance.** Licensee shall, at its own expense, secure and maintain in full force and effect, the following insurance coverage:

- (a) General and professional liability insurance covering Licensee and Licensee's use of the Licensed Premises, with minimum limits of One Million Dollars (\$1,000,000) per claim with respect to bodily injury or death and not less than One Million Dollars

(\$1,000,000) with respect to property damage;

- (b) Professional liability insurance covering Licensee's employees, contractors and agents performing services in the Licensed Premises, with minimum limits of One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) annual aggregate; and
- (c) Workers' compensation insurance covering Licensee's employees and all persons employed in connection with any work done Building by Licensee.

Such insurance shall be written by companies in recognized financial standing which are authorized to engage in the insurance business in Washington, and such insurance shall name Licensor as an additional insured. Licensee shall deliver to Licensor promptly after the execution of this Agreement, a certificate of insurance satisfactory to Licensor, evidencing the insurance which is required to be maintained by Licensee pursuant to subparagraphs (a) - (c) above, and Licensee shall, within thirty (30) days prior to the expiration of any such insurance, deliver a certificate of insurance evidencing the renewal of such insurance.

10. Environmental.

- (a) Licensee shall not use, manufacture, release, treat, store, dispose of or generate at, on or about the Building any Hazardous Substances (as hereinafter defined) without the consent of Licensor; and, to the extent that such consent is granted by Licensor, Licensee shall manage and dispose of all Hazardous Substances used, manufactured, released, treated, stored, disposed of or generated at, on or about the Suite/Building in accordance with all Environmental Laws (as hereinafter defined) and all other federal, state or local laws, regulations and rules.
- (b) Upon the termination of this Agreement, Licensee shall remove all Hazardous Substances used and/or generated by Licensee and then remaining at, on or about the Suite and the Building. Licensor shall have the right to inspect the Licensed Premises at any time with regard to the management and disposal of Hazardous Substances.
- (c) The term "Hazardous Substance" includes, without limitation, those substances included within the definition of "Hazardous Substances", "Hazardous Materials", "Toxic Substances", "Hazardous Waste", or "Solid Waste" in any Environmental Law (as hereinafter defined), and oil and petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde, lead-based paint and biomedical waste. The term "Environmental Law" includes any federal, state and local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Building.

11. Indemnification. Licensee shall be solely responsible for, and agrees to indemnify, defend and hold harmless Licensor and its directors, officers, employees, agents, successors and assigns (the "Indemnified Parties") from and against, any and all damages, expenses, liabilities, demands, losses, claims, actions, judgments and costs of any kind including, without limitation, reasonable attorneys' fees (collectively, "Losses"), which any of the Indemnified Parties may incur that are caused by Licensee or its employees or invitees, or arising from or in any manner related to this Agreement or Licensee's exercise of the License. The foregoing indemnity shall survive the termination of this Agreement.

12. **Notices.** Any notice required to be given by either party upon the other shall be in writing and shall be given by hand delivery, registered or certified mail (return receipt requested), or overnight delivery service as follows:

If to Licensor:
UW Medicine Northwest d/b/a Northwest
Hospital and Medical Center
1550 N 115th St
Seattle, WA 98133
Attn: Executive Director

If to Licensee
Peace Health
2901 Squalicum Parkway
Bellingham, WA 98225
Attn: Director, CVC

With Copy to:
General Counsel
Box 359110
701 Fifth Avenue
Suite 700
Seattle, WA 98104

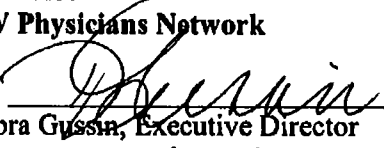

or at such other address as may be specified by either party from time to time, in writing, delivered to the other party in accordance with this Paragraph 12.

13. **Miscellaneous.** This Agreement: (a) contains the entire agreement between the parties relating to the subject matter hereof, and any modification shall be in writing and signed by the parties; (b) may not be assigned by Licensee; (c) shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; and (d) shall be governed by the laws of the State of Washington, and without regard to conflicts of law principles, jurisdiction and venue for any action or claim arising hereunder shall lie exclusively in the courts of King County, Washington, and each party irrevocably consents to the personal and subject matter jurisdiction of said courts, and to service of process. The Recitals to this Agreement are incorporated by reference herein. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all counterparts together shall constitute one and the same instrument.

*Remainder of Page Intentionally Left Blank
Signatures On Following Page*

Signature Page to License Agreement

IN WITNESS WHEREOF, the parties have executed this License Agreement as of the date first above written.

Licensor: UW Physicians Network By: <u></u> Debra Gussin, Executive Director Date: <u>10/20/17</u>	Licensee: Peace Health By: <u>Kimberly A. Hodakinson</u>  Title: <u>CFO & EVP</u> Date: <u>11/30/2017</u> <u>-05:02-PM-EST</u>
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Landlord Consent to License

CONSENT TO LICENSE

The undersigned Landlord hereby consents to the License described above on the condition that no further License of Licensor's interest in the Lease or other transfer of the Premises or any part thereof, shall be made without the prior written consent of Landlord as and to the extent required under the Lease.

Dated this 24th day of October, 2017.

Orcas Medical Foundation

By: Lusie Murdock
Name:
Title: President
