

EXHIBIT 1

Region X
M/S RX-42
2201 Sixth Avenue
Seattle, WA 98121

April 13, 1994

Provider No.
50-C0001079John H. Brunzman, DPM, President
Redmond Foot Care Associates ASC
16146 Cleveland Street
Redmond, Washington 98052

Dear Dr. Brunzman:

Effective March 29, 1994, we have approved your request to participate as an ambulatory surgical center under the Medicare Program. A copy of your Health Insurance Benefit Agreement is enclosed and should be retained for your files.

You should report to the State Survey Agency any changes in staffing, services, or other characteristics which may affect compliance with the conditions set out in the regulations. The State will visit you periodically to determine that these conditions are still met.

Aetna Life Insurance Company will be in touch with you to assist you with billing and reimbursement questions.

The provider number shown above should be entered on all forms and correspondence relating to the Medicare Program.

You need to notify us promptly if there is a change of ownership (42 CFR 448.18).

If you have any questions about your approval, please let us know.

Sincerely,

Donald K. Jaques, Chief
Survey and Certification Operations Branch
Division of Health Standards and Quality

Enclosure

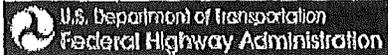
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FACILITY LICENSING

EXHIBIT 2

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Realty

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Relocation

Your Rights and Benefits as a Displaced Person under the Federal Relocation Assistance Program

SECTION 3 - BUSINESS, FARMS, AND NONPROFIT ORGANIZATIONS

Moving Cost Reimbursement

Owners or tenants may be paid on the basis of actual, reasonable moving costs and related expenses or, under certain circumstances, a fixed payment. Actual, reasonable moving expenses may be paid when the move is performed by a professional mover or if you move yourself. Related expenses, such as personal property losses, expenses in finding a replacement site, and reestablishment expenses may also be reimbursable.

You must provide the Agency with an inventory of the personal property to be moved and advance notice of the approximate date of the move, unless the Agency specifically tells you these notices are not necessary.

The Agency has the right to inspect the personal property at the displacement and replacement sites, and to monitor the move.

Actual Cost Move

You may be paid the actual, reasonable and necessary cost of your move when the move is performed by a professional mover or when you elect to move yourself, however, all your moving costs must be supported by paid receipts or other evidence of expenses incurred. In addition to the transportation costs of your personal property, certain other expenses may be reimbursable, such as packing, crating, unpacking and uncrating, and the disconnecting, dismantling, removing, reassembling, and reinstalling relocated machinery, equipment and other personal property.

Other expenses such as professional services necessary for planning and carrying out the move, temporary storage costs, and the cost of licenses, permits and certifications may also be reimbursable. This is not an inclusive list of moving related expenses. Your relocation counselor will provide you with a complete explanation of reimbursable expenses.

Estimated Cost Move

If you agree to take full responsibility for all or part of the move of your operation, the Agency may approve a payment not to exceed the lower of two acceptable bids or estimates obtained by the Agency from qualified moving firms, moving consultants, or a qualified Agency staff employee. A low cost or uncomplicated move may be based on a single bid or estimate at the Agency's discretion. The advantage of this moving option is that it relieves you from documenting all moving expenses because the payment is limited to the amount of the lowest acceptable bid or estimate. The Agency may make the payment without additional documentation.

Direct Loss of Tangible Personal Property

Displaced businesses, farms, and nonprofit organizations may be eligible for a payment for the actual direct loss of tangible personal property which is incurred as a result of the move or discontinuance of the operation. This payment is based on the lesser of the value of the item for continued use at the displacement site less the proceeds from its sale, or the estimated cost of moving the item. Your relocation counselor will explain this procedure in detail if this is a consideration for you.

Low Value High Bulk Property

If an Agency considers a personal property item to be of low value and high bulk, and moving costs are disproportionate to its value (such as minerals, metals, rock, or topsoil), the allowable moving cost payment shall

not exceed the lesser of the amount which would be received if the property were sold at the site, or, the replacement cost of a comparable quantity delivered to the new business location.

Searching Expenses for Replacement Property

Displaced businesses, farms, and nonprofit organizations are entitled to reimbursement for actual, reasonable expenses incurred in searching for a replacement property, not to exceed \$2,500. Expenses may include transportation; meals, and lodging when away from home; the reasonable value of the time spent during the search; and other expenses determined to be reasonable and necessary by the Agency.

Fees paid to real estate agents or brokers to locate a replacement site may be reimbursed, exclusive of any commissions or fees related to the purchase of the site. Commissions and fees related to the purchase of a replacement site are not eligible relocation expenses and will not be reimbursed.

 **TOP**

Related Eligible Expenses

In addition to the moving expenses listed above, costs for these items may be reimbursed if the Agency determines they are actual, reasonable, and necessary

- Connection to available nearby utilities from the right-of-way to improvements at the replacement site.
- Professional services to determine a sites' suitability for the displaced person's operation.
- Impact fees or one time assessments for heavy utility usage as determined necessary by the Agency.

Please discuss this with your relocation counselor before incurring these costs to assure that they are reimbursable.

Reestablishment Expenses

A small business, farm, or nonprofit organization may be eligible for a payment, not to exceed \$10,000, for expenses actually incurred in relocating and reestablishing the enterprise at a replacement site. To qualify, the business, farm, or nonprofit organization must have not more than 500 employees working at the site who will be displaced by a program or project.

Reestablishment expenses may include, but are not limited to

- Repairs or improvements to the replacement real property required by Federal, State, and local laws, codes or ordinances.
- Modifications to the replacement real property to make the structure(s) suitable for the operation.
- Construction and installation costs of exterior advertising signs.
- Redecoration or replacement such as painting, wallpapering, paneling, and carpeting when required by the condition of the replacement site.
- Advertising the replacement location.
- Estimated increased costs of operation at the replacement site during the first two years for items such as: lease or rental charges; personal or real property taxes; insurance premiums; utility charges (excluding impact fees).
- Other items that the Agency considers essential for reestablishment.

Fixed Payment For Actual Moving Expenses (In Lieu Payment)

Displaced businesses, farms, and nonprofit organizations may be eligible for a fixed payment in lieu of (in place of) actual moving expenses, personal property losses, searching expense, and reestablishment expenses. The fixed payment may not be less than \$1,000 nor more than \$20,000. For a business to be eligible for a fixed payment, the Agency must determine the following

- Business owns or rents personal property that must be moved due to the displacement.
- Business cannot be relocated without a substantial loss of its existing patronage.
- Business is not part of a commercial enterprise having more than three other businesses engaged in the same or similar activity which are under the same ownership and are not being displaced by the Agency.
- Business contributed materially to the income of the displaced business operator during the two taxable years prior to displacement.

Any business operation that is engaged solely in the rental of space to others is not eligible for a fixed payment. This includes the rental of space for residential or business purposes.

Eligibility requirements for farms and nonprofit organizations are slightly different than business requirements. The computation for nonprofit organizations differs in that the payment is computed on the basis of average annual gross revenues less administrative expenses for the two year period specified. If you are interested in a fixed payment, please consult your relocation counselor for additional information.

Computation of Your Fixed Payment

The fixed payment for a displaced business or farm is based upon the average annual net earnings of the operation for the two taxable years immediately preceding the taxable year in which it was displaced, or a two-year period deemed more representative by the Agency. You must provide the Agency with proof of net earnings to support your claim. Proof of net earnings can be documented by income tax returns, certified financial statements, or other reasonable evidence acceptable to the Agency.

Fixed Payment Example

2003	2004	2005
Annual Net Earnings	Annual Net Earnings	Year Displaced
Average annual net earnings $\$16,500 + \$18,500 = \$35,000 / 2 = \$17,500$ Fixed Payment = \$17,500		

 TOP

Project Office

The Agency may establish a relocation office near the project. Project relocation offices are usually open during hours convenient to persons being displaced, including evening hours when necessary. If the Agency opens a project office, the staff will be happy to assist you, answer questions, and will maintain various types of information.

Relocation Payments Are Not Considered To Be Income

No relocation payment received will be considered as income for the purpose of the Internal Revenue Code. No relocation payment received will be considered income for the purposes of determining eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal law (except for any Federal law providing low-income housing assistance).

Right To Appeal

Any aggrieved person may file a written appeal with the head of the Agency if the person believes the Agency has failed to properly determine his or her eligibility for relocation assistance advisory services, or the amount of a relocation payment.

If you have a grievance, you will be given a prompt and full opportunity to be heard. You will also have the right to be represented by legal counsel or other representative in connection with the appeal, but solely at your own expense.

The Agency will promptly review your appeal and consider all pertinent justification and information available to ensure a fair and full review. The Agency will provide you with a written determination as well as an explanation of the decision. If you are still dissatisfied with the relief granted, the Agency will advise you of your right to seek judicial review of the Agency decision.

An alien not lawfully present in the United States shall not be eligible to receive relocation payments or any other assistance provided under 49 CFR Part 24.

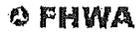
This brochure is provided to assist you in understanding your rights and benefits. If you have questions regarding your relocation please contact your sponsoring Agency representative.

Additional information on Federal relocation and acquisition requirements, the law, and the regulation can be found at www.fhwa.dot.gov/realestate

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To provide Feedback, Suggestions or Comments for this page contact Kathleen Facer at kathleen.facer@fhwa.dot.gov.

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United States Department of Transportation - Federal Highway Administration

EXHIBIT 3

DISPLACEMENT OF BUSINESSES DUE TO CITY PROJECT – DOWNTOWN PARK

Planning and Public Works Directors request that common processes and procedures be established/understood to assist in an efficient reestablishment of businesses having to relocate.

1. What, when, where and how
2. Owner and Tenant entitlements due to displacement:
 - State and Federal requirements (Acquisition is separate)
 - Relocation of property and reestablishment of business
3. Expediting the process:
 - Review of new location
 - Determination of potential requirements
 - Processing Permits/Review of Submittals
 - Impact Fees
4. Establish point of contact:
 - Building/Tenant Improvements
 - Development/Redevelopment
 - Process mentor
5. Promotion of relocated business

Discussed w/ Directors
JHW
See RWs + WAC + CFR
3/13/12

SUMMARY RE-ESTABLISHMENT EXPENSES

Repairs or improvements to the replacement location

Modification to the replacement property to accommodate the business operation or for conducting the business

Signing

Utilities

Redecoration or replacement of soiled or worn surfaces at the replacement site

License, fees, permits

Advertisement of new location

Increased cost of operation during the first two years at the replacement site

SUMMARY OF MOVING AND RELATED EXPENSES

Transportation of personal property

Tracking, crating, unpacking

Disconnecting, reinstalling

Professional services

Signs, stationary

Loss of property

Cost to sell and item

Storage

Insurance

License, permit, certification

Substitute personal property

Searching for a replacement location

Other moving related expenses

3/13/12

Reestablishment Estimate

	Estimated Cost
1. Repairs or improvements to the replacement real property as required by federal, state or local law, code or ordinance.	\$ _____
2. Modifications to the replacement real property to accommodate the business operation or make replacement structure suitable for conducting the business.	\$ _____
3. Construction and installation of costs for exterior signing to advertise the business.	\$ _____
4. Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.	\$ _____
5. Advertisement of replacement location.	\$ _____
6. Estimated increase operating expenses for 2 years at the replacement site.	\$ _____
TOTAL (\$50,000 cap)	\$ _____

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Moving and Related Expenses Estimate

	Estimated Cost
1. Transportation of Personal Property	\$ _____
2. Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, appliances and other personal property, including substitute personal property. Includes connection to utilities available nearby. Also modification to the personal property Necessary to adapt it to the replacement structure, site or utilities at the replacement site; and modifications to adapt the utilities at the replacement site to the personal property. Expenses for providing utilities from the right of way to the building or improvement are excluded.	\$ _____
3. Storage of personal property for not longer than 12 months	\$ _____
4. Insurance for the replacement value of the personal property in connection with the move and necessary storage	\$ _____
5. Any license, permit, or certification required of the relocating business at the replacement location	\$ _____
6. Replacement value of property lost, stolen or damaged in the process of relocating the business, other than as a result of negligence, where insurance is not available	\$ _____
7. Professional services necessary for planning the move of personal property and installing the relocated personal property at the replacement location	\$ _____
8. Replacement of business signs, stationary, and business cards that are made obsolete as a result of the relocation	\$ _____
9. Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business	\$ _____
10. The reasonable cost incurred in attempting to sell an item that is not to be relocated	\$ _____
11. Purchase of substitute personal property	\$ _____
12. Expenses incurred in searching for a replacement site	\$ _____
13. Other moving related expenses that are not listed as ineligible	\$ _____
TOTAL	\$ _____

3/13/12

EXHIBIT 4



Martyn Daniel LLC
eminent domain and
business relocation consulting

business relocations

cost-to-cure estimates

feasibility studies

replacement costs

March 22, 2012

Dr. John H. Brunzman
16146 Cleveland Street
Redmond, WA 98052

Re: Consulting Services Proposal and Agreement for the Relocation of : Foot Care Associates,
PC; and Certified Ambulatory Surgical Centers
Location: 16146 Cleveland Street Redmond, WA 98052

Dear Dr. Brunzman,

It is my pleasure to submit this proposal for consulting services on your upcoming business relocation needs related to the City of Redmond project. This proposal contains the following sections: Goals, Scope of Work, Compensation, and Agreement.

Goals

We will assist you to:

- Evaluate your existing equipment for anticipated needs at a new location.
- Plan the move and installation of existing and replacement equipment.
- Assist with reestablishing your business
- Assist with designing a transition plan to minimize down time, costs and losses.

We will accomplish this result by:

- Act as your contact during the relocation planning stages.
- Work directly with the City of Redmond on your behalf.
- Coordinate the flow of information and documentation from various contractors and vendors who all need to be involved in the relocation process.
- Provide critical information and recommendations so that timely and informed decisions can be made.

Scope of Work

As you review this section, please note the following items. First, it includes an outline of anticipated tasks. These anticipated tasks are based upon our limited understanding of your operations and a limited understanding of the personal property involved. As a result, the actual scope of work may deviate from what is anticipated. Once you sign this agreement and we begin work, it will become more apparent to us, which parts of the scope of work will not be needed, will be reduced, or will be expanded.

Second, some services within the scope of work may call for MD to coordinate outside vendors, consultants, and contractors. While the cost for such outside services are not included in this proposal, we will submit any need for them to you for approval prior to incurring actual costs.

The proposed scope of work outlines as follows:

1. Personal Property Analysis

A. Purpose: Assist you in determining what personal property is to be moved, replaced, or abandoned.

B. Services Needed to Analyze Personal Property:

1) Determine if the item of personal property is needed for future business operations.

a) MD will work with you to answer the following questions:

i) Will the business change its operations to the point of not needing certain personal property items?

ii) Will the size of the new space require items of personal property to have a different capacity, shape, or different design but similar function?

iii) Will the business enhance certain portions of the business operations and/or eliminate other portions?

iv) Is a certain item outdated and ready to be replaced?

b) MD will work with you to understand your business's needs and services. We will use this information, along with our business knowledge and experience in relocating businesses, to help you quickly and confidently decide if the item should be relocated to the future business location.



2) Determine if each desired personal property item will fit or function properly at the replacement property.

- a) MD will work with you to answer the following questions:
 - i) Can an item be installed as is?
 - ii) Are there any items that will not meet current codes at the replacement property?
 - iii) If necessary, can an item be modified to fit and/or function at the replacement property?
 - iv) If necessary, can an item be modified to fit or function with the changed business needs?
 - v) Can the item be installed in a timely fashion to meet the relocation schedule?

b) MD will provide assistance and recommendations to you based on our experience in equipment design and manufacturing, our relocation experience, as well as using the resources of specialty designers and contractors to determine how to best make the personal property function at the replacement property. When necessary, MD will prepare or have prepared a scope of work to describe needed modifications to the personal property for vendors to evaluate the cost to make it functional at the replacement property.

3) Determine the cost to make personal property items fit or function properly at the replacement property for assisting you with determining the future use of the personal property.

- a) MD will work with you and your vendors to find costs to:
 - i) Replace selected items of personal property
 - ii) Modify selected items of personal property to fit or make functional at the new location
 - iii) Move and reinstall selected items within the relocation schedule

C. Work Product: MD will prepare a Personal Property Analysis spreadsheet to include the above data to organize and assist with your decisions for the future use and direction of the personal property. When necessary, MD will prepare or have prepared a scope of work to describe needed modifications to the personal property for vendors to evaluate the cost to make an item functional at the replacement property.



2. Analyze Process Systems

A. Purpose: Determine the process systems for the personal property at its current location for the purpose of recreating a similar system at the replacement location for its proper operation. This may include the utilities to and from personal property and the flow of products among and between the personal property. It may also include the review of systems related to security and safety.

B. Services Needed to Analyze Process Systems:

- 1) Work with you to determine the process systems for the personal property.
 - a) MD will use information provided by you, and, as necessary, visually survey to determine the needs, listed below, of the personal property at its current location:
 - i) Electrical including voltage and amperage
 - ii) Mechanical including gas, water, drains, venting, etc.
 - iii) Structural including supports, attachments, foundations, etc.
 - iv) Clearances for its operation, safety, and relationship to other personal property
 - v) Other needs to recreate the functional operation and flow of the personal property and products
 - b) MD will use information provided by you, and, as necessary, visually survey to determine the following at the replacement location:
 - i) Available voltages and amperages
 - ii) Available mechanical systems including gas, water, drains, venting, etc.
 - iii) Available space or unobstructed areas needed for personal property
 - iv) Other needs to recreate the functional operation of the personal property and products
- 2) MD will work with you to determine changes needed for process systems at the replacement site by answering the following questions:
 - a) Will a system need to be added at the replacement property to accommodate an item of personal property?
 - b) Can a system at the replacement property be modified to accommodate an item of personal property?

C. Work Product: When necessary, sketches may be reviewed, marked up, or produced. When necessary, MD will prepare or have prepared a scope of work to describe any needed modifications to the process systems for vendors to evaluate the cost to make an item functional at the replacement property.



3) Cost Control

A. Purpose: Organize vendor relocation proposals and invoiced costs for your budgeting, cash flow control, and for other cost control purposes.

B. Services Needed for Cost Control

- 1) Acquire copies of vendor proposals, scopes of work, and invoices
- 2) Add vendor estimates and invoiced costs to Personal Property Analysis spreadsheet for cost tracking
- 3) Prepare or include brief descriptions of vendors' work, if any, and include in spreadsheet or other document files
- 4) Organize documents for your and other's uses

C. Work Product: MD will include, attach, or reference the above listed items in the Personal Property Analysis spreadsheet. MD will electronically store and convey documents to you and others as needed. MD will maintain a hardcopy version of documents for reproduction for occasional periodic needs by you.

Compensation

Martyn Daniel LLC (MD) shall be paid on an hourly basis at the rate of \$175/hour. All work, including any additional work, will be governed by Attachment A.

MD will be paid and work from a retainer system with the retained amount of \$2,000. (Please note, you are primarily responsible for payment of our fees, regardless of any reimbursement you may or may not receive from others)



Agreement

This agreement includes this proposal and Attachment A, Fee Schedule Terms & Conditions dated January 2012, which is hereby incorporated by reference, is made part of this agreement, and shall govern this agreement and work hereunder.

In addition to Attachment A, Martyn Daniel LLC agrees to keep confident the details of your relocation with the exception of sharing necessary information with vendors, designers, contractors, the City of Redmond, and others that may be necessary to assist with your relocation process.

At your convenience, I am available to discuss this proposal and any questions or concerns you may have. I look forward to working with you to successfully relocate your business.

This agreement is made as of the ____ day of _____ in the year of _____.

Martyn Daniel LLC

Foot Care Associates; and
Certified Ambulatory Surgical Centers

(Signature)

(Signature)

by: _____
(Printed name)

by: _____
(Printed name)

its: _____
(Printed title)

its: _____
(Printed title)

This agreement may be executed in counterparts or by facsimile, each of which shall be deemed an original.



EXHIBIT 5

5/18/12

10/17/12



business relocations	cost-to-cure estimates	feasibility studies	replacement costs
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March 22, 2012

Dr. John H. Brunsman
16146 Cleveland Street
Redmond, WA 98052

Re: Consulting Services Proposal and Agreement for the Relocation of: Foot Care Associates, PC, and Certified Ambulatory Surgical ~~Center~~ Facility
Location: 16146 Cleveland Street Redmond, WA 98052

Dear Dr. Brunsman,

It is my pleasure to submit this proposal for consulting services on your upcoming business relocation needs related to the City of Redmond project. This proposal contains the following sections: Goals, Scope of Work, Compensation, and Agreement.

Goals

We will assist you to:

- Evaluate your existing equipment for anticipated needs at a new location.
- Plan the move and installation of existing and replacement equipment.
- Assist with reestablishing your business
- Assist with designing a transition plan to minimize down time, costs and losses.

We will accomplish this result by:

- Act as your contact during the relocation planning stages.
- Work directly with the City of Redmond on your behalf.
- Coordinate the flow of information and documentation from various contractors and vendors who all need to be involved in the relocation process.
- Provide critical information and recommendations so that timely and informed decisions can be made.

Agreement

This agreement includes this proposal and Attachment A, Fee Schedule Terms & Conditions dated January 2012, which is hereby incorporated by reference, is made part of this agreement, and shall govern this agreement and work hereunder.

In addition to Attachment A, Martyn Daniel LLC agrees to keep confident the details of your relocation with the exception of sharing necessary information with vendors, designers, contractors, the City of Redmond, and others that may be necessary to assist with your relocation process.

At your convenience, I am available to discuss this proposal and any questions or concerns you may have. I look forward to working with you to successfully relocate your business.

This agreement is made as of the 5 day of 10 in the year of 2012

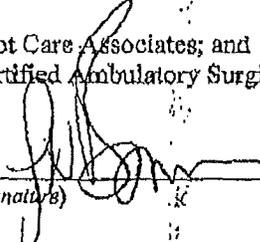
Martyn Daniel LLC

Foot Care Associates; and
Certified Ambulatory Surgical Centers

FB



(Signature)



(Signature)

by: MARTYN L. DANIEL
(Printed name)

by: John H Brunson DPM ps
(Printed name)

its: MEMBER
(Printed title)

its: CEO
(Printed title)

This agreement may be executed in counterparts or by facsimile, each of which shall be deemed an original.

Attachment A Fee Schedule, Terms, and Conditions Effective January 2012

A. Agreement: The Agreement ("Agreement") is between Martyn Daniel LLC ("MD") and the client ("Client") and comprises this Attachment A, Fee Schedule, Terms, and Conditions ("Attachment A"), and the Letter of Agreement to which this document is attached, incorporated, or otherwise made a part of. The Agreement is the final, exclusive, and complete expression of all terms of the agreement. There are no other agreements between the parties and all prior oral or written agreements within the scope of the Agreement are hereby discharged and made inoperative. The parties stipulate the Agreement has been mutually negotiated and drafted.

B. Schedule of Charges: The compensation payable to MD for the services it provides is based upon the conditions set forth within the Agreement. Because the work performed by MD under the Agreement may span several years and/or may not begin reasonably soon after execution by the parties, the parties agree that the charges for the work may change over time. Accordingly, a new schedule of charges ("Schedule of Charges") shall be issued by MD at the beginning of each year and shall apply, subject to Client's approval, to all services provided after the effective date of the new schedule. In the event Client does not approve the new Schedule of Charges, Client shall continue to be charged according to the Schedule of Charges current at the time of the Agreement, but MD reserves its right to terminate the Agreement under *G. Termination* herein. The current Schedule of Charges is as follows:

1. Principal: \$175.00 per hour;
2. Reimbursable Expenses (e.g., postage, courier service, reproductions, ferry, parking, authorized travel, and travel related expenses): At cost;
3. Outside Consultants: At cost; (use of outside consultants will be mutually agreed upon)
4. Local Vehicle Mileage: Current IRS allowance;
5. Expert Witness: \$210.00 per hour (e.g., preparation for and/or attendance of depositions, trial or dispute resolution);
6. Individuals, entities; and/or delegates employed by MD under paragraph *F. Assignment and Delegation of Duty* herein; Charges comparable to MD's; and
7. Travel Time: All travel time is billable and is billed at the applicable hourly rate.

C. Authorization: No work will be started until MD has received (1) a signed copy of the Letter of Agreement; (2) an initialed copy of Attachment A; and (3) any Deposit required by the Letter of Agreement. The Letter of Agreement and Attachment A may be executed in counterparts or by facsimile, each of which shall be deemed an original.

D. Deposit: The Letter of Agreement may require the Client to pay a deposit ("Deposit") prior to the start of work. Amounts paid to MD as a Deposit shall be deposited into MD's general account but credited to Client's account; used as an advance against fees and expenses; and at MD's discretion applied against any invoices or remaining balances on invoices. Upon completion of the services or termination of the Agreement, any Deposit remaining after all applicable invoices, charges, services, or other amounts due or owing hereunder are paid in full shall be returned to Client within a reasonable period of time.

E. Payment: MD shall invoice Client at the end of each month for services provided in that month. Notwithstanding, MD reserves the right to postpone invoicing and carryover charges to be invoiced at a later time for convenience. Timely payment is of the essence and a condition precedent to MD's obligation to perform under the Agreement. Payment on invoices is due not later than thirty (30) calendar days from date of receipt by Client; payments received after such time are late and subject to interest of 1.5% per month from the date payment is due and may, at the discretion of MD, trigger MD's termination of the Agreement under paragraph *G. Termination* herein.

Client's Initials: MD Date: 5/18/12
 Martyn Daniel's Initials: MD Date: 5/18/12

Attachment A
Fee Schedule, Terms, and Conditions
Effective January 2012

Notwithstanding, MD's continuation of work despite late payment and/or failure to collect any interest chargeable hereunder shall not constitute a waiver of MD's right to terminate and/or collect such interest at a later time; MD hereby reserves both rights.

F. **Assignment and Delegation of Duty:** MD reserves the right to delegate certain duties under the Agreement on a selective basis and as reasonably necessary to meet its obligations under the Agreement.

G. **Termination:** Either party may terminate the Agreement for cause, no cause, or convenience with written notice issued ten (10) calendar days prior to what is hereby deemed the effective date of termination. In the event of termination by either party, Client agrees to pay MD for all applicable charges incurred up to the effective date of termination.

H. **Client's Business Competitors:** MD shall have the right to act on behalf of other parties who may be in direct or indirect business competition with Client, EXCEPT WHILE THIS CONTRACT AND WORK IS IN PROGRESS AND BEING ESTABLISHED. *MD*

I. **Ownership and Use of Work Product:** All services, deliverables, drawings, sketches, documents, estimates, analyses, studies, reports, data, and the like prepared by MD or its delegates under the Agreement are instruments of service and "Work Product." Client and its assigns agree to not use for any purpose whatsoever, and return upon MD's demand, all Work Product furnished to Client or its assigns for which MD has not been paid. MD disclaims any and all liability for any and all claims, losses, damages, injuries, costs, or otherwise of third parties to whom Client, with or without MD's consent, transfers or provides Work Product. This paragraph shall survive completion and/or termination of the Agreement.

J. **Indemnification:** The Schedule of Charges are based, in part, upon the allocation of risk contained within this paragraph. Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless MD and its delegates from any claim, loss, damage, liability, injury, or cost (including reasonable attorneys' fees and cost of defense) arising from or under the Agreement to the extent caused by the negligence of Client and his or her agents, delegates, assigns, contractors, subcontractors, consultants, or anyone else for whom Client is legally liable.

K. **Standard of Care:** MD is a consultant. MD is not, and does not hold itself out to be, a licensed professional (e.g., architect, engineer, real estate salesperson or broker, lawyer, accountant, land surveyor, contractor, etc.). Where the law requires a service provider be licensed, certified, or otherwise regulated, Client agrees to hire under separate contract such service provider. In performing its services, MD will exercise the same degree of care and skill that is exercised under similar circumstances by the reasonable and ordinary consultant, not licensed professional, providing the same services in the same or similar locality. Cost estimates prepared by MD under the Agreement represent the best judgment of MD. It is recognized that MD does not have control of the actual cost of labor, materials, equipment, design, permitting, inflation, or the like; over other's methods of determining bid prices; or over competitive bidding, market, or negotiating conditions. Accordingly, MD does not warrant or represent that actual costs will not vary, even substantially, from the cost estimates it prepares.

L. **Limitation of Liability:** In the event MD or its delegate is found liable to Client or its assigns for a claim, loss, cost, expense, damage, injury, or the like arising from or under the Agreement, Client and its assigns agree to limit any and all liability in the aggregate to either the total fee paid to MD under the Agreement or any applicable insurance coverage limit, whichever is greater.

Client's Initials: *MD* Date: *5/18/12*
Martyn Daniel's Initials: *MD* Date: *5/18/12*

Attachment A
Fee Schedule, Terms, and Conditions
Effective January 2012

M. Choice of Law, Venue, and Dispute Resolution: The Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington. All claims, disputes, and other matters in controversy between MD and Client arising out of or related to the Agreement shall be litigated in the County of King in the State of Washington. The parties agree that all claims, disputes, and other matters in controversy that fall within the jurisdiction of the small claims department of the district court under RCW 12.40, Small claims, shall be subject to that statute and litigated in the small claims department of King County District Court.

N. Attorney's Fees: In the event either party places a claim, dispute, or other matter in controversy arising from or under the Agreement in the hands of an attorney for the purposes of enforcing its rights under the Agreement, then the prevailing party in an adversarial proceeding shall be entitled to recover its reasonable legal fees, costs incurred, and prejudgment interest of 1.5% per month. For the purposes of an award of attorney's fees, if the plaintiff recovers less than what was offered as settlement by defendant, the defendant shall be deemed the prevailing party. If plaintiff recovers more than was offered as settlement, the plaintiff shall be deemed the prevailing party.

O. Severability: In the event that any provision contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this agreement. Rather, this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, unless the deletion of such provision would cause completion of the transaction contemplated herein to be unreasonable (i.e., a material change), in which event the Agreement shall be terminated and Client shall pay all charges, services, and costs to time of termination and there shall be no further obligation of either party to the other.

P. Warranty of Authority: Client's undersigned warrants he or she is acting for and on behalf of Client as its agent with authority to bind the Client hereunder. In the event Client's undersigned lacks such authority and Client is not bound by or under the Agreement, Client's undersigned breaches this warranty and shall be personally bound by, and liable to MD under, the Agreement.

Client's Initials: MD Date: 5/18/12
Martyn Daniel's Initials: MD Date: 5/18/12

EXHIBIT 6



April 11, 2012

Dr. John Brunsman
16146 NE Cleveland Street
Redmond, WA 98052

RE: Redmond's Downtown Central Park
Relocation Assistance - General Notice of Relocation Rights
Lease

Dear Dr. Brunsman:

This notice is to inform you that the property you are occupying at 16146 NE Cleveland Street has been acquired by the City of Redmond for a public park improvement project. The park project makes it necessary for your business to move.

Businesses displaced as a result of this project may be entitled to relocation assistance as generally described in this letter. The actual, legal regulations governing relocation assistance are contained in Public Law 91-646 and the implementing regulation found in 49 Code of Federal Regulation (CFR) Part 24 and Revised Code of Washington (RCW) 8.26 and the implementing regulations of Washington Administrative Code (WAC) 468-100.

In order to qualify to receive relocation entitlements, you must be in legal occupancy of the property prior to the date the City acquires the property. To qualify for relocation and reestablishment benefits a business must meet the definition of a business and claim your income on your taxes.

The following is a general list of entitlement topics which the City or its representative will discuss with you at a near future date:

- Direct Moving Expenses up to a maximum of 50 miles for moving personal property
- Reestablishment Expenses up to \$50,000 for expenses incurred in reestablishing your business operation (cannot be used for new construction or the purchase of capital assets)
- Additional Related Moving Expenses as follows; this is not an inclusive list (Documentation will be required):
 - Replacement site search costs (up to \$2,500)
 - Replacing obsolete printed materials
 - Loss (or replacement) of tangible personal property
 - Replacement value insurance for the move
 - Planning expenses as it relates to the personal property (must be pre-approved and completed by a hired professional)
 - Supervision expenses as it relates to the personal property (must be pre-approved)
 - Licenses, permits and certificates (as required to operate the business)
 - Temporary storage up to 12 months (if necessary and pre-approved, request must be in writing)
 - Utility connection to available nearby utilities from right-of-way to improvements at the replacement site

- Professional hired services performed prior to the purchase or lease of a replacement site to determine its suitability for your business, including but not limited to, soil testing, feasibility and marketing studies.

The City of Redmond offers Universal Field Services to assist in relocation/reestablishment estimates and site search advice. You will be contacted by Steve Reinhart to discuss your business needs and questions specific to relocation. Mr. Reinhart works for Universal Field Services, is a consultant to the City, but is available to assist tenants, even if a tenant has secured a third party advisor. If you request, he will provide you with information on the availability, purchase prices, and/or rental costs for replacement sites. You should be aware that, ultimately, it is the business owner's responsibility to locate a replacement site.

Regarding the use of a legal or relocation advisor, you have the rights to use third party advisors, but the City does not pay any advisor directly for such services. Any agreement would be between you and the advisor. We can discuss this in more detail at our meeting, or you can discuss with your advisor(s) how this factors into your relocation benefits.

You will have the right to appeal any determination the City will make as to your eligibility for, or the amount of, any payment. If you disagree with our determination, you may appeal by simply explaining your grievance in a letter to:

City of Redmond
Attn: Parks Administration, Management Analyst
PO Box 97010
Redmond, WA 98073-9710

The City will also provide you, or your representative, with assistance to expediting approvals and permits which may be required by the City to reestablish your business in a new location within Redmond. Information will be forthcoming of direct contacts and the offer to set up a meeting to discuss processes and timing for various relocation scenarios.

At the time the City acquired the property, your leasehold interest in the property was assigned to the City. If you choose to remain at the property for a short term, the City requires a new lease to be executed which includes terms specified by state code for leasing property owned by a public agency. At this time, the City can allow occupancy of the premises, under a short term lease, through the end of September 2012, if you so desire. Rent payments should now be forwarded to the City. Payments should be directed to the City as found in the City's draft lease.

I hope to meet with you shortly to discuss the City's park project, your business, and your relocation needs.

Sincerely,



Debby Wilson
Real Property Manager
425-556-2715

c: S. Reinhart

EXHIBIT 7

Monday, April 16, 2012

John H. Brunzman DPM PS

16146 Cleveland Street

Redmond, WA 98052

To Martin Daniel LLC

425 398 5709

Hope this note finds you in good spirits

It looks like things are starting to move here

- 1 Debbie Wilson called from the city to talk about the rent I owe but have been paying to Bill Johnson. She claims the building was sold last month but no one told me!
- 2 I have talked to the DOH construction people and they want several hours in a meeting to discuss the Tis. This is a very good idea, with you and me and the medical architect and the new landlord and maybe another advisor of sorts.
- 3 I have several potential spaces to rent but no one is ready. The meeting above will help settle the issues
- 4 I have reviewed your contract and seems to pass muster with my adviser, except for Paragraph H. We needs some sort of limited non compete such as 2 years and 5 miles for those in direct competition. I suspect you will benefit as you will learn a lot about surgical facilities.

Let's get together to get some dates set up.

Jhb

EXHIBIT 8

Todd W. Wyatt

From: Debby Wilson <DWILSON@REDMOND.GOV>
Sent: Wednesday, April 18, 2012 12:23 PM
To: Jean Rice; Steve Reinhart
Cc: David Tuchek
Subject: 16146 Cleveland Tenant
Attachments: LEASE DOWNTOWN PARK - Brunsman.doc; Termination of Lease.docx; 20120411 I-Brunsman.pdf

RE: Tenant at 16146 Cleveland Street, Dr. John Brunsman.

Last week I had set up a meeting with Dr. Brunsman to discuss the City's property purchase, confirm his leasehold interests, let him know relocation assistance would need to be discussed, short term lease, etc. Via his receptionist he cancelled the meeting and expressed wanting to wait until he could reschedule so his advisor could attend. I have now left messages on the business number (I understand they are not in the Redmond office every day).

After leaving a message this morning, letting them know that I would still like to meet, I also mentioned I would be putting some information in the mail to him.

I have attached what I sent in the mail for your information. I will continue to try and make contact as well as drive by and see if they are in the office and stop in.

<<LEASE DOWNTOWN PARK - Brunsman.doc>> <<Termination of Lease.docx>> <<20120411 I- Brunsman.pdf>>

Jean, Dr. Brunsman had been paying rent of \$1600/month. At closing the prorated rent for March was credited to the City. So April 1st is when he should have started paying the City. The proposed lease adjusts rent and leasehold tax to add to \$1600 and there would need to be Stormwater added to the collection. If Parks desires to have the water/sewer bills (which should have been moved to a Park's account) passed to the tenant, which the lease provides for then the authorization to bill tenant form needs to be submitted to Utilities. For rent, invoice Customer Set up information is: Dr. John H. Brunsman Foot Care Associates 16146 Cleveland Street, Redmond WA 98052 425-885-7004

Debby Wilson

City of Redmond

Real Property Manager

425-556-2715

EXHIBIT 9

Martyn L. Daniel

19027 100th Avenue NE, Bothell, WA 98011-2919
Phone 425-398-5708 Fax 425-398-5709
e-mail: Martyn@MartynDanielLLC.com



Fax

To: Dr. Brunzman	From: Martyn Daniel
Fax: 425-885-0515	Pages: Cover +1
Phone:	Date: 5/7/2012
Re: Relocation	CC:
<input type="checkbox"/> Urgent <input type="checkbox"/> For Review <input type="checkbox"/> Please Comment <input type="checkbox"/> Please Reply <input type="checkbox"/> Please Recycle	

● **Comments**

Dr. Brunzman,

I've attached a marked-up portion of my Attachment A that I hope will address your concerns of me working with a competitor of yours. I will agree to not work for a competitor while working with you, however, I do not feel that I can extend that limitation to my work beyond the time you and I work together. I hope this is acceptable to you.

It seems you are progressing well with getting things set in place to improve your situation for your relocation.

I noticed the city is now following the state and federal relocation guidelines, which are much more conservative guidelines than was my understanding when the city had their own guidelines. This means my earlier estimates for potential relocation cost reimbursements to you will likely be higher than what can actually be achieved with the use of the state and federal guidelines.

The next step will be to execute the contract and provide the retainer funds.

Regards,

Martyn

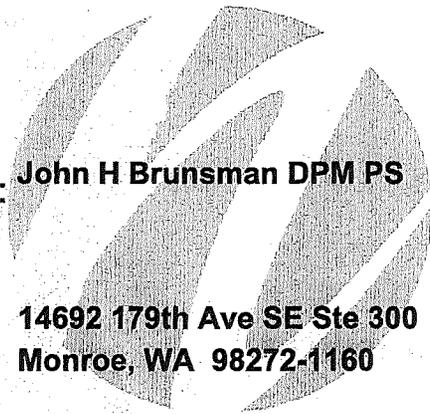


EXHIBIT 10

Washington State Department of Health
This organization

Foot Care Associates

is authorized by RCW 70.230 to have an
Ambulatory Surgical Facility License



Washington State Department of
Health

Operated by: **John H Brunzman DPM PS**
Located at: **14692 179th Ave SE Ste 300
Monroe, WA 98272-1160**

Medicare # **50C0001061**

Secretary

Credential Number
ASF.FS.60102987

Status
ACTIVE

Effective Date
07/02/2012

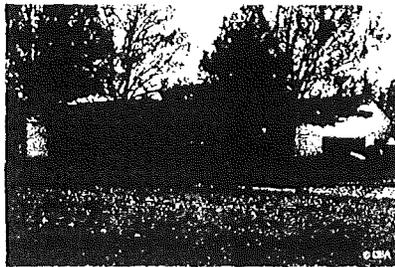
Expiration Date
07/01/2015

THIS LICENSE IS NON-TRANSFERABLE

EXHIBIT 11

Windermere Building

CBA ID # 506930



Windermere Building
 16261 NE Redmond Way
 Redmond WA 98052
 King County
 Cross Street: Leary
 Map: 537/C4
 Mkt Area 230: Redmond

List Price: \$ 2,650,000
Status: Available
Asset Class: Office

Listing Information

Days on Market: 124
Building \$/SF: \$ 361.58
SOC: 3%
SOC Exclusions: No
Call Listing Agent: Yes
View With Discretion: No

Property Information

Total Building SF: 7,329
Net Rentable Area: 7,329
Building Status: Existing
Year Built: 1955
 (Remodeled 1995)
Tax ID #s:
 8029700030
Owner: Aaron Shriner
Sprinklers: Yes
Construction Type: Metal, Stucco
Security System: Yes
Building Class: B
of Buildings: 1
of Floors: 1
A/C: Yes
anchors: Windermere
Tenants: [View Tenants](#)
Gas: Yes
Sewer: Yes
Paved: Yes

Land Information

Total Land SF: 18,476
Acres: 0.42
Zoning: CC1

Investment Information

Investment Prop: Yes
Investment Information: Actual
Gross Income: \$ 144,000
Operating Expense: \$ 45,997
Net Operating Income: \$ 98,003
Cap Rate: 3.70%

Sustainability/Green Building

LEED Cert: No
Energy Star Cert: No

OT - Old Town

Additional Information

Public Building Comments

This 7,329 single story building is situated on a 18,476 sf lot. 20+ parking stalls. 3 min to SR-520.

Asset Class Information - Office

Min Office SF: 7,329
Max Office SF: 7,329
Total Avail SF Min: 7,329
Total Avail SF Max: 7,329

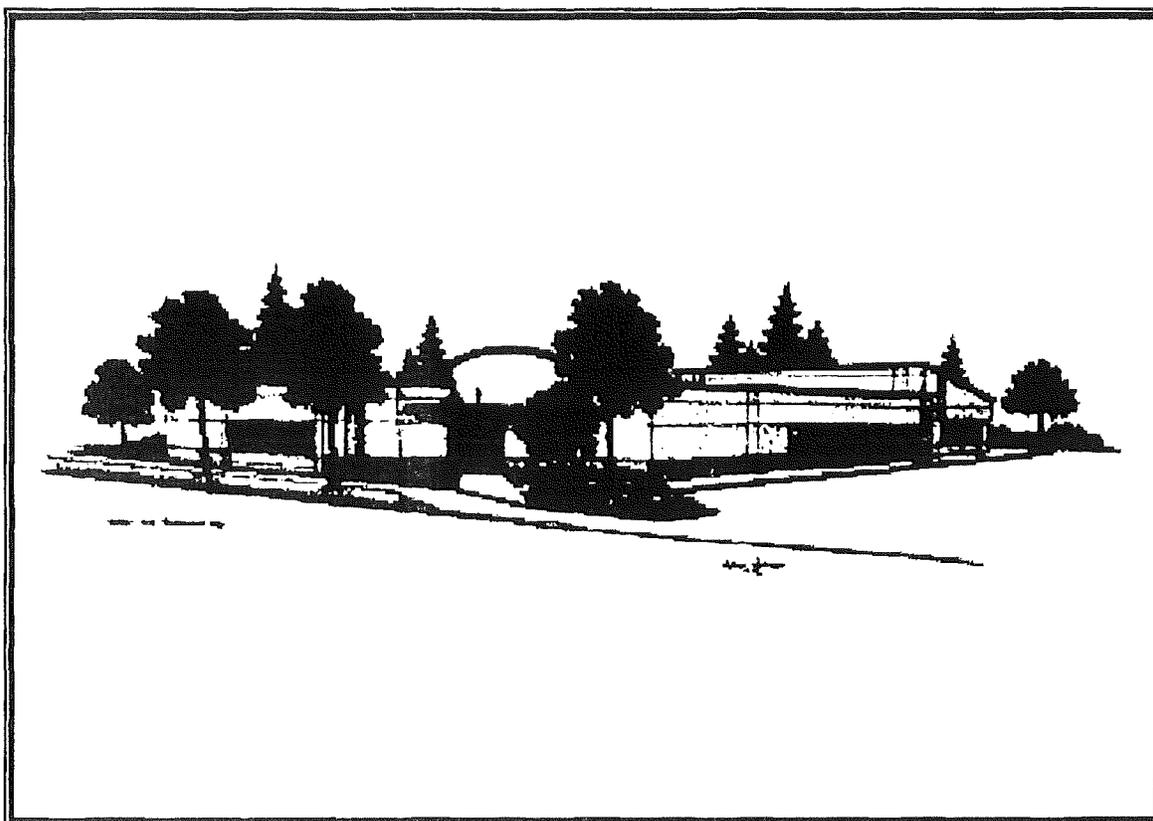
Contact Information

Listing Agent: Christopher Judd **Phone:** (425) 883-0088 **Email:** cjudd@windermere.com
Listing Office: Windermere - SCA, Inc. **Phone:** (425) 883-0088 **City:** Redmond WA

Search Tags:

Multi-Tenant, Single-Tenant

All information provided is deemed reliable but is not guaranteed and should be independently verified.



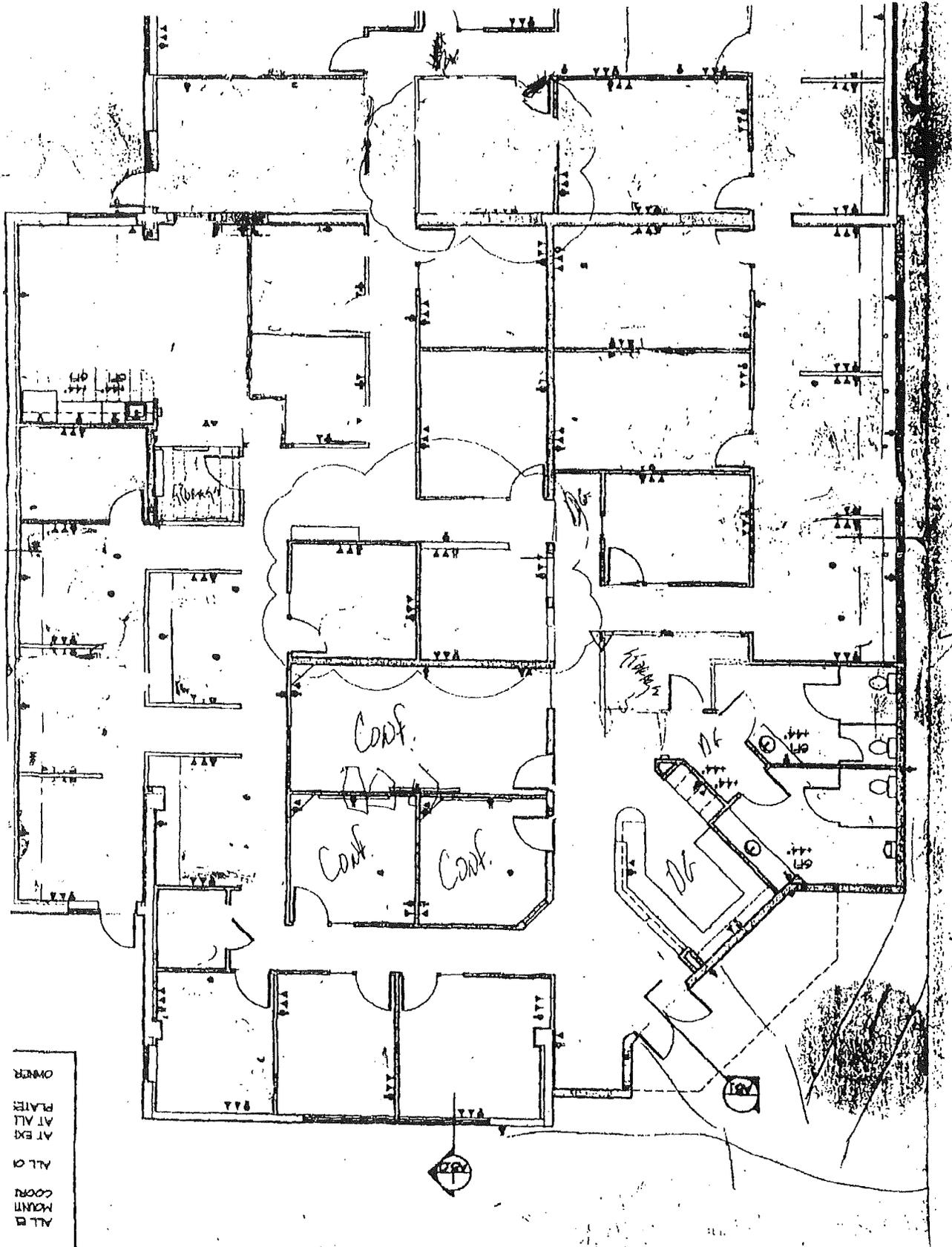
WINDERMERE, SCA

**16261 REDMOND WAY
REDMOND, WA 98052**

**PARCEL ID - 8029700030
YEAR BLT / EFFECTIVE - 1955 / 1995
BUILDING - 7,329 SF
LOT SF - 18,476
PARKING - 19 SPACES
ANN TAXES - \$17219
MLS # 342816 / CBA # 506930**

LIST - \$2,650,000

**BUYER TO VERIFY ACCURACY OF ALL DATA CONTAINED HEREIN. SELLER /
LISTING AGENT NOT RESPONSIBLE FOR ERRORS IN DATA OR OMISSIONS.**



OWNER
 AT EX
 PLATE
 AT ALL
 ALL Q
 COOR
 COUNT
 ALL B
 WIT

EXHIBIT 12

RE:

From: **Steve Reinhart** (sreinhardt@ufsrw.com)
Sent: Wed 8/22/12 4:58 PM
To: Susan Bruns (zourk@msn.com)
Cc: Martyn@MartynDanielLLC.com (IMCEAMAILTO-
Martyn+40MartynDanielLLC+2Ecom@namprd07.prod.outlook.com)
2 attachments
Moving and Related Expenses Summary.pdf (9.6 KB) , Reestablishment Summary.pdf (5.2 KB)

Dr. Brunsman,

I am sorry for taking so long to respond. I have been with my parents, helping them with my dad's last days.

The two attachments are the two buckets that we discussed.

Attached you will see a Moving and Related Expenses Summary. All eligible expenses that fit into one of these categories are reimbursable. There is no limit.

Also you will see a Reestablishment Summary. All eligible expenses that fit into one of these categories are reimbursable. This is capped at \$100,000.

Martyn, has the clinic architect put together a scope of work and cost estimate yet? If so, I can get it presented to the city for consideration of early payment

Thanks,

Steve Reinhart

111 Main St, #105

Edmonds, WA 98020

425-673-5559 (office) 866-673-5559 (toll free)

206-819-0099 (cell) 425-673-5579 (fax)

"Leading the Way in Right of Way"



From: Susan Bruns [mailto:zourk@msn.com]
Sent: Monday, August 13, 2012 4:09 PM
To: Steve Reinhart
Subject:

Dear Steve

Thank you for all the time you spent with me and Martin.

You showed me your chart for the 2 buckets and their contents.

Could you go over that again for me.

Thank you

J H Brunsman DPM, ps

Moving and Related Expenses Summary

	Estimated Cost
1. Transportation of Personal Property	\$ _____
2. Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, appliances and other personal property, including substitute personal property. Includes connection to utilities available nearby. Also modification to the personal property Necessary to adapt it to the replacement structure, site or utilities at the replacement site; and modifications to adapt the utilities at the replacement site to the personal property. Expenses for providing utilities from the right of way to the building or improvement are excluded.	\$ _____
3. Storage of personal property for not longer than 12 months.	\$ _____
4. Insurance for the replacement value of the personal property in connection with the move and necessary storage.	\$ _____
5. Any license, permit, or certification required of the relocating business at the replacement location.	\$ _____
6. Replacement value of property lost, stolen or damaged in the process of relocating the business, other than as a result of negligence, where insurance is not available.	\$ _____
7. Professional services necessary for planning the move of personal property and installing the relocated personal property at the replacement location.	\$ _____
8. Replacement of business signs, stationary, and business cards that are made obsolete as a result of the relocation.	\$ _____
9. Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business.	\$ _____
10. The reasonable cost incurred in attempting to sell an item that is not to be relocated.	\$ _____
11. Purchase of substitute personal property.	\$ _____
12. Expenses incurred in searching for a replacement site.	\$ _____
13. Other moving related expenses that are not listed as ineligible as determined by the Agency to be reasonable and necessary.	\$ _____
Total (rounded)	\$ _____

Reestablishment Summary

	Estimated Cost
1. Repairs or improvements to the replacement real property as required by federal, state or local law, code or ordinance.	\$ _____
2. Modifications to the replacement real property to accommodate the business operation or make replacement structure suitable for conducting the business.	\$ _____
3. Construction and installation costs for exterior signing to advertise the business.	\$ _____
4. Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.	\$ _____
5. Advertisement of replacement location.	\$ _____
6. Estimated increase operating expenses for 2 years at the replacement site.	\$ _____
7. Other items that the Agency considers essential to the reestablishment of the business.	\$ _____

EXHIBIT 13

Martyn Daniel LLC

425-398-5709

p.1

Fax

To: Dr. Brunzman **From:** Martyn Daniel

Fax: 425-885-0515 **Pages:** 1

Phone: **Date:** 9/13/2012

Re: Relocation **CC:**

Urgent For Review Please Comment Please Reply Please Recycle

● **Comments**

Dr. Brunzman,

Attached are the flyers that I mentioned that were sent to me by Ray West of AGM Real Estate

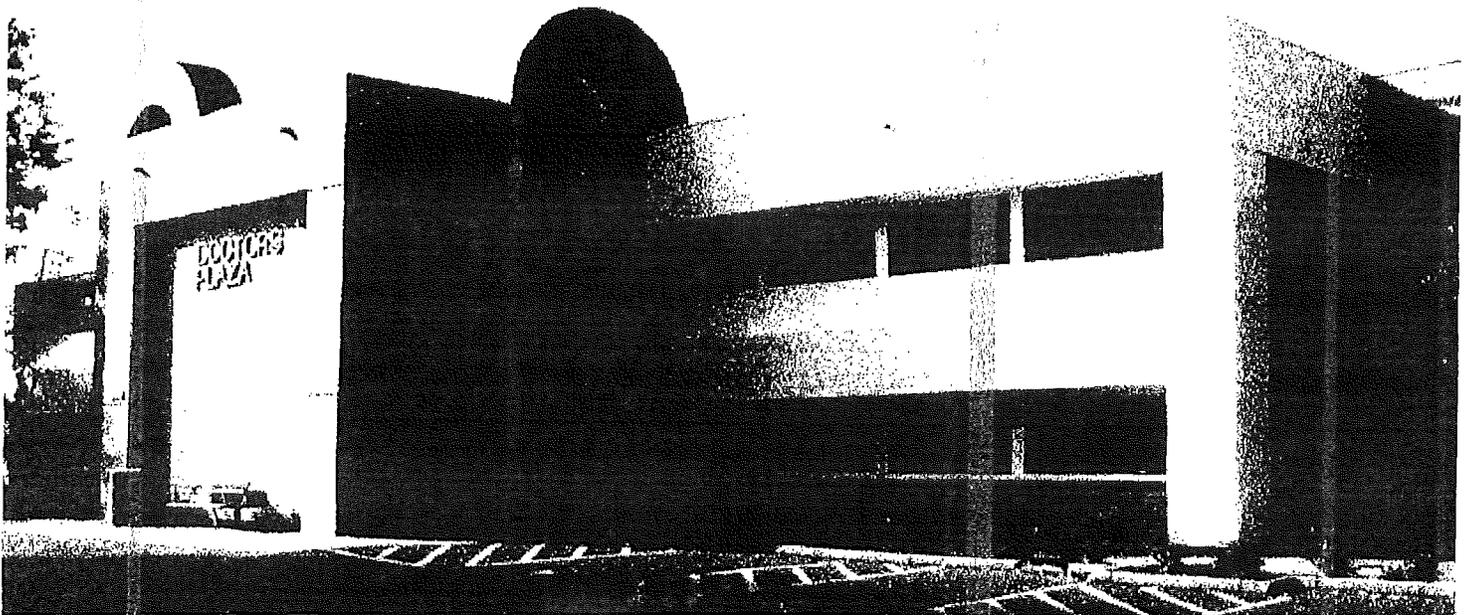
Martyn



FOR LEASE > MEDICAL / OFFICE SPACE

Doctors Plaza

8299 161ST AVENUE NE, REDMOND, WA



Available Space

- > Suite 101: 4,122 RSF
- > Ground floor with 12 exam rooms, 3 offices, lab, reception and waiting area
- > Currently built out as medical office space

Parking

- > 3.1 Parking stalls/1,000 SF on-site
- > Additional 20 parking stalls available via adjacent street parking

Property Features

- > Abundant plumbing; previous use included minor surgery
- > Located in the heart of downtown Redmond
- > Adjacent to Redmond Transit Center
- > Walking distance to numerous retail amenities including Redmond Town Center, Bella Bottega, QFC Center, Jamba Juice, HSBC and Chevron Gas Station
- > New monument sign for tenants

Lease Rate

- > \$23.00/RSF/Year, NNN
- > 2012 NNN Operating expenses: \$8.74/SF/Year; excluding janitorial

BRET JORDAN
424 453 3131
BELLEVUE, WA
bret.jordan@colliers.com

SAM ZIEMBA
425 468 0706
BELLEVUE, WA
sam.ziemba@colliers.com

COLLIERS INTERNATIONAL
11225 SE 6th Street, Suite 240
Bellevue, WA 98004
www.colliers.com

Redmond Development Opportunity

For Sale

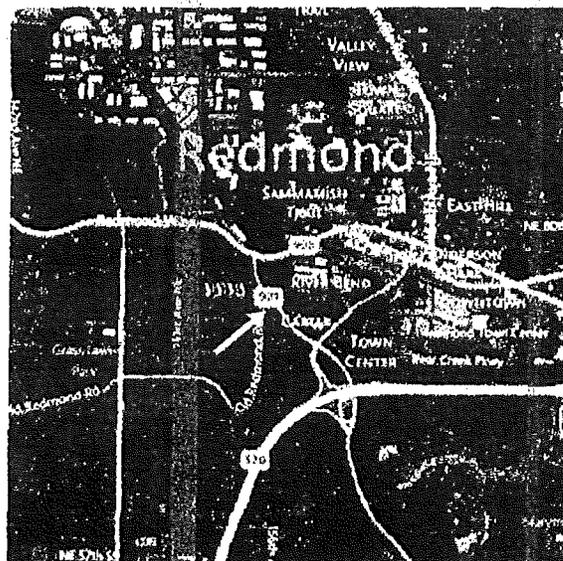


7505 West Lake Sammamish Parkway NE
Redmond, WA 98052

\$500,000

Mixed use development opportunity

Excellent location near Redmond CBD,
Microsoft Campus, and State Route 520



Ray West Jr.
206-818-2689
ray@agmrealestate.com

AGM
Incorporated
Commercial Real Estate

Management

Brokerage

Facilities

Equity

www.agmrealestate.com

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EXHIBIT 14



October 10, 2012

Dr. John Brunzman
16146 NE Cleveland Street
Redmond, WA 98052

RE: Redmond's Downtown Central Park
Vacate Notice

Dear Dr. Brunzman:

This letter is to inform you that your rights, or any associated businesses, to occupy 16146 NE Cleveland Street have been terminated.

In April 2012, notification was provided to you that the City of Redmond was the new owner of the property and that the property would have to be vacated. At the time the City acquired the property, your month-to-month leasehold interest in the property was assigned to the City. You were notified that if you choose to remain at the property for a short term, to prepare for your required move, the City could provide for continued occupancy, but only until September 30th. Since the lease was never executed, your occupancy has continued only on a month-to-month basis. Since the month-to-month tenancy rent payment was not received for August, or September, this was understood to be notice that your occupancy would not continue through the month of August.

Also in April 2012, you were provided notice of possible relocation and reestablishment benefits. In order to continue your qualification to receive these entitlements, you must be in lawful and compliant occupancy of the property. Your continued occupancy and non-payment of rent could jeopardize some or all of your relocation entitlements.

Please contact me immediately to discuss a move-out date and the impacts this delay may have to the City's offer to assist with relocation and reestablishment.

Sincerely,

Debby Wilson
Real Property Manager
425-556-2715

c: S. Reinhart

EXHIBIT 15

PROFESSIONAL SERVICES AUTHORIZATION

The Client

Authorizes /



Foot Care Associates

16146 Cleveland Street
Redmond, Washington 98052

950 PACIFIC AVENUE
SUITE 207
TACOMA, WA 98402
PH: 253-460-0276
FAX: 253-272-2640

TheWagerGroup@msn.com

Contact: **Dr. John H. Brunzman**
to proceed with professional services for the following project:
Foot Care Associates replacement facility Feasibility Study

Michael Wager Project. No: **FCA-ASC-2012**

Project Scope:

Providing a feasibility study for the selection for replacement site of the current Foot Care Associates' facility that meets current codes (Building and DOH) for the FGI Licensed Ambulatory Surgery Center.

Scope of Services:

TheWagerGroup will Provide the following Architectural Services:

1. Review selected potential replacement site(s)
2. The selection process will review the following criteria
 - a. Review building location and configuration for compatibility with design criteria for an ambulatory surgery facility.
 - b. Review of building structural, mechanical, electrical, configurations for suitability to meet ASF requirements
3. Produce a preliminary schematic design for review of suitability by the client, DOH, and all having jurisdiction (AHJ)
4. Prepare a feasibility report that addresses the building revision needs to include structural, mechanical, and electrical requirements and provide a preliminary cost analysis based on the above.
5. The feasibility study includes estimate of complete project architectural design services

Note: Above services are provided on a single site bases. In the event the study finds the site unsuitable for the new facility, if requested, we will provide a separate proposal for the above services on an additional site bases with the compensation as shown below.

Compensation for services shall be provided as follows:

- On an hourly basis to a maximum fee of: \$ 5,000.00
 Reimbursable Expenses
Reimbursable Expenses Included Additional

Services will be scheduled to begin after acceptance of this proposal by (client) and delivery will be completed in a Timely Manner, assuming timely delivery of base information from others.

The Wager Group Inc.
Signature

by Michael Wager
title principal
date 10/17/2012

Approved by:
signature

by _____
title _____
date _____

FEES AND EXPENSES

The following hourly rates shall apply and will remain in force through the length of the contract.

PRINCIPAL	\$180.00	TECHNICAL	\$85.00
PROJECT ARCHITECT	\$130.00	INTERIOR DESIGNER	\$85.00
PROJECT MANAGER	\$120.00	CLERICAL	\$60.00
SENIOR INTERIOR DESIGNER	\$115.00		

If the scope of work changes significantly from what we discussed or that described herein, we may request compensation for additional services. We will, however, not begin any additional services without your prior approval.

REIMBURSABLE ADMINISTRATIVE EXPENSES

The cost of printing and reprographics, courier services and other direct project expenses will be billed in addition to the professional service fees listed above at our cost, plus a ten percent service charge.

NON-REIMBURSABLE EXPENSES

General office overhead for clerical work, telephone, fax and e-mail conversations are included in the architect's hourly rates as an overhead multiplier, and are not billed in addition to our basic services agreement.

TRAVEL EXPENSE

The following expenses will be charged at cost with no overhead multiplier:

- a. Food and Lodging
- b. Mileage for automobile travel charged at current IRS rates.

PAYMENT TERMS

TheWagerGroup bills on a monthly basis for work performed during the previous month. We reserve the right to add a 1-1/4% per month service charge on invoices more than thirty days past due.

DISPUTES

TERMINATION

This agreement may be terminated by either party upon seven (7) days' written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. Upon termination, Architect shall be compensated for all services performed to the date of receipt of notice of termination, plus reimbursable expenses then due, plus reasonable additional expenses that may be incurred in the closing of the project records and project activities.

MEDIATION

In the event of any dispute between the Client and the Architect arising out of or relating to this Agreement, such dispute shall be submitted, at the sole option of the Architect, to non-binding mediation. The Client agrees to participate in the mediation process in good faith upon receiving written notice within the time limitation set forth below, from the Architect of the Architect's election to subject a dispute to mediation ("Notice of Election to Mediate"). Prior to commencing litigation against the Architect, the Client shall, within the time limitation set forth below, provide the Architect with written notice of the Client's claim(s) setting forth the nature of the dispute and the Client's claim(s), the amount in controversy, a brief summary of the factual circumstances surrounding such dispute and claim(s), and a statement of the Client's intention to commence litigation ("Notice of Intent to Litigate"). If within fourteen (14) days following the Architect's receipt of Notice of Intent to Litigate the Architect has not given the Client Notice of Election to Mediate, the Client may commence litigation. The Architect may specifically enforce this mediation provision, whether through a motion to compel mediation or otherwise. Unless the Client and the Architect subsequently agree otherwise in writing, the mediation will be conducted under the auspices of the American Arbitration Association, Seattle Chapter, acting under its Construction Industry Mediation Rules. Each party shall pay one half of the mediator's charges and one-half of the mediation service's charges. Each party shall participate in the mediation process in good faith.

LITIGATION

If the Architect elects not to mediate a dispute, or if mediation is conducted but does not fully resolve all disputes and/or claims, either the Client or the Architect may commence litigation upon the termination of mediation. In that case, both parties agree that venue of any litigation shall be in King County, Washington. If litigation is not commenced within ninety (90) days of the termination of the mediation proceedings between the parties, the claims that were the subject of the mediation proceedings shall be forever barred.

ATTORNEY FEES

In the event of litigation between the Client and the Architect arising out of or related to this Agreement, or the breach or alleged breach thereof, the prevailing party shall be awarded its costs, actual attorney fees, and expert witness fees, including such costs and fees incurred prior to litigation including those incurred in connection with mediation. The prevailing party shall also be awarded compensation for time spent by its personnel in helping to prosecute or defend the litigation at prevailing billing rates.

TIME LIMITATION

Any litigation arising out of or related to this Agreement, or the breach or alleged breach of this Agreement, must be commenced within one year of the date on which the Architect last performs services pursuant to this Agreement. Claims by one party against the other, whether the basis of any such claim is known or unknown, shall be forever barred if not commenced within one-year time period. This limitation period shall be tolled upon the Architect's service of a Notice of Election to Mediate or the Client's service of a Notice of Intent to Litigate, and shall recommence running upon the termination of mediation proceedings or, in the event the Architect does not elect to mediate, fourteen (14) days following service of the Notice of Intent to Litigate.

SPECIAL PROVISIONS

HIDDEN CONDITIONS

Inasmuch as the review of an existing building and/or site requires that certain assumptions be made regarding existing conditions, and because some of these assumptions may not be verifiable without expending additional sums of money or destroying otherwise adequate or serviceable portions of the building and/or site, the Client agrees not to make any claims against the Architect if it develops that the conditions actually reviewed do not accurately reflect conditions elsewhere in the existing building and/or site.

SUBCONSULTANTS

It is recognized and understood that some of the professional services required by this Agreement are of a specialized nature and cannot be provided by Architect in-house. Such specialized services include, but are not limited to, materials testing, mechanical, electrical, acoustical and geotechnical Engineering, laboratory planning and design, professional cost estimating, LCC/energy analysis, acoustical Engineering, telecommunications Engineering, and other services identified elsewhere in this Agreement. On the Client's behalf, Architect shall, however, procure such services from subconsultants subject to Client approval, and shall enter into agreements with the subconsultants. A copy of the agreements with the subconsultants shall be provided to the Client upon receipt of a written request. As the Client's agent, Architect shall coordinate the activities of the subconsultants in the providing of basic, extra, and additional services under this Agreement, and shall act as the subconsultant's Agent in collecting from the Client, fees due and owing.

WAIVER OF CLAIMS

If the client declines to retain the Architect to perform construction phase services, then the Client waives any claim that might otherwise be made against the Architect (or its officers, directors or employees) arising out of or related to use of drawings, reports and/or specifications prepared by the Architect, except to the extent that the Client establishes that the claim against the Architect would have existed even if the Architect had performed construction phase services.

MISCELLANEOUS PROVISIONS

INFORMATION PROVIDED BY CLIENT

The Architect shall indicate to the Client the information needed for rendering of services hereunder. The Client will provide to the Architect such information and the Architect shall be entitled to rely upon the accuracy and completeness thereof.

CONSTRUCTION OBSERVATION

The Architect shall, if within the scope of services of this agreement, visit the site at intervals appropriate to the stage of construction or as otherwise agreed by the Client and Architect in writing to become generally familiar with the progress and quality of the construction. However, the Architect shall not be required to make exhaustive or continuous on-site observations to check the quality or quantity of the construction. The Architect shall not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions. Architect shall not be responsible for the contractor's schedules or failure to carry out the construction in accordance with the plans and specifications. The Architect shall not have control over or charge of acts or omissions of the contractor, subcontractors, or their agents or employees, or any other persons performing portions of the construction.

GOVERNING LAW

The Agreement shall be governed by the internal laws of the State of Washington.

MERGER

This Agreement states the entire agreement between the Client and the Architect with respect to its subject matter and supersedes all prior and contemporaneous negotiations, commitments, understandings and agreements with respect to its subject matter. This Agreement shall not be modified or amended except by way of an instrument signed by both the Client and the Architect.

Client Acceptance



Michael Wager
The Wager Group Inc.

EXHIBIT 16

Martyn L. Daniel

19027 100th Avenue NE, Bothell, WA 98011-2919
Phone 425-398-5708 Fax 425-398-5709
e-mail: Martyn@MartynDanielLLC.com

Eminent Domain Consulting
Business Relocations
Move planning
Cost-to-Cure Estimates

Fax

To: Dr. Brunsmann
From: Martyn Daniel
Fax: 425-885-0515
Pages: Cover +4
Phone:
Date: 10/19/2012
Re: Relocation
CC:

Urgent For Review Please Comment Please Reply Please Recycle

● **Comments**

Dr. Brunsmann,

Attached is Mike Wager's proposal for your review.

Let's talk Monday to see if you have any concerns. If we agree I'll send it to the City along with Mike's resume for their review and discussion.

I'll be out of town the weekend, so I look forward to talking with in on Monday.

Regards,

Martyn



PROFESSIONAL SERVICES AUTHORIZATION

The Client

Authorizes /

Foot Care Associates
16146 Cleveland Street
Redmond, Washington 98052



950 PACIFIC AVENUE
SUITE 207
TACOMA, WA 98402
PH: 253-460-0276
FAX: 253-272-2640

TheWagerGroup@msn.com

Contact: **Dr. John H. Brunzman**
to proceed with professional services for the following project:
Foot Care Associates replacement facility Feasibility Study

Michael Wager Project. No: **FCA-ASC-2012**

Project Scope:

Providing a feasibility study for the selection for replacement site of the current Foot Care Associates' facility that meets current codes (Building and DOH) for the FGI Licensed Ambulatory Surgery Center.

Scope of Services:

TheWagerGroup will Provide the following Architectural Services:

1. Review selected potential replacement site(s)
2. The selection process will review the following criteria
 - a. Review building location and configuration for compatibility with design criteria for an ambulatory surgery facility.
 - b. Review of building structural, mechanical, electrical, configurations for suitability to meet ASF requirements
3. Produce a preliminary schematic design for review of suitability by the client, DOH, and all having jurisdiction (AHJ)
4. Prepare a feasibility report that addresses the building revision needs to include structural, mechanical, and electrical requirements and provide a preliminary cost analysis based on the above.
5. The feasibility study includes estimate of complete project architectural design services

Note: Above services are provided on a single site bases. In the event the study finds the site unsuitable for the new facility, if requested, we will provide a separate proposal for the above services on an additional site bases with the compensation as shown below.

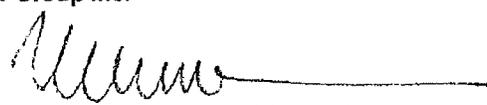
Compensation for services shall be provided as follows:

- On an hourly basis to a maximum fee of: \$ 5,000.00
 - Reimbursable Expenses
- Reimbursable Expenses Included Additional

Services will be scheduled to begin after acceptance of this proposal by (client) and delivery will be completed in a Timely Manner, assuming timely delivery of base information from others.

The Wager Group Inc.
Signature

Approved by:
signature



by Michael Wager
title principal
date 10/17/2012

by _____
title _____
date _____

FEES AND EXPENSES

The following hourly rates shall apply and will remain in force through the length of the contract.

PRINCIPAL	\$180.00	TECHNICAL	\$85.00
PROJECT ARCHITECT	\$130.00	INTERIOR DESIGNER	\$85.00
PROJECT MANAGER	\$120.00	CLERICAL	\$60.00
SENIOR INTERIOR DESIGNER	\$115.00		

If the scope of work changes significantly from what we discussed or that described herein, we may request compensation for additional services. We will, however, not begin any additional services without your prior approval.

REIMBURSABLE ADMINISTRATIVE EXPENSES

The cost of printing and reprographics, courier services and other direct project expenses will be billed in addition to the professional service fees listed above at our cost, plus a ten percent service charge.

NON-REIMBURSABLE EXPENSES

General office overhead for clerical work, telephone, fax and e-mail conversations are included in the architect's hourly rates as an overhead multiplier, and are not billed in addition to our basic services agreement.

TRAVEL EXPENSE

The following expenses will be charged at cost with no overhead multiplier:

- a. Food and Lodging
- b. Mileage for automobile travel charged at current IRS rates.

PAYMENT TERMS

TheWagerGroup bills on a monthly basis for work performed during the previous month. We reserve the right to add a 1-1/2% per month service charge on invoices more than thirty days past due.

DISPUTES

TERMINATION

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Client Acceptance



Michael Wager
The Wager Group Inc.

Cost Approach Summary - Cost Approach Worksheet

Cost Approach Summary

Jiffy Lube at NE 20th and 140th Ave NE, Bellevue, WA

Sitework, paving, site concrete, landscaping, utilities	\$148,424
Concrete - building	\$63,251
Metals - service bay support	\$45,751
Wood and Plastics - building structure and interior framing	\$35,975
Thermal Protection (Roof and Exterior Surfaces)	\$37,778
Doors and Windows	\$45,767
Interior Finishes - Drywall, ceiling, flooring, paint	\$28,706
Mechanical	\$28,935
Electrical	\$57,460
Subtotal - Construction Costs	<hr/> \$492,045
Contingencies	\$24,602
General Conditions/ Contractor's Gen. Conditions, OH and Profit	<hr/> \$92,997
Total Construction Costs	\$609,644
WSST	\$59,745
Development Soft Costs	<hr/> \$91,447
Estimated Replacement Cost	\$183.95 /sf Overall
	<hr/> \$760,836

EXHIBIT 17

Debby Wilson

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Thursday, October 25, 2012 2:19 PM
To: Debby Wilson
Subject: Brunsman update

Hi Debby,

I finally made contact with Martyn Daniel. He is supposed to have the architect report by Friday which should detail most of the TI items.

He has still not located a replacement site, but has identified a couple of possibilities. I told Martyn that the vacate date has long since passed and he needs to consider going into storage while the replacement site is made ready.

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



Click [here](#) to report this email as spam.

EXHIBIT 18

Martyn Daniel

Steve,

Attached for your review is the proposal from Michael Wager of the Wager Group, Inc. for performing a feasibility study for one or more properties that Dr. Brunzman is considering for his replacement property. To avoid a hardship it would create for Dr. Brunzman to pay out of pocket for a feasibility study, Dr. Brunzman is seeking the City's preapproval of the feasibility study as proposed along with prompt and direct payment to Michael Wager for his services. As you know, time is of the essence for moving forward with the feasibility study.

Also to avoid a hardship, Dr. Brunzman is asking for the City's preapproval and direct payment for my services for planning his relocation. I have attached my services agreement with Dr. Brunzman for your review.

Please let me know if you have any questions or need additional information.

Sincerely,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph: 425-398-5708
Cell: 206-817-0111
Email: Martyn@MartynDanielLLC.com
Web: www.MartynDanielLLC.com

Business Relocations • Feasibility Studies • Cost-to-Cure Estimates • Replacement Costs

10 30 12 from 425 885 0516
to 425 398 5709

JUST
SENT IT
10/30/12

THIS IS GOOD

Go ahead & send it

Let me know immediately if I know
you when back



TRANSMISSION VERIFICATION REPORT

TIME : 10/30/2012 10:24
NAME : FCA
FAX : 6907945972
TEL :
SER. # : J7J526080

DATE, TIME 10/30 10:23
FAX NO./NAME 14253985709
DURATION 00:00:22
PAGE(S) 01
RESULT OK
MODE STANDARD
ECM

Let me know immediately if you want back

Get paid + send it

THIS IS GOOD

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from 425 885 0515
to 425 398 5709

Business Relocations • Feasibility Studies • Cost-to-Cure Estimates • Replacement Costs

PH 425-398-5708
Cell 206-817-0111
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Martyn Daniel

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Business Relocations • Feasibility Studies • Cost-to-Cure Estimates • Replacement Costs

10 30 12 From 425 885 0516
TO 425 398 5709

THIS IS GOOD

GO AHEAD & SEND IT

LET ME KNOW IMMEDIATELY IF & WHEN
YOU HEAR BACK

[Handwritten signature]

EXHIBIT 19

Martyn L. Daniel

19027 100th Avenue NE, Bothell, WA 98011-2919
Phone 425-398-5708 Fax 425-398-5709
e-mail: Martyn@MartynDanielLLC.com

Eminent Domain Consulting
Business Relocations
Move planning
Cost-to-Cure Estimates

Fax

To: Dr. Brunzman **From:** Martyn Daniel
Fax: 425-885-0515 **Pages:** Cover +0
Phone: **Date:** 11/19/2012
Re: Relocation **CC:**

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

● **Comments**

Dr. Brunzman,

Steve said they have received lease payments from you although for some reason the payments were somewhat less than the city thinks they should be. I would imagine any discrepancy there may be can be worked out.

Unfortunately the city has not yet approved the request for advance payments and now the decision makers are off the rest of this week. Steve said he would contact the city again on Monday to push for an approval of the advance payments.

Perhaps you would like to consider scheduling Mike for his earliest available time prior to any approval for advance payment and with the anticipation that the city will pay him either in advance or within a reasonable time of him doing the work. Steve felt that Mike's and my fees were eligible to be paid, but could not guarantee it.

Let me know if you would like to move forward without an assurance of advance payments. If so, I'll talk it over with Mike and see if we can schedule him.

Regards,

Martyn



EXHIBIT 20

Debby Wilson

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Monday, December 10, 2012 8:44 AM
To: Debby Wilson
Subject: RE: Brunsman

Hi Debby,

They have identified a potential site but haven't shared any cost estimates. The Wager Group will be able to prepare the tenant improvement estimate and Martyn can do the moving cost etc., but as I understand it, they (at least Wager) want advance payment and Brunsman is unable, or unwilling to pay it.

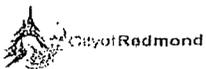
Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



From: Debby Wilson [<mailto:DWILSON@redmond.gov>]
Sent: Monday, December 10, 2012 8:22 AM
To: Steve Reinhart
Subject: Brunsman

Thanks for setting up the meeting on Wednesday.

Do you have a sense if there is a significant effort taking place to find a relocation space? Or efforts to put any estimates together?



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

This message has been scanned for malware by Websense. www.websense.com

Click [here](#) to report this email as spam.

EXHIBIT 21

16146 Cleveland Street
Redmond, WA 98052
425 885 7004
425 885 0515 FAX

**Foot Care
Associates**

Fax

To: MARTIN DANIEL From: John H. Brunzman, DPM, ps
Fax: 425 398 5709 Pages: 2
Phone: _____ Date: 12 12 12
Re: _____ cc: _____

Urgent For Review Please Comment Please Reply Please Recycle

____ If marked, please confirm receipt of this fax by faxing back with your signature.

● Comments:

- HERE IS A SAMPLE FROM MIKE W. FOR "SIPPY LUBS"
SURGICAL FACILITY. HE MAY HAVE SENT IT BY MISTAKE
- ALSO HE HAS HIS FIRST CV FROM LAST MAY

This facsimile transmission and or documents accompanying it may contain confidential information belonging to the sender which is intended only for the use of the individual or entity named above. If you are not the intended recipient you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of the contents of this information is strictly prohibited by law.

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Cost Approach Summary - Cost Approach Worksheet

Cost Approach Summary

Jiffy Lube at NE 20th and 140th Ave NE, Bellevue, WA

Sitework, paving, site concrete, landscaping, utilities	\$148,424
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Metals - service bay support	\$45,751
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Doors and Windows	\$45,767
Interior Finishes - Drywall, ceiling, flooring, paint	\$28,706
Mechanical	\$28,935
Electrical	\$57,460
Subtotal - Construction Costs	\$492,045
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Total Construction Costs	\$609,644
WSST	\$59,745
Development Soft Costs	\$91,447
Estimated Replacement Cost	\$760,836
\$183.95 /sf Overall	



MICHAEL WAGER

President: The Wager Group Inc.

Education

Bachelor of Architecture Washington State University

Professional Registrations

NCARB Certification

Current Registration State of Washington

ARCHITECTURE

Registrations [Not Current] State of California
State of Nevada State of New York
State of Idaho State of Utah

MEDICAL
FACILITY
PLANNING

Summary

INTERIOR
ARCHITECTURE

Michael Wager is the principal and founder of The Wager group Inc., a highly specialized architecture and interior design firm that provides services to the health care industry. In existence since 1996, the firm's emphasis is on state-of-the-art diagnostic imaging and Medicare licensed ambulatory surgery facilities, laboratories, physicians' offices, and professional buildings. Providing services in areas such as new facility design and planning, site analysis, code analysis; master planning, construction documents, and construction administration. A portfolio ranging from small tenant improvement projects to large-scale freestanding outpatient centers: including imaging centers, treatment facilities, surgical centers, laboratories, and physicians' offices covering virtually every medical specialty.

For the past 24 years, Michael Wager as President of The Wager Group, and as Executive Vice President and Director of Architecture with Medical Environments Inc. has specialized in the medical industry, working with planners and professionals to create state-of-the-art out patient health care environments. Michael Wager has designed award-winning facilities through out the country that showcases expertise in all disciplines of health care.

Michael Wager has more than 40 years of experience in all facets and types of architecture. In addition to his responsibilities as principal of the Wager Group Inc., Michael Wager consults with the State of Washington Department of Health & Construction Review Division on Medicare Certification of Ambulatory Health Care Centers as it relates to reformation of building codes and the health care industry as a whole. Over the past ten years, he has been a guest lecturer on Medicare Certified Ambulatory Surgery Centers at the American Society of Plastic Surgeons Convention. Recently The Wager Group has been a consultant to WASCOSA regarding The State of Washington's new Licensure requirements for Ambulatory Surgery Facilities. Michael Wager has lectured to there membership on the ramifications caused by the States adoption of the FGI 2006 Guidelines as they relate to their current and future Ambulatory Surgery Centers Facilities

COMMERCE BUILDING
950 PACIFIC AVENUE
SUITE 207
TACOMA, WASHINGTON 98402
PH 253-460-0276 FX 253-272-2640
TheWagerGroup@msn.com

Re:

cc:

Urgent

For Review

Please Comment

Please Reply

Please Recycle

_____ If marked, please confirm receipt of this fax by faxing back with your signature.

• Comments:

*— Here is a sample from Mike W. for Siffy Lusk Surgical Facility. He may have sent it by mistake
— Also Mike is his first CV from Lusk May*

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TIME : 12/12/2012 16:29
NAME : FGA
FAX : 6907945972
TEL :
SER.# : J7J526080

TRANSMISSION VERIFICATION REPORT

EXHIBIT 22

16146 Cleveland Street
Redmond , WA 98052
425 885 7004
425 885 0515 FAX



Fax

To: Steve Reinhart **From:** John H. Brunzman, DPM, ps
Fax: 425 673 5579 **Pages:** 1
Phone: **Date:** 1/5/13 RESENT 1/8/13
Re: **cc:**

Urgent For Review Please Comment Please Reply Please Recycle

If marked, please confirm receipt of this fax by faxing back with your signature.

● **Comments:**

Happy New Year Steve

At the close of our meeting here in Redmond 2 weeks ago you offered up some documents (blank?) for me to fill out to describe how the money the city is offering will be applied

. As you know it is very complex license that I currently have. I have hired a surgical center specialist to complete this. Hopefully filling out this form, and any others you can offer up, will hasten this process on what I pray will be friendly.

Jhb

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Phone:

Date:

10/13

Re:

cc:

Urgent

For Review

Please Comment

Please Reply

Please Recycle

If marked, please confirm receipt of this fax by faxing back with your signature.

• Comments:

Happy New Year Steve

At the close of our meeting here in Redmond 2 weeks ago you offered up some documents (blank?) for me to fill out to describe how the money the city is offering will be applied

As you know it is very complex license that I currently have. I have hired a surgical center specialist to complete this. Hopefully filling out this form, and any others you can offer up, will hasten this process on what I pray will be friendly.

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DATE, TIME FAX NO./NAME DURATION PAGE(S) RESULT MODE	01/05 14:49 14256735579 00:00:22 01 OK STANDARD ECM
---	---

TIME : 01/05/2013 14:50
 NAME : FCA
 FAX : 6907945972
 TEL :
 SER.# : J7J526080

TRANSMISSION VERIFICATION REPORT

Re:

cc:

Urgent For Review Please Comment Please Reply Please Recycle

If marked, please confirm receipt of this fax by faxing back with your signature.

• Comments:

Happy New Year Steve

At the close of our meeting here in Redmond 2 weeks ago you offered up some documents (blank?) for me to fill out to describe how the money the city is offering will be applied

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Jhb

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DATE, TIME	01/08 12:52
FAX NO./NAME	14256735579
DURATION	00:00:23
PAGE(S)	01
RESULT	OK
MODE	STANDARD
	ECM

TIME : 01/08/2013 12:52
NAME : FCA
FAX : 6907945972
TEL :
SER.# : J7J526080

TRANSMISSION VERIFICATION REPORT

EXHIBIT 23

16146 Cleveland Street
Redmond, WA 98052
425 885 7004
425 885 0515 FAX



Fax

To: MIKE WAGON From: John H. Brunzman, DPM, ps
Fax: 253 272 2640 Pages: 3
Phone: _____ Date: JAN 08 2013
Re: _____ cc: _____

Urgent For Review Please Comment Please Reply Please Recycle

____ If marked, please confirm receipt of this fax by faxing back with your signature.

● Comments:
(1) RED FARENZA (REALTOR) HAS SET UP 10AM ON FRIDAY 1/11/13 TO MEET WITH YOU AT MY OFFICE 16146 CLEVELAND ST. PODIATRIST SIGN BOARD WILL BE OUT
(2) HENRY HAS THE INITIAL DRAWINGS EYE DOCTOR BUILDING THAT WE HAVE ARRANGED FOR A REVIEW WITH THE 4(S) OF US.
SEE YOU FRIDAY JHW

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If you have received this transmission in error, please notify us immediately by telephone and arrange for the return of this document. Thank you.



KOVACH ARCHITECTS

1001 AVENUE
EVENING STAR

DATE: 11/10/00

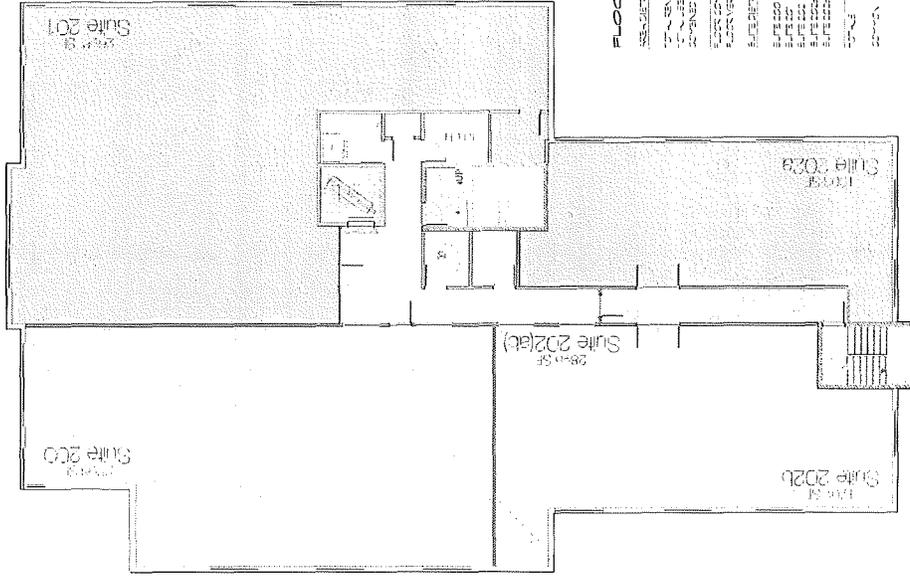


PROJECT: BUILDING 2

DATE: 11/10/00



DATE: 11/10/00



FLOOR 2 SUMMARY

DESCRIPTION	AREA	REMARKS
TOTAL AREA	7340	
TOTAL LEASABLE AREA	7340	
TOTAL COMMON AREA	1225	
FLOOR COMMON AREA	380	
FLOOR VERTICAL AREA	780	
FLOOR PENETRATIONS	165	
STAIRS	220	
ELEVATOR	220	
MECHANICAL	220	
PLUMBING	220	
ELECTRICAL	220	
TELEPHONE	220	
OTHER	220	
TOTAL	7340	

BUILDING LEASE PLAN

FLOOR 2 SCALE: 3/16"=1'-0"

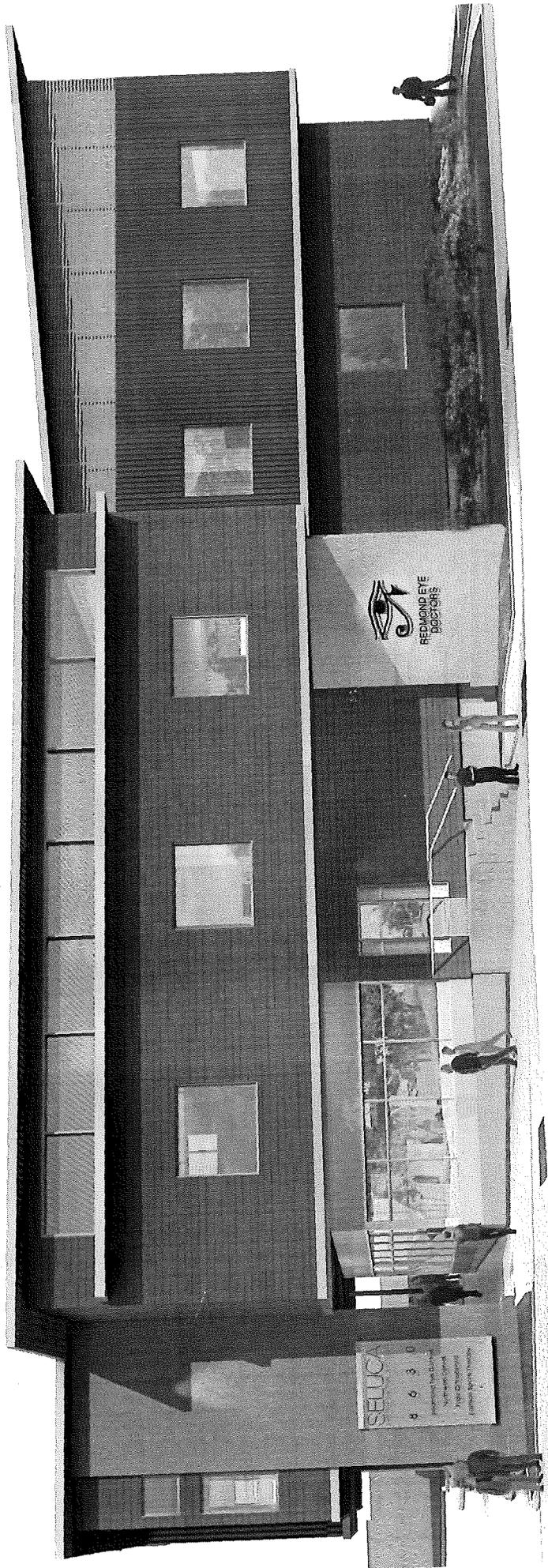


BUILDING AREA TABULATIONS

FLOOR LEVEL	DESCRIPTION	AREA
FIRST FLOOR LEVEL	LEASE AREA	1340
	COMMON AREA	1225
	FLOOR COMMON AREA	380
	FLOOR VERTICAL AREA	780
FIRST FLOOR SECOND FLOOR LEVEL	LEASE AREA	380
	COMMON AREA	1225
	FLOOR COMMON AREA	380
	FLOOR VERTICAL AREA	780
SECOND FLOOR LEVEL	LEASE AREA	380
	COMMON AREA	1225
	FLOOR COMMON AREA	380
	FLOOR VERTICAL AREA	780
SECOND FLOOR SECOND FLOOR LEVEL	LEASE AREA	380
	COMMON AREA	1225
	FLOOR COMMON AREA	380
	FLOOR VERTICAL AREA	780
BUILDING TOTALS	LEASE AREA	1340
	COMMON AREA	1225
	FLOOR COMMON AREA	380
	FLOOR VERTICAL AREA	780
TOTALS	LEASE AREA	1340
	COMMON AREA	1225
	FLOOR COMMON AREA	380
	FLOOR VERTICAL AREA	780

KEY

- FLOOR COMMON AREA
- FLOOR VERTICAL AREA
- FLOOR PENETRATIONS
- FLOOR LEASABLE AREA
- FLOOR COMMON AREA
- FLOOR VERTICAL AREA
- FLOOR PENETRATIONS
- FLOOR LEASABLE AREA



Re:

CC:

Urgent For Review Please Comment Please Reply Please Recycle

If marked, please confirm receipt of this fax by faxing back with your signature.

• Comments:

- ① Red FORTENZA (REALTOR) HAVE SET UP 10am ON Friday 1/11/13 TO MEET WITH YOU AT MY OFFICE 16146 CLEVELAND ST. ADMINSTRATIVE SIGN BOARD WILL BE OUT
 - ② HENRY HAS THE INITIAL DRAWINGS EYE DOCTOR BUILDING THAT WE HAVE ARRANGED FOR A REVIEW WITH THE 4(5) OF US.
- SEE YOU Friday 1/11

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If you have received this transmission in error, please notify us immediately by telephone and arrange for the return of this document. Thank you.

ECM
STANDARD
OK
03
00:02:08
12532722640
01/08 12:48

DATE, TIME
FAX NO./NAME
DURATION
PAGE(S)
RESULT
MODE

TIME : 01/08/2013 12:51
NAME : FCA
FAX : 6907945972
TEL :
SER.# : J7J526080

TRANSMISSION VERIFICATION REPORT

EXHIBIT 24



14100 SE 36th Street, Suite 202
Bellevue, WA 98006
Tel. 425-643-2181
Fax 425-643-2191

February 6, 2013

Dr. Rania Montecillo
Redmond Eye Doctors
8630-164th Ave NE, Suite 100
Redmond, WA 98052

RE: Dr. John Brunzman - Request For Proposal

Dear Rania:

Applied Capital, LLC has been retained by Dr. John Brunzman to assist in his search for medical office space to continue his podiatry and surgical practice. We have identified your building as a candidate for Dr. Brunzman's relocation. Outlined below is a Request For Proposal (RFP). We respectfully ask that you provide us with terms below. We appreciate your effort in responding to this RFP and look forward to hearing from you.

1. BUILDING: Seluca Professional Center
8630-164th Avenue NE
Redmond, WA
2. TENANT: Dr. John Brunzman
Foot Care Associates, PC
3. PREMISES: Approximately 5,000 Rentable Square Feet on the second floor. A final square footage and location shall be determined pursuant to space plan being prepared by Tenant's architect.
4. USE: The operation of a medical office and surgical suite.
5. LEASE TERM: Please propose a ten (10) Year Lease Term.
6. COMMENCEMENT: The lease will commence after completion of all Tenant Improvements and certification anticipated for some time in 2013.
7. LEASE TYPE: Please indicate the whether the lease is a triple net lease, modified gross, or full service lease.



14100 SE 36th Street, Suite 202
Bellevue, WA 98006
Tel. 425-643-2181
Fax 425-643-2191

8. RENT: Please propose a rental rate schedule.
9. OPERATING EXPENSES: Please provide any estimation of operating expenses such as property taxes, building insurance, common area expenses and utility charges.
10. TENANT IMPROVEMENT ALLOWANCE: Please indicate what Tenant Improvement Allowance will be offered. Please attach a shell and core description.
11. BROKERAGE: Rob Forenza of Applied Capital, LLC represents the Tenant. Please indicate what the procuring commission will be.

We would appreciate a response to this Request For Proposal by March 1, 2013. Please contact me with any questions. On behalf of Foot Care Associates, PC, we thank you in advance and look forward to hearing from you.

Sincerely,

Rob Forenza
Applied Capital, LLC

EXHIBIT 25



Aldrich + Associates, Inc.
CONSTRUCTION SPECIALISTS

February 20, 2013

Dr. John H. Brunzman
16146 Cleveland Street
Redmond, WA 98052

**RE: Certified Ambulatory Surgical Centers
Letter of Understanding**

Dear Dr. Brunzman:

This Letter of Understanding has been prepared to confirm your intent to proceed with Aldrich + Associates, Inc. as the Contractor for work associated with the construction of Certified Ambulatory Surgical Centers proposed facilities located at 8640 164th Ave NE Redmond.

Both the Dr. John H. Brunzman (owner) and Aldrich + Associates, Inc. (contractor) agree that they will enter into a Construction Contract for this project using the modified AIA A102 Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost Of The Work Plus A Fee, 2007 Edition, complete with the AIA document A201 General Conditions of the Contract for Construction, 2007 Edition. . Copies of the proposed modified versions of the above documents accompany this proposal.

The project will be constructed as required and detailed by final construction documents prepared by The Wager Group.

Until such time that the Contract for Construction can be fully executed between the parties, both parties agree to proceed under the terms and conditions of the Contract form stipulated above, along with the following provisions:

- a) The guaranteed Maximum Cost for construction will be established after the completed design drawings and specifications are provided to Aldrich + Associates.
- b) Aldrich + Associates, Inc. will provide preconstruction services, including attendance at regularly scheduled design/construction meetings, provide budgets, scheduling, constructability review, value engineering and construction planning assistance. These construction services will be cost reimbursable prior to the start of construction at an hourly rate of \$120, plus direct costs (consumable materials, consultants, etc as substantiated by paid invoices). **Full payment for accrued preconstruction services costs will be due June 30, 2013.** Once construction has started, the previously paid preconstruction services fees will be deducted from the first construction billing.

810 – 240th Street SE
Bothell, WA 98021-9397

Ph (425) 483-1313
Fax(425) 486-1018

www.aldrich-assoc.com
Lic No. AL-DR-IA*202RU

Predictable Results...
Every Time



Aldrich + Associates, Inc.
CONSTRUCTION SPECIALISTS

- c) Aldrich + Associates will perform construction services for a fee of six percent (6%) of the estimated cost of construction, which will be based on "For Construction" or "Final Estimate" editions of plans and specifications. This construction fee percentage will be applied to "billable expenses" as described by the A102 and A201 modified forms of contract. This fee amount will then be converted to a fixed fee upon execution of the contract.
- d) Either the Architect or Owner may, at anytime, provide a written notice directing Aldrich + Associates to stop preconstruction services. The Owner will then provide reimbursement to Aldrich + Associates for all costs incurred, plus preconstruction services as outlined above.
- e) A Personal Guarantee will be fully executed and referenced in the Contract for Construction. Reference attachment.
- f) All construction cost savings will revert to the Owner.
- g) Builders Risk Insurance, Washington State Sales tax, architect and engineering fees, and the building permit are excluded from this agreement.

Upon execution and return of this document, Aldrich + Associates, Inc. is authorized to proceed with construction services outlined above.

Thank you for selecting Aldrich + Associates Inc. We look forward to working with you.

Sincerely,

Aldrich + Associates, Inc.

Dr. John H. Brunzman

Jonathan S. Fast, President

Date: _____

By:

Date: _____

810 – 240th Street SE
Bothell, WA 98021-9397

Ph (425) 483-1313
Fax(425) 486-1018

www.aldrich-assoc.com
Lic No. AL-DR-IA*202RU

Predictable Results...
Every Time



Certified Ambulatory Surgical Centers
8640 164th Ave NE
Redmond, Washington

PERSONAL GUARANTY

The undersigned is a Shareholder, Director, and Officer of **Certified Ambulatory Surgical Centers**, a Washington professional limited liability company (the "Owner"). As partial inducement to Contractor for payment on the Letter of Understanding dated February 20, 2013 (collectively the "Contract"), with Owner, the undersigned hereby agrees to personally guarantee: (i) the Owner's timely payment of all monies owed by it to Contractor in accordance with the Contract; and (ii) the Owner's timely performance of all of its obligations required under the Contract, which do not involve the payment of monies.

Dr. John H. Brunzman

Date _____

810 – 240th Street SE
Bothell, WA 98021-9397

Ph (425) 483-1313
Fax(425) 486-1018

www.aldrich-assoc.com
Lic No. AL-DR-IA*202RU

Predictable Results...
Every Time

EXHIBIT 26

Debby Wilson

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Thursday, February 21, 2013 10:19 AM
To: Debby Wilson
Subject: Brunsman relocation

Hello Debby,

I spoke with Martyn yesterday. They are planning on moving to a property on 164th Ave in Redmond, by Evergreen Medical. The Wager Group has begun the design and layout work. The building contractor is standing by to give cost estimates as soon as Wager is done. Martyn expects 6 weeks before those estimates will be finalized.

Wager is also supposed to be the expert that is investigating the medical licensing issues. I instructed Martyn to call Wager immediately and find out if Brunsman can go into storage without jeopardizing his licensing. I told him I would like an answer on that today, but history tells me that their team has no sense of urgency.

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



Click [here](#) to report this email as spam.

EXHIBIT 27



Aldrich + Associates, Inc.
CONSTRUCTION SPECIALISTS

DATE: 4/25/13

MEMO

TO: John H. Brunzman, DPM, ps

FROM: Jonathan Fast

RE: Redmond Tenant Improvements

Dear John,
Mike and I spoke yesterday. He will provide plans and identify specific DOH requirements/certifications and compliance requirements for your new facility.

Upon receipt of this information I will assemble and provide you with a quote and time frame for us to provide a "Preliminary Budget" / "Rough Order of Magnitude" cost projection.

Thank you,

810 – 240th Street SE
Bothell, WA 98021-9397

Ph (425) 483-1313
Fax (425) 486-1018

www.aldrich-assoc.com
Lic No. AL-DR-IA*202RU

Predicable Results...
Every Time

EXHIBIT 28

16146 Cleveland Street
Redmond , WA 98052
425 885 7004
425 885 0515 FAX

**Foot Care
Associates**

Fax

To Rob Forenza

From: John H. Brunzman, DPM, ps

Fax: 425 643 2191

Pages: 2

Phone:

Date: 5 7 2013

Re:

cc:

Urgent

For Review

Please Comment

Please Reply

Please Recycle

Dear Rob

Here is the latest copy of the floor plan for the ASF. It is on track to be the nicest free standing independent facility around and compares well with the non profits.

It has not been shown to the city yet.

The builder and equipment supplier are now to work on it.

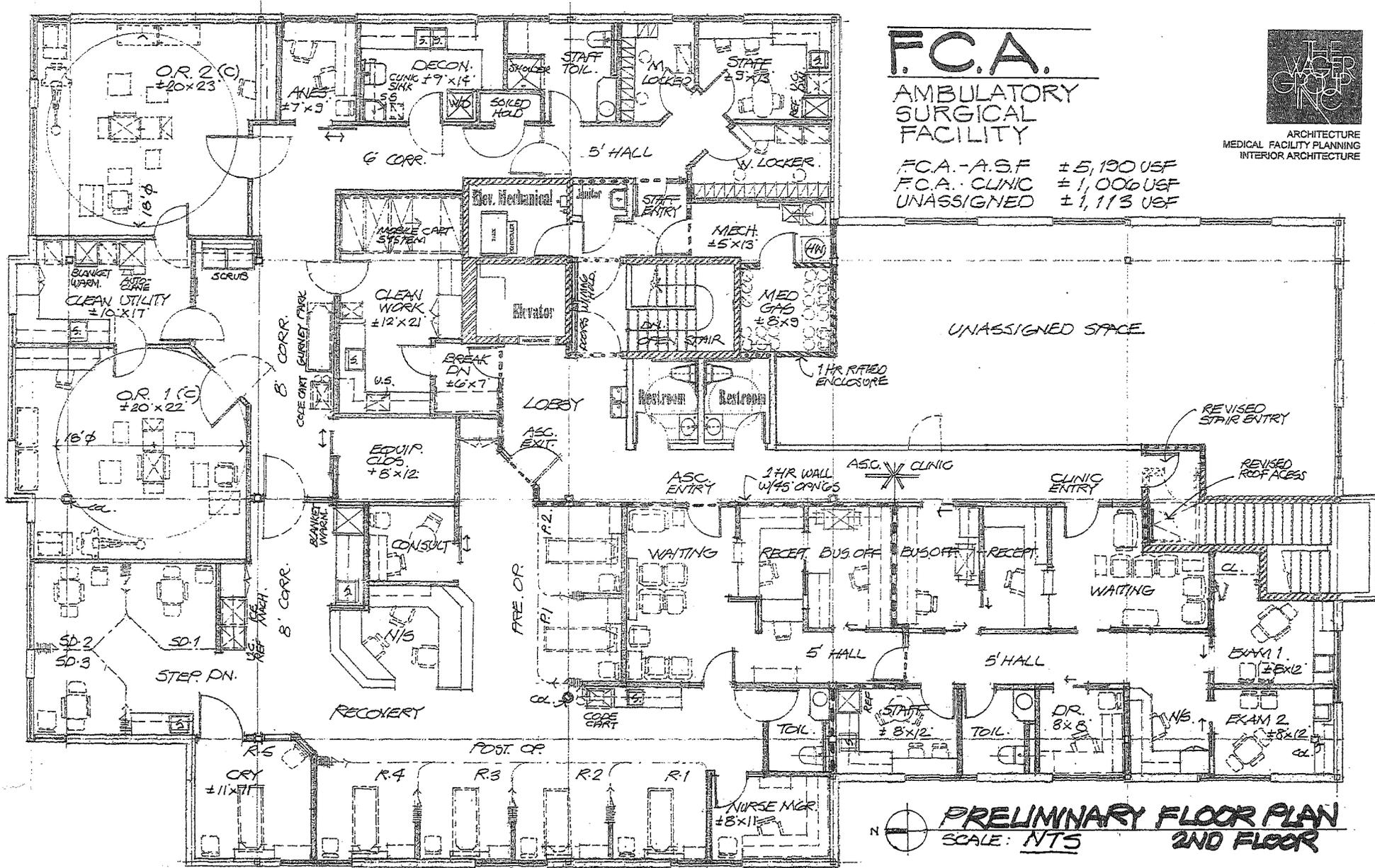
I have talked with a general surgeon who has an interest in joining in.

I have only you and steve as the professional business men

jhb

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If you have received this transmission in error, please notify us immediately by telephone and arrange for the return of this document. Thank you.



F.C.A.

AMBULATORY SURGICAL FACILITY

F.C.A. - A.S.F ± 5,190 USF
 F.C.A. - CLINIC ± 1,000 USF
 UNASSIGNED ± 1,113 USF



ARCHITECTURE
 MEDICAL FACILITY PLANNING
 INTERIOR ARCHITECTURE

PRELIMINARY FLOOR PLAN
 SCALE: NTS
2ND FLOOR

Re:

cc:

- Urgent
- For Review
- Please Comment
- Please Reply
- Please Recycle

Dear Rob

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ECM STANDARD OK 02 00:00:38 6432191 05/07 16:16	DATE, TIME FAX NO./NAME DURATION PAGE(S) RESULT MODE
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TIME : 05/07/2013 16:17
 NAME : FCA
 FAX : 6907945972
 TEL :
 SER.# : J7J526080

TRANSMISSION VERIFICATION REPORT

EXHIBIT 29

Todd W. Wyatt

From: Mason Darnall <mdarnall@REDMOND.GOV>
Sent: Friday, May 10, 2013 3:21 PM
To: Debby Wilson; Jean Rice
Subject: Brunsman - third letter rejecting attempted payment

May 10, 2013

John H. Brunsman DPM PS
11880 NE 36th PI
Bellevue, WA 98005

Re: check #67233539

The enclosed check was received in my office this morning. It is being returned to you as there is no formal agreement between the City of Redmond and John H. Brunsman DPM PS allowing the City of Redmond to accept the funds.

It appears you have an automated bill payer writing checks to the City of Redmond on a recurring basis. If so, please contact your bill payer service and ask them to suspend payments to the City of Redmond.

If you have any questions, please call Jean Rice at 425-556-2378 or Debby Wilson at 425-556-2715.

Sincerely yours,

Mason Darnall
Accountant-Associate

Enc.
cc: Jean Rice
Debby Wilson

Mason Darnall
City of Redmond
Planning Department
425-556-2145

EXHIBIT 30



JOB: F.C.A.
JOB #: 09-13

DRAWINGS DATED: NO DATE
DATE: 5/13/13
PREPARED BY: JF

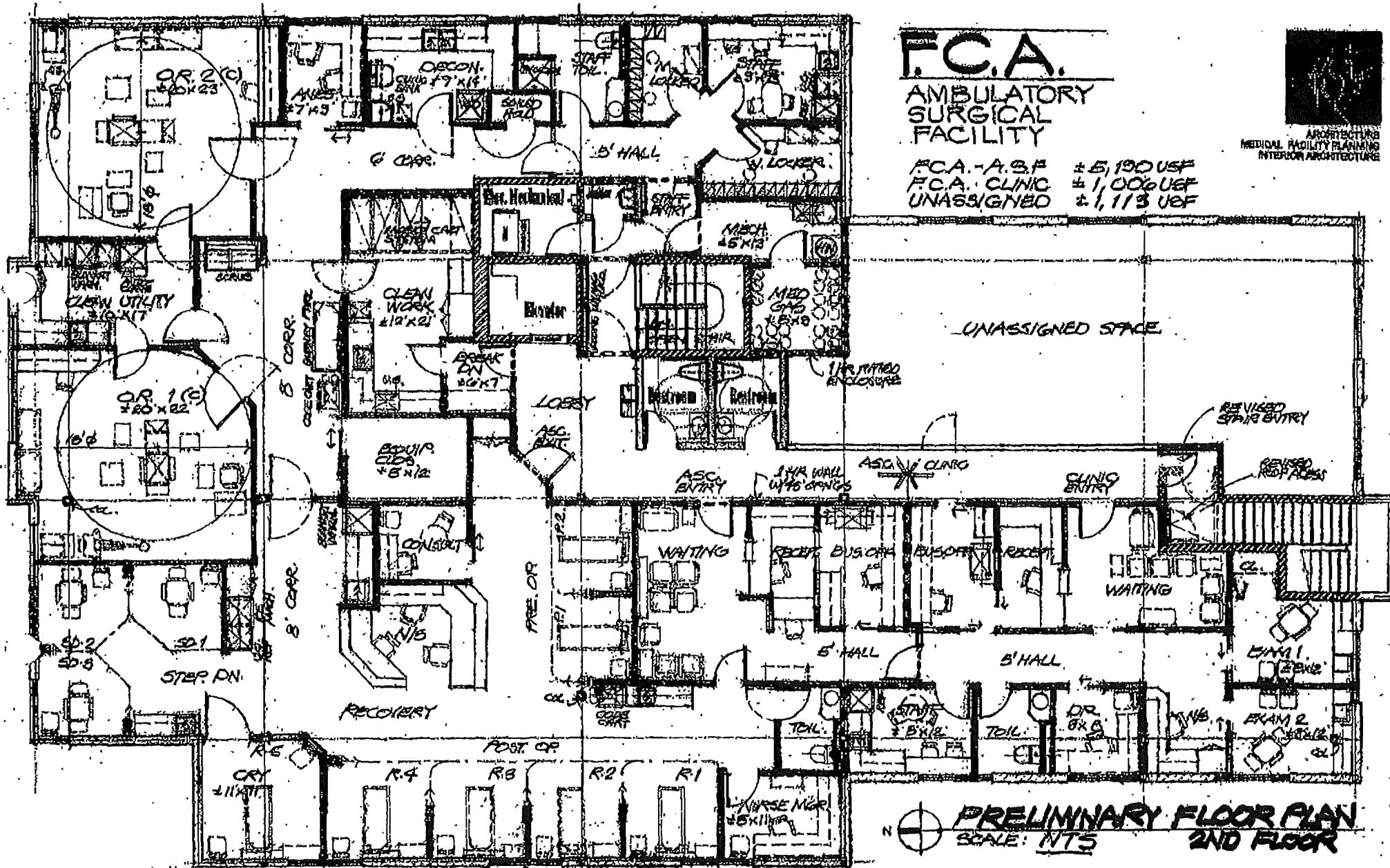
AREA (SF): 6,196

ROUGH ORDER OF MAGNITUDE COST PROJECTION

CSI DIVISION	DESCRIPTION	QTY	UNIT	LOW RANGE	LOW \$/S.F.	HIGH RANGE	HIGH \$/S.F.	COMMENTS
	A.S.C.	5,190	SF	1,232,625	198.94	1,492,125	240.82	ROUGH ORDER OF COST
	TENANT IMPROVEMENTS	1,006	SF	119,463	19.28	144,613	23.34	ROUGH ORDER OF COST
15000	MECHANICAL							
	MEDICAL GAS, VAC, O2	1	ALW	114,000	18.40	138,000	22.27	ROUGH ORDER OF COST
	VAV BOX/FILTRATION PREMIUMS	5,190	SF	49,305	7.96	59,685	9.63	ROUGH ORDER OF COST
16000	ELECTRICAL GENERATOR	1	LT	47,500	7.67	57,500	9.28	ROUGH ORDER OF COST
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	9,500	1.53	11,500	1.86	ROUGH ORDER OF COST
	NATURAL GAS PIPING	1	ALW	3,800	0.61	4,600	0.74	ROUGH ORDER OF COST
	ROOF PATCH / FLASHINGS	1	ALW	2,850	0.46	3,450	0.56	ROUGH ORDER OF COST
	SUBTOTAL			1,643,757	265.29	1,982,659	319.99	
	BLDRS. RISK RATE			BY OWNER		BY OWNER		BY OWNER
	P & P BOND			EXCLUDED		EXCLUDED		EXCLUDED
2.00%	MISC. INSUR. & TAXES			32,875	5.31	39,653	6.40	
	SUBTOTAL			1,676,632	270.60	2,022,312	326.39	
6.00%	FEE			100,598	16.24	121,339	19.58	
	BUDGET TOTAL			1,777,230	286.84	2,143,651	345.97	

EXCLUSIONS:

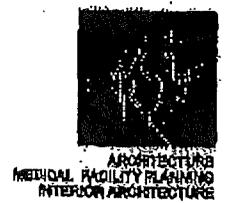
W.S.S.T., ARCHITECTURAL OR ENGINEERING SERVICES FEES, TESTING & / OR SPECIAL INSPECTIONS, BUILDER'S RISK INSURANCE, PERMITS, UTILITY COMPANY CHARGES OR ASSESSMENTS, PERFORMANCE & PAYMENT BONDS, WINDOW TREATMENTS, PHONE & DATA CABLING, FURNISHINGS, OWNER FURNISHED EQUIPMENT, VAPOR TRANSMISSIONS IN CONCRETE SLABS EXCEEDING MANUFACTURER'S MAXIMUMS FOR WARRANTY, AND OVERTIME WORK.



F.C.A.

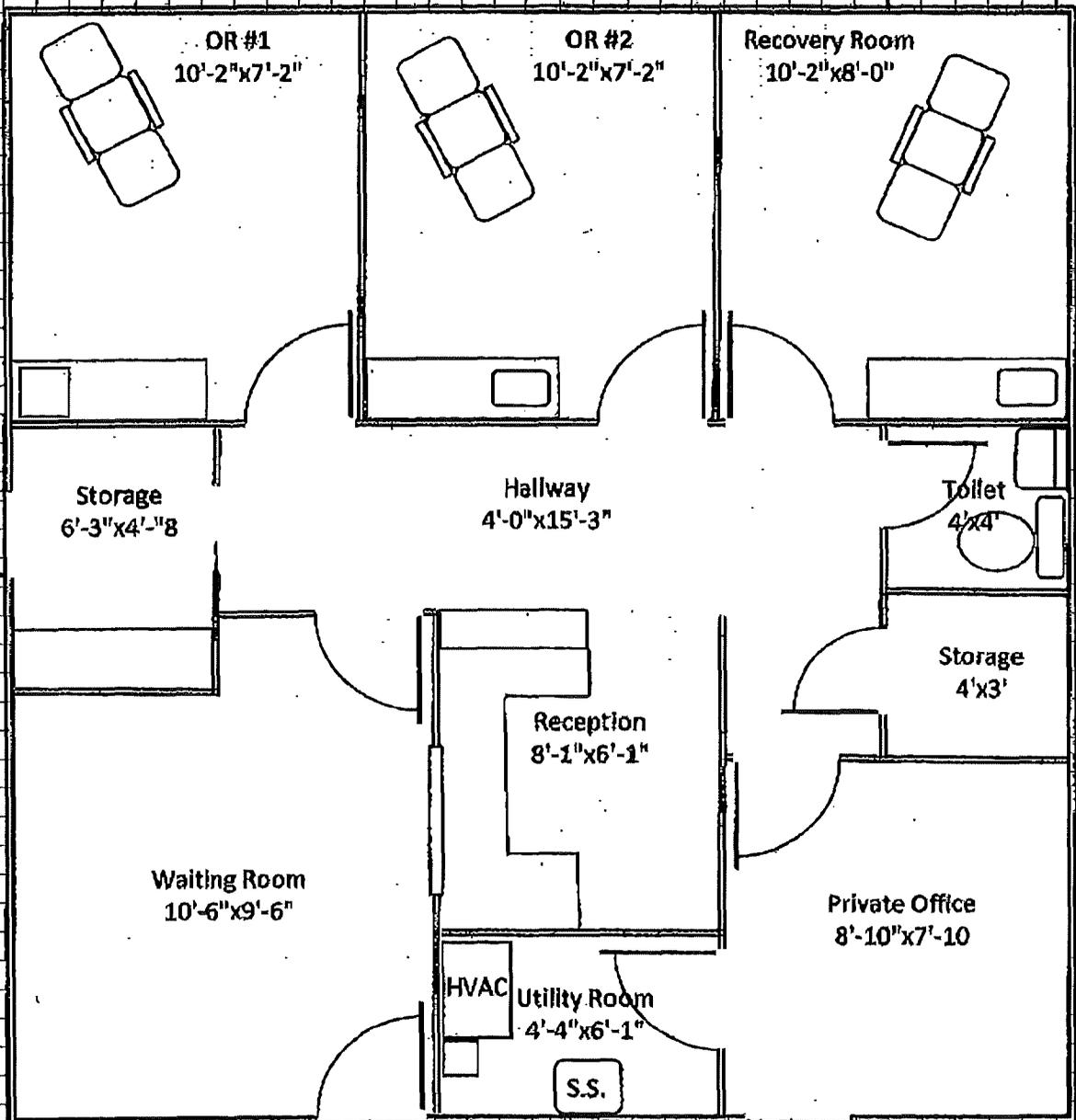
AMBULATORY SURGICAL FACILITY

F.C.A. - A.S.F. ± 5,100 USF
 F.C.A. CLINIC ± 1,000 USF
 UNASSIGNED ± 1,113 USF



UNASSIGNED SPACE

PRELIMINARY FLOOR PLAN
 SCALE: NTS
2ND FLOOR



Notes:
 Dimensions and locations are approximate.
 Drawing is for presentation purposes only,
 not for construction.



Project: City of Redmond
 Property: Dr. Bruneman
 Location: 16146 Cleveland St., Redmond, WA

Certified Ambulatory Surgical Centers
 Existing Layout
 Plan View

Drawn By: Martyn L. Daniel
 Date: 6/28/12 Rev 05/28/13
 Drawing: 1 Scale: NTS

Martyn Daniel LLC
 18027 100th Ave. NE
 Bothell, WA 98011
 425-898-6708



Evergreen Surgery Center, LLC
Balance Sheet
DECEMBER 2010

	<u>PRIOR MONTH</u>	<u>CURRENT MONTH</u>
ASSETS		
CURRENT ASSETS		
CASH & CASH EQUIVALENTS	\$ 1,730,559.57	\$ 1,981,108.39
ACCOUNTS RECEIVABLE	3,773,791.44	4,290,216.03
ALLOWANCE FOR DOUBTFUL ACCOUNT	(93,463.13)	(107,697.13)
ALLOWANCE FOR CONTRACTUAL ALLO	(1,891,502.00)	(2,189,356.00)
OTHER RECEIVABLES	(1,159.64)	(972.84)
INVENTORY	513,708.96	537,532.36
PREPAID EXPENSE	30,337.09	24,451.54
TOTAL CURRENT ASSETS	4,062,272.29	4,535,282.35
PROPERTY AND EQUIPMENT		
EQUIPMENT	1,877,909.86	1,877,909.86
EQUIP-CAPITAL LEASE	4,061,343.30	4,061,343.30
INSTRUMENTATION	230,285.79	236,670.76
COMPUTER EQUIPMENT	129,906.29	129,906.29
TENANT IMPROVEMENTS	95,496.89	95,496.89
ACCUMULATED DEPRECIATION	(5,517,096.83)	(5,542,196.83)
TOTAL PROPERTY & EQUIPMENT	877,845.30	859,130.27
OTHER ASSETS		
GOODWILL	4,334,090.01	4,334,090.01
TOTAL OTHER ASSETS	4,334,090.01	4,334,090.01
TOTAL ASSETS	\$ 9,274,207.60	\$ 9,728,502.63
LIABILITIES AND CAPITAL		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 367,984.97	\$ 410,752.99
ACCRUED PAYABLES	13,000.00	24,000.00
ACCRUED PAYROLL	45,528.08	115,535.38
ACCRUED VACATION PAYABLE	223,657.57	237,481.91
CURRENT PORTION-TERM NOTES	409,915.98	359,544.39
TOTAL CURRENT LIABILITIES	1,060,086.60	1,147,314.67
LONG-TERM LIABILITIES		
LT DEBT-NET OF CURRENT PORTION	0.00	0.00
TOTAL LONG-TERM LIABILITIES	0.00	0.00
TOTAL LIABILITIES	1,060,086.60	1,147,314.67
EQUITY		
PRIOR YEAR EQUITY	2,779,518.79	2,779,518.79
CURRENT YEAR EARNINGS	2,363,511.65	2,730,578.61
PARTNERSHIP DISTRIBUTIONS	(1,987,112.35)	(1,987,112.35)
CAPITAL CONTRIBUTIONS	5,058,202.91	5,058,202.91
TOTAL EQUITY	8,214,121.00	8,581,187.96
TOTAL LIABILITIES AND EQUITY	\$ 9,274,207.60	\$ 9,728,502.63

Evergreen Surgery Center LLC
STATEMENT OF CASH FLOW

	<u>DECEMBER 2011</u>	<u>YEAR TO DATE</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess Revenues (Expenses) to Date	\$ 369,581	\$ 2,585,134
Adjustments to reconcile Net Revenues	\$ -	\$ -
Losses (Gains) on sale of Fixed assets	\$ -	\$ -
Depreciation and Amortization	\$ 31,789	\$ 247,039
Adjustments to allowance on A/R	\$ (10,581)	\$ 471
Adjustments to allowance on contractual adjustments	\$ 258,317	\$ 171,238
Decrease (increase) in Inventory	\$ -	\$ -
Decrease (increase) in account receivable	\$ (509,597)	\$ (185,242)
Decrease (increase) in prepaid expenses	\$ 4,811	\$ 23,673
Increase (decrease) in account payable	\$ (171,405)	\$ (146,238)
	<hr/>	<hr/>
Net Cash Provided By (used in)		
Operating Activities	\$ (27,085)	\$ 2,696,076
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	\$ -	\$ (124,303)
Loan Fee	\$ -	\$ -
Purchases of Other Assets	\$ -	\$ -
Proceeds from Sale of Fixed Assets	\$ -	\$ -
	<hr/>	<hr/>
Net Cash Provided By (used in)		
Investing Activities	\$ -	\$ (124,303)
CASH FLOWS FROM FINANCING ACTIVITIES		
Note Payable Borrowings	\$ -	\$ -
Notes Payable Repayments	\$ -	\$ (359,544)
Partners' Draws	\$ -	\$ (2,347,453)
Partners' Contributions	\$ 35,320	\$ 218,820
	<hr/>	<hr/>
Net Cash Provided By (used in)		
Financing Activities	\$ 35,320	\$ (2,488,177)
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	\$ 8,235	\$ 83,596
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF THE PERIOD	\$ 2,056,469	\$ 1,981,108
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END		
OF THE PERIOD	<u>2,064,704</u>	<u>2,064,704</u>

Evergreen Surgery Center, LLC
Income Statement
For the Ten Months Ending October 31, 2012

10/1-10/14/12	10/15-10/24/12	Current Month		Year to Date Actual
Revenues				
375,278.00	275,446.60	\$ 650,724.60	MEDICARE	\$ 7,354,315.85
17,737.00	-	0.00	Medicare HMO	0.00
57,000.60	9,800.00	27,537.00	Medicaid	460,474.00
584.00	34,259.00	91,259.60	Labor & Industries	1,151,136.60
460,222.25	10,184.00	10,768.00	Champus	131,838.89
134,514.00	312,963.00	773,185.25	Premera Blue Cross	8,840,901.02
133,996.00	102,956.00	237,470.00	Commercial/Contracted	2,949,955.26
96,497.00	74,601.47	213,597.47	First Choice	2,667,500.59
397,718.00	188,212.71	174,169.00	Aetna	1,690,059.86
6,505.00	2,835.00	585,930.71	Regence	6,009,279.79
676.36	-	9,340.00	Self Pay	146,026.22
		676.36	Other Revenue	676.36
1,685,728.21	1,088,929.78	2,774,657.99	Total Revenues	31,402,164.44
Contractual Allowances				
(314,212.51)	(358,332.66)	(672,545.17)	Medicare C/A	(5,704,952.60)
(22,408.19)	(15,543.99)	0.00	Medicare Interest	0.00
(60,074.84)	(60,246.06)	(37,952.18)	Medicaid C/A	(442,984.23)
(4.81)	(24,143.22)	(120,320.90)	Labor & Industries C/A	(664,901.86)
(297,851.00)	(337,533.12)	(24,148.03)	Champus C/A	(102,824.70)
(66,877.97)	(42,853.19)	(635,384.12)	Premera Blue Cross C/A	(5,804,086.02)
(26,772.87)	(48,975.80)	(109,731.16)	Commercial/Contract Ins C/A	(1,111,046.59)
(13,410.00)	(61,570.00)	(75,748.67)	First Choice C/A	(799,047.46)
(251,603.28)	(260,883.60)	(74,980.00)	Aetna C/A	(819,085.02)
		(512,486.88)	Regence C/A	(4,445,391.81)
(1,053,215.47)	(1,210,081.64)	(2,263,297.11)	Total Contractual Allowan	(19,894,320.29)
Other Deductions from Revenue				
2204.72	0.00	(2,204.72)	Charity Care Write Off	(25,719.98)
0	0.00	0.00	Administrative Adjustment	(31,421.04)
3.1	(0.52)	2.58	Small Balance W/O	(2.96)
2201.62	(0.52)	(2,202.14)	Total Other Deductions	(57,143.98)
630,311.72	(121,152.38)	509,158.74	Net Revenue	11,450,700.17
Salaries				
23,515.60	0.00	23,515.60	Management Productive	399,483.57
(1,383.60)	0.00	(1,383.60)	Management Non-Productive	48,532.52
0.00	0.00	0.00	Management-Bonus	0.00
46,610.12	0.00	46,610.12	Technicians-Productive	787,826.87
3,558.35	0.00	3,558.35	Technicians-Nonproductive	142,918.85
1,834.63	0.00	1,834.63	Technicians-Other	32,977.87
81,005.88	0.00	81,005.88	RN's Productive	1,453,700.36

Evergreen Surgery Center, LLC
Income Statement
For the Ten Months Ending October 31, 2012

10/1-10/14/12	10/15-10/24/12	Current Month		Year to Date Actual
12,708.19	0.00	12,708.19	RN's Non-Productive	248,866.87
9,133.82	0.00	9,133.82	RN's - Other	69,621.35
25,228.14	0.00	25,228.14	Other Personnel-Productive	397,333.81
2,326.01	0.00	2,326.01	Other Personnel-Non Product	55,850.63
6,515.80	0.00	6,515.80	Personnel- Other	24,438.88
211,052.94	0.00	211,052.94	Total Salaries	3,661,551.58
			Benefits	
151,118.53	0.00	151,118.53	Employee Benefits	1,156,527.02
362,171.47	0.00	362,171.47	Total Salaries & Benefits	4,818,078.60
			Professional Fees	
1,368.50	0.00	1,368.50	Consulting	31,372.98
0.00	0.00	0.00	Accounting Fees	25,634.25
2,095.50	0.00	2,095.50	Legal Services	20,830.30
2,033.00	0.00	2,033.00	Collection Agency Fees	33,976.94
3,674.45	0.00	3,674.45	Computer Support	51,343.87
0.00	0.00	0.00	Medical Director Fees	0.00
9,171.45	0.00	9,171.45	Total Professional Fees	163,158.34
			Supplies	
24,890.73	0.00	24,890.73	Prosthesis/Implants	669,225.36
35,613.97	0.00	35,613.97	Surgical Supplies	937,545.48
705.76	0.00	705.76	Surgical Packs	67,214.93
791.88	0.00	791.88	Medical Gases	10,156.28
(42.28)	0.00	(42.28)	IV Solutions	14,526.98
0.00	0.00	0.00	IV Supplies	0.00
(830.28)	0.00	(830.28)	Sutures	22,505.19
15,603.54	0.00	15,603.54	Pharmaceuticals	267,914.35
1,738.15	0.00	1,738.15	Radiology Supplies	14,745.71
5,263.89	0.00	5,263.89	Other Medical Supplies	146,445.05
0.00	0.00	0.00	Chemistry & Lab	0.00
1,161.68	0.00	1,161.68	Food	37,127.60
105.38	0.00	105.38	Cleaning & Sterile	1,981.57
973.63	0.00	973.63	Office/Administrative Suppli	16,479.60
65.09	0.00	65.09	Printed Forms	11,405.80
0.00	0.00	0.00	Computer Supplies	196.20
7,014.72	0.00	7,014.72	Minor Equip-Instruments	65,678.42
0.00	0.00	0.00	Other Minor Equipment	470.00
47.99	0.00	47.99	Minor Equip-Computer Harc	9,625.14
44.79	0.00	44.79	Supplies-Other Non-Medical	957.53
325.02	0.00	325.02	Reference Books	630.11
0.00	0.00	0.00	Education material-Safety	0.00
0.00	0.00	0.00	Maintenance Parts	5,062.24
93,473.66	0.00	93,473.66	Total Supplies	2,299,893.54

Evergreen Surgery Center, LLC
Income Statement
For the Ten Months Ending October 31, 2012

10/1-10/14/12	10/15-10/24/12	Current Month	Year to Date Actual
Purchased Services			
37.50	0.00	37.50 Utilities-Disposal Service	812.50
647.24	0.00	647.24 Telephone	24,797.53
0.00	0.00	0.00 Pagers	0.00
(3,727.20)	0.00	(3,727.20) Repair & Maintenance	36,011.65
0.00	0.00	0.00 Reprocessed supplies	0.00
3,896.67	0.00	3,896.67 Housekeeping Fees	38,966.70
1,167.36	0.00	1,167.36 Maintenance Contracts	20,747.35
5,535.81	0.00	5,535.81 Human Resources Service	108,493.06
0.00	0.00	0.00 Computer Repair & Mainten	0.00
762.84	0.00	762.84 Other Purchased Services	102,001.12
0.00	0.00	0.00 Development Costs	0.00
0.00	0.00	0.00 Transcription	55,520.65
0.00	0.00	0.00 Interpreters	5,331.97
0.00	0.00	0.00 Payor Contracting Services	0.00
2,397.00	0.00	2,397.00 Credentialing Service	10,483.00
0.00	0.00	0.00 Marketing	3,699.00
0.00	0.00	0.00 Charitable Contributions	18,500.00
0.00	0.00	0.00 Laundry & Linen/Sterile	77,336.48
0.00	0.00	0.00 Courier	0.00
0.00	0.00	0.00 Taxi	210.25
352.88	0.00	352.88 Postage/UPS/FEDEX	6,874.27
226.22	0.00	226.22 Freight	12,846.44
11,296.32	0.00	11,296.32 Total Purchased Services	522,631.97
Other Operating Expenses			
66,194.81	0.00	66,194.81 Rental- Building	1,416,950.71
8,296.30	0.00	8,296.30 Lease/Rental- Equipment	120,190.29
5,663.36	0.00	5,663.36 Insurance-Prof/Gen Liability	53,093.68
2,601.73	0.00	2,601.73 Insurance-Commercial	25,209.80
10.00	0.00	10.00 Licenses-Business/Program	18,706.00
19,008.24	0.00	19,008.24 TAX-State of Wash-Revenue	236,634.27
939.88	0.00	939.88 Sales Tax	95,189.36
16,361.07	0.00	16,361.07 Personal Property Tax	33,118.88
8,900.00	0.00	8,900.00 Depreciation- Equipment & .	166,300.00
0.00	0.00	0.00 Depreciation-TI	0.00
0.00	0.00	0.00 Amortization of Intagibles	0.00
0.00	0.00	0.00 Memberships	3,615.00
0.00	0.00	0.00 Suscriptions	671.86
0.00	0.00	0.00 Local Mileage & Parking	82.77
0.00	0.00	0.00 Travel Expense	750.00
805.00	0.00	805.00 Education/Registrations	10,672.00
0.00	0.00	0.00 CME Expense	0.00
0.00	0.00	0.00 Recruiting/Relocations	0.00
9,743.47	0.00	9,743.47 Employee Relations	13,136.55
0.00	0.00	0.00 Other Miscellaneous Expen:	0.00
0.00	3,077.98	3,077.98 Credit Card Fees	34,125.90
0.00	361.49	361.49 Banks Fees	3,643.98

Evergreen Surgery Center, LLC
 Income Statement
 For the Ten Months Ending October 31, 2012

10/1-10/14/12	10/15-10/24/12	Current Month		Year to Date Actual
138,523.86	3,439.47	141,963.33	Total Other Operating Exp	2,232,091.05
			Provision for Bad Debt	
(16,064.82)	12,931.01	(3,133.81)	Provision for Bad Debts	93,375.96
(16,064.82)	12,931.01	(3,133.81)	Total Provision for Bad De	93,375.96
31,739.18	(137,522.86)	(105,783.68)	Total Operating Income	1,321,470.71
			Other Revenue (Expenses)	
	267.31	267.31	Interest Income	3,842.23
	-	-	Gain on Sale of Asset	0.00
591.67	41.13	632.80	Medical Record Fees	9,587.15
200.00	-	200.00	Credentialing Support	5,450.00
	-	-	Loss on Disposal of Assets	0.00
	-	-	Interest Expense	(822.00)
\$ 32,530.85	(\$ 137,214.42)	(\$ 104,683.57)	Net Income	\$ 1,339,528.09
56.56%				
\$ 18,400.07				

EXHIBIT 31

→ not delivered 5/29/13



May 24, 2013

Dr. John Brunsman
16146 NE Cleveland Street
Redmond, WA 98052

RE: Redmond's Downtown Central Park
16146 NE Cleveland Street

Dear Dr. Brunsman:

Demolition activities of 16146 NE Cleveland Street and surrounding properties is scheduled to commence in June 2013. Activities prior to actual demolition will include limiting access to the area with fences or barriers, mitigation of hazardous building materials and terminating utility services. On June 13, 2013 a contractor walk through of all City owned buildings that will be demolished for the park property will occur.

Several phone, mail and e-mail messages have been forwarded to you or Martyn Daniels advising of the requirement to vacate 16146 Cleveland Street, as well as requesting a status of progress on relocating. Attempts have been made to schedule meetings with you by calling and visiting your office.

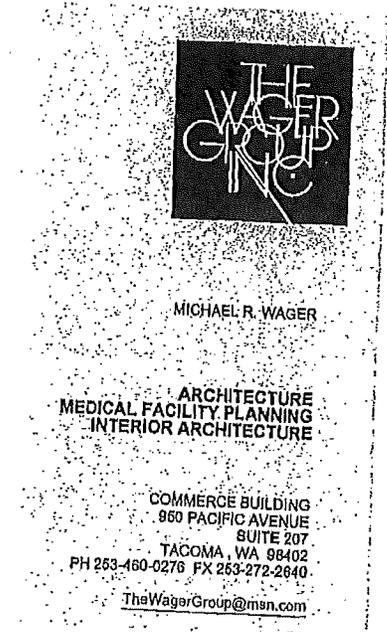
If notice is not received from you by June 1, 2013 that occupancy of 16146 Cleveland will be occurring on or prior to June 5, 2013 the City is left with no other alternative than to proceed with a formal eviction process.

Sincerely,

Debby Wilson
Real Property Manager
425-556-2715

c: S. Reinhart

EXHIBIT 32



5/29/13 mtg.

Dr. Brunsman
Martyn Daniel
Debra Wilson
Jonathan Fast
Michael Wager

See attached
handouts

	Blood glucose monitor	1	\$90	✓	\$90	
	Waste receptacle, UL rated, small	8	\$40	✓	\$320	
	Wall clocks	3	\$25	✓	\$75	
	Sm mayo stand	2	\$100	✓	\$200	
	EKG Machine	1	\$2,300	✓	\$2,300	
	Overbed tables	3	\$108	✓	\$324	
	Slide Chairs	8	\$169	✓	\$1,352	
	Scale	1	\$350	✓	\$350	
	Ice Machine	1	\$720	✓	\$720	
	O2 flow meters	8	\$100	✓	\$800	
	Suction regulators	8	\$260	✓	\$2,080	
	Total				\$61,088	\$81,868
Anesthesia Station	Task chair w/o arms	2	\$180	✓	\$360	
	Total				\$360	\$360
Nurse's Station	Printer	1	\$500	✓	\$500	
	Keyboard trays	3	\$200	✓	\$600	
	Task Chair w/o arms	3	\$180	✓	\$540	
	Narc lock box	1	\$210	✓	\$210	
	Total				\$1,850	\$1,850
OR	Kick bucket w/ roll-around stand	2	\$150	✓	\$300	
	Step stool, non-skid, 18 x 12" x 5	2	\$133	✓	\$266	
	Nurse's stool, rolling, vinyl 5-star base w back	2	\$180	✓	\$360	
	Anesthesia task chair tall w arms vinyl	2	\$180	✓	\$360	
	Stools: tech	2	\$480	✓	\$960	
	Wall clock, large, 14"	3	\$40	✓	\$120	
	Viewbox	1	\$291	✓	\$291	
	OR Tables	2	\$5,049	✓	\$10,098	
	OR Light Set: Ceiling Mount	2	\$1,862	✓	\$3,724	
	Mobile inst cart with wrk station	2	\$1,418	✓	\$2,836	
	Arthroscopy Sets	2	\$10,449	✓	\$20,898	
	OR Instrument sets	2	\$10,000	✓	\$20,000	
	25 Watt power supply	2	\$176	✓	\$352	
	Nomad Pro Complete Mini C-Arm X-RAY	1	\$5,996	✓	\$5,996	
	CDR Elite Size 1 Sensor	1	\$4,995	✓	\$4,995	
	CDR Elite Size 0 Sensor	1	\$3,995	✓	\$3,995	
	CDR Elite Remote Module	1	\$4,775	✓	\$4,775	
	Round garbage cans	2	\$65	✓	\$130	
	Hamper	2	\$129	✓	\$257	
	CD Stereo Systems	2	\$110	✓	\$220	
	X-ray Aprons & rack	2	\$400	✓	\$800	
	Total				\$81,725	\$81,725
Decontamination	Ultrasonic Cleaner	1	\$2,400	✓	\$2,400	
	Waste receptacle, UL rated, large, swing top	1	\$50	✓	\$50	
	Stacking washer and dryer	1	\$1,200	✓	\$1,200	
	Instrument Cleaning supplies	1	\$100	✓	\$100	
	Utility cart, two shelves (Rubbermaid)	1	\$523	✓	\$523	
	Total				\$4,273	\$4,273
Clean Work	Lakeside carts	2	\$465	✓	\$930	
	Waste receptacle, swing-top, large, UL rated (Rubbermaid)	1	\$50	✓	\$50	
	Wire shelving units	6	\$300	✓	\$1,800	
	Total				\$2,780	\$2,780
Clean Utility	Autoclave(s)	1	\$40,241	✓	\$40,241	
	Blanket warmers	1	\$4,650	✓	\$4,650	
	Total				\$44,891	\$44,891
Equipment:	Electronic Records Software	0	\$90,000			
Other	Advantix, etc	1	\$30,000	✓	\$30,000	
	Computer & Networking	10	\$2,200	✓	\$22,000	
	Phone System	16	\$1,000	✓	\$16,000	
	Facility Alarm System	1	\$880	✓	\$880	
	Expeditor Nurse call system	1	\$12,455	✓	\$12,455	
	Total				\$81,335	\$81,335
GRAND TOTALS	Total				\$294,488	\$294,488
	Contingency (incl shipping/install)		10.00%		\$29,449	\$29,449
	WA State Sales Tax		9.60%		\$27,978	\$27,978
	Grand Total				\$351,915	\$351,915

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58,400

44,890

33,835

177,500
 17,750
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 213,798



JOB: F.C.A.
JOB #: 09-13

DRAWINGS DATED: NO DATE
DATE: 5/13/13
PREPARED BY: JF
AREA (SF): 8,196

ROUGH ORDER OF MAGNITUDE COST PROJECTION

CSI DIVISION	DESCRIPTION	QTY	UNIT	LOW RANGE	LOW \$/S.F.	HIGH RANGE	HIGH \$/S.F.	COMMENTS
	A.S.C.	5,190	SF	1,232,825	198.94	1,492,125	240.82	ROUGH ORDER OF COST
	TENANT IMPROVEMENTS	1,006	SF	119,483	19.28	144,813	23.34	ROUGH ORDER OF COST
15000	MECHANICAL							
	MEDICAL GAS, VAC, O2	1	ALW	114,000	18.40	138,000	22.27	ROUGH ORDER OF COST
	VAV BOX/FILTRATION PREMIUMS	6,190	SF	49,305	7.96	59,685	8.63	ROUGH ORDER OF COST
16000	ELECTRICAL GENERATOR	1	LT	47,500	7.87	57,500	9.20	ROUGH ORDER OF COST
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	9,500	1.53	11,500	1.88	ROUGH ORDER OF COST
	NATURAL GAS PIPING	1	ALW	3,800	0.81	4,800	0.74	ROUGH ORDER OF COST
	ROOF PATCH / FLASHINGS	1	ALW	2,850	0.46	3,450	0.56	ROUGH ORDER OF COST
	SUBTOTAL			1,643,767	265.29	1,982,859	319.99	
	BLDRS. RISK RATE			BY OWNER EXCLUDED		BY OWNER EXCLUDED		BY OWNER EXCLUDED
	P & P BOND							
2.00%	MISC. INSUR. & TAXES			32,875	5.31	39,653	6.40	
	SUBTOTAL			1,676,642	270.60	2,022,512	326.39	
6.00%	FEE			100,598	18.24	121,339	19.58	
	BUDGET TOTAL			1,777,230	288.84	2,143,851	345.97	

EXCLUSIONS:

W.S.S.T., ARCHITECTURAL OR ENGINEERING SERVICES FEES, TESTING & / OR SPECIAL INSPECTIONS, BUILDER'S RISK INSURANCE, PERMITS, UTILITY COMPANY CHARGES OR ASSESSMENTS, PERFORMANCE & PAYMENT BONDS, WINDOW TREATMENTS, PHONE & DATA CABLING, FURNISHINGS, OWNER FURNISHED EQUIPMENT, VAPOR TRANSMISSIONS IN CONCRETE SLABS EXCEEDING MANUFACTURER'S MAXIMUMS FOR WARRANTY, AND OVERTIME WORK.



JOB: F.C.A.
JOB #: 09-13

DRAWNGS DATED: NO DATE
DATE: 5/13/13
PREPARED BY: JF

ROUGH ORDER OF MAGNITUDE COST PROJECTION

AREA (SF): 6,196

CSI DIVISION	DESCRIPTION	QTY	UNIT	LOW RANGE	LOW \$/S.F.	HIGH RANGE	HIGH \$/S.F.	COMMENTS
	A.S.C.	5,190	SF	1,232,625	198.94	1,492,125	240.82	ROUGH ORDER OF COST
	TENANT IMPROVEMENTS	1,006	SF	118,463	19.20	144,613	23.34	ROUGH ORDER OF COST
15000	MECHANICAL							
	MEDICAL GAS, VAC, O2	1	ALW	114,000	18.40	138,000	22.27	ROUGH ORDER OF COST
	VAV BOX/FILTRATION PREMIUMS	6,190	SF	49,305	7.96	59,665	9.63	ROUGH ORDER OF COST
16000	ELECTRICAL GENERATOR	1	LT	47,500	7.67	57,500	9.28	ROUGH ORDER OF COST
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	9,500	1.53	11,500	1.86	ROUGH ORDER OF COST
	NATURAL GAS PIPING	1	ALW	3,800	0.61	4,600	0.74	ROUGH ORDER OF COST
	ROOF PATCH / FLASHINGS	1	ALW	2,850	0.46	3,450	0.56	ROUGH ORDER OF COST
	SUBTOTAL			1,843,757	265.29	1,992,659	319.99	
	BDRS. RISK RATE			BY OWNER EXCLUDED		BY OWNER EXCLUDED		BY OWNER EXCLUDED
	P & P BOND			32,875	5.31	39,653	6.40	
2.00%	MISC. INSUR. & TAXES			1,676,632	270.60	2,022,312	328.39	
	SUBTOTAL			100,588	16.24	121,339	19.58	
6.00%	FEE			1,777,230	286.84	2,143,681	345.97	
	BUDGET TOTAL							

EXCLUSIONS:

W.S.T., ARCHITECTURAL OR ENGINEERING SERVICES FEES, TESTING & / OR SPECIAL INSPECTIONS, BUILDER'S RISK INSURANCE, PERMITS, UTILITY COMPANY CHARGES OR ASSESSMENTS, PERFORMANCE & PAYMENT BONDS, WINDOW TREATMENTS, PHONE & DATA CABLING, FURNISHINGS, OWNER FURNISHED EQUIPMENT, VAPOR TRANSMISSIONS IN CONCRETE SLABS EXCEEDING MANUFACTURER'S MAXIMUMS FOR WARRANTY, AND OVERTIME WORK.

Dr. John H. Brunzman, DPM

Redmond Foot Care Associates ASC, and, F.C.A. Ambulatory Surgical Center

16146 Cleveland Street

Redmond, WA 98052

5/28/2013

Summary Facility Comparison

Comparison is based on 2006 guidelines for design and construction standards of Health Care facilities as adopted by the State of Washington Health Services

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
1	3.7	Waiting & reception room - (1) for Ambulatory Surgical Facility (ASC), and (1) for Clinic - (2) required	(1) Shared between ASC and Clinic - Inventory - Waiting Room (4) chairs, refrigerator, table, wall hangings, display lighting. Reception - Computer, fax/copier, phone, desk, patient file cabinets, business file cabinets.	Must separate waiting & reception rooms to create (2) separate waiting/reception rooms
2	2.2	Exam Rooms	(2) Exam rooms shared with operating rooms - Inventory - see OR inventory	Must separate exam rooms from operating room
3	2.3.1.3	(2) operating rooms - Type "C" with minimum 18' clear, 200 sf	(2) operating rooms 70 sf - Inventory - (2) operating table/chairs, (2) medical gas carts & gas, (1) battery back-up, (several) surgical equipment, (1) autoclave, (2) lower counter storage units, (2) overhead storage units. (several) surgery lights	Must increase size to minimum required size and clearances
4	2.7.1	Support area for patients - Changing, lockers, toilet, clothing, and gowning	Shared with existing OR and Recovery, shared toilet - Inventory - dedicated wall hangers and cabinets for clothing, balance of inventory is part of OR, Recovery, and Toilet rooms.	Add separate support area for patients

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
5	2.4.1	Phase I Post-anesthesia Recovery rooms (1) per operating room w/ hand wash station - min. 80sf	(1) dedicated w/hand wash - 70 sf Inventory - (1) recovery chair, x-ray reader, hand-wash sink, storage cabinets	Provide (2) dedicated recovery bays with hand wash and 80 sf minimum with required clearances
6	2.4.1.1 (2)	Recovery Support - Nurse/utility control station is required	Provided in existing recovery room - Inventory - (1) needle disposal unit, monitoring equipment, balance of inventory shared with recovery room and OR.	Arrange recovery bays and nurses station to provide full-time observation
7	2.4.2.5	Patient Toilet (1) per clinic, (1) per ASC	(1) shared toilet	Provide (2) separate toilets
8	2.4.2.2	Phase II Recovery (Stepdown) - Minimum 50 sf. - (1) required per OR	(2) Shared with Phase I Recovery - Inventory - Shared with Recovery room.	Separate Phase II recovery bays meeting 50 sf minimum with required clearances.
9	2.5.1	Control Station - (1) for two OR's	Contained in existing recovery area - Inventory - Shared with Recovery room	Arrange recovery bays and nurses station to provide full-time observation from one or more control stations as required
10	2.5.3	Drug Distribution Station w/ storage, refrigeration	Existing cabinets - Inventory - Dedicated cabinet in Recovery room	Provide dedicated station per 2.5.3
11	2.5.4	Soiled Work Room w/clinical sink, work counter, hand-washing sink, waste receptacle	Shared with existing restroom and OR - Inventory - shared	Provide separate dedicated soiled work room meeting requirements
12	2.5.5	Sterilizing Facilities	Shared with OR - Inventory - Autoclave in OR, sink in Recovery room	Provide in separate clean room to meet requirements
13	2.5.6	Fluid Waste Disposal Facilities	Shared with existing toilet - Inventory - shared	Provide as part of soiled work room per 2.5.4

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
14	2.5.7	Equipment and Supply Storage - provide for cleaning, testing, and storing anesthesia equipment	Shared with various rooms - Inventory - shared cabinets	Provide dedicated equipment and supply storage
15	2.5.7.2	Medical Gas Storage	Medical gas tanks on carts in OR's - Inventory - (2) Medical gas carts, (2) sets of connected bottles, spare bottles	Provide dedicated level I medical gas distribution room meeting 2.5.7.2
16	2.5.8	Janitor Closet/House Keeping Room (except service sink for surgery suite)	Shared with clinic utility room - Inventory - shared	Provide separate dedicated house keeping for ASC
17	3.1.2.2	Clean assembly/workroom - w/hand-wash, sterilizing, work tables, storage	Shared with OR's - Inventory - Shared inventory	Provide separate dedicated clean assembly/work room/hand-wash per required 3.1.2.2
18	4.2.1	Interview Space - for private interviews related to admission	Shared with OR's and recovery room - Inventory - shared seating with recovery and OR's, shared x-ray reader	Provide dedicated interview room
19	4.2.2	Offices - separate from public and patient areas	(1) for doctor, shared spaces between Clinic and ASC - Computer, phone, fax/copy, desk, file cabinets, file shelves, microwave, coffee maker	Provide space for doctor and admin for both the of Clinic and ASC. Per Medicare ASC must be separate from clinic.
20	7.3.3.1	Emergency Generator - for life safety and critical care	Existing battery back-up - Inventory - Battery back-up system	Provide per DOH type I emergency system (generator)

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
21	7.2.5, 7.2.6	Heating and Ventilation System - Provide pressure differential between clean and soiled spaces and filtration	Standard office HVAC system - Inventory - HVAC, filtration system	Provide HVAC system capable of maintaining heat and pressure differential between soiled and clean areas. Filtration to clean exhaust from soiled areas.

EXHIBIT 33

Monday, June 03, 2013

John H. Brunzman DPM PS

16146 Cleveland Street

Redmond, WA 98052

Fax from 425 885 0515

To Martin Daniel LLC

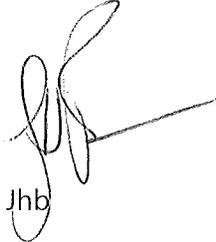
Fax to 425 398 5709

Martin

Thanks for the meeting. I am not sure what to make of the missing Redmond representative, Steven Reinhardt. Have you heard?

I am searching for places to move to and am sending the recent one from Doctors Plaza which you already have.. I have a couple more coming soon. I need to be aware that likely none of these will match the DOH requirements for surgical facility. But can be more affordable as just a interim office until the Tenant improvements are finished. But there will be a further revenue reduction that hopefully ~~we~~ Redmond will help with. A professional accountant may be able to tally the loss of business from the interim move.

Will fax the new properties as I get them.



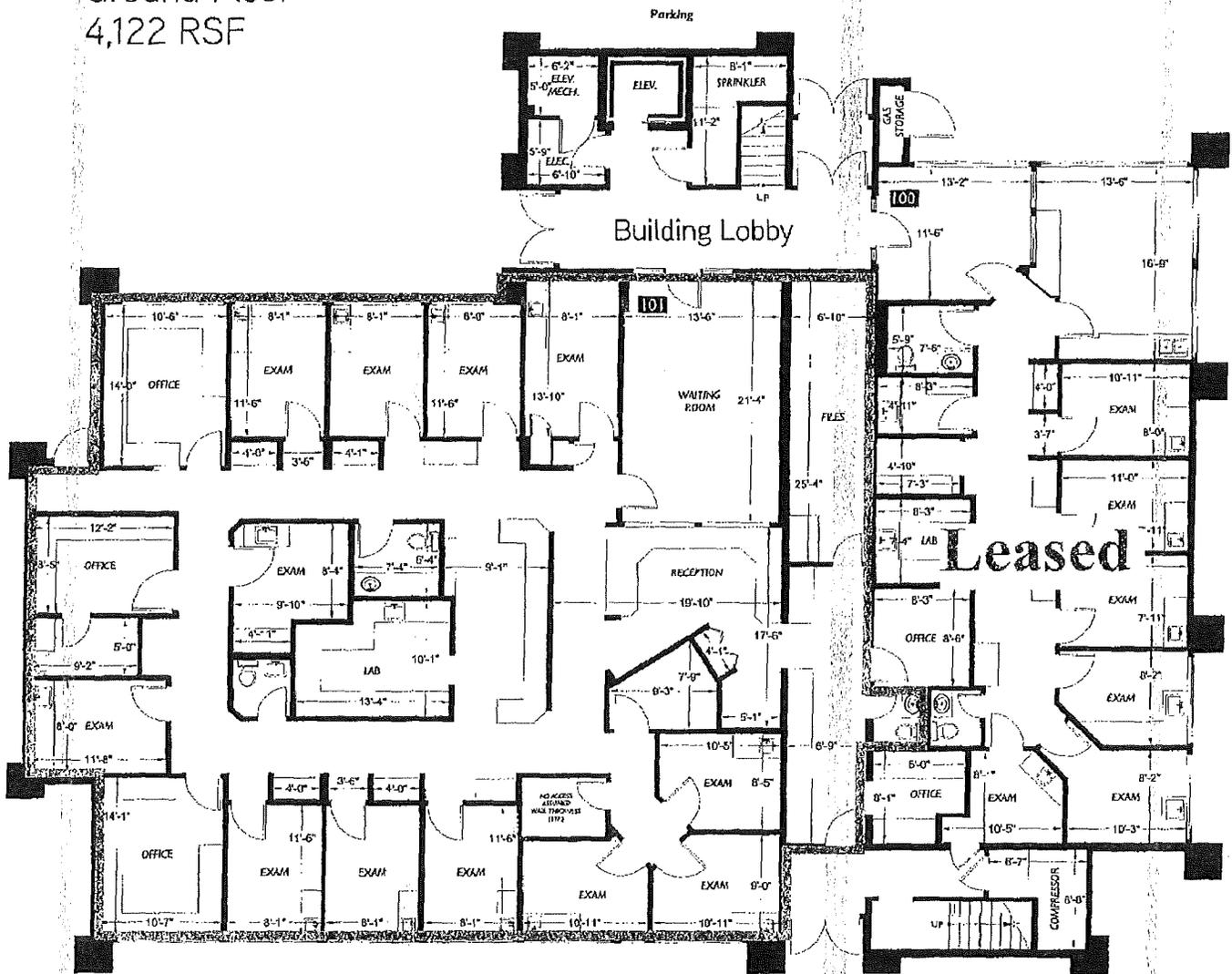
Jhb

Doctors Plaza

8299 161ST AVENUE NE, REDMOND, WA

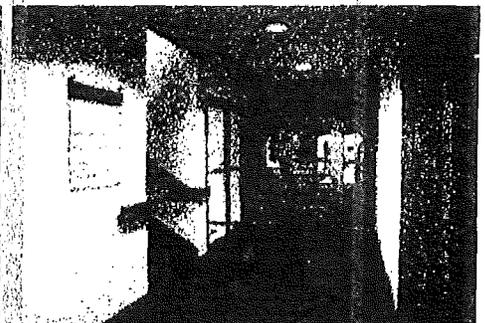
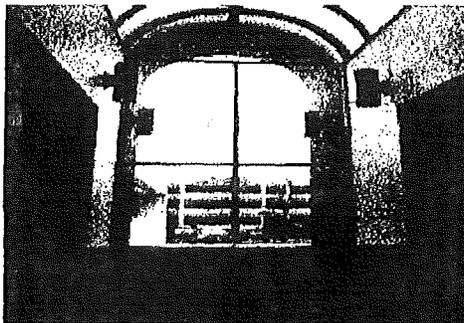
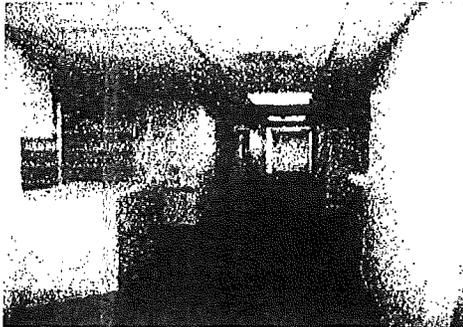
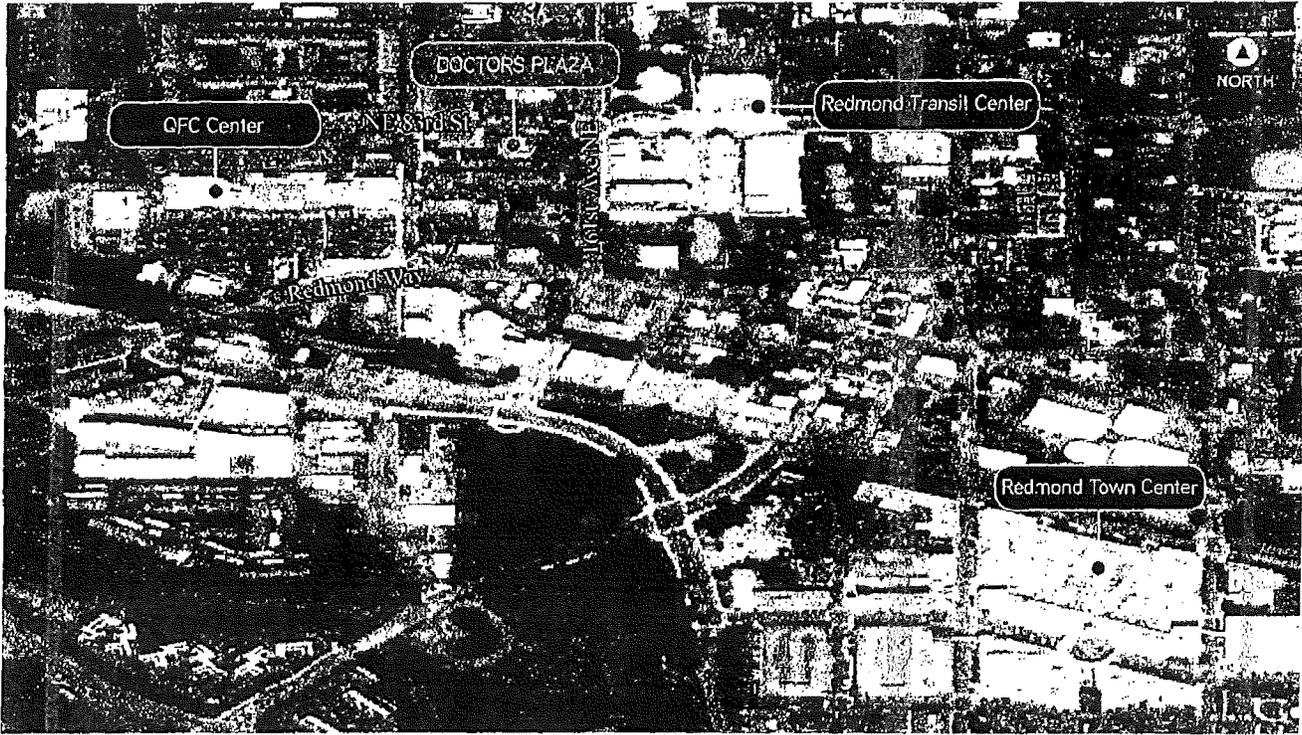
Floor Plan

Ground Floor
4,122 RSF



Doctors Plaza

8299 161ST AVENUE NE, REDMOND, WA



BRET JORDAN
425 453 3131
BELLEVUE, WA
bret.jordan@colliers.com

SAM ZIEMBA
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BELLEVUE, WA
sam.ziemba@colliers.com

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www.colliers.com

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Martin

Thanks for the meeting. I am not sure what to make of the missing Redmond representative, Steven Reinhardt. Have you heard?

I am searching for places to move to and am sending the recent one from Doctors Plaza which you already have. I have a couple more coming soon. I need to be aware that likely none of these will match the DOH requirements for surgical facility. But can be more affordable as just a interim office until the Tenant improvements are finished. But there will be a further revenue reduction that hopefully ~~the~~ Redmond will help with. A professional accountant may be able to tally the loss of business from the interim move.

Will fax the new properties as I get them.


Jhb

DATE, TIME
FAX NO./NAME
DURATION
PAGE(S)
RESULT
MODE

06/03 13:18
14253985709
00:02:05
03
OK
STANDARD
ECM

TIME : 06/03/2013 13:20
NAME : FCA
FAX : 6907945972
TEL :
SER.# : J7J526080

TRANSMISSION VERIFICATION REPORT

EXHIBIT 34

Debby and Steve,

I want to follow up with you to see if there is any information you may need from Dr. Brunzman for clarification and support to help you favorably determine his eligible relocation costs.

He has been searching and considering what to do in the 8 month interim while the tenant improvement work is being performed. He is hoping to find a currently available space that would work for patient exams, etc. He has found some larger spaces that rent for \$24 plus \$8 NNN or \$32 total for a year's lease. If he could find a space that would work for him and convince a landlord to rent only what he needs, say 600 to 800 square feet, he would pay \$19,200 to \$25,600 for a year's rent. Most likely he would have to make some adjustments to the space to partition it off from a larger space etc.

He does not have an answer for performing surgeries other than 1) referring his patients to another surgeon, or 2) finding a surgery center that would allow him to operate there and at what cost to him. Neither are good solutions but may be the only options for the interim.

Preliminary estimates for Dr. Brunzman's interim space may look something like the following.

One year rent	\$22,000
Tenant Improvements	\$10,000
Surgery facility rent – say he only	<u>\$10,000</u>
operates on 20 patients during the year	
at \$500 per operation paid to the center	
Total Interim Costs	\$42,000

Does this scenario and costs seem reasonable for the City to pay to Dr. Brunzman?

I'll be out of the office beginning this Wednesday afternoon and through Friday.

Please let me know anything you can as early as you can.

Thanks,
Martyn

EXHIBIT 35

From: Steve Reinhart
Sent: Wednesday, June 5, 2013 4:33 PM PDT
To: Debby Wilson
Subject: RE: Dr. Brunzman

I'm trying to get a meeting together with Martyn tomorrow afternoon with just the two of us to try to come to a reasonable number.

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



From: Debby Wilson [mailto:DWILSON@REDMOND.GOV]
Sent: Wednesday, June 05, 2013 1:20 PM
To: Steve Reinhart
Subject: FW: Dr. Brunzman

Do you have any thoughts yet on the information provided last week?

If Dr. Brunzman was in good standing as an occupant and was expediting a move then the approximate number below would be an easy decision (minus the surgery facility rent since I really think that is a number that gets passed through to the patient. And if it is not then it is in the charges form Dr. Brunzman a patient pays).

The city's attorneys office is drafting the letter that will be going to Dr. Brunzman along with the Unlawful Detainer action that will be filed in court if he does not vacate. If the action is filed in court, the City's offer of relocation benefits will most likely be rescinded.

Debby

From: Martyn Daniel [mailto:Martyn@MartynDanielLLC.com]
Sent: Tuesday, June 04, 2013 4:45 PM
To: Debby Wilson; sreinhart@ufsrw.com
Subject: Dr. Brunzman

Debby and Steve,

I want to follow up with you to see if there is any information you may need from Dr. Brunzman for clarification and support to help you favorably determine his eligible relocation costs.

He has been searching and considering what to do in the 8 month interim while the tenant improvement work is being performed. He is hoping to find a currently available space that would work for patient exams, etc. He has found some larger spaces that rent for \$24 plus \$8 NNN or \$32 total for a year's lease. If he could find a space that would work for him and convince a landlord to rent only what he needs, say 600 to 800 square feet, he would pay \$19,200 to \$25,600 for a year's rent. Most likely he would have to make some adjustments to the space to partition it off from a larger space etc.

He does not have an answer for performing surgeries other than 1) referring his patients to another surgeon, or 2) finding a surgery center that would allow him to operate there and at what cost to him. Neither are good solutions but may be the only options for the interim.

Preliminary estimates for Dr. Brunzman's interim space may look something like the following.

One year rent

\$22,000

Tenant Improvements

\$10,000

Surgery facility rent – say he only operates on 20 patients during the year at \$500 per operation paid to the center \$10,000

Total Interim Costs

\$42,000

Does this scenario and costs seem reasonable for the City to pay to Dr. Brunzman?

I'll be out of the office beginning this Wednesday afternoon and through Friday.

Please let me know anything you can as early as you can.

Thanks,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**

Cell **206-817-0111**

Email Martyn@MartynDanielLLC.com

Web www.MartynDanielLLC.com

Business Relocations • Feasibility Studies • Cost-to-Cure Estimates • Replacement Costs

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EXHIBIT 36



19027 100th Avenue NE, Bothell, WA 98011-2919
Phone 425-398-5708 Fax 425-398-5709
e-mail: Martyn@MartynDanielLLC.com

Fax

To: Dr. Brunzman	From: Martyn Daniel
Fax: 425-885-0515	Pages: 1
Phone:	Date: 6/14/2013
Re: Relocation	CC:

Urgent For Review Please Comment Please Reply Please Recycle

Dr. Brunzman,

Attached is the equipment list.

I met with Steve for 4 hours today to go over everything. With the approach we used today to break out the eligible reimbursable costs from the non-eligible we were able to improve on the \$500K of eligible costs that I mentioned earlier. However, Steve feels the city will force him to take a more scrutinizing approach than we used today to justify the costs and to show how the costs fit into their relocation guidelines. That approach will likely find additional costs that are ineligible. He plans to meet with Debby on Monday or Tuesday to discuss the costs.

Martyn

Areas	Item	Qty.	Unit Cost	Room Total	Grand Total
ASC Family Waiting Room	Waiting Room Furniture	8	\$209	\$1,674	
	Waiting Room Furniture	5	\$247	\$1,237	
	Lamps and plants	4	\$200	\$800	
	Televlslon	1	\$650	\$650	
	Artwork	2	\$1,050	\$2,100	
	Total			\$6,461	\$6,461
Reception Area Business Office	Task Chairs	2	\$180	\$360	
	Printer	2	\$500	\$1,000	
	FAX / Copier	1	\$600	\$600	
	File Cabinet undercounter	2	\$216	\$432	
	Total			\$2,392	\$2,392
Anesthesia Consult	Desk	0	\$120	\$0	
	Desk Chair	1	\$315	\$315	
	Guest Chairs	2	\$191	\$382	
	Total			\$697	\$697
Pre/Post Counseling Area 1	30" round table	1	\$285	\$285	
	Side Chairs w/ arms	2	\$209	\$419	
	Desk Chair	1	\$315	\$315	
	Total			\$1,019	\$1,019
Nurse Manager Office	Waste receptacle, UL rated, small	1	\$40	\$40	
	Color Printer	1	\$250	\$250	
	Guest Chair	1	\$209	\$209	
	Desk	1	\$850	\$850	
	Wall overhead hanging storage cabinet	1	\$144	\$144	
	Task Chair	1	\$180	\$180	
	File Cabinet	1	\$384	\$384	
	Total			\$2,057	\$2,057
Staff Lounge	Table & 3 chairs	1	\$960	\$960	
	Counter height stools	2	\$95	\$190	
	Full size refrigerator	1	\$648	\$648	
	Microwave	1	\$179	\$179	
	Dishwasher	1	\$471	\$471	
	Lrg trash can	1	\$50	\$50	
	Total			\$2,498	\$2,498
Mens Locker	Waste receptacle, UL rated, medium	1	\$65	\$65	
	Wall clock, 14", battery operated	1	\$30	\$30	
	Dressing room stool	2	\$23	\$45	
	Total			\$140	\$140
Womens Locker	Waste receptacle, UL rated, medium	1	\$65	\$65	
	Wall clock, 14", battery operated	1	\$30	\$30	
	Dressing room stool	2	\$23	\$45	
	Total			\$140	\$140
Pre-Op/ Post-Op/ Cry/ Stepdown Areas 1	Crash cart Adult / Peds	2	\$1,100	\$2,200	
	Defib (AED)	1	\$2,000	\$2,000	
	Cubicle curtains	6	\$650	\$3,900	
	Wheelchair w /leg rest	1	\$379	\$379	
	Stethoscopes	5	\$36	\$180	
	Stretcher beds with IV stand, hydraulic, trendelenberg	7	\$3,714	\$25,998	
	Portable suction unit (Shuco) for crash cart	1	\$288	\$288	
	EKG/BP monitors w/ pulse oximeter capabilities	3	\$3,600	\$10,800	
	BP monitors w/pulse oximeter capabilities	2	\$2,500	\$5,000	
	Step stool, non-skid, 12.5" x 15.5" x 9.25"	2	\$20	\$40	
	Step-Down Recliners	3	\$625	\$1,875	
	Rolling stools	2	\$104	\$208	
	Tympanic Thermometers	3	\$130	\$390	

Martyn Daniel LLC

425-398-5709

p.2

WALL GROUPS		QTY	UNIT PRICE	TOTAL PRICE	
	Sm mayo stand	2	\$100	\$200	
	EKG Machine	1	\$2,300	\$2,300	
	Overbed tables	3	\$108	\$324	
	Side Chairs	8	\$169	\$1,352	
	Scale	1	\$350	\$350	
	Ice Machine	1	\$720	\$720	
	O2 flow meters	8	\$100	\$800	
	Suction regulators	8	\$260	\$2,080	
	Total			\$61,868	\$61,868
Anesthesia Station	Task chair w/o arms	2	\$180	\$360	
1					
	Total			\$360	\$360
Nurse's Station	Printer	1	\$500	\$500	
1	Keyboard trays	3	\$200	\$600	
	Task Chair w/o arms	3	\$180	\$540	
	Narc lock box	1	\$210	\$210	
	Total			\$1,850	\$1,850
OR	Kick bucket w/ roll-around stand	2	\$150	\$300	
2	Step stool, non-skid, 18 x 12" x 5	2	\$133	\$268	
	Nurse's stool, rolling, vinyl 5-star base w back	2	\$180	\$360	
	Anesthesia task chair tall w arms vinyl	2	\$180	\$360	
	Stools: tech	2	\$480	\$960	
	Wall clock, large, 14"	3	\$40	\$120	
	Viewbox	1	\$291	\$291	
	OR Tables	2	\$5,049	\$10,098	
	OR Light Set: Ceiling Mount	2	\$1,862	\$3,724	
	Mobile inst cart with wrk station	2	\$1,415	\$2,830	
	Arthroscopy Sets	2	\$10,449	\$20,898	
	OR Instrument sets	2	\$10,000	\$20,000	
	25 Watt power supply	2	\$175	\$350	
	Nomad Pro Complete Mini C-Arm	1	\$5,996	\$5,996	
	CDR Elite Size 1 Sensor	1	\$4,995	\$4,995	
	CDR Elite Size 0 Sensor	1	\$3,995	\$3,995	
	CDR Elite Remote Module	1	\$4,775	\$4,775	
	Round garbage cans	2	\$65	\$130	
	Hamper	2	\$129	\$257	
	CD Stereo Systems	2	\$110	\$220	
	X-ray Aprons & rack	2	\$400	\$800	
	Total			\$81,725	\$81,725
Decontamination	Ultrasonic Cleaner	1	\$2,400	\$2,400	
1	Waste receptacle, UL rated, large, swing top	1	\$50	\$50	
	Stacking washer and dryer	1	\$1,200	\$1,200	
	Instrument Cleaning supplies	1	\$100	\$100	
	Utility cart, two shelves (Rubbermaid)	1	\$523	\$523	
	Total			\$4,273	\$4,273
Clean Work	Lakeside carts	2	\$465	\$930	
1	Waste receptacle, swing-top, large, UL rated (Rubbermaid)	1	\$50	\$50	
	Wire shelving units	6	\$300	\$1,800	
	Total			\$2,780	\$2,780
Clean Utility	Autoclave(s)	1	\$40,241	\$40,241	
2	Blanket warmers	1	\$4,650	\$4,650	
	Total			\$44,891	\$44,891
Equipment:	Electronic Records Software	0	\$30,000		
Other	Advantix, etc	1	\$30,000	\$30,000	
1	Computer & Networking	10	\$2,200	\$22,000	
	Phone System	16	\$1,000	\$16,000	
	Facility Alarm System	1	\$880	\$880	
	Expeditor Nurse call system	1	\$12,455	\$12,455	
	Total			\$81,335	\$81,335
GRAND TOTALS					
	Total				\$294,488
	Contingency (incl shipping/install)		10.00%		\$29,449
	WA State Sales Tax		9.50%		\$27,976
	Grand Total				\$351,913

EXHIBIT 37

Todd W. Wyatt

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Monday, July 8, 2013 11:58 AM
To: Martyn@MartynDaneilLLC.com; 'Debby Wilson'
Subject: Brunsman Review

Hello Martyn and Debby,

I am still putting together the review of the Brunsman package. I have determined what I believe to be legitimate expenses for the equipment and furniture and am now pushing through with the tenant improvements part.

I have quite a bit of time allocated to this for today and tomorrow so should have a report to you by tomorrow afternoon.

Thanks,

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



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EXHIBIT 38

From: Debby Wilson
Sent: Wednesday, July 10, 2013 12:13 PM PDT
To: Steve Reinhart
Subject: RE: Brunzman Relocation
Attachments: 20120411 I-Brunzman.doc

The original letter to Dr. Brunzman stated reestablishment would be the max of \$50,000. With two businesses he would only get \$100,000.

The city attorney has assured me the letter is going out any day now to Dr. Brunzman that will contain a copy of the summons that will be filed to start his eviction. If the city does act on the summons, there will be a charge associated if he does not move out. His relocation assistance will then be jeopardized.

As I write this the utilities connections are being terminated to the other properties acquired for the Park.

Could you just let Martyn know of the status of needing him out of the office and note that if he wants assurance of relocation benefits before moving, he may end of not getting anything if he is evicted. We can go back to the thought of funding his move out (\$50,000-\$100,000) and continue to work on a final number but with no assurance of the final number.

Debby

From: Steve Reinhart [mailto:sreinhart@ufsrw.com]
Sent: Wednesday, July 10, 2013 11:49 AM
To: Debby Wilson
Subject: Brunzman Relocation

Hi Debby,

I thought I should send you something so I could assure you I am still alive! I have analyzed the information received from Martyn. We have met twice to discuss the package.

I have identified the equipment and furniture included in the proposal that is not eligible as a relocation expense. The purchase of new equipment is not a relocation expense, and thus any TIs needed to accommodate those new expenditures are also ineligible.

I have also estimated the moving and related costs, even though no moving cost estimates were provided by Martyn. The only estimate presented was for the purchase of all new furnishing and equipment.

I have also determined the amount of TIs that can be considered moving and related and applied the overall tenant improvement cost per square foot to these improvements. The square

feet of each room that is necessary to attach furniture and equipment is included as well as cabinetry area workspaces. Most of the additional spaces that are required solely to satisfy DHHS regulations are considered re-establishment or betterment and were not included in the calculation. Some of the DHHS requirements were included, as the function of the business could not be retained otherwise.

If you were to apply \$200,000 (two businesses) to the settlement; you are looking at approximately \$759,950.

I am still working on the final report that more clearly describes the method for making my estimates, but thought it best to let you know the numbers and get your feedback (along with the obvious "Ouch").

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



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EXHIBIT 39

From: Steve Reinhart
Sent: Wednesday, July 10, 2013 11:48 AM PDT
To: 'Debby Wilson'
Subject: Brunsman Relocation
Attachments: Capital Expenditures for Equipment.docx,
Estimated Moving and Related Expenses Summary.docx, Tenant Improvements.docx

Hi Debby,

I thought I should send you something so I could assure you I am still alive! I have analyzed the information received from Martyn. We have met twice to discuss the package.

I have identified the equipment and furniture included in the proposal that is not eligible as a relocation expense. The purchase of new equipment is not a relocation expense, and thus any TIs needed to accommodate those new expenditures are also ineligible.

I have also estimated the moving and related costs, even though no moving cost estimates were provided by Martyn. The only estimate presented was for the purchase of all new furnishing and equipment.

I have also determined the amount of TIs that can be considered moving and related and applied the overall tenant improvement cost per square foot to these improvements. The square feet of each room that is necessary to attach furniture and equipment is included as well as cabinetry area workspaces. Most of the additional spaces that are required solely to satisfy DHHS regulations are considered re-establishment or betterment and were not included in the calculation. Some of the DHHS requirements were included, as the function of the business could not be retained otherwise.

If you were to apply \$200,000 (two businesses) to the settlement; you are looking at approximately \$759,950.

I am still working on the final report that more clearly describes the method for making my estimates, but thought it best to let you know the numbers and get your feedback (along with the obvious "Ouch").

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



Click [here](#) to report this email as spam.

Tenant Improvements – Clinic/Operating Facility

Aldrich & Associates has given us a cost estimate for Tenant Improvements (TI) for a fully operational, full size Ambulatory Surgical Clinic and Operating Facility. Aldrich & Associates estimates that the replacement of the Operating Facility area would require 5,190 square feet to meet the requirements established by the U. S. Department of Health and Human Services as opposed to the total 695 square feet of the displacement site. This sheet will breakdown the costs associated with replacement in kind, replacement in function and betterment.

1. <u>Replacement in Kind</u>	695 SF x \$286.84 = \$199,354
2. <u>Replacement in Function</u>	3,258 SF x \$286.84 = \$934,525
3. <u>Replacement as Betterment</u>	6,196 SF x \$286.84 = \$1,777,260

It should be considered necessary to replace the function of the Clinic as opposed to simply replacing the exact size of the existing facility. By adding items 1 and 2, this gives us a starting point of: 3,258 SF x \$286.84 = \$934,525.

The next step is determining the amount of TI that is necessary for the attachment or function of the moved personal property which is considered a process system and is eligible as a Moving and Related Expense. With the information available, the most accurate way to calculate this is by measuring the square feet of the area that is necessary for the installation of the personal property and apply the overall TI cost to that eligible area.

Clinic Area

1. Exam Rooms 1 & 2	48 SF x \$286.84 per SF = \$13,768
2. Closet	12 SF x \$286.84 per SF = \$ 3,442
3. Doctor's office	49 SF x \$286.84 per SF = \$14,055
4. Business office	57 SF x \$286.84 per SF = \$16,350
5. Reception	24 SF x \$286.84 per SF = \$ 6,884
6. Recovery Rooms	162 SF x \$286.84 per SF = <u>\$46,468</u>

Total Clinic Area TI as eligible Moving & Related Expenses	\$100,967
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Surgical Area

1. Operating Rooms 1 & 2	900 SF x \$286.84 per SF = \$258,156
2. Clean Utility Room	96 SF x \$286.84 per SF = \$ 27,537
3. Medical Gas Room	72 SF x \$286.84 per SF = \$ 20,652
4. Decontamination Room	126 SF x \$286.84 per SF = <u>\$ 36,142</u>

Total Surgical Area TI as eligible Moving & Related Expenses	\$342,487
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Total TI as eligible Moving & Related Expenses	\$443,454
---	------------------

Additional Architectural Fees (10% less \$20,00 on Moving & Related)	\$ 24,345
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Sales Tax @ 9.5%	<u>\$ 44,441</u>
------------------	------------------

\$512,240

Capital Expenditures for Equipment & Furnishings Summary Not Eligible Relocation Expenses

	Estimated Cost
1. ASC Family Waiting Room	<u>\$5,611</u>
2. Reception Area/ Business Office	<u>\$1,257</u>
3. Anesthesia Consult	<u>\$697</u>
4. Pre/Post Counseling Area	<u>\$1,019</u>
5. Nurse Manger Office	<u>\$1,272</u>
6. Staff Lounge	<u>\$2,448</u>
7. Men's Locker	<u>\$140</u>
8. Women's Locker	<u>\$140</u>
9. Pre-Op/Post-OP/Cry/Step Down Areas	<u>\$61,003</u>
10. Anesthesia Station	<u>\$360</u>
11. Nurse's Station	<u>\$1,750</u>
12. Operating Room	<u>\$80,300</u>
13. Decontamination	<u>\$4,123</u>
14. Clean Work	<u>\$980</u>
15. Clean Utility	<u>\$44,891</u>
16. Other Equipment	<u>\$74,925</u>
Total	<u>\$257,816</u>

Per 49 CFR 24.304 (b) *Ineligible expenses*. The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible:
(1) Purchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures.

Estimated Moving and Related Expenses Summary

	Estimated Cost
1. Transportation of Personal Property	
A. Waiting Room	<u>\$850</u>
B. Reception Area	<u>\$350</u>
C. Office Equipment	<u>\$785</u>
D. Microwave	<u>\$ 50</u>
E. Pre-Op Post Op Equipment	<u>\$865</u>
F. Narcotics lock box	<u>\$100</u>
G. Operating equipment	<u>\$1,425</u>
H. Decontamination equipment	<u>\$150</u>

This is based on the estimated cost to move the existing equipment & furniture to a replacement site within a 50 mile radius as provided for in 49 CFR 24.301(g)(1).

2. Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, appliances and other personal property, including substitute personal property. Includes connection to utilities available nearby. Also modification to the personal property Necessary to adapt it to the replacement structure, site or utilities at the replacement site; and modifications to adapt the utilities at the replacement site to the personal property. Expenses for providing utilities from the right of way to the building or improvement are excluded.	
A. Clean work/Shelving	<u>\$1,800</u>
B. Computer & networking	<u>\$2,410</u>
C. Phone system	<u>\$1,750</u>
D. Alarm system	<u>\$880</u>
E. Nurse call system	<u>\$1,370</u>

Item A is the entire estimated cost. Items B through E are based on the estimated cost per square foot of the existing site.

3. Storage of personal property for not longer than 12 months.	\$ _____
4. Insurance for the replacement value of the personal property in connection with the move and necessary storage.	\$ _____
5. Any license, permit, or certification required of the relocating business at the replacement location.	\$ _____
6. Replacement value of property lost, stolen or damaged in the process of relocating the business, other than as a result of negligence, where insurance is not available.	\$ _____
7. Professional services necessary for planning the move of personal property and installing the relocated personal property at the replacement location.	
A. Martyn Daniel, LLC	<u>\$17,000</u>
B. The Wager Group, Inc.	<u>\$20,000</u>
8. Replacement of business signs, stationary, and business cards that are made obsolete as a result of the relocation.	<u>\$1,000</u>
9. Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business.	\$ _____

10. The reasonable cost incurred in attempting to sell an item that is not to be relocated.	\$ _____
11. Purchase of substitute personal property.	\$ _____
12. Expenses incurred in searching for a replacement site.	<u>\$2,500</u>
13. Other moving related expenses that are not listed as ineligible as determined by the Agency to be reasonable and necessary.	\$ _____
Total	<u>\$47,710</u>

EXHIBIT 40

Martyn Daniel

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Friday, July 12, 2013 2:05 PM
To: Martyn Daniel
Subject: RE: Brunsman Review
Attachments: Capital Expenditures for Equipment.docx; Estimated Moving and Related Expenses Summary (2).docx; Tenant Improvements (2).docx

Martyn,

Attached is a summary of what I considered to be eligible expenses. After reviewing the CFRs, it is clear that the purchase of capital assets is not considered an eligible expense. This impacts the reimbursement of equipment and furniture considerably. It also impacts eligible TIs considerably, since TIs that are needed to install ineligible equipment are also ineligible.

I have tried to represent the replacement site calculations in 3 ways; first by replacement of the exact same size facility, second by estimating what would be a functional size facility, and third as a full size facility which includes several betterments.

I have estimated the cost of Transportation of Personal Property based on experience since a mover's estimate has not been provided. Clean work shelving and the alarm system are based on the full price estimate provided. Computer, phone and nurse call systems are based on determining a cost per square foot as presented in the estimate provided and applying that to the functional size. I have included professional services as provided in our meetings and discussions. I added \$1,000 for printed materials and the standard \$2,500 for replacement site search expenses.

In order to keep the TI review simple and understandable, I used the total price per square foot on all calculations instead of trying to determine how each element of tenant improvements or generators, etc. would apply to each room or each piece of personal property moved. When determining how much of the tenant improvement cost is eligible as a moving expense, I determined the amount of square feet in each eligible room and multiplied it by the total TI cost. As an example; only a portion of the exam room space would require TI work to reconnect personal property. On the other hand the entire operating room space would be required as working space and support structures to reconnect one or another item of personal property.

My calculations have considered several items that would not be considered legally eligible under normal interpretations of the Uniform Act and have tried to be as consistent as possible with the policies executed in the relocation of other tenants on this project.

I am willing to support the following as a settlement:

Moving & Related	\$ 74,320
Tenant Improvements	\$512,240
Reestablishment	<u>\$100,000</u>
Total	\$686,560

My disclaimer: I have not gotten approval from the City of Redmond on this settlement amount. If it is acceptable to Dr. Brunsman, I will present it as reasonable and necessary.

We can still entertain the idea of a \$50,000 to \$100,000 advance to help facilitate the move out with the final number to be determined. I cannot guarantee whether the final number would be more or less.

Martyn, I realize this is only about a third of what is required for a full build-out of a 6,196 square foot space but I feel strongly that if we were to try to find a specific CFR or RCW to match every detail of this move, the eligible reimbursements would be far less.

Thank you,

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



From: Martyn Daniel [mailto:Martyn@MartynDanielLLC.com]
Sent: Thursday, July 11, 2013 11:10 AM
To: Steve Reinhart
Subject: RE: Brunsman Review

Hi Steve,

I'm sorry to put additional pressure on you but Dr. Brunsman needs to know the amounts available for his relocation so he can make plans before he has to vacate by July 31 per the letter he received by the Cities outside council.

Thanks,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

Business Relocations • Feasibility Studies • Cost-to-Cure Estimates • Replacement Costs

From: Steve Reinhart [mailto:sreinhart@ufsrw.com]
Sent: Monday, July 08, 2013 12:03 PM
To: Martyn Daniel
Subject: FW: Brunsman Review

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)

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EXHIBIT 41

From: Steve Reinhart
Sent: Wednesday, July 31, 2013 1:29 PM PDT
To: 'Debby Wilson'
Subject: FW: Brunsman Review
Attachments: Capital Expenditures for Equipment.docx,
Estimated Moving and Related Expenses Summary (2).docx,
Tenant Improvements (2).docx

Debby,

Attached and below is what I have sent to Martyn on 7/12. I am going to try to call Martyn now and will call you right after.

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
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From: Steve Reinhart
Sent: Friday, July 12, 2013 2:00 PM
To: 'Martyn Daniel'
Subject: RE: Brunsman Review

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Steve Reinhart
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From: Martyn Daniel [<mailto:Martyn@MartynDanielLLC.com>]
Sent: Thursday, July 11, 2013 11:10 AM
To: Steve Reinhart
Subject: RE: Brunzman Review

Hi Steve,

I'm sorry to put additional pressure on you but Dr. Brunzman needs to know the amounts available for his relocation so he can make plans before he has to vacate by July 31 per the letter he received by the Cities outside council.

Thanks,
Martyn

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Web www.MartynDanielLLC.com

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From: Steve Reinhart [<mailto:sreinhart@ufsrw.com>]
Sent: Monday, July 08, 2013 12:03 PM
To: Martyn Daniel
Subject: FW: Brunzman Review

Steve Reinhart
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Edmonds, WA 98020
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"Leading the Way in Right of Way"



From: Steve Reinhart
Sent: Monday, July 08, 2013 11:53 AM

To: Martyn@MartynDaneilLLC.com; 'Debby Wilson'

Subject: Brunzman Review

Hello Martyn and Debby,

I am still putting together the review of the Brunzman package. I have determined what I believe to be legitimate expenses for the equipment and furniture and am now pushing through with the tenant improvements part.

I have quite a bit of time allocated to this for today and tomorrow so should have a report to you by tomorrow afternoon.

Thanks,

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
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206-819-0099 (cell) 425-673-5579 (fax)
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EXHIBIT 42

Susan Cooper

From: Debby Wilson
Sent: Friday, August 02, 2013 3:20 PM
To: mlovevfwso@outlook.com
Cc: zourk@msn.com; Susan Cooper; Aaron Riensche
Subject: City of Redmond - Dr. Brunzman

The below e-mail was forwarded to me by the Mayor's office. Thank you for the information and thoughts.

I would like to acknowledge that Dr. Brunzman is the remaining occupant in an area of six commercial buildings. The last of the other ten occupants of the buildings relocated approximately six month ago. The area buildings are now being prepped for demolition. The area will support both a park and transportation projects.

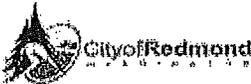
The relocation assistance information submitted by Dr. Brunzman's advisor was reviewed and there have been several discussions with his advisor. Dr. Brunzman has expressed all communications go through his relocation advisor and City representatives have done so; though we can offer no assurance what information has been provided to Dr. Brunzman.

As of today, Dr. Brunzman continues to occupy and conduct business in a space with no formal agreement to do so. Dr. Brunzman and his advisor have been given several notices that he must vacate the space and the City has provided information regarding monetary assistance with an interim move; the City has received no response on this offer and occupancy continues.

We continue to desire to assist Dr. Brunzman to relocate and reestablish his current business, but his unlawful occupancy of the space now jeopardizes his entitlements.

Feel free to direct any further thoughts or questions to me.

With much appreciation for your service,



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

Michelle Love [<mailto:mlovevfwso@outlook.com>]
Sent: Friday, August 02, 2013 11:06 AM
To: Mayor (Internet)
Cc: zourk@msn.com
Subject: Request for Assistance

Dear Mayor Marchione,

My name is Michelle Love and I am the Commander of VFW "Wild West" Post 91 in Tacoma, WA. I am writing on behalf of a fellow veteran, Dr. John Brunzman, the owner of Foot Care Associates Ambulatory Surgical Facility in Redmond, WA. Dr. Brunzman received an eviction notice effective 1 August 2013 to vacate his business address on 16142

Cleveland St, Redmond, WA 98052. It is my understanding that the purpose of this eviction is to vacate the building so that it can be torn down and the property it was built on can be turned into a city park.

In case you weren't aware, Foot Care Associates Ambulatory Surgical Facility is the only such facility in the city of Redmond. It has operated in this same location for over 25 years and is run by a 60% service-connected disabled veteran who was held hostage in Camp Plei Mei while serving in Vietnam. Dr. Brunzman has invested a lot of time and money into this property in order to make the required improvements to meet both state and federal laws. To tear down the building that his business is based out of will cause a serious financial hardship on Dr. Brunzman.

On behalf of the veteran, I respectfully request that the city provide sufficient funds to allow Dr. Brunzman to reestablish his medical facility in the city of Redmond so he can continue to serve his fellow residents as he bravely served his country. If you have any questions regarding this matter, I can be reached at (253)922-2239. Alternately, the veteran can be reached directly at (425)941-9922.

Thank you in advance for your favorable consideration regarding this matter.

Sincerely,

Michelle Love

Commander, VFW Post 91

EXHIBIT 43

COPY



Northwest Division - Washington

111 Main Street, #105
Edmonds, WA, 98020
Office: 425-673-5559
Fax: 425-673-5579
www.ufsrw.com

August 14, 2013

Redmond FCA, P.C.
16146 Cleveland Street
Redmond, WA 98052

Attn: Dr. John H. Brunzman

Re: Relocation of Redmond FCA, P.C.

Dear Dr. Brunzman:

In connection with the City of Redmond's purchase and pending demolition of the building that you occupy at 16146 Cleveland Street, we have received and reviewed submitted written information regarding the potential expenses for relocating and reestablishing Redmond FCA, P.C., as well as other information gathered during meetings and discussions with you and your advisors.

The City of Redmond, based on its review of your information, presents the following:

- The eligible reimbursable cost of moving your existing equipment and furniture, including disconnecting and reconnecting is estimated at \$74,320.
- The portion of the tenant improvements estimate supplied by Wager Group, Inc. and Aldrich & Associates is based on the amount of square feet needed to modify the replacement site for the installation of the existing equipment and furniture. While it is recognized that a replacement site may be a larger area, the City cannot consider anything more than relocating and reestablishing the existing equipment, furniture and features. The total eligible reimbursable tenant improvements cost is estimated at \$512,240.
- The City of Redmond's maximum reimbursement of re-establishment cost per tenant is \$50,000.
- There is an estimated \$257,816 of new equipment and furniture included in the provided Wager Group, Inc. and Aldrich & Associates estimate. Capital assets such these are not eligible as relocation expenses. As such, the tenant improvements needed for the installation of these items is not eligible for reimbursement.

The City of Redmond finds the information supports providing Redmond FCA, P.C. the amount of Six Hundred Forty Thousand and NO/100ths Dollars (\$640,000.00) as full and final consideration for the costs associated with vacating the premises.

Redmond FCA, P.C.

The City hereby offers this full and final consideration to be paid in three payments as the following conditions are fulfilled:

1. The first payment will be in the amount of Two Hundred Thirteen Thousand, Three Hundred Thirty-Three and NO/100ths Dollars (\$213,333.00). The first payment amount shall be processed upon Redmond FCA, P.C. providing the City, through its Relocation Consultant, with an acceptance/acknowledgement of the terms of this letter and the City's review and acceptance/acknowledgement of the terms of this letter.
2. The second payment, in the amount of Two Hundred Thirteen Thousand, Three Hundred Thirty-Three and NO/100ths Dollars (\$213,333.00) shall be paid upon Redmond FCA, P.C. providing the City, through its Relocation Consultant, with documentation showing that a replacement site has been secured.
3. The third and final payment, in the amount of Two Hundred Thirteen Thousand, Three Hundred Thirty-Four and NO/100ths Dollars (\$213,334.00) shall be paid upon completion of an inspection of the vacated tenarit space by the Relocation Consultant to assure all personal possessions have been removed from the premises and the vacated premises conditions are acceptable. This final payment will be net of any final payments due to utility providers, lienholders or outstanding rent through date of move out.

All payments should be made to Redmond FCA, P.C. within three weeks from the date the noted forms, documents or papers are received by the Relocation Consultant.

Please note that the information previously submitted to the City included the reimbursement for estimated professional services fees. The City was not a party to any service agreements that have been executed by you or on your behalf. Any agreements for actual relocation and/or reestablishment services would have been between Redmond FCA, P.C., its representatives and the service(s) provider(s). The estimated fees for such work have been offered and included in the consideration amount for reestablishment.

Along with the consideration for Redmond FCA, P.C. to vacate the premises, it is understood that upon receipt of the payment, or any portion of the payment for vacating the premises, Redmond FCA, P.C. hereby releases and forever discharges the City of Redmond, its elected and appointed officers, agents, and employees, from any and all claims, demands, liabilities, and causes of action of whatsoever kind or nature, known or unknown, past, present, or future, for out of pocket moving costs, storage costs, relocation costs, professional advice and/or services, or any other expense related to the vacation of Redmond FCA, P.C., including, but not limited to, any expense that could be claimed under the Uniform Real Property Acquisition and Relocation Assistance Act, Chapter 8.26 RCW. Redmond FCA, P.C. agrees to hold harmless, indemnify, and defend the City of Redmond, its elected and appointed officers, agents, and employees from and against any and all claims, demands, liabilities, and causes of action on behalf of Redmond FCA, P.C. agents, representatives, assignors, assignees, and affiliates for any expense referred to in the preceding sentence.

Redmond FCA, P.C.

If you are in agreement with the stated consideration offer and agreement conditions, please acknowledge below and return a signed copy to Universal Field Services, Inc. After review and acceptance by the City of Redmond, a check will be processed for the noted first payment amount and provided to you within three weeks of the City's acceptance.

If you have further questions, please let me know as soon as possible. I can be reached at 425-673-5559.

With Much Appreciation,



Steve Reinhart
Sr. Right of Way Consultant

cc: M Daniel

Redmond FCA, P.C. acknowledges receipt of this consideration and consideration terms, and accepts the same:

By: _____
R. John H. Brunzman

Its: _____

Date: _____

The City of Redmond acknowledges receipt of this consideration and consideration terms, and accepts the same:

By: _____

Its: _____

Date: _____

Capital Expenditures for Equipment & Furnishings Summary
Not Eligible Relocation Expenses

	Estimated Cost
1. ASC Family Waiting Room	<u>\$5,611</u>
2. Reception Area/ Business Office	<u>\$1,257</u>
3. Anesthesia Consult	<u>\$697</u>
4. Pre/Post Counseling Area	<u>\$1,019</u>
5. Nurse Manger Office	<u>\$1,272</u>
6. Staff Lounge	<u>\$2,448</u>
7. Men's Locker	<u>\$140</u>
8. Women's Locker	<u>\$140</u>
9. Pre-Op/Post-OP/Cry/Step Down Areas	<u>\$61,003</u>
10. Anesthesia Station	<u>\$360</u>
11. Nurse's Station	<u>\$1,750</u>
12. Operating Room	<u>\$80,300</u>
13. Decontamination	<u>\$4,123</u>
14. Clean Work	<u>\$980</u>
15. Clean Utility	<u>\$44,891</u>
16. Other Equipment	<u>\$74,925</u>
Total	<u>\$257,816</u>

Per 49 CFR 24.304 (b) *Ineligible expenses*. The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible:
 (1) Purchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures.

Estimated Moving and Related Expenses Summary

	Estimated Cost
1. Transportation of Personal Property	
A. Waiting Room	<u>\$850</u>
B. Reception Area	<u>\$350</u>
C. Office Equipment	<u>\$785</u>
D. Microwave	<u>\$50</u>
E. Pre-Op Post Op Equipment	<u>\$865</u>
F. Narcotics lock box	<u>\$100</u>
G. Operating equipment	<u>\$1,425</u>
H. Decontamination equipment	<u>\$150</u>
<p>This is based on the estimated cost to move the existing equipment & furniture to a replacement site within a 50 mile radius as provided for in 49 CFR 24.301(g)(1).</p>	
2. Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, appliances and other personal property, including substitute personal property. Includes connection to utilities available nearby. Also modification to the personal property Necessary to adapt it to the replacement structure, site or utilities at the replacement site; and modifications to adapt the utilities at the replacement site to the personal property. Expenses for providing utilities from the right of way to the building or improvement are excluded.	
A. Clean work/Shelving	<u>\$ 1,800</u>
B. Computer & networking	<u>\$11,566</u>
C. Phone system	<u>\$ 8,450</u>
D. Alarm system	<u>\$ 880</u>
E. Nurse call system	<u>\$ 6,549</u>
<p>Item A & D are the entire estimated costs provided. Items B, C & E are based on the estimated cost per square foot of the functional replacement site.</p>	
3. Storage of personal property for not longer than 12 months.	\$ _____
4. Insurance for the replacement value of the personal property in connection with the move and necessary storage.	\$ _____
5. Any license, permit, or certification required of the relocating business at the replacement location.	\$ _____
6. Replacement value of property lost, stolen or damaged in the process of relocating the business, other than as a result of negligence, where insurance is not available.	\$ _____
7. Professional services necessary for planning the move of personal property and installing the relocated personal property at the replacement location.	
A. Martyn Daniel, LLC	<u>\$17,000</u>
B. The Wager Group, Inc.	<u>\$20,000</u>
8. Replacement of business signs, stationary, and business cards that are made obsolete as a result of the relocation.	<u>\$ 1,000</u>
9. Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business.	\$ _____

Tenant Improvements – Clinic/Operating Facility

Aldrich & Associates has given us a cost estimate for Tenant Improvements (TI) for a fully operational, full size Ambulatory Surgical Clinic and Operating Facility. Aldrich & Associates estimates that the replacement of the Operating Facility area would require 6,196 square feet to meet the requirements established by the U. S. Department of Health and Human Services as opposed to the total 695 square feet of the displacement site. This sheet will breakdown the costs associated with replacement in kind, replacement in function and betterment.

1. <u>Replacement in Kind</u>	695 SF x \$286.84 = \$199,354
2. <u>Replacement in Function</u>	3,258 SF x \$286.84 = \$934,525
3. <u>Replacement as Betterment</u>	6,196 SF x \$286.84 = \$1,777,260

It should be considered necessary to replace the function of the Clinic as opposed to simply replacing the exact size of the existing facility. This gives us a starting point of 3,258 SF x \$286.84 = \$934,525

The next step is determining the amount of TI that is necessary for the attachment or function of the moved personal property which is considered a process system and is eligible as a Moving and Related Expense. With the information available; the most accurate way to calculate this is by measuring the square feet of the area that is necessary for the installation of the personal property and apply the overall TI cost to that eligible area.

Clinic Area

1. Exam Rooms 1 & 2	48 SF x \$286.84 per SF = \$13,768
2. Closet	12 SF x \$286.84 per SF = \$ 3,442
3. Doctor's office	49 SF x \$286.84 per SF = \$14,055
4. Business office	57 SF x \$286.84 per SF = \$16,350
5. Reception	24 SF x \$286.84 per SF = \$ 6,884
6. Recovery Rooms	162 SF x \$286.84 per SF = <u>\$46,468</u>

Total Clinic Area TI as eligible Moving & Related Expenses	\$100,967
---	------------------

Surgical Area

1. Operating Rooms 1 & 2	900 SF x \$286.84 per SF = \$258,156
2. Clean Utility Room	96 SF x \$286.84 per SF = \$ 27,537
3. Medical Gas Room	72 SF x \$286.84 per SF = \$ 20,652
4. Decontamination Room	126 SF x \$286.84 per SF = <u>\$ 36,142</u>

Total Surgical Area TI as eligible Moving & Related Expenses	\$342,487
---	------------------

Total TI as eligible Moving & Related Expenses	\$443,454
---	------------------

Additional Architectural Fees (10% less \$20,00 on Moving & Related)	\$ 24,345
--	-----------

Sales Tax @ 9.5%	<u>\$ 44,441</u>
------------------	------------------

\$512,240

EXHIBIT 44

From: Steve Reinhart
Sent: Tuesday, September 3, 2013 2:54 PM PDT
To: Debby Wilson
CC: Mitch Legel
Subject: RE: Redmond Dr. Brunzman

Debby,

My final thought is frustration.

The displacee has received a settlement offer that is consistent with other businesses that were impacted by the project. I certainly don't believe the City has "lowballed" this displacee. Even though there are increased requirements placed on him by the loss of grandfathered exemptions from certain regulations and requirements, the cost of complying with those requirements would be considered reestablishment at the best. It is possible this displacee could be considered for two reestablishment claims but multiple requests for confirmation (i.e. tax returns) were left unanswered.

I am left with the opinion that the months upon months of stalling might not have been unintentional and the displacee may not have had any intention of leaving the building by any other means than a court order.

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



From: Debby Wilson [mailto:DWILSON@REDMOND.GOV]
Sent: Friday, August 30, 2013 4:56 PM
To: Steve Reinhart
Cc: Mitch Legel
Subject: Redmond Dr. Brunzman

Just a quick note.

Dr. Brunzman was served with a vacate summons earlier this week.
A court hearing date filing was going to occur yesterday afternoon.

Yesterday morning a key arrived in the Mayor's office addressed to the Mayor and me with a note (from the VFW) that Dr. Brunzman had vacated the space.

The possessions that remained in the office were removed yesterday and are in storage in the City's surplus warehouse.

Pictures were taken before the move and after. There were a couple of items that could not be moved by the available crews and equipment.

The filing for a court date was cancelled.

The City attorney has been contacted by an attorney representing Dr. Brunzman (most likely just in response to the eviction, but I received no additional information yet from the City's attorney.) Our attorney will advise Dr. Brunzman we will keep his items for 90 days and he can pick them up or he can sign a bill of sale.

We have determined Dr. Brunzman has business activities now occurring at another Redmond location, but has not changed his Redmond or state business licenses, nor alerted anyone to his new location. He did provide the City's utility billing group a new address to send the water bills for his old location to.

I will be in the office Tuesday next week and then out for a week. At this time if you could put any of your final thoughts down I will be taking over any relocation efforts as I am receiving feedback that no benefits will be paid to him; so I anticipate there will be many internal discussions on the topic. (I believe the final task order period runs out to day so the timing sensible).

Now as an FYI . . . the abatement of Dr. Brunzman's space occurs on Tuesday and the building will be demolished on Wednesday.

The bike shop was taken down this last Wednesday, Quiznos/Vet Clinic came down yesterday. Tuesday is Brown Street building and Wednesday the rest is history.



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

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EXHIBIT 45

Todd W. Wyatt

From: Martyn Daniel <Martyn@MartynDanielLLC.com>
Sent: Monday, September 23, 2013 10:55 AM
To: 'Debby Wilson'
Subject: RE: Dr. Brunsman

Hi Debby,

The areas of the relocation offer that we would like to discuss are related to some of the assumptions Steve made for the square footage needed to install some items, and assumptions made for substitution of items caused by codes. Another area to discuss is the single and minimum reestablishment amount offered.

Regarding the filing of unlawful detainer, I thought Dr. Brunsman met the demands to vacate and avoided the need for that filing.

Regards,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

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From: Debby Wilson [mailto:DWILSON@REDMOND.GOV]
Sent: Monday, September 23, 2013 9:32 AM
To: Martyn Daniel
Subject: RE: Dr. Brunsman

Martyn,

Could you let me know what portion(s) of the relocation offer would be discussed? Please note Dr. Brunsman was made aware that due to the Unlawful Detainer filings and the City having to arrange for removal and storage of personal possessions jeopardized the offer that was made to him for relocation assistance.

Debby



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

From: Martyn Daniel [<mailto:Martyn@MartynDanielLLC.com>]
Sent: Tuesday, September 17, 2013 3:38 PM
To: Debby Wilson
Subject: Dr. Brunzman

Hi Debby,

Can we get a meeting put together to discuss a few areas of Dr. Brunzman's relocation package?

Thanks,
Martyn

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EXHIBIT 46

Debby Wilson

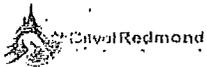
From: Debby Wilson
Sent: Friday, September 27, 2013 12:09 PM
To: 'Martyn Daniel'
Subject: RE: Dr. Brunzman

At this time I would like to request that you provide items/concerns in writing. The information should reference the offer that was made for a relocation settlement and that the offer is being rejected in whole or in part. Since there was no response to the offer and Dr. Brunzman moved and has not submitted the information as noted in the offer, we considered the offer rejected.

I am drafting a letter to Dr. Brunzman stating this same request.

At this time the expenses that were incurred by the City for the unlawful detainer activities, moving and storage of personal possessions, along with any unpaid bills or property liens as a result of Dr. Brunzman's occupancy would be deducted from any benefits he will receive. Dr. Brunzman was made aware in writing that if he was not a tenant in good standing that his benefits would be in jeopardy.

Unlawful detainer documents were filed with the Court and Dr. Brunzman was served. Following the filing the City received a key and a note stating the space had been vacated. That same day most of the office equipment, furnishings and personal possessions that remained in the space were removed by the City and are in City Storage. A voluntary non-suit motion was filed last week with the court; a copy was provided to Dr. Brunzman's legal representative that had contacted the City's attorney. Additionally Dr. Brunzman's legal rep had been made aware we will store the possessions that were left in (and outside) the space until November 28th he has let us know that Dr. Brunzman does not want the items that were left; we are requesting that the attorney put that in writing in lieu of a bill of sale or a signed moveout inspection statement that he is abandoned the items at time of move out.



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

From: Martyn Daniel [<mailto:Martyn@MartynDanielLLC.com>]
Sent: Monday, September 23, 2013 10:55 AM
To: Debby Wilson
Subject: RE: Dr. Brunzman

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Regarding the filing of unlawful detainer, I thought Dr. Brunzman met the demands to vacate and avoided the need for that filing.

Regards,
Martyn

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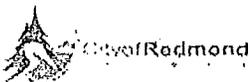
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Debby



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

From: Martyn Daniel [mailto:Martyn@MartynDanielLLC.com]
Sent: Tuesday, September 17, 2013 3:38 PM
To: Debby Wilson
Subject: Dr. Brunzman

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Thanks,

Martyn

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business relocation consulting

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Cell **206-817-0111**

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EXHIBIT 47

Debby Wilson

From: Martyn Daniel <Martyn@MartynDanielLLC.com>
Sent: Monday, October 07, 2013 10:11 AM
To: Debby Wilson
Subject: RE: Dr. Brunzman

Hi Debby,

Dr. Brunzman has not rejected the city's relocation offer. He did respond immediately to the offer with a request to meet with the City to better understand the offer and perhaps provide additional input based on that better understanding.

Dr. Brunzman vacated his space with his own limited resources and abandoned the personal property at that location, which he could not fit into his small temporary office and could not afford to store. He vacated the space prior to the eviction notice; also, Dr. Brunzman said the eviction notice was rescinded.

I feel it is more important than ever to have a meeting to clear up these issues, as well as, for Dr. Brunzman to gain a better understanding of the City's offer. Without that understanding, attempting to request or provide information related to the offer would be a time-consuming shotgun approach, which may not hit the real issues.

I would like to request again a meeting to help streamline this process to its finalization.

Regards,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

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From: Debby Wilson [mailto:DWILSON@REDMOND.GOV]
Sent: Friday, September 27, 2013 12:09 PM
To: Martyn Daniel
Subject: RE: Dr. Brunzman

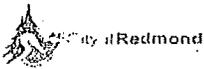
At this time I would like to request that you provide items/concerns in writing. The information should reference the offer that was made for a relocation settlement and that the offer is being rejected in whole or in part. Since there was no response to the offer and Dr. Brunzman moved and has not submitted the information as noted in the offer, we considered the offer rejected.

I am drafting a letter to Dr. Brunzman stating this same request.

At this time the expenses that were incurred by the City for the unlawful detainer activities, moving and storage of personal possessions, along with any unpaid bills or property liens as a result of Dr. Brunzman's occupancy would be

deducted from any benefits he will receive. Dr. Brunzman was made aware in writing that if he was not a tenant in good standing that his benefits would be in jeopardy.

Unlawful detainer documents were filed with the Court and Dr. Brunzman was served. Following the filing the City received a key and a note stating the space had been vacated. That same day most of the office equipment, furnishings and personal possessions that remained in the space were removed by the City and are in City Storage. A voluntary non-suit motion was filed last week with the court; a copy was provided to Dr. Brunzman's legal representative that had contacted the City's attorney. Additionally Dr. Brunzman's legal rep had been made aware we will store the possessions that were left in (and outside) the space until November 28th he has let us know that Dr. Brunzman does not want the items that were left; we are requesting that the attorney put that in writing in lieu of a bill of sale or a signed moveout inspection statement that he is abandoned the items at time of move out.



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

From: Martyn Daniel [<mailto:Martyn@MartynDanielLLC.com>]
Sent: Monday, September 23, 2013 10:55 AM
To: Debby Wilson
Subject: RE: Dr. Brunzman

Hi Debby,

The areas of the relocation offer that we would like to discuss are related to some of the assumptions Steve made for the square footage needed to install some items, and assumptions made for substitution of items caused by codes. Another area to discuss is the single and minimum reestablishment amount offered.

Regarding the filing of unlawful detainer, I thought Dr. Brunzman met the demands to vacate and avoided the need for that filing.

Regards,
Martyn

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EXHIBIT 48

Todd W. Wyatt

From: Sandra Cantelon <SCANTELON@redmond.gov>
Sent: Monday, October 7, 2013 1:38 PM
To: Debby Wilson
Subject: 16146 Cleveland Street - water account 000198-000

Just an FYI – the Brunzman water account has an amount owing of \$291.25; his account was closed as of 9/3/13.

Thanks
Sandra

From: Debby Wilson
Sent: Friday, August 16, 2013 11:43 AM
To: Sandra Cantelon
Subject: RE: Water account at 16146 Cleveland St (Tenant account 000198-000)

The City will be withholding funds from his relocation entitlements to cover outstanding utilities. If he does not vacate the space in the next few weeks, once the City can legally take over the space I will check on final bills outstanding charges, etc.

Debby

From: Sandra Cantelon
Sent: Friday, August 16, 2013 11:29 AM
To: Debby Wilson; Maggie Lovell
Subject: RE: Water account at 16146 Cleveland St (Tenant account 000198-000)

Thank you for the update. As an FYI, he has not paid his July or August bills at this time (total owing thru 8/6/13 is \$149.68)

Sandra

From: Debby Wilson
Sent: Friday, August 16, 2013 11:27 AM
To: Maggie Lovell; Sandra Cantelon
Subject: RE: Water account at 16146 Cleveland St (Tenant account 000198-000)

Dr. Brunzman has not provided formal notice that he has vacated the space. Currently the City is processing a formal eviction. Utility usage is still he responsibility.

Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

From: Maggie Lovell
Sent: Friday, August 16, 2013 10:19 AM
To: Sandra Cantelon
Cc: Debby Wilson
Subject: RE: Water account at 16146 Cleveland St (Tenant account 000198-000)

Hi Debby,

Would you be able to answer Sandra's question in regards to Tenant-John Brunsman DPM (16146 Cleveland ST=Future Downtown Park?)

Thanks much,

Maggie Lovell
Administrative Assistant
City of Redmond - Park Operations
425-556-2383 (Office), 425-556-2373 (Fax)
mlovell@redmond.gov

PARKS and RECREATION
"The Benefits are Endless..."

From: Sandra Cantelon
Sent: Friday, August 16, 2013 9:45 AM
To: Maggie Lovell
Cc: Sandra Cantelon
Subject: Water account at 16146 Cleveland St (Tenant account 000198-000)

Maggie
Is the tenant (John Brunsman DPM) still in the 16146 Cleveland St rental property?
Or have they moved out - if they have moved out, what date should we stop billing them.

Please advise.

Thank you,
Sandra
x2138

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HOW DID WE DO?: [Click here to take survey](#)

(Filling out the short survey will assist in knowing how better to meet your needs)

EXHIBIT 49

Debby Wilson

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Wednesday, January 22, 2014 4:02 PM
To: Debby Wilson
Subject: Redmond: Brunzman estimates
Attachments: FCA Code Comparison The Wager Group.xlsx; FCA Equipment Costs.pdf; Dr Brunzman ROM-1 Aldrich & Assoc..pdf

Debby,

Here are the estimates from Aldrich and Wager. I don't have a copy of the equipment cost spreadsheet without notes on it. Martyn says he can get one from Wager if you need it.

Let me know if there is anything else you need.

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



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EXHIBIT 50

Todd W. Wyatt

From: Kelley Wood <KWOOD@REDMOND.GOV>
Sent: Monday, April 14, 2014 11:20 AM
To: Gini M. Schacker
Subject: A/R issues we discussed Friday

Gini,

As we briefly discussed on Friday, there are three credit balances in A/R that need to be resolved:

- Customer #359, ZAYO. Sheila corrected an invoice that was billed in error, but didn't change the amount to zero. It shows as a credit of \$7,359.64. All of the transactions occurred in 2013. I can easily correct this to zero. There are no taxes in the invoice so it shouldn't create a problem for Stephanie.
- Customer #279, Washington State Emergency Management Div. Paid \$1.00 more than necessary on 8/30/12. Because it is a credit balance it doesn't show on other reports we've been relying on. There are no other open invoices for this account and since we don't have statements, no way to apply it to outstanding balances. I suggest writing it off. I can use a 2013 date if you'd like, or use 2014.
- Customer #293, Brunsman, credit of \$522.60. This is a Debbie Wilson issue. Customer should not have been billed. His checks came automatically through a paying service but he was legally not supposed to be in the building and was eventually evicted. I just spoke to Debbie and she is verifying her records. I'm not sure when she'll get back to me, but we won't be refunding this amount because the individual has other "issues" with the City per Debbie. This one does have leasehold tax associated with it.

Just let me know how you'd like me to handle the first two for now.

Thanks.

*Kelley Wood
Treasury and Revenue Manager
City of Redmond
425-556-2161
425-556-2198 Fax*

How did I do? [Click here to take survey](#)

(Filling out the short survey will assist me in knowing how better to meet your needs)

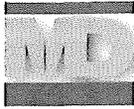
EXHIBIT 51

Todd W. Wyatt

From: Susan Cooper <SCOOPER@REDMOND.GOV>
Sent: Wednesday, May 7, 2014 11:57 AM
To: Debby Wilson
Subject: Dr. Brunsman
Attachments: Brunsman 05 07 14.pdf

FYI

Susan Cooper
Executive Assistant to the Mayor
City of Redmond
425-556-2106



Martyn Daniel LLC
eminent domain and
business relocation consulting

business relocations

cost-to-cure estimates

feasibility studies

replacement costs

May 6, 2014

RECEIVED

MAY - 7 2014

The Honorable John Marchione
Mayor, City of Redmond
PO Box 97010
Redmond, WA 98073-9710

MAYOR'S OFFICE
CITY OF REDMOND

RE: Dr. John Brunzman

Dear Mayor Marchione,

I recently received a copy of your letter addressed to Mr. Deng at Senator Patty Murray's office regarding Dr. Brunzman's business relocation. I have been working as a relocation consultant with Dr. Brunzman and was pleased to read in your letter the City's interest in explaining the relocation offer presented to Dr. Brunzman. Dr. Brunzman would enjoy the opportunity to meet with the City to discuss and gain a better understanding of the offer.

Let's schedule a date for that meeting to occur within the next couple of weeks. Phone or email contact would be the most efficient method to coordinate a date and time. I can be contacted by phone at: 425-398-5708, or email at: Martyn@MartynDanielLLC.com.

I look forward to hearing from you.

Sincerely,

Martyn L. Daniel

EXHIBIT 52



Martyn Daniel LLC
eminent domain and
business relocation consulting

business relocations

cost-to-cure estimates

feasibility studies

replacement costs

May 6, 2014

RECEIVED

MAY - 7 2014

The Honorable John Marchione
Mayor, City of Redmond
PO Box 97010
Redmond, WA 98073-9710

MAYOR'S OFFICE
CITY OF REDMOND

RE: Dr. John Brunsman

Dear Mayor Marchione,

I recently received a copy of your letter addressed to Mr. Deng at Senator Patty Murray's office regarding Dr. Brunsman's business relocation. I have been working as a relocation consultant with Dr. Brunsman and was pleased to read in your letter the City's interest in explaining the relocation offer presented to Dr. Brunsman. Dr. Brunsman would enjoy the opportunity to meet with the City to discuss and gain a better understanding of the offer.

Let's schedule a date for that meeting to occur within the next couple of weeks. Phone or email contact would be the most efficient method to coordinate a date and time. I can be contacted by phone at: 425-398-5708, or email at: Martyn@MartynDanielLLC.com.

I look forward to hearing from you.

Sincerely,

Martyn L. Daniel

EXHIBIT 53



December 22, 2014

Dr. John Brunsman
PO Box 2032
Redmond, WA 98073

RE: Redmond's Downtown Central Park
16146 NE Cleveland Street
Submittal of Final Relocation/Reestablishment Claim Documents

Dear Dr. Brunsman,

This note is to remind you that all claims to consider actual expenses for the relocation and reestablish of your businesses previously located at 16146 NE Cleveland Street must be submitted no later than January 31, 2015. This date is eighteen months following the date of July 31, 2013, which you provided the City as the date you vacated the property (Displacement Date).

The claim information you submit will be reviewed as being actual expenses and reasonable as to the relocation and reestablishment of the business activities as they existed at 16146 NE Cleveland Street.

As provided in original correspondence, which briefly explained your benefits, and subsequent correspondence, entitlement to any benefits will be based on your lawful and compliant occupancy of the property. Your actual occupancy of the property without a lease agreement; occupancy of the property following several vacate notices; removal, storage and disposition of personal property left in the vacated space; and unpaid utility bills will need to be considered if any relocation/reestablish claims are submitted.

Please submit your claim and claim materials directly to:

City of Redmond
Real Property Manager MS: 4NPW
PO Box 97010
Redmond, WA 98073

Or deliver them to:

Redmond City Hall
15670 NE 85th Street, 4th floor

Sincerely,

Debby Wilson
Real Property Manager

EXHIBIT 54

Debby Wilson

From: Debby Wilson
Sent: Friday, July 31, 2015 5:31 PM
To: 'Martyn Daniel'
Subject: RE: Dr. Brunzman Relocation

Hi Martyn,

I have reconfirmed that the City will not consider directly paying a third party for relocation/reestablishment expenses incurred by a Displacee. In the case of Dr. Brunzman it was directly stated in his General Notice Letter of Relocation Rights that:

"Regarding the use of a legal or relocation advisor, you have the right to use third party advisors, but the City does not pay any advisor directly for such services. Any agreement would be between you and the advisor."

It has never been a matter of having information that there were expenses, which appeared to be within reason for what was being done at the time, but the agreement for service was with Dr. Brunzman and all claims had to be from him. Given all the events that happened with Dr. Brunzman, after we tried to come to an agreement, any claim that had been submitted would have been reviewed and adjusted for expenses incurred by City to move and store items and entitlements were in jeopardy due to his occupancy without a lease, I am not sure what he would have received.

Sorry I can't offer any additional thoughts. I have passed this by our City Attorney and just can't find a way to address.

Debby

Debby Wilson

Real Property Manager
City of Redmond
425-556-2715

From: Martyn Daniel [mailto:Martyn@MartynDanielLLC.com]
Sent: Thursday, July 30, 2015 4:27 PM
To: Debby Wilson
Subject: RE: Dr. Brunzman Relocation

Hi Debby,

I thought I would follow up my recent voice mail to you with this email.

It seems that it would be reasonable, and within the City's relocation guidelines, for the City to pay actual and reasonable relocation costs incurred by Dr. Brunzman, and which were submitted, claimed, and approved by the City

prior to any deadlines. The only costs fitting that description that I am aware of are my move planning fees and the architect's fees for preparing a feasibility study and a layout for a potential replacement site. Those fees can be seen on Steve Reinhart's recommendation for Estimated Moving and Related Expenses Summary in the amount of \$17,000 and \$20,000.

I hope you will consider this information and let me know what I need to do to receive payment for our services:

I look forward to hearing from you.

Regards,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

Business Relocations • Feasibility Studies • Cost-to-Cure Estimates • Replacement Costs

From: Debby Wilson [mailto:DWILSON@REDMOND.GOV]
Sent: Tuesday, May 19, 2015 6:27 PM
To: Martyn Daniel
Subject: RE: Dr. Brunzman Relocation

Greetings.

The City closed Dr. Brunzman's file as the statutory time after moveout to submit requests, receipts or agree to any ideas had passed. There was no relocation/reestablishment paid.

The contact that Dr. Brunzman had with the City was via yourself, and he had a VFW representative and Senator Murray's office make some inquiries. In the last few months I understand Dr. Brunzman did make a written request to the City Clerk for a significant amount of public records pertaining to relocation of other area businesses. When he was notified several times by the City Clerk's office that the records were ready, he never followed up to view the records, or provide the copy or electronic fees for the records to be sent.

Dr. Brunzman had been advised in correspondence that his relocation/reestablishment entitlements that were offered had been jeopardized when he did not formalize an agreement to occupy the city's property and legal action commenced to address unlawful occupancy. Although Dr. Brunzman stated he had vacated the property, the City moved office furnishing, equipment, and miscellaneous trade items out of his business area into a secure City storage location. The City's legal advisor assisting the City with the unlawful detainer filings was notified by Dr. Brunzman's legal advisor that Dr. Brunzman's did not want any of the items that were being stored by the City. They have since been donated. The City, being obligated as the property owner, also took care of overdue utility bills that had accumulated.

Sorry there is no other news.

Debby

Debby Wilson
Real Property Manager

City of Redmond
425-556-2715

From: Martyn Daniel [<mailto:Martyn@MartynDanielLLC.com>]
Sent: Tuesday, May 19, 2015 2:02 PM
To: Debby Wilson
Subject: Dr. Brunzman Relocation

Hi Debby,

I hope you are doing well.

I'm following up on the status of Dr. Brunzman's relocation claim with the City. Between his architect and me, Dr. Brunzman owes us over \$50,000. We had been content to wait for payment until he was reimbursed by the City, but two years has passed and Dr. Brunzman is currently not responding to us. To evaluate what to do next, can you let me know if the City's offer of approximately \$600K for his relocation is still alive? Has he collected any relocation payment(s) from the City?

Thanks in advance for your reply.

Régards,
Martyn

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business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

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EXHIBIT 55

Todd W. Wyatt

From: Betty Sanders <BBSANDERS@redmond.gov>
Sent: Tuesday, April 21, 2015 11:03 AM
To: Debby Wilson; Sandy Yeager
Cc: Carolyn J. Hope; Lisa Singer; Eric C. Dawson
Subject: Closing Out Podiatrist Relocation Expenses

Lisa, Debby and I met this morning and discussed the account for the Downtown Park that includes relocation and right of way expenses. Debby told us that the period for submitting claims is over. Despite multiple attempts to settle the accounts with Mr. Brunzman, he has never submitted receipts for relocation expenses. The City has made an offer which was not accepted, and the City offered an advance of funds, but Mr. Brunzman never requested the advance. Therefore, Debby is satisfied that this part of the account should be considered closed.

Carolyn and I discussed briefly just now, and she requested that we work together to figure out how we can:

- Close out the “account” (if that’s the right terminology)
- Hold the amount still needed for the Boundary Line Adjustment & ROW costs
- Determine how much is available to transfer to other projects
- Determine what steps need to be taken to make such a transfer, and who needs to be part of the decision-making process.

Lisa and I are both going on vacation soon, so would love to get moving on this ASAP, so that the Farrel-McWhirter Restroom can get funded, if this is an appropriate source. I will look at our schedules and see if a few of us could discuss together tomorrow.

B

Betty B Sanders, ASLA
Senior Park Planner
City of Redmond
PO Box 97010
Redmond, WA 98073-9710
425.556.2328

EXHIBIT 56

Todd W. Wyatt

From: Martyn Daniel <Martyn@MartynDanielLLC.com>
Sent: Tuesday, May 19, 2015 2:02 PM
To: Debby Wilson
Subject: Dr. Brunzman Relocation

Hi Debby,

I hope you are doing well.

I'm following up on the status of Dr. Brunzman's relocation claim with the City. Between his architect and me, Dr. Brunzman owes us over \$50,000. We had been content to wait for payment until he was reimbursed by the City, but two years has passed and Dr. Brunzman is currently not responding to us. To evaluate what to do next, can you let me know if the City's offer of approximately \$600K for his relocation is still alive? Has he collected any relocation payment(s) from the City?

Thanks in advance for your reply.

Regards,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

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Click [here](#) to report this email as spam.

EXHIBIT 57

Todd W. Wyatt

From: Debby Wilson <DWILSON@REDMOND.GOV>
Sent: Tuesday, May 19, 2015 6:27 PM
To: Martyn Daniel
Subject: RE: Dr. Brunzman Relocation

Greetings.

The City closed Dr. Brunzman's file as the statutory time after moveout to submit requests, receipts or agree to any ideas had passed. There was no relocation/reestablishment paid.

The contact that Dr. Brunzman had with the City was via yourself, and he had a VFW representative and Senator Murray's office make some inquiries. In the last few months I understand Dr. Brunzman did make a written request to the City Clerk for a significant amount of public records pertaining to relocation of other area businesses. When he was notified several times by the City Clerk's office that the records were ready, he never followed up to view the records, or provide the copy or electronic fees for the records to be sent.

Dr. Brunzman had been advised in correspondence that his relocation/reestablishment entitlements that were offered had been jeopardized when he did not formalize an agreement to occupy the city's property and legal action commenced to address unlawful occupancy. Although Dr. Brunzman stated he had vacated the property, the City moved office furnishing, equipment, and miscellaneous trade items out of his business area into a secure City storage location. The City's legal advisor assisting the City with the unlawful detainer filings was notified by Dr. Brunzman's legal advisor that Dr. Brunzman's did not want any of the items that were being stored by the City. They have since been donated. The City, being obligated as the property owner, also took care of overdue utility bills that had accumulated.

Sorry there is no other news.

Debby

Debby Wilson

Real Property Manager
City of Redmond
425-556-2715

EXHIBIT 58

Todd W. Wyatt

From: Kelley Wood <KWOOD@REDMOND.GOV>
Sent: Monday, August 3, 2015 12:13 PM
To: Debby Wilson
Subject: And another question...

Hi again,

Accounting just reminded me that Dr. Brunsmann still shows a credit balance in Accounts Receivable for a lease payment that was made without an invoice to apply it to. Have you settled the issues with that account?

Thanks.

*Kelley Wood
Treasury and Revenue Manager
City of Redmond
425-556-2161
425-556-2198 Fax*

How did I do? [Click here to take survey](#)

(Filling out the short survey will assist me in knowing how better to meet your needs)

EXHIBIT 59

12/14 Capted to John
per Debbly W

Todd W. Wyatt, Attorney at Law
todd@carsonnoel.com
Stacy Goodman, Attorney at Law
stacy@carsonnoel.com

CARSON | NOEL
PLLC

RECEIVED

DEC - 3 2015

December 1, 2015

SENT VIA EMAIL AND MAIL

MAYOR'S OFFICE
CITY OF REDMOND

Mayor John Marchione
City of Redmond
PO Box 97010
Redmond, WA 98073-0710
mayor@redmond.gov

Re: Relocation of Foot Care Associates, PC

Dear Mayor Marchione,

This firm represents Dr. John Brunsman and Foot Care Associates, P.C. (collectively "FCA"). The purpose of this letter is to reengage the City in the hope of discussing a solution that will allow FCA to reestablish its podiatry practice and recoup the damages it has suffered.

We assume this correspondence should be directed to your attention. If, however, there is another person within the City that we should communicate with, please let us know and we would be happy to do so.

As you may recall, in order to make way for Redmond's new Downtown Park, the City purchased and demolished a building located at 16146 Cleveland Street that FCA had occupied as a tenant for many decades. As a result, FCA was forced to relocate.

FCA, however, had built a thriving practice at that location. In March 1994, FCA was approved as an ambulatory surgical center under the Medicare Program, and designed and constructed in compliance with the then-applicable Washington State Department of Health ("DOH") rules. The facility was grandfathered under those rules to all future regulations.

The eviction of FCA triggered the loss of its grandfathered status. When reestablishing FCA at a new location, it must be designed and constructed to comply with the latest laws, which are dramatically different than the codes to which the facility was built to comply 22 years ago. The construction must be reviewed and approved by DOH to ensure it meets all applicable state and federal laws, including Medicare certification standards.

20 Sixth Ave NE, Issaquah, WA 98027
P. 425.837.4717 | F. 425.837.5396

Letter to Mayor Marchione
November 11, 2015
Page - 2

While the City initially offered FCA \$640,000 to cover FCA's expenses, that amount is a fraction of the actual cost to relocate and reestablish FCA's clinic and surgical center. Enclosed is a four-page summary of the primary differences between the 1994 and 2006 codes that are driving the cost to reestablish the surgical center. The cost to fully reestablish FCA's practice—including surgical center—was estimated to be about \$2.144 million at the time FCA was forced to move. That cost is undoubtedly higher today. And with no surgical center since moving, FCA also has lost significant revenue.

Indeed, FCA has been unable to reestablish its full clinic and surgery center during the intervening time. In the meantime, and because the City so far refuses to pay the actual cost to reestablish his practice, FCA's practice has been severely curtailed at its new location.

FCA simply cannot reestablish its entire practice without full payment by the City. FCA is entitled to remain in business as an ambulatory surgical center, for which it was licensed at the time of vacation. As things stand now, the City has effectively put FCA's surgical practice out of business.

Before commencing litigation, FCA first is asking if the City is interested in reopening the discussion of payment of expenses to keep FCA in business. If so, please let us know within 21 days of the date of this letter. We look forward to the City's response.

Sincerely,

CARSON NOEL, PLLC



Todd W. Wyatt
Stacy Goodman

Enclosure

Dr. John H. Brunzman, DPM

Redmond Foot Care Associates ASC, and, F.C.A. Ambulatory Surgical Center

16146 Cleveland Street

Redmond, WA 98052

5/28/2013

Summary Facility Comparison

Comparison is based on 2006 guidelines for design and construction standards of Health Care facilities as adopted by the State of Washington Health Services

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
1	3.7	Waiting & reception room - (1) for Ambulatory Surgical Facility (ASC), and (1) for Clinic - (2) required	(1) Shared between ASC and Clinic - Inventory - Waiting Room (4) chairs, refrigerator, table, wall hangings, display lighting. Reception - Computer, fax/copier, phone, desk, patient file cabinets, business file cabinets.	Must separate waiting & reception rooms to create (2) separate waiting/reception rooms
2	2.2	Exam Rooms	(2) Exam rooms shared with operating rooms - Inventory - see OR inventory	Must separate exam rooms from operating room
3	2.3.1.3	(2) operating rooms - Type "C" with minimum 18' clear, 200 sf	(2) operating rooms 70 sf - Inventory - (2) operating table/chairs, (2) medical gas carts & gas, (1) battery back-up, (several) surgical equipment, (1) autoclave, (2) lower counter storage units, (2) overhead storage units. (several) surgery lights	Must increase size to minimum required size and clearances
4	2.7.1	Support area for patients - Changing, lockers, toilet, clothing, and gowning	Shared with existing OR and Recovery, shared toilet - Inventory - dedicated wall hangers and cabinets for clothing, balance of inventory is part of OR, Recovery, and Toilet rooms.	Add separate support area for patients

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
5	2.4.1	Phase I Post-anesthesia Recovery rooms (1) per operating room w/ hand wash station.- min. 80sf	(1) dedicated w/hand wash - 70 sf Inventory - (1) recovery chair, x-ray reader, hand-wash sink, storage cabinets	Provide (2) dedicated recovery bays with hand wash and 80 sf minimum with required clearances
6	2.4.1.1 (2)	Recovery Support - Nurse/utility control station is required	Provided in existing recovery room - Inventory - (1) needle disposal unit, monitoring equipment, balance of inventory shared with recovery room and OR.	Arrange recovery bays and nurses station to provide full-time observation
7	2.4.2.5	Patient Toilet (1) per clinic, (1) per ASC	(1) shared toilet	Provide (2) separate toilets
8	2.4.2.2	Phase II Recovery (Stepdown) - Minimum 50 sf. - (1) required per OR	(2) Shared with Phase I Recovery - Inventory - Shared with Recovery room.	Separate Phase II recovery bays meeting 50 sf minimum with required clearances.
9	2.5.1	Control Station - (1) for two OR's	Contained in existing recovery area - Inventory - Shared with Recovery room	Arrange recovery bays and nurses station to provide full-time observation from one or more control stations as required
10	2.5.3	Drug Distribution Station w/ storage, refrigeration	Existing cabinets - Inventory - Dedicated cabinet in Recovery room	Provide dedicated station per 2.5.3
11	2.5.4	Soiled Work Room w/clinical sink, work counter, hand-washing sink, waste receptacle	Shared with existing restroom and OR - Inventory - shared	Provide separate dedicated soiled work room meeting requirements
12	2.5.5	Sterilizing Facilities	Shared with OR - Inventory - Autoclave in OR, sink in Recovery room	Provide in separate clean room to meet requirements
13	2.5.6	Fluid Waste Disposal Facilities	Shared with existing toilet - Inventory - shared	Provide as part of soiled work room per 2.5.4

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
14	2.5.7	Equipment and Supply Storage - provide for cleaning, testing, and storing anesthesia equipment	Shared with various rooms - Inventory - shared cabinets	Provide dedicated equipment and supply storage
15	2.5.7.2	Medical Gas Storage	Medical gas tanks on carts in OR's - Inventory - (2) Medical gas carts, (2) sets of connected bottles, spare bottles	Provide dedicated level I medical gas distribution room meeting 2.5.7.2
16	2.5.8	Janitor Closet/House Keeping Room (except service sink for surgery suite)	Shared with clinic utility room - Inventory - shared	Provide separate dedicated house keeping for ASC
17	3.1.2.2	Clean assembly/workroom - w/hand-wash, sterilizing, work tables, storage	Shared with OR's - Inventory - Shared inventory	Provide separate dedicated clean assembly/work room/hand-wash per required 3.1.2.2
18	4.2.1	Interview Space - for private interviews related to admission	Shared with OR's and recovery room - Inventory - shared seating with recovery and OR's, shared x-ray reader	Provide dedicated interview room
19	4.2.2	Offices - separate from public and patient areas	(1) for doctor, shared spaces between Clinic and ASC - Computer, phone, fax/copy, desk, file cabinets, file shelves, microwave, coffee maker	Provide space for doctor and admin for both the of Clinic and ASC. Per Medicare ASC must be separate from clinic.
20	7.3.3.1	Emergency Generator - for life safety and critical care	Existing battery back-up - Inventory - Battery back-up system	Provide per DOH type I emergency system (generator)

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
21	7.2.5, 7.2.6	Heating and Ventilation System - Provide pressure differential between clean and soiled spaces and filtration	Standard office HVAC system - Inventory - HVAC, filtration system	Provide HVAC system capable of maintaining heat and pressure differential between soiled and clean areas. Filtration to clean exhaust from soiled areas.

EXHIBIT 60



OGDEN MURPHY WALLACE, PLLC
901 FIFTH AVENUE, SUITE 3500
SEATTLE, WA 98164-2008

T 206.447.7000
F 206.447.0215

OMWLAW.COM

RECEIVED

FEB 24 2016

MAYOR'S OFFICE
CITY OF REDMOND

James E. Haney
jhaney@omwlaw.com

February 22, 2016

Ms. Stacy Goodman
Mr. Todd W. Wyatt
CARSON NOEL, PLLC
20 Sixth Ave NE
Issaquah, WA 98027

Re: Relocation of Foot Care Associates for City of Redmond Downtown Park Project

Dear Ms. Goodman and Mr. Wyatt:

This is in response to your December 1, 2015 letter to Mayor John Marchione regarding the relocation of Foot Care Associates ("FCA"). I represent the City of Redmond as its City Attorney and have been asked to respond in that capacity. Please excuse my delay in responding, a delay that is of my own making and is in no way reflective of a lack of diligence on the part of my client. For the reasons set forth in this letter, the City of Redmond respectfully declines to reopen negotiations with FCA and believes that FCA is not eligible for the relocation assistance it seeks.

Before addressing the legal merits of FCA's request, it is important to review the history of the City's efforts to reach agreement with FCA, a history that you may not be fully aware of. You are correct that the City acquired the building located at 16146 NE Cleveland Street for the purpose of constructing the Downtown Park Project. Under Chapter 8.26 RCW, this triggered an obligation on the part of the City to offer relocation assistance to the building's tenants. On April 11, 2012, the City notified your client by letter that the City had acquired the building for the park project and that it would be necessary for FCA to move so that the building could be demolished. The letter, a copy of which is enclosed, explained the relocation assistance program, offered the assistance of Universal Field Services to help FCA with relocation/reestablishment estimates and site search advice, and offered to execute a short-term lease with FCA in order to allow FCA to remain on the premises through the end of September

Ms. Stacy Goodman
Mr. Todd W. Wyatt
February 22, 2016
Page 2

2012. At the time of this letter, FCA was apparently occupying its business premises under a month-to-month lease arrangement with no written lease in effect.

After the City sent the April 11, 2012 letter, the City made several unsuccessful attempts to schedule a meeting with FCA and its relocation advisor, Martyn Daniel. A meeting was finally held between the City's relocation advisor, Dr. Brunzman (FCA's owner), and Mr. Daniel in early August, 2012. The City's relocation advisor understood that a relocation assistance claim would be forthcoming and that Dr. Brunzman and Mr. Daniel would be providing information to support the claim. Dr. Brunzman and Mr. Daniel thereafter went silent for several months, failing to respond to repeated messages from the City's relocation advisor inquiring about the status of the relocation assistance claim.

FCA never executed the short-term lease that the City offered in its April 11, 2012 letter. On October 10, 2012, the City notified Dr. Brunzman by letter that FCA's tenancy was terminated and that FCA was required to vacate the premises. A copy of the October 10, 2012 letter is enclosed.

On December 12, 2012, the City was finally able to get Dr. Brunzman and his advisor to meet with City staff and the City's relocation advisor. Dr. Brunzman advised the City that he had made no real progress on relocation. Although he had apparently identified a potential site, Dr. Brunzman had no estimate of potential relocation and reestablishment costs and was unable or unwilling to advance funds to an architectural advisor to come up with those estimates. The City advised Dr. Brunzman that he needed to provide cost estimates with any relocation assistance request and the City offered contact information for the City's building official for code and permitting assistance and for other ideas to assist in expediting the relocation of the business.

Over the next six months, the City heard nothing from Dr. Brunzman or Mr. Daniels. The City made several unsuccessful attempts to contact Dr. Brunzman to discuss his progress on obtaining relocation estimates and to get FCA to move out. Finally, on May 16, 2013, the City was notified by Mr. Daniels that the estimates were available and that he and Dr. Brunzman would like to meet. Debby Wilson, the City's Real Property Manager, stopped by FCA's offices to let Dr. Brunzman know that construction was beginning shortly, but Dr. Brunzman refused to talk with Ms. Wilson and said all communications had to go through his advisor, Mr. Daniel. Ms. Wilson then let Mr. Daniel know that construction was starting and again requested that FCA vacate the premises.

On May 24, 2013, the City sent Dr. Brunzman a letter advising him that demolition of the building at 16146 NE Cleveland Street was scheduled to begin in June 2013. The letter, a copy of which is enclosed, advised Dr. Brunzman that unless the City received notice from him by June 1 that FCA was vacating the premises, the City would begin eviction proceedings.

On May 29, 2013, the City met with Dr. Brunzman and his relocation and architectural consultants. For the first time since notifying Dr. Brunzman of his right to relocation assistance more than a year previously, the City was presented with relocation estimates. These estimates

Ms. Stacy Goodman
Mr. Todd W. Wyatt
February 22, 2016
Page 3

were incomplete and contained numerous items that were not compensable and that were not supported by the current business activities of FCA, its current size and space needs, its current number of employees, and its current office hours. The City advised Dr. Brunzman that it could not pay for a number of the items under the relocation assistance program and requested more complete information.

On July 5, 2013, the City provided yet another notice to Dr. Brunzman for FCA to vacate the premises. This time the notice was to vacate within twenty days. The City received no response to this notice, although the City did observe some items being removed from the premises on the evenings of August 12 and 13, more than a month after the notice was given.

On August 14, 2013, the City issued a letter to FCA through the City's relocation advisor, offering to pay the sum of \$640,000 to FCA as relocation expenses. A copy of this letter is enclosed. The letter set out in detail those items that the City could pay for and those items Dr. Brunzman had previously presented that were ineligible relocation expenses.

On August 20, 2013, the City observed there were still some furniture, office equipment, personal items, and paperwork remaining in the office space occupied by FCA. The City asked FCA's relocation advisor if the City was to consider the items abandoned but did not get an answer. The City also asked for keys so that it could access the space. When no immediate response was forthcoming and with demolition of the building being imminent, the City filed an unlawful detainer action in order to recover the premises. This action was dismissed in late September 2013 based upon an agreement with Dr. Brunzman that he had vacated the premises. The furniture, equipment, personal items and paperwork were removed from the premises and were placed in storage by the City until Dr. Brunzman could decide whether to abandon the items or not.

On September 17, 2013, the City received an e-mail from Mr. Daniel requesting a meeting to discuss the City's August 14 relocation offer. Ms. Wilson responded to the e-mail, requesting information on the areas of the offer that Dr. Brunzman and Mr. Daniel wished to discuss. With a desire to have the meeting be as productive as possible, Ms. Wilson followed up her response with an e-mail on September 27, 2013 requesting that any concerns about the offer be placed in writing so that the City could be prepared to address them. Ms. Wilson noted that the City had never received a response to its August 14 offer or received any of the information requested from Dr. Brunzman in that offer. The City therefore considered the offer to have been rejected and wanted more information before reopening discussions.

Between October 7, 2013 and July 21, 2014, the City received four requests from Mr. Daniels to meet regarding the City's offer, but none of the requests contained any of the information requested by Ms. Wilson. After receiving Mr. Daniels' July 21, 2014 letter, Ms. Wilson contacted Mr. Daniels on July 29, 2014 with several possible dates for a meeting. Mr. Daniels responded on August 5, stating "Thanks for your quick reply with the possible meeting dates, however, Dr. Brunzman needs some time to prepare and to find possible meeting dates that work

Ms. Stacy Goodman
Mr. Todd W. Wyatt
February 22, 2016
Page 4

for him. I, or someone, will get back to you when this happens, which we hope will be fairly soon.”

Over four months later, on December 22, 2014, having heard nothing from Dr. Brunsman or Mr. Daniels since August 5, the City sent Dr. Brunsman a letter reminding him that the deadline for submitting a relocation assistance claim was January 31, 2015, eighteen months following the date of July 31, 2013, which Dr. Brunsman had advised the City was the date he vacated the premises at 16146 NE Cleveland Street. A copy of that letter is enclosed. The City received no response to this letter by the January 31, 2015 deadline and the City heard nothing further of substance from FCA until your December 1, 2015 letter.

Under these circumstances, it should be apparent that the City made every effort in 2012, 2013, and 2014 to engage with FCA on a relocation assistance package and that Dr. Brunsman and his advisors failed to respond to the City's efforts time and time again. Requests for meetings were not responded to, requests for information were not addressed, and invitations to provide a counter to the City's offer and to file a claim were ignored. After more than two years of trying to reach agreement with FCA, the City simply moved on and sees no reason to revisit that decision now.

Turning to the merits of FCA's claim, the City has three responses. First, the deadline for filing a relocation assistance claim with the City passed on January 31, 2015. The relocation assistance program established by Chapter 8.26 RCW is administered by the Washington State Department of Transportation, which has authority to establish rules for local agencies and displaced persons who proceed under the statute. RCW 8.26.085. The state statute is based on federal law (42 U.S.C. §4621 *et seq.*) and is intended to allow the state and its political subdivisions to qualify for federal financial assistance when acquiring property for public projects. Under WAC 468-100-207(4)(a)(i), which is virtually identical to 49 C.F.R. §24.207(d)(1)(i) on which it is based, all claims for relocation assistance by displaced tenants must be filed within eighteen months after the “date of displacement.” According to WAC 468-100-002, a business is displaced when it moves from the real property on which it is located. During the course of the unlawful detainer action brought by the City, Dr. Brunsman asserted that FCA was fully moved out of its offices at 16146 NE Cleveland Street by July 31, 2013. Thus, the date of displacement for FCA was July 31, 2013 and the eighteen month period for filing its relocation assistance claim expired on January 31, 2015. The City advised Dr. Brunsman of this deadline in the City's December 22, 2014 letter and Dr. Brunsman failed to file a claim by the required date. The claim is thus barred under WAC 468-100-207(4)(a)(i) and 49 C.F.R. §24.207(d)(1)(i).

Second, FCA failed to pursue available administrative remedies. WAC 468-100-010(4) provides that any displaced person may appeal a relocation expense determination by a local agency by filing an appeal notice with the agency within 60 days of the agency's decision. The City notified FCA's relocation advisor (with whom Dr. Brunsman directed the City to communicate exclusively) on September 27, 2013 that it considered FCA's non-response to its relocation assistance offer to be a rejection of the offer, making the City's offer a final decision. The City had also notified Dr. Brunsman in its initial letter of April 12, 2012 that FCA could appeal any

Ms. Stacy Goodman
Mr. Todd W. Wyatt
February 22, 2016
Page 5

final decision on the City on relocation by simply filing a letter stating his disagreement and providing an explanation for his grievance. No appeal was received by the City within the 60 day appeal period and an appeal is therefore barred at this time.

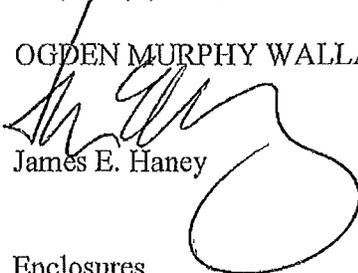
Finally, the items for which FCA seeks relocation assistance beyond what the City offered are clearly not compensable. RCW 8.26.035 sets up four categories of relocation expenses that are eligible for payment: (a) actual reasonable expenses occurred in moving the business; (b) actual direct losses of tangible personal property as the result of moving or discontinuing the business; (c) actual reasonable expenses in searching for a replacement site; and (d) actual reasonable expenses to reestablish a business at the new site, "but not to exceed fifty thousand dollars." WAC 468-100-306 expands on the reestablishment expense category, providing examples of both eligible and ineligible expenses. Specifically, WAC 468-100-306(2)(a), which is virtually identical to 49 C.F.R. §24.304(b)(1), declares that "[p]urchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures" is "not considered to be reasonable, necessary, or otherwise eligible." Many of the items for which Dr. Brunsman seeks compensation are capital assets and are therefore ineligible for compensation under the statute. The City's August 14, 2013 offer letter told Dr. Brunsman this and the May 28, 2013 Summary Facility Comparison enclosed with your letter contains the same items that the City's offer letter rejected. Moreover, these items far exceed the \$50,000 maximum provided in the statute and rules and cannot be reimbursed on that basis. Thus, even if the City were to consider the relocation claim to be timely, the City could not agree to compensate your client for the items he is requesting.

For all of the reasons set forth above, the City respectfully declines to reopen negotiations with FCA and believes that FCA is not entitled to any relocation assistance from the City. The City made repeated attempts to reach agreement with FCA and was not able to do so. The time for relocation assistance claims has now passed and the items for which compensation is sought are ineligible.

If you have any further questions or any more information to provide, please feel free to give me a call.

Very truly yours,

OGDEN MURPHY WALLACE, P.L.L.C.


James E. Haney

Enclosures

cc: Mayor John Marchione
Debby Wilson

EXHIBIT 61

Todd W. Wyatt

From: Debby Wilson <DWILSON@REDMOND.GOV>
Sent: Tuesday, September 6, 2016 11:44 AM
To: Carolyn J. Hope
Subject: Downtown Park - Brunsman
Attachments: HISTORY NOTES.docx

As requested, attached are notes of notable items regarding Dr. John Brunsman's relocation. Because of some dealings with him or his office staff prior to the downtown park discussions, the first note is in regards to his contact with the City about a previous project.

Debby



Debby Wilson
Real Property Manager
425-556-2715
PO Box 97010 | MS: 4NPW | Redmond WA 98073-9710
15670 NE 85th Street | Redmond, WA 98052

NOTICE OF PUBLIC DISCLOSURE: This e-mail account is public domain. Any correspondence from or to this e-mail account is a public record. Accordingly, this e-mail, in whole or in part, may be subject to disclosure pursuant to RCW 42.56, regardless of any claim of confidentiality or privilege asserted by an external party.

JOHN BRUNSMAN
 16146 NE CLEVELAND STREET
 NOTES/CONTACTS

4/27/2010	E-mails from Dr. Brunzman's office requesting compensation for lost revenue
4/11/2012	Notice of relocation assistance, assistance with expediting building permits for a new location, must sign a lease
4/11/2012	Letter regarding moving and rights
4/12/2012	Meeting request made. I am trying to have a meeting with Dr. John Brunzman (16146 Cleveland Street) next week to discuss the City being the new owner of the property he leases. His office Administrator say that he wants to have his Council at the meeting. He has had issues with the City in the past so I was going to give him a one-to-one meeting. I will be providing him a lease termination form and a six month lease.
4/18/2012	Via Dr. Brunzman's office, canceled meeting, wants to wait until he could reschedule so his advisor could attend
	Attempts via phone messages to reschedule meeting unanswered
6/22/2012	Several attempts to contact; Bob Power let us know M. Daniel is Dr. Brunzman's relocation advisor
8/8/2012	City's relocation advisor to meet with M. Daniel and Dr. Brunzman
8/24/2012	No luck contacting for site investigation
10/9/2012	City's advisor: Hi Debby, I have left several messages with both Dr. Brunzman and Martyn Daniel with no response since August. Today is the first time a human has answered the phone at Brunzman's office, so maybe he'll call back. The last contact I had with Martyn, he was waiting on architectural work for a replacement office TIs, and that was quite a while ago.
10/10/2012	Right of occupancy termination letter
10/25/2012	Relocation Advisor suppose to have a report on Friday
12/10/2012	Have not shared cost estimates nor have tenant improvement estimates been done
12/12/2012	Met with Tenant (city, parks, advisors). No progress. Have identified a potential site, but have not shared costs. Understand an architectural advisor to Tenant desires an advance and Dr. is unable, or unwilling to pay. Dr. B stated he has right of first refusal on property . . . requested copy. Looking for some place to go. Stated "he is grandfathered. I am Redmod and that is why I have been dragging my feet" Provided Jason Lynch infor to Tenant Advisor to assist code and permitting
2/21/2013	Per Tenant Advisor, moving to property on 164 th ; plans are under way. Estimates have begun and will be 6 weeks. Discussed need to know if Dr. B was going into storage
	Several attempts to contact
3/14/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
4/1/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
5/10/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
5/13/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
5/16/2013	Notified estimates ready and would like to meet. Stopped by DR. office. Per front desk, (after visits to the back office) all conversations were to take place with Marytn Daniel per Dr. Brunmans agreement with Martyn. Called Advisor. As a courtesy wanted to advise about the construction activity that will be starting in area.
5/21/2013	Only way Dr. Brunzman has communicated with City's advisor is via fax
5/24/2013	No messages able to be left on answering machine. Letter sent - Must move request

JOHN BRUNSMAN
 16146 NE CLEVELAND STREET
 NOTES/CONTACTS

	vacate date of 6/5/2013 or formal eviction. Note of fencing being placed around property
5/29/2013	Met with Dr. Brunzman and his consultants (relocation and architects) Received first relocation estimates (incomplete) Reviewed and found to not be supported by current business activities, space size, employees, office hours, etc
5/30/2013	Requested executive session to evict
6/4/2013	Preliminary advance cost/expenses for interim scenario provide by consultant; found reasonable; OK to pay if formally requested by Tenant
7/5/2013	20-day Notice to Vacate
	No rent paid Aug and Sept; utilities not pd July and August
7/10/2013	Advisors have been meeting.
7/31/2013	DATE OF DISPLACEMENT IF BASED ON DATE OF 8/29/2013 NOTE
8/2/2013	Note from VFW to Mayor
8/12 & 13	Observed items being moved out in evening
8/14/2013	Offer to Dr. Brunzman summarizing review of relocation/reestablishment expenses. \$640,000
8/20/2013	Called Dr. Brunzman - message machine only. Contacted Tenant's advisor he will forward messages to Dr. Brunzman regarding is the space being vacated or not. Advisor says he is out of space. Requested relocation advisor secure a key as a confirmation the City can access the space. Noted furniture and paperwork remained in space so let city know if abandoning any remaining items that can be seen.
8/22/2013	Court filing for unlawful detainer with notice to vacate
8/29/2013	Mayors office received note, and key, that property was vacated July 30th
8/29/2013	City moved items out to business park storage (see pictures)
9/17/2013	Advisor requested meeting to discuss concerns and requests
9/23/2013	Court motion dismissing unlawful detainer complaint; Let attorney know that city will store items for 90 days
9/23/2013	Advisor request to meet to discuss offer. Advised Dr. Brunzman's Relocation Advisor that Dr. Brunzman was aware that his eviction and removal and storage of personal possessions jeopardized relocation assistance.
9/27/2013	Att notified by Dr. Brunzman attorney that he does not want any items he left.
9/27/2013	Requested Tenant Advisor to provide all items/concerns be in writing. Discussed that no formal acceptance of settlement offer was ever provided.
9/29/2013	Requested all items and concerns be provided in writing.
10/7/2013	Request to meet by Tenant Relocation consultant . Response from Dr. Brunzman's Relocation Advisor that Dr. Brunzman has not rejected offer. Also states Dr. Brunzman vacated his space with his own limited resources and abandoned his personal property and prior to the eviction notice
10/17/2013	Overdue water bill notice received
10/28/2013	Letter from Sen Patty Murray requesting report findings directly to Dr. Brunzman. ("Difficulties pertaining to medical facility licensing")
12/18/2013	Advisor request to meet

JOHN BRUNSMAN
 16146 NE CLEVELAND STREET
 NOTES/CONTACTS

1/16/2014	Mayor office received letter from Sen Patty Murray office. Drafted response letter. Sent 2/28/2014 from Mayor
2/28/2014	Jessica Pfundt Business License Review for Dr. Brunzman at 8105 166 th #104 , When inquired about generator, Dr. Brunzman noted . . . it will be added to the bill.
5/7/2014	Mayors office received letter from Tenant Advisor desiring to meet.
7/21/2014	Mayors office received letter from Tenant Advisor desiring to meet.
7/25/2014	Susan C responded Debby would contact
7/29/2014	Several meeting dates provided to Advisors
8/5/2014	Advisor "Thanks for your quick reply with the possible meeting dates, however, Dr. Brunzman needs some time to prepare and to find possible meeting dates that work for him, I, or someone, will get back to you when this happens, which we hope will be fairly soon."
12/22/2014	Letter/Notice of final claim date
1/31/2015	Final date to submit claims if eligible
1/26/2015	Public Records Request
1/30/2015	Mike Bailey letter
2/3/2015	Letter from Mike Bailey regarding PPR
2/11/2015	Letter from Mike Bailey regarding PPR
3/3/2015	Letter from Mike Bailey PPR will close 4/2/2015; noting no response from previous letter
4/25/2015	Advisor ask for update on if Dr. B can still claim funds
5/19/2015	Message from Advisor asking to be paid directly; responded (Dr. Brunzman not responding to Advisors)
6/19/2015	Message from Advisor asking to be paid directly
7/16/2015	Message from Advisor asking to be paid directly
7/30/2015	Message from Advisor asking to be paid directly
7/31/2015	Follow up to Advisor message
8/3/2015	Request from Advisor to have City pay him directly
12/1/2016	Letter to Mayor regarding representation of Dr. Brunzman; want to reengage City to resolve reestablishment of office and collect damages suffered
2/22/2016	City Attorney response letter to Dr. Brunzman's legal reps; outlined historic activities and responded to each
4/26/2016	NOTICE OF APPEAL letter received from Dr. Brunzman's legal reps

Also: No lease

Moveout pictures

EXHIBIT 62

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THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

JOHN H. BRUNSMAN DPM, P.S., a
Washington professional services corporation,
dba Foot Care Associates PC,

Petitioner,

vs.

CITY OF REDMOND, WASHINGTON;

Respondent

No. 16-2-23879-3

PETITION FOR JUDICIAL REVIEW AND
DECLARATORY RELIEF

Petitioner John H. Brunzman DPM, P.S., dba Foot Care Associates PC, by and through his attorneys of record, Carson & Noel PLLC, makes the following petition.

I. PARTIES, JURISDICTION, AND VENUE

1. The Petitioner, John H. Brunzman DPM, P.S., dba Foot Care Associates PC ("Foot Care Associates"), whose mailing address is 8105 166th Ave NE, #104, Redmond, Washington, 98052, petitions for review pursuant to RCW 34.05.510 et seq. of an administrative agency decision.

2. The decision is from the City of Redmond, King County, Washington ("Redmond"). Its address is City of Redmond, 15670 NE 8th Street, PO Box 97010, Redmond, Washington, 98073-9710.

CARSON | NOEL
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3. The name and address of the Respondent's attorney is:

James E. Haney
Ogden Murphy Wallace P.L.L.C.
901 Fifth Avenue, Suite 3500
Seattle, WA 98164

4. At issue is Redmond's decision to deny Foot Care Associates' appeal related to relocation benefits.

II. FACTS

5. Redmond purchased and demolished a building located at 16146 Cleveland Street that Foot Care Associates had occupied as a tenant for many decades. As a result, Foot Care Associates was forced to relocate.

6. The parties engaged in some negotiation.

7. On or about May 29, 2013, Foot Care Associates provided relocation estimated costs to Redmond, and Redmond asked for more information.

8. On or about August 14, 2013, Redmond made an offer to Foot Care Associates for relocation costs.

9. On or about September 17, 2013, Foot Care Associates, through its representative at the time, requested a meeting with Redmond to discuss the offer.

10. On or about September 7, 2013, Redmond asked for concerns in writing and a written rejection of Redmond's offer. Redmond considered Foot Care Associates to have rejected its offer.

11. On or about July 29, 2014, Redmond nevertheless agreed to meet with the representative for Foot Care Associates. That meeting apparently never occurred.

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1 12. Interestingly, in February 2016, Redmond asserted that it had made a final decision
2 on Foot Care Associates' claim based on its alleged rejection of Redmond's offer.

3 13. On or about December 22, 2014, Redmond sent a letter to Foot Care Associates
4 noting the January 31, 2015 deadline for filing a claim for relocation/reestablishment
5 assistance.

6 14. Redmond has never sent, and Foot Care Associates has never received, a notice of
7 denial of claim or a written notice of the determination, the basis for the determination, and
8 the procedures for appealing that determination, as required by WAC 468-100-207(5). As a
9 result, Foot Care Associates was not fully informed of its rights and entitlements to
10 relocation assistance.

11 15. In December 2015, Foot Care Associates asked Redmond to reopen the discussion
12 of payment of relocation expenses.

13 16. On or about February 24, 2016, Redmond declined to re-open discussions.

14 17. On April, 26, 2106, Foot Care Associates delivered a Notice of Appeal to
15 Redmond and its attorney. The Notice of Appeal also requested an adjudicative proceeding
16 if the appeal was denied.

17 18. To date Redmond has not responded to Foot Care Associates' Notice of Appeal
18 and request for an adjudicative proceeding.

19 19. This Petition for Review is timely filed with the proper court. Petitioner has
20 exhausted administrative remedies, and is aggrieved and adversely affected, without further
21 appeal through the agency, by the final decision of the agency.

22 20. This Petition for Review should be granted pursuant to RCW 7.16.040 because, at
23 a minimum, Redmond failed to correct erroneous or void proceedings and there is no appeal
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PLLC

1 or any plain, speedy and adequate remedy at law.

2 21. Redmond's action or inaction is a substantive due process violation and taking of
3 property without just compensation. Wash. Const. Art. 4, §6.

4 22. Petitioner is entitled to relief pursuant to RCW 34.05.570(3) because Redmond
5 denied Foot Care Associates' appeal related to relocation benefits.

6 23. Petitioner also is entitled to relief based on one or more of the following:

- 7 a. The order, or the statute or rule on which the order is based, is in violation of
8 constitutional provisions on its face or as applied;
- 9 b. The order is outside the statutory authority or jurisdiction of the agency
10 conferred by any provision of law;
- 11 c. The agency has engaged in unlawful procedure or decision-making process,
12 or has failed to follow a prescribed procedure;
- 13 d. The agency has erroneously interpreted or applied the law;
- 14 e. The order is not supported by evidence that is substantial when viewed in
15 light of the whole record before the court, which includes the agency record
16 for judicial review, supplemented by any additional evidence received by the
17 court under this chapter;
- 18 f. The agency has not decided all issues requiring resolution by the agency;
- 19 g. A motion for disqualification under RCW 34.05.425 or 34.12.050 was made
20 and was improperly denied or, if no motion was made, facts are shown to
21 support the grant of such a motion that were not known and were not
22 reasonably discoverable by the challenging party at the appropriate time for
23 making such a motion;
- 24
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- 1 h. The order is inconsistent with a rule of the agency unless the agency explains
2 the inconsistency by stating facts and reasons to demonstrate a rational basis
3 for inconsistency; or
4 i. The order is arbitrary or capricious.

5 **III. DECLARATORY AND INJUNCTIVE RELIEF**

6 24. Petitioner re-alleges and incorporates herein every allegation contained in the
7 preceding paragraphs.

8 25. Pursuant to the Uniform Declaratory Judgments Act, RCW 7.24 et seq., Petitioner is
9 entitled to have the Court determine the rights, status and/or other legal determinations
10 regarding the parties, whether or not further declaratory and injunctive relief may be sought or
11 obtained.

12 26. A justiciable controversy exists as to Petitioner's statutory and constitutional
13 rights, status, or other legal relations for purposes of RCW Chapter 7.24 et seq, which are
14 affected by Respondent's actions. Petitioner is entitled to declaratory and injunctive relief,
15 including the Court's review of municipal rules and code, and state code and statutes,
16 regarding action or inaction by Redmond related to relocation assistance with regard to Foot
17 Care Associates.
18

19 27. Petitioner seeks a declaratory judgment that a) Redmond violated WAC 468-100-
20 207 by failing to follow the required notice procedure regarding relocation benefits, b)
21 Redmond violated WAC 468-100-2079 by failing to waive the time period for filing claims
22 for relocation payments "for good cause," c) Redmond engaged in unlawful procedure and/or
23 failed to follow a prescribed process that violated the rights of Foot Care Associates, d)
24 Redmond denied Petitioner an adjudicative proceeding pursuant to RCW 8.26 and RCW
25
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PLLC

1 34.50, e) Redmond denied Petitioner the notice and opportunity to be heard, pursuant to
2 Washington law and the Washington State Constitution, f) Redmond violated Petitioner's
3 substantive due process rights under the Washington State Constitution. Wash. Const. Art.
4 4, §6.

5 28. Adjudication would resolve the controversies.

6 **IV. PRAYER FOR RELIEF**

7 WHEREFORE the Petitioner prays for the following relief:

- 8 1. A declaration that Respondent violated statutes and codes as described herein;
9 2. A declaration that Respondent violated Petitioner's rights to due process as described
10 herein;
11 3. An order enjoining Respondent from future violations of Petitioner's rights;
12 4. Other declaratory and injunctive relief as the Court deems just an equitable;
13 5. The right to conform the pleadings to the evidence presented;
14 6. Attorneys' fees and costs as allowed by law;
15 7. Further and different relief as the Court deems just and/or equitable.

16 DATED this 3rd day of October, 2016.

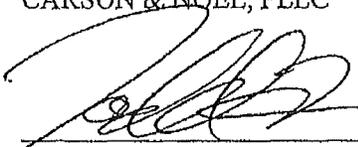
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19 CARSON & NOEL, PLLC
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21 _____
22 Todd Wyatt, WSBA #25264
23 Stacy Goodman, WSBA # 39287
24 Attorneys for Plaintiff

EXHIBIT 63

Todd W. Wyatt

From: Eva Parker <eparker@redmond.gov>
Sent: Friday, October 14, 2016 2:52 PM
To: Mike Paul; Carolyn J. Hope; Steven Gibbs
Subject: DT Park - Project status update meeting Tues Oct 11
Attachments: 2016-10-11_Project Status Meeting with Managers_Minutes.docx

Please find attached, my notes from this past Tuesday's meeting

Eva Parker

Co Project Manager

Downtown Redmond Park

Office: 425.556.2704

Cell: 512.921.8728

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Project Status Meeting with Managers

Date: October 11, 2016

Location: Sammamish

Recorded By: Eva Lee Parker(EP), Co PM-DT Park

PRESENT: CC:

Kelty McKinnon	PFS Studio (PFS)	kmckinnon@pfs.bc.ca	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Stephen Wilkinson	PFS Studio (PFS)	swilkinson@pfs.bc.ca	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lisa Singer (LS)	CoR Public Works (CoR)	lsinger@redmond.gov	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B Sanders	CoR Parks Planning	bbsanders@redmond.gov	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Steve Gibbs	CoR Public Works	sgibbs@redmond.gov	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Paul	CoR City Engineer	mpaul@redmond.gov	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Carolyn Hope	CoR Parks & Cultural Arts	cjhope@redmond.gov	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Minutes

Item No.	Description	Action
1	Schedule: MP asks if consultants are on schedule: yes, documents are due December 16 th EP advised the construction schedule has been updated with end of March for substantial completion. EP will forward a link to the schedule in Sharepoint.	EP
2	Fabrication Specialties Contract: Steve Gibbs is reviewing and will ask Betsie McLain assist in editing; SG requests on language for escalation of metal/steel. Concerns in the contract include: insurance (can FS provide for \$5M umbrella?), escalation The goal is to finalize the language in this contract by the end of this month (Lisa intends on this to be before council December 6 th)	SG/ LS
3	MP requests a run-through of the phase gate template presentation There will be a slide to identify risks in the earlier completion date including costs and quality	LS
4	Peat Contract: SG reviewed the fines situation with Bassam Al-Ali this morning; suggests the contractor to excavate the low spot areas where the fines have collected due to rain by 1' plus and backfill with 2" clean minus: approximately 100 cy of removal and 1000 tons of imported material. The perimeter will be hydroseeded and thus have soil material laid down, no granular along the perimeter of the site. The contract due to the mistaken placed Cadman material and high fines results in the contract amount to be less than the contract amount. SG reports the infiltration gallery is clean material and free draining material Holes that were tested below the areas of pooled water proved to drain freely and quickly.	

	SG assess the solution of replacing the current material should prove to be a non issue for the drainage of structural soil and lawn areas.	
5	<p>Binding Site Plan: Debby Wilson and BS are finishing this up and had a few more comments; BS plans to prepare the statement and send it to planning before the end of this week.</p> <p>Dr. Brunsman, a tenant on the site in the past has finally come forward with a claim for compensation though was unresponsive when the acquisition of park property was active. The statute of limitations may or may not be exceeded; it is likely the city will need to compensate now even though money that was held for this purpose has now been reassigned.</p>	BS
6	<p>Building Permit BP application was submitted September 15 and the team has not received any comments yet from the building department. EP to check in on status with Anita Randall. MP advised he would not push the building department since there is still time to capture comments once they come in at their designated time, end of the month.</p>	EP

Meeting commenced 10am and adjourned at 10:40am

EXHIBIT 64

From: Lisa Singer
Sent: Friday, October 21, 2016 11:47 AM PDT
To: Mike Paul
CC: Steven Gibbs; Jon Spangler; Betty Sanders; Carolyn J. Hope; Debby Wilson
Subject: Park - budget - RW claims \$

Debby confirmed our low end range based on what we had offered originally. She says the Brunsmann current claim is on the order of \$2.1M! I changed the range on the slide to be \$0.8M to \$2.3M, to include some \$ for City and attorney costs and the Stone House potential claim.

I also asked Debby to work with Sandy and Parks to try to back feed some funding into the RW budget for this project so that we can keep these costs separated from the Design/Construction Budget that I will need to update for PG4. She estimates at least \$30k in her and Jim Haney's time over the next few months.

Thanks-
Lisa

425-556-2726
lsinger@redmond.gov

EXHIBIT 65

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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR KING COUNTY

JOHN H. BRUNSMAN DPM, P.S., a Washington)
professional services corporation, dba Foot Care)
Associates PC,)

Petitioner,

v.

CITY OF REDMOND, WASHINGTON,

Respondent.

NO. 16-2-23879-3

RESPONDENT'S ANSWER TO PETITION
FOR DECLARATORY RELIEF

COMES NOW Respondent City of Redmond ("the City"), through its attorneys of record, Ogden Murphy Wallace PLLC, and answers Petitioner's petition for declaratory relief¹ as follows:

ANSWER TO PETITIONER'S AVERMENTS

1. In answer to paragraph 1 of the petition, the City admits that it issued an administrative decision. The City lacks knowledge on which to admit or deny the remaining allegations in this paragraph and therefore denies the same.

¹ Petitioner styles his petition as one for "Judicial Review and Declaratory Relief." To the extent it is a petition for judicial review, the City does not believe an answer is either required or proper. The request for declaratory relief, however, appears to require an answer under Civil Rule 8(b).

1 2. In answer to paragraph 2 of the petition, the City denies that its address is on
2 Northeast 8th Street and affirmatively asserts that its address is City of Redmond, 15670
3 Northeast 85th Street, P.O. Box 97010, Redmond, WA 98073-9710.

4 3. In answer to paragraph 3 of the petition, the City calls attention to the City's
5 Notice of Withdrawal and Substitution of Counsel for Respondent, dated November 23, 2016.

6 4. In answer to paragraph 4 of the petition, the City asserts that Petitioner's
7 characterization of the issues is not an averment to which admission or denial is required.

8 5. In answer to paragraph 5 of the petition, the City admits that it purchased and
9 demolished a building at the identified location, admits that Petitioner operated a business in that
10 building, denies for lack of knowledge the length of time, and admits that Petitioner was required
11 to relocate his business.

12 6. In answer to paragraph 6 of the petition, the City admits that in the more than four
13 years since it first notified Petitioner of the demolition there have been some communications
14 between the parties that could be characterized as "negotiation." The City denies that Petitioner
15 ever negotiated with the City in good faith.

16 7. In answer to paragraph 7 of the petition, the City admits that Petitioner provided
17 relocation cost estimates on the identified date, that the City advised Petitioner that the estimates
18 were based on incomplete information and included non-compensable costs, and that the City
19 requested more complete information.

20 8. In answer to paragraph 8 of the petition, the City admits that it made an offer to
21 Petitioner for relocation costs on the identified date.

22 9. In answer to paragraph 9 of the petition, the City admits that, on the identified
23 date, Petitioner's representative requested a meeting.

24 10. In answer to paragraph 10 of the petition, the City admits that it sent an email
25 message to Petitioner's representative advising that it had never received a response to its offer
26 of relocation costs, requesting that concerns about its offer be placed in writing, and advising that

1 the City considered its offer to be rejected. The City denies that this message was sent on
2 September 7, 2013 and affirmatively asserts that it was sent on September 27, 2013.

3 11. In answer to paragraph 11 of the petition, the City admits that on the identified
4 date it offered to meet with Petitioner's representative. The City admits further that no such
5 meeting ever occurred. Petitioner's representative responded on August 5, 2014 saying that
6 Petitioner needed more time to prepare and find available meeting dates and advising that
7 Petitioner or his representative would contact the City when that happened, and Petitioner failed
8 to contact the City again until December 2015.

9 12. In answer to paragraph 12 of the petition, the City admits that in February 2016 it
10 reasserted its position that it had made a final decision. The City denies this paragraph to the
11 extent it suggests that Petitioner ever made a valid claim for relocation costs.

12 13. In answer to paragraph 13 of the petition, the City admits that on the identified
13 date it sent a letter to Petitioner reminding him that the deadline for a claim for
14 relocation/reestablishment assistance was January 31, 2015.

15 14. The City denies the allegations in paragraph 14 of the petition.

16 15. The City admits the allegations in paragraph 15 of the petition.

17 16. In answer to paragraph 16 of the petition, the City admits that it declined to re-
18 open discussions by letter dated February 22, 2016.

19 17. In answer to paragraph 17 of the petition, the City admits that Petitioner sent a
20 Notice of Appeal dated April 26, 2016, which was received by the City's attorney on April 29,
21 2016. The City admits that the Notice of Appeal requested an adjudicative proceeding if the
22 appeal was denied.

23 18. In answer to paragraph 18 of the petition, the City admits that it did not respond to
24 Petitioner's untimely April 2016 Notice of Appeal, but denies that any such response was
25 necessary given that the City had already denied Petitioner's untimely request to re-open the
26 matter, which for all practical purposes functioned as an appeal.

1 19. The City denies the allegations in paragraph 19 of the petition.
2 20. The City denies the allegations in paragraph 20 of the petition.
3 21. The City denies the allegations in paragraph 21 of the petition.
4 22. In answer to paragraph 22 of the petition, the City admits that it denied
5 Petitioner's appeal related to relocation benefits and denies that Petitioner is entitled to any
6 relief.
7 23. The City denies the allegations in paragraph 23 of the petition and all subparts
8 thereof.
9 24. The City re-asserts and incorporates herein every answer contained in the
10 preceding paragraphs.
11 25. In answer to paragraph 25 of the petition, the City asserts that this paragraph
12 consists of a legal conclusion to which no answer is required. The City denies that Petitioner is
13 entitled to any relief under the Uniform Declaratory Judgments Act.
14 26. In answer to paragraph 26 of the petition, the City asserts that this paragraph
15 consists of a legal conclusion to which no answer is required. The City denies that Petitioner is
16 entitled to any relief under the Uniform Declaratory Judgments Act.
17 27. In answer to paragraph 27 of the petition, the City asserts that this paragraph is a
18 summary of Petitioner's cause of action, to which no answer is required. The City denies that it
19 violated any of the regulations, statutes, or constitutional provisions listed therein and further
20 denies that it engaged in any unlawful procedure or failed to follow any prescribed process that
21 violated Petitioner's rights.
22 28. In answer to paragraph 28 of the petition, the City asserts that this paragraph
23 consists of a legal conclusion to which no answer is required. The City denies that Petitioner is
24 entitled to any relief under the Uniform Declaratory Judgments Act.
25 29. The City denies that Petitioner is entitled to any relief asserted in his Prayer for
26 Relief.

1 DATED this 23rd day of December, 2016.

2 OGDEN MURPHY WALLACE, P.L.L.C.

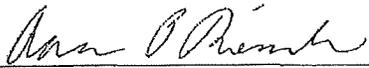
3 By 
4 Aaron P. Riensche, WSBA #37202
5 Attorneys for Respondent
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EXHIBIT 66

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THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

JOHN H. BRUNSMAN DPM, P.S., a
Washington professional services corporation,
dba Foot Care Associates PC,

No. 16-2-23879-3

Petitioner,

PETITIONER JOHN BRUNSMAN'S
MOTION FOR PARTIAL SUMMARY
JUDGMENT

vs.

CITY OF REDMOND, WASHINGTON,

Respondent.

I. INTRODUCTION AND RELIEF REQUESTED

This case presents interesting questions regarding what duties a municipality can ignore under the Washington Relocation Assistance Act. Petitioner Dr. John Brunzman DPM, P.S. (hereinafter "Dr. Brunzman") practiced podiatry in Redmond for 25 years. The City of Redmond, as part of a park project, condemned the building in which his practice was located. But rather than pay relocation assistance as the law required—and as the City agreed it owed—the City attempted to negotiate with Dr. Brunzman for a lesser amount. When that failed, the City simply held its funds and did not act further, eventually forcing Dr. Brunzman into this Court.

The facts here are largely uncontroverted. Dr. Brunzman now seeks an Order: (1)

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1 declaring that the City violated the Relocation Assistance Act; (2) requiring that a trial be held
2 on Dr. Brunzman's claim; and (3) awarding Dr. Brunzman his reasonable attorneys' fees and
3 costs under the Administrative Procedures Act for filing the Petition and bringing this motion.

4 II. STATEMENT OF FACTS

5 A. Property Acquisition Triggers the City's Relocation Obligation.

6 Dr. Brunzman is a podiatrist who has practiced in Washington for 32 years. Declaration
7 of Stacy Goodman ("Goodman Decl."), ¶¶ 1-3 & Ex. A. For more than 25 years, his practice,
8 which does business as "Foot Care Associates," occupied as tenant a building located at 16146
9 Cleveland Street in Redmond, Washington (the "Property"). *Id.*, Exs. A & B. He is licensed
10 by the Washington State Department of Health ("DOH") to perform surgeries, and his is the
11 only practice or podiatrist with such approval in the City. His patient populations come from
12 all walks of life. *Id.*, Ex. A. He has passed all inspections over the years and had no facility
13 complaints. *Id.*

14
15 The City acquired the Property to develop a public park. *Id.*, Ex. B. As more fully
16 explained below, that acquisition triggered an obligation on the part of the City to offer
17 relocation assistance to Dr. Brunzman for his displaced business. *Id.*, Exs. A, Q at 1, & T at 1.

18 One of the issues with relocating Dr. Brunzman's surgical practice is that at the Property
19 he was grandfathered under 25-year-old DOH standards. *Id.*, Ex. A. When forced to move by
20 the City, however, Dr. Brunzman lost that grandfathered status. He is now required to comply
21 with the new standards for surgical facilities. His forced relocation was not as simple as
22 moving furniture. *Id.* To create this new surgical facility, his relocation costs were estimated
23 at more than \$2 million. *Id.*

24 A. Dr. Brunzman Submits Claims for Relocation Costs and Interim Costs.

25 The relocation process began in April 2012 when the City notified Dr. Brunzman of the
26

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1 Property acquisition and provided information about the City's relocation assistance program.
2 *Id.*, Ex. B. The City engaged Steve Reinhart of Utility Field Services to purportedly help Dr.
3 Brunsman with relocation/reestablishment estimates and site-search advice. *Id.*, Ex. B at 2.

4 On May 29, 2013, Dr. Brunsman and his consultants met with the City to discuss and
5 provide relocation cost estimates for moving his surgical center ("Relocation Costs"). *Id.*, Ex.
6 C. In attendance were Dr. Brunsman, his relocation advisor Martyn Daniel, architectural
7 consultants, and the City's Real Property Manager, Debby Wilson. Ms. Wilson oversaw Dr.
8 Brunsman's relocation on behalf of the City. *Id.*, Ex. D. A Log created by the City of its
9 dealings with Dr. Brunsman noted that the Relocation Costs submitted by Dr. Brunsman and
10 his team were allegedly "incomplete," and had been "[r]eviewed and found to not be
11 supported by current business activities, space size, employees, office hours, etc." *Id.*, Ex. C.

12
13 Five days later, on June 4, 2013, Mr. Daniel followed up with an email inquiry to Ms.
14 Wilson "to see if there is any information you may need from Dr. Brunsman for clarification
15 and support to help you favorably determine his eligible relocation costs." *Id.*, Ex. E. Ms.
16 Wilson did not respond to Mr. Daniel's inquiry. *Id.*, Exs. C & E.

17 In that same June 4 email, Mr. Daniel provided cost estimates for the interim space for
18 Dr. Brunsman's practice for eight months while the tenant improvements were made to his
19 new permanent surgical facility ("Interim Costs"). *Id.*, Ex. E. Those estimated costs were
20 \$42,000, and Mr. Daniel asked: "Does this scenario and costs seem reasonable for the City to
21 pay to Dr. Brunsman? . . . Please let me know anything you can as early as you can." *Id.*

22
23 That same day, the City Log notes that the "Preliminary advance cost/expenses or
24 interim scenario provide[d] by consultant; *found reasonable; OK to pay if formally requested*
25 *by Tenant.*" *Id.*, Ex. C (emphasis added). The next entry in the Log, June 14, 2013, noted that
26



1 “Advance/Interim cost reviewed *OK to pay if requested.*” *Id.* (emphasis added).

2 The City never notified Dr. Brunzman that his Interim Costs had had been approved.
3 Nor did the City ever tell Dr. Brunzman how to “formally” claim—whatever that meant—
4 those Interim Costs in any other manner beyond meeting between the parties and the follow up
5 email from Mr. Daniel. *See id.*, Ex. C. In the next few weeks, City representatives met twice
6 more with Mr. Daniel to discuss the Relocation Costs, but again nothing was said about
7 needing a “formal” request apart from the previous information provided by Dr. Brunzman
8 and Mr. Daniel. *Id.*, Ex. F.

9
10 **B. After Analyzing the Relocation Costs, the City Offers \$640,000.**

11 On July 10, 2013, the City’s representative Mr. Reinhart notified Ms. Wilson that he had
12 analyzed the information provided and determined that Dr. Brunzman was entitled to at least
13 \$760,000 in relocation assistance. *Id.* *This was never communicated to Dr. Brunzman.* *See*
14 *id.*, Ex. C.

15 On August 2, 2013, Ms. Wilson responded to an email received by the City Mayor’s
16 office from the organization Veterans of Foreign Wars¹ with concerns about the City’s
17 treatment of Dr. Brunzman. *Id.*, Ex. G. In her response, Ms. Wilson states, in part:

18 Dr. Brunzman has expressed all communications go through his
19 relocation advisor and City representatives have done so; though we
20 can offer no assurance what information has been provided to Dr.
21 Brunzman. . . . *the City has provided information regarding monetary*
22 *assistance with an interim move; the City has received no response on*
this offer . . . We continue to desire to assist Dr. Brunzman to relocate
and reestablish his current business, but his unlawful occupancy of the
space now jeopardizes his entitlements.

23 *Id.* (emphasis added). As shown above, this letter was untrue: the City in fact did *not* provide

24
25 _____
26 ¹ Dr, Brunzman is a Vietnam Veteran.

1 information to Dr. Brunzman about his “interim costs” or that they had been approved but that
2 a “formal” request was required. Likewise, the City never sent a letter directly to Dr.
3 Brunzman to request specific documentation, deny his claims, or notify him of any final action
4 or determinations.

5 On August 14, 2013, after having “received and reviewed submitted written information
6 regarding the potential expenses for relocating and reestablishing the City FCA, P.C., as well
7 as other information gathered during meetings and discussions with you and your advisors,”
8 Mr. Reinhart (on behalf of the City) offered Dr. Brunzman \$640,000—more than \$120,000
9 less than Mr. Reinhart had determined Dr. Brunzman was entitled to. *Id.*, Ex. H. There was
10 no deadline in the letter for responding. *Id.*

11
12 **C. The City Changes Course and Withholds All Funds.**

13 Just two weeks later, on August 30, 2013, Ms. Wilson notifies Mr. Reinhart that she is
14 taking over his relocation efforts as “I am receiving feedback that *no benefits will be paid to*
15 *[Dr. Brunzman];” Id.*, Ex. I (emphasis added). Even though there was an outstanding
16 offer to Dr. Brunzman of \$640,000 and pre-approved Interim Costs (unbeknownst to Dr.
17 Brunzman), the City had no intention of paying him anything. This secret, internal decision
18 by the City of its intent to deprive Dr. Brunzman of all relocation benefits was made at least
19 18 months before the deadline for filing any claim.²

20
21 **D. The City Ignores Mr. Daniel’s Repeated Requests to Meet.**

22 On September 17, 2013, Mr. Daniel emailed Ms. Wilson requesting a meeting to discuss
23 the relocation package. *Id.*, Ex. J. She responded on September 23 by asking what portions of
24

25
26 ² The Log states that Dr. Brunzman vacated the Property on July 31, 2013, which the City alleges is the Date of Displacement for purposes of determining the time for filing a claim for relocation assistance. Assuming (but

1 the relocation offer he wanted to discuss. *Id.* Mr. Daniel replied that he would like to discuss
2 the City's assumptions concerning square footage, the City's assumptions regarding
3 substitution of items caused by code, and the single and minimum reestablishment amount
4 offered. *Id.*

5 Ms. Wilson responded on September 27 by instructing Mr. Daniel to put concerns about
6 the offer in writing and explaining that the City considered the City's offer rejected (even
7 though, as shown above, internally the City had already decided to not pay anything):

8
9 At this time I would like to request that you provide items/concerns in
10 writing. The information should reference the offer that was made for
11 a relocation settlement and that the offer is being rejected in whole or
12 in part. Since there was no response to the offer and Dr. Brunzman
13 moved and has not submitted the information as noted in the offer, we
14 considered the offer rejected.

15 *Id.*

16 On October 7, 2013, Mr. Daniel responded that the offer was not rejected:

17 Dr. Brunzman has not rejected the city's relocation offer. He did
18 respond immediately to the offer with a request to meet with the City
19 to better understand the offer and perhaps provide additional input
20 based on that better understanding. . . I feel it is more important than
21 ever to have a meeting to clear up these issues, as well as, for Dr.
22 Brunzman to gain a better understanding of the City's offer. Without
23 that understanding, attempting to request or provide information
24 related to the offer would be a time-consuming shotgun approach,
25 which may not hit the real issues. I would like to request again a
26 meeting to help streamline this process to finalization.

27 *Id.*, Ex. K. (emphasis added.) On December 18, 2013, Mr. Daniel again requested to meet.

28 *Id.*, Ex. C. The City ignored all of Mr. Daniel's post-offer requests for a face-to-face meeting.

29 On January 22, 2014, Mr. Reinhart forwarded more cost estimates from Dr. Brunzman's
30 advisors to Ms. Wilson, noting that Mr. Daniel can get an additional spreadsheet if needed, and

31 not conceding) that is the Date of Displacement, the deadline for filing a claim with the City would be 18

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1 further asked: "Let me know if there is anything else you need." *Id.*, Ex. L. Again Ms. Wilson
2 simply did not respond.

3 On February 24, 2014, the City's Mayor (in a letter with information provided to him
4 likely by Ms. Wilson) responded to a letter from Sen. Patty Murray's office, which had
5 received an inquiry about Dr. Brunzman's relocation assistance, or more precisely, the lack
6 thereof. The Mayor responded, in part:

7 As of this date, the City has not received any response from Dr.
8 Brunzman, or his advisors, regarding the City's offer for location
9 assistance. Requests for responses have gone unaddressed. The City
10 is very open to the opportunity to explain its offer to Dr. Brunzman,
11 but the City continues to find no justification to support that the only
means for Dr. Brunzman to be able to stay in business is for the City to
fund a new multi-physician medical clinic and surgical center.

12 *Id.*, Ex. M. (Emphasis added.) These representations were demonstrably false—although again
13 that is likely due to the Mayor not being informed by staff. Indeed, the City ignored all of
14 Mr. Daniel's requests to meet to discuss the offer between September 17, 2013 and December
15 18, 2013. *Id.*, Exs. C, J & K.

16 On May 7, 2014, having seen the letter from the Mayor, Mr. Daniel responded directly to
17 the Mayor and again requested a meeting:

18 I have been working as a relocation consultant with Dr. Brunzman and
19 was pleased to read in your letter the City's interest in explaining the
20 relocation offer presented to Dr. Brunzman. Dr. Brunzman would
21 enjoy the opportunity to meet with the City to discuss and gain a better
understanding of the offer.

22 *Id.*, Ex. N. Ms. Wilson received this letter as well. *Id.*, Ex. O. Neither she nor the Mayor
23 responded. Mr. Daniel sent a second letter on July 21, 2014. *Id.*, Ex. C at 3. The Mayor's
24 office finally responded that Ms. Wilson would contact him. *Id.*, Ex. P. Ms. Wilson

25 _____
26 months later, or January 31, 2015.

1 subsequently contacted Mr. Daniel on July 29, 2014 with two meeting dates, which were not
2 convenient for Dr. Brunzman. *Id.*, Ex. Q. No further correspondence occurred until December
3 22, 2014, when the City notified Dr. Brunzman of its belief that January 31, 2015 was the
4 deadline for relocation claims with the City. *Id.*, Ex. R.

5 **E. The City Never Notified Dr. Brunzman of Any Final Decision.**

6 On December 1, 2015, Dr. Brunzman asked through his attorneys to re-open negotiations.
7 *Id.*, Ex. S at 2. On February 22, 2016, the City declined through its attorney and—for the first
8 time—disclosed that it made a “final decision” on Dr. Brunzman’s claim based on the City’s
9 interpretation that he had rejected the City’s offer. *Id.*, Ex. T at 4-5. The City claimed the final
10 decision was in the September 27, 2013 email from Ms. Wilson to Mr. Daniel. *Id.*, Exs. J, & T
11 at 4. The City also took the position that Dr. Brunzman did not timely filed a claim for
12 relocation costs. Goodman Decl., Ex. T at 4.

14 On April, 26, 2016, Dr. Brunzman delivered a Notice of Appeal to the City and requested
15 an adjudicative proceeding if the appeal was denied. *Id.*, Ex. U. The City did not respond.

16 A timeline of the preceding events is also attached to this motion as Appendix 1.

17 With no other choice, Dr. Brunzman filed the underlying Petition for Review and
18 Declaratory Action on October 3, 2016. The Petition seeks a declaratory judgment that the
19 City failed to comply with the Relocation Assistance Act and implementing regulations,
20 engaged in unlawful procedure and/or failed to followed prescribed process that violated the
21 rights of Dr. Brunzman, denied Dr. Brunzman an adjudicative proceeding, and denied Dr.
22 Brunzman’s procedural and substantive due process rights. The Petition also sought other
23 relief as the Court deemed just and equitable, the right to conform the pleadings to the evidence
24 presented, and an award of attorney fees.
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III. STATEMENT OF THE ISSUES

- 1. Whether Dr. Brunzman timely filed claims for relocation benefits;
- 2. Whether the City complied with the Relocation Assistance Act’s requirement of reasonable assistance (WAC 468-100-207(1));
- 3. Whether the City complied with the Relocation Assistance Act’s notice requirements (including WAC 468-100-207(2) & (5), WAC 468-100-005, and WAC 468-100-202);
- 4. Whether the City’s decisions were arbitrary and capricious, and therefore invalid;
- 5. Whether the City failed to provide the constitutionally required notice and opportunity to be heard;
- 6. Whether the Court should conduct a trial to determine Dr. Brunzman’s relocation benefits; and
- 7. Whether Dr. Brunzman is entitled to attorney fees based on the City’s bad faith.

IV. EVIDENCE RELIED ON

This motion is based on the pleadings in the file, and the Declaration of Stacy Goodman and the exhibits attached thereto.

V. ARGUMENT

A. There Is No Dispute that the Relocation Assistance Act Applies.

Property owners displaced because of public projects generally are eligible for two types of compensation. One type is compensation for property that is taken or damaged. The second type of compensation is known as “relocation assistance.” The right to these benefits comes from the Uniform Relocation Assistance and Real Property Acquisition Act (the “Act,” codified at RCW 8.26), and the implementing regulations at WAC 468-100. Relocation assistance compensates people or businesses “displaced” by public projects. These costs

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1 generally include moving and related expenses, reestablishment expenses, related eligible
2 expenses, a fixed moving payment, and related professional services. The Act applies to all
3 state and local agencies. WAC 468-100-002(1). There is no dispute that the Act applies to
4 the displacement of Dr. Brunzman’s medical practice. Goodman Decl., Exs. B, R & T.

5 The Legislature adopted RCW 8.26 *et seq.* to provide relocation assistance to “assure
6 consistent treatment for owners affected by state and local programs.” RCW 8.26.010(1)(b).

7 The Act is intended to:

8 [E]stablish a uniform policy for the fair and equitable treatment of
9 persons displaced as a direct result of public works programs of the
10 state and local governments in order that such persons shall not suffer
11 disproportionate injuries as a result of programs designed for the
12 benefit of the public as a whole and to minimize the hardship of
13 displacement on such persons.

14 RCW 8.26.010(1)(a) (emphasis added.) Similarly, the federal relocation statutes were adopted
15 to ensure that persons affected by the acquisition of real property rights received “fair and
16 equitable treatment.” *Pou Pacheco v. Soler*, 833 F.2d 392, 396 (1st Cir. 1987).

17 WAC 468-100-202 states: “Any person who qualifies as a displaced person must be
18 fully informed of his or her rights and entitlements to relocation assistance and payments
19 provided by the Uniform Act and regulations.” Emphasis added.

20 Section 207 of the implementing regulations provides:

21 (1) Documentation: Any claim for a relocation payment shall be
22 supported by such documentation as may be reasonably required to
23 support expenses incurred, such as, bills, certified prices,
24 appraisals, or other evidence of such expenses. Payment for a low
25 cost or uncomplicated move may be made without documentation
26 of actual costs when payment is limited to the amount of the lowest
acceptable bid or estimate obtained by the agency. A displaced
person must be provided reasonable assistance necessary to
complete and file any required claim for payment.

(2) The agency shall review claims in an expeditious manner. The
claimant shall be promptly notified as to any additional
documentation that is required to support the claim.

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(5) Notice of denial of claim: If the agency disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds, it shall promptly notify the claimant in writing of its determination, the basis for its determination, and the procedures for appealing that determination.

WAC 468-100-207 (emphasis added.) WAC 468-100-005 states that all notices the agency is required to provide shall be personally served or sent by registered or certified first-class mail return receipt requested and documents in the agency’s files.

B. Standard of Review Under the APA.

Dr. Brunzman seeks review of the City’s compliance with the Act. RCW 8.26.010(3) states: “Any determination by the head of a state agency or local public agency administering a program or project as to payments under this chapter is subject to review pursuant to chapter 34.05 RCW [the Administrative Procedure Act, or “APA”]; otherwise, no provision of this chapter may be construed to give any person a cause of action in any court.” Dr. Brunzman seeks review of determinations by the City, a local public agency, as to payments under RCW 8.26 and its implementing regulations, so the APA applies.

In a judicial review, issues of law are reviewed *de novo*. *Quadrant Corp. v. Growth Mgmt. Hearings Bd.*, 154 Wn.2d 224, 233, 110 P.3d 1132 (2005); *see also* RCW 34.05.570(3). An agency’s interpretation of statutes and implementing regulations are reviewed under the “error of law” standard, which permits this Court to substitute its judgment for the agency’s. *Aponte v. Dep’t of Soc. & Health Servs.*, 92 Wn. App. 604, 616-17, 965 P.2d 626 (1998), *rev. denied*, 137 Wn.2d 1028 (1999).

The APA sets standards the Court must employ in reviewing the validity of an agency rule, agency orders in adjudicative proceedings, and other agency action. RCW 34.05.670.

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1 This case does not involve rules or orders, so it falls under “other agency action.” Relief for
2 persons aggrieved by the performance of an agency action is granted if the Court determines
3 that the action is arbitrary or capricious, unconstitutional, outside the agency's authority or
4 taken by agency officials without proper authority. RCW 34.05.570(4).

5 **C. Dr. Brunzman Timely Presented Claims for Relocation and Interim Costs.**

6 At the City’s invitation, Dr. Brunzman presented two claims: for relocation costs and for
7 interim costs.

8 **1. Claim for Relocation Costs.**

9 On May 29, 2013, Dr. Brunzman and his advisors presented detailed estimates for
10 Relocation Costs. Those estimates, along with subsequent information provided in meetings
11 between Mr. Reinhart and Mr. Daniel, were sufficient for the City to thoroughly analyze and
12 use as the basis for its offer just a few weeks later. Any assertion by the City that the
13 information did not suffice as a claim is disingenuous. How else would the City have a basis
14 for offering \$640,000 to Dr. Brunzman if he had not filed some form of claim? It belies
15 common sense that any city would offer any money without a claim—and in particular
16 hundreds of thousands of dollars.

17
18 The City deemed the estimates “incomplete.” But, as will be discussed below, an
19 “incomplete” claim, regardless of informality, is nevertheless a claim. Once a claim was
20 submitted, the burden shifted under the Act to the City to take action and/or provide written
21 notice of the information it needed under the Act and/or provide written notice to Dr.
22 Brunzman of any disapproval or a determination (appeal procedures), which it failed to do:

23
24 If the agency disapproves all or part of a payment claimed or
25 refuses to consider the claim on its merits because of untimely
26 filing or other grounds, it shall promptly notify the claimant in
writing of its determination, the basis for its determination, and the
procedures for appealing that determination.

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1 WAC 468-100-207(5).

2 **2. Claim for Interim Costs.**

3 The City also admits that on June 4, 2013, Mr. Daniel on behalf of Dr. Brunzman
4 presented a claim for Interim Costs. The City found those costs to be reasonable and “OK to
5 pay.” Again, the City would not have approved those costs without a claim. However, the
6 City noted in the Log that Dr. Brunzman must “formally” make a request for Interim Costs
7 (something the City never communicated to Dr. Brunzman). Again, and as discussed below,
8 the City failed to take the required action.
9

10 The two claims also were timely presented. Assuming (but not conceding) that the
11 deadline for filing claims was January 31, 2015. Dr. Brunzman presented both claims prior to
12 the deadline.

13 **D. The City Failed to Comply with its Affirmative Duties Under the Act.**

14 The Act contains specific affirmative duties for agencies to protect the rights of
15 displaced persons. Unfortunately, the City ignored its duties and substantially prejudiced Dr.
16 Brunzman. The City failed to provide “reasonable assistance” necessary to complete and file
17 any required claim for payment, and also failed to provide the required notice of appeal
18 procedures. Worse, the City actively refused to comply with these duties by employing
19 textbook bad-faith conduct when secretly deciding that no relocation payments would be made
20 to Dr. Brunzman despite them being due, and withholding information about a valid claim.
21

22 **1. Claim for Relocation Costs.**

23 Once Dr. Brunzman submitted a claim for Relocation Costs, the burden shifted to the City
24 to “promptly” notify him in writing of any additional documentation required to support the
25 claim. WAC 468-100-207(2). Even though the City considered that claim “incomplete,” it
26

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1 never notified Dr. Brunzman of the additional documentation required. Mr. Daniel and Mr.
2 Reinhart both asked the City numerous times if clarification or additional information was
3 needed. The City never responded. Rather, the City stonewalled and insisted that Mr. Daniel's
4 questions not only be put in writing, but the offer be rejected as well. Even more telling, the
5 City never even responded to its own advisor, Mr. Reinhart, when he asked if more
6 information was needed.

7
8 If the City asserts that its offer contained information sufficient to inform Dr. Brunzman
9 of the reasons the offer fell short of his full claim, or that the offer (or negotiations) are
10 tantamount to compliance with the Act, those assertions must be rejected. The Act does not
11 place the burden on Dr. Brunzman to guess what additional documentation to submit, or in any
12 way suggest that the City's affirmative duties are waived by merely presenting an offer (which,
13 here, was less than what the City admitted internally Dr. Brunzman was due). The burden is on
14 the City to promptly notify Dr. Brunzman of the additional documents required. The City
15 failed to meet that obligation.

16 The City also failed to provide "reasonable assistance" necessary for Dr. Brunzman to
17 complete his claim by repeatedly ignoring Mr. Daniel's requests to meet to discuss the claim.
18 Mr. Daniel clearly had questions, yet the City gave no answers.

19 And finally, the City never notified Dr. Brunzman that his claim had been denied or that
20 any determination had been made. The City has asserted that the September 23, 2013 email
21 from Ms. Wilson to Mr. Daniel provided such notice. That notice does not comply with WAC
22 468-100-207(5), which requires a prompt notice in writing that includes the determination,
23 basis, and procedures of appeal. The notice must be personally served on Dr. Brunzman or
24 sent to him by registered or certified first-class mail. The email does not come close to
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1 compliance. Nor does the letter dated February 22, 2016 from the City's counsel comply.
2 Consequently, Dr. Brunzman never was notified of any final decision³ from which he could
3 appeal.

4 **2. Claim for Interim Costs.**

5 Similarly, the City failed to provide even the most basic assistance to Dr. Brunzman
6 when Mr. Daniel submitted a claim for Interim Costs. After that claim was determined to be
7 valid, the City not did not notify Dr. Brunzman, but rather intentionally withheld the
8 information from Dr. Brunzman and Mr. Daniel. If there was some other formal action or
9 additional documentation needed, the City never disclosed it to either of them. Nor did the
10 City notify Dr. Brunzman of any final decision from which he could appeal.
11

12 Once Dr. Brunzman submitted his claims for interim and relocations costs, and
13 regardless of the formality he may have employed, the City was under an affirmative
14 obligation to promptly review each claim, notify him of additional documentation required to
15 support each claim, provide reasonable assistance to complete each claim, and promptly
16 notify him of denial or the determination of each. The City failed in all respects.

17 Instead, the City chose to stiff Dr. Brunzman, intentionally strung him along, and gave
18 him the appearance they were reviewing his claims when in fact they were not. Then the City
19 wholly failed to comply with all minimal requirements for notice, which deprived Dr.
20 Brunzman of his rights.
21

22
23
24 ³ The City has asserted that its "final decision" was the offer it considered Dr. Brunzman to have rejected.
25 However, if the City had made a final decision, then its later actions indicate otherwise. Ten months after its
26 alleged "final decision," the City agreed to meet with Mr. Daniel to discuss the offer. The City never indicated at
that time that it had made a final decision.

1 **F. The City Violated the APA.**

2 **1. The City's Decisions Were Arbitrary and Capricious.**

3 A government agency's action is arbitrary and capricious if it is willful and unreasoning
4 action in disregard of facts and circumstances. *Cox v. City of Lynwood*, 72 Wn. App. 1, 6, 863
5 P.2d 578 (1993). If there is room for two opinions, discretion exercised upon due
6 consideration will not be overturned. *Id.*

7 The City admits to internally making final decisions regarding Dr. Brunzman's claims
8 (although they did not tell him so) and also that the Act applies. The City therefore knew that
9 the Act required the City to reasonably assist Dr. Brunzman with completing claims, notify
10 him if additional documentation was required, and notify him if his claims were denied or
11 other determinations made. The City failed in all respects. Moreover, the City played games
12 in order to avoid paying Dr. Brunzman. The City failed to tell him one claim was
13 preliminarily approved. The City also made other secret decisions to not pay him one dime
14 and not notify him of any final decision. Then the City attempted to blame its own failures on
15 Dr. Brunzman by asserting that he made the final decision by virtue of his response or non-
16 response to the offer, which is an absurd assertion. Regardless, the City's obligation was to
17 notify Dr. Brunzman of the final decision and his appeal rights, which it has never done. The
18 City knew the facts and circumstances: Dr. Brunzman was entitled to assistance under the
19 Act, with which the City was required to comply. The City's failures to ever notify Dr.
20 Brunzman in compliance with the Act, and instead blame him, were willful and unreasoning
21 actions in disregard of the facts and circumstances. Consequently, the City's decisions
22 regarding Dr. Brunzman's claims were arbitrary and capricious and therefore invalid under the
23 APA.
24
25
26

1 **2. The City Failed to Provide Constitutionally Adequate Notice.**

2 The City also violated Dr. Brunzman’s constitutional due process rights to notice and a
3 fair hearing. Constitutional issues are issues of law, which courts review *de novo*. *State v.*
4 *Blilie*, 132 Wash.2d 484, 489, 939 P.2d 691 (1997). The due process clause of the Washington
5 Constitution provides that “[n]o person shall be deprived of life, liberty, or property, without
6 due process of law.” Wash Const. art. I, § 3. Although “the boundaries of the concept of due
7 process are not capable of precise formulation,” *Olympic Forest Prod., Inc. v. Chaussee*
8 *Corp.*, 82 Wash.2d 418, 422, 511 P.2d 1002 (1973), at a minimum it requires “the opportunity
9 to be heard,” *Grannis v. Ordean*, 234 U.S. 385, 394 (1914), and “notice reasonably calculated,
10 under all the circumstances, to apprise interested parties of the pendency of the action and
11 afford them an opportunity to present their objections,” *Mullane v. Central Hanover Bank &*
12 *Trust Co.*, 339 U.S. 306, 314 (1950). Thus, due process requires “notice and opportunity for
13 hearing appropriate to the nature of the case” before a state deprives a person of “life, liberty
14 or property.” *Mullane*, 339 U.S. at 313. Furthermore, the opportunity “must be granted at a
15 meaningful time and in a meaningful manner.” *Armstrong v. Manzo*, 380 U.S. 545, 552, 85
16 S.Ct. 1187, 14 L.Ed.2d 62 (1965).

17
18 As set out above, the City failed to notify that Dr. Brunzman that any final decisions had
19 been made regarding his claims. Accordingly, he had no notice and opportunity for a hearing
20 or appeal. The City’s failures denied Dr. Brunzman the fair hearing to which due process
21 entitles him.

22
23 **E. The Court Should Declare the City Violated the Act and Thus its Decisions**
24 **Invalid, and Conduct a Trial to Determine Dr. Brunzman’s Relocation Benefits.**

25 The APA sets forth several types of relief a court can grant. If the Court decides the
26 agency action was unlawful, it may order an agency to take action required by law, order an



1 agency to exercise discretion required by law, set aside agency action, enjoin or stay the
2 agency action, remand the matter for further proceedings or enter a declaratory judgment
3 order. RCW 34.05.574(1)(a). The Court shall grant relief if it decides that the person seeking
4 review has been substantially prejudiced by the agency's action. RCW 34.05.570(1)(d).

5 If the Court determines that it would be impracticable or would cause unnecessary delay
6 to remand the case to the agency, remand to the agency is not necessary. RCW
7 34.05.574(1)(b). If remanded, the Court may issue an interlocutory order to control the
8 proceedings during remand if the court finds it is necessary to preserve the interests of the
9 parties and the public. 34.05.574(4).

10 Here, the City's own records show that Dr. Brunzman has been substantively prejudiced
11 by prejudgments, bias, and multiple failures to follow the Act. Dr. Brunzman is therefore
12 entitled to relief.

13 The Court should declare that the City violated the Act by failing to comply with
14 requirements to provide reasonable assistance and notices, and keep Dr. Brunzman fully
15 informed. WAC 468-100-005, 202, 207(1), (2), & (5). This matter should not be remanded
16 because further delay is unnecessary, and based on the actions of the City to date, it is
17 impossible to believe the City would process Dr. Brunzman's claims with reasonable
18 timeliness or fairness. Rather, the Court should retain this matter and conduct a trial to
19 determine Dr. Brunzman's relocation benefits.

20
21
22 **3. Dr. Brunzman Is Entitled to Attorney Fees for the City's Bad Faith.**

23 Under the APA, the Court may award damages or other relief if such damages are
24 expressly authorized by another law. RCW 34.05.574(3). A court's inherent equitable powers
25 authorize an award of attorney fees in cases of bad faith conduct under the APA, and
26 expressly when relocation benefits are at issue. *Union Elevator & Warehouse Co., Inc. v.*

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1 *State ex rel. Dept. of Transp.*, 152 Wn.App. 199, 211, 215 P.3d 257 (2009) (internal citations
2 omitted). Bad faith” includes “ ‘obstinate conduct that necessitates legal action’ to enforce a
3 clearly valid claim or right,” “vexatious” conduct during the litigation, or the intentional
4 bringing of a frivolous claim or defense with improper motive. *Id.*

5 This a textbook case of bad faith. Dr. Brunzman has a clearly valid claim or right to
6 relocation benefits under the Act, and the rights afforded him under the Act. However, the
7 City repeatedly obstructed Dr. Brunzman’s efforts to receive those benefits and rights. The
8 City failed to provide the most basic assistance to Dr. Brunzman to formalize his claim for
9 Interim Costs, failed to notify him of additional documentation required to support each claim,
10 and failed to notify him that his claims were denied or that any final decisions had been made.
11 Failures to comply with affirmative duties under the code are not necessarily bad faith. But
12 the City’s egregious behavior was for the purpose of preventing Dr. Brunzman from receiving
13 one dollar in the legally required assistance. The City’s bad faith is especially evident in its
14 silent, internal decision to pay him nothing and never notify him of any final decision—
15 knowing he was entitled to hundreds of thousands of dollars, if not millions. The City does
16 not get to pick and choose to whom it wants to pay relocation costs. Here the City repeatedly
17 stonewalled and ignored requests for meetings, fabricated history in a letter to a Senator, and
18 needlessly forced Dr. Brunzman to litigate after refusing to respond to his notice of appeal.
19 The sole cause of this litigation is the City’s obstinacy.

20 For those reasons, Dr. Brunzman asks the Court for an award of attorney fees, which can
21 be the subject of a subsequent fee declaration from undersigned counsel.
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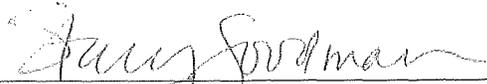
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VI. CONCLUSION

For the foregoing reasons, the motion for summary judgment should be granted. A proposed order is attached.

DATED this 10th day of February, 2017.

CARSON & NOEL, PLLC



Todd Wyatt, WSBA #31608
Stacy Goodman, WSBA # 39287
Attorneys for Petitioner John Brunzman

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DECLARATION OF SERVICE

I hereby declare that on February 10, 2017, I caused copies of Petitioner John
Brunzman’s Partial Motion for Summary Judgment, Declaration of Stacy Goodman,
(Proposed) Order and Note for Hearing to be served on the following persons in the manner
indicated below at the following addresses:

PARTY/COUNSEL	DELIVERY INSTRUCTIONS
COUNSEL FOR RESPONDENT Aaron P. Riensche Ogden Murphy Wallace PLLC 901 5th Avenue, Suite 3500 Seattle, WA 98164-2008 ariensche@omwlaw.com	<input type="checkbox"/> Hand Delivery <input type="checkbox"/> Certified Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> E-mail <input type="checkbox"/> U.S. Mail



Dana Carrothers

APPENDIX 1

Timeline of Events Related to the Relocation of Dr. John Brunzman
that are relevant to Petitioner's Motion for Partial Summary Judgment.

Date	Event
April 11, 2012	The City notified Dr. Brunzman of Property acquisition.
May 29, 2013	Dr. Brunzman and his advisors met with the City and presented Relocation Costs of more than \$2 million.
June 4, 2013	Mr. Daniel asked Ms. Wilson "if there is any information you may need from Dr. Brunzman for clarification and support to help you favorably determine his eligible relocation costs." Mr. Daniel also presented Interim Costs estimated at \$42,000 and asked if those costs "seem reasonable."
June 4, 2013	The City internally found the interim costs "reasonable; OK to pay if formally requested by [Dr. Brunzman]", but did not inform Dr. Brunzman.
June 14, 2013	The City determined "Advance/Interim cost reviewed OK to pay if requested" But did not inform Dr. Brunzman.
July 10, 2013	After analyzing the Relocation Costs, Mr. Reinhart determined that Dr. Brunzman is entitled to at least \$760,000. He did not inform Dr. Brunzman.
August 2, 2013	Ms. Wilson stated: the City "can offer no assurance what information has been provided to Dr. Brunzman" through his advisors, and also that the City "continue[s] to desire to assist Dr. Brunzman."
August 14, 2013	The City offered Dr. Brunzman \$640,000.
August 30, 2013	Ms. Wilson took over relocation efforts from Mr. Reinhart and stated: "I am receiving feedback that no benefits will be paid to [Dr. Brunzman]."
September 17, 2013	Mr. Daniel requested a meeting with Ms. Wilson to discuss the relocation package.
September 23, 2013	Mr. Wilson asked Mr. Daniel what he wanted to discuss.
September 23, 2013	Mr. Daniel responded he wanted like to discuss the assumptions made for square footage, the assumptions made for substitution of items caused by code, and the single and minimum reestablishment amount offered, and more.

September 27, 2013	Ms. Wilson instructed Mr. Daniel to put concerns about the offer in writing and to reject the offer writing.
October 7, 2013	Mr. Daniel responded that the offer was not rejected, and again requested to meet. No response from the City.
December 18, 2013	Mr. Daniel requested a meeting with Ms. Wilson. No response from the City.
January 22, 2014	Mr. Reinhart forwarded additional cost estimates from Dr. Brunzman's advisors to Ms. Wilson, and asked: "Let me know if there is anything else you need."
February 24, 2014	The Mayor (in a letter likely written by staff) responded to Sen. Patty Murray's office that "the City has not received any response from Dr. Brunzman, or his advisors, regarding the City's offer for location assistance. Requests for responses have gone unaddressed. The City is very open to the opportunity to explain its offer to Dr. Brunzman."
May 7, 2014	In response to the Mayor, Mr. Daniel requested a meeting. No response from the City.
July 21, 2014	Mr. Daniel sent a second letter to the Mayor to request a meeting.
July 29, 2014	Ms. Wilson provided two meeting dates to Mr. Daniel.
August 5, 2014	Mr. Daniel responded that the dates were inconvenient.
December 22, 2014	The City notified Dr. Brunzman of the (asserted) claims deadline on January 31, 2015.
December 1, 2015	Dr. Brunzman asked through his attorneys to re-open negotiations.
February 22, 2016	The City declined through its attorney to re-open negotiations. The City disclosed that on September 23, 2013 it had made a "final decision" on Dr. Brunzman's relocation benefits because it considered the offer rejected. The City also took the position that Dr. Brunzman had not timely filed a claim for relocation costs.
April 26, 2016	Dr. Brunzman delivered a Notice of Appeal to the City and request for adjudicative hearing.
October 3, 2016	Dr. Brunzman filed Petition for Judicial Review and Declaratory Action.

Outlook Print Message

<https://blu177.mail.live.com/mail/PrintMessages.aspx?opids=dc9771>**RE: Senator Murray Request**

From: S B (zourk@msn.com)
Sent: Thu 10/24/13 10:44 PM
To: Casework (Murray) (casework_@murray.senate.gov)

Dear Amie Collup

Thank you for your reply

I have run a licensed certified medical facility in Redmond for over 25 years. I have followed the federal and state laws and regulations successfully tending to all corners. My patient populations come from all walks of life and I comply overly with the uncompensated care requirements. This is not entirely unlike my Special Forces (Abn) commitments in the Central Highlands in 1968.

I have passed all inspections and have no facility complaints in all these years. As the government incentives have been to provide quality care which includes very high patient satisfaction, no untoward outcomes, no infections and at very low costs compared to the local competitions.

The city wants the land and building of my facility for a park. However they are unwilling to pay sufficiently to keep me in business. I have been grandfathered in over the years. Now through no desire on my part I find the compliance costs to be about 3 times their offer. If I was able to stay where I was there would be no costs. But when I move I will lose the grandfathering.

I am a compensated war veteran.

With this action I cannot afford to stay in business. Then another veteran will be out of a job. Our local community will suffer.

Both the commander of the Tacoma Veterans of Foreign Wars and my VA counselor have told me to contact you and ask for your help.

Please help

I would like to meet with you.

John H Brunzman



From: Casework_@murray.senate.gov
To: zourk@msn.com
Subject: Senator Murray Request

EXHIBIT B



April 11, 2012

Dr. John Brunzman
16146 NE Cleveland Street
Redmond, WA 98052

RE: Redmond's Downtown Central Park
Relocation Assistance - General Notice of Relocation Rights
Lease

Dear Dr. Brunzman:

This notice is to inform you that the property you are occupying at 16146 NE Cleveland Street has been acquired by the City of Redmond for a public park improvement project. The park project makes it necessary for your business to move.

Businesses displaced as a result of this project may be entitled to relocation assistance as generally described in this letter. The actual, legal regulations governing relocation assistance are contained in Public Law 91-646 and the implementing regulation found in 49 Code of Federal Regulation (CFR) Part 24 and Revised Code of Washington (RCW) 8.26 and the implementing regulations of Washington Administrative Code (WAC) 468-100.

In order to qualify to receive relocation entitlements, you must be in legal occupancy of the property prior to the date the City acquires the property. To qualify for relocation and reestablishment benefits a business must meet the definition of a business and claim your income on your taxes.

The following is a general list of entitlement topics which the City or its representative will discuss with you at a near future date:

- Direct Moving Expenses up to a maximum of 50 miles for moving personal property
- Reestablishment Expenses up to \$50,000 for expenses incurred in reestablishing your business operation (cannot be used for new construction or the purchase of capital assets)
- Additional Related Moving Expenses as follows; this is not an inclusive list (Documentation will be required):
 - Replacement site search costs (up to \$2,500)
 - Replacing obsolete printed materials
 - Loss (or replacement) of tangible personal property
 - Replacement value insurance for the move
 - Planning expenses as it relates to the personal property (must be pre-approved and completed by a hired professional)
 - Supervision expenses as it relates to the personal property (must be pre-approved)
 - Licenses, permits and certificates (as required to operate the business)
 - Temporary storage up to 12 months (if necessary and pre-approved, request must be in writing)
 - Utility connection to available nearby utilities from right-of-way to improvements at the replacement site

- Professional hired services performed prior to the purchase or lease of a replacement site to determine its suitability for your business, including but not limited to, soil testing, feasibility and marketing studies.

The City of Redmond offers Universal Field Services to assist in relocation/reestablishment estimates and site search advice. You will be contacted by Steve Reinhart to discuss your business needs and questions specific to relocation. Mr. Reinhart works for Universal Field Services, is a consultant to the City, but is available to assist tenants, even if a tenant has secured a third party advisor. If you request, he will provide you with information on the availability, purchase prices, and/or rental costs for replacement sites. You should be aware that, ultimately, it is the business owner's responsibility to locate a replacement site.

Regarding the use of a legal or relocation advisor, you have the rights to use third party advisors, but the City does not pay any advisor directly for such services. Any agreement would be between you and the advisor. We can discuss this in more detail at our meeting, or you can discuss with your advisor(s) how this factors into your relocation benefits.

You will have the right to appeal any determination the City will make as to your eligibility for, or the amount of, any payment. If you disagree with our determination, you may appeal by simply explaining your grievance in a letter to:

City of Redmond
Attn: Parks Administration, Management Analyst
PO Box 97010
Redmond, WA 98073-9710

The City will also provide you, or your representative, with assistance to expediting approvals and permits which may be required by the City to reestablish your business in a new location within Redmond. Information will be forthcoming of direct contacts and the offer to set up a meeting to discuss processes and timing for various relocation scenarios.

At the time the City acquired the property, your leasehold interest in the property was assigned to the City. If you choose to remain at the property for a short term, the City requires a new lease to be executed which includes terms specified by state code for leasing property owned by a public agency. At this time, the City can allow occupancy of the premises, under a short term lease, through the end of September 2012, if you so desire. Rent payments should now be forwarded to the City. Payments should be directed to the City as found in the City's draft lease.

I hope to meet with you shortly to discuss the City's park project, your business, and your relocation needs.

Sincerely,



Debby Wilson
Real Property Manager
425-556-2715

c: S. Reinhart

Redmond
ADM
HOUT
LEAS
PAC

EXHIBIT C

JOHN BRUNSMAN
 16146 NE CLEVELAND STREET
 NOTES/CONTACTS

4/27/2010	E-mails from Dr. Brunzman's office requesting compensation for lost revenue
4/11/2012	Notice of relocation assistance, assistance with expediting building permits for a new location, must sign a lease
4/11/2012	Letter regarding moving and rights
4/12/2012	Meeting request made. I am trying to have a meeting with Dr. John Brunzman (16146 Cleveland Street) next week to discuss the City being the new owner of the property he leases. His office Administrator say that he wants to have his Council at the meeting. He has had issues with the City in the past so I was going to give him a one-to-one meeting. I will be providing him a lease termination form and a six month lease.
4/18/2012	Via Dr. Brunzman's office, canceled meeting, wants to wait until he could reschedule so his advisor could attend
	Attempts via phone messages to reschedule meeting unanswered
6/22/2012	Several attempts to contact; Bob Power let us know M. Daniel is Dr. Brunzman's relocation advisor
8/8/2012	City's relocation advisor to meet with M. Daniel and Dr. Brunzman
8/24/2012	No luck contacting for site investigation
10/9/2012	City's advisor: Hi Debby, I have left several messages with both Dr. Brunzman and Martyn Daniel with no response since August. Today is the first time a human has answered the phone at Brunzman's office, so maybe he'll call back. The last contact I had with Martyn, he was waiting on architectural work for a replacement office T's, and that was quite a while ago.
10/10/2012	Right of occupancy termination letter
10/25/2012	Relocation Advisor suppose to have a report on Friday
12/10/2012	Have not shared cost estimates nor have tenant improvement estimates been done
12/12/2012	Met with Tenant (city, parks, advisors). No progress. Have identified a potential site, but have not shared costs. Understand an architectural advisor to Tenant desires an advance and Dr. is unable, or unwilling to pay. Dr. B stated he has right of first refusal on property . . . requested copy. Looking for some place to go. Stated "he is grandfathered. I am Redmod and that is why I have been dragging my feet" Provided Jason Lynch Infor to Tenant Advisor to assist code and permitting
2/21/2013	Per Tenant Advisor, moving to property on 164 th ; plans are under way. Estimates have begun and will be 6 weeks. Discussed need to know if Dr. B was going into storage
	Several attempts to contact
3/14/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
4/1/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
5/10/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
5/13/2013	Check received/returned for rent?; no lease. Coming from auto bill payor
5/16/2013	Notified estimates ready and would like to meet. Stopped by DR. office. Per front desk, (after visits to the back office) all conversations were to take place with Marytn Daniel per Dr. Brunmans agreement with Martyn. Called Advisor. As a courtesy wanted to advise about the construction activity that will be starting in area.
5/21/2013	Only way Dr. Brunzman has communicated with City's advisor is via fax
5/24/2013	No messages able to be left on answering machine. Letter sent - Must move request

JOHN BRUNSMAN
 16146 NE CLEVELAND STREET
 NOTES/CONTACTS

	vacate date of 6/5/2013 or formal evlcton. Note of fencing being placed around property
5/29/2013	Met with Dr. Brunzman and his consultants (relocation and architects) Received first relocation estimates (incomplete) Reviewed and found to not be supported by current business activities, space size, employees, office hours, etc
5/30/2013	Requested executive session to evict
6/4/2013	Preliminary advance cost/expenses for Interlm scenario provide by consultant; found reasonable; OK to pay If formally requested by Tenant
6/14/2013	Advance/Interlm cost reviewed OK to pay if requested
7/5/2013	20-day Notice to Vacate
	No rent paid Aug and Sept; utilities not pd July and August
7/10/2013	Advisors have been meeting.
7/31/2013	DATE OF DISPLACEMENT IF BASED ON DATE OF 8/29/2013 NOTE
8/2/2013	Note from VFW to Mayor
8/12 & 13	Observed Items being moved out in evening
8/14/2013	Offer to Dr. Brunzman summarizing review of relocation/reestablishment expenses. \$640,000
8/20/2013	Called Dr. Brunzman - message machine only. Contacted Tenant's advisor he will forward messages to Dr. Brunzman regarding Is the space being vacated or not. Advlsor says he Is out of space. Requested relocation advlsor secure a key as a confirmation the City can access the space. Noted furniture and paperwork remained In space so let city know If abandoning any remaining Items that can be seen.
8/22/2013	Court filing for unlawful detainer with notice to vacate
8/29/2013	Mayors office received note, and key, that property was vacated July 30th
8/29/2013	City moved Items out to business park storage (see pictures)
9/17/2013	Advisor requested meeting to discuss concerns and requests
9/23/2013	Court motion dismissing unlawful detainer complaint; Let attorney know that city will store Items for 90 days
9/23/2013	Advisor request to meet to discuss offer. Advised Dr. Brunzman's Relocation Advisor that Dr. Brunzman was aware that his evlcton and removal and storage of personal possessions jeopardized relocation assistance.
9/27/2013	Att notified by Dr. Brunzman attorney that he does not want any Items he left.
9/27/2013	Requested Tenant Advisor to provide all Items/concerns be In writing. Discussed that no formal acceptance of settlement offer was ever provided.
9/29/2013	Requested all Items and concerns be provided In writing.
10/7/2013	Request to meet by Tenant Relocation consultant . Response from Dr. Brunzman's Relocation Advlsor that Dr. Brunzman has not rejected offer. Also states Dr. Brunzman vacated his space with his own limited resources and abandoned his personal property and prior to the evlcton notice
10/17/2013	Overdue water bill notice received
10/28/2013	Letter from Sen Patty Murray requesting report findings directly to Dr. Brunzman. ("Difficultles pertaining to medical facility licensing")

JOHN BRUNSMAN
 16146 NE CLEVELAND STREET
 NOTES/CONTACTS

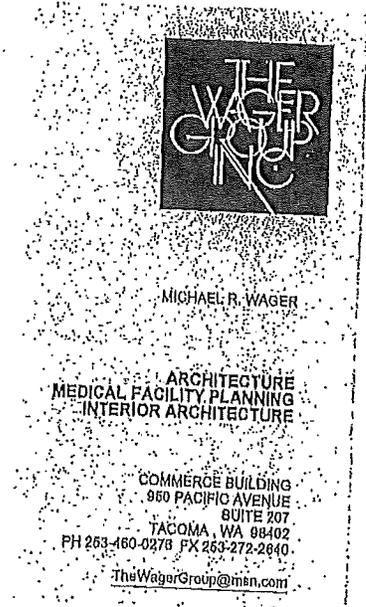
12/18/2013	Advisor request to meet
1/16/2014	Mayor office received letter from Sen Patty Murray office. Drafted response letter. Sent 2/28/2014 from Mayor
2/28/2014	Jessica Pfundt Business License Review for Dr. Brunzman at 8105 166 th #104 , When Inqulred about generator, Dr. Brunzman noted . . . It will be added to the bill.
5/7/2014	Mayors office received letter from Tenant Advisor desiring to meet.
7/21/2014	Mayors office received letter from Tenant Advisor desiring to meet.
7/25/2014	Susan C responded Debby would contact
7/29/2014	Several meeting dates provided to Advisors
8/5/2014	Advisor "Thanks for your quick reply with the possible meeting dates, however, Dr. Brunzman needs some time to prepare and to find possible meeting dates that work for him, I, or someone, will get back to you when this happens, which we hope will be fairly soon."
12/22/2014	Letter/Notice of final claim date
1/31/2015	Final date to submit claims if eligible
1/26/2015	Public Records Request
1/30/2015	Mike Bailey letter
2/3/2015	Letter from Mike Bailey regarding PPR
2/11/2015	Letter from Mike Bailey regarding PPR
3/3/2015	Letter from Mike Bailey PPR will close 4/2/2015; noting no response from previous letter
4/25/2015	Advisor ask for update on if Dr. B can still claim funds
5/19/2015	Message from Advisor asking to be paid directly; responded (Dr. Brunzman not responding to Advisors)
6/19/2015	Message from Advisor asking to be paid directly
7/16/2015	Message from Advisor asking to be paid directly
7/30/2015	Message from Advisor asking to be paid directly
7/31/2015	Follow up to Advisor message
8/3/2015.	Request from Advisor to have City pay him directly
12/1/2016	Letter to Mayor regarding representation of Dr. Brunzman; want to reengage City to resolve reestablishment of office and collect damages suffered
2/22/2016	City Attorney response letter to Dr. Brunzman's legal reps; outlined historic activities and responded to each
3/23/16	Contacted by Martyn Daniel.- Inquiry if Dr. B. has been paid
4/26/2016	NOTICE OF APPEAL letter received from Dr. Brunzman's legal reps
6/21/2016	Dr. license for Surgical Center placed in file
10/10/2016	Contacted by Martyn Daniel - Inquiry if Dr. B. has been paid

*
*

Also: No lease

Moveout pictures

EXHIBIT D



5/29/13 mtg.

Dr. Brunson
Martyn Daniel
Debra Wilson
Jonathan Fast
Michael Wager

See attached
handouts

FCA Ambulatory Surgical Facility
Suggested Equipment & Furnishings w/
2 OR SUITES

E = EXISTING
N = NEW
RF = REPLACES EXISTING
FUNCTION

Date Revised: 28-May-13						
Areas	Item	Qty.	Unit Cost	Room Total	Grand Total	
ASC Family Waiting Room	Waiting Room Furniture	8	\$209	\$1,674		M E
	Waiting Room Furniture	5	\$247	\$1,237		M E
	Lamps and plants	4	\$200	\$800		M E
	Television	1	\$650	\$650		O E
	Artwork	2	\$1,050	\$2,100		O E
		Total			\$6,481	\$6,481
Reception Area	Task Chairs	2	\$180	\$360		M E
Business Office	Printer	2	\$500	\$1,000		M E
	FAX / Copier	1	\$600	\$600		M E
	File Cabinet undercounter	2	\$216	\$432		M E
		Total		\$2,392	\$2,392	
Anesthesia Consult	Desk	0	\$120	\$0		M
	Desk Chair	1	\$315	\$315		M N RF
	Guest Chair	2	\$191	\$382		M N RF
	Total		\$697	\$697		
Pre/Post Counseling Area 1	30" round table	1	\$285	\$285		M N RF
	Side Chairs w/ arms	2	\$209	\$418		M N RF
	Desk Chair	1	\$315	\$315		M N RF
		Total		\$1,019	\$1,019	
Nurse Manager Office	Waste receptacle, UL rated, small	1	\$40	\$40		M E
	Color Printer	1	\$250	\$250		M E
	Guest Chair	1	\$209	\$209		M E
	Desk	1	\$850	\$850		M E
	Wall overhead hanging storage cabinet	1	\$144	\$144		M E
	Task Chair	1	\$180	\$180		M E
	File Cabinet	1	\$384	\$384		M E
		Total		\$2,067	\$2,067	
Staff Lounge	Table & 3 chairs	1	\$960	\$960		N RF
	Counter height stools	2	\$95	\$190		N/A
	Full size refrigerator	1	\$648	\$648		N/A
	Microwave	1	\$179	\$179		N/A
	Dishwasher	1	\$471	\$471		N/A
	Lrg trash can	1	\$50	\$50		N/A
	Total		\$2,498	\$2,498		
Mens Locker	Waste receptacle, UL rated, medium	1	\$65	\$65		
	Wall clock, 14", battery operated	1	\$30	\$30		
	Dressing room stool	2	\$23	\$46		
	Total		\$140	\$140		
Womens Locker	Waste receptacle, UL rated, medium	1	\$65	\$65		
	Wall clock, 14", battery operated	1	\$30	\$30		
	Dressing room stool	2	\$23	\$46		
	Total		\$140	\$140		
Pre-Op/ Post-Op/ Cryl/ Stepdown Areas	Crash cart Adult / Peds	2	\$1,100	\$2,200		M E
	Defib (AED)	1	\$2,000	\$2,000		M E
	Cubicle curtains	6	\$650	\$3,900		M M RF
	Wheelchair w/ leg rest	1	\$379	\$379		M E
	Stethoscopes	5	\$36	\$180		O
	Stretcher beds w/ IV stand, hydraulic, Trendelenberg	7	\$3,714	\$25,998		M N RF
	Portable suction unit (Shuco) for crash cart	1	\$288	\$288		O F
	EKG / BP monitors w/ pulse oximeter capabilities	3	\$3,600	\$10,800		O E
	BP monitors w/ pulse oximeter capabilities	2	\$3,000	\$6,000		O E
	Step stool, non-skld, 12.5" x 16.5" x 9.25"	2	\$20	\$40		M E
	Step-Down Rollers	3	\$625	\$1,875		M E
	Rolling stools	2	\$104	\$208		M E
	Tympanic Thermometers	3	\$130	\$390		O

6735 Y

N
N

1315 Y

Y

23,925
31,375



Aldrich+Associates, Inc.
CONSTRUCTION SPECIALISTS

JOB: F.C.A.
JOB #: 09-13

DRAWINGS DATED: NO DATE
DATE: 5/13/13

PREPARED BY: JF
AREA (SF): 6,100

ROUGH ORDER OF MAGNITUDE COST PROJECTION

CSI DIVISION	DESCRIPTION	QTY	UNIT	LOW RANGE	LOW \$/S.F.	HIGH RANGE	HIGH \$/S.F.	COMMENTS
	A.S.C.	6,100	SF	1,232,025	198.84	1,492,125	240.82	ROUGH ORDER OF COST
	TENANT IMPROVEMENTS	1,000	SF	110,483	10.28	144,613	23.34	ROUGH ORDER OF COST
15000	MECHANICAL							
	MEDICAL GAS, VAC, O2	1	ALW	114,000	10.40	138,000	22.27	ROUGH ORDER OF COST
	VAV BOX/FILTRATION PREMIUMS	6,100	SF	49,305	7.96	59,885	9.83	ROUGH ORDER OF COST
16000	ELECTRICAL GENERATOR	1	LT	47,500	7.87	57,500	9.28	ROUGH ORDER OF COST
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	9,500	1.53	11,500	1.89	ROUGH ORDER OF COST
	NATURAL GAS PIPING	1	ALW	3,800	0.61	4,800	0.74	ROUGH ORDER OF COST
	ROOF PATCH/FLASHINGS	1	ALW	2,950	0.46	3,450	0.66	ROUGH ORDER OF COST
	SUBTOTAL			1,643,767	265.29	1,982,868	319.99	
	BLDRS. RISK RATE			BY OWNER EXCLUDED		BY OWNER EXCLUDED		BY OWNER EXCLUDED
	P & P BOND							
2.00%	MISC. INSUR. & TAXES			32,875	5.31	39,883	6.40	
	SUBTOTAL			1,676,632	270.60	2,022,751	326.39	
6.00%	FEE			100,598	16.24	121,339	19.66	
	BUDGET TOTAL			1,777,230	286.84	2,144,090	346.05	

EXCLUSIONS:

W.S.S.T., ARCHITECTURAL OR ENGINEERING SERVICES FEES, TESTING & / OR SPECIAL INSPECTIONS, BUILDER'S RISK INSURANCE, PERMITS, UTILITY COMPANY CHARGES OR ASSESSMENTS, PERFORMANCE & PAYMENT BONDS, WINDOW TREATMENTS, PHONE & DATA CABLING, FURNISHINGS, OWNER FURNISHED EQUIPMENT, VAPOR TRANSMISSIONS IN CONCRETE SLABS EXCEEDING MANUFACTURER'S MAXIMUMS FOR WARRANTY, AND OVERTIME WORK.



JOB:
JOB #:

F.O.A.
09-13

DRAWINGS DATED: NO DATE
DATE: 6/13/13

PREPARED BY: JF

AREA (SF): 6,198

ROUGH ORDER OF MAGNITUDE COST PROJECTION

CSI DIVISION	DESCRIPTION	QTY	UNIT	LOW RANGE	LOW \$/S.F.	HIGH RANGE	HIGH \$/S.F.	COMMENTS
	A.S.C.	5,198	SF	1,232,825	109.91	1,402,125	240.92	ROUGH ORDER OF COST
	TENANT IMPROVEMENTS	1,008	SF	110,463	19.28	144,613	23.34	ROUGH ORDER OF COST
15000	MECHANICAL							
	MEDICAL GAS, VAC, O2	1	ALW	114,000	18.40	138,000	22.27	ROUGH ORDER OF COST
	VAV BOX/FILTRATION PREMIUMS	6,198	SF	48,305	7.96	59,655	9.63	ROUGH ORDER OF COST
10000	ELECTRICAL GENERATOR	1	LT	47,500	7.67	57,500	9.28	ROUGH ORDER OF COST
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	9,500	1.53	11,500	1.86	ROUGH ORDER OF COST
	NATURAL GAS PIPING	1	ALW	3,800	0.61	4,600	0.74	ROUGH ORDER OF COST
	ROOF PATCH/ FLASHINGS	1	ALW	2,850	0.46	3,450	0.56	ROUGH ORDER OF COST
	SUBTOTAL			1,843,757	285.29	1,992,669	318.99	
	BLDRS. RISK RATE			BY OWNER EXCLUDED		BY OWNER EXCLUDED		BY OWNER EXCLUDED
	P & P BOND							
2.00%	MISC. INSUR. & TAXES			32,875	5.31	39,853	6.40	
	SUBTOTAL			1,676,632	270.60	2,022,312	326.39	
0.00%	FEE			100,588	16.24	121,339	19.58	
	BUDGET TOTAL			1,777,230	286.84	2,143,651	345.97	

EXCLUSIONS:

W.S.S.T., ARCHITECTURAL OR ENGINEERING SERVICES FEES, TESTING & / OR SPECIAL INSPECTIONS, BUILDER'S RISK INSURANCE, PERMITS, UTILITY COMPANY CHARGES OR ASSESSMENTS, PERFORMANCE & PAYMENT BONDS, WINDOW TREATMENTS, PHONE & DATA CABLING, FURNISHINGS, OWNER FURNISHED EQUIPMENT, VAPOR TRANSMISSIONS IN CONCRETE SLABS EXCEEDING MANUFACTURER'S MAXIMUMS FOR WARRANTY, AND OVERTIME WORK.

Dr. John H. Brunzman, DPM

Redmond Foot Care Associates ASC, and, F.C.A. Ambulatory Surgical Center

16146 Cleveland Street

Redmond, WA 98052

5/28/2013

Summary Facility Comparison

Comparison is based on 2006 guidelines for design and construction standards of Health Care facilities as adopted by the State of Washington Health Services

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994, Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
1	3.7	Waiting & reception room - (1) for Ambulatory Surgical Facility (ASC), and (1) for Clinic - (2) required	(1) Shared between ASC and Clinic - Inventory - Waiting Room (4) chairs, refrigerator, table, wall hangings, display lighting. Reception - Computer, fax/copier, phone, desk, patient file cabinets, business file cabinets.	Must separate waiting & reception rooms to create (2) separate waiting/reception rooms
2	2.2	Exam Rooms	(2) Exam rooms shared with operating rooms - Inventory - see OR inventory	Must separate exam rooms from operating room
3	2.3.1.3	(2) operating rooms - Type "C" with minimum 18' clear, 200 sf	(2) operating rooms 70 sf - Inventory - (2) operating table/chairs, (2) medical gas carts & gas, (1) battery back-up, (several) surgical equipment, (1) autoclave, (2) lower counter storage units, (2) overhead storage units. (several) surgery lights	Must increase size to minimum required size and clearances
4	2.7.1	Support area for patients - Changing, lockers, toilet, clothing, and gowning	Shared with existing OR and Recovery, shared toilet - Inventory - dedicated wall hangers and cabinets for clothing, balance of inventory is part of OR, Recovery, and Toilet rooms.	Add separate support area for patients

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
5	2.4.1	Phase I Post-anesthesia Recovery rooms (1) per operating room w/ hand wash station - min. 80sf	(1) dedicated w/hand wash - 70 sf Inventory - (1) recovery chair, x-ray reader, hand-wash sink, storage cabinets	Provide (2) dedicated recovery bays with hand wash and 80 sf minimum with required clearances
6	2.4.1.1 (2)	Recovery Support - Nurse/utility control station is required	Provided in existing recovery room - Inventory - (1) needle disposal unit, monitoring equipment, balance of inventory shared with recovery room and OR.	Arrange recovery bays and nurses station to provide full-time observation
7	2.4.2.5	Patient Toilet (1) per clinic, (1) per ASC	(1) shared toilet	Provide (2) separate toilets
8	2.4.2.2	Phase II Recovery (Stepdown) - Minimum 50 sf. - (1) required per OR	(2) Shared with Phase I Recovery - Inventory - Shared with Recovery room.	Separate Phase II recovery bays meeting 50 sf minimum with required clearances.
9	2.5.1	Control Station - (1) for two OR's	Contained in existing recovery area - Inventory - Shared with Recovery room	Arrange recovery bays and nurses station to provide full-time observation from one or more control stations as required
10	2.5.3	Drug Distribution Station w/ storage, refrigeration	Existing cabinets - Inventory - Dedicated cabinet in Recovery room	Provide dedicated station per 2.5.3
11	2.5.4	Soiled Work Room w/clinical sink, work counter, hand-washing sink, waste receptacle	Shared with existing restroom and OR - Inventory - shared	Provide separate dedicated soiled work room meeting requirements
12	2.5.5	Sterilizing Facilities	Shared with OR - Inventory - Autoclave in OR, sink in Recovery room	Provide in separate clean room to meet requirements
13	2.5.6	Fluid Waste Disposal Facilities	Shared with existing toilet - Inventory - shared	Provide as part of soiled work room per 2.5.4

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
14	2.5.7	Equipment and Supply Storage - provide for cleaning, testing, and storing anesthesia equipment	Shared with various rooms - Inventory - shared cabinets	Provide dedicated equipment and supply storage
15	2.5.7.2	Medical Gas Storage	Medical gas tanks on carts in OR's - Inventory - (2) Medical gas carts, (2) sets of connected bottles, spare bottles	Provide dedicated level I medical gas distribution room meeting 2.5.7.2
16	2.5.8	Janitor Closet/House Keeping Room (except service sink for surgery suite)	Shared with clinic utility room - Inventory - shared	Provide separate dedicated house keeping for ASC
17	3.1.2.2	Clean assembly/workroom - w/hand-wash, sterilizing, work tables, storage	Shared with OR's - Inventory - Shared inventory	Provide separate dedicated clean assembly/work room/hand-wash per required 3.1.2.2
18	4.2.1	Interview Space - for private interviews related to admission	Shared with OR's and recovery room - Inventory - shared seating with recovery and OR's, shared x-ray reader	Provide dedicated interview room
19	4.2.2	Offices - separate from public and patient areas	(1) for doctor, shared spaces between Clinic and ASC - Computer, phone, fax/copy, desk, file cabinets, file shelves, microwave, coffee maker	Provide space for doctor and admin for both the of Clinic and ASC. Per Medicare ASC must be separate from clinic.
20	7.3.3.1	Emergency Generator - for life safety and critical care	Existing battery back-up - Inventory - Battery back-up system	Provide per DOH type I emergency system (generator)

Item No.	Section #	2006 Code Requirements for replacement facility Required Room/Function/Equipment	Established to 1994 Code - Approved 3/29/94 - Inspected 4/20/94 and latest 7/1/09 Existing Room/Function/Equipment	Remarks
21	7:2.5, 7.2.6	Heating and Ventilation System - Provide pressure differential between clean and soiled spaces and filtration	Standard office HVAC system - Inventory - HVAC, filtration system	Provide HVAC system capable of maintaining heat and pressure differential between soiled and clean areas. Filtration to clean exhaust from soiled areas.

EXHIBIT E

Debby Wilson

From: Martyn Daniel <Martyn@MartynDanielLLC.com>
Sent: Tuesday, June 04, 2013 4:45 PM
To: Debby Wilson; sreinhart@ufsrw.com
Subject: Dr. Brunzman

Debby and Steve,

I want to follow up with you to see if there is any information you may need from Dr. Brunzman for clarification and support to help you favorably determine his eligible relocation costs.

He has been searching and considering what to do in the 8 month interim while the tenant improvement work is being performed. He is hoping to find a currently available space that would work for patient exams, etc. He has found some larger spaces that rent for \$24 plus \$8 NNN or \$32 total for a year's lease. If he could find a space that would work for him and convince a landlord to rent only what he needs, say 600 to 800 square feet, he would pay \$19,200 to \$25,600 for a year's rent. Most likely he would have to make some adjustments to the space to partition it off from a larger space etc.

He does not have an answer for performing surgeries other than 1) referring his patients to another surgeon, or 2) finding a surgery center that would allow him to operate there and at what cost to him. Neither are good solutions but may be the only options for the interim.

Preliminary estimates for Dr. Brunzman's interim space may look something like the following.

One year rent 000	\$22,
Tenant Improvements 0,000	\$1
Surgery facility rent – say he only operates on 20 patients during the year at \$500 per operation paid to the center <u>\$10,000</u>	
Total Interim Costs	<u>\$42,000</u>

Does this scenario and costs seem reasonable for the City to pay to Dr. Brunzman?

I'll be out of the office beginning this Wednesday afternoon and through Friday.

Please let me know anything you can as early as you can.

Thanks,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph 425-398-5708
Cell 206-817-0111
Email Martyn@MartynDanielLLC.com

EXHIBIT F

Debby Wilson

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Wednesday, July 10, 2013 11:49 AM
To: Debby Wilson
Subject: Brunsman Relocation
Attachments: Capital Expenditures for Equipment.docx; Estimated Moving and Related Expenses Summary.docx; Tenant Improvements.docx

Hi Debby,

I thought I should send you something so I could assure you I am still alive! I have analyzed the information received from Martyn. We have met twice to discuss the package.

I have identified the equipment and furniture included in the proposal that is not eligible as a relocation expense. The purchase of new equipment is not a relocation expense, and thus any TIs needed to accommodate those new expenditures are also ineligible.

I have also estimated the moving and related costs, even though no moving cost estimates were provided by Martyn. The only estimate presented was for the purchase of all new furnishing and equipment.

I have also determined the amount of TIs that can be considered moving and related and applied the overall tenant improvement cost per square foot to these improvements. The square feet of each room that is necessary to attach furniture and equipment is included as well as cabinetry area workspaces. Most of the additional spaces that are required solely to satisfy DHHS regulations are considered re-establishment or betterment and were not included in the calculation. Some of the DHHS requirements were included, as the function of the business could not be retained otherwise.

If you were to apply \$200,000 (two businesses) to the settlement; you are looking at approximately \$759,950.

I am still working on the final report that more clearly describes the method for making my estimates, but thought it best to let you know the numbers and get your feedback (along with the obvious "Ouch").

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"

\$50,000/business



Click [here](#) to report this email as spam.

EXHIBIT G

Susan Cooper

From: Debby Wilson
Sent: Friday, August 02, 2013 3:20 PM
To: mlovevfwvso@outlook.com
Cc: zourk@msn.com; Susan Cooper; Aaron Riensche
Subject: City of Redmond - Dr. Brunzman

The below e-mail was forwarded to me by the Mayor's office. Thank you for the information and thoughts.

I would like to acknowledge that Dr. Brunzman is the remaining occupant in an area of six commercial buildings. The last of the other ten occupants of the buildings relocated approximately six months ago. The area buildings are now being prepped for demolition. The area will support both a park and transportation projects.

The relocation assistance information submitted by Dr. Brunzman's advisor was reviewed and there have been several discussions with his advisor. Dr. Brunzman has expressed all communications go through his relocation advisor and City representatives have done so; though we can offer no assurance what information has been provided to Dr. Brunzman.

As of today, Dr. Brunzman continues to occupy and conduct business in a space with no formal agreement to do so. Dr. Brunzman and his advisor have been given several notices that he must vacate the space and the City has provided information regarding monetary assistance with an interim move; the City has received no response on this offer and occupancy continues.

We continue to desire to assist Dr. Brunzman to relocate and reestablish his current business, but his unlawful occupancy of the space now jeopardizes his entitlements.

Feel free to direct any further thoughts or questions to me.

With much appreciation for your service,



Debby Wilson
City of Redmond
Real Property Manager
425-856-2715

Michelle Love [<mailto:mlovevfwvso@outlook.com>]
Sent: Friday, August 02, 2013 11:06 AM
To: Mayor (Internet)
Cc: zourk@msn.com
Subject: Request for Assistance

Dear Mayor Marchione,

My name is Michelle Love and I am the Commander of VFW "Wild West" Post 91 in Tacoma, WA. I am writing on behalf of a fellow veteran, Dr. John Brunzman, the owner of Foot Care Associates Ambulatory Surgical Facility in Redmond, WA. Dr. Brunzman received an eviction notice effective 1 August 2013 to vacate his business address on 16142

EXHIBIT H

COPY



Northwest Division - Washington

111 Main Street, #105
Edmonds, WA. 98020
Office: 425-873-5559
Fax: 425-873-5579
www.ufsrw.com

August 14, 2013

Redmond FCA, P.C.
16146 Cleveland Street
Redmond, WA 98052

Attn: Dr. John H. Brunzman

Re: Relocation of Redmond FCA, P.C.

Dear Dr. Brunzman:

In connection with the City of Redmond's purchase and pending demolition of the building that you occupy at 16146 Cleveland Street, we have received and reviewed submitted written information regarding the potential expenses for relocating and reestablishing Redmond FCA, P.C., as well as other information gathered during meetings and discussions with you and your advisors. *

The City of Redmond, based on its review of your information, presents the following:

- > The eligible reimbursable cost of moving your existing equipment and furniture, including disconnecting and reconnecting is estimated at \$74,320.
- > The portion of the tenant improvements estimate supplied by Wager Group, Inc. and Aldrich & Associates is based on the amount of square feet needed to modify the replacement site for the installation of the existing equipment and furniture. While it is recognized that a replacement site may be a larger area, the City cannot consider anything more than relocating and reestablishing the existing equipment, furniture and features. The total eligible reimbursable tenant improvements cost is estimated at \$512,240.
- > The City of Redmond's maximum reimbursement of re-establishment cost per tenant is \$50,000.
- > There is an estimated \$257,816 of new equipment and furniture included in the provided Wager Group, Inc. and Aldrich & Associates estimate. Capital assets such these are not eligible as relocation expenses. As such, the tenant improvements needed for the installation of these items is not eligible for reimbursement.

The City of Redmond finds the information supports providing Redmond FCA, P.C. the amount of Six Hundred Forty Thousand and NO/100ths Dollars (\$640,000.00) as full and final consideration for the costs associated with vacating the premises. *

Leading the Way in Right of Way

Redmond FCA, P.C.

The City hereby offers this full and final consideration to be paid in three payments as the following conditions are fulfilled:

1. The first payment will be in the amount of Two Hundred Thirteen Thousand, Three Hundred Thirty-Three and NO/100ths Dollars (\$213,333.00). The first payment amount shall be processed upon Redmond FCA, P.C. providing the City, through its Relocation Consultant, with an acceptance/acknowledgement of the terms of this letter and the City's review and acceptance/acknowledgement of the terms of this letter.
2. The second payment, in the amount of Two Hundred Thirteen Thousand, Three Hundred Thirty-Three and NO/100ths Dollars (\$213,333.00) shall be paid upon Redmond FCA, P.C. providing the City, through its Relocation Consultant, with documentation showing that a replacement site has been secured.
3. The third and final payment, in the amount of Two Hundred Thirteen Thousand, Three Hundred Thirty-Four and NO/100ths Dollars (\$213,334.00) shall be paid upon completion of an inspection of the vacated tenant space by the Relocation Consultant to assure all personal possessions have been removed from the premises and the vacated premises conditions are acceptable. This final payment will be net of any final payments due to utility providers, lienholders or outstanding rent through date of move out.

All payments should be made to Redmond FCA, P.C. within three weeks from the date the noted forms, documents or papers are received by the Relocation Consultant.

Please note that the information previously submitted to the City included the reimbursement for estimated professional services fees. The City was not a party to any service agreements that have been executed by you or on your behalf. Any agreements for actual relocation and/or reestablishment services would have been between Redmond FCA, P.C., its representatives and the service(s) provider(s). The estimated fees for such work have been offered and included in the consideration amount for reestablishment.

Along with the consideration for Redmond FCA, P.C. to vacate the premises, it is understood that upon receipt of the payment, or any portion of the payment for vacating the premises, Redmond FCA, P.C. hereby releases and forever discharges the City of Redmond, its elected and appointed officers, agents, and employees, from any and all claims, demands, liabilities, and causes of action of whatsoever kind or nature, known or unknown, past, present, or future, for out of pocket moving costs, storage costs, relocation costs, professional advice and/or services, or any other expense related to the vacation of Redmond FCA, P.C., including, but not limited to, any expense that could be claimed under the Uniform Real Property Acquisition and Relocation Assistance Act, Chapter 8.26 RCW. Redmond FCA, P.C. agrees to hold harmless, indemnify, and defend the City of Redmond, its elected and appointed officers, agents, and employees from and against any and all claims, demands, liabilities, and causes of action on behalf of Redmond FCA, P.C. agents, representatives, assignors, assignees, and affiliates for any expense referred to in the preceding sentence.

Redmond FCA, P.C.

If you are in agreement with the stated consideration offer and agreement conditions, please acknowledge below and return a signed copy to Universal Field Services, Inc. After review and acceptance by the City of Redmond, a check will be processed for the noted first payment amount and provided to you within three weeks of the City's acceptance.

If you have further questions, please let me know as soon as possible. I can be reached at 425-673-5559.

With Much Appreciation,



Steve Reinhart
Sr. Right of Way Consultant

cc: M Daniel

Redmond FCA, P.C. acknowledges receipt of this consideration and consideration terms, and accepts the same:

By: _____
R. John H. Brunsmann

Its: _____

Date: _____

The City of Redmond acknowledges receipt of this consideration and consideration terms, and accepts the same:

By: _____

Its: _____

Date: _____

Capital Expenditures for Equipment & Furnishings Summary
Not Eligible Relocation Expenses

	Estimated Cost
1. ASC Family Waiting Room	<u>\$5,611</u>
2. Reception Area/ Business Office	<u>\$1,257</u>
3. Anesthesia Consult	<u>\$697</u>
4. Pre/Post Counseling Area	<u>\$1,019</u>
5. Nurse Manger Office	<u>\$1,272</u>
6. Staff Lounge	<u>\$2,448</u>
7. Men's Locker	<u>\$140</u>
8. Women's Locker	<u>\$140</u>
9. Pre-Op/Post-OP/Cry/Step Down Areas	<u>\$61,003</u>
10. Anesthesia Station	<u>\$360</u>
11. Nurse's Station	<u>\$1,750</u>
12. Operating Room	<u>\$80,300</u>
13. Decontamination	<u>\$4,123</u>
14. Clean Work	<u>\$980</u>
15. Clean Utility	<u>\$44,891</u>
16. Other Equipment	<u>\$74,925</u>
Total	<u>\$257,816</u>

Per 49 CFR 24.304 (b) *Ineligible expenses*. The following is a nonexclusive listing of reestablishment expenditures not considered to be reasonable, necessary, or otherwise eligible:
(1) Purchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures.

Estimated Moving and Related Expenses Summary

	Estimated Cost
1. Transportation of Personal Property	
A. Waiting Room	\$850
B. Reception Area	\$350
C. Office Equipment	\$785
D. Microwave	\$ 50
E. Pre-Op Post Op Equipment	\$865
F. Narcotics look box	\$100
G. Operating equipment	\$1,425
H. Decontamination equipment	\$150

This is based on the estimated cost to move the existing equipment & furniture to a replacement site within a 50 mile radius as provided for in 49 CFR 24.301(g)(1).

2. Disconnecting, dismantling, removing, reassembling and reinstalling relocated machinery, equipment, appliances and other personal property, including substitute personal property. Includes connection to utilities available nearby. Also modification to the personal property Necessary to adapt it to the replacement structure, site or utilities at the replacement site; and modifications to adapt the utilities at the replacement site to the personal property. Expenses for providing utilities from the right of way to the building or improvement are excluded.	
A. Clean work/Shelving	\$ 1,800
B. Computer & networking	\$11,566
C. Phone system	\$ 8,450
D. Alarm system	\$ 880
E. Nurse call system	\$ 6,549

Item A & D are the entire estimated costs provided. Items B, C & E are based on the estimated cost per square foot of the functional replacement site.

3. Storage of personal property for not longer than 12 months.	\$ _____
4. Insurance for the replacement value of the personal property in connection with the move and necessary storage.	\$ _____
5. Any license, permit, or certification required of the relocating business at the replacement location.	\$ _____
6. Replacement value of property lost, stolen or damaged in the process of relocating the business, other than as a result of negligence, where insurance is not available.	\$ _____
7. Professional services necessary for planning the move of personal property and installing the relocated personal property at the replacement location.	
A. Martyn Daniel, LLC	\$17,000
B. The Wager Group, Inc.	\$20,000
8. Replacement of business signs, stationary, and business cards that are made obsolete as a result of the relocation.	\$ 1,000
9. Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business.	\$ _____

10. The reasonable cost incurred in attempting to sell an item that is not to be relocated.	\$ _____
11. Purchase of substitute personal property.	\$ _____
12. Expenses incurred in searching for a replacement site.	<u>\$2,500</u>
13. Other moving related expenses that are not listed as ineligible as determined by the Agency to be reasonable and necessary.	\$ _____
Total	<u>\$74,320</u>

Tenant Improvements – Clinic/Operating Facility

Aldrich & Associates has given us a cost estimate for Tenant Improvements (TI) for a fully operational, full size Ambulatory Surgical Clinic and Operating Facility. Aldrich & Associates estimates that the replacement of the Operating Facility area would require 6,196 square feet to meet the requirements established by the U. S. Department of Health and Human Services as opposed to the total 695 square feet of the displacement site. This sheet will breakdown the costs associated with replacement in kind, replacement in function and betterment.

1. <u>Replacement in Kind</u>	695 SF x \$286.84 = \$199,354
2. <u>Replacement in Function</u>	3,258 SF x \$286.84 = \$934,525
3. <u>Replacement as Betterment</u>	6,196 SF x \$286.84 = \$1,777,260

It should be considered necessary to replace the function of the Clinic as opposed to simply replacing the exact size of the existing facility. This gives us a starting point of 3,258 SF x \$286.84 = \$934,525

The next step is determining the amount of TI that is necessary for the attachment or function of the moved personal property which is considered a process system and is eligible as a Moving and Related Expense. With the information available, the most accurate way to calculate this is by measuring the square feet of the area that is necessary for the installation of the personal property and apply the overall TI cost to that eligible area.

Clinic Area

1. Exam Rooms 1 & 2	48 SF x \$286.84 per SF = \$13,768
2. Closet	12 SF x \$286.84 per SF = \$ 3,442
3. Doctor's office	49 SF x \$286.84 per SF = \$14,055
4. Business office	57 SF x \$286.84 per SF = \$16,350
5. Reception	24 SF x \$286.84 per SF = \$ 6,884
6. Recovery Rooms	162 SF x \$286.84 per SF = <u>\$46,468</u>

Total Clinic Area TI as eligible Moving & Related Expenses	\$100,967
--	-----------

Surgical Area

1. Operating Rooms 1 & 2	900 SF x \$286.84 per SF = \$258,156
2. Clean Utility Room	96 SF x \$286.84 per SF = \$ 27,537
3. Medical Gas Room	72 SF x \$286.84 per SF = \$ 20,652
4. Decontamination Room	126 SF x \$286.84 per SF = <u>\$ 36,142</u>

Total Surgical Area TI as eligible Moving & Related Expenses	\$342,487
--	-----------

Total TI as eligible Moving & Related Expenses	\$443,454
--	-----------

Additional Architectural Fees (10% less \$20,00 on Moving & Related)	\$ 24,345
--	-----------

Sales Tax @ 9.5%	<u>\$ 44,441</u>
------------------	------------------

\$512,240

EXHIBIT I

Debby Wilson

From: Debby Wilson
Sent: Friday, August 30, 2013 4:56 PM
To: 'Steve Reinhart'
Cc: Mitch Legel (mlegal@ufsrw.com)
Subject: Redmond Dr. Brunzman

Just a quick note.

Dr. Brunzman was served with a vacate summons earlier this week.

A court hearing date filling was going to occur yesterday afternoon.

Yesterday morning a key arrived in the Mayor's office addressed to the Mayor and me with a note (from the VFW) that Dr. Brunzman had vacated the space.

The possessions that remained in the office were removed yesterday and are in storage in the City's surplus warehouse. Pictures were taken before the move and after. There were a couple of items that could not be moved by the available crews and equipment.

The filling for a court date was cancelled.

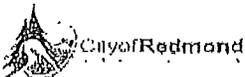
The City attorney has been contacted by an attorney representing Dr. Brunzman (most likely just in response to the eviction, but I received no additional information yet from the City's attorney.) Our attorney will advise Dr. Brunzman we will keep his items for 90 days and he can pick them up or he can sign a bill of sale.

We have determined Dr. Brunzman has business activities now occurring at another Redmond location, but has not changed his Redmond or state business licenses, nor alerted anyone to his new location. He did provide the City's utility billing group a new address to send the water bills for his old location to.

I will be in the office Tuesday next week and then out for a week. At this time if you could put any of your final thoughts down I will be taking over any relocation efforts as I am receiving feedback that no benefits will be paid to him; so I anticipate there will be many internal discussions on the topic. (I believe the final task order period runs out to day so the timing is sensible).

Now as an FYI . . . the abatement of Dr. Brunzman's space occurs on Tuesday and the building will be demolished on Wednesday.

The bike shop was taken down this last Wednesday, Quilzno's/Vet Clinic came down yesterday. Tuesday is Brown Street building and Wednesday the rest is history.



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

EXHIBIT J

Debby Wilson

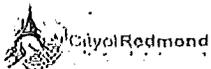
From: Debby Wilson
Sent: Friday, September 27, 2013 12:09 PM
To: 'Martyn Daniel'
Subject: RE: Dr. Brunzman

At this time I would like to request that you provide items/concerns in writing. The information should reference the offer that was made for a relocation settlement and that the offer is being rejected in whole or in part. Since there was no response to the offer and Dr. Brunzman moved and has not submitted the information as noted in the offer, we considered the offer rejected.

I am drafting a letter to Dr. Brunzman stating this same request.

At this time the expenses that were incurred by the City for the unlawful detainer activities, moving and storage of personal possessions, along with any unpaid bills or property liens as a result of Dr. Brunzman's occupancy would be deducted from any benefits he will receive. Dr. Brunzman was made aware in writing that if he was not a tenant in good standing that his benefits would be in jeopardy.

Unlawful detainer documents were filed with the Court and Dr. Brunzman was served. Following the filing the City received a key and a note stating the space had been vacated. That same day most of the office equipment, furnishings and personal possessions that remained in the space were removed by the City and are in City Storage. A voluntary non-suit motion was filed last week with the court; a copy was provided to Dr. Brunzman's legal representative that had contacted the City's attorney. Additionally Dr. Brunzman's legal rep had been made aware we will store the possessions that were left in (and outside) the space until November 28th he has let us know that Dr. Brunzman does not want the items that were left; we are requesting that the attorney put that in writing in lieu of a bill of sale or a signed moveout inspection statement that he is abandoned the items at time of move out.



Debby Wilson
City of Redmond
Real Property Manager
425-566-2715

From: Martyn Daniel [mailto:Martyn@MartynDanielLLC.com]
Sent: Monday, September 23, 2013 10:55 AM
To: Debby Wilson
Subject: RE: Dr. Brunzman

Hi Debby,

The areas of the relocation offer that we would like to discuss are related to some of the assumptions Steve made for the square footage needed to install some items, and assumptions made for substitution of items caused by codes. Another area to discuss is the single and minimum reestablishment amount offered.

Regarding the filing of unlawful detainer, I thought Dr. Brunzman met the demands to vacate and avoided the need for that filing.

Regards,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

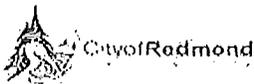
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From: Debby Wilson [<mailto:DWILSON@REDMOND.GOV>]
Sent: Monday, September 23, 2013 9:32 AM
To: Martyn Daniel
Subject: RE: Dr. Brunzman

Martyn,

Could you let me know what portion(s) of the relocation offer would be discussed? Please note Dr. Brunzman was made aware that due to the Unlawful Detainer filings and the City having to arrange for removal and storage of personal possessions jeopardized the offer that was made to him for relocation assistance.

Debby



Debby Wilson
City of Redmond
Real Property Manager
425-556-2715

From: Martyn Daniel [<mailto:Martyn@MartynDanielLLC.com>]
Sent: Tuesday, September 17, 2013 3:38 PM
To: Debby Wilson
Subject: Dr. Brunzman

Hi Debby,

Can we get a meeting put together to discuss a few areas of Dr. Brunzman's relocation package?

Thanks,

EXHIBIT K

Debby Wilson

From: Martyn Daniel <Martyn@MartynDanielLLC.com>
Sent: Monday, October 07, 2013 10:11 AM
To: Debby Wilson
Subject: RE: Dr. Brunzman

Hi Debby,

Dr. Brunzman has not rejected the city's relocation offer. He did respond immediately to the offer with a request to meet with the City to better understand the offer and perhaps provide additional input based on that better understanding.

Dr. Brunzman vacated his space with his own limited resources and abandoned the personal property at that location, which he could not fit into his small temporary office and could not afford to store. He vacated the space prior to the eviction notice; also, Dr. Brunzman said the eviction notice was rescinded.

I feel it is more important than ever to have a meeting to clear up these issues, as well as, for Dr. Brunzman to gain a better understanding of the City's offer. Without that understanding, attempting to request or provide information related to the offer would be a time-consuming shotgun approach, which may not hit the real issues.

I would like to request again a meeting to help streamline this process to its finalization.

Regards,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph 425-398-5708
Cell 206-817-0111
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

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From: Debby Wilson [mailto:DWILSON@REDMOND.GOV]
Sent: Friday, September 27, 2013 12:09 PM
To: Martyn Daniel
Subject: RE: Dr. Brunzman

At this time I would like to request that you provide items/concerns in writing. The information should reference the offer that was made for a relocation settlement and that the offer is being rejected in whole or in part. Since there was no response to the offer and Dr. Brunzman moved and has not submitted the information as noted in the offer, we considered the offer rejected.

I am drafting a letter to Dr. Brunzman stating this same request.

At this time the expenses that were incurred by the City for the unlawful detainer activities, moving and storage of personal possessions, along with any unpaid bills or property liens as a result of Dr. Brunzman's occupancy would be

EXHIBIT L

Debby Wilson

From: Steve Reinhart <sreinhart@ufsrw.com>
Sent: Wednesday, January 22, 2014 4:02 PM
To: Debby Wilson
Subject: Redmond: Brunsman estimates
Attachments: FCA Code Comparison The Wager Group.xlsx; FCA Equipment Costs.pdf; Dr Brunsman ROM-1 Aldrich & Assoc..pdf

Debby,

Here are the estimates from Aldrich and Wager. I don't have a copy of the equipment cost spreadsheet without notes on it. Martyn says he can get one from Wager if you need it.

Let me know if there is anything else you need.

Steve Reinhart
111 Main St, #105
Edmonds, WA 98020
425-673-5559 (office) 866-673-5559 (toll free)
206-819-0099 (cell) 425-673-5579 (fax)
"Leading the Way in Right of Way"



Click [here](#) to report this email as spam.

EXHIBIT M



February 28, 2014

Philip Deng
Constituent Services
Office of U.S. Senator Patty Murray
2988 Jackson Federal Building
Seattle, WA 98174

RE: January 14, 2014 Correspondence Dr. John Brunzman

Dear Mr. Deng,

This letter is in response to your January 14, 2014, correspondence requesting an update to an inquiry on behalf of Dr. John Brunzman regarding difficulties pertaining to medical facility licensing.

I would like to clarify that the City of Redmond and Dr. Brunzman's differences have been specific to relocation benefit entitlements due to displacement as a tenant from a property acquired by the City for a public project, and not medical facility licensing by the City. The City of Redmond does not regulate medical facilities licensing.

As of this date, the City has not received any response from Dr. Brunzman, or his advisors, regarding the City's offer for location assistance. Requests for responses have gone unaddressed. The City is very open to the opportunity to explain its offer to Dr. Brunzman, but the City continues to find no justification to support that the only means for Dr. Brunzman to be able to stay in business is for the City to fund a new multi-physician medical clinic and surgical center.

Please let me know if I can provide any additional information.

Sincerely,

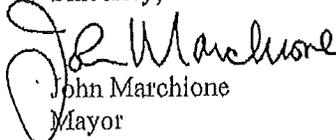

John Marchione
Mayor

EXHIBIT N



Martyn Daniel LLC
eminent domain and
business relocation consulting

business relocations

cost-to-cure estimates

feasibility studies

replacement costs

May 6, 2014

RECEIVED

MAY - 7 2014

The Honorable John Marchione
Mayor, City of Redmond
PO Box 97010
Redmond, WA 98073-9710

MAYOR'S OFFICE
CITY OF REDMOND

RE: Dr. John Brunsman

Dear Mayor Marchione,

I recently received a copy of your letter addressed to Mr. Deng at Senator Patty Murray's office regarding Dr. Brunsman's business relocation. I have been working as a relocation consultant with Dr. Brunsman and was pleased to read in your letter the City's interest in explaining the relocation offer presented to Dr. Brunsman. Dr. Brunsman would enjoy the opportunity to meet with the City to discuss and gain a better understanding of the offer.

Let's schedule a date for that meeting to occur within the next couple of weeks. Phone or email contact would be the most efficient method to coordinate a date and time. I can be contacted by phone at: 425-398-5708, or email at: Martyn@MartynDanielLLC.com.

I look forward to hearing from you.

Sincerely,

Martyn E. Daniel

EXHIBIT O

Stacy Goodman

From: Susan Cooper <SCOOPER@REDMOND.GOV>
Sent: Wednesday, May 7, 2014 11:57 AM
To: Debby Wilson
Subject: Dr. Brunsman
Attachments: Brunsman 05 07 14.pdf

FYI

Susan Cooper
Executive Assistant to the Mayor
City of Redmond
425-556-2106



Martyn Daniel LLC
eminent domain and
business relocation consulting

business relocations

cost-to-cure estimates

feasibility studies

replacement costs

May 6, 2014

RECEIVED

MAY - 7 2014

The Honorable John Marchione
Mayor, City of Redmond
PO Box 97010
Redmond, WA 98073-9710

MAYOR'S OFFICE
CITY OF REDMOND

RE: Dr. John Brunzman

Dear Mayor Marchione,

I recently received a copy of your letter addressed to Mr. Deng at Senator Patty Murray's office regarding Dr. Brunzman's business relocation. I have been working as a relocation consultant with Dr. Brunzman and was pleased to read in your letter the City's interest in explaining the relocation offer presented to Dr. Brunzman. Dr. Brunzman would enjoy the opportunity to meet with the City to discuss and gain a better understanding of the offer.

Let's schedule a date for that meeting to occur within the next couple of weeks. Phone or email contact would be the most efficient method to coordinate a date and time. I can be contacted by phone at: 425-398-5708, or email at: Martyn@MartynDanielLLC.com.

I look forward to hearing from you.

Sincerely,

Martyn L. Daniel

EXHIBIT P

Debby Wilson

From: Susan Cooper
Sent: Friday, July 25, 2014 12:01 PM
To: Martyn@MartynDanielLLC.com
Cc: Debby Wilson
Subject: Meeting for Dr. Brunsman

Dear Mr. Daniel,

I am responding on behalf of Mayor Marchione who is currently out of the office.

In response to your July 21, 2014, correspondence requesting an opportunity for you and Dr. Brunsman to meet with the City, I have requested Debby Wilson, Real Property Manager, to contact you to schedule a meeting to provide Dr. Brunsman the opportunity to discuss the relocation/reestablishment offers that were made to him, as well as the status of his relocation assistance eligibility.

Debby Wilson will be contacting you soon.

Susan Cooper
Executive Assistant to the Mayor
City of Redmond
425-556-2106

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EXHIBIT Q

Debby Wilson

From: Martyn Daniel <Martyn@MartynDanielLLC.com>
Sent: Tuesday, August 05, 2014 12:44 PM
To: Debby Wilson; Susan Cooper
Subject: RE: Meeting for Dr. Brunzman

Hi Debby,

Thanks for your quick reply with possible meeting dates, however, Dr. Brunzman needs some time to prepare and to find possible meeting dates that work for him. I, or someone, will get back to you when that happens, which we hope will be fairly soon.

Regards,
Martyn

Martyn Daniel LLC
eminent domain and
business relocation consulting

Ph **425-398-5708**
Cell **206-817-0111**
Email Martyn@MartynDanielLLC.com
Web www.MartynDanielLLC.com

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From: Debby Wilson [<mailto:DWILSON@REDMOND.GOV>]
Sent: Tuesday, July 29, 2014 12:31 PM
To: Martyn Daniel; Susan Cooper
Subject: RE: Meeting for Dr. Brunzman

Martyn,

Would either August 5th or August 7th from 10-11 am work, here at City Hall?

Debby



Debby Wilson
Real Property Manager
City of Redmond
425-556-2715
dwilson@redmond.gov

From: Martyn Daniel [<mailto:Martyn@MartynDanielLLC.com>]
Sent: Tuesday, July 29, 2014 9:31 AM
To: Susan Cooper

EXHIBIT R



City of Redmond
WASHINGTON

December 22, 2014

Dr. John Brunzman
PO Box 2032
Redmond, WA 98073

RE: Redmond's Downtown Central Park
16146 NE Cleveland Street
Submittal of Final Relocation/Reestablishment Claim Documents

Dear Dr. Brunzman,

This note is to remind you that all claims to consider actual expenses for the relocation and reestablish of your businesses previously located at 16146 NE Cleveland Street must be submitted no later than January 31, 2015. This date is eighteen months following the date of July 31, 2013, which you provided the City as the date you vacated the property (Displacement Date).

The claim information you submit will be reviewed as being actual expenses and reasonable as to the relocation and reestablishment of the business activities as they existed at 16146 NE Cleveland Street.

As provided in original correspondence, which briefly explained your benefits, and subsequent correspondence, entitlement to any benefits will be based on your lawful and compliant occupancy of the property. Your actual occupancy of the property without a lease agreement; occupancy of the property following several vacate notices; removal, storage and disposition of personal property left in the vacated space; and unpaid utility bills will need to be considered if any relocation/reestablish claims are submitted.

Please submit your claim and claim materials directly to:

City of Redmond
Real Property Manager MS: 4NPW
PO Box 97010
Redmond, WA 98073

Or deliver them to:

Redmond City Hall
15670 NE 85th Street, 4th floor

Sincerely,

Debby Wilson
Real Property Manager

EXHIBIT S

Todd W. Wyatt, Attorney at Law
todd@carsonnoel.com
Stacy Goodman, Attorney at Law
stacy@carsonnoel.com

CARSON | NOEL
PLLC

December 1, 2015

SENT VIA EMAIL AND MAIL

Mayor John Marchione
City of Redmond
PO Box 97010
Redmond, WA 98073-0710
mayor@redmond.gov

Re: Relocation of Foot Care Associates, PC

Dear Mayor Marchione,

This firm represents Dr. John Brunsman and Foot Care Associates, P.C. (collectively "FCA"). The purpose of this letter is to reengage the City in the hope of discussing a solution that will allow FCA to reestablish its podiatry practice and recoup the damages it has suffered.

We assume this correspondence should be directed to your attention. If, however, there is another person within the City that we should communicate with, please let us know and we would be happy to do so.

As you may recall, in order to make way for Redmond's new Downtown Park, the City purchased and demolished a building located at 16146 Cleveland Street that FCA had occupied as a tenant for many decades. As a result, FCA was forced to relocate.

FCA, however, had built a thriving practice at that location. In March 1994, FCA was approved as an ambulatory surgical center under the Medicare Program, and designed and constructed in compliance with the then-applicable Washington State Department of Health ("DOH") rules. The facility was grandfathered under those rules to all future regulations.

The eviction of FCA triggered the loss of its grandfathered status. When reestablishing FCA at a new location, it must be designed and constructed to comply with the latest laws, which are dramatically different than the codes to which the facility was built to comply 22 years ago. The construction must be reviewed and approved by DOH to ensure it meets all applicable state and federal laws, including Medicare certification standards.

20 Sixth Ave NE, Issaquah, WA 98027
P. 425.837.4717 | F. 425.837.5396

Letter to Mayor Marchione
November 11, 2015
Page - 2

While the City initially offered FCA \$640,000 to cover FCA's expenses, that amount is a fraction of the actual cost to relocate and reestablish FCA's clinic and surgical center. Enclosed is a four-page summary of the primary differences between the 1994 and 2006 codes that are driving the cost to reestablish the surgical center. The cost to fully reestablish FCA's practice—including surgical center—was estimated to be about \$2.144 million at the time FCA was forced to move. That cost is undoubtedly higher today. And with no surgical center since moving, FCA also has lost significant revenue.

Indeed, FCA has been unable to reestablish its full clinic and surgery center during the intervening time. In the meantime, and because the City so far refuses to pay the actual cost to reestablish his practice, FCA's practice has been severely curtailed at its new location.

FCA simply cannot reestablish its entire practice without full payment by the City. FCA is entitled to remain in business as an ambulatory surgical center, for which it was licensed at the time of vacation. As things stand now, the City has effectively put FCA's surgical practice out of business.

Before commencing litigation, FCA first is asking if the City is interested in reopening the discussion of payment of expenses to keep FCA in business. If so, please let us know within 21 days of the date of this letter. We look forward to the City's response. ✱

Sincerely,

CARSON NOEL, PLLC



Todd W. Wyatt
Stacy Goodman

Enclosure

EXHIBIT T

RECEIVED

FEB 24 2016

Carson & Noel PLLC

James E. Haney
jhaney@omwlaw.com

February 22, 2016

Ms. Stacy Goodman
Mr. Todd W. Wyatt
CARSON NOEL, PLLC
20 Sixth Ave NE
Issaquah, WA 98027

Re: Relocation of Foot Care Associates for City of Redmond Downtown Park Project

Dear Ms. Goodman and Mr. Wyatt:

This is in response to your December 1, 2015 letter to Mayor John Marchione regarding the relocation of Foot Care Associates ("FCA"). I represent the City of Redmond as its City Attorney and have been asked to respond in that capacity. Please excuse my delay in responding, a delay that is of my own making and is in no way reflective of a lack of diligence on the part of my client. For the reasons set forth in this letter, the City of Redmond respectfully declines to reopen negotiations with FCA and believes that FCA is not eligible for the relocation assistance it seeks.

Before addressing the legal merits of FCA's request, it is important to review the history of the City's efforts to reach agreement with FCA, a history that you may not be fully aware of. You are correct that the City acquired the building located at 16146 NE Cleveland Street for the purpose of constructing the Downtown Park Project. Under Chapter 8.26 RCW, this triggered an obligation on the part of the City to offer relocation assistance to the building's tenants. On April 11, 2012, the City notified your client by letter that the City had acquired the building for the park project and that it would be necessary for FCA to move so that the building could be demolished. The letter, a copy of which is enclosed, explained the relocation assistance program, offered the assistance of Universal Field Services to help FCA with relocation/reestablishment estimates and site search advice, and offered to execute a short-term lease with FCA in order to allow FCA to remain on the premises through the end of September

Ms. Stacy Goodman
Mr. Todd W. Wyatt
February 22, 2016
Page 2

2012. At the time of this letter, FCA was apparently occupying its business premises under a month-to-month lease arrangement with no written lease in effect.

After the City sent the April 11, 2012 letter, the City made several unsuccessful attempts to schedule a meeting with FCA and its relocation advisor, Martyn Daniel. A meeting was finally held between the City's relocation advisor, Dr. Brunzman (FCA's owner), and Mr. Daniel in early August, 2012. The City's relocation advisor understood that a relocation assistance claim would be forthcoming and that Dr. Brunzman and Mr. Daniel would be providing information to support the claim. Dr. Brunzman and Mr. Daniel thereafter went silent for several months, failing to respond to repeated messages from the City's relocation advisor inquiring about the status of the relocation assistance claim.

FCA never executed the short-term lease that the City offered in its April 11, 2012 letter. On October 10, 2012, the City notified Dr. Brunzman by letter that FCA's tenancy was terminated and that FCA was required to vacate the premises. A copy of the October 10, 2012 letter is enclosed.

On December 12, 2012, the City was finally able to get Dr. Brunzman and his advisor to meet with City staff and the City's relocation advisor. Dr. Brunzman advised the City that he had made no real progress on relocation. Although he had apparently identified a potential site, Dr. Brunzman had no estimate of potential relocation and reestablishment costs and was unable or unwilling to advance funds to an architectural advisor to come up with those estimates. The City advised Dr. Brunzman that he needed to provide cost estimates with any relocation assistance request and the City offered contact information for the City's building official for code and permitting assistance and for other ideas to assist in expediting the relocation of the business.

Over the next six months, the City heard nothing from Dr. Brunzman or Mr. Daniels. The City made several unsuccessful attempts to contact Dr. Brunzman to discuss his progress on obtaining relocation estimates and to get FCA to move out. Finally, on May 16, 2013, the City was notified by Mr. Daniels that the estimates were available and that he and Dr. Brunzman would like to meet. Debby Wilson, the City's Real Property Manager, stopped by FCA's offices to let Dr. Brunzman know that construction was beginning shortly, but Dr. Brunzman refused to talk with Ms. Wilson and said all communications had to go through his advisor, Mr. Daniel. Ms. Wilson then let Mr. Daniel know that construction was starting and again requested that FCA vacate the premises.

On May 24, 2013, the City sent Dr. Brunzman a letter advising him that demolition of the building at 16146 NE Cleveland Street was scheduled to begin in June 2013. The letter, a copy of which is enclosed, advised Dr. Brunzman that unless the City received notice from him by June 1 that FCA was vacating the premises, the City would begin eviction proceedings.

On May 29, 2013, the City met with Dr. Brunzman and his relocation and architectural consultants. For the first time since notifying Dr. Brunzman of his right to relocation assistance more than a year previously, the City was presented with relocation estimates. These estimates

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February 22, 2016
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were incomplete and contained numerous items that were not compensable and that were not supported by the current business activities of FCA, its current size and space needs, its current number of employees, and its current office hours. The City advised Dr. Brunzman that it could not pay for a number of the items under the relocation assistance program and requested more complete information.

On July 5, 2013, the City provided yet another notice to Dr. Brunzman for FCA to vacate the premises. This time the notice was to vacate within twenty days. The City received no response to this notice, although the City did observe some items being removed from the premises on the evenings of August 12 and 13, more than a month after the notice was given.

On August 14, 2013, the City issued a letter to FCA through the City's relocation advisor, offering to pay the sum of \$640,000 to FCA as relocation expenses. A copy of this letter is enclosed. The letter set out in detail those items that the City could pay for and those items Dr. Brunzman had previously presented that were ineligible relocation expenses.

On August 20, 2013, the City observed there were still some furniture, office equipment, personal items, and paperwork remaining in the office space occupied by FCA. The City asked FCA's relocation advisor if the City was to consider the items abandoned but did not get an answer. The City also asked for keys so that it could access the space. When no immediate response was forthcoming and with demolition of the building being imminent, the City filed an unlawful detainer action in order to recover the premises. This action was dismissed in late September 2013 based upon an agreement with Dr. Brunzman that he had vacated the premises. The furniture, equipment, personal items and paperwork were removed from the premises and were placed in storage by the City until Dr. Brunzman could decide whether to abandon the items or not.

On September 17, 2013, the City received an e-mail from Mr. Daniel requesting a meeting to discuss the City's August 14 relocation offer. Ms. Wilson responded to the e-mail, requesting information on the areas of the offer that Dr. Brunzman and Mr. Daniel wished to discuss. With a desire to have the meeting be as productive as possible, Ms. Wilson followed up her response with an e-mail on September 27, 2013 requesting that any concerns about the offer be placed in writing so that the City could be prepared to address them. Ms. Wilson noted that the City had never received a response to its August 14 offer or received any of the information requested from Dr. Brunzman in that offer. The City therefore considered the offer to have been rejected and wanted more information before reopening discussions.

Between October 7, 2013 and July 21, 2014, the City received four requests from Mr. Daniels to meet regarding the City's offer, but none of the requests contained any of the information requested by Ms. Wilson. After receiving Mr. Daniels' July 21, 2014 letter, Ms. Wilson contacted Mr. Daniels on July 29, 2014 with several possible dates for a meeting. Mr. Daniels responded on August 5, stating "Thanks for your quick reply with the possible meeting dates, however, Dr. Brunzman needs some time to prepare and to find possible meeting dates that work

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for him. I, or someone, will get back to you when this happens, which we hope will be fairly soon.”

Over four months later, on December 22, 2014, having heard nothing from Dr. Brunzman or Mr. Daniels since August 5, the City sent Dr. Brunzman a letter reminding him that the deadline for submitting a relocation assistance claim was January 31, 2015, eighteen months following the date of July 31, 2013, which Dr. Brunzman had advised the City was the date he vacated the premises at 16146 NE Cleveland Street. A copy of that letter is enclosed. The City received no response to this letter by the January 31, 2015 deadline and the City heard nothing further of substance from FCA until your December 1, 2015 letter.

Under these circumstances, it should be apparent that the City made every effort in 2012, 2013, and 2014 to engage with FCA on a relocation assistance package and that Dr. Brunzman and his advisors failed to respond to the City's efforts time and time again. Requests for meetings were not responded to, requests for information were not addressed, and invitations to provide a counter to the City's offer and to file a claim were ignored. After more than two years of trying to reach agreement with FCA, the City simply moved on and sees no reason to revisit that decision now.

Turning to the merits of FCA's claim, the City has three responses. First, the deadline for filing a relocation assistance claim with the City passed on January 31, 2015. The relocation assistance program established by Chapter 8.26 RCW is administered by the Washington State Department of Transportation, which has authority to establish rules for local agencies and displaced persons who proceed under the statute. RCW 8.26.085. The state statute is based on federal law (42 U.S.C. §4621 *et seq.*) and is intended to allow the state and its political subdivisions to qualify for federal financial assistance when acquiring property for public projects. Under WAC 468-100-207(4)(a)(i), which is virtually identical to 49 C.F.R. §24.207(d)(1)(i) on which it is based, all claims for relocation assistance by displaced tenants must be filed within eighteen months after the “date of displacement.” According to WAC 468-100-002, a business is displaced when it moves from the real property on which it is located. During the course of the unlawful detainer action brought by the City, Dr. Brunzman asserted that FCA was fully moved out of its offices at 16146 NE Cleveland Street by July 31, 2013. Thus, the date of displacement for FCA was July 31, 2013 and the eighteen month period for filing its relocation assistance claim expired on January 31, 2015. The City advised Dr. Brunzman of this deadline in the City's December 22, 2014 letter and Dr. Brunzman failed to file a claim by the required date. The claim is thus barred under WAC 468-100-207(4)(a)(i) and 49 C.F.R. §24.207(d)(1)(i).

Second, FCA failed to pursue available administrative remedies. WAC 468-100-010(4) provides that any displaced person may appeal a relocation expense determination by a local agency by filing an appeal notice with the agency within 60 days of the agency's decision. The City notified FCA's relocation advisor (with whom Dr. Brunzman directed the City to communicate exclusively) on September 27, 2013 that it considered FCA's non-response to its relocation assistance offer to be a rejection of the offer, making the City's offer a final decision. The City had also notified Dr. Brunzman in its initial letter of April 12, 2012 that FCA could appeal any

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final decision on the City on relocation by simply filing a letter stating his disagreement and providing an explanation for his grievance. No appeal was received by the City within the 60 day appeal period and an appeal is therefore barred at this time.

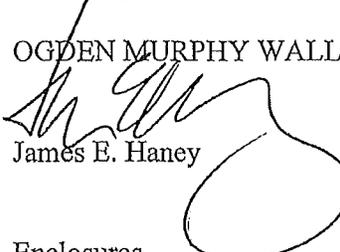
Finally, the items for which FCA seeks relocation assistance beyond what the City offered are clearly not compensable. RCW 8.26.035 sets up four categories of relocation expenses that are eligible for payment: (a) actual reasonable expenses occurred in moving the business; (b) actual direct losses of tangible personal property as the result of moving or discontinuing the business; (c) actual reasonable expenses in searching for a replacement site; and (d) actual reasonable expenses to reestablish a business at the new site, "but not to exceed fifty thousand dollars." WAC 468-100-306 expands on the reestablishment expense category, providing examples of both eligible and ineligible expenses. Specifically, WAC 468-100-306(2)(a), which is virtually identical to 49 C.F.R. §24.304(b)(1), declares that "[p]urchase of capital assets, such as, office furniture, filing cabinets, machinery, or trade fixtures" is "not considered to be reasonable, necessary, or otherwise eligible." Many of the items for which Dr. Brunzman seeks compensation are capital assets and are therefore ineligible for compensation under the statute. The City's August 14, 2013 offer letter told Dr. Brunzman this and the May 28, 2013 Summary Facility Comparison enclosed with your letter contains the same items that the City's offer letter rejected. Moreover, these items far exceed the \$50,000 maximum provided in the statute and rules and cannot be reimbursed on that basis. Thus, even if the City were to consider the relocation claim to be timely, the City could not agree to compensate your client for the items he is requesting.

For all of the reasons set forth above, the City respectfully declines to reopen negotiations with FCA and believes that FCA is not entitled to any relocation assistance from the City. The City made repeated attempts to reach agreement with FCA and was not able to do so. The time for relocation assistance claims has now passed and the items for which compensation is sought are ineligible. X

If you have any further questions or any more information to provide, please feel free to give me a call.

Very truly yours,

OGDEN MURPHY WALLACE, P.L.L.C.


James E. Haney

Enclosures

cc: Mayor John Marchione
Debby Wilson

EXHIBIT U

Todd W. Wyatt, Attorney at Law
todd@carsonnoel.com
Stacy Goodman, Attorney at Law
stacy@carsonnoel.com

CARSON | NOEL
PLLC

April 26, 2016

SENT VIA EMAIL and U.S. MAIL

James Haney
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Mayor John Marchione
City of Redmond
PO Box 97010
Redmond, WA 98073-0710
mayor@redmond.gov

NOTICE OF APPEAL

Project: City of Redmond Downtown Park
Property Involved: 16146 Cleveland Street
Appellant: Foot Care Associates, P.C.

Dear Mr. Haney and Mayor Marchione:

This letter serves as the Notice of Appeal to the City of Redmond for its denial to pay relocation assistance to Foot Care Associates, P.C. ("FCA"). This Notice of Appeal is provided pursuant to WAC 468-100-010. The remainder of this letter states the issues being claimed, the reasons FCA believes the claim should be allowed, and how FCA is otherwise aggrieved.

City's Position. The City claims the deadline for filing the relocation assistance claim was January 31, 2015. WAC 468-100-207(4)(a)(i) states that claims for a relocation payment by a tenant shall be filed within 18 months after the date of displacement. In this case, assuming FCA was fully moved out of 16146 NE Cleveland Street by July 31, 2013, that would be the displacement date. The time for filing a claim would have been January 31, 2015. The City is obligated, however, to waive the time period for "good cause." Had FCA filed a claim, the City argues that FCA failed to appeal the City's "final decision," and the appeal deadline is 60 days.

20 Sixth Ave NE, Issaquah, WA 98027
P. 425.837.4717 | F. 425.837.5396

There are three issues: 1) Whether FCA filed a "claim" by January 31, 2015; 2) whether the City made final determination of the claim; 3) whether FCA timely appealed; and 4) whether good cause exists to waive the claim-filing deadline when the City failed to provide the required denial notice.

The following events were noted in the City's correspondence:

- May 29, 2013—FCA provided relocation estimated costs to the City, and the City asked for more information.
- August 14, 2013—The City offered FCA \$640,000.
- September 17, 2013—Mr. Daniel requested a meeting to discuss the offer.
- September 7, 2013—The City asked for concerns in writing and a written rejection of the City's offer. The City considered FCA to have rejected its offer.
- July 29, 2014—The City agreed to meet with Mr. Daniel, although apparently that meeting never occurred.
- December 22, 2014—The City sends a letter to FCA noting the January 31, 2015 deadline for filing a claim for relocation/reestablishment assistance.

Relevant Law. Washington law provides the following: "Any person who qualifies as a displaced person must be fully informed of his or her rights and entitlements to relocation assistance and payments provided by the Uniform Act and regulations." WAC 468-100-102(9).

The Code further provides:

Notice of denial of claim: If the agency disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds, it shall promptly notify the claimant in writing of its determination, the basis for its determination, and the procedures for appealing that determination.

WAC 468-100-207(5) (emphasis added).

Applying these principles to FCA shows that the City has improperly denied FCA the benefits to which it is entitled.

FCA Timely Filed a Claim. There is no required form for a claim: "Any claim for relocation payment shall be supported by such documentation as may be reasonably required to support expenses incurred, such as, bills, certified prices, appraisals, or other evidence of such expenses." WAC 468-100-207(1). The City had sufficient evidence from FCA in order to make an offer, based upon the May 29, 2013 estimates. Regardless of its informality, FCA therefore had presented as of that date.

The City Made No Final Decision. The City asserts that its "final decision" was the offer FCA rejected (or didn't counter) on August 14, 2013. However, if the City had made a final decision, then its later actions indicate otherwise. Ten months after its alleged "final decision," the City agreed to meet with Mr. Daniel to discuss the offer. The City never indicated at that time that it had made a final decision. Moreover, if the City had made a final decision, on what was it based? If there was no claim filed, what final decision was being made?

FCA Timely Filed an Appeal. In any event, the City failed to provide the "notice of denial of claim" to FCA that is required under WAC 468-100-207(5). After denying a claim, the City is required to provide written notice of "the determination, the basis for the determination, and the procedures for appealing that determination." *Id.* Although the City has asserted there was no denial notice because a formal claim was never filed, the City necessarily could not have made a final decision on a claim never filed. In fact, the first time that FCA was notified of the City's final decision and of its appeal rights was in the letter dated March 2, 2016. As such, the 60-day appeal deadline began on that date, and the appeal deadline is May 1, 2016.

The City Failed to Follow the Notice Procedure. The City is required to waive the time period for filing claims for relocation payments "for good cause." WAC 468-100-2079(4)(b). In this case, the City failed to provide the required denial notice. As a result, FCA was not fully informed of its rights and entitlements to relocation assistance. No better cause exists than the City failing to follow the required notice procedure when acquiring private property. The City is therefore obligated to waive the claim-filing deadline.

Conclusion. Based on the facts and reasons stated above, FCA respectfully requests the City grant this appeal and pay FCA its full relocation benefits.

If the City denies this appeal, then FCA hereby requests an adjudicative proceeding pursuant to RCW 8.26.010(3) and RCW 34.05.413(2).

We look forward to your response.

Sincerely,

CARSON NOEL, PLLC



Todd W. Wyatt
Stacy Goodman

EXHIBIT 67

1 Dr. Brunzman's current motion ignores key facts and takes comments out of context, in
2 an effort to depict his own intransigence as somehow showing bad faith by the City. In this
3 response, the City will first fill in the missing facts and then demonstrate that Dr. Brunzman was
4 provided due process and that the claims of bad faith are made of whole cloth. Dr. Brunzman's
5 refusal to accept the administrative remedies offered by the City precludes the relief he seeks
6 here.

7 II. STATEMENT OF FACTS

8 A. The City tries to work with Dr. Brunzman to facilitate his relocation.

9 The City first notified Dr. Brunzman that he would need to vacate the subject property
10 nearly five years ago, on April 12, 2012. The City's letter advised Dr. Brunzman that his
11 displaced business on the property may be entitled to compensation under the Relocation Act.
12 The letter outlined the specific types of cost reimbursement that he could request.¹

13 The letter also advised Dr. Brunzman that he would need to execute a new lease. This
14 was because state law requires particular lease terms when a tenant leases property owned by a
15 public agency. The City informed Dr. Brunzman as well that to qualify for relocation benefits he
16 must be in legal occupancy of the property. Finally, the City advised that it could permit only a
17 short-term lease, through September 2012.²

18 The City's real property manager, Deborah Wilson, attempted to schedule a meeting with
19 Dr. Brunzman the following week to discuss the situation. A meeting was initially scheduled,
20 but Dr. Brunzman canceled it on April 18, 2012.³

21 The City's communication log then shows repeated attempts to contact Dr. Brunzman
22 from April to October of 2012. An entry between April 18 and June 22 notes "Attempts via
23 phone messages to reschedule meeting unanswered." A June 22 entry notes "Several attempts to
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25 ¹ Goodman Declaration, Ex. B.

26 ² Goodman Declaration, Ex. B.

³ Wilson Declaration at ¶ 6; Goodman Declaration, Ex. C at p. 1.

1 contact,” but mentions that Dr. Brunzman had hired Martyn Daniel as his relocation advisor. An
2 August 8 entry suggests that a meeting was scheduled, but an August 24 entry states “No luck
3 contacting for site investigation.”⁴

4 On October 9, 2012, the City’s relocation advisor, Steve Reinhart, informed Ms. Wilson
5 that he had “left several messages with both Dr. Brunzman and Martyn Daniel with no response
6 since August.”⁵ Having previously advised Dr. Brunzman that it could permit a short-term lease
7 only through September, the City sent Dr. Brunzman a letter terminating his right of occupancy
8 on October 10, 2012.⁶

9 A meeting between Dr. Brunzman and the City finally occurred in December 2012. In
10 that meeting, Dr. Brunzman admitted that he had “been dragging [his] feet.”⁷

11 By then, the City had successfully assisted several other tenants in relocating their
12 businesses. Based on this past experience, the City had developed a procedure for processing
13 claims. The other tenants had claimed compensation in one of two ways: (a) they presented
14 receipts for reimbursement; or (b) if they wanted funds in advance they could present a claim
15 supported by two or three reasonable estimates. Under the latter option, the City would pay the
16 claim in three installments: one third at the beginning, another third when the tenant had secured
17 a replacement site, and a third and final payment when the tenant had moved out. Ms. Wilson
18 explained this process to Dr. Brunzman and Mr. Daniel in the December 2012 meeting.⁸

19 Mr. Daniel advised the City that Dr. Brunzman had found a new location in February
20 2013. The City made several more attempts to contact Dr. Brunzman, unsuccessfully. In May
21 2013, Ms. Wilson went to Dr. Brunzman’s office, but was told by his receptionist that any
22 communication with the City must go through Mr. Daniel. Ms. Wilson then called Mr. Daniel to

23 ⁴ Goodman Declaration, Ex. C at p. 1.

24 ⁵ Goodman Declaration, Ex. C at p. 1.

25 ⁶ Wilson Declaration, Ex. 1.

26 ⁷ Wilson Declaration at ¶ 8.

⁸ Wilson Declaration at ¶¶ 5, 8.

1 advise him that construction activity would soon be starting.⁹ On May 24, 2013, the City
2 notified Dr. Brunzman that he must vacate the property by June 5, 2013, or the City would
3 initiate formal eviction proceedings.¹⁰

4 **B. Dr. Brunzman provides relocation estimates that are incomplete and exceed**
5 **the scope of compensable costs.**

6 Finally, on May 29, 2013, Dr. Brunzman and his consultants met with the City and
7 presented their first estimates of relocation costs. These estimates, though incomplete, presented
8 a cost range from \$1.7 million to \$2.1 million.¹¹ Much of this high cost derived from
9 Dr. Brunzman's claim that he would need to expand to a bigger facility if he moved. Dr.
10 Brunzman represented that he was operating both an ambulatory surgery center and a clinic at
11 the existing location. He claimed that this situation was grandfathered at the existing location
12 but that moving would necessitate compliance with new Department of Health regulations.
13 These regulations would, according to Dr. Brunzman, require him to separate his services into
14 two businesses, with separate reception and waiting areas and other new facilities, such as
15 separate examination and operating rooms.¹²

16 On June 4, 2013, Dr. Brunzman provided an estimate of his interim costs, in the amount
17 of \$42,000.¹³

18 Mr. Reinhart analyzed Dr. Brunzman's estimates and then prepared his own estimates. In
19 an email to Ms. Wilson dated July 10, 2013, he explained that there were problems with
20 Dr. Brunzman's estimates. First, Dr. Brunzman had not included estimates for moving his
21 existing furniture and equipment. Instead, he had estimated the cost to purchase all new
22 furniture and equipment. Second, Dr. Brunzman had estimated tenant improvements at a square

23 ⁹ Goodman Declaration, Ex. C at p. 1; Wilson Declaration at ¶ 9.

24 ¹⁰ Wilson Declaration, Ex. 2.

25 ¹¹ Goodman Declaration, Ex. D.

26 ¹² See Goodman Declaration, Ex. D; Wilson Declaration at ¶ 15.

¹³ Wilson Declaration at ¶ 17.

1 footage necessary to accommodate more equipment and furniture than he had at the existing
2 location. Mr. Reinhart estimated Dr. Brunzman's compensable costs at \$759,950.¹⁴

3 On August 14, 2013, Mr. Reinhart submitted the City's formal response to
4 Dr. Brunzman's estimates. He explained that, while the City could not pay for Dr. Brunzman to
5 purchase new furniture and equipment, it could pay to move his existing equipment. The City
6 estimated this cost at \$74,320.¹⁵

7 The City also offered to pay Dr. Brunzman \$512,240 for tenant improvements.
8 Mr. Reinhart explained that the City could only reimburse Dr. Brunzman for tenant
9 improvements necessary to accommodate his existing furniture and equipment. It could not pay
10 for the large expansion that Dr. Brunzman had proposed.¹⁶

11 Finally, Mr. Reinhart explained that Dr. Brunzman's reestablishment costs were limited
12 to \$50,000 per tenant. Mr. Reinhart summed the three numbers above, which amounted to
13 \$636,560, and then rounded that number up to an offer of \$640,000.¹⁷

14 **C. The City is forced to initiate eviction proceedings.**

15 While the above exchange was occurring, Dr. Brunzman was the subject property's last
16 remaining occupants. All other tenants had vacated the premises months earlier.¹⁸ On July 5,
17 2013, with construction beginning, the City was forced to begin an unlawful-detainer action by
18 serving a 20-day notice to vacate.¹⁹

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22
23 ¹⁴ Goodman Declaration, Ex. F.

24 ¹⁵ Goodman Declaration, Ex. H.

25 ¹⁶ Goodman Declaration, Ex. H.

26 ¹⁷ Goodman Declaration, Ex. H.

¹⁸ Wilson Declaration at ¶ 9.

¹⁹ Wilson Declaration, Ex. 3.

1 On August 20, 2013, Mr. Daniel claimed that Dr. Brunzman had moved out. However,
2 City personnel could see papers and furniture still inside his space. This included a heavy
3 operating table that would require equipment to move.²⁰

4 The City was thus forced to file a complaint for unlawful detainer on August 22, 2013.²¹
5 One week later, Dr. Brunzman provided the City with a key and a note saying that he had
6 vacated the premises on July 30, 2013.²² The City then moved Dr. Brunzman's remaining items
7 to an offsite storage facility.²³

8 **D. Dr. Brunzman initially requests a meeting with the City but then abandons**
9 **all communications for sixteen months.**

10 In Mr. Reinhart's August 14, 2013 offer letter, he set out two possible responses. First, if
11 Dr. Brunzman accepted the offer, he could sign it and return it to the City. Second, if he
12 disagreed or had questions, he could contact Mr. Reinhart. The City heard nothing about the
13 offer for more than a month, until Mr. Daniel contacted the City in September 2013 to request a
14 meeting.²⁴ The City responded to these requests by asking Mr. Daniel to put Dr. Brunzman's
15 concerns in writing.²⁵

16 Dr. Brunzman made several additional requests for a meeting in the ensuing months, but
17 never complied with the City's request for a written statement.²⁶ Finally, on July 29, 2014,
18 despite never having received the requested writing, the City agreed to meet with Dr. Brunzman
19 and provided a list of possible dates. Mr. Daniel responded a week later, advising that
20 Dr. Brunzman needed "some time to prepare and to find possible meeting dates that work for
21

22 ²⁰ Goodman Declaration, Ex. C at p. 2; Wilson Declaration at ¶ 20.

23 ²¹ Wilson Declaration, Ex. 4.

24 ²² Riensche Declaration, Ex. A.

25 ²³ Goodman Declaration, Ex. C at p. 2.

26 ²⁴ Goodman Declaration, Ex. H at p. 3.

²⁵ Goodman Declaration, Ex. J at p. 1.

²⁶ Wilson Declaration at ¶ 21.

1 him” Mr. Daniel further represented that he “or someone, will get back to you when this
2 happens, which we hope will be fairly soon.”²⁷

3 Neither Mr. Daniel nor anyone else representing Dr. Brunzman ever followed through on
4 this promise.²⁸ Four months later, in December 2014, the City advised Dr. Brunzman in writing
5 that his deadline for claiming relocation benefits was January 31, 2015—eighteen months after
6 the date on which he claimed to have left the subject property.²⁹ This deadline came and went
7 without any further communication from Dr. Brunzman.³⁰

8 Dr. Brunzman did not contact the City again until nearly a year later, in December 2016,
9 when his current attorneys asked the City to reopen discussions.³¹ This was sixteen months after
10 Dr. Brunzman’s representative had promised to contact the City to arrange a meeting. By letter
11 dated February 22, 2016, the City advised Dr. Brunzman’s attorneys that the deadline for
12 claiming relocation benefits had passed and that the City declined to reopen the matter.³²

13 Dr. Brunzman then sent a “Notice of Appeal” dated April 26, 2016.³³ He filed the
14 present action eight months later, on October 3, 2016.

15 **III. EVIDENCE RELIED UPON**

16 The City bases this opposition on the pleadings and other documents on file with the
17 Court, the declarations of Deborah Wilson and Aaron Riensche with attached exhibits, and the
18 law as set forth below.

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22 ²⁷ Goodman Declaration, Ex. Q.

23 ²⁸ Wilson Declaration at ¶ 22.

24 ²⁹ Goodman Declaration, Ex. R.

25 ³⁰ Wilson Declaration at ¶ 23.

26 ³¹ Goodman Declaration, Ex. S.

³² Goodman Declaration, Ex. T.

³³ Goodman Declaration, Ex. U.

1 IV. ARGUMENT AND AUTHORITY

2 In considering Dr. Brunzman motion, the Court must view all facts in the light most
3 favorable to the City. *Walston v. Boeing Co.*, 181 Wn.2d 391, 395, 334 P.3d 519 (2014) (citing
4 *Vallandigham v. Clover Park Sch. Dist. No. 400*, 154 Wn.2d 16, 26, 109 P.3d 805 (2005)).
5 Dr. Brunzman bears the burden of showing that there is no genuine issue of material fact. *Id.*
6 Because Dr. Brunzman has not satisfied this initial burden, the burden has not shifted to the City
7 to present evidence in response. *Id.* The following authorities show that this action is likely
8 barred as a matter of law and, at the very least, preclude the relief requested in the present
9 motion.

10 A. Dr. Brunzman failed to exhaust administrative remedies.

11 Dr. Brunzman’s failure to exhaust his administrative remedies bars this action.
12 Washington courts follow “the general rule that when an adequate administrative remedy is
13 provided, it must be exhausted before the courts will intervene.” *Cost Mgmt. Servs., Inc. v. City*
14 *of Lakewood*, 178 Wn.2d 635, 641, 310 P.3d 804 (2013) (quoting *Wright v. Woodard*, 83 Wn.2d
15 378, 381, 518 P.2d 718 (1974)). “If the party seeking relief has an administrative remedy, and
16 did not pursue it before turning to the courts, then it is error for a trial court to entertain the
17 action.” *Id.* (citing *Wright*, 83 Wn.2d at 382).

18 Here, Dr. Brunzman brings this judicial action after ignoring the City’s administrative
19 procedure at every turn for years. He never submitted a claim for relocation benefits, instead
20 providing a range of estimated costs. Further, to the extent he believed he had filed such a claim,
21 he could only have viewed the City’s response, which informed him that only a portion of those
22 costs were compensable, as a partial denial. But he never filed a notice of appeal until years
23 later. Finally, this judicial appeal itself is untimely, as it was filed far more than thirty days after
24 the City’s final order. As such, the Court must deny Dr. Brunzman’s motion.

1 1. Dr. Brunzman never submitted a timely claim for relocation benefits.

2 It is undisputed that Dr. Brunzman was required to submit any claim for relocation
3 benefits within eighteen months after his date of displacement. WAC-468-100-207(4)(a)(i). The
4 Relocation Act defines “Displaced Person” as one “who moves from the real property or moves
5 his or her personal property from the real property.” WAC 468-100-002(9)(a). Here, based on
6 Dr. Brunzman’s own representations, he moved from the subject property on July 30, 2013.
7 When he turned over the key to the City in August 2013, he represented: “As requested I
8 vacated on July 30.”³⁴ As such, his eligibility for benefits expired eighteen months later, on
9 January 30, 2015. He did not file a claim by that date.

10 a. *Dr. Brunzman’s estimates were not a claim.*

11 Dr. Brunzman argues that his estimates, provided in May 2013, constituted a claim. But
12 those estimates were presented as a range: from \$1.7 million to \$2.1 million.³⁵ Dr. Brunzman
13 fails to explain how a preliminary cost estimate, with a variation of \$400,000, could be a claim
14 for benefits. If it were, how would the City know how much to pay? Ms. Wilson had advised
15 Dr. Brunzman that an approved claim for estimated future costs would be paid in one-third
16 installments. Dr. Brunzman must have understood that it is impossible to calculate one-third of
17 \$1.7–2.1 million.

18 Noting Mr. Reinhart’s observation that the preliminary estimates were incomplete,
19 Dr. Brunzman argues that an incomplete claim is still a claim. But this misses the point. An
20 incomplete claim may or may not be a claim, but a statement that one’s costs will be in an
21 approximate range is not a request for a benefit amount. To this day, Dr. Brunzman has never
22 informed the City of the amount he wishes to be paid.

23 Even the correspondence from Dr. Brunzman’s attorneys, mailed years later, fails to
24 identify a specific amount. The December 2015 letter represents that the original estimates were

25 ³⁴ Riensche Declaration, Ex. A.

26 ³⁵ Goodman Declaration, Ex. D.

1 “about \$2.144 million” and that they are “undoubtedly higher today.” The April 2016 Notice of
2 Appeal does not mention a claimed amount at all. Dr. Brunzman cannot reasonably contend that
3 he made a valid claim, when he is unable to say how much he requested.

4 **b. *Dr. Brunzman cannot show good cause for waiving the 18-month***
5 ***deadline.***

6 Although the Relocation Act allows this time limit to be waived for “good cause” (WAC
7 468-100-207(4)(b)), Dr. Brunzman cannot make that showing here. In deciding whether good
8 cause exists for waiving an administrative deadline, the courts consider three criteria: “(1) the
9 shortness of the delay, (2) the absence of prejudice to the parties, and (3) the excusability of the
10 error.” *Rasmussen v. Employment Sec. Dep’t of State*, 98 Wn.2d 846, 850, 658 P.2d 1240 (1983)
11 (citing *Devine v. Department of Empl. Sec.*, 26 Wn. App. 778, 781, 614 P.2d 231 (1980)). A
12 reviewing court must give “substantial weight” to an agency’s determination as to whether these
13 criteria justify an extension. *Id.* at 852. All of these criteria weigh against waiving the deadline
14 here.

15 First, the delay is not short; it is extremely long. Again, Dr. Brunzman still has not
16 submitted an actual claim for benefits. His current attorneys contacted the City in December
17 2015, nearly a year after the deadline, and they filed this lawsuit in October 2016. Now, more
18 than two years have passed since the deadline, and the City still does not know how much
19 compensation Dr. Brunzman seeks.

20 Second, there would be prejudice to the City in allowing Dr. Brunzman to submit an
21 untimely claim. While this project was ongoing and the claim period was in effect, there were
22 funds reserved for settling relocation claims. But those funds have since been reallocated and
23 expended.³⁶ Being required to pull money from other projects now, to pay claims that Dr.
24 Brunzman should have submitted years ago, would be a hardship to the City and its taxpayers.

25
26 ³⁶ Wilson Declaration at ¶ 24.

1 Finally, the delay is not excusable. Dr. Brunzman seems to argue that he should be
2 excused because the City did not inform him that it did not consider his rough estimates to be a
3 claim. Because the Relocation Act requires the City to provide “reasonable assistance” (WAC
4 468-100-207(1)), the argument seems to go, the City should have specifically explained to
5 Dr. Brunzman that a range of costs, with a \$400,000 variation, is not a claim.

6 The suggestion that the City did not provide reasonable assistance to Dr. Brunzman does
7 not hold up to scrutiny. The City spent more than a year, from April 2012 to May 2013, trying to
8 contact Dr. Brunzman and arrange meetings with him to discuss his rights. When Dr. Brunzman
9 presented estimates that were incomplete and included costs that were not compensable, the City
10 filled in the missing information with Mr. Reinhart’s estimates.

11 The City then combined Dr. Brunzman’s and Mr. Reinhart’s estimates into a single offer.
12 The City presented this offer essentially in the form of a claim, by adding a signature block for
13 Dr. Brunzman.³⁷ As such, all Dr. Brunzman needed to do was sign the offer and his claim would
14 be submitted. It would be difficult to imagine the City providing more assistance to a claimant
15 than preparing his claim for him.

16 Dr. Brunzman ignores all of the City’s efforts and focuses instead on a few comments
17 taken out of context. For example, Dr. Brunzman repeatedly references Mr. Reinhart’s comment
18 that the May 29, 2013 estimates were incomplete. Dr. Brunzman also focuses on the City’s
19 delay in responding to his meeting requests. These arguments are red herrings.

20 Dr. Brunzman’s attempt to cast the “incomplete” notation as somehow showing a lack of
21 assistance overlooks crucial facts. Importantly, after making that notation, Mr. Reinhart filled in
22 the missing information with his own estimates. Mr. Reinhart observed that Dr. Brunzman’s
23 estimates did not include the costs of moving Dr. Brunzman’s existing furniture and equipment.
24 Mr. Reinhart estimated those costs, not just for moving but also for disconnecting and
25

26 ³⁷ Goodman Declaration, Ex. H.

1 reconnecting equipment. The City then included that estimate in its August 2013 offer.³⁸
2 Dr. Brunzman's contention that the City should have told him there was missing information is
3 inapposite, where the City filled in the missing information for him.

4 Further, the City did not deny any benefits based on "incomplete" information. As
5 plainly stated in the City's August 2013 offer letter, the costs in Dr. Brunzman's initial estimates
6 could not be fully compensated because they exceeded the scope of compensable costs under the
7 Relocation Act.³⁹ On the face of the offer, the fact that Mr. Reinhart considered Dr. Brunzman's
8 estimates incomplete did not play a part in the City's analysis.

9 Dr. Brunzman's complaints about his meeting requests also overlook important facts. For
10 example, Dr. Brunzman ignores his own lengthy delays and non-responsiveness, as documented
11 above. More importantly, Dr. Brunzman ignores that, in response to his meeting request, the
12 City asked him to put any concerns in writing.⁴⁰ Dr. Brunzman disregarded that reasonable
13 request and continued requesting meetings.

14 Dr. Brunzman also omits that the City eventually agreed to meet with him, despite his
15 failure to ever provide the requested written statement. Dr. Brunzman responded by rejecting the
16 City's proposed meeting dates and promising to contact the City when he was ready.⁴¹ He never
17 followed through on that promise and did not contact the City again until *sixteen months* later.

18 Meanwhile, the City wrote Dr. Brunzman in December 2014, advising him that he had
19 until the end of January 2015 to file a claim.⁴² If Dr. Brunzman mistakenly believed he had filed
20 a claim already, it should have been clear from this letter that he had not. By then, he
21 presumably had a clearer idea of what his relocation costs were. He had also seen the City's
22 analysis of what was compensable. If he believed his May 2013 estimates were a claim, he

23 ³⁸ Goodman Declaration, Ex. H at p. 1.

24 ³⁹ Goodman Declaration, Ex. H at p. 1.

25 ⁴⁰ Goodman Declaration, Ex. J.

26 ⁴¹ Goodman Declaration, Ex. Q.

⁴² Goodman Declaration, Ex. R.

1 should have had little trouble updating them and presenting them in final form. And he still had
2 more than a month left to submit his claim. But he did nothing.

3 In short, the City offered reasonable assistance to Dr. Brunzman, and he repeatedly
4 refused it. Dr. Brunzman did not lose his rights to relocation benefits because the City
5 considered his original estimates incomplete or because the City responded to meeting requests
6 by asking him to put his concerns in writing. He lost his rights because he slept on them. He
7 cannot show good cause for extending the claim-filing deadline.

8 2. Dr. Brunzman's notice of appeal was untimely.

9 On the other hand, to the extent Dr. Brunzman believed he had filed a valid claim, he was
10 required to file any appeal within sixty days after receiving the City's written determination on
11 that claim. WAC 468-100-010(4). Dr. Brunzman received that determination in August 2013,
12 but he did not file any sort of appeal notice until April 2016, nearly three years later. By failing
13 to preserve his appeal rights, Dr. Brunzman did not exhaust his administrative remedies.

14 a. *Dr. Brunzman received a written determination on his initial*
15 *estimates in August 2013.*

16 Accepting momentarily the argument that Dr. Brunzman's May 2013 rough estimates
17 were a valid claim (an interpretation the City disagrees with), then the City's August 2013 offer
18 letter can only be viewed as a denial of that claim. That letter clearly communicated the City's
19 determination that Dr. Brunzman was entitled to less than the \$1.7-\$2.1 million in his initial
20 estimates. This notice applied not only to the "claim for relocation costs" but also to the "claim
21 for interim costs."⁴³

22 The letter also notified Dr. Brunzman of the basis for its determination. The City
23 explained that Dr. Brunzman's estimated costs could not be fully compensated because: (a) the
24 Relocation Act provided for costs of moving existing furniture and equipment, not buying new
25 furniture and equipment; (b) the estimated tenant improvements contemplated square footage

26 ⁴³ Wilson Declaration at ¶ 17.

1 exceeding that necessary to install the existing equipment and furniture at the new site; and (c)
2 Dr. Brunzman's estimates included "reestablishment" costs, which were limited to \$50,000 per
3 business.⁴⁴ If Dr. Brunzman truly believed he had submitted a claim for \$1.7-\$2.1 million, then
4 he could only logically have viewed the City's response, advising him that he was eligible for
5 only \$640,000, as a partial denial of that claim.

6 b. *Dr. Brunzman cannot show that the appeal deadline should be*
7 *tolled.*

8 There is no waiver-for-good-cause provision applicable to the 60-day deadline in WAC
9 468-100-010(4). And Dr. Brunzman cannot establish any other ground for waiver. A party
10 seeking to be excused from an administrative deadline must meet this state's strict requirements
11 for equitable tolling. *See Leschner v. Dep't of Labor & Indus.*, 27 Wn.2d 911, 926, 185 P.2d 113
12 (1947). Equitable tolling is permitted only "when justice requires and when the predicates for
13 equitable tolling are met." *In re Bonds*, 165 Wn.2d 135, 141, 196 P.3d 672 (2008). The doctrine
14 "should be used sparingly and does not extend broadly to allow claims to be raised except under
15 narrow circumstances." *Id.* The doctrine does not extend "to a garden variety claim of
16 excusable neglect." *State v. Duvall*, 86 Wn. App. 871, 875, 940 P.2d 671 (1997) (quoting *Irwin*
17 *v. Department of Veterans Affairs*, 498 U.S. 89, 96 (1990)). "The party asserting that equitable
18 tolling should apply bears the burden of proof." *Nickum v. City of Bainbridge Island*, 153 Wn.
19 App. 366, 379, 223 P.3d 1172 (citing *Benyaminov v. City of Bellevue*, 144 Wn. App. 755, 767,
20 183 P.3d 1127, 1133 (2008)).

21 The predicates to equitable tolling are: (1) "bad faith, deception, or false assurances by
22 the defendant"; and (2) "the exercise of diligence by the plaintiff." *Millay v. Cam*, 135 Wn.2d
23 193, 206, 955 P.2d 791 (1998) (citing *Finkelstein v. Security Properties, Inc.*, 76 Wn. App. 733,
24 739-40, 888 P.2d 161 (1995)). Regarding the first predicate, merely showing that an agency
25 could have done something differently or better does not establish the type of bad faith

26 ⁴⁴ Goodman Declaration, Ex. H at p. 1.

1 contemplated by this doctrine. *See, e.g., Graham Neighborhood Ass'n v. F.G. Associates*, 162
2 Wn. App. 98, 252 P.3d 898 (2011) (no equitable tolling of deadline to appeal cancellation of plat
3 application, where county advised of impending cancellation one year in advance but gave no
4 notice once the cancellation occurred). Dr. Brunzman's accusations of bad faith are addressed in
5 other sections of this brief. The accusations rely on a one-sided view of facts taken out of
6 context and omitting key details; they utterly fail to show bad faith, deception, or false
7 assurances.

8 As for the second predicate, Dr. Brunzman cannot show that he acted with reasonable
9 diligence. The policy behind the diligence requirement "is tersely expressed in an ancient
10 maxim: Equity aids the vigilant, not those who slumber on their rights." *Leschner*, 27 Wn.2d at
11 927 (citing *Goodman v. Goodman*, 128 Wn.2d 366, 373, 907 P.2d 290 (1995)). Where a party
12 fails to "timely utilize existing regular mechanisms" and does not "diligently pursue remedies
13 available," he has not exercised reasonable diligence. *Kingery, Kingery v. Dep't of Labor &*
14 *Indus.*, 132 Wn.2d 162, 178, 937 P.2d 565 (1997); *see also Graham Neighborhood*, 162 Wn.
15 App. at 120.

16 In *Graham Neighborhood*, for example, the Court of Appeals held that a developer had
17 not acted with reasonable diligence when it failed to appeal the cancellation of its plat
18 application within fourteen days, even though no notice of the cancellation had ever been
19 provided to the developer. *Id.* at 106. The developer had been notified a year earlier that the
20 application would automatically terminate within one year. *Id.* at 117. The Court held that the
21 requisite diligence was "unequivocally absent." *Id.* at 120.

22 Here, Dr. Brunzman might argue that the appeal deadline should have been tolled
23 because the City's letter did not advise him of the applicable appeal procedure, as required in
24 WAC 468-100-207(5). But this contention fails to show that he was reasonably diligent in
25 failing to file an appeal until 32 months later.

1 The City advised Dr. Brunzman about his potential right to relocation benefits in April
2 2012. This letter explained the procedure for appealing any determination by the City.⁴⁵
3 Moreover, the appeal process is set out in the applicable regulations. See WAC 468-100-010.
4 Certainly, by the time he engaged legal counsel (November 2015 at the latest), he had
5 constructive notice of the appeal procedure and the applicable deadline. Even then, he failed to
6 file any appeal until five months later. Dr. Brunzman cannot claim equitable tolling of the 60-
7 day deadline under these circumstances. See *Finkelstein v. Security Properties, Inc.*, 76 Wn.
8 App. 733, 739-40, 888 P.2d 161 (1995) (plaintiff could not premise equitable tolling on
9 ambiguity in contract terms, where he was an attorney and “should have known the effects of his
10 bankruptcy on his business affairs”).

11 c. *The City’s refusal to reopen the matter did not trigger a new*
12 *appeal deadline.*

13 Dr. Brunzman cannot avoid the 60-day deadline by casting his April 2016 notice as an
14 appeal of the City’s February 2016 letter refusing to reopen the case. The administrative appeal
15 procedure does not apply to this type of communication. See WAC 468-100-010. If it did,
16 anyone could reopen any administrative proceeding simply by asking to have it reopened and
17 then filing a notice of appeal when that request is denied.

18 The administrative appeal procedure applies in “any case in which the person believes
19 that the agency has failed to properly determine the person’s eligibility for, or the amount of, a
20 payment required under WAC 468-100-105 or RCW 8.26.200, or a relocation payment required
21 under this chapter,” WAC 468-100-010(1). Dr. Brunzman’s eligibility for relocation benefits,
22 and the amounts thereof, were determined in the City’s August 2013 letter. The City’s February
23 2016 letter did not address those issues.

24 Moreover, Dr. Brunzman’s December 2015 request to reopen the matter was not the type
25 of claim requiring an appealable denial notice from the City. The City is required to issue such a

26 ⁴⁵ Goodman Declaration, Ex. B at p. 2.

1 notice when it “disapproves all or part of a *payment claimed* or refuses to consider *the claim* on
2 its merits because of untimely filing or other grounds.” WAC 468-100-207(5) (emphasis added).
3 Dr. Brunzman’s December 2015 letter did not present a claim or ask the City to consider a prior
4 claim on its merits. It merely said that Dr. Brunzman’s costs were likely higher than the May
5 2013 estimates and asked the City to reopen negotiations.⁴⁶

6 Finally, Dr. Brunzman’s April 2016 Notice of Appeal appears to have been untimely
7 even if the City’s February 2016 letter was appealable. The City’s letter was dated February 22,
8 2016. Dr. Brunzman’s Notice of Appeal is dated April 26, 2016.⁴⁷ The Notice of Appeal thus
9 appears to have been sent 64 days after the City’s letter. Even allowing three days for service of
10 the City’s letter by mail, the Notice of Appeal was late.

11 3. This petition for judicial review is untimely.

12 As Dr. Brunzman acknowledges, he brings this action under the Administrative
13 Procedures Act (“APA”). The Relocation Act specifically provides that “determination by the
14 head of a state agency or local public agency administering a program or project as to payments
15 under this chapter is subject to review pursuant to chapter 34.05 RCW” RCW 8.26.010(3).
16 The Relocation Act then specifically excludes any other basis for court jurisdiction: “otherwise,
17 no provision of this chapter may be construed to give any person a cause of action in any court.”
18 *Id.*

19 Under the APA, a petition for judicial review must be filed and served within thirty days
20 after the City’s final order:

21 A petition for judicial review of an order shall be filed with the
22 court and served on the agency, the office of the attorney general,
23 and all parties of record *within thirty days after service of the final
order.*

24 RCW 34.05.542(2).

25 ⁴⁶ Goodman Declaration, Ex. S.

26 ⁴⁷ Goodman Declaration, Exs. T, U.

1 Here, the City notified Dr. Brunzman that it had reached a final decision on his claims
2 months, if not years, before he filed this lawsuit in October 2016. The City informed
3 Dr. Brunzman in August 2013 that his compensable costs were considerably less than his initial
4 estimates and offered to pay him \$640,000. On September 27, 2013, the City further advised
5 Dr. Brunzman that it considered that offer rejected, based on the lack of a response. To the
6 extent this was not clear, the City's attorney's letter of February 22, 2016 plainly advised Dr.
7 Brunzman that it did not intend to pay him any benefits or entertain any further negotiations.

8 If it had not run earlier, the thirty-day clock for seeking judicial review began running
9 when Dr. Brunzman's counsel received that letter. Dr. Brunzman's filing eight months later, in
10 October 2016, came nowhere close to meeting the deadline.

11 **B. The City complied with the APA.**

12 Because Dr. Brunzman's claims are barred, it is not necessary for this Court to consider
13 his allegations that the City somehow violated the APA. In the interest of completeness,
14 however, the City explains below that Dr. Brunzman has utterly failed to show any such
15 violation. Dr. Brunzman offers no competent evidence of arbitrary and capricious conduct by the
16 City or of a due-process violation.

17 1. Dr. Brunzman fails to present any evidence of arbitrary and capricious
18 conduct by the City.

19 Dr. Brunzman's claims of arbitrary and capricious conduct have no merit. As Dr.
20 Brunzman acknowledges, a party claiming that a government agency's action was arbitrary and
21 capricious bears the burden of proving "willful and unreasoning action in disregard of facts and
22 circumstances." *Cox v. City of Lynnwood*, 72 Wn. App. 1, 6, 863 P.2d 578 (1993) (quoting
23 *Concerned Land Owners of Union Hill v. King Cy.*, 64 Wn. App. 768, 772, 827 P.2d 1017
24 (1992)). The "scope of review of an order alleged to be arbitrary or capricious is narrow, and the
25 challenger carries a heavy burden." *Keene v. Bd. of Accountancy*, 77 Wn. App. 849, 859, 894
26 P.2d 582 (1995) (quoting *Pierce Cy. Sheriff v. Civil Serv. Comm'n*, 98 Wn.2d 690, 695, 658 P.2d

1 648 (1983)). “Where there is room for two opinions, action is not arbitrary and capricious even
2 though one may believe an erroneous conclusion has been reached.” *Keene v. Bd. of*
3 *Accountancy*, 77 Wn. App. 849, 859, 894 P.2d 582 (1995) (quoting *Pierce Cy. Sheriff v. Civil*
4 *Serv. Comm’n*, 98 Wn.2d at 695, 695, 658 P.2d 648 (1983)).

5 Dr. Brunzman attempts to carry this burden essentially by presenting a one-sided view of
6 the facts and then asking the Court to take those facts in the light most favorable to him.
7 Obviously, this wholeheartedly contravenes the standard for summary judgment. The City has
8 already explained above how, in context, Dr. Brunzman fails to substantiate his complaints about
9 the assistance and notice provided by the City. In this section, the City will address two other
10 criticisms raised by Dr. Brunzman: (a) about an alleged decision not to pay Dr. Brunzman any
11 benefits; and (b) a reduction in the City’s August 2013 offer from Mr. Reinhart’s initial
12 estimates.

13 a. *The City’s internal discussions about whether Dr. Brunzman’s*
14 *unlawful occupancy destroyed his eligibility for benefits was not*
arbitrary and capricious.

15 The accusations about a clandestine decision to deny benefits are premised entirely on a
16 single line in an email from Ms. Wilson to Mr. Reinhart dated August 30, 2013. In that message,
17 Ms. Wilson updated Mr. Reinhart on the unlawful-detainer action and Dr. Brunzman’s
18 occupancy of the subject premises. She then mentioned that she was “receiving feedback that no
19 benefits will be paid to [Dr. Brunzman]” and that she anticipated “there will be many internal
20 discussions on the topic.”⁴⁸

21 As an initial matter, Ms. Wilson’s single sentence about “feedback” that she had been
22 “receiving” does not evince a decision by the City to deny Dr. Brunzman benefits, particularly
23 where she said in the same sentence that she anticipated “many internal discussions.” Further, it
24 is simply not true that the possibility of denied benefits was kept hidden from Dr. Brunzman.
25 The City initially advised Dr. Brunzman that he would have to be in lawful occupancy to be

26 ⁴⁸ Goodman Declaration, Ex. I.

1 eligible for benefits in its April 12, 2012 letter.⁴⁹ In the City's October 12, 2012 letter to
2 Dr. Brunzman terminating his occupancy rights he was reminded of this point.⁵⁰ In Ms. Wilson's
3 August 2, 2013 email to the VFW representative who had contacted the Mayor's office, she
4 noted that Dr. Brunzman's continued unlawful occupancy was jeopardizing his rights to
5 relocation benefits.⁵¹ And in a September 23, 2013 conversation with Mr. Daniel, Ms. Wilson
6 advised Mr. Daniel of the same issue.⁵²

7 Moreover, to the extent the City was considering whether to deny Dr. Brunzman benefits,
8 this discussion was not arbitrary and capricious, but rather was grounded in the plain language of
9 the Relocation Act. Among the Relocation Act's nonexclusive list of people who are not entitled
10 to benefits is a "person who is determined to be in unlawful occupancy prior to or after the
11 initiation of negotiations, or a person who has been evicted for cause, under applicable state
12 law" WAC 468-100-002(9)(b)(xii).

13 By the time Ms. Wilson mentioned this "feedback," Dr. Brunzman had already forced the
14 City to file a complaint for unlawful detainer. He had refused to sign the short-term lease offered
15 by the City. Although the City had initially requested that he vacate the premises by September
16 2012, and although the other tenants had all moved out by February 2013, Dr. Brunzman waited
17 until the City served a 20-day notice to vacate, in July 2013, before he vacated. He then claimed
18 to have moved out by July 30, 2013, but he left equipment in the premises, including large items
19 such as an operating table.⁵³ He waited until August 29, 2013 to inform the City that he no
20 longer wanted these items, thereby forcing the City to incur additional costs moving them out of
21 the space.

22
23 ⁴⁹ Goodman Declaration, Ex. B at p. 1.

24 ⁵⁰ Wilson Declaration, Ex. I.

25 ⁵¹ Goodman Declaration, Ex. G.

26 ⁵² Wilson Declaration at ¶ 18.

⁵³ Wilson Declaration at ¶ 20.

1 By leaving his unwanted equipment on the premises after his tenancy ended,
2 Dr. Brunzman occupied the property unlawfully. See 17 WASH. PRAC., REAL ESTATE § 10.2 (2d
3 ed.) (“One is subject to liability to another for trespass, irrespective of whether he thereby causes
4 harm to any legally protected interest of the other, if he intentionally . . . fails to remove from the
5 land a thing which he is under a duty to remove.”) (quoting REST. (2D) TORTS, § 158). The City
6 was therefore well within its rights, by August 30, 2013, to be having a discussion about whether
7 Dr. Brunzman was barred from receiving benefits under WAC 468-100-002(9)(b)(xii). The
8 single line about this discussion in Ms. Wilson’s email does not suggest any impropriety
9 whatsoever.

10 *b. A reduction in benefits from the initial calculations to the final*
11 *offer is not bad faith.*

12 Although he does not specifically raise it as a basis for finding arbitrary and capricious
13 conduct, Dr. Brunzman repeatedly implies that there was impropriety where Mr. Reinhart
14 initially calculated Dr. Brunzman’s benefits at \$760,000, but the City ultimately offered
15 \$640,000. Without any further information, the mere fact that the ultimate calculations differed
16 from the initial calculations cannot rationally be viewed on its own as evidence of impropriety.
17 In any event, there is a legitimate explanation for this reduction.

18 In his July 10, 2013 email, Mr. Reinhart reaches the \$760,000 figure by concluding: “If
19 you were to apply \$200,000 (two businesses) to the settlement; you are looking at approximately
20 \$759,950.”⁵⁴ The statement about \$200,000 for two businesses is a reference to reestablishment
21 costs. Mr. Reinhart had mistakenly believed that the maximum reimbursement for
22 reestablishment costs was \$100,000. He had then doubled that amount based on Dr. Brunzman’s
23 representation that he had two businesses.⁵⁵

24
25 _____
26 ⁵⁴ Goodman Declaration, Ex. F.

⁵⁵ Wilson Declaration at ¶ 15.

1 In reality, however, reestablishment costs are limited to \$50,000 per business. *See* WAC
2 468-100-306. The City's August 2013 letter makes that correction. With this \$150,000
3 correction, Mr. Reinhart's initial calculations are reduced to \$609,950. The City's ultimate offer
4 thus *increased* by more than \$30,000, to \$640,000. The suggestion that the City was somehow
5 trying to underpay Dr. Brunzman with this offer thus has no merit.⁵⁶

6 2. Dr. Brunzman fails to show a lack of due process.

7 Dr. Brunzman's complaints about due process likewise fail. Due process requires only
8 "notice reasonable under the circumstances, to apprise interested parties of the pendency of the
9 action and to afford them an opportunity to present their objections." *Mennonite Bd. of Missions*
10 *v. Adams*, 462 U.S. 791, 795, 103 S.Ct. 2706, 77 L.Ed.2d 180 (1983). Dr. Brunzman's only
11 contention is that he was not notified that a final decision had been made regarding his claims.
12 This argument fails to show a lack of due process.

13 First, as explained above, Dr. Brunzman never made a claim. He presented preliminary
14 estimates with a wide variation in potential costs. The City advised him in December 2014 that
15 he would need to submit a claim by the end of January 2015. Dr. Brunzman does not dispute
16 that he received this notice or that he failed to file a claim in response to it.

17 Second, to the extent Dr. Brunzman believed he had made a claim, the City informed him
18 in August 2013 that it could not compensate him for the full amounts of his estimates. The City
19 also notified him that it considered its August 2013 offer rejected due to the lack of a response,
20 in September 2013. The City offered Dr. Brunzman the opportunity to meet with the City and
21 raise objections. Dr. Brunzman responded by promising to provide available dates and then
22 never followed through.

23
24
25 ⁵⁶ The offer of \$640,000 was actually a mistake. The City intended to offer \$50,000 more, allowing reestablishment
26 costs for two businesses. It appears the City, in adding up the three figures in its offer, forgot to double the \$50,000
figure. Wilson Declaration at ¶ 16. Legally, it is unclear whether Dr. Brunzman would have been entitled to this
double benefit.

1 These communications were reasonably calculated to give Dr. Brunzman notice that he
2 would not be paid any benefits if he failed to file a claim by January 31, 2015, as well as an
3 opportunity to raise objections. *See Wholey v. Tyrell*, 567 F. Supp. 2d 279, 283 (D. Mass. 2008)
4 (due-process requirements of notice and an opportunity to be heard satisfied where notice invited
5 affected person to contact the decision maker's office to set up a meeting). Dr. Brunzman does
6 not dispute that he received these many notices or that it was proper for the City to contact him
7 through Mr. Daniel, his designated representative. Dr. Brunzman merely ignored these
8 communications and now asks the Court to deliver him from the consequences of his own
9 neglect.

10 **C. Dr. Brunzman is not entitled to a trial on the merits.**

11 Dr. Brunzman fails to justify his request to skip the administrative process and leap
12 straight into a trial on the merits. If a court finds that an agency has not complied with the law,
13 the appropriate remedy is to remand with instructions to comply. *See Boeing Co. v. Gelman*, 102
14 Wn. App. 862, 872, 10 P.3d 475 (2000) (instructing trial court to remand the matter to the Board
15 of Tax Appeals with orders to comply with the procedural requirements of the applicable
16 regulation). Dr. Brunzman's only argument for an exception to that rule is a conclusory assertion
17 that "based on the actions of the City to date, it is impossible to believe the City would process
18 Dr. Brunzman's claims with reasonable timeliness or fairness."⁵⁷ As repeatedly explained above,
19 this argument relies on a fallacious, one-sided view of the facts and on the omission of key
20 details.

21 Again, the City did not violate the Relocation Act. But if the Court disagrees and decides
22 to remand, the real question is whether Dr. Brunzman will respond to the City's communications
23 with reasonable timeliness and fairness. His track record so far suggests that he will not. In any
24 event, the City's years of attempting to accommodate Dr. Brunzman militate against his claim
25 that he should somehow be absolved of the requirement to exhaust administrative remedies.

26 ⁵⁷ Petitioner's Motion at p. 18.

1 **D. Dr. Brunzman is not entitled to fees.**

2 Dr. Brunzman likewise fails to justify his request for attorney's fees. This request relies
3 on the same skewed version of the facts on which the remainder of the motion is based.
4 Dr. Brunzman utterly fails to show "bad faith," "obstinate conduct," "vexatious" litigation
5 conduct, or the "intentional bringing of a frivolous claim or defense with improper motive by the
6 City. As such, this request, like all of Dr. Brunzman's requests, must be denied.

7 **V. CONCLUSION**

8 This lawsuit involves relocation assistance that Dr. Brunzman should have sought years
9 ago and that he likely would have obtained if he had responded to the City's overtures with
10 reasonable diligence. Because of Dr. Brunzman's delays and intransigence, these matters come
11 before this Court years after they should have been resolved. The Court should deny Dr.
12 Brunzman's attempts to recapture claims that he effectively abandoned long ago. His motion for
13 partial summary judgment must be denied.

14 **VI. ORDER**

15 A form of proposed order is attached hereto as Exhibit A.

16 DATED this 27th day of February, 2017.

17
18 OGDEN MURPHY WALLACE, P.L.L.C.

19 By 
20 Aaron P. Riensche, WSBA #37202
21 Attorneys for Defendant
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EXHIBIT 68

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THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

JOHN H. BRUNSMAN DPM, P.S., a
Washington professional services corporation,
dba Foot Care Associates PC,

No. 16-2-23879-3

Petitioner,

PETITIONER'S REPLY IN SUPPORT OF
MOTION FOR PARTIAL SUMMARY
JUDGMENT

vs.

CITY OF REDMOND, WASHINGTON;

Respondent

The City's response confirms that the material facts are not in dispute. After Dr. Brunsman made a claim for relocation benefits, the burden shifted to the City to respond in compliance with state law. Under those unambiguous statutes and regulations, the notice from the City allegedly denying his claim was required to be prompt, in writing, and directly to Dr. Brunsman. The City admits that no such notification ever was sent to Dr. Brunsman. Knowing it violated the law, the City attempts to divert the Court's attention away from the law and instead point the finger at Dr. Brunsman. But the Legislature placed the burden of complying with the Relocation Assistance Act squarely on municipalities, not affected citizens.

Indeed, for the City to be right, the statutes and WAC imposing affirmative duties on the City would have to be advisory. This cannot be. Rather, the law imposes those duties to

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PLLC

1 ensure that people being displaced by government projects are kept fully informed of their
2 rights. In case, the City simply failed to inform Dr. Brunzman, as is strictly required. Because
3 there is no dispute that the City failed to provide the notice to Dr. Brunzman that is required
4 under WAC 468-100-207(5), and for other reasons discussed below, summary judgment
5 should be granted.

6 **A. The City Never Notified Dr. Brunzman That His Claim Allegedly Was**
7 **Deficient.**

8 Under the Act, after a claim is submitted, the City must promptly notify the claimant
9 with very specific information. Here, the City's first argument is that there was no "claim"
10 submitted at all, because the May 2013 claim contained "estimates."

11 That argument fails. There is no strict definition of "claim" in the Act. A claim is
12 simply a request or demand for money. Indeed, every day this Court deals with complaints
13 containing numerous claims where the amounts sought are either only estimates, or in some
14 cases, not even known; are those not "claims"? The WACs do not require the claim to be as
15 certain or formal as the City implies. In fact, it is the exact opposite: all that is needed for a
16 claim are documents "reasonably required" to support the claim. WAC 468-100-207(1). Dr.
17 Brunzman met that very low burden in May 2013.
18

19 The City's position also fails because the City offered Dr. Brunzman funds based on his
20 estimates. If there was no claim, the City would not have offered him anything. Regardless,
21 there is no dispute that Dr. Brunzman filed a demand for money, which shifted the burden to
22 the City to respond.

23 Indeed, if the Court adopts the City's new position that "estimates" cannot be in a claim,
24 the City still fails. For if a claim is deficient in some way, "[t]he claimant *shall* be promptly
25 notified as to any additional documentation that is required to support the claim." WAC 468-
26

1 100-207(2) (emphasis added). This, undisputedly, was never done. The City never contacted
2 Dr. Brunzman and told him that the estimates were insufficient.

3 **B. The City Never Notified Dr. Brunzman That His Claim Was Denied.**

4 If a claim is denied in any part or not considered for any reason, a city “shall” promptly
5 notify the claimant, in writing, of the decision, and of the claimant’s appeal rights. WAC 468-
6 100-205(5). Notifications “shall” be personally served or sent by registered or certified first-
7 class mail. WAC 468-100-005.

8 The City admittedly never sent Dr. Brunzman a proper denial notice following his May
9 2013 claim. The City’s sole defense to this violation is to blame Dr. Brunzman for numerous
10 alleged missteps: submitting estimates rather than a claim, failing to present his claim in some
11 secret “final form,” failing to accept the City’s offer, failing to read the law himself to
12 determine his own appeal rights, and delay. The problem with the City’s defense is that the
13 law imposes affirmative duties *on the City*, not Dr. Brunzman, to respond to a claim. The
14 alleged missteps do not excuse the City from complying with the law—the intent of which is
15 to protect displaced persons against these very types of circumstances in which they otherwise
16 easily could be taken advantage of by a government agency. None of the communications to
17 Dr. Brunzman complied with WAC 468-100-205(5), which is designed to fully inform him of
18 his rights. The City admits this. Response at 15:23 (“the City’s letter did not advise him of
19 the applicable appeal procedure, as required by WAC 468-100-207(5)”).
20

21 **C. The City Has Never Issued a “Final Order.”**

22 No exhaustion of administrative remedies arises without issuance of a final, appealable
23 order. *WCHS, Inc. v. City of Lynnwood*, 120 Wn. App. 668, 679, 86 P.3d 1169 (2004). An
24 agency letter does not constitute a final order unless the letter clearly fixes a legal relationship
25
26

1 as a consummation of the administrative process. *Id.* The letter must be clearly
2 understandable as a final determination of rights, and doubts as to the finality of such
3 communications must be resolved *against the agency and in favor of the citizen. Id.*

4 In *WCHS*, the City of Lynnwood issued two letters (December 5 and December 6) to
5 *WCHS* regarding its building permit application, stating that the application for its business
6 license was denied and that the City had stopped processing the building permit application
7 because the City's position was that the application could not be complete until after the
8 proposed drug-and-alcohol center had State certification. *Id.* at 673. The letters, however,
9 failed to give notice to *WCHS* of its right to a hearing as was mandated by code. *Id.* Having
10 determined that the City would not be issuing a final, appealable decision on the application
11 (because the City had halted the process), *WCHS* filed a complaint for declaratory action and
12 to have its application processed. *Id.* The trial court held in favor of *WCHS* and the City
13 appealed. The City had claimed that its letters were final orders that should have been
14 appealed. *Id.* at 679. In affirming the trial court, the Court of Appeals disagreed. The Court
15 noted that the December 6 letter did not use the word decision, final or appealable, and the
16 letter indicated that the application was incomplete but would remain open for 180 days. *Id.*
17 The letter also did not comply with the code requiring certain people obtain notification and
18 that the applicant may appeal, the time limits for the appeal, and the process for making an
19 appeal. *Id.* As to the December 5 letter, the Court noted that as a denial of the business
20 license, it was not sent compliant with the code requiring it be sent to the applicant in writing
21 and inform the applicant of the right to a hearing within 10 days. *Id.* Because of the "unclear,
22 inconsistent, and non-complying nature of the letters," they were insufficient to constitute
23 final orders that would begin the statutory time period for seeking relief. *Id.*

1 Here, the City of Redmond's August 2013 offer letter is significantly more deficient
2 than the letters found deficient in *WCHS*. The August 2013 offer letter, frankly, does not
3 come close to constituting a final order. Nothing about an "offer" suggests finality, nor did it
4 contain the appeal rights as required. Moreover, that letter was not delivered to Dr. Brunzman
5 via personal service or certified mail, as required. And even if the offer or other letters came
6 close to constituting a final decision, all doubts must be resolved in favor of Dr. Brunzman.

7 RCW 34.05.542(2) provides that "[a] petition for judicial review of an order shall be
8 filed with the court ... within thirty days after service of the final order." No final order has
9 been issued in this case by Redmond, let alone served on Dr. Brunzman which, again, is
10 required to comply with WAC 468-100-205(5).

11 Moreover, Dr. Brunzman has not requested a waiver for good cause regarding the 60-
12 day deadline, because no waiver is needed. The need to request a waiver exists only if a final
13 order had been issued and the statutory time period for seeking relief had expired. As already
14 discussed, that's not the case here.

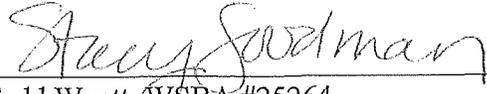
15 Rather, *the City* is the party seeking an unprecedented waiver to be excused from its
16 affirmative duties to fully inform Dr. Brunzman in the context of relocation benefits for a
17 public project. Not only is the City's duty in this context clear, it is simple as well. The City
18 spends many pages blaming Dr. Brunzman and asking the Court to find myriad ways such as
19 constructive notice in order to excuse its own failure to perform a simple duty. All the City
20 needed to do was send a denial letter to Dr. Brunzman that complied with WAC 468-100-
21 205(5). The City failed to do that. It would set alarming precedent if a government agency
22 was allowed to disregard a clear, statutory duty. Accordingly, summary judgment should be
23 granted.
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DATED this 6th day of March, 2017.

I certify under the local rules that this reply contains 1,549 words.

CARSON & NOEL, PLLC



Todd Wyatt, WSBA #25264
Stacy Goodman, WSBA # 39287
Attorneys for Petitioner John Brunzman

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DECLARATION OF SERVICE

I hereby declare that on March 6, 2017, I caused copies of Reply to be served on the following persons in the manner indicated below at the following addresses:

PARTY/COUNSEL	DELIVERY INSTRUCTIONS
COUNSEL FOR RESPONDENT Aaron P. Riensche Ogden Murphy Wallace PLLC 901 5th Avenue, Suite 3500 Seattle, WA 98164-2008 ariensche@omwlaw.com	<input type="checkbox"/> Hand Delivery <input type="checkbox"/> Certified Mail <input type="checkbox"/> Facsimile <input checked="" type="checkbox"/> E-mail <input type="checkbox"/> U.S. Mail



Dana Carrothers

EXHIBIT 69

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THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

JOHN H. BRUNSMAN DPM, P.S., a
Washington professional services corporation,
dba Foot Care Associates PC,

Petitioner,

vs.

CITY OF REDMOND, WASHINGTON;

Respondent

No. 16-2-23879-3

ORDER GRANTING IN PART AND
DENYING IN PART PETITIONER JOHN
BRUNSMAN’S MOTION FOR PARTIAL
SUMMARY JUDGMENT

The Court has considered:

- 1. Petitioner’s Motion for Partial Summary Judgment;
- 2. The Declaration of Stacy Goodman;
- 3. Respondent’s response and declarations filed in support of the same;
- 4. Petitioner’s reply;

And FINDS as follows:

- 1. The Uniform Relocation Assistance and Real Property Acquisition Act (codified at RCW 8.26) and implementing regulations at WAC 468-100 apply to the City of Redmond’s displacement of Petitioner Dr. Brunzman;
- 2. Dr. Brunzman timely submitted a claim to Redmond and the City did review that

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claim;

3. The City did not properly notify Dr. Brunzman as to additional documentation needed to support that claim or its deficiencies, per WAC 468-100-207(2);
4. The City did not comply with WAC 468-100-207(5), which imposes a duty to provide notice to Dr. Brunzman of disapproval of any or part of a claim for any reason, the basis for the determination, and the procedures for appeal.
5. The City failed to comply with WAC 468-100-005, which requires notices in writing to Dr. Brunzman, either personally served or sent by registered or certified mail;
6. There is no dispute that the City violated the WAC;
7. The City did not act in bad faith;
8. It would not be futile to remand to the City for proper processing and compliance;

Based on the above findings, the Court ORDERS as follows:

1. This matter is remanded to the City of Redmond for processing Dr. Brunzman’s claims in compliance with the applicable statutes and regulations;
2. The trial date shall be stricken;
3. Dr. Brunzman’s request for attorney fees is denied;
4. This Court retains jurisdiction while this matter is on remand.

DONE IN OPEN COURT this ___ day of _____, 2017.

e-filed

The Honorable Mariane C. Spearman



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Presented by:

CARSON & NOEL, PLLC
Attorneys for Petitioner

s/Stacy Goodman
Todd W. Wyatt, WSBA #31608
Stacy Goodman, WSBA #39287

OGDEN MURPHY WALLACE,
P.L.L.C.
Attorneys for Respondent

s/Aaron P. Riensche
Aaron P. Riensche, WSBA #37202

King County Superior Court
Judicial Electronic Signature Page

Case Number: 16-2-23879-3
Case Title: BRUNSMAN DBA VS REDMOND CITY OF

Document Title: ORDER

Signed by: Mariane Spearman
Date: 3/10/2017 3:09:32 PM



Judge/Commissioner: Mariane Spearman

This document is signed in accordance with the provisions in GR 30.

Certificate Hash: 482A410463E582FD4584CC7D9A28D5D713932057
Certificate effective date: 7/29/2013 12:59:26 PM
Certificate expiry date: 7/29/2018 12:59:26 PM
Certificate Issued by: C=US, E=kcscefiling@kingcounty.gov, OU=KCDJA,
O=KCDJA, CN="Mariane
Spearman:pv5n4Xr44hGCKOA5YYhwmw=="

EXHIBIT 70



RECEIVED

MAR 27 2017

Carson & Noel PLLC

March 23, 2017

US MAIL CERTIFIED RETURN RECEIPT 70132250000014527289
US MAIL CERTIFIED RETURN RECEIPT 70112000000218550945

Dr. John Brunzman / Redmond Foot Care Associates
PO Box 2032
Redmond, WA 98073

Dr. John Brunzman / Redmond Foot Care Associates
8105 166th Ave NE #104
Redmond, WA 98052

RE: Relocation Assistance/Relocation Claim Request
Redmond Downtown Park
16146 NE Cleveland Street

Dear Dr. Brunzman,

This letter is being sent to you as the business representative of Foot Care Associates. On August 29, 2013, the City of Redmond received notice Foot Care Associates had vacated 16146 NE Cleveland Street, Redmond due to a proposed public project. Due to Foot Care Associates' displacement from that location, it may be entitled to relocation benefits for its actual and reasonable moving and related expenses and costs to reestablish the displaced business to a replacement location under Washington Administrative Code (WAC) Chapter 468-100. Although the deadline for filing such a claim has expired, the City will consider a claim for the displacement of Foot Care Associates in accordance with the order of the King County Superior Court dated March 10, 2017.

If you intend to seek relocation benefits, you must provide any information you wish the City to consider no later than May 1, 2017. Because the deadline for filing claims has expired, the City will not consider any claims, documentation, or other information submitted after May 1, 2017, unless the City requests such materials as a supplement to the timely provided information, or unless you make a showing of good cause for not submitting it sooner.

Any information you wish to have the City consider must be sent to the City at the following address:

If mailed:
City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
PO Box 97010
Redmond, WA 98073-9710

If delivered:
City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
15670 NE 85th Street
Redmond, WA 98052

The costs that the City will consider include the following:

Moving and Related Expenses. You may be entitled to compensation for reasonable and necessary expenses incurred in moving your business to a new location under WAC 468-100-301. Please provide documentation of any actual expenses you would like to have considered. This would include copies of receipts, bills, appraisals, invoices, and any other evidence of moving expenses that you would like the City to consider. If evidence of expenses does not exist, provide detailed written information which explains reasons, dates, times, etc. that support the activity having occurred. "Related" expenses includes utility charges and professional services incurred in determining the suitability of a replacement site, as explained more fully in WAC 468-100-303.

Reestablishment Expenses. You may also be entitled to reimbursement for the reasonable and necessary costs incurred in reestablishing your business at its new location. As explained in WAC 468-100-306, these include, but are not limited to, repairs or improvements to the replacement property as required by law and modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business. These costs are limited to fifty thousand dollars (\$50,000) per business.

Evidence of Multiple Businesses. If you contend that you operated more than one business that was displaced from 16146 NE Cleveland Street, information should be provided that supports that the following criteria did not occur at the displaced business location (WAC 468-100-304(2)): (a) same premise and equipment shared, (b) substantially identical or interrelated business functions are carried out and the business and financial affairs are commingled; (c) the entities are held out to the public and to those customarily dealing with them as one business; and (d) the same person or closely related persons own, control, or manage the affairs of the entities. If sufficient evidence is provided that more than one business existed, a claim for each business will be considered by the City.

Cost Estimates. If you would like to have estimates or bids considered, it is requested you submit no less than two estimates for each item or activity and any supporting documentation provided by the vendors. The City's records reflect that on May 29, 2013 it was provided copies of three spreadsheet pages entitled *FCA Ambulatory Surgical Facility Suggested Equipment and Furnishing w/ 2 OR Suites* and four pages entitled *Summary Facility Comparison for Redmond Foot Care Associates ASC and F.C.A. Ambulatory Surgical Center*. The information contained in the spreadsheets describes some items as "rough order of magnitude cost projections", "low range", "high range", "rough order of costs", "contingency". While the City is willing to consider these estimates, it would be helpful to the City's determination of whether the estimated costs are reasonable and necessary if you provide receipts, costing estimates, and exact requested amounts. As explained in the City's August 14, 2013 response regarding the May 29th information, the City cannot consider more than relocating and reestablishing the business as it existed on the date of displacement.

Relocation Assistance/Relocation Claim Request
Foot Care Associates
16146 NE Cleveland Street
Page 3

For your convenience with collecting and organizing any information you would like to submit, two work sheets have been enclosed. The items listed as potentially eligible for reimbursement are not intended to be exhaustive, but hopefully will assist in gathering information for the claim.

After May 1, 2017, or after any subsequent deadline set by the City for the provision of supplementary materials, the City will review your claims expeditiously and issue a formal determination of eligibility and benefits (WAC 468-100-207(5)). If you disagree with the City's determination, you may file a notice of appeal within 60 days after receiving that determination (WAC 468-100-010(4)). The City's determination will include information regarding the appeal procedure. Failure to file a notice of appeal within 60 days will be considered an acknowledgment of eligibility and acceptance of a full and final amount of benefits. The City will then promptly pay any monetary amounts determined to be eligible for compensation and will consider this matter to be closed.

If you have any immediate questions you may contact me at 425-556-2715 or by e-mail at dwilson@redmond.gov.

Sincerely,



Debby Wilson
Real Property Manager

Enclosure

c: Stacy Goodman
✓ Carson Noel PLLC
20 Sixth Avenue NE
Issaquah, WA 98027



RECEIVED

MAR 27 2017

Carson & Noel PLLC

To: Dr. John Brunzman
Copy to: Stacy Goodman
From: Debby Wilson
Date: March 23, 2017
Subject: Enclosures to Letter dated March 23, 2017

Recently you may have been copied on correspondence between City of Redmond and Dr. John Brunzman, dated March 23, 2017. The enclosed pages, which were enclosures with the original letter, may not have been included in your copy of the correspondence.

Debby Wilson
Real Property Manager
City of Redmond

BUSINESS:

WASHINGTON ADMINISTRATIVE CODE	ACTUAL, REASONABLE AND NECESSARY NONRESIDENTIAL MOVING AND RELATED EXPENSES	EXPENSE AMOUNT
	Notes: The following list is for convenience only. Not inclusive of all categories. Refer to WAC Chapter 468-100-301 and -303. Payment for actual reasonable moving and related expenses.	
468-100-301(7)(a)	Transportation of personal property	
468-100-301(7)(b)	Packing, crating, unpacking, and uncrating personal property	
468-100-301(7)(c)	Disconnecting, reinstalling personal property	
468-100-301(7)(c)	Modification of personal property to adapt to replacement site	
468-100-301(7)(d)	Storage of personal property (limited to 12 months)	
468-100-301(7)(e)	Insurance of personal property in connection with the move (and storage)	
468-100-301(7)(f)	Replacement value of property lost, stolen or damaged in process of relocating business, other than result of negligence and where insurance covering loss is not available	
468-100-301(7)(g)	Other moving related expenses (not otherwise listed as ineligible per 468-100-301(8))	
468-100-301(7)(k)	License, permit or fee for the replacement site adjusted for remaining useful life of existing license or permit	
468-100-301(7)(l)	Professional services necessary for planning, moving and installing personal property from displacement site to replacement site	
468-100-301(7)(m)	Replacement of materials made obsolete due to relocation (signs, stationary)	
468-100-301(7)(n)	Actual direct loss of tangible personal property incurred as result of moving	
468-100-301(7)(o)	Reasonable cost incurred in attempt to sell a personal property item that would not be relocated	
468-100-301(7)(p)	Purchase of substitute personal property	
468-100-301(7)(q)	Searching/negotiating a replacement site, actual relocation or activities related to relocations of the displaced business (not to exceed \$2500)	
468-100-303(1)	Connection to available nearby utilities from the right of way to improvements at the replacement site	
468-100-303(2)	Professional services performed prior to the purchase or lease of a replacement site to determine suitability for displaced business to operate	
468-100-303(3)	Impact fees or one-time assessments for anticipated heavy utility usage	
	Total	

BUSINESS: _____

WASHINGTON
ADMINISTRATIVE
CODE

RE-ESTABLISHMENT EXPENSES

EXPENSE
AMOUNT

Notes: The following list is for convenience only. Not inclusive of all categories. Refer to WAC Chapter 468-100-306, Reestablishment Expenses - Nonresidential moves.

Entitlement under this category must be supported as being reasonable and necessary; limited to \$50,000.

Ineligible expenses include purchase of capital assets, production supplies, interest on money borrowed, enhancements to replacement site for aesthetic purposes

468-100-306(a)	Repairs or improvements to the replacement location to accommodate the displaced business	_____
468-100-306(b)	Modification to the replacement property to accommodate the business operation or for conducting the business	_____
468-100-306(c)	Construction/installation of exterior signage	_____
468-100-306(d)	Redecoration or replacement of soiled or worn surfaces at the replacement site	_____
468-100-306(e)	Advertisement of new location	_____
468-100-306(f)	Increased cost of operation during the first two years at the replacement site	_____
468-100-306(g)	Items that the agency (City) may consider as essential to the reestablish the displaced business	_____
	Total (no greater than \$50,000)	_____

EXHIBIT 71

Todd W. Wyatt, Attorney at Law
todd@carsonnoel.com
Stacy Goodman, Attorney at Law
stacy@carsonnoel.com

CARSON | NOEL
PLLC

May 1, 2017

SENT VIA HAND DELIVERY, U.S. MAIL, AND EMAIL
(ariensche@omwlaw.com, dwilson@redmond.gov)

City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
PO Box 97010
Redmond, WA 98073-9710

City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
15670 NE 85th Street
Redmond, WA 98052

Re: Relocation Assistance

Dear City of Redmond:

This law firm represents Redmond Foot Care Association and Dr. John Brunsman (collectively "Dr. Brunsman") regarding relocation assistance associated with Redmond Downtown Park. This letter responds to the City of Redmond's letter to Dr. Brunsman dated March 23, 2017.

We assume it is appropriate to send this letter directly to the City in response its March 23 communication. We are copying the City's attorney, Aaron Riensche, on this communication as well. If, in the future, we should communicate with Mr. Riensche only, please let us know and we would be happy to do so.

I. A Claim Has Already Been Filed.

With respect to the City's March 23 letter, as an initial matter, there seems to be some confusion on the City's part about the status of Dr. Brunsman's claim and the "deadline" for

filing. In the City's letter, the City states: "If you intend to seek relocation benefits, you must provide any information you wish the City to consider no later than May 1, 2017."

At the hearing on summary judgment, the Court found, among other things, that:

2. Dr. Brunzman timely submitted a claim to Redmond and the City did review that claim;
3. The City did not properly notify Dr. Brunzman as to additional documentation needed to support that claim or its deficiencies, per WAC 468-100-207(2); [and]
4. The City did not comply with WAC 468-100-207(5), which imposes a duty to provide notice to Dr. Brunzman of disapproval of any or part of a claim for any reason, the basis for the determination, and the procedures for appeal.

A copy of the Court order is enclosed. Based on that finding and others, the Court ordered, in part, that the "matter is remanded to the City of Redmond for processing Dr. Brunzman's claims in compliance with the applicable statutes and regulations."

In short, there is no "if" involved at all: *Dr. Brunzman has already submitted a claim.* It is the City's duty to process the claim already filed by Dr. Brunzman, in accordance with the law. Instead, however, the City has set an arbitrary deadline—May 1, 2017—for Dr. Brunzman to submit a new claim that the Court found had been already submitted. The City again failed to comply with the applicable law, and now the Court Order.

II. Updates to the Claim Do Not Alter the City's Duties.

As you know, Dr. Brunzman's claim was submitted in 2013. Recoverable costs under the Relocation Act has risen during that time. Accordingly, as discussed with the City's attorney, Dr. Brunzman has endeavored to revise his claim to accurately reflect the construction market in 2017.

Andersen Construction, Inc. (doing business as Andersen Construction Northwest), a contractor specializing in medical tenant improvements and hospital construction, updated the numbers. As a reminder, the construction cost estimates previously submitted were based on a drawing for a specific building that was chosen by Dr. Brunzman in 2013 for the space required under current Washington Code. The current code requires ambulatory surgical centers to adhere to the 2006 Guidelines for Design and Construction of Health Care Facilities. Dr. Brunzman's prior space was grandfathered under the 1994 guidelines, which have changed substantially. Thus, the cost estimates reflect the tenant improvements that are required in order for Dr. Brunzman to comply with the current code. He has no choice but to comply with the current code, or his facility cannot be licensed. The cost for construction in the fourth quarter of this year are an estimated \$2.1 million to \$2.86 million. See the enclosed.

Equipment and furnishings are estimated separately. The total estimate in 2013 was \$352,000. Dr. Brunzman expects to update those numbers and have those to you in a few

days. Like the tenant improvements, the equipment and furnishing are required in order for the no-longer-grandfathered facility to meet current code.

To be clear, the documents received by the City in 2013 are still part of the already-submitted claim. The new documents merely add more up-to-date information for the City to process.

Additionally, the fact that new information is being provided should not be considered as a waiver or admission regarding the adequacy, or alleged lack thereof, of the original claim. As the Court already held, a claim was submitted in 2013. This new information merely adds up-to-date numbers to that previously submitted claim.

III. The City Has Already Determined that Dr. Brunzman Is Entitled to No Less than \$640,000; It Cannot Revoke That Conclusion.

The City did already process part of Dr. Brunzman's claim, finding that Dr. Brunzman was entitled to \$640,000, which amount was then offered to him. Dr. Brunzman still is entitled to no less than that amount (and, of course, much more based on both the original claim and the new updated information).

The City should be aware that its prior offer to Dr. Brunzman that conditioned payment on him releasing claims regarding relocation assistance was illegal. WAC 468-100-206 states:

(6) No waiver of relocation assistance: A displacing agency shall not propose or request that a displaced person waive his or her rights or entitlements to relocation assistance and benefits provided by the Uniform Act and this regulation.

That section, of course, allows a displaced person to accept a partial payment without forfeiting the right to appeal the amount denied. Dr. Brunzman is entitled to accept a partial payment and appeal any denial of the remainder of his updated claim. And, in any event, the City must abide by its previous determination that Dr. Brunzman is entitled to no less than \$640,000, and pay that amount to Dr. Brunzman immediately.

In conclusion, Dr. Brunzman submits the enclosed updated claim, which reflects increased construction costs over the past four years. Dr. Brunzman is entitled to at least the amount already approved, \$640,000, with no condition of waiver. The updated claim is to be processed in according with the applicable law and Court order, including but not limited to notices required if any part of the claim is disapproved or denied for any reason, requests for any additional information the City may desire, and/or if any other reasonable assistance is required to assist Dr. Brunzman to obtain all the benefits he may be entitled to.

As a separate request, please send me a copy of any City policies (formal or informal) under which the City is operating to, for example, set arbitrary deadlines (i.e., May 1 for submitting information).

If you have any questions, please feel free to call me or Todd Wyatt. We look forward to your prompt response.

Sincerely,

CARSON NOEL, PLLC

A handwritten signature in black ink, appearing to read 'Todd W. Wyatt', written over a horizontal line.

Todd W. Wyatt

Enclosures: Court Order/Updated Claim

ANDERSEN CONSTRUCTION COMPANY

Escalation for Q2 & Q4 / Years 2013 Projected through Year End - 2017
 Aldrich & Associates, Inc. Rough Order of Magnitude Cost Projection - 5/13/13

		LOW RANGE											
CSI			INDEX	5/13/13	Q4-2013	Q2-2014	Q4-2014	Q2-2015	Q4-2015	Q2-2016	Q4-2016	Q1-2017	Q4-2017
				107	109	112	113	116	117	118	119	124	
DIVISION	DESCRIPTION	QTY	UNIT	101.90%	101.87%	102.75%	100.89%	102.65%	100.86%	100.85%	100.80%	104.50%	
	ASC	5,190	SF	1,232,625	1,256,104	1,279,582	1,314,800	1,326,539	1,361,757	1,373,496	1,385,236	1,396,318	1,459,152
	TENANT IMPROVEMENTS	1,006	SF	119,469	121,738	124,014	127,427	128,565	131,978	133,116	134,254	135,328	141,417
15000	MECHANICAL												
	MEDICAL GAS, VAC O2	1	ALW	114,000	116,171	118,343	121,600	122,686	125,943	127,029	128,114	129,199	134,950
	VAX BOX/FILTRATION PREMIUMS	5,190	SF	49,305	50,244	51,183	52,592	53,062	54,470	54,940	55,409	55,853	58,366
16000	ELECTRICAL GENERATOR	1	LT	47,500	48,405	49,310	50,667	51,119	52,476	52,929	53,381	53,808	56,229
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	9,500	9,681	9,862	10,133	10,224	10,495	10,586	10,676	10,762	11,246
	NATURAL GAS PIPING	1	ALW	3,800	3,872	3,945	4,053	4,090	4,198	4,234	4,270	4,305	4,498
	ROOF PATCH / FLASHINGS	1	ALW	2,850	2,904	2,959	3,040	3,057	3,149	3,176	3,203	3,228	3,374
	SUBTOTAL			1,649,757	1,675,067	1,706,376	1,753,341	1,768,896	1,815,960	1,831,615	1,847,270	1,862,048	1,945,840
	BLDRS RISK RATE			BY OWNER									
	P&P BOND			EXCLUDED									
2.00%	MISC INSURANCE & TAXES			32,875	33,501	34,127	35,057	35,380	36,319	36,632	36,945	37,241	38,917
	SUBTOTAL			1,676,632	1,708,568	1,740,504	1,788,407	1,804,375	1,852,279	1,868,247	1,884,215	1,899,289	1,984,757
6.00%	FEE			100,598	102,514	104,430	107,305	108,263	111,137	112,095	113,053	113,957	119,085
	BUDGET TOTAL			1,777,230	1,811,082	1,844,934	1,895,712	1,912,638	1,963,416	1,980,342	1,997,268	2,013,246	2,103,842

		HIGH RANGE											
CSI			INDEX	5/13/13	Q4-2013	Q2-2014	Q4-2014	Q2-2015	Q4-2015	Q2-2016	Q4-2016	Q1-2017	Q4-2017
				107	109	112	113	116	117	118	119	124	
				101.90%	101.87%	102.75%	100.89%	102.65%	100.86%	100.85%	100.80%	104.50%	
	ASC	5,190	SF	1,492,125	1,520,546	1,548,968	1,591,600	1,605,811	1,648,443	1,662,654	1,676,864	1,690,278	1,766,342
	TENANT IMPROVEMENTS	1,006	SF	144,613	147,368	150,122	154,254	155,631	159,763	161,140	162,517	163,818	171,189
15000	MECHANICAL												
	MEDICAL GAS, VAC O2	1	ALW	138,000	140,629	143,257	147,200	148,514	152,457	153,771	155,086	156,326	163,961
	VAX BOX/FILTRATION PREMIUMS	5,190	SF	59,685	60,822	61,959	63,664	64,232	65,938	65,506	67,075	67,611	70,654
16000	ELECTRICAL GENERATOR	1	LT	57,500	58,595	59,690	61,333	61,881	63,524	64,071	64,619	65,136	68,067
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	11,500	11,719	11,938	12,267	12,376	12,705	12,814	12,924	13,027	13,613
	NATURAL GAS PIPING	1	ALW	4,600	4,688	4,775	4,907	4,950	5,082	5,126	5,170	5,211	5,445
	ROOF PATCH / FLASHINGS	1	ALW	3,450	3,516	3,581	3,680	3,713	3,811	3,844	3,877	3,908	4,084
	SUBTOTAL			1,882,659	2,020,424	2,058,189	2,114,836	2,133,719	2,190,366	2,209,249	2,228,131	2,245,956	2,347,024
	BLDRS RISK RATE			BY OWNER									
	P&P BOND			EXCLUDED									
2.00%	MISC INSURANCE & TAXES			39,563	40,317	41,070	42,201	42,577	43,708	44,084	44,461	44,817	46,834
	SUBTOTAL			2,022,312	2,060,832	2,099,352	2,157,133	2,176,393	2,234,173	2,253,433	2,272,693	2,290,875	2,393,964
6.00%	FEE			121,399	123,650	125,961	129,428	130,584	134,051	135,205	136,362	137,453	143,638
	BUDGET TOTAL			2,413,652	2,459,625	2,505,600	2,574,561	2,597,548	2,668,510	2,689,497	2,712,484	2,734,184	2,857,222

Construction Cost Index (January 2009 = 100)

EXHIBIT 72



OGDEN MURPHY WALLACE, PLLC
901 FIFTH AVENUE, SUITE 3500
SEATTLE, WA 98164-2008

T 206.447.7000
F 206.447.0215

OMWLAW.COM

AARON P. RIENSCHÉ
206.447.1306
ariensche@omwlaw.com

July 6, 2017

VIA CERTIFIED MAIL

Todd W. Wyatt
Carson Noel
20 Sixth Avenue Northeast
Issaquah, WA 98027

Re: Foot Care Associates/Brunzman/City of Redmond

Dear Mr. Wyatt:

I write in response to your letter dated May 1, 2017, as well as to address your subsequent requests for updates on Dr. Brunzman's claim. In addition, I am requesting additional information that would aid the City in processing this claim.

May 1, 2017 Deadline. You inquired about the policy behind setting May 1, 2017 as the deadline for submitting information. First, because you contend that the City failed to comply with the applicable law, I want to clarify that it was, when the City's letter of March 23, 2017 was sent, and still is the City's intention to process the claim submitted by Dr. Brunzman in May 2013, in accordance with the court order. The deadline of May 1, 2017 was for Dr. Brunzman to submit any supplemental information.

The City disagrees with your suggestion that setting a deadline for supplementing Dr. Brunzman's claim was somehow not in compliance with the applicable law. Under WAC 468-100-207(4)(a)(i), Dr. Brunzman's deadline for submitting claims was January 30, 2015. The court order requires the City to process only the claim that was timely submitted in May 2013. It does not require the City to accept supplemental claims more than two years after the limitations period expired. The opportunity to provide updated information was given purely as a courtesy to Dr. Brunzman and was not required by statute, regulation, or the court order. Having extended this courtesy, the City needed to set a deadline so that the City could issue a final determination. May 1, 2017 was not an arbitrary deadline. The City set it after Stacy Goodman, of your firm, notified me on March 21, 2017 that Dr. Brunzman would be providing any updates within thirty days. As such, the City gave Dr. Brunzman an extra eleven days beyond what his legal counsel represented that he needed.

Todd W. Wyatt
July 6, 2017
Page 2

In addition, the City has continued to accept additional information provided while the claim is being processed, including the updated cost of equipment and furnishings that you provided by email on June 7, 2017.

Minimum Claim Value. You also argue that the City is precluded from determining that Dr. Brunzman is entitled to less than the \$640,000 that was previously offered. The City intends to continue analyzing this claim by comparing the facts to the law, without regard to the prior offer. I am not aware of any authority that would bind the City to its prior offer. If you could provide me with your legal authority for this position, the City would be happy to consider it.

Additional Information Requested. After an initial review, the City has identified certain information that would be helpful in fully evaluating the claim. The City requests that Dr. Brunzman provide the following information within thirty days of the date of this letter. All such information should be sent to the City as follows.

If mailed:
City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
P.O. Box 97010
Redmond, WA 98073-9710

If delivered:
City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
15670 NE 85th Street
Redmond, WA 98052

Moving Expenses. As stated in the City's prior letter, Dr. Brunzman's moving expenses are compensable. See WAC 468-100-301(7). Dr. Brunzman has never—either in his May 2013 claim or in his May 2017 supplement—provided any information as to his moving expenses. The City previously estimated Dr. Brunzman's moving costs at \$74,320. That estimate, however, assumed that Dr. Brunzman would be moving all of his existing equipment and furniture to a new location. That did not happen. Instead, Dr. Brunzman left equipment and furniture in the premises when he vacated. Rather than Dr. Brunzman incurring the cost of moving these items, the City paid to move and store them. The City therefore cannot rely on the prior estimate.

The applicable regulation allows a displaced business to establish moving costs by: (a) for a commercial move, the lower of two bids or estimates prepared by a commercial mover; or (b) for a self move, either the lower of two estimates or receipts for labor and equipment. WAC 468-100-301(4). Given that Dr. Brunzman moved from the affected premises nearly four years ago, actual receipts would seem to be the appropriate method of establishing this portion of the claim. If for some reason Dr. Brunzman does not have receipts, then please provide what information is available about his move from the former location to 8105 166th Avenue Northeast, Suite 104, in the Summer of 2013. Relevant information would include whether this was a commercial or self move, any estimates he received from commercial movers, and a list of items that were actually moved.

Todd W. Wyatt
July 6, 2017
Page 3

Related Expenses. The regulations allow for "moving and *related* expenses." WAC 468-100-301 (emphasis added). "Related" expenses are defined in WAC 468-100-303. They include certain utility costs, as well as professional services "performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation including, but not limited to, soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site)." We know that Dr. Brunzman worked with at least one consultant before moving out of the affected premises. He has never, however, provided the City with any information as to the costs associated with that work. If Dr. Brunzman desires to be compensated for such services, please provide any invoices, statements, receipts, etc. showing the actual, reasonable, and necessary costs.

Replacement Furniture/Equipment. Dr. Brunzman has requested several hundred thousand dollars to purchase new furniture and equipment. The regulations clearly state that purchase of "capital assets," including "office furniture, filing cabinets, machinery, or trade fixtures," is "not considered to be reasonable, necessary, or otherwise eligible." WAC 468-100-306(2). Therefore, Dr. Brunzman is not entitled to reimbursement for these costs. However, if Dr. Brunzman has evidence that it is cheaper to purchase certain equipment/furniture new than to move it, the City would be willing to consider such costs in conjunction with a claim for moving expenses. Please provide any such information.

Multiple Businesses. As stated in the City's March 2017 letter, Dr. Brunzman would be eligible for greater benefits if he operated more than one business at the affected site. Although Dr. Brunzman has not provided any evidence on this point, the City remains willing to consider any such evidence provided by the deadline for the above supplemental information.

Preliminary Approval of Reestablishment Costs. The vast majority of the costs identified in both the May 2013 claim and the May 2017 supplement fall under the category of "reestablishment expenses." These must be reasonable and necessary. They include "(a) Repairs or improvements to the replacement real property as required by federal, state or local law, code or ordinance"; and "(b) Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business." WAC 468-100-306(1). Such costs are limited to \$50,000.00 per business.

In its March 2017 letter, the City requested additional details to show that Dr. Brunzman's reestablishment expenses are reasonable and necessary. None of that additional information has been provided. Further, Dr. Brunzman has not presented any evidence of the cost of reestablishing his business at its current location, where he has been operating it for nearly four years. Nor has he offered any evidence to show that the current location is not suitable.

However, the City considers it a reasonable interpretation of the evidence that Dr. Brunzman's reestablishment expenses will exceed the maximum amount set forth in WAC 468-100-306. Therefore, rather than require Dr. Brunzman to gather additional information, the City will approve payment of

Todd W. Wyatt
July 6, 2017
Page 4

reestablishment expenses in the maximum amount of \$50,000.00 (fifty thousand dollars and zero cents). Any request for reestablishment expenses beyond that amount will be denied, except to the extent Dr. Brunzman can establish that he operated more than one business at the affected site (see above).

We look forward to receiving any additional information Dr. Brunzman may provide. Please feel free to contact me with any questions or concerns in the meantime.

Best regards,

OGDEN MURPHY WALLACE, P.L.L.C.



Aaron P. Riensche

APR:csh

EXHIBIT 73

Todd W. Wyatt, Attorney at Law
todd@carsonnoel.com
Stacy Goodman, Attorney at Law
stacy@carsonnoel.com



August 15, 2017

SENT VIA U.S. MAIL AND EMAIL
(*ariensche@omwlaw.com, dwilson@redmond.gov*)

City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
PO Box 97010
Redmond, WA 98073-9710

City of Redmond
Public Works Administration MS: 4NPW
Attn: Real Property Manager
15670 NE 85th Street
Redmond, WA 98052

Re: Foot Care Associates/Brunsmann/City of Redmond

Dear City of Redmond:

This letter responds to Aaron Riensche's letter to Todd Wyatt dated July 6, 2017. Per Mr. Riensche's instruction, this response is being sent directly to the City. If the City or Mr. Riensche would prefer future correspondence to be directed to Mr. Riensche only, please let us know.

I. City Guidelines

At the end of our letter of May 1, 2017, on behalf of Dr. Brunsmann we requested a copy of any City policies (formal or informal) under which the City is operating to process Dr. Brunsmann's claim. We have not received anything. Please provide that to us at your first opportunity.

II. Payment

At the end of the Mr. Riensche's July 6, 2017 letter, he stipulates that reestablishment expenses will exceed \$50,000 and should be paid to Dr. Brunzman. Although we of course disagree with the City's position that no more than that can or will be awarded, and fully reserve all rights in that regard, it appears both sides concede the \$50,000 should be paid. Please remit payment of those funds *immediately* to our office, made payable to "Carson Noel PLLC Trust Account."

III. Tenant Improvements

In August 2013, the City determined that Dr. Brunzman was entitled to no less than \$512,240 for constructing improvements so that his office could meet current code requirements. As stated in our letter of May 1, 2007, our latest estimates are that this construction will cost \$2.1 to \$2.86M. The City's July 6 letter takes no issue with this estimate.

Dr. Brunzman does not have the funds to construct these improvements. There is no reasonable debate that costs for construction between 2013 and the present have increased. Accordingly, at a minimum, and with a full reservation of rights, the City should pay the \$512,240 the City already determined Dr. Brunzman was due. That will provide sufficient funds for Dr. Brunzman to hire the professionals needed to begin relocation in compliance with Washington law.

IV. Moving and Related Expenses

On August 14, 2013, the City estimated that Dr. Brunzman's moving expenses would total approximately \$74,320. Instead of providing those funds, however, the City conditioned the receipt of any funds on Dr. Brunzman's agreement to release claims against the City. This "condition" for payment violated Washington law. *See* WAC 468-100-206. Dr. Brunzman rightfully refused to sign this condition, and accordingly never received the monies.

Practically, the City's decision to hold his funds hostage had devastating effects for Dr. Brunzman's business. Because the City refused to pay—and because Dr. Brunzman did not have the funds to front the costs for moving his equipment—he was largely forced—as you assert in your letter—to abandon his equipment. When and if the City abides by its commitments under the Relocation Act and accordingly Dr. Brunzman is granted the funds to pay for the move (which will require largely new equipment to comply with code), he will of course incur significant expenses. But, again, he cannot afford to "front" these costs—the funds must be submitted to Dr. Brunzman in advance as the City was prepared to do in August 2013. The fact the City has, so far, refused to abide by its promise to pay these estimated costs in advance is, independently, a breach of the City's obligations under the Relocation Act.

For the same reason, the City's reliance on WAC 468-100-301(4) for actual receipts is misplaced. There are no receipts since, because of the City's failure to abide by the law, Dr. Brunzman could not afford the moving expenses. The City previously provided an estimate that it sought sufficient for purposes of WAC 468-100-301(4). The City must, at a minimum, abide by its estimate. Indeed, once the City does begin complying with the law and Dr.

Brunsmann is afforded the opportunity to begin moving to a permanent space, it is believed the expenses will in fact be much higher. For present purposes, however, the City's estimated amount should be immediately tendered.

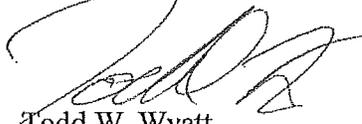
V. Related Expenses

Per your request, attached as Exhibits A and B to this letter are the professional fees our client has incurred and which are recoverable. Our client has also incurred \$43,456.84 in legal fees and costs that are also recoverable.

If you have any questions, please feel free to call me or Stacy Goodman. We look forward to your prompt response.

Sincerely,

CARSON NOEL, PLLC



Todd W. Wyatt

Enclosures

EXHIBIT A

ORIGINAL INVOICE

2013

June 20, 2010 DATE INCORRECT.



REDMOND FOOT CARE ASSOCIATES ASC /
F.C.A. AMBULATORY SURGERY
16146 Cleveland Street
Redmond, WA 98052

Subject: Invoice for Services

Project: Replacement of F.C.A. Clinic + Ambulatory Surgery Center

Invoice Number: RFCA/ASC-01-2013

PROFESSIONAL SERVICES: Review of Suitable Sites / Buildings for relocation of the F.C.A. Clinic / Ambulatory Surgery Facility. Provided Program Hierarchy and Feasibility Studies for Relocated Facility based AHJ Current Standards/Requirements. Review of alternate Locations / Configurations of potential Clinical / Surgical Areas for Tennant Improvements in Clients Designated Site / Building. Review of Access to and Mechanical / Electrical considerations of Designated Site / Building. Based on the above considerations. Productions of Schematic Space / Design Development Plans for the Project. Reviewed all the above Materials with D.O.H. for compliance with Current Licensure Regulations. Provided Schematic Space / Design Development Plans and related Documents to General Contractor for estimated Project Cost Estimates. Provided estimated Costs for Fixtures, Furniture and Equipment [FF&E] required by Project. Meeting with City of Redmond to provide information and documentation related to the Project.

ARCHITECTURE

MEDICAL
FACILITY
PLANNING

INTERIOR
ARCHITECTURE

CURRENT INVOICE: Final

Contract Amount:
Fixed Fee: \$20,000.00

Current Contract Amount \$ 20,000.00

Total Current Contract Amount Due: \$ 20,000.00

CURRENT REIMBURSABLE EXPENSES

In House Printing \$ 100.00
Printing & Reproduction \$ 0.00
Mileage & Travel \$ N/C

Subtotal: \$ 100.00
Handling Charges @ 10% \$ 10.00

Total for Reimbursables: \$ 110.000

TOTAL AMOUNT DUE: \$ 20,110.00

*Invoices 30 days past due are assessed a 1.5% finance charge

COMMERCE BUILDING
960 PACIFIC AVENUE
SUITE 207
TACOMA, WASHINGTON 98402
PH 253-460-0276 FX 253-272-2640

November 06, 2016

PAST DUE

LAST INVOICE SENT



REDMOND FOOT CARE ASSOCIATES ASC /
F.C.A. AMBULATORY SURGERY
16146 Cleveland Street
Redmond, WA 98052

Subject: Invoice for Services

Project: Replacement of F.C.A. Clinic + Ambulatory Surgery Center

Invoice Number: RFCA/ASC-01-2013

PROFESSIONAL SERVICES: Review of Suitable Sites / Buildings for relocation of the F.C.A. Clinic / Ambulatory Surgery Facility. Provided Program Hierarchy and Feasibility Studies for Relocated Facility based AHJ Current Standards/Requirements. Review of alternate Locations / Configurations of potential Clinical / Surgical Areas for Tennant Improvements in Clients Designated Site / Building. Review of Access to and Mechanical / Electrical considerations of Designated Site / Building. Based on the above considerations. Productions of Schematic Space / Design Development Plans for the Project. Reviewed all the above Materials with D.O.H. for compliance with Current Licensure Regulations. Provided Schematic Space / Design Development Plans and related Documents to General Contractor for estimated Project Cost Estimates. Provided estimated Costs for Fixtures, Furniture and Equipment [FF&E] required by Project. Meeting with City of Redmond to provide information and documentation related to the Project.

ARCHITECTURE

MEDICAL
FACILITY
PLANNING

INTERIOR
ARCHITECTURE

CURRENT INVOICE: 06/20/2013 Final Invoice + Interest 28 Months Past Due Interest

Contract Amount:
Fixed Fee: \$20,000.00

Current Contract Amount \$ 20,000.00

Total Current Contract Amount Due: \$ 20,000.00

CURRENT REIMBURSABLE EXPENSES

In House Printing \$ 100.00
Printing & Reproduction \$ 0.00
Mileage & Travel \$ N/C

Subtotal: \$ 100.00
Handling Charges @ 10% \$ 10.00

Total for Reimbursables: \$ 110.00

TOTAL PREVIOUS AMOUNT DUE \$ 20,110.00

28 MONTHS PAST DUE @ 1.5% per month FINANCE CHARGES: \$ 8,446.20

TOTAL CURRENT AMOUNT DUE: \$ 28,556.20

*Invoices 30 days past due are assessed a 1.5% finance charge

COMMERCE BUILDING
950 PACIFIC AVENUE
SUITE 207
TACOMA, WASHINGTON 98402
PH 253-460-0276 FX 253-272-2640

EXHIBIT B



Martyn Daniel LLC
 eminent domain and
 business relocation consulting

19027 100th Ave. NE
 Bothell, WA 98011
 425-398-5708

STATEMENT

To:

Dr. Brunzman
 Foot Care Associates
 8105 166th Ave. NE #104
 Redmond, WA 98052

DATE: 3/31/2017

AMOUNT: \$ 38,416.12

Date	Activity	Inv./Payment	Balance
6/27/2012	Invoice #1	\$ 1,793.75	\$ 1,793.75
7/1/2012	Interest	\$ 3.59	\$ 1,797.34
8/1/2012	Interest	\$ 27.86	\$ 1,825.20
8/12/2012	Interest	\$ 10.04	\$ 1,835.23
8/12/2012	Payment	\$ (400.00)	\$ 1,435.23
9/1/2012	Interest	\$ 14.35	\$ 1,449.59
9/16/2012	Interest	\$ 10.87	\$ 1,460.46
9/16/2012	Invoice #2	\$ 842.35	\$ 2,302.81
10/1/2012	Interest	\$ 17.27	\$ 2,320.08
11/1/2012	Interest	\$ 35.96	\$ 2,356.04
11/17/2012	Interest	\$ 18.85	\$ 2,374.89
11/17/2012	Invoice #3	\$ 962.50	\$ 3,337.39
11/26/2012	Interest	\$ 15.02	\$ 3,352.41
11/26/2012	Payment	\$ (200.00)	\$ 3,152.41
12/1/2012	Interest	\$ 7.88	\$ 3,160.29
12/31/2012	Interest	\$ 47.40	\$ 3,207.69
12/31/2012	Invoice #4	\$ 350.00	\$ 3,557.69
1/1/2013	Interest	\$ 1.78	\$ 3,559.47
2/1/2013	Interest	\$ 55.17	\$ 3,614.64
3/1/2013	Interest	\$ 50.61	\$ 3,665.25
4/1/2013	Interest	\$ 56.81	\$ 3,722.06
4/30/2013	Interest	\$ 53.97	\$ 3,776.03
4/30/2013	Invoice #5	\$ 831.25	\$ 4,607.28
5/1/2013	Interest	\$ 2.30	\$ 4,609.58
6/1/2013	Interest	\$ 71.45	\$ 4,681.03
6/3/2013	Interest	\$ 4.68	\$ 4,685.71
6/3/2013	Invoice #6	\$ 6,737.50	\$ 11,423.21
6/30/2013	Interest	\$ 154.21	\$ 11,577.43
6/30/2013	Invoice #7	\$ 5,468.75	\$ 17,046.18
7/1/2013	Interest	\$ 8.52	\$ 17,054.70
8/1/2013	Interest	\$ 264.35	\$ 17,319.05
8/5/2013	Interest	\$ 34.64	\$ 17,353.69
8/5/2013	Invoice #8	\$ 1,881.25	\$ 19,234.94
9/1/2013	Interest	\$ 259.67	\$ 19,494.61
9/30/2013	Interest	\$ 282.67	\$ 19,777.28
9/30/2013	Invoice #9	\$ 2,712.50	\$ 22,489.78
10/1/2013	Interest	\$ 11.24	\$ 22,501.02
10/26/2013	Interest	\$ 281.26	\$ 22,782.29
10/26/2013	Payment CK #51113	\$ (100.00)	\$ 22,682.29
11/1/2013	Interest	\$ 68.05	\$ 22,750.33
12/1/2013	Interest	\$ 341.26	\$ 23,091.59
1/1/2014	Interest	\$ 357.92	\$ 23,449.51
2/1/2014	Interest	\$ 363.47	\$ 23,812.98
2/8/2014	Interest	\$ 83.35	\$ 23,896.32
2/8/2014	Payment CK #5123	\$ (200.00)	\$ 23,696.32
3/1/2014	Interest	\$ 248.81	\$ 23,945.13

4/1/2014	Interest	\$	371.15	\$ 24,316.28
5/1/2014	Interest	\$	364.74	\$ 24,681.03
5/12/2014	Interest	\$	135.75	\$ 24,816.77
5/12/2014	Payment CK #5139	\$	(100.00)	\$ 24,716.77
6/1/2014	Interest	\$	247.17	\$ 24,963.94
6/2/2014	Invoice #10	\$	437.50	\$ 25,401.44
7/11/2014	Interest	\$	495.33	\$ 25,896.77
7/11/2014	Payment CK #5147	\$	(100.00)	\$ 25,796.77
7/31/2014	Interest	\$	257.97	\$ 26,054.74
8/18/2014	Interest	\$	234.49	\$ 26,289.23
8/18/2014	Invoice #11	\$	218.75	\$ 26,507.98
9/30/2014	Interest	\$	569.92	\$ 27,077.90
9/30/2016	Interest	\$	9,896.97	\$ 36,974.87
12/31/2016	Interest	\$	1,700.84	\$ 38,675.72
3/31/2017	Interest	\$	1,740.41	\$ 40,416.12
Full Payment is Due				
Total Balance Due				\$ 40,416.12
Unapplied retainer remaining to end of project \$2,000.00				\$ (2,000.00)
If balance is paid on the date of this statement you owe				<u>\$ 38,416.12</u>

EXHIBIT 74



OGDEN MURPHY WALLACE, PLLC
901 FIFTH AVENUE, SUITE 3500
SEATTLE, WA 98164-2008

T 206.447.7000
F 206.447.0215

OMWLAW.COM

AARON P. RIENSCHÉ
206.447.1306
ariensche@omwlaw.com

August 23, 2017

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Todd W. Wyatt
Carson Noel
20 Sixth Avenue Northeast
Issaquah, WA 98027

Re: Brunzman Relocation Benefits Determination

Dear Mr. Wyatt:

I write in response to your letter of August 15, 2017. Enclosed please find the City's determination letter, which approves Dr. Brunzman's claim for relocation benefits in the amount of \$92,236.10. Please note that the City sent this letter directly to Dr. Brunzman, to ensure compliance with WAC 468-100-207(5), which requires notice to be given to "the claimant in writing." Unlike other portions of this chapter, this provision does not use the language "or authorized representative."

You asked for the policies under which the City is operating to process Dr. Brunzman's claim. The City is following the Redmond Municipal Code and state law, particularly Chapter 468-100 WAC and Chapter 8.25 RCW. In addition, I am enclosing notes and materials from a 2012 meeting of City personnel in which the expected displacement of businesses was discussed, as well as correspondence that was provided to Dr. Brunzman in 2012 explaining the process. My understanding is that these materials were provided to you earlier in response to a public records request. They are being reproduced here for your convenience.

Best regards,

OGDEN MURPHY WALLACE, P.L.L.C.

Aaron P. Riensche

APR:csh

Enclosures

cc: Debby Wilson (w/encl.) (via e-mail) (dwilson@redmond.gov)
Jim Haney (w/encl.) (via e-mail)

EXHIBIT 75



August 31, 2017

US MAIL CERTIFIED RETURN RECEIPT 7013060000084593013

Todd Wyatt
Carson Noel PLLC
20 Sixth Ave NE
Issaquah WA 98027

RE: Redmond Downtown Park
Relocation/Reestablishment Claim -- Check
Foot Care Associates, 16146 NE Cleveland Street

Dear Mr. Wyatt,

Please find enclosed check #408815 in the amount of Ninety Two Thousand Three Hundred Forty Six and 10/100 Dollars (\$92,346.10) to address Reestablishment and reimbursement of professional fees of Foot Care Associates/Dr. John Brunzman's displacement from 16146 NE Cleveland Street, Redmond, WA.

A handwritten signature in cursive script, appearing to read "Debby Wilson".

Debby Wilson
Real Property Manager

EXHIBIT 76

Todd W. Wyatt, Attorney at Law
todd@carsonnoel.com
Stacy Goodman, Attorney at Law
stacy@carsonnoel.com



October 16, 2017

SENT VIA MESSENGER, U.S. MAIL, AND EMAIL
(ariensche@omwlaw.com, dwilson@redmond.gov)

City of Redmond
Executive Office MS: 4NEX
PO Box 97010
Redmond, WA 98073

Aaron P. Riensche
Ogden Murphy Wallace
901 Fifth Ave., Suite 3500
Seattle, WA 98164-2008

Re: Foot Care Associates/Brunzman/City of Redmond – **Notice of Appeal**

Dear City of Redmond:

This letter serves as Dr. John Brunzman and Foot Care Associates' (collectively "Dr. Brunzman") Notice of Appeal of the City's August 22, 2017 letter determination of Dr. Brunzman's claims for relocation benefits. The property at issue was 16146 NE Cleveland Street.

First, to be clear, Dr. Brunzman does not accept as complete or accurate the City's "Background" section of its letter. For brevity's sake, every omission or inaccuracy will not be repeated here, but Dr. Brunzman does incorporate by reference his previous papers, letters, and pleadings exchanged with the City, both for purposes of the facts of this dispute and legal arguments at issue.

Second, the entirety of the City's letter must be viewed under the lens of the purpose of the Relocation Act. The Legislature adopted RCW 8.26 *et seq.* to provide relocation assistance to "assure consistent treatment for owners affected by state and local programs." RCW 8.26.010(1)(b). The Act is intended to: "[E]stablish a uniform policy for the fair and equitable treatment of persons displaced as a direct result of public works programs of the

state and local governments in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole and to minimize the hardship of displacement on such persons.” RCW 8.26.010(1)(a) (emphasis added.). As explained previously and below, the City’s positions on this matter have turned this policy on its head.

Third, as the City is aware, it already determined that Dr. Brunzman was entitled to \$640,000 in benefits. The City appears to be taking the position that it is not bound by this earlier determination. It is.

There is ample evidence in the record demonstrating costs well exceeding this amount. The City took an apparently very conservative look at this evidence in 2013 and determined that \$640,000 was the appropriate number. There is no dispute that expenses have risen since that time.

Under estoppel (both equitable and, arguably, collateral), the City cannot now revoke its prior determination and assert that the claim is only valued at \$92,346.10. That the City illegally conditioned its 2013 determination on a release is of no consequence to this argument; had Dr. Brunzman known the City would, four years later, slash his claim by 85% and revoke its prior reasoning, Dr. Brunzman obviously would have accepted the funds at that time and challenged the release. Indeed; the City’s failure to notify Dr. Brunzman that it would change its position also violates WAC 468-100-202.

Perhaps more fundamentally, the City’s tactics in this case run directly afoul of RCW 8.26.010. How is it “fair and equitable” to decide someone is entitled to \$640,000 in benefits in 2013 and, four years later, revoke that determination and offer \$92,346.10? To ask the question is, of course, to answer it. The City’s refusal to abide by its earlier decision undercuts the purpose of the statute.

Fourth, under WAC 468-100-301(7), the City appears to be taking three inconsistent positions. The City denies the claim because (a) no receipts were provided, (b) new furniture is not allowed as an expense, and (c) the deadline for making a claim has expired.

Starting with the last point, this has been litigated, and the City lost. The deadline did not expire, as the City failed to consider the claim when first presented. With respect to “new furniture” and the receipts, as the City has been advised before, no receipts were provided because Dr. Brunzman could not afford to reestablish his office without City assistance. The City broke the law and refused to provide the required assistance. The City now attempts to use that as a sword to deny Dr. Brunzman’s claim. The City previously accepted an estimate of at least \$74,320 for moving expenses and \$512,240 for improvements to comply with Code. At a minimum, it should send those funds under WAC 468-100-306.

Additional funds will likely be incurred, and those receipts can be provided when spent. The City has not questioned the estimates of more than \$2 million in relocation costs reasonable and necessary to establish his business. But Dr. Brunzman (like most people) does not have the ability to “front” millions of dollars in damages caused by the City’s forced relocation of his business. To establish his business, those funds will be required, and the City has an obligation to pay for that relation under Washington law.

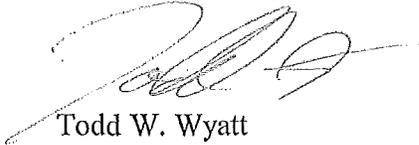
Fifth, the City has yet to pay any interim costs that were submitted on June 4, 2013 by Martin Daniel. The City internally approved these costs; they should be paid.

Sixth, with respect to attorneys' fees, although the Court did not award fees at the time of the summary judgment motion, the City's now refusal to abide by its previous determinations of value constitute bad faith. Attorneys' fees through this appeal, and any subsequent appeal, should be awarded. The amount of those fees can be made available upon request.

If you have any questions, please feel free to call me or Stacy Goodman. We look forward to your prompt response.

Sincerely,

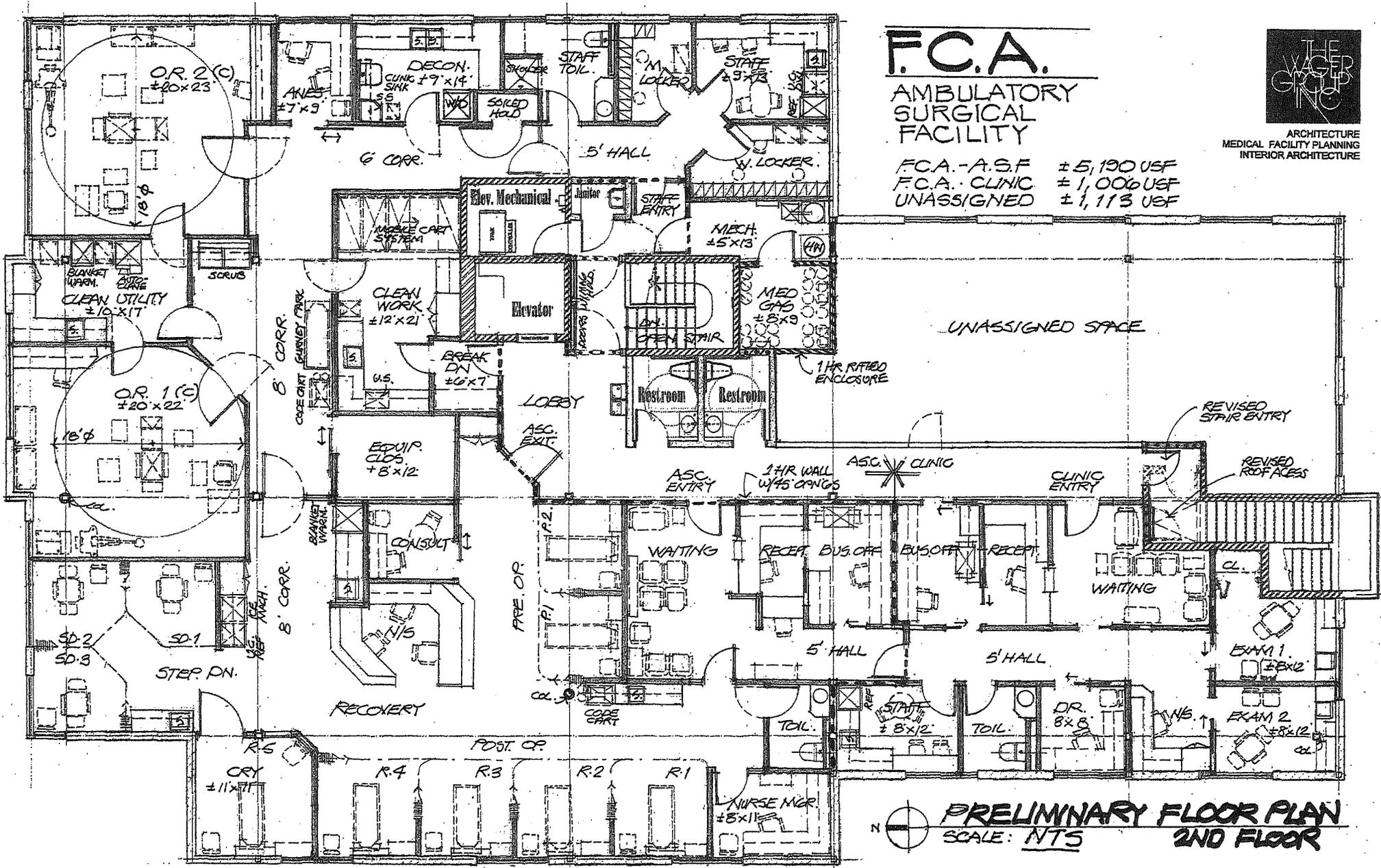
CARSON NOEL, PLLC

A handwritten signature in black ink, appearing to read "Todd W. Wyatt", is written over the typed name.

Todd W. Wyatt

EXHIBIT 77

EXHIBIT 78



F.C.A.

AMBULATORY SURGICAL FACILITY



ARCHITECTURE
MEDICAL FACILITY PLANNING
INTERIOR ARCHITECTURE

F.C.A. - A.S.F ± 5,190 USF
F.C.A. - CLINIC ± 1,000 USF
UNASSIGNED ± 1,113 USF

UNASSIGNED SPACE

PRELIMINARY FLOOR PLAN
SCALE: NTS
2ND FLOOR