CITY OF REDMOND

EXHIBIT 1

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

COMMERCIAL LEASE

THIS COMMERCIAL LEASE ("Lease") is dated as _____, 2012, and is made between the **City of Redmond, Washington,** a municipal corporation of the State of Washington ("Landlord") and **Dr. John Brunsman, d/b/a** _____ ("Tenant").

In consideration of the following agreements, covenants, promises, representations and warranties, the parties agree as follows:

1. LEASED PREMISES.

Landlord does hereby lease, demise and let unto the Tenant and the Tenant does hereby lease from the Landlord, upon the terms and conditions set forth in this Lease, the land and approximate 700 square foot building ("Premise) as generally depicted on Exhibit A attached, which is real property as legally described on attached Exhibit B. The Premises has the address of **16146 Cleveland Street, Redmond, Washington, 98052.**

2. TERM.

2.1 **Lease Term.** The term of this Lease ("Lease Term") shall be for period commencing on the day that Landlord acquires title to the real property described on Exhibit B ("Commencement Date"), and ending at 5 p.m., Pacific Standard Time, on **September 30, 2012,** unless sooner terminated pursuant to this Lease.

2.2 **Additional Terms.** No additional terms are provided for under this Lease.

2.3 **Tenant's Right to Terminate.** Notwithstanding anything to the contrary in this Lease, the Tenant shall have the right, following at least thirty (30) days prior written notice to Landlord, to terminate the Lease at any time during the Lease Term without any requirement that the termination occur at the end of a monthly period. If Tenant elects to terminate the Lease, the Lease will terminate on the date specified in the notice as the termination date, provided that such date will be no less than thirty (30) days from the date of the notice. Upon any such early termination, Tenant and Landlord will be released from any further obligations under the Lease, except for (a) payment of all amounts accrued under the Lease to the effective date of the termination, (b) any causes of action arising or accruing up to the effective date of such termination and (c) any indemnification or other provisions which, by their terms, are intended to survive termination of this Lease.

2.4 **Hold Over.** If Tenant remains in possession of all or any part of the Premises after the expiration of the term hereof, or following any other termination hereof, with or without the expressed consent of Landlord, such tenancy shall be, at most, from month to month only, and not a renewal hereof or an extension for any additional term(s), and in such case, rent and other monetary sums due hereunder shall be payable at one hundred-fifty percent (150%) of the amounts and at the times specified in this Lease, and such tenancy shall be subject to every other term, covenant and agreement contained herein. Notwithstanding the foregoing, any continued occupancy of the Premises without the express written consent of the Landlord shall be

considered unlawful and subject to all summary provisions of applicable law which permit the Landlord to retake the Premises at any time, without notice (or only such notice as is required by law).

2.5 **Abandonment.** Tenant agrees not to vacate or abandon the Premises at any time during the Lease Term. Should Tenant vacate or abandon said Premises or be dispossessed by process of law or otherwise, such abandonment, vacation or dispossession shall be deemed a breach of this Lease and, in addition to any other rights which Landlord may have, Landlord may remove any personal property belonging to Tenant which remains on the Premises and store the same (or otherwise dispose of the same as permitted by applicable law), the cost of such removal and storage to be Tenant's liability.

3. POSSESSION.

3.1 **Possession.** Except as provided elsewhere in this Lease, Tenant will be entitled to possession of the Premises on the Commencement Date. The Tenant has had full opportunity to inspect the Premises and accepts it in its present condition, without any representation or warranty by Landlord of any kind, express or implied, either as to the condition of the Premises or its suitability for occupancy or use by Tenant. Except as may be specifically set forth in his Lease, Landlord has made no commitment and has no obligation to alter or repair the Premises, or any part of the building at which the Premises is located.

3.2 **Surrender of Premises.** At the expiration or sooner termination of this Lease, Tenant shall return the Premises to Landlord in the same condition in which received, or, if altered by Landlord, or by Tenant with Landlord's consent, then the Premises may be returned in such altered condition; broom clean, reasonable wear and tear excepted. Tenant shall remove all of its personal property, trade fixtures, appliances and equipment ("Fixtures"). Where such removal will require structural changes or damage to the Premises, Landlord will have the option to have the same removed at Tenant's expense and under Landlord's supervision. Tenant shall also remove any and all alterations which Landlord designates to be removed pursuant to Section 8.5 below, and shall restore the Premises to the condition they were in prior to the installation or construction of said alterations. If Tenant fails to remove any Fixture, Landlord may remove the same at Tenant's expense. Tenant shall return all keys to Landlord within thirty-six (36) hours following termination of this Lease or pay the cost of new locks and keys, if Landlord so requires. Tenant's obligation to perform these covenants shall survive the expiration or termination of this Lease.

4. USE.

4.1 **Use.** Tenant covenants that at all times during the Lease term and such other time as Tenant, or its permitted subtenants or assigns, occupies the Premises, Tenant and its permitted subtenants and assigns shall use the Premises only for purposes of **small medical services/office.** No other use is permitted without prior written consent of the Landlord and in Landlord's sole discretion.

4.2 **Use Prohibited.** Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein which will in any way increase or affect a standard rate of any fire or other insurance policy upon the Premises, or cause a cancellation of any such insurance policy covering said Premises nor which will in any way obstruct or interfere with the right of other tenants or occupants of the Premises or injure or annoy them, nor shall the Tenant use or allow the Premises to be used for any improper, immoral, unlawful, objectionable or offensive purposes, nor shall Tenant cause, maintain or suffer or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises and shall refrain from using or permitting the use of the Premises or any portion thereof as living quarters, sleeping quarters or for lodging purposes.

4.3 **Hazardous Substances.** Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything thereon that is or will constitute hazardous waste or similar legally prohibited substance or violate any environmental protection law. Tenant will indemnify and hold the Landlord harmless from any and all damages related to the Tenant's introduction to, or storage of, hazardous waste on the Premises. Tenant shall advise Landlord in writing immediately of any environmental concern related to Tenant's use or occupancy of the Premises brought to the Tenant's attention by any private party or governmental agency or official. Landlord shall have the right to remedy any environmental problem and to conduct any environmental tests reasonably necessary to discover hazardous waste, prohibited substances or other environmental problem on or arising from Tenant's use and occupancy of the Premises and Tenant shall be liable for, and shall hold Landlord harmless from, all costs, and expenses related to such tests or remedial action, including any attorneys fees or other legal costs incurred, as required by applicable law or regulation or which Landlord, in its sole discretion, deems necessary or advisable.

Tenant's obligations, responsibilities, and liabilities under this Section shall survive the expiration or termination of the Lease.

4.4 **Building Codes and Zoning.** Tenant has investigated all applicable building and zoning codes, regulations and ordinances to determine whether Tenant's intended use of the Premises is permitted. Based upon this investigation, Tenant accepts the Premises "as is" subject to all applicable statutes, ordinances, rules and regulations governing Tenant's use of the Premises. Any and all expenses required to comply with all applicable statues, ordinances, rules, regulations and requirements in effect during the Lease Term, or part thereof, regulating Tenant's use of the Premises will be borne exclusively by the Tenant. Tenant agrees to comply with all such statutes, ordinances, rules and regulations throughout the Lease Term or part thereof.

4.5 **Condition of Premises.** Landlord makes no representation, expressed or implied, as to any aspect of the land, building, improvements, environmental condition, or any other aspect of the Premises. Landlord shall not be responsible for performing any work or furnishing any materials to the Premises.

Tenant has inspected and/or is knowledgeable of the condition and function of the plumbing, lighting, air conditioning, heating, windows, interior walls, flooring and all other

elements of the Premises. Based upon the inspection, Tenant accepts the Premises "As Is", in its condition as of the date of this Lease or the date the Tenant took possession of the Premises, whichever date is earlier. Tenant acknowledges that neither Landlord nor any Landlord's agent has made any representation or warranty as to the present or future suitability of the Premises for the conduct of Tenant's business.

4.6 **Landlord's Rules.** In addition to its obligations otherwise set forth in this Lease, Tenant, its agents, employees, customers, contractors or other invitees, shall comply with the Landlord's Rules, a copy of which is set forth in Exhibit D attached hereto and incorporated herein by this reference, as such Rules may be amended from time to time by Landlord, in its sole discretion.

5. BASE RENT and LEASEHOLD EXCISE TAX.

Tenant shall and hereby agrees to pay Landlord without any prior demand therefor, and without any deductions or offsets, Base Rent ("Base Rent") for the Premises in the amount of **One Thousand Four Hundred Seventeen and 94/100 Dollars ($1,417.94)** per month, payable in advance on or before the first day of each month. If the Commencement Date is other than the first day of the month, Base Rent for that month shall be prorated.

6. SECURITY DEPOSIT.

No security deposits or last month's rents have been paid by the Tenant. Landlord has not been provided any security deposits or last month's rents nor are holding any such funds in trust.

7. OTHER CHARGES PAYABLE BY TENANT

7.1 **Leasehold Tax.** In addition to the Base Rent payable hereunder, the Tenant shall pay the Landlord an amount equal to the Leasehold Tax levied by **RCW Chapter 82.29A** and **RMC Chapter 3.34. Such amount shall be paid by Tenant to Landlord at the time Base Rent payments are due.**

7.2 **Personal Property Taxes.** During the Lease Term, Tenant shall pay, prior to delinquency, all taxes assessed against and levied upon fixtures, furnishings, equipment and all other personal property belonging to Tenant contained in the Premises. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal and trade fixtures placed by Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord, within fifteen (15) days of written request and verification of same, that part of such taxes for which Tenant is primarily liable hereunder. Tenant shall comply with the provisions of any law, ordinance or rule of taxing authorities which requires Tenant to file a report concerning the property located on the Premises.

7.3 **Utilities.**

7.3.1 Tenant shall, during the Term of this Lease, pay directly to the appropriate supplier all charges for water, sanitary sewer, heat, light, power, telephone, cable, telecommunications, garbage removal and janitorial services and all other materials and services supplied to the Premises and shall hold Landlord harmless from any liability therefrom.

7.3.2 Tenant shall, during the Term of this Lease, shall also be responsible for storm water drainage fees assessed against the property by the City of Redmond Utilities. Landlord shall provide Tenant the amount due, and supporting information, on a monthly basis. The cost for the Lease term is **$45.04** per month.

7.4 **Business License/Permit Fees.** Tenant shall maintain a business license from the City of Redmond pursuant to **RMC Chapter 5.04** and shall pay all license, excise tax and occupation taxes related to the conduct of Tenant's business on the Premises. Tenant shall pay for all permits, licenses and zoning approvals required by law relating to the conduct of business on the Premises by Tenant.

7.5 **Insurance.**

7.5.1 **Liability Insurance.** Tenant, at its expense, shall maintain at all times during the term of this Lease, comprehensive liability insurance, contractual liability insurance, property damage liability insurance and such other insurance as Landlord may require from time to time in respect of the Premises and the conduct or operation of business therein, with Landlord as an additional insured, having One Million and No/100 Dollars ($1,000,000.00) minimum combined single limit coverage, or its equivalent. The limits of such insurance shall not limit the liability of Tenant. All such insurance shall also insure the performance by Tenant of the indemnity agreement set forth in Section 11 of this Agreement. For insurance required to be maintained by Tenant under these Sections 7.5.1 and 7.5.2, and upon the request of Landlord, Tenant shall deliver to Landlord certificates of insurance, in such form reasonably requested by Landlord, issued by the insurance company or its authorized agent, and requiring the giving of at least thirty (30) days prior written notice to Landlord before such insurance may be terminated or modified in any way.

7.5.2 **Personal Property Insurance.** Tenant shall obtain and bear the expense of maintaining fire and extended coverage insurance on the Premises, covering all Tenant's personal property, including but not limited to Tenant's furniture, fixtures, leasehold improvements, plate glass, equipment and inventory, in the amount of full replacement costs. Landlord shall be named as additional insured as its interest may appear, including the amount of all damage to Tenant or Landlord improvements and betterments to the Premises.

7.5.3 **Acceptable Insurance Companies.** All insurance coverage required to be maintained by Tenant hereunder shall be issued by responsible insurance companies authorized to issue insurance in the State of Washington and otherwise be acceptable to Landlord in form and content.

7.5.4 **Waiver of Subrogation.** The insurance coverage required by this Section 7.5 shall contain a clause pursuant to which the insurance carriers waive all rights of subrogation

against Landlord with respect to losses payable under such policies. Tenant waives any and all right of recovery against Landlord, or against the officers, city officials, employees, agents and representatives of Landlord, for any loss of or damage to Tenant or its property or the property of others under its control, if and to the extent that such loss or damage is insured against under any insurance policy in force at the time of such loss or damage, or which is to be insured against under the terms of this Lease. Any applicable deductible amount or self-insured amount shall be treated as though it were recoverable under such policies.

8. MAINTENANCE, REPAIRS, ALTERATIONS AND ADDITIONS.

8.1 **Landlord's Obligations.** Landlord's sole obligation shall be to maintain or repair roof structure of the building. If any of this maintenance and/or repair is required in whole or in part because of the negligence of the Tenant, its agents or invitees, Tenant shall pay to Landlord the reasonable cost of the repairs and/or maintenance. Except as provided by Section 12 regarding reconstruction, there shall be no abatement of Rent, and no liability of Landlord, due to any injury or interference with Tenant's business arising from Landlord's performance of any maintenance or repair which it is required or permitted to perform. Tenant waives any right which it may have under any current or future law or ordinance to make repairs at Landlord's expense.

8.2 **Tenant's Obligations.** Tenant shall, at Tenant's sole cost and expense, keep in a clean and safe condition all portions of the Premises not required to be maintained by Landlord, including without limitation, any storefront area, all parking lot areas, sidewalks, interior and exterior walls or partitions, doors, exterior and interior glass and window casements, roof covering (but not roof structure) and all utility systems within the Premises including heating, ventilation and air conditioning systems ("HVAC"), all plumbing pipes, electrical wiring, switches, fixtures, appliances, signs, equipment and landscaping.

8.3 **Vacation of Premises.** In accordance with the terms of Section 3.2 of this Lease, upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises in a clean and safe condition, and shall promptly remove or cause to be removed at Tenant's expense from the Premises any signs, notices and displays placed by Tenant.

8.4 **Maintaining Premises.** In the event Tenant fails to maintain the Premises in clean and safe condition, Landlord shall give Tenant notice to do such acts as are reasonably required to accomplish the same . In the event Tenant fails to so maintain the Premises and fails to promptly commence such work and diligently prosecute it to completion then Landlord shall have the right, but not the obligation, to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant within thirty (30 days) after demand with interest at twelve percent (12%) per annum from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience or interference with the use of the Premises by Tenant as a result of performing any such work. Landlord shall be responsible for claims from third parties arising out of such work by Landlord only to the extent such claims are caused by its gross negligence or willful misconduct.

Tenant shall do all acts required to have the Premises comply with all applicable laws, ordinance, regulations and rules of any public authority relating to its obligations as set forth herein, and shall indemnify Landlord from all costs and expenses, including attorneys fees, resulting from any claim or demand related thereto.

In the event Landlord fails to maintain the Building within which the Premises is located (pursuant to Section 8.1 of this Lease agreement) in condition at conception of Lease, less fair wear and tear, Tenant shall give Landlord notice to do such acts as are reasonably required to so maintain the Premises. In the event following at least thirty (30) days from receipt of tenant notice to Landlord, Landlord fails to so maintain the Building within which the Premises is located and fails to promptly commence such work and diligently prosecute it to completion then Tenant shall have the right, but not the obligation, to do such acts and expend such funds at the expense of Landlord as are reasonably required to perform such work.

8.5 **Alterations and Additions.** Tenant shall make no alterations, additions or improvements to the Premises or any part thereof without first obtaining the prior written consent of Landlord, except for non-structural alterations which do not exceed $10,000 in a one-time cost and which are not visible from outside the structure.

9. SIGNS.

Tenant shall maintain any sign or symbols in good condition and repair at its sole cost and expense. Tenant shall remove all signs or symbols at its sole cost and expense upon termination of the Lease Term and shall repair all structural damage caused by the removal. If the Tenant fails to remove any such sign or symbol and/or repair any structural damage caused by its removal, Landlord may have the same removed and/or repaired at Tenant's expense.

10. LIENS.

Tenant shall keep the Premises free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant and shall indemnify, hold harmless and defend Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Tenant. In the event that Tenant shall not, within ten (10) days following the imposition of any such lien, cause such lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, the right, but no obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses reasonably incurred by it in connection therewith including attorney's fees and costs shall be payable to Landlord by Tenant on demand with interest at the rate of eighteen percent (18%) per annum from the date such expenses were incurred. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord and the Premises, and any other party having an interest therein, from mechanics' and materialmen's liens, and Tenant shall give to Landlord at least ten (10) business days' prior written notice of the expected date of commencement of any work relating to alterations or additions to the Premises.

11. INDEMNITY.

Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, costs and expenses arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work or things which may be permitted or suffered by Tenant in or about the Premises, and shall further indemnify, defend and hold Landlord harmless from and against any and all claims, costs and expenses arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the provisions of this Lease or arising from any negligence of Tenant or any of its agents, contractors, employees or invitees and from any and all costs, attorneys' fees, expenses and liabilities incurred by Landlord in the defense of any such claim or any action or proceeding brought thereon. Tenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, except for any claim arising out of Landlord's gross negligence or willful misconduct. For the purposes of the indemnity set forth in this Section, Tenant waives any and all immunities provided by the Washington State Worker's Compensation Act or by any similar law, regulation or rule.

12. DAMAGE/DESTRUCTION/RECONSTRUCTION.

12.1 **Damage and Repair.** If the Premises are partially damaged, but not rendered untenantable, by fire or other casualty insured by Tenant , then Tenant shall have the option to either (i) terminate this Lease effective as of the date of the casualty, or (ii) restore the Premises in which circumstance this Lease shall not terminate.

12.1.1 If the Premises are entirely destroyed, or partially damaged and rendered untenantable, by fire or other casualty, Landlord and/or Tenant may, at its option: (a) terminate this Lease upon written notice within thirty (30) days after destruction occurred.

12.1.2 If Tenant elects to restore the Premises, Tenant shall proceed with reasonable diligence to complete the work, and the base monthly Rent shall be abated, as determined by Landlord, provided that there shall be a Rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to, directly or indirectly, by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any damage, repair or restoration of any portion of the Premises. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same.

13. **EMINENT DOMAIN.** If the Premises are made untenantable by eminent domain, or conveyed under a threat of condemnation, this Lease shall automatically terminate as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. In case of taking of a part of the Premises that does not render the Premises untenantable, then this Lease

shall continue in full force and effect and the base monthly rental shall be equitably reduced as determined by Landlord, any such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award. Tenant shall have no claim against Landlord arising out of such condemnation. If the Landlord commences an eminent domain proceeding Tenant shall be allowed to remain on the premises per the terms of this Lease.

14. ASSIGNMENT AND SUBLETTING.

14.1 **Assignment and Subletting.** Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises without Landlord's prior written consent, which consent shall be subject to Landlord's sole discretion. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this Lease. Landlord may either grant or withhold consent, in its sole discretion, but shall not be deemed to have made an election unless the same is in writing and signed on Landlord's behalf by a duly authorized person.

14.2 **No Release of Tenant.** Regardless of Landlord's consent, no subletting or assignment shall release Tenant from the obligation to pay the Rent and to perform all other obligations to be performed by Tenant hereunder for the term of this Lease. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or sublet shall not be deemed consent to any subsequent assignment or sublet.

14.3 **Attorney's Fees.** In the event Landlord shall consent to a sublease or assignment under this Section, Tenant shall pay Landlord's reasonable costs and expenses, including attorney's fees, incurred in connection with giving such consent.

14.4 **Transfer of Landlord's Interest.** Landlord reserves the right to sell, assign, or transfer this Lease upon the condition that in such event this Lease shall remain in full force and effect, subject to the performance by Tenant of all its terms, covenants and conditions, and upon the further condition that such assignee or transferee, except an assignee or transferee merely for security, agrees to perform all the terms, covenants and conditions under this Lease. In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises or in any building of which the Premises may be a part other than a transfer for security purposes only, Landlord shall be relieved from all obligations and liabilities accruing prior to or thereafter on the part of Landlord. Upon any such sale, assignment, or transfer by Landlord, other than merely as security, Tenant agrees to look solely to the assignee or transferee with respect to all matters in connection with this Lease that occur after the date of such assignment and Landlord shall be released from any further obligations hereunder.

15. DEFAULT, REMEDIES.

15.1 . **Default.** The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

15.1.1 Any failure by Tenant to pay the Rent or any other monetary sums required to be paid hereunder on the date such payment is due where such failure has continued for a period of five (5) days after written notice from Landlord to Tenant.;

15.1.2 The abandonment or vacation of the premises by Tenant;

15.1.3 The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than those described above, for a period of ten (10) days after written notice of such default from Landlord to Tenant; provided, however, that if the nature of the Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences a cure within that ten (10) day time period and thereafter diligently prosecutes the cure to completion.

15.1.4 The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within ten (10) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease;

15.2 **Remedies.** In the event of any such default or breach by Tenant, Landlord may, at any time thereafter, without notice, without limiting Landlord in the exercise of any right or remedy at law or in equity which Landlord may have by reason of such default or breach:

15.2.1 Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating the Lease, irrespective of whether Tenant shall have abandoned the Premises. In the event Landlord elects not to terminate this Lease, Landlord shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises, as Landlord deems reasonable and necessary without being deemed to have elected to terminate this Lease, including removal of all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such reletting occurs, Tenant shall remain liable for any Rent deficiency and all costs and expenses of reletting, including costs of any remodeling to meet a new tenant's needs. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord at any time during the term of this Lease may elect to terminate this Lease by virtue of such previous default of Tenant.

15.2.2 Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall promptly surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including without limitation thereto, the following: (i) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of events would be likely to result therefrom, including attorneys fees; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law. Upon any such termination and/or re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary, and recover the cost of the same from Tenant as additional damages. As used in (i) above, the "worth at the time of award" is computed by allowing interest at the rate of eighteen percent (18%) per annum from the date of default. As used in (ii) and (iii) the "worth at the time of award" is computed by discounting such amount at the discount date of the U.S. Federal Reserve Bank at the time of award plus one percent (1%). The term "rent," as used in this Section 15, shall be deemed to be and to mean the Rent to be paid pursuant to Section 5 and all other monetary sums required to be paid by Tenant pursuant to the terms of this Lease.

15.3 **Late Charges.** Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after the amount shall be due, then without any requirement of notice to the Tenant, Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

15.4 **Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

15.5 **Default by Landlord.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after Landlord's receipt of written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance than Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

16. ENTRY BY LANDLORD.

Landlord reserves the right to enter the Premises by providing a minimum of twenty-four (24) hours' notice unless in an emergency, to inspect the same, to show the Premises to prospective purchasers or tenants, to post notices of non-responsibility and "for lease" signs, and to alter, improve or repair the Premises (at Tenant's expense) without abatement of Rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing the entrance to the Premises shall not be blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Landlord may retain a key with which to unlock all of the doors in the Premises (excluding Tenant's vaults, safes and files). No entry by Landlord shall be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from all or any portion of the Premises. Furthermore, Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby resulting from entry by Landlord as authorized in this Section.

17. MISCELLANEOUS.

17.1 **Attorney's Fees.** If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment or other final binding decision.

17.2 **Broker's Fees.** Landlord shall pay no broker's or real estate agent's fees or commissions, nor share any liability for any such fees or commissions, related to this Lease.

17.3 **Governing Law, Jurisdiction and Venue.** This Agreement shall be construed and enforced in accordance with the internal laws of the State of Washington. Landlord and Tenant consent to and agree to submit themselves to venue and jurisdiction in the appropriate court in King County, Washington.

17.4 **Captions; Attachments; Defined Terms.**

17.4.1 The captions of the Sections of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any Section of this Lease.

17.4.2 Exhibits attached hereto, and addenda and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease and are incorporated herein.

17.4.3 The words "Landlord" and "Tenant," as used herein, shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord or Tenant shall be joint and several. The term "Landlord" shall mean only the owner or owners at the time in question of the fee title or a tenant's interest in a ground lease of the Premises. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord's successors and assigns only during their respective periods of ownership.

17.5 **Entire Agreement.** This Lease along with any exhibits and attachments hereto constitutes the entire agreement between Landlord and Tenant relative to the Premises. This Lease and the Exhibits hereto may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant; provided, Landlord's Rules, as set forth on Exhibit D may be modified from time to time by Landlord, as Landlord may individually determine, upon notice to Tenant. Landlord and Tenant agree hereby that all prior or contemporaneous oral agreements between and among themselves and their agents or representatives relative to the leasing of the Premises are merged in or revoked by this Lease.

17.6 **Severability.** If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

17.7 **Binding Effect.** The parties hereto agree that all provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof. Subject to any provisions hereof restricting assignment or subletting by Tenant and subject to Section 14, all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

17.8 **Waiver.** No covenant, term or condition of this Lease or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Acceptance by Landlord of any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any covenant, term or condition unless otherwise expressly agreed to by Landlord in writing.

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

17.10 **Joint and Several Liability.** All the terms, covenants and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and nonexclusive of any other remedy at law or in equity.

17.11 **No Partnership.** Landlord shall not, in any way or for any purpose, become or be deemed to be a partner of Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

17.12 **Corporate Authority.** Each individual executing this Lease on behalf of said party represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said party.

17.13 **Notices.** All general notices required or desired to be given by Landlord or Tenant hereunder shall be in writing and shall be deemed delivered upon actual delivery or forty-eight (48) hours after depositing the notice or demand in the United States mail, certified or registered, postage prepaid, and shall be addressed:

If mailed to Landlord:
City of Redmond MS: 4NPW
Real Property Manager
PO Box 97010
Redmond, Washington 98073-9710

If to Tenant:
_____
_____
_____
_____

If delivered to Landlord:
15670 NE 85th Street
Redmond, Washington 98052

With tenant copy also to:
_____
_____

All payment, invoices or fund requests shall be addressed:

If mailed to Landlord:
City of Redmond MS: 3NFN
PO Box 97010
Redmond, Washington 98073-9710
If hand delivered to Landlord:
15670 NE 85th Street, Third Floor Cashier
Redmond, Washington 98052

If to Tenant:
_____
_____
_____

or at such other address as the parties may designate by written notice to the other.

17.14 **General Contact.** Non-emergency contact and general contact can be made as follows:

Landlord:	**Tenant:**
Jean Rice	_____
City of Redmond, Park's Administration	_____
PO Box 97010	_____
Redmond, WA 98073-9710	_____
425-556-2715	_____

17.15 **Emergency Contact.** In the case of emergency and after-hours services, contact shall be made as follows: (See Exhibit C)

17.16 **Counterparts.** This Lease may be executed in counterparts, and each counterpart constitutes an original document. Signatures transmitted by facsimile shall be deemed valid execution of this Lease, binding on the parties.

17.17 **Limited Landlord Liability.** In no event shall Landlord be liable (no matter what the cause of action) for any indirect, special or consequential damages of any kind, even if advised of the possibility thereof. Notwithstanding any other term of this Lease, Tenant shall not have recourse for recovery of any claim against Landlord in excess of Landlord's interest in the Premises or any part of the larger structure.

17.18 **Recording of Lease Prohibited.** Tenant shall not record this Lease, or any memorandum thereof, in the public real estate records.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date and year first above written.

LANDLORD:
CITY OF REDMOND

By: _____
John Marchione, Mayor

ATTEST/AUTHENTICATED:

_____
Michelle M. McGehee, City Clerk

APPROVED AS TO FORM:

_____
James E. Haney, City Attorney

TENANT:

By: _____

Date: _____

By: _____

Date: _____

EXHIBIT A

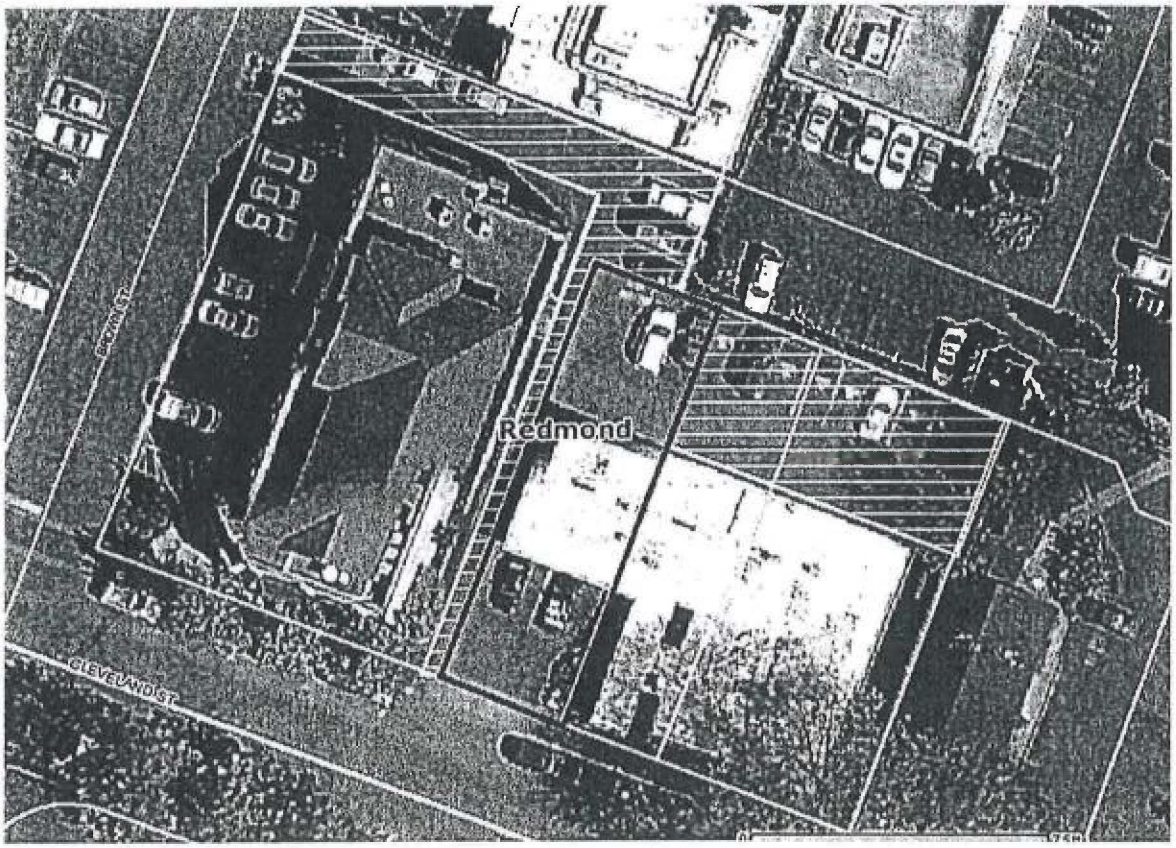


EXHIBIT B

PREMISES

LEGAL DESCRIPTION

The westerly 21 feet of Lot 2; TOGETHER WITH the easterly 12 feet of Lot 3, Block 4, Sike's Second Addition to the Town of Redmond, according to the plat thereof recorded in Volume 14 of Plats, page 4, in King County, Washington;

TOGETHER WITH an undivided ¼ interest in the westerly 4 feet of the easterly 16 feet of Lot 3, the northerly 15 feet of the southerly 30 feet of Lots 5 and 6, and the southerly 30 feet of the westerly 35 feet of Lot 7 in said Block 4;
EXCEPT the westerly 6 feet of the southerly 15 feet of said Lot 7.

EXHIBIT C

EMERGENCY CONTACT INFORMATION

For general property issues and building emergencies ***during business hours of a week day*** call:

CITY OF REDMOND PARKS – OPERATIONS
425-556-2318

CITY OF REDMOND PARKS – ADMINISTRATION
425-556-2311

For building emergencies ***after normal week day hours*** call:

CITY OF REDMOND POLICE DISPATCH
425-556-2503

(Reference City of Redmond owned 16205 NE Redmond Way)

EXHIBIT D

LANDLORD'S RULES

(1) **Trash and Pest Control.** All garbage, refuse, trash and other waste shall be kept in a container for collection in the manner appropriate for the Premise. Tenant shall use, at Tenant's cost, such pest and rodent extermination contractor as Landlord may direct and at such intervals as Landlord may require.

(2) **Signs.** Tenant shall not place any additional signage or other thing of any kind outside the Premises (including without limitation, exterior walls and roof) except upon Landlord's prior written approval. All Tenant's signs shall be professionally designed, prepared and installed and in good taste so as not to detract from the general appearance of the Premise. Tenant agrees that its signage must comply with applicable governmental requirements.

(3) **Plumbing Equipment.** The toilet rooms, urinals, wash bowls, drains and sewers and other plumbing fixtures, equipment and lines shall not be misused or used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein.

(4) **Locks and Keys.** Upon termination of the Lease or Tenant's right to possession, Tenant shall: (i) return to Landlord all keys, parking stickers or cards, and in the event of loss of any such items shall pay Landlord therefore, and (ii) advise Landlord as to the combination of any vaults or locks that Landlord permits to remain in the Premises.

(5) **Going-Out-Of-Business Sales and Auctions.** Tenant shall not use, or permit any other party to use, the Premises for any distress, fire, bankruptcy, closeout, "lost our lease" or going-out-of-business sale or auction without prior written approval from Landlord; such approval shall not be unreasonably withheld. Tenant shall also obtain written approval, and any local agency signage permits, prior to displaying any signs advertising the foregoing anywhere in or about the Premises. This rule shall also apply to Tenant's creditors.

TERMINATION OF LEASE

CITY OF REDMOND (Landlord) and _____, d/b/a _____, for and in consideration of a new lease between the Landlord and _____ dated _____ ____, 2012, hereby terminate any and all interests and obligations that were granted, assigned, transferred and/or set over to the Landlord upon acquisition of the Premises.

By: _____ Date: _____

CITY OF REDMOND

By: _____ Date: _____

Its: _____

CITY OF REDMOND

EXHIBIT 2

CityofRedmond
WASHINGTON

October 10, 2012

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

RE: Redmond's Downtown Central Park
Vacate Notice

Dear Dr. Brunsman:

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

CITY OF REDMOND

EXHIBIT 3

— not delivered 5/29/13

CityofRedmond
WASHINGTON

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,

DLWilson

Debby Wilson
Real Property Manager
425-556-2715

c: S. Reinhart

15670 NE 85th Street • PO Box 97010 • Redmond, WA 98073-9710

CITY OF REDMOND

EXHIBIT 4

Aldrich + Associates

Jonathan Fast
President

jfast@aldrich-assoc.com

810 240th St Se Bothell WA 98021
T 425.483.1313 F 425.486.1010
M 206.660.2187

www.aldrich-assoc.com

THE WAGER GROUP INC

MICHAEL R. WAGER

ARCHITECTURE
MEDICAL FACILITY PLANNING
INTERIOR ARCHITECTURE

COMMERCE BUILDING
950 PACIFIC AVENUE
SUITE 207
TACOMA, WA 98402
PH 253-460-0276 FX 253-272-2640

TheWagerGroup@msn.com

5/29/13 Mtg.

Dr. Brunsman
Martyn Daniel
Debby Wilson
Jonathan Fast
Michael Wager

See attached handouts

E = EXISTING
N = NEW
RF = REPLACES EXISTING FUNCTION

FCA Ambulatory Surgical Facility
Suggested Equipment & Furnishings w/ 2 OR SUITES

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 —
	Artwork	2	$1,050	$2,100		O E
		Total		$6,461	$6,461	
Reception Area Business Office	Task Chairs	2	$180	$360		M E
	Printer	2	$500	$1,000		M E
	FAX / Copier Move out $300	1	$600	$600		M E
	File Cabinet undercounter ok.	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 Chairs	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	$316	$316		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		
	Microwave	1	$179	$179		E N RF
	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		N/A
	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		N/A
	Dressing room stool	2	$23	$45		
		Total		$140	$140	
Pre-Op/ Post-Op/ Cryl Stepdown Areas 1	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 N RF
	Wheelchair w /leg rest	1	$379	$379		M E
	Stethoscopes	5	$36	$180		O —
	Stretcher beds with IV stand, hydraulic, Irondelenberg	7	$3,714	$25,998		M N RF
	Portable suction unit (Shuco) for crash cart	1	$288	$288		O E
	EKG /BP monitors w/ pulse oximeter capabilities ok.	3	$3,600	$10,800		O E
	BP monitors w/pulse oximeter capabilities	2	$2,500	$5,000		O E
	Step stool, non-skid, 12.5" x 16.5" x 9.25"	2	$20	$40		M E
	Step-Down Recliners	3	$625	$1,875		M E
	Rolling stools	2	$104	$208		M E
	Tympanic Thermometers	3	$130	$390		O —

FCA-ASF

		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	
		Side Chairs	8	$169	$1,352	
		Scale	1	$350	$350	
		Ice Machine	1	$720	$720	
		O2 flow meters	6	$100	$600	
		Suction regulators	6	$280	$2,080	
		Total			$61,068	$61,868
	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	
	1	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	$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	$1,415	$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 X-RAY	1	$5,998	$5,998	
		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			$81,726	$81,726
	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	
		Computer & Networking	10	$2,200	$22,000	
		Phone System	16	$1,000	$16,000	
		Facility Alarm System	1	$800	$800	
	1	Expeditor Nurse call system	1	$12,455	$12,455	
		Total			$81,336	$81,336
	GRAND TOTALS	Total				$294,488
		Contingency (inc shipping/install)		10.00%		$29,449
		WA State Sales Tax		9.60%		$27,976
		Grand Total				$351,913

FCA-ASF

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): 6,190

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.	6,190	SF	1,237,625	199.94	1,492,125	240.82	ROUGH ORDER OF COST
	TENANT IMPROVEMENTS	1,006	SF	110,460	19.26	144,619	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	49,905	7.96	59,885	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	1,962,660	316.99	
	BLDRS. RISK RATE			BY OWNER		BY OWNER		BY OWNER
	P & P BOND			EXCLUDED		EXCLUDED		EXCLUDED
2.00%	MISC. INSUR. & TAXES			32,875	5.31	39,253	6.40	
	SUBTOTAL			1,676,632	270.60	2,022,312	326.39	
6.00%	FEE			100,599	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.

010 - 240th Street SE
Bothell, WA 98021

425-483-1313 p
425-486-1016 f

Lic. No. AL-DR-IA*202RU
Predictable Results... Every Time.

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): 6,106

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.	5,100	SF	1,232,625	198.04	1,402,125	240.82	ROUGH ORDER OF COST
	TENANT IMPROVEMENTS	1,006	SF	110,403	19.28	144,613	23.34	ROUGH ORDER OF COST
16000	MECHANICAL							
	MEDICAL GAS, VAC, O2	1	ALW	114,000	18.40	138,000	22.27	ROUGH ORDER OF COST
	VAV BOX/FILTRATION PREMIUMS	6,100	SF	49,305	7.96	59,605	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	3,600	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			1,043,757	266.29	1,982,858	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.

610 - 240th Street SE
Bothell, WA 98021

425-483-1313 p
425-486-1016 f

Lic. No. AL-DR-IA*202RU
Predictable Results... Every Time.

Dr. John H. Brunsman, 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

RED0031

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

RED0032

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)

RED0033

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.

RED0034

CITY OF REDMOND

EXHIBIT 5

Debby Wilson

From: Martyn Daniel <Martyn@MartynDanielLLC.com>
Sent: Tuesday, June 04, 2013 4:45 PM
To: Debby Wilson; sreinhart@ufsrw.com
Subject: Dr. Brunsman

Debby and Steve,

I want to follow up with you to see if there is any information you may need from Dr. Brunsman 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. Brunsman'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. Brunsman?

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

CITY OF REDMOND

EXHIBIT 6

To Mayor Eral

Home is the key. As requested I updated on July 30.

Request for Assistance

From: **Michelle Love** (mlovevfwvso@outlook.com) You moved this message to location.
Sent: Fri 8/02/13 6:05 PM
To: mayor@redmond.gov (mayor@redmond.gov)
Cc: zourk@msn.com (zourk@msn.com)

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 Brunsman, the owner of Foot Care Associates Ambulatory Surgical Facility in Redmond, WA. Dr. Brunsman 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. Brunsman 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. Brunsman.

On behalf of the veteran, I respectfully request that the city provide sufficient funds to allow Dr. Brunsman 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,

RECEIVED
AUG 29 2013
MAYOR'S OFFICE
CITY OF REDMOND

Michelle Love

Commander, VFW Post 91

Box 2032

Redmond

98073

7013 0600 0000 8458 4950

SEATTLE WA 980

27 AUG

USA

$.60 USA

ARLINGTON GREEN BRIDGE

Mayor Marchione

Dos Wilson

Red City Hall

15670 NE 85th

Redmond WA

98052

9C

SB052358070

CITY OF REDMOND

EXHIBIT 7

COPY

UNIVERSAL
FIELD SERVICES, INC.

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. Brunsman

Re: Relocation of Redmond FCA, P.C.

Dear Dr. Brunsman:

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 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. Brunsman

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

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 lock 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.	$2,500
13. Other moving related expenses that are not listed as ineligible as determined by the Agency to be reasonable and necessary.	$_____
Total	$74,320

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.	Replacement in Kind	695 SF x $286.84 = $199,354
2.	Replacement in Function	3,258 SF x $286.84 = $934,525
3.	Replacement as Betterment	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

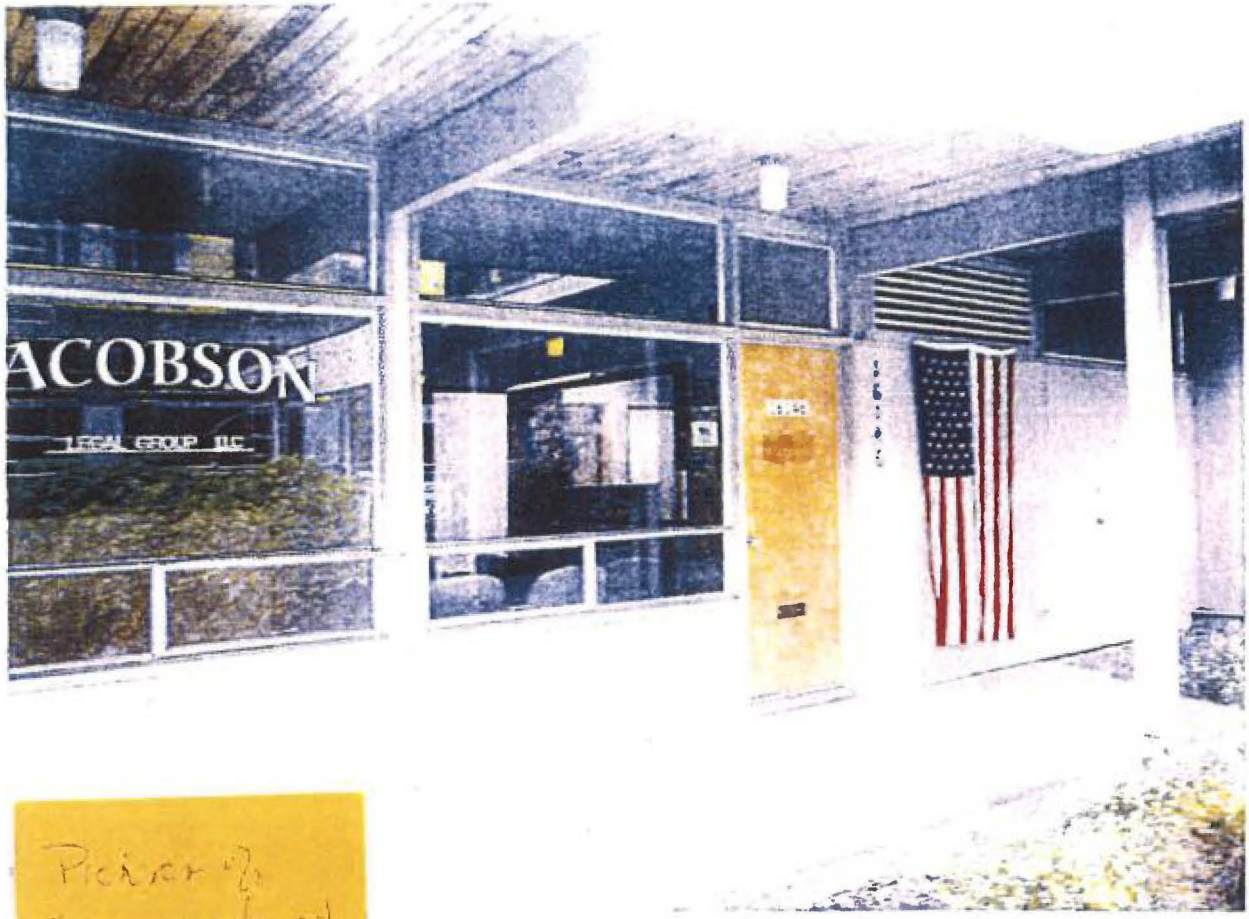
1.	Exam Rooms 1 & 2	48 SF x $286.84 per SF = $13,768
2.	Closet	12 SF x $286.84 per SF = $ 3,442
3.	Doctor's office	49 SF x $286.84 per SF = $14,055
4.	Business office	57 SF x $286.84 per SF = $16,350
5.	Reception	24 SF x $286.84 per SF = $ 6,884
6.	Recovery Rooms	162 SF x $286.84 per SF = $46,468
	Total Clinic Area TI as eligible Moving & Related Expenses	$100,967

Surgical Area

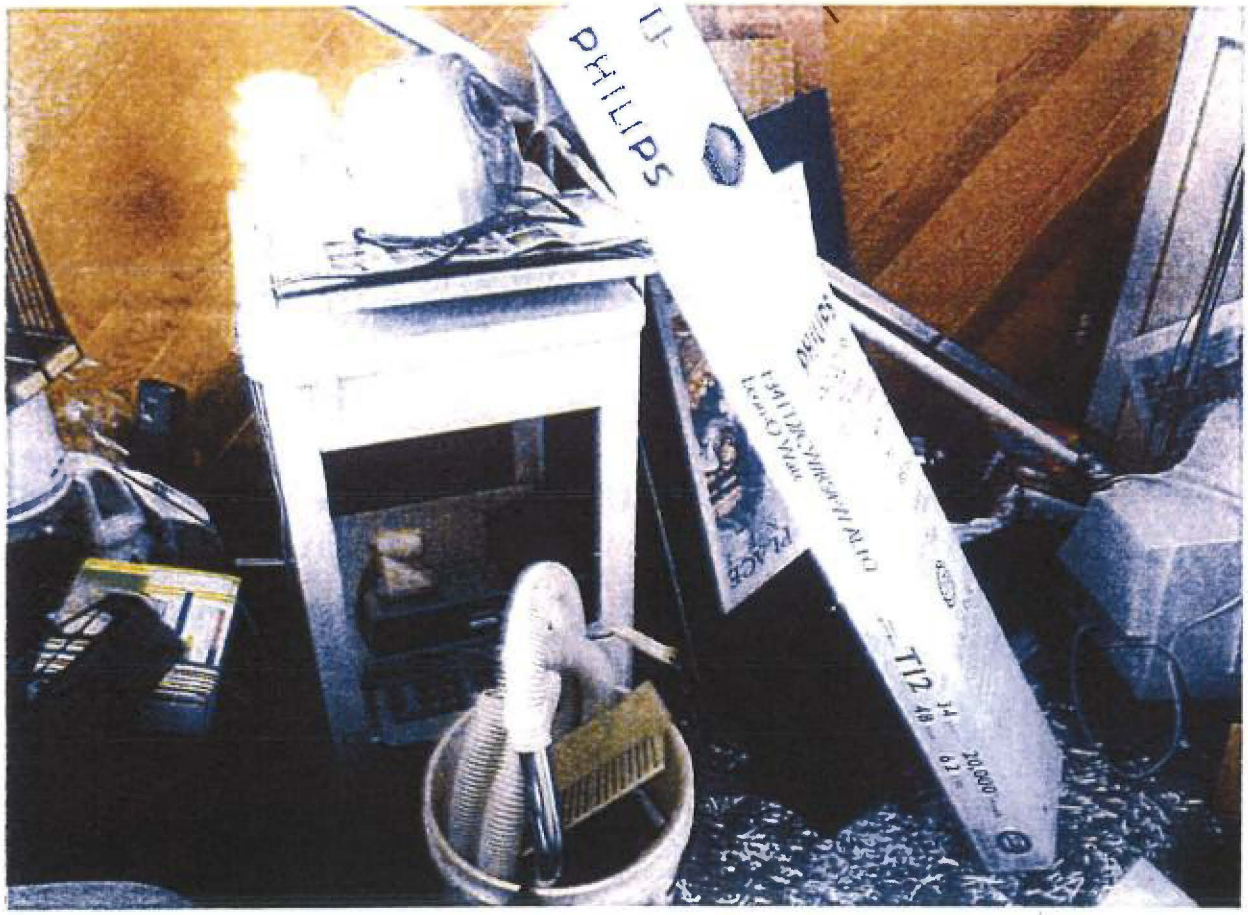
1.	Operating Rooms 1 & 2	900 SF x $286.84 per SF = $258,156
2.	Clean Utility Room	96 SF x $286.84 per SF = $ 27,537
3.	Medical Gas Room	72 SF x $286.84 per SF = $ 20,652
4.	Decontamination Room	126 SF x $286.84 per SF = $ 36,142
	Total Surgical Area TI as eligible Moving & Related Expenses	$342,487
	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%	$ 44,441
		$512,240

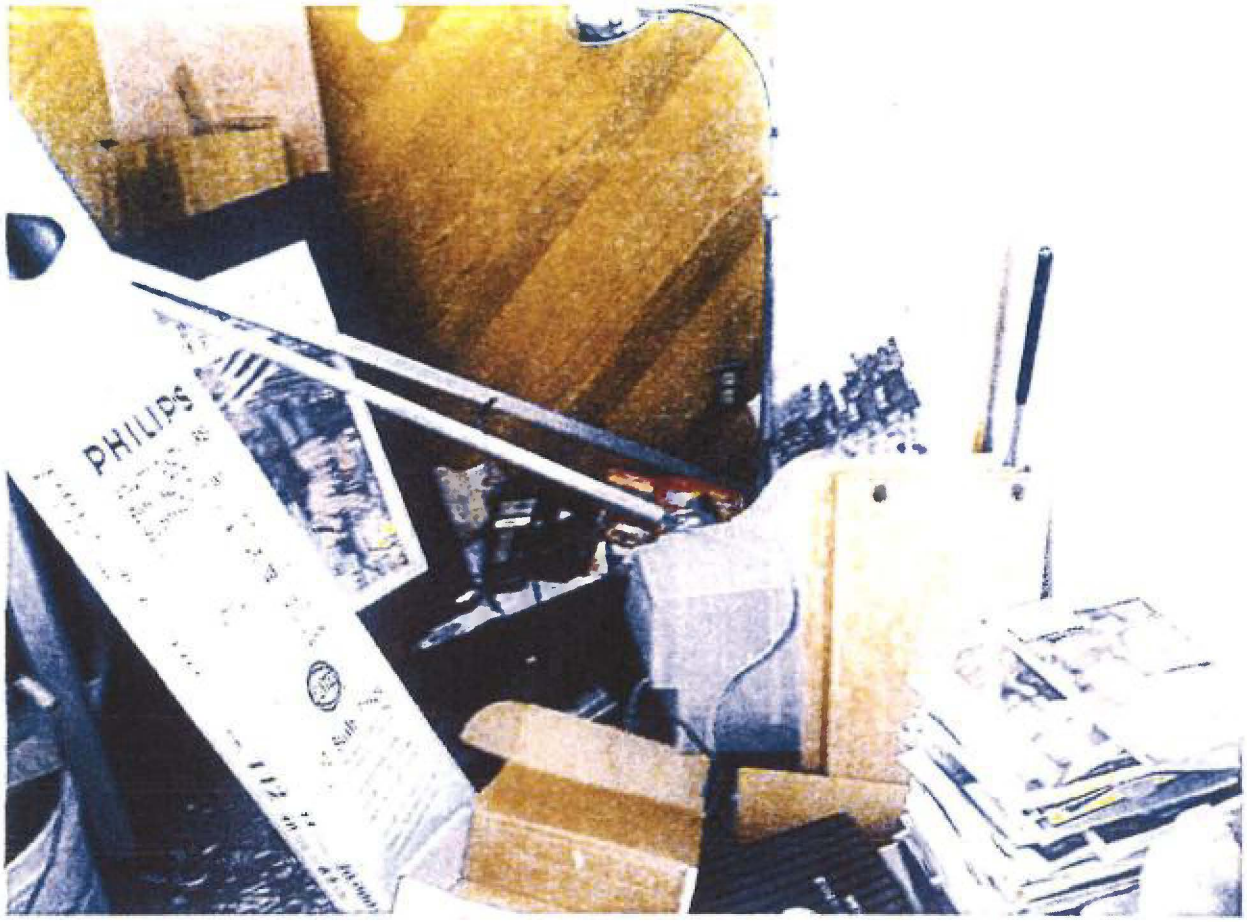
CITY OF REDMOND

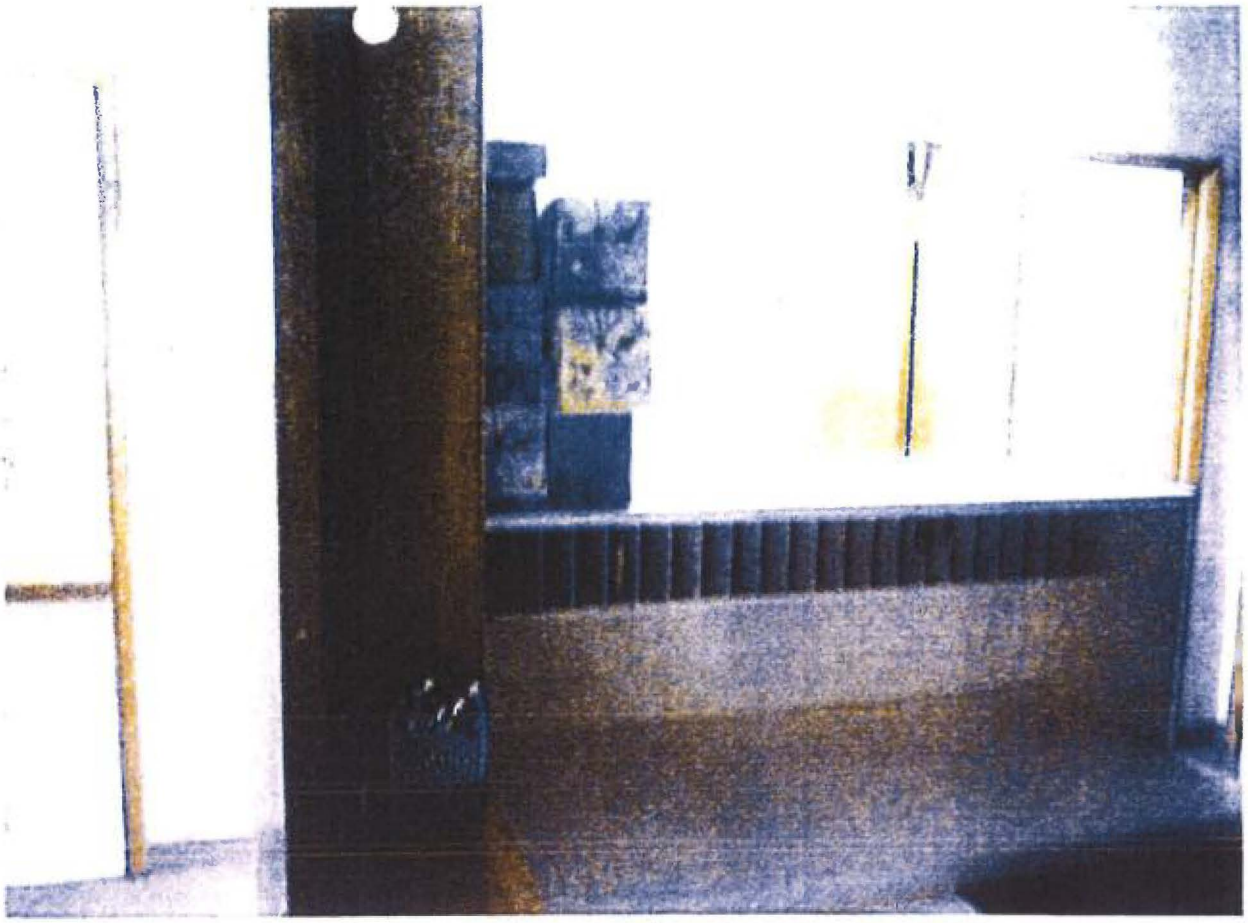
EXHIBIT 8

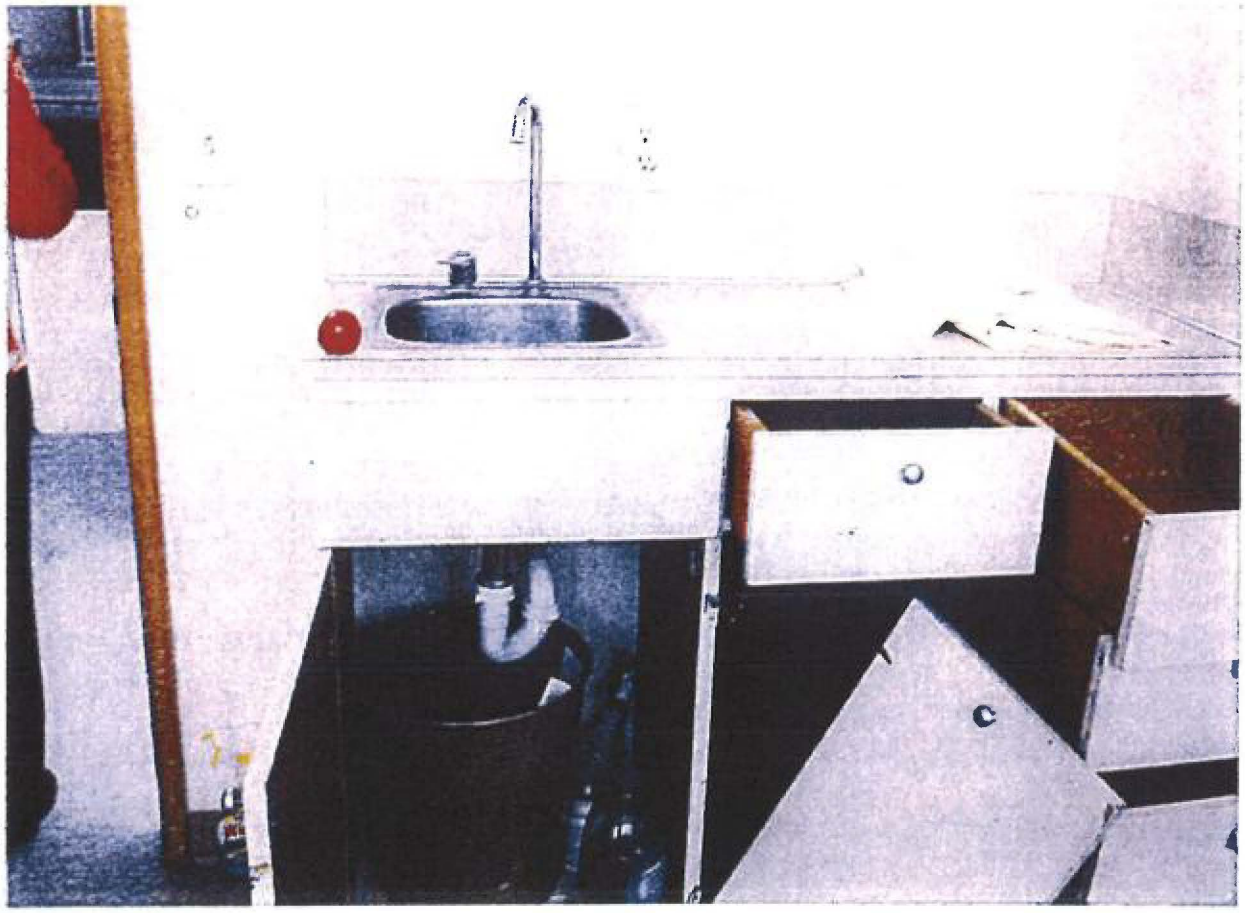


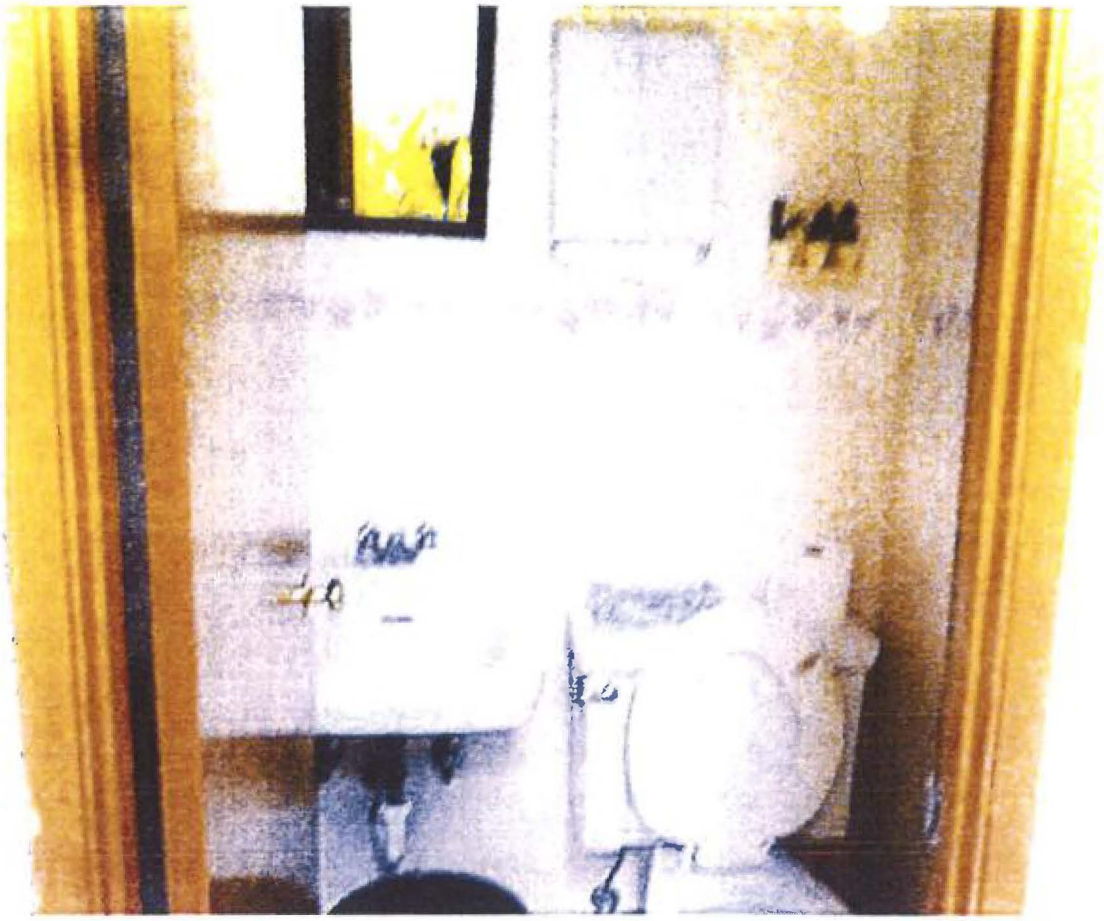
Picture of
Space as found
day key
arrived

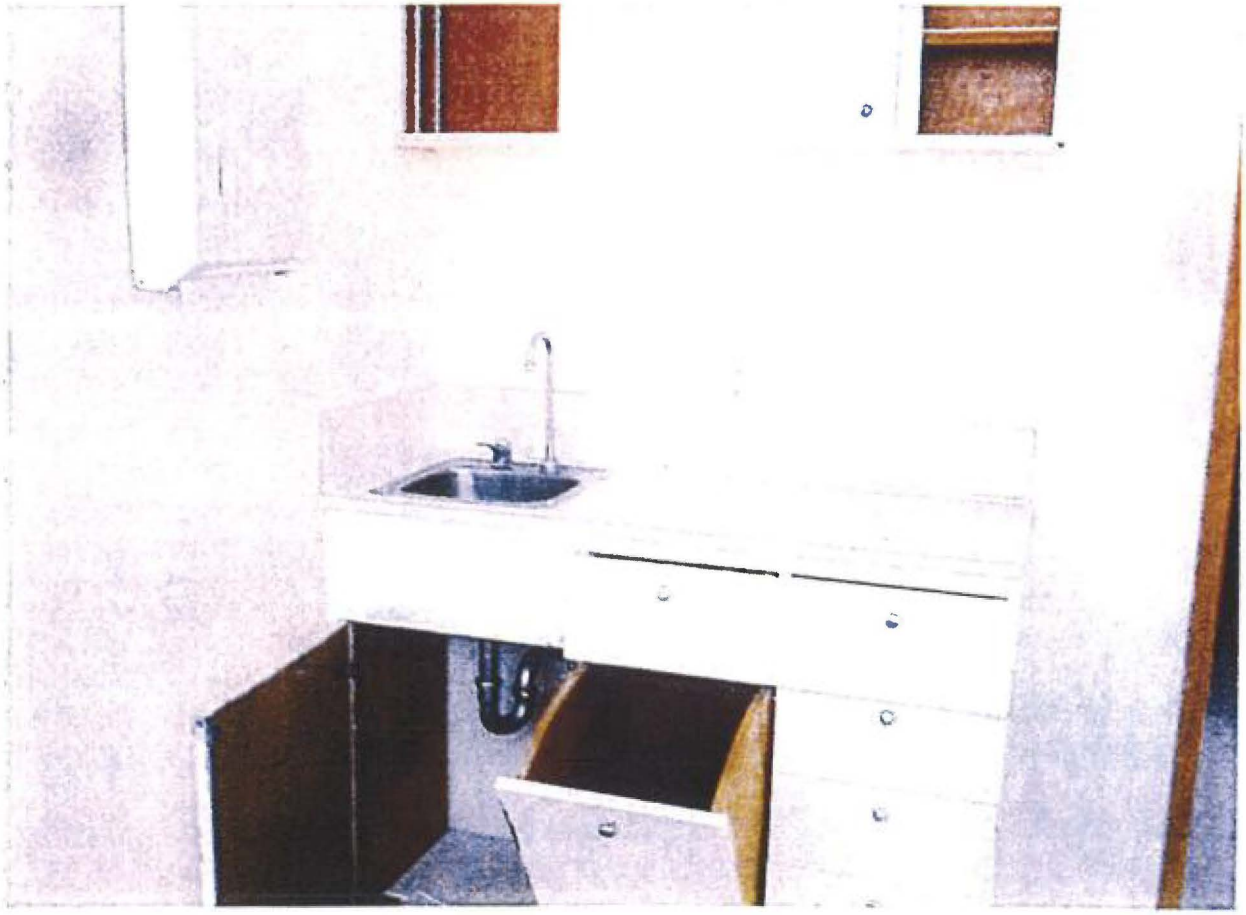

PHILIPS
T12

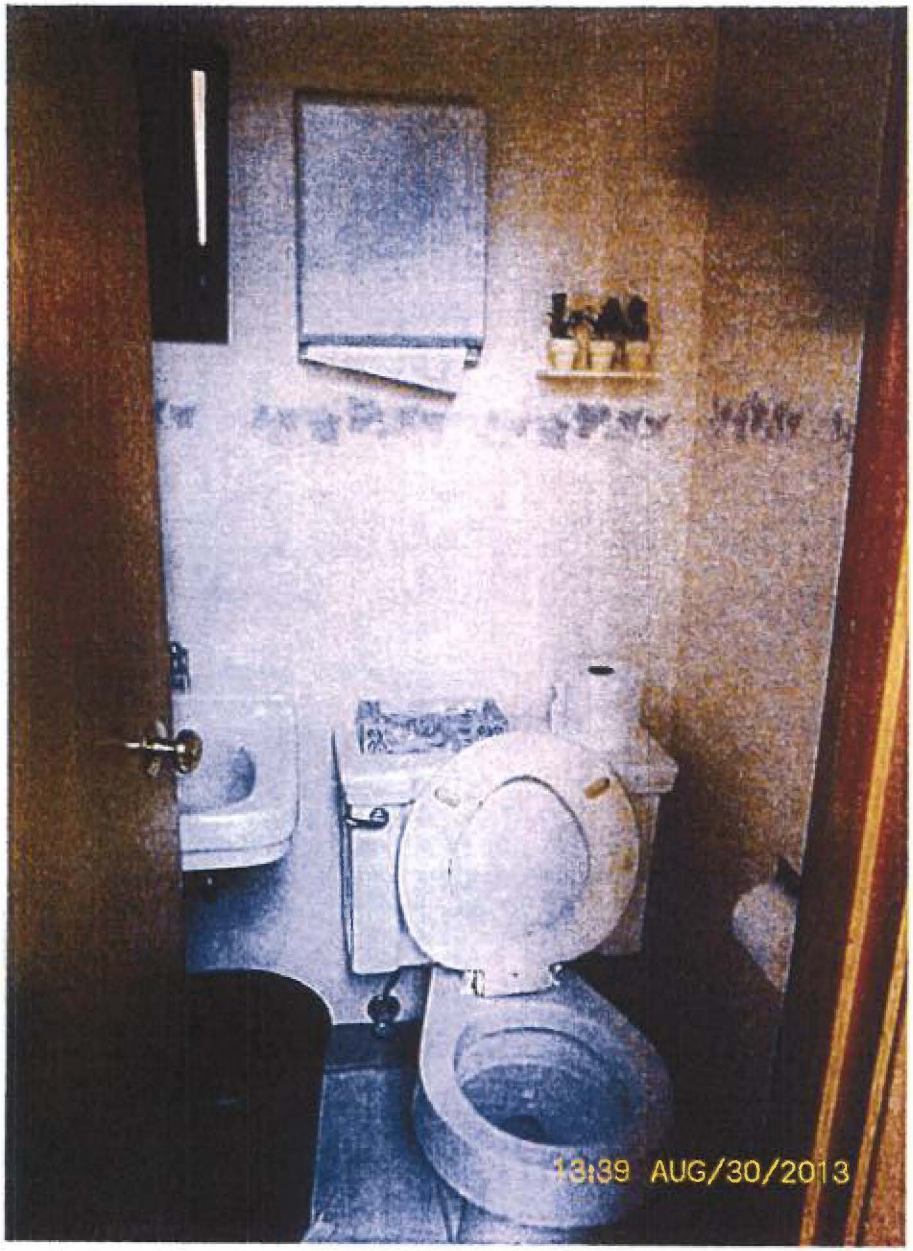

PHILIPS

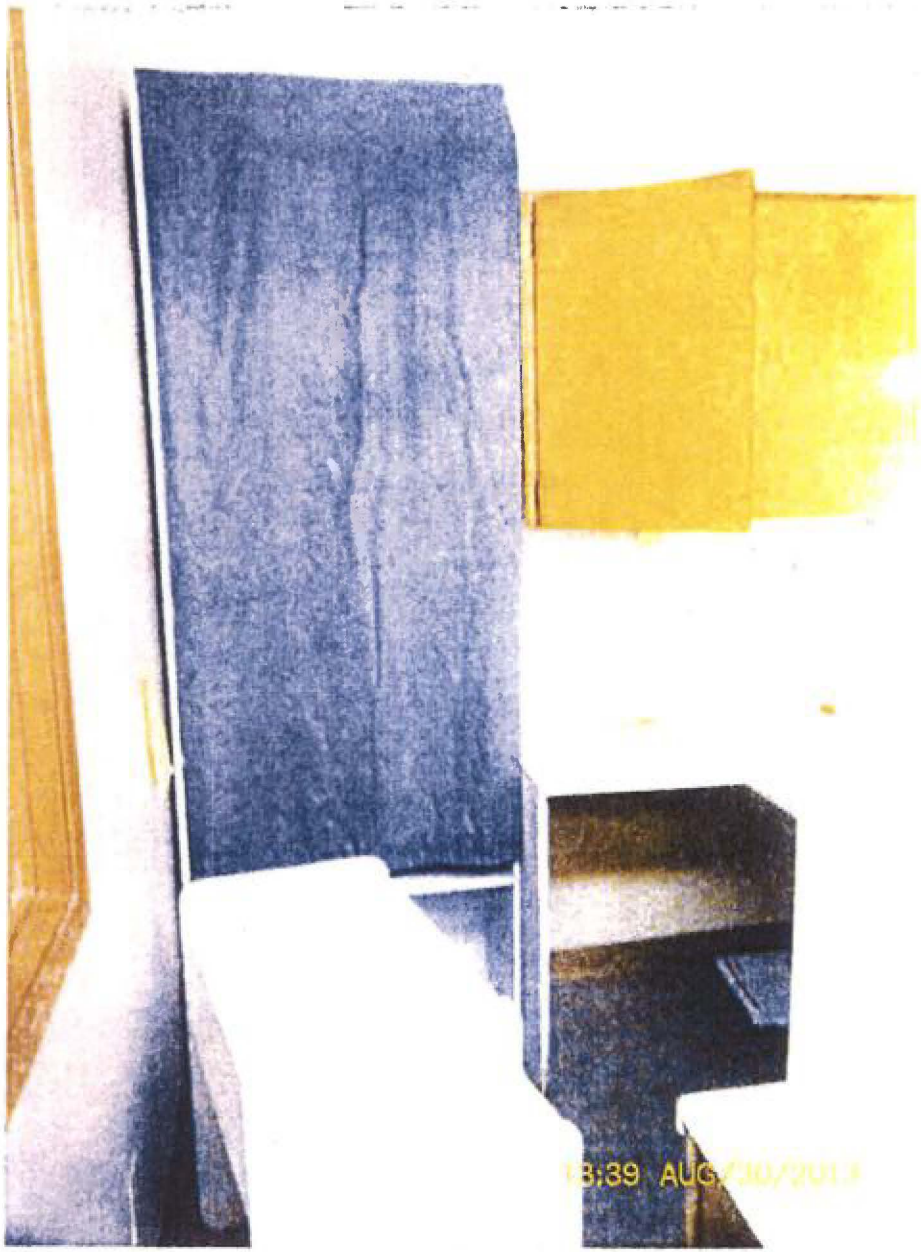


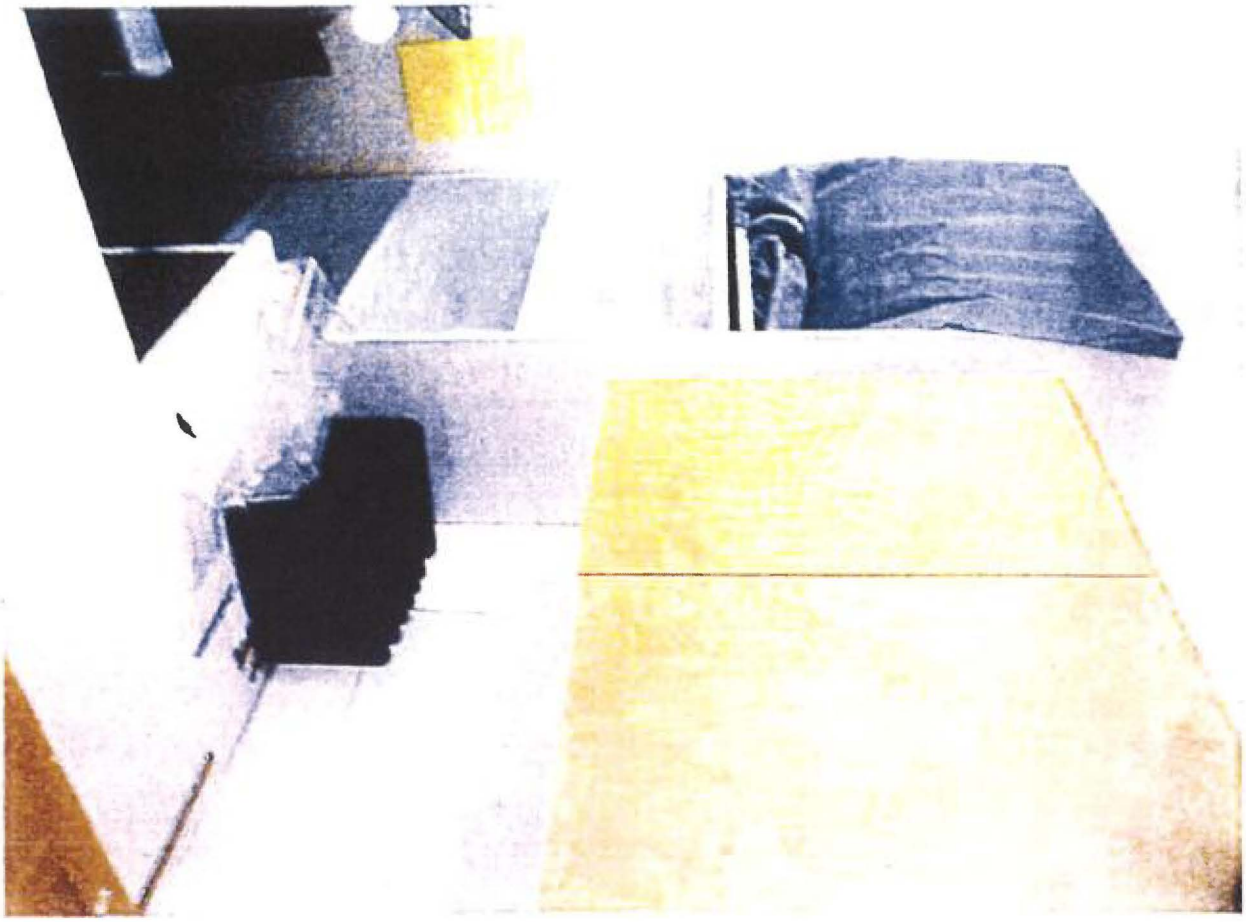


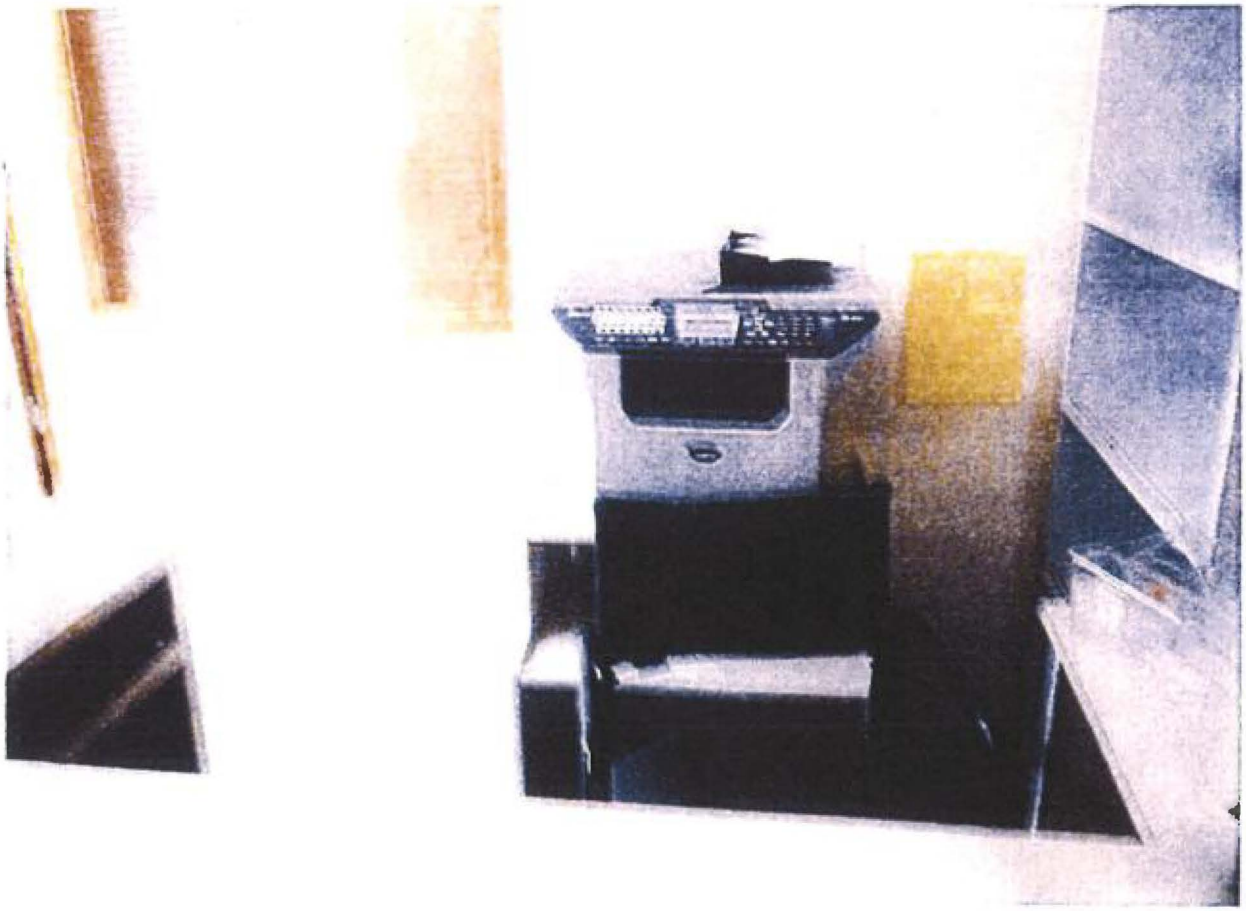


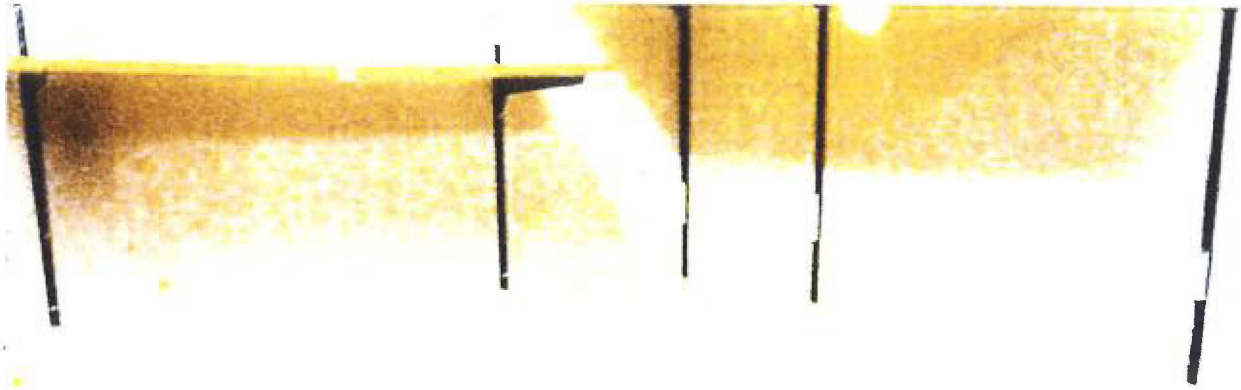


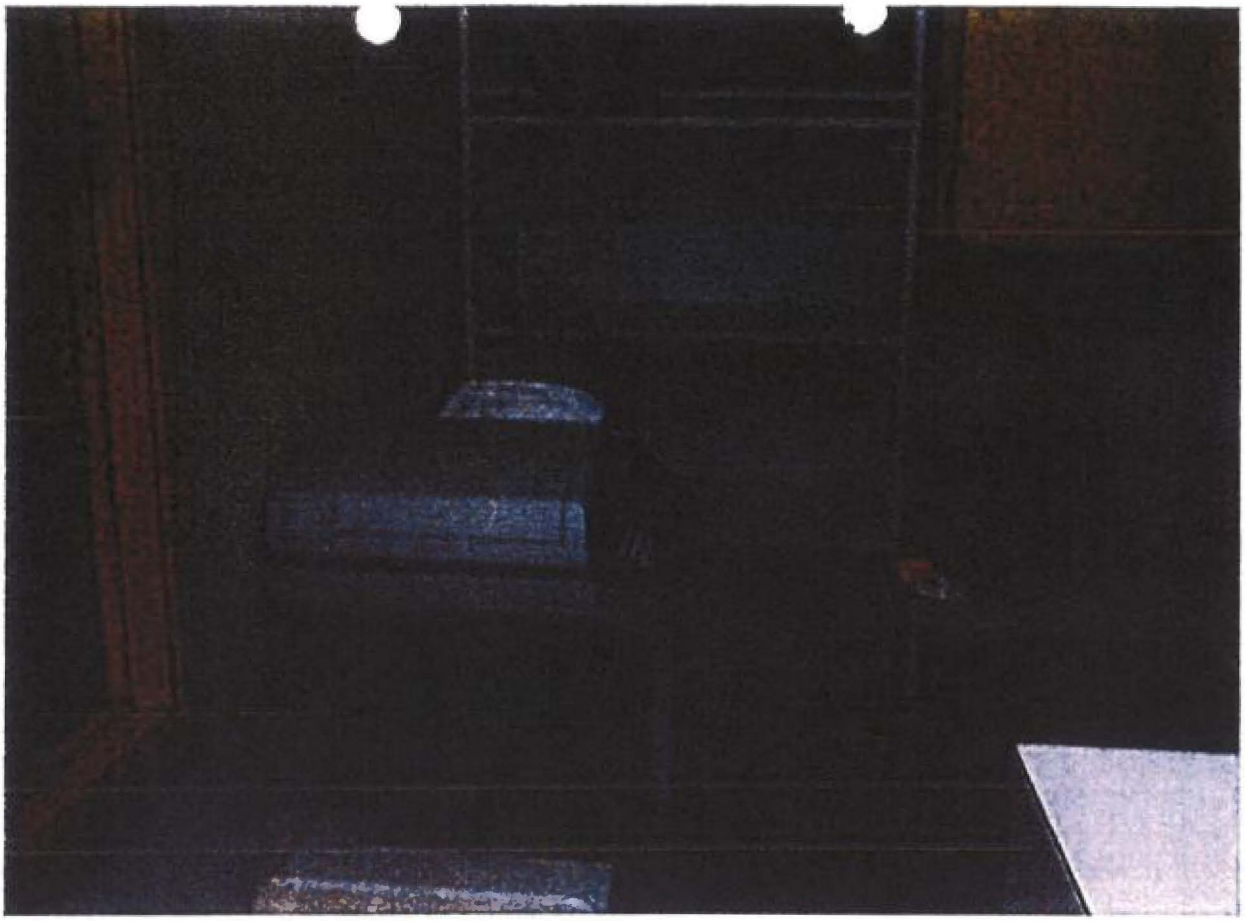

13:39 AUG/30/2013

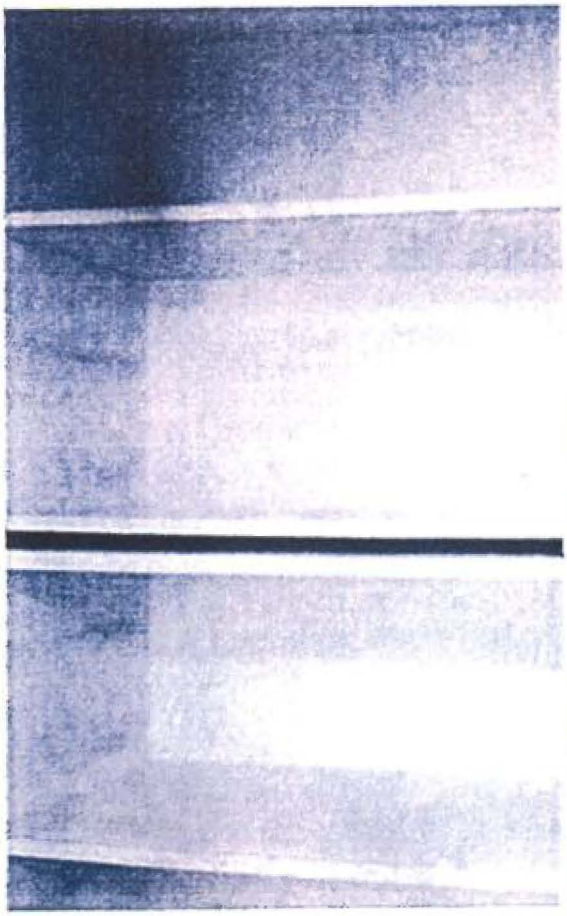

13:39 AUG/30/2013











CITY OF REDMOND

EXHIBIT 9

CityofRedmond
WASHINGTON

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

CITY OF REDMOND

EXHIBIT 10

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. Brunsman;
2. Dr. Brunsman timely submitted a claim to Redmond and the City did review that

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

claim;

3. The City did not properly notify Dr. Brunsman 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. Brunsman 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. Brunsman, 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. Brunsman's claims in compliance with the applicable statutes and regulations;
2. The trial date shall be stricken;
3. Dr. Brunsman'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

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

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

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

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=="

CITY OF REDMOND

EXHIBIT 11

Aaron Riensche

From: Stacy Goodman <stacy@carsonnoel.com>
Sent: Tuesday, March 21, 2017 12:58 PM
To: Aaron Riensche
Cc: Todd W. Wyatt
Subject: Brunsman v. City of Redmond

Hi Aaron,

I wanted to let you know that we are reviewing the numbers in Dr. Brunsman's claim to determine if updates are needed and will get back to you within 30 days.

Thanks,
Stacy

Stacy Goodman
ATTORNEY

CARSON NOEL

20 Sixth Avenue NE, Issaquah, WA 98027
P 425-837-4717 ext. 102 **F** 425-837-5396
www.carsonnoel.com

CITY OF REDMOND

EXHIBIT 12

Redmond
WASHINGTON

March 23, 2017

US MAIL CERTIFIED RETURN RECEIPT 70132250000014527289
US MAIL CERTIFIED RETURN RECEIPT 70112000000218550945

Dr. John Brunsman / Redmond Foot Care Associates
PO Box 2032
Redmond, WA 98073

Dr. John Brunsman / 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. Brunsman,

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

{APR1560784.DOCX;1/00020.050347/ }

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.

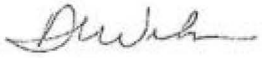
Cost Estimates. If you would like to have estimates or bids considered, it is requested you submit no less than two estimates for each item or activity and any supporting documentation provided by the vendors. The City's records reflect that on May 29, 2013 it was provided copies of three spreadsheet 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.

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

{APR1560784.DOCX;1/00020.050347/ }

CITY OF REDMOND

EXHIBIT 13

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

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

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. Brunsman timely submitted a claim to Redmond and the City did review that claim;
> 3. The City did not properly notify Dr. Brunsman 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. Brunsman 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. Brunsman's claims in compliance with the applicable statutes and regulations."

In short, there is no "if" involved at all: *Dr. Brunsman has already submitted a claim.* It is the City's duty to process the claim already filed by Dr. Brunsman, in accordance with the law. Instead, however, the City has set an arbitrary deadline—May 1, 2017—for Dr. Brunsman 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. Brunsman'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. Brunsman 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. Brunsman 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. Brunsman'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. Brunsman 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. Brunsman 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. Brunsman Is Entitled to No Less than $640,000; It Cannot Revoke That Conclusion.

The City did already process part of Dr. Brunsman's claim, finding that Dr. Brunsman was entitled to $640,000, which amount was then offered to him. Dr. Brunsman 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. Brunsman 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. Brunsman 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. Brunsman is entitled to no less than $640,000, and pay that amount to Dr. Brunsman immediately.

In conclusion, Dr. Brunsman submits the enclosed updated claim, which reflects increased construction costs over the past four years. Dr. Brunsman 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. Brunsman 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

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										
				[redacted]	Q4 - 2013	Q2 - 2014	Q4 - 2014	Q2 - 2015	Q4 - 2015	Q2 - 2016	Q4 - 2016	Q1 - 2017	Q4 - 2017
CSI			INDEX	[redacted]	107	109	112	113	116	117	118	119	124
DIVISION	DESCRIPTION	QTY	UNIT	[redacted]	101.90%	101.87%	102.75%	100.89%	102.65%	100.86%	100.85%	100.80%	104.50%
	ASC	5,190	SF	[redacted]	1,256,104	1,279,582	1,314,800	1,326,539	1,362,757	1,373,496	1,385,236	1,396,318	1,459,152
	TENANT IMPROVEMENTS	1,006	SF	[redacted]	121,738	124,014	127,427	128,565	131,978	133,116	134,254	135,328	141,417
15000	MECHANICAL												
	IMEDICAL GAS, VAC O2	1	ALW	[redacted]	116,171	118,343	121,600	122,686	125,943	127,029	128,114	129,139	134,950
	VAX BOX/FILTRATION PREMIUMS	5,190	SF	[redacted]	50,244	51,183	52,592	53,062	54,470	54,940	55,409	55,853	58,366
16000	ELECTRICAL GENERATOR	1	LT	[redacted]	48,405	49,310	50,667	51,119	52,476	52,929	53,381	53,858	56,225
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	[redacted]	9,681	9,862	10,133	10,224	10,495	10,586	10,676	10,762	11,246
	NATURAL GAS PIPING	1	ALW	[redacted]	3,872	3,945	4,053	4,090	4,198	4,234	4,270	4,305	4,498
	ROOF PATCH / FLASHINGS	1	ALW	[redacted]	2,904	2,959	3,040	3,067	3,149	3,176	3,203	3,228	3,374
	SUBTOTAL			[redacted]	1,675,067	1,706,375	1,753,341	1,768,996	1,815,980	1,831,615	1,847,270	1,862,048	1,945,840
	BLDRS RISK RATE			[redacted]	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER
	P&P BOND			[redacted]	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED
2.00%	MISC INSURANCE & TAXES			[redacted]	33,501	34,127	35,067	35,380	36,319	36,632	36,945	37,241	38,917
	SUBTOTAL			[redacted]	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			[redacted]	102,514	104,430	107,305	108,263	111,137	112,095	113,053	113,957	119,085
	BUDGET TOTAL			[redacted]	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										
				[redacted]	Q4 - 2013	Q2 - 2014	Q4 - 2014	Q2 - 2015	Q4 - 2015	Q2 - 2016	Q4 - 2016	Q1 - 2017	Q4 - 2017
CSI			INDEX	[redacted]	107	109	112	113	116	117	118	119	124
DIVISION	DESCRIPTION	QTY	UNIT	[redacted]	101.90%	101.87%	102.75%	100.89%	102.65%	100.86%	100.85%	100.80%	104.50%
	ASC	5,190	SF	[redacted]	1,520,546	1,548,968	1,591,600	1,605,811	1,648,443	1,662,654	1,676,864	1,690,279	1,766,342
	TENANT IMPROVEMENTS	1,006	SF	[redacted]	147,368	150,122	154,254	155,631	159,763	161,140	162,517	163,818	171,189
15000	MECHANICAL												
	IMEDICAL GAS, VAC O2	1	ALW	[redacted]	140,629	143,257	147,200	148,514	152,457	153,771	155,086	156,326	163,361
	VAX BOX/FILTRATION PREMIUMS	5,190	SF	[redacted]	60,822	61,959	63,664	64,232	65,938	66,506	67,075	67,611	70,654
16000	ELECTRICAL GENERATOR	1	LT	[redacted]	58,595	59,696	61,339	61,881	63,524	64,071	64,619	65,136	68,067
	STRUCTURAL IMPVTS/ISOLATION	1	ALW	[redacted]	11,719	11,938	12,267	12,376	12,705	12,814	12,924	13,027	13,613
	NATURAL GAS PIPING	1	ALW	[redacted]	4,688	4,775	4,907	4,950	5,082	5,126	5,170	5,211	5,445
	ROOF PATCH / FLASHINGS	1	ALW	[redacted]	3,516	3,581	3,680	3,713	3,811	3,844	3,877	3,908	4,084
	SUBTOTAL			[redacted]	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			[redacted]	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER	BY OWNER
	P&P BOND			[redacted]	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED	EXCLUDED
2.00%	MISC INSURANCE & TAXES			[redacted]	40,317	41,070	42,201	42,577	43,708	44,084	44,461	44,817	46,834
	SUBTOTAL			[redacted]	2,060,832	2,099,351	2,157,133	2,176,393	2,234,173	2,253,433	2,272,693	2,290,875	2,393,864
6.00%	FEE			[redacted]	123,650	125,961	129,428	130,584	134,051	135,206	136,362	137,453	143,638
	BUDGET TOTAL			[redacted]	2,459,625	2,505,600	2,574,561	2,597,548	2,666,510	2,689,497	2,712,484	2,734,184	2,857,222

Construction Cost Index (January 2009 = 100)

CITY OF REDMOND

EXHIBIT 14

OGDEN MURPHY WALLACE
ATTORNEYS

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. RIENSCHE
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/Brunsman/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. Brunsman'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. Brunsman in May 2013, in accordance with the court order. The deadline of May 1, 2017 was for Dr. Brunsman to submit any supplemental information.

The City disagrees with your suggestion that setting a deadline for supplementing Dr. Brunsman's claim was somehow not in compliance with the applicable law. Under WAC 468-100-207(4)(a)(i), Dr. Brunsman'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. Brunsman 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. Brunsman would be providing any updates within thirty days. As such, the City gave Dr. Brunsman an extra eleven days beyond what his legal counsel represented that he needed.

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. Brunsman 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. Brunsman 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. Brunsman's moving expenses are compensable. *See* WAC 468-100-301(7). Dr. Brunsman 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. Brunsman's moving costs at $74,320. That estimate, however, assumed that Dr. Brunsman would be moving all of his existing equipment and furniture to a new location. That did not happen. Instead, Dr. Brunsman left equipment and furniture in the premises when he vacated. Rather than Dr. Brunsman 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. Brunsman 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. Brunsman 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.

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. Brunsman 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. Brunsman 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. Brunsman 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. Brunsman is not entitled to reimbursement for these costs. However, if Dr. Brunsman 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. Brunsman would be eligible for greater benefits if he operated more than one business at the affected site. Although Dr. Brunsman 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. Brunsman's reestablishment expenses are reasonable and necessary. None of that additional information has been provided. Further, Dr. Brunsman 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. Brunsman's reestablishment expenses will exceed the maximum amount set forth in WAC 468-100-306. Therefore, rather than require Dr. Brunsman to gather additional information, the City will approve payment of

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. Brunsman can establish that he operated more than one business at the affected site (see above).

We look forward to receiving any additional information Dr. Brunsman 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

{APR1592867.DOCX;2/00020.050347/ }

CITY OF REDMOND

EXHIBIT 15

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

CARSON | NOEL PLLC

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/Brunsman/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. Brunsman we requested a copy of any City policies (formal or informal) under which the City is operating to process Dr. Brunsman's claim. We have not received anything. Please provide that to us at your first opportunity.

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

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. Brunsman. 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. Brunsman 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. Brunsman 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. Brunsman was due. That will provide sufficient funds for Dr. Brunsman 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. Brunsman's moving expenses would total approximately $74,320. Instead of providing those funds, however, the City conditioned the receipt of any funds on Dr. Brunsman's agreement to release claims against the City. This "condition" for payment violated Washington law. *See* WAC 468-100-206. Dr. Brunsman 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. Brunsman's business. Because the City refused to pay—and because Dr. Brunsman 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. Brunsman 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. Brunsman 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. Brunsman 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.

Brunsman 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

June 20, ~~2010~~ 2013 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

ARCHITECTURE

MEDICAL FACILITY PLANNING

INTERIOR ARCHITECTURE

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.

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
950 PACIFIC AVENUE
SUITE 207
TACOMA, WASHINGTON 98402
PH 253-460-0276 FX 253-272-2640

November 06, 2016 PAST DUE

(LAST INVOICE JEAT)

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

ARCHITECTURE

MEDICAL FACILITY PLANNING

INTERIOR ARCHITECTURE

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.

CURRENT INVOICE: 06/20/2013 Final Invoice + Interest 28 Months Past Due Interest

ONG.

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 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 253-460-0270 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. Brunsman
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		$ 38,416.12

CITY OF REDMOND

EXHIBIT 16

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. RIENSCHE
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: Brunsman 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. Brunsman's claim for relocation benefits in the amount of $92,236.10. Please note that the City sent this letter directly to Dr. Brunsman, 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. Brunsman'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. Brunsman 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)

{APR1616661.DOCX;1/00020.050347/ }

CITY OF REDMOND

EXHIBIT 17

CERTIFIED MAIL / RETURN RECEIPT REQUESTED

August 22, 2017

Dr. John Brunsman
8105 166th Avenue NE #104
Redmond, WA 98052

Relocation Claim Determination

Project Title: Redmond Downtown Park
Property: 16146 NE Cleveland Street

Dear Dr. Brunsman:

This letter is the City of Redmond's relocation claim determination for your displacement from 16146 NE Cleveland Street, Redmond, Washington.

BACKGROUND

On May 29, 2013, the City of Redmond received partial estimates for establishing a 6,196 square foot medical based clinic and surgical center business. The information was entitled estimates for *FCA Ambulatory Surgical Facility Suggested Equipment and Furnishings w/ 2 OR Suites.* Lump sum numbers provided for ASC costs, tenant improvements, mechanical, electrical, insurance, taxes and fees. "Budget Total" expressed a total low cost of $1,777,230 to total high cost of $2,143,651. City provided comments that no moving or professional expenses were submitted.

On August 29, 2013, you provided the City with notice that your business had vacated the location on July 30, 2013. The City was not provided an opportunity to walk through the space which was vacated, or to inspect the new location to aid in the determination of relocation/reestablishment entitlements. The City documented personal possessions which were left at the displacement site, and subsequently moved and stored the items until notice had been received the possessions were not desired.

Per City of Redmond Business License information dated February 2014, a surgical facility business, Dr. Brunsman DPM PS, was established at 8105 166th Ave NE Suite 104, Redmond.

On May 1, 2017, the City received supplemental information to the estimates received in 2013. The information was a spreadsheet of *Escalated estimates for quarterly periods* covering time between first estimate and current period *(2013-2017)*. Escalated estimates were figures for the range of "Budget Totals".

On August 15, 2017, information was received by the City supporting professional services fees which were incurred to plan, move or install personal property. It is noted in the file this information was received four years after the business displacement date, and ten days after the deadline for supplemental information.

Review of the claim information received by the City on May 29, 2013 and May 1, 2017 concludes that none of the information is supported by two or more estimates, or actual receipts, as requested on several

15670 NE 85th Street • PO Box 97010 • Redmond, WA 98073-9710

occasions. The one estimate reflected information that may have supported the establishment of a 6,196 sf clinic/surgical medical facility, but such a business was not what was actually displaced. No estimates or actual receipts or statements have been provided for the actual move, or related expenses (other than professional services), at the actual replacement business location of 8105 166th Ave NE.

The deadline for making a claim was January 30, 2015, under WAC 468-100-207(4)(a)(i). The City, however, gave you two opportunities to supplement your claim this year.

ENTITLEMENT CONCLUSION

ACTUAL REASONABLE AND NECESSARY NON-RESIDENTIAL MOVING AND RELATED EXPENSES: Under WAC 468-100-301 and 468-100-303 a displaced business is entitled to actual reasonable and necessary moving and related expenses. The City presented to you its estimate of this expense being a total amount of $74,320. This estimate included $37,000 for professional services.

WAC 468-100-301(7)(a)-(k) and (m)-(q): No receipts or other evidence of actual moving costs or related expenses have ever been received to support any expenses which have been incurred. Before the space was vacated, you provided the City with estimated costs of new possessions, but no estimates for moving existing possessions. The purchase of new furniture and equipment is not eligible for reimbursement, as expressly provided in WAC 468-100-306(2). Although the City estimated the cost of moving your existing possessions at $37,320, that estimate was based on moving of possessions that you never actually moved. The deadline for making a claim has now expired, and the City has received neither receipts from an actual move nor estimates of a desired move. The claim for moving of personal property is denied.

WAC 468-100-301(7)(l); WAC 468-100-303(2): Claims for professional services by Martyn Daniel LLC in the amount of $22,236.10 and The Wager Group Inc. in the amount of $20,110 are approved. These actual expenses replace the City's estimate of $37,000. Although the claim for these amounts was not timely submitted, the City will allow the claim because it was aware before the deadline that qualified professional fees in some amount had been incurred and because the claim has now been substantiated with actual invoices. Interest fees for services are denied because the City was neither presented with these invoices nor advised of the amounts claimed until August 15, 2017.

In a letter dated August 15, 2017, under the heading "Related Expenses," your attorney represented that you had incurred $43,456.84 in recoverable legal fees and costs. To the extent this statement was intended to make a claim, it is denied. First, the King County Superior Court denied a claim for attorney's fees in its March 10, 2017 order. Second, no contention has been offered that the legal services in question were "performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation . . .," as required by WAC 468-100-303(2). Under WAC 468-100-010(2), recovery is limited "to only such benefits as are specifically delineated" in the regulations. Third, this claim was asserted for the first time in August 2017 and is therefore untimely.

REESTABLISHMENT: Under WAC 468-100-306 the maximum reestablishment benefit is $50,000.

The tenant improvements claimed in the May 29, 2013 and May 1, 2017 estimates, and referenced in your attorney's letter of August 15, 2017, are reestablishment costs, which 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).

Given the nature of a strong commercial real estate market at the time of displacement, knowledge that one business was re-established, and reasonable and necessary expenses, such as signage, advertising, increased operating costs, to reestablish the business would have been incurred, the amount of $50,000 is approved without submittal of further information.

CONCLUSION:

The following claim amounts are approved:

Maximum payable amount under WAC 468-100-306 (reestablishment of one displaced business)	$50,000.00
Professional services reimbursement under WAC 468-100-301(7)(l) and WAC 468-100-303(2) for service of The Wager Group Inc.	$20,110.00
Professional services reimbursement under WAC 468-100-301(7)(l) and WAC 468-100-303(2) for service of Martyn Daniel LLC	$22,236.10

Total relocation benefit: **$92,346.10**. Any claim for benefits exceeding this amount is denied.

Right to Appeal

If you disagree with the concluded amount of your relocation benefit, you have the right to appeal this determination. You must file any notice of appeal within 60 days after receipt of this determination by mailing it to the following address (please note that this is a different party than was designated in your original General Notice of Relocation Rights letter):

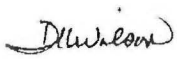
Executive Office
City of Redmond MS: 4NEX
PO Box 97010
Redmond, WA

Your appeal letter should state what issues are being claimed, the reasons why you believe the claim should be allowed, and how you believe you are otherwise aggrieved. The letter should identify the property address at issue (16146 NE Cleveland Street) and should bear the signature and mailing address of either you or your authorized representative.

Expedited Payment

At the request of Todd W. Wyatt at Carson Noel, PLLC a check, in the amount of $92,346.10, will be issued to Carson Noel PLLC Trust Account. The check will be expedited to be delivered three weeks following the date of this letter.

Sincerely,



Debby Wilson
Real Property Manager
dwilson@redmond.gov
425-556-2715

CITY OF REDMOND

EXHIBIT 18

Redmond
WASHINGTON

August 31, 2017

US MAIL CERTIFIED RETURN RECEIPT 70130600000084593013

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 Brunsman's displacement from 16146 NE Cleveland Street, Redmond, WA.

Debby Wilson
Real Property Manager

WARNING: THIS CHECK HAS BUILT-IN SECURITY FEATURES WHICH INCLUDE A TRUE WATERMARK AND UV FIBERS.

City of Redmond
Attn: Accounts Payable
15670 NE 85th St
Redmond WA 98052

KeyBank

19-57/1250

CHECK NUMBER	DATE
408815	08/31/2017

PAY *** Ninety Two Thousand Three Hundred Forty Six and 10/100 US Dollars $ 92,346.10***

TO THE ORDER OF **Carson Noel PLLC Trust Account**
20 Sixth Ave NE
Issaquah WA 98027

⑈000040881 5⑈ ⑆125000574⑆ 4796812157 25⑈

CITY OF REDMOND, P.O. BOX 97010, REDMOND, WA 98073-9710 (425) 556-2149 **Check Date** 8/31/2017 **Check No.** 408815

Check 408815

Vendor : 064144, Carson Noel PLLC Trust Account

Invoice number / Invoice description	Invoice date	PA/PO	Cash discount / PO amount	Payment amount
Parcel 779240 0090 Relocation reimbursement-Downtown Park	8/22/2017		0.00	92,346.10
Total				92,346.10

CITY OF REDMOND

EXHIBIT 19

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

CARSON | NOEL PLLC

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/Brunsman/City of Redmond – **Notice of Appeal**

Dear City of Redmond:

This letter serves as Dr. John Brunsman and Foot Care Associates' (collectively "Dr. Brunsman") Notice of Appeal of the City's August 22, 2017 letter determination of Dr. Brunman's claims for relocation benefits. The property at issue was 16146 NE Cleveland Street.

First, to be clear, Dr. Brunsman 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. Brunsman 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

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

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. Brunsman 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. Brunsman known the City would, four years later, slash his claim by 85% and revoke its prior reasoning, Dr. Brunsman obviously would have accepted the funds at that time and challenged the release. Indeed, the City's failure to notify Dr. Brunsman 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. Brunsman 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. Brunman'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. Brunsman (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

Todd W. Wyatt