

LEASE AGREEMENT
PROVIDENCE HEALTH & SERVICES – WASHINGTON
D/B/A PROVIDENCE HEALTH & SERVICES ALASKA

3220 Providence Drive, Suites E3-100, E3-019 & Storage
Anchorage, Alaska 99508

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THIS LEASE is made this 27TH day of FEBRUARY 2020, between PROVIDENCE HEALTH & SERVICES – WASHINGTON dba PROVIDENCE HEALTH & SERVICES - ALASKA, a Washington non-profit corporation (hereinafter referred to as "Lessor"), and Alaska Heart Institute, LLC. (hereinafter referred to as "Lessee").

WITNESSETH

That the parties hereto do hereby mutually agree as follows:

1. **Leased Premises.** Lessee hereby leases from Lessor, those certain premises known as Suites E3-100, E3-019 and Storage, hereinafter referred to as the "Leased Premises", consisting of approximately 4,719 net rentable square feet, on the 3rd floor of that certain building known as E Tower, 3220 Providence Drive, Anchorage, AK 99508 hereinafter referred to as "Building", and as more fully shown on the floor plans attached as Exhibit A.

2. **Lease Term.** The term of this Lease shall be six (6) years and six (6) months commencing on March 1, 2020 and ending August 31, 2026. This Lease Agreement expressly supersedes and cancels any prior written agreements between the parties with respect to this property.

Lessee shall have the option to renew this Lease Agreement for an additional five-year term. Lessee shall exercise its option to renew by giving Lessor written notice of its intent to renew at least 120 days prior to the end of the Lease Agreement term. The rate during the renewal term shall be at fair market rate..

3. **Monthly Rental.** On or before the Commencement Date, Lessee agrees to pay as rental for the Leased Premises the sum of **Twelve Thousand Eight Hundred Thirty Six and No/100 Dollars (\$12,836)** per month, said rental to be subject to adjustment as provided in Section 4 below. The rental for each month shall be paid to Lessor in advance of, or on the first day of each month of this Lease term, and shall be payable to Lessor at the address shown in Section 25, or at such other place as Lessor may direct from time to time in writing. A late fee of \$100.00 per month may be imposed if rental payment is not postmarked on or before the fifteenth of each

month and/or paid in full. Lessor may, at its option, also charge interest on late payments at the maximum rate permitted. Rent payments will be due whether or not Lessee has received any notice that such payments are due.

This rental rate reflects the 2020 rate and will be increased on the fourth (4th) anniversary of the Commencement Date by 3% and on each anniversary thereafter, in accordance with Section 4.

4. **Annual Rental Adjustment.** The rental rate established in 2020 at \$ 2.72 per rentable square foot per month is accepted as the base rent for the first four years of the Term Lessee and Lessor agree that the base rental rate shall be increased by 3% on the fourth anniversary of the Commencement Date and on each anniversary thereafter as set forth in Exhibit D attached hereto..

5. **Use of Leased Premises.** The Leased Premises shall be used for Lessee's medical practice and for no other purpose, without the prior written consent of Lessor. Lessee shall not use or permit the Leased Premises or any part thereof to be used for any purpose in violation of any ordinance, rule or regulation, which from time to time may be submitted to Lessee in writing. Lessee recognizes and respects the fact that Lessor is a Catholic corporation and will be administered in accordance with the Providence Health & Services Mission and Core Values and the Roman Catholic moral tradition as articulated in such documents as the Ethical and Religious Directives for Catholic Health Services. Lessee's medical office practice shall be consistent with Lessor's philosophy and policies. Lessee agrees that Lessee, together with all other persons entering and/or occupying the Leased Premises at Lessee's request or with Lessee's permission, will abide by, keep and observe Building Rules and Regulations, for the management, safety, care and cleanliness of the Building, and the preservation of good order therein, as well as the convenience of other occupants and tenants of the Building. The violation of these Rules and Regulations shall be deemed a material breach of this Lease by Lessee.

Except for any magnetic resonance imaging equipment, computerized tomography scanners, linear accelerators, and/or similar equipment (none of which may be installed or otherwise used by the Lessee in the Leased Premises), Lessee may install and use business, communications, diagnostic or therapeutic equipment necessary or incidental to Lessee's practice. Equipment shall be used in accordance with its labeling. Lessee shall furnish Lessor with a description of all equipment that requires installation and/or additional electrical requirements, at least thirty (30) days prior to the proposed installation thereof; Lessor shall have the right to deny permission to install the equipment if, in Lessor's opinion, such equipment will damage the mechanical or structural parts of the building, but such permission shall not be unreasonably withheld. The cost of installation and operation of all equipment shall be borne by Lessee, including any excess utility costs determined by Lessor. No flammable anesthetics shall be used on the Leased Premises. Laboratory, radiologic, physical therapy or any other related services required in Lessee's practice shall be for the exclusive use of Lessee's patients.

6. **Compliance with Law.** Lessee shall not use or occupy the Leased Premises in violation of any applicable federal, state or local law, regulation or ordinance or in violation of any

certificate of occupancy issued for the Leased Premises or the Building, including, without limitation, laws relating to the disposal of hazardous materials. In performing Lessor's responsibilities under this Lease, Lessor shall conform to all applicable federal, state and local laws and regulations.

7. **Providence Alaska Medical Center Active Staff Clinical Privileges.** Lessee represents that Lessee, or, in the case of a corporate or partnership lessee, a majority of the shareholders or partners enjoy clinical privileges at Providence Alaska Medical Center ("PAMC"). If at any time during this Lease term, Lessee or, in the case of a corporate or partnership Lessee, a majority of the shareholders or partners shall cease to enjoy privileges at PAMC, whether voluntary or involuntary, Lessor may, at its option, immediately terminate this Lease with written notice to Lessee. Lessee further and specifically agrees to abide by the ethical requirements applicable to Medical Staff members as provided in the current Medical Staff Bylaws, Rules and Regulations of PAMC. Nothing herein is intended to require or induce Lessee to admit or refer Medicaid or Medicare patients to PAMC or any other hospital.

8. **Advertising-Signs.** Lessee understands that the Building will be equipped and maintained principally for the use and occupancy of physicians, hospital departments, and kindred professions and businesses (although Lessor may from time to time permit others to use or lease portions of the Building), and that unprofessional advertising by tenants would cause substantial damage to Lessor. Lessee agrees not to advertise Lessee's business in any manner now or hereafter prohibited by the code of ethics of the American Medical Association, or by the local county medical society, if Lessee is a physician, or by the code of ethics of the American Dental Association or by the Alaskan Dental Association, if Lessee is a dentist. Lessee shall not inscribe any inscription, or put, place, or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatever anywhere in or about the Leased Premises which shall be visible outside the Leased Premises, without first obtaining Lessor's written consent thereto. If consent is granted such signage may not be hung prior to approval of sign layout, size, colors etc by Lessor. Such sign will be at Lessee's sole expense and Lessee will be limited to (1) one sign located immediately adjacent to the main entrance of the Leased Premises. Standard Lessee identification at the suite door and building directory shall be facilitated by Lessor; post-occupancy changes to said signage shall be at Lessee's expense.

9. **Utilities and Other Services Furnished by Lessor.** Lessor shall, at its expense, furnish all of the following during normal business hours at Building standard levels to Lessee during this Lease term. Normal business hours will be 5a.m. - 10 p.m. daily. During non-business hours for the building, Lessor practices environmental set backs on utilities (HVAC and building common area lighting) and therefore if Lessee requires the use of full utilities during the set back hours (10 p.m. - 5 a.m.), they will be furnished at Lessee's expense, as reasonably determined by Lessor.

(a) Electric current for normal lighting and office use. Special or additional electrical requirements will be charged directly to Lessee. The determination of Lessor's

consulting engineer with respect to the cost of Lessee's special or additional electrical requirements shall be binding on the parties.

- (b) Automatic elevator service.
- (c) Common restroom facilities with hot and cold water, as provided in the plans and specifications for the Building.
- (d) Heating and air conditioning shall be provided.
- (e) Hot and cold water as required for plumbing included within the plans and specifications for the Leased Premises.
- (f) Janitorial and cleaning services on a five-day per week basis shall be furnished to the Leased Premises in accordance with the regular schedule of the Building, which schedule and service may change from time to time. Additional and/or special cleaning services shall be the responsibility of the Lessee. The current schedule is attached as Exhibit B.

Lessor shall not be liable for any loss or damage caused by or resulting from any variation, interruption or failure of said utilities and services due to any cause whatsoever, other than Lessor's negligence, and no temporary interruption or failure of such utilities and services incident to the making of repairs, alterations or improvements, or due to accident, strike or conditions or events beyond Lessor's reasonable control shall be deemed an eviction of Lessee or relieve Lessee from any of the Lessee's obligations hereunder. Lessee shall provide its own surge protection for power furnished to the Leased Premises.

Lessor and Lessee agree that Lessor's Information Services department may, at any time during this Lease term, initiate a fee for Lessee's use of Lessor-provided fiber optic cabling, access and associated services, which shall be outlined in a separate written agreement between the parties and subject to annual adjustments per Section 4 hereinabove.

10. **Environmental.**

(a) **Definitions.** The term "Environmental Law" shall mean any federal, state or local statute, regulation or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous Substance" shall mean any hazardous, toxic, infectious or radioactive substance, water and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

(b) **Use of Hazardous Substances.** Lessee is responsible for the proper disposal, or the additional cost to Lessor for disposal, of any Hazardous Substance from the Leased Premises. Lessee shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of or otherwise released on or under the Leased Premises. Lessee may use on the Leased Premises only

those Hazardous Substances typically used in the prudent and safe operation of Lessee's business permitted by Section 5 of this Lease. Lessee may store such Hazardous Substances on the Leased Premises, but only in quantities necessary to satisfy Lessee's reasonable anticipated needs. Lessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling and storage of Hazardous Substances and shall take all reasonable measures to minimize the quantity and toxicity of Hazardous Substances used, handled or stored on the Leased Premises.

(c) Notices. Lessee shall promptly notify Lessor upon becoming aware of the following: (i) any spill, leak, disposal or other release of a Hazardous Substance on, under or adjacent to the Leased Premises; (ii) any notice or communication from a governmental agency or any other person relating to any Hazardous Substance on, under or adjacent to the Leased Premises; or (iii) any violation of any Environmental Law with respect to the Leased Premises or Lessee's activities on or in connection with the Leased Premises.

(d) Spills and Releases. In the event of a spill, leak, disposal or other release of a Hazardous Substance on or under the Leased Premises, or the suspicion or threat of the same, Lessee shall (i) promptly undertake all emergency response necessary to contain, clean-up and remove the released Hazardous Substance, (ii) promptly undertake all further investigatory, removal and other remedial response action necessary or appropriate to ensure that any Hazardous Substances contamination is eliminated as required by applicable laws and regulations including the Environmental Laws, and (iii) provide Lessor copies of all correspondence with any governmental agency regarding the release (or threatened or suspected release) and the response action, a detailed report documenting all such response action, and a certification that any contamination has been eliminated to the degree required by applicable laws and regulations including the Environmental Laws. All such response action shall be performed, all such reports shall be prepared and all such certifications shall be made by an environmental consultant reasonably acceptable to Lessor. This Section 10 (d) shall not apply to any release caused by Lessor or Lessor's officers, employees, agents or contractors.

(e) Removal of Hazardous Substances Upon Termination. Upon expiration of this Lease or sooner termination of this Lease for any reason, Lessee shall remove all Hazardous Substances and facilities used for the storage or handling of Hazardous Substances from the Leased Premises and restore the affected areas by repairing any damage caused by the installation or removal of the facilities. Following such removal, Lessee shall certify in writing to Lessor that all such removal is complete. If any Hazardous Substances have been released on or under the Leased Premises during the Lease Term, Lessee shall cause all Hazardous Substances contamination to be eliminated to the degree required by applicable laws and regulations including the Environmental Laws and shall provide Lessor a certification from an environmental consultant reasonably acceptable to Lessor that all Hazardous Substances contamination on the Leased Premises has been so eliminated.

11. Taxes. Lessee shall pay any and all taxes levied on personal property and trade or other fixtures in the Leased Premises, and any license and excise fees and occupation taxes covering business conducted on the Leased Premises, and any sale taxes on rentals payable

hereunder. Lessor shall pay any real property taxes and assessments payable on the Building and the realty.

12. **Alterations; ADA Compliance by Lessee.** Lessee shall not make any alterations, additions or improvements in or to the Leased Premises (collectively, "Alterations") without first obtaining the written consent of the Lessor. Any and all Alterations consented to by Lessor shall be made at Lessee's sole cost and expense. Lessee shall secure all governmental permits required in connection with such work, and shall hold Lessor harmless from all liability and liens resulting therefrom. Additionally, Alterations shall be constructed in a good and workmanlike manner using materials of a quality that is at least equal to the quality designated by Lessor, in Lessor's sole and absolute discretion, as the minimum standard for the Leased Premises or the Building. When applicable, Lessee shall adhere to requirements established in Lessor's standards entitled "Tenant Contracting for Construction/Remodeling" as outlined in the Tenant Handbook, which is presented to Lessee at occupancy, and may from time to time be modified. Upon termination of the Lease, all Alterations, except trade fixtures, and appliances and equipment which become attached to the Building, shall immediately become the property of the Lessor without obligation to pay therefor. Upon removal of the trade fixtures, appliances and equipment which become attached to the Building, Lessee shall restore the Leased Premises to the same condition prior to the installation of said items. Notwithstanding the foregoing, Lessor's written consent shall not be required for any Alteration that satisfies all of the following criteria (a "Cosmetic Alteration"): (1) is of a cosmetic nature such as a wall hanging or piece of furniture, (2) is not visible from the exterior of the Leased Premises or the Building, (3) will not affect the systems or structure of the Leased Premises or the Building and (4) will not require work to be performed inside the walls or above the ceilings of the Leased Premises or the Building. Lessee shall make any and all Cosmetic Alterations at its sole cost and expense. As provided in Paragraph 13 below, Lessee shall be responsible for all maintenance, repair and replacement of any Alteration or Cosmetic Alteration.

Lessor is responsible for ensuring that the Building, including common areas, in which the Leased Premises are located and the Leased Premises at the time of construction, shall conform to the then permitting agency's interpretation of the Americans with Disabilities Act Accessibility Guidelines ("Accessibility Guidelines"). After commencement of this Lease, Lessee shall be solely responsible for complying with all requirements of the Accessibility Guidelines in the Leased Premises. Lessee shall be responsible for providing that the Leased Premises and their use by Lessee shall be made reasonably accessible to and reasonably safe for use by disabled persons all in accordance with applicable ADA requirements.

13. **Maintenance and Repair.**

(a) **Lessor's Obligations.** Lessor shall, at Lessor's own expense, maintain and keep in good repair the foundation, exterior walls, roof and other structural portions of the Building, and shall maintain the electrical, plumbing, heating and ventilating equipment in the Building. Lessor shall perform its maintenance in a manner designed to minimize interference with Lessee's use of the Leased Premises to the extent such is reasonably possible without incurring additional costs.

(b) **Lessee's Obligations.** Lessee shall, at its sole cost and expense, promptly perform all maintenance and repairs to the Premises that are not Lessor's express responsibility under this Lease. Lessee's maintenance and repair obligations include, without limitation, maintenance, repair, and replacement of: (i) all Alterations, Cosmetic Alterations and Lessee's Enhancements (defined below) whether or not attached to the Building in the case of Alterations or Lessee's Enhancements, and (ii) maintenance, repair and replacement of all Lessee's furniture, equipment and trade fixtures which are located in the Leased Premises. Maintenance and repairs performed by Lessee or Lessee's contractors shall be performed in a good and workmanlike manner. Additionally, Lessee shall commit no waste of any kind on or about the Leased Premises and Lessee shall pay for all damage to the Building, as well as damage to tenants or occupants thereof, caused by misuse or neglect of the Leased Premises, its apparatus or appurtenances by Lessee or Lessee's employees, agents or invitees.

Lessee shall provide, at Lessee's expense, floor mats for all rolling chairs utilized on carpet within the Leased Premises. Lessee shall be responsible for excessive carpet wear caused by rolling chairs without said mats.

(c) **Repairs of Flooring and Interior Walls.** If the parties agree in writing to extend the term of this Lease past the initial term, the parties shall promptly jointly assess the need to repaint the interior walls of Leased Premises and/or replace the flooring materials therein. If the parties jointly determine that the Leased Premises should be repainted and/or flooring materials should be replaced based on the Lessor's general building maintenance standards, Lessor shall do so promptly at its sole cost and expense but subject to the rent adjustment set forth herein and any new rental rate negotiated between the parties with respect to any such extension term. If no repainting and/or floor material replacement occurs at that time, the parties shall promptly review the need therefore upon any subsequent agreement in writing by the parties to extend the term of this Lease, and Lessor shall repaint the Leased Premises and/or replace floor material at its sole cost and expense but subject to the rent adjustment set forth herein and any new rental rate negotiated between the parties with respect to any such extension term; provided, however, that Lessor shall not be required to do so more than once every five years.

If the Leased Premises shall be repainted and/or flooring materials replaced during this the Lease term or any renewal thereof as part of Lessor's standard building maintenance, Lessee shall be responsible for the cost of moving all furniture, chart racks, etc., to accommodate the work.

If Lessee desires to have carpet replaced or repainting done prior to the mutually agreed upon date Lessee shall either (i) be responsible for payment of the work directly or (ii) the rent will be increased by 4% of the then current rate upon completion of desired work by Lessor. The parties shall agree in writing as to which of the foregoing options shall control, provided, however if the parties cannot agree within 5 days of the beginning of any such discussions between them on this issue, then option (i) shall apply.

14. **Assignment-Sublease.** Lessee shall not assign or transfer this Lease or any interest therein, or sublet any portion of the Leased Premises, nor shall this Lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise, without first obtaining the written consent of Lessor; such consent shall not be unreasonably withheld or delayed. Lessor's consent may be withheld for financial, business and operational reasons associated with the proposed assignment to a new Lessee. Before entering into any assignment of this Lease or into a sublease of all or part of the Leased Premises, Lessee shall give written notice to Lessor identifying the intended assignee or sublease by name and specifying the terms of the intended assignment or sublease. Any assignment of this Lease by Lessee shall not relieve Lessee of any of its duties or obligations hereunder. With respect to a corporate Lessee, any merger, consolidation or liquidation to which it may be a party or any change in the ownership of or power to vote the majority of its outstanding voting stock shall constitute an assignment or transfer of this Lease for the purpose of this paragraph. The addition of partners to a partnership Lessee or the conversion of the partnership Lessee to a professional corporation will not be deemed an assignment or sublease if the identity of the individuals comprising Lessee remains substantially unchanged. Lessee shall not profit from any sublease situation. If Lessor consents to any sublease, Lessee shall follow Lessor's guidelines on subleasing space, as outlined in the Tenant Handbook, which is presented to Lessee at occupancy, subject to any updates that may be done from time to time. Notwithstanding anything herein to the contrary, Lessor may assign this Lease to any entity or organization affiliated with Providence Health & Services.

15. **Indemnification.** Lessee shall indemnify and hold the Lessor harmless from any and all claims whatsoever (including expense of defending claims) arising out of the use and occupation of the Leased Premises, including claims arising by reason of accident, injury or death caused to persons or property of any kind as a direct or indirect consequence of any act or omission of the Lessee, its officers, employees, agents, students, licensees, visitors or invitees, except to the extent caused by Lessor's negligence.

16. **Insurance.** Lessee shall, at Lessee's expense, maintain a public liability insurance policy for the Leased Premises with limits no less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence and THREE MILLION DOLLARS (\$3,000,000.00) total annual aggregate. The insurance company placing this coverage shall have a financial rating of no less than "A" as standardized by A.M. Best. Lessee shall name Lessor as an additional insured and provide at least thirty (30) days' notice to the Lessor of any policy change, cancellation or lapse in coverage, such notice shall be delivered to the address set forth herein. Evidence of such insurance shall be delivered at the address set forth herein, prior to the commencement of the term of this Lease:

Providence Health & Services Alaska
Real Estate & Construction
3760 Piper Street, Suite 1060
Anchorage AK 99508
Facsimile: 907.212.7992

Lessee shall also obtain insurance for any personal property in the Leased Premises to full replacement value, as well as business interruption coverage.

17. **Inspection.** Lessor may retain a pass key to the Leased Premises and Lessor and its agents shall have the right to inspect the Leased Premises at all reasonable times and to enter the same whenever reasonably necessary to exercise any right or privilege of Lessor under this Lease. Lessor shall not be liable for any consequences of admitting by pass key or refusing to admit by pass key to the Leased Premises the Lessee or any of Lessee's agents or employees or other persons claiming the right of admittance.

18. **Eminent Domain.** If the entire Leased Premises shall be taken by any public or governmental authority under the power of eminent domain, the term of this Lease shall cease as of the date possession is taken by such authority and the rental shall be paid up to that date. If only a part of the Leased Premises shall be taken and the remainder remains tenable for the purposes for which Lessee has been using the Leased Premises, then this Lease shall continue in effect, except that the rental shall be reduced in proportion to the amount of the floor area (in terms of square feet) of the Leased Premises taken, and Lessor, at its expense, shall make all necessary repairs and alterations to the Leased Premises required by such taking. All damages awarded for such taking may be retained by Lessor, whether such damage is awarded as compensation for diminution in the value of the leasehold or to the fee of the Leased Premises, but Lessor shall not be entitled to any portion of the award made to Lessee for cost of removal of stock and fixtures. The term "eminent domain" as used herein shall include the exercise of any similar governmental power and any purchase or other acquisition in lieu thereof.

19. **Fire and Other Casualty.** Should the Leased Premises be damaged by fire or other casualty, and if the damage is repairable within one-hundred twenty (120) days from the date of the occurrence (with the repair work and the preparation to be done during regular hours on regular working days), the damage shall be repaired with due diligence by Lessor, and in the meantime the monthly rental shall be abated in the same proportion that the untenable portion of the Leased Premises bears to the whole thereof, taking into account the functionality of the tenantable portion of the Leased Premises.

Should the Leased Premises or the Building be completely destroyed by fire or other casualty, or should it be damaged to such an extent that repair cannot be accomplished within one-hundred twenty (120) days of the occurrence, Lessor shall have the option to terminate this Lease, and Lessor shall advise Lessee within thirty (30) days after the happenings of any such damage whether Lessor has elected to continue this Lease in effect or to terminate it. If Lessor shall elect to continue

this Lease in effect, it shall commence and prosecute with reasonable diligence any work necessary to restore or repair the Leased Premises. If Lessor shall fail to notify Lessee of its election within said thirty (30) day period, or shall not have commenced the restoration or repair work within said period, Lessor shall be deemed to have elected to terminate this Lease, and this Lease shall thereafter automatically terminate. The commencement by Lessor of repair work shall be deemed to constitute notice that Lessor has elected to restore or repair the Leased Premises. For the period from the occurrence of any damage to the Leased Premises to the date of completion of the repairs (or to the date of termination of this Lease if Lessor shall elect not to restore the Leased Premises) the monthly rental shall be abated in the same proportion as the untenable portion of the Leased Premises bears to the whole thereof, taking into account the functionality of the tenantable portion of the Leased Premises. In the event Lessor elects to continue this Lease in effect, but fails to fully restore or repair the Leased Premises within one-hundred twenty (120) days after the occurrence of the damage or is unable to provide temporary space acceptable to Lessee within such one-hundred twenty (120) day period, then Lessee shall have the option of terminating this Lease by providing written notice thereof to Lessor within five (5) days following the expiration of such one-hundred twenty (120) day period.

No damages, compensation or claim shall be payable by Lessor for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Leased Premises or of the Building. Lessor shall use reasonable efforts to effect such repairs promptly.

20. **Waiver of Subrogation.** Lessee shall be responsible for insuring its personal property and trade fixtures located on the Leased Premises and for providing for its own business interruption insurance coverage. Lessor and Lessee release each other, and their respective authorized representatives, from any claims for loss or damage to any person or to the Leased Premises and the Building and other improvements in which the Leased Premises are located, and to the fixtures, personal property, tenant improvements and alterations of either Lessor or Lessee in or on the Leased Premises and the Building and other improvements in which the Leased Premises are located that are caused by or result from risks insured against under any fire and extended coverage insurance policies or for any business interruption policies carried by Lessor or Lessee and in force at the time of any such damage or loss. Lessor and Lessee shall cause each insurance policy obtained by Lessor and/or Lessee to provide that the insurance company waives all rights of recovery by way of subrogation against the other party in connection with any loss or damage coverage by the personal property and its own business interruption insurance coverage.

21. **Default and Insolvency.** If the rent shall be in arrears for a period of fifteen (15) days, or if Lessee fails to keep or perform any of the covenants or conditions of this Lease within twenty (20) days after written notice of default (or fails to commence cure of said default within twenty (20) days and fails in good faith to prosecute cure of the default until completion), or if the leasehold shall be attached or levied on under execution, or if a receiver shall be appointed for Lessee's property or any part thereof, or if a petition is filed by Lessee for an arrangement with Lessee's creditors under Chapter 11 of the Bankruptcy Act or if Lessee shall be declared bankrupt or insolvent according to law, or if any assignment of Lessee's property shall be made for the benefit of creditors, or otherwise then, and in any of said events, Lessor may at Lessor's option, at

once terminate this Lease, and upon the termination of this Lease, at the option of Lessor, as aforesaid, or at the expiration or termination of this Lease by its terms, Lessee will at once surrender possession of the Leased Premises to Lessor and remove all Lessee's effects therefrom, and, if such possession be not immediately surrendered, Lessor may forthwith enter into and upon the Leased Premises and repossess them and expel Lessee or those claiming under Lessee, and remove the effects of any of them, forcibly, if necessary, and lock the Leased Premises without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant and, in such event, Lessee expressly waives the service of any notice of intention so to terminate this Lease or to retake the premises and waives service of any demand for payment of rent or possession and of any and every other notice of demand prescribed by any law of the State of Alaska and hereby waives any claim for damages by reason of such possession. No right or remedy herein expressly conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

22. **Damages.** In the event of termination on default, Lessor shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of this Lease term, any excess of the value of Lessee's obligations under this Lease, including the obligation to pay rent from the date of default plus the reasonable costs of re-entry and reletting, including without limitation, the cost of any cleanup, refurbishing, removal of Lessee's property and fixtures or any other expense occasioned by Lessee's failure to quit the Leased Premises upon termination or to leave them in the required condition, any remodeling costs, attorneys' fees, court costs, broker commissions and advertising costs, plus the unpaid cost of any tenant improvements being amortized over the term of this Lease, plus the amount of the loss of reasonable rental value from the date of default until a new tenant has been, or, with the exercise of reasonable diligence, could have been, secured.

23. **Liens and Encumbrances.** Lessee shall keep the Leased Premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the Leased Premises by Lessee, specifically including any mechanic's liens resulting from Alterations or Cosmetic Alterations.

24. **Waiver.** Neither the acceptance of rent nor any other action or omission of Lessor at any time or times after the happening of any event which would enable Lessor to cancel or terminate this Lease or declare Lessee's interest hereunder forfeited, shall operate as a waiver of any past or future violation, breach, or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Lessor of its right to cancel or terminate this Lease, at any time that cause for cancellation or termination may exist, or be construed so as to at any future time estop Lessor from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease.

25. **Notices.** All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail with return receipt, to the following respective addresses or to such other respective addresses as either party hereto may hereafter from time to time designate in

writing. Notices sent by mail shall be deemed to have been given, two (2) business days after so depositing notices in the U.S. Mail, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

TO LESSOR: Real Estate, Strategy & Operations
Providence Health & Services Alaska
3760 Piper Street, Suite 1060
Anchorage, AK 99508

TO LESSEE: Alaska Heart Institute, LLC
3841 Piper Street, Suite T100
Anchorage, AK 99508

RENTAL PAYMENTS: CBRE, Inc.
Asp for Providence St Joseph Health
PO Box 82567
Goleta, CA 93118-2567

26. **Holding Over.** In the event Lessee remains in possession of the Leased Premises after the expiration of this Lease, with Lessor's consent but without a written lease, Lessee will be deemed to be occupying the Leased Premises as a tenant on a month-to-month basis and subject to all of the conditions, provisions and obligations of this Lease insofar as they may be applicable to such month-to-month tenancy. Lessor may, in its sole discretion, charge a monthly base rent during the hold over period at 150% of the monthly base rent of the last month of the original lease Term.

27. **Disability of Lessee.** Lessor agrees that if Lessee is a physician or a dentist and becomes permanently and totally disabled, or is permanently prevented from practicing Lessee's profession in Alaska or the vicinity thereof by causes wholly beyond Lessee's control, either Lessee (or a personal representative, if Lessee is deceased) or Lessor may cancel this Lease by giving sixty (60) days written notice. In either case, this Lease shall thereupon terminate at the expiration of said sixty (60)-day period. Lessee's notice shall be accompanied by full payment of all rental due hereunder to the date of cancellation plus any other sums which may then be owing to Lessor. In the event there are two or more Lessees, this paragraph shall operate only as to the individual Lessee who is disabled or prevented from practicing their profession as provided above, then within twelve (12) months thereafter either Lessor or Lessee, at its option, upon sixty (60) days written notice, may cancel this Lease.

28. **Successors or Assigns.** Subject to the restrictions stated in Section 14 hereof, all the terms, conditions, covenants and agreements of this Lease shall extend to and be binding upon Lessor, Lessee and their respective successors and assigns, and upon any person, firm or corporation coming into ownership or possession of any interest in the Leased Premises by operation of law or otherwise, and shall be construed as covenant running with the land.

29. **Definitions.** The words "Lessor" and "Lessee" as used in this Lease or in any other instrument referred to in or made a part of this Lease shall include both singular and plural the masculine and feminine, a corporation, co-partnership, individual or person acting in a fiduciary capacity as an executor, administrator, trustee or in any other representative capacity. All covenants herein contained upon the part of Lessee shall be joint and several. The titles of paragraphs herein are for identification only and are not to be considered to be a part of this Lease nor to be restrictive in any manner of the provisions of any of the paragraphs of this Lease.

30. **Lessor's and Lessee's Construction of Improvements.** INTENTIONALLY OMITTED

31. **Lessor's Performance.** INTENTIONALLY OMITTED

32. **Specifications.** INTENTIONALLY OMITTED

33. **Termination.** At the expiration of the term hereof, Lessee shall surrender the Leased Premises in good, broom-clean, move-in or original condition, normal wear and tear and damage by fire or other casualty excepted. All of Lessee's personal belongings shall be removed, including Lessee's telephone system (except for items that are part of the Leased Premises as set forth in Section 12). A final walk-through of the Leased Premises will be conducted by Lessor wherein keys will be turned over by Lessee.

In the event Lessor shall be prevented from leasing or continuing to lease the Leased Premises to Lessee as a result of any judgment or order entered by a court having jurisdiction over such matters or any settlement effected in lieu thereof and if such judgment or order is not set aside, vacated, or reversed pursuant to available appellate procedure, either party may terminate this Lease at such time as may be required to comply with the terms of such court order or judgment. In the event of such termination, or in the event this Lease is terminated because of the failure of Lessor to have the Leased Premises ready for the performance of Lessee's work by the date required under Section 30 hereof, Lessor shall return to Lessee any prepaid rentals and Lessor shall also reimburse Lessee for actual out of pocket expenditures made for Lessee's work on the Leased Premises and for trade fixtures and equipment installed therein where such expenditures have been approved in writing by Lessor in advance. Lessor shall not be required to reimburse Lessee for items which can be utilized by Lessee in other substitute premises. In the event such termination should occur after the commencement of this Lease term, the amount of reimbursement to which Lessee shall be entitled, to the extent provided above, shall be reduced by amortizing such expenditures on a straight line basis over the term of this Lease. Except as specifically provided above in this Paragraph, Lessor shall have no other liabilities or obligations to Lessee as a result of a termination of this Lease for the reasons described hereinabove.

34. **Attorneys' Fees.** In the event any litigation is instituted in connection with any controversy arising out of this Lease agreement, the prevailing party shall be entitled to recover in addition to costs, such sums as the trial court may adjudge reasonable as attorneys' fees, and in the event any appeal is taken from a judgment or decree in such suit or action, the losing party shall

pay the prevailing party in the appeal, its reasonable attorneys' fees and costs arising from such litigation and appeal.

35. **Mortgages.** Lessee agrees that this Lease shall be subordinate in interest to any mortgage or deed of trust covering the Building now in effect or hereafter given by Lessor or others for the purposes of financing the construction of the Building or any future additions or improvements thereto, or any portions thereof, and Lessee agrees at Lessor's request to execute an appropriate instrument to confirm the foregoing in such form as may be requested by any such lender or secured party.

36. **Parking.** Lessor will provide parking for Lessee and Lessee's employees and patients on the same basis that parking is provided to the entire hospital facility. Lessor shall be entitled to impose a charge for parking of uniform applicability. Physicians practicing in the Leased Premises shall be provided with designated parking. Employees of Lessee will be permitted to use the employee parking area on the same terms and conditions as employees of Lessor and shall abide by the applicable restrictions. Lessee understands and agrees with Lessor's policy that patients should receive first priority with respect to parking and this applies to Lessee and employees of Lessee. If parking problems develop for patients, it may be necessary to restrict parking for employees and visitors. Lessor assumes no liability whatsoever for Lessee's use of Building's parking facilities.

37. **Security.** Lessor may, but shall have no obligation to provide security service or to adopt security measures regarding the Leased Premises, and Lessee shall cooperate with all reasonable security measures adopted by Lessor. Lessee is responsible for providing, at its expense, any special security measures that may be needed to address a specific threat against Lessee or any of its employees, invitees or contractors and shall notify Lessor of such measures. Lessee may install a security system within the Leased Premises with Lessor's written consent, which will not be unreasonably withheld. Lessor will be provided with an access code to any security system and shall not have any liability for accidentally setting off Lessee's security system. Lessor may modify the type or amount of security measures or services provided to the Building at any time without notice.

38. **Miscellaneous.**

(a) The persons signing below represent and warrant that they are duly authorized to make this Lease on behalf of the entities they purport to represent.

(b) In the event any clause, term or condition of this Lease shall be determined to be illegal or unenforceable under any applicable governmental laws, orders, rules or regulations, this Lease shall remain in full force and effect as to all other terms, conditions and provisions.

(c) This Lease may be executed by Lessor and Lessee in one or more counterparts.

(d) This Lease shall be governed, construed and enforced in accordance with the laws of the state in which the Building is located.

39. **Confidentiality.** Lessee shall keep the rent and other terms of this Lease confidential from other current and prospective occupants of the Building and any other buildings owned by Lessor except to the extent disclosure is reasonably necessary in the conduct of Lessee's business or if otherwise required under applicable law. Lessee shall promptly notify Lessor in writing of each such disclosure.

40. **HIPAA Compliance.** The parties agree to comply with Health Insurance Portability and Accountability Act of 1996 ("HIPAA") or the American Recovery and Reinvestment Act of 2009 ("ARRA"). Further, Lessee and Lessor hereby acknowledge and agree that it is not a purpose of this Lease or any of the transactions contemplated herein to exert influence in any manner over the reason or judgment of any party with respect to the referral of patients or business of any nature whatsoever. It is the intent of the parties hereto that any referral that may be made directly or indirectly by Lessee to Lessor's business, or vice versa, shall be based solely upon the medical judgment and discretion of a patient's physician while acting in the best interest of the patient.

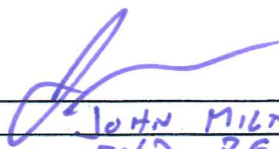
41. **Lessor's Liability.** Notwithstanding anything to the contrary set forth in this Lease, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Lease by Lessor, that: (1) there shall be absolutely no personal liability on the part of Lessor, its successors or assigns and its officers, directors, employees and agents to Lessee with respect to any of the terms, covenants and conditions of this Lease and (2) Lessee shall look solely to the interest of Lessor in the Building for the satisfaction of each and every remedy of Lessee in the event of any breach by Lessor of any of the terms, covenants and conditions of this Lease, or any other matter in connection with this Lease or the Building, such exculpation of liability to be absolute and without any exception whatsoever.


42. **Errors.** The parties acknowledge that over the term of the Lease delays, mistakes, omissions, documentation lapses or other inadvertent conduct or events (collectively "Errors") may occur. It is the intention of the parties that when an Error is identified the parties will work to correct the Error in a manner consistent with the terms and intent of this Lease and thereby avoid any breach or noncompliance with the Lease. By way of example, but not limitation, if Lessor makes a mistake in calculating the amount of the annual rental adjustment the Lessor may, after determining the amount of the miscalculation, overpayment or underpayment, present an additional invoice or issue a credit for the appropriate amount to the Lessee. Likewise if Lessee uses space that is not included in the Premises due to drafting error, oversight or other mistake, upon discovery if the Lessor in its sole discretion concludes that the circumstances constitute an Error it may charge Lessee rent for its historical use of the additional space at the rental rate in effect at the time of the Lessee's use as opposed to exercising its other remedies for breach under this Lease. In no event shall the parties rely on this provision to prospectively support or retrospectively excuse knowing noncompliance with the terms of this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first set forth above.

LESSOR:
PROVIDENCE HEALTH & SERVICES -
WASHINGTON dba PROVIDENCE HEALTH &
SERVICES ALASKA

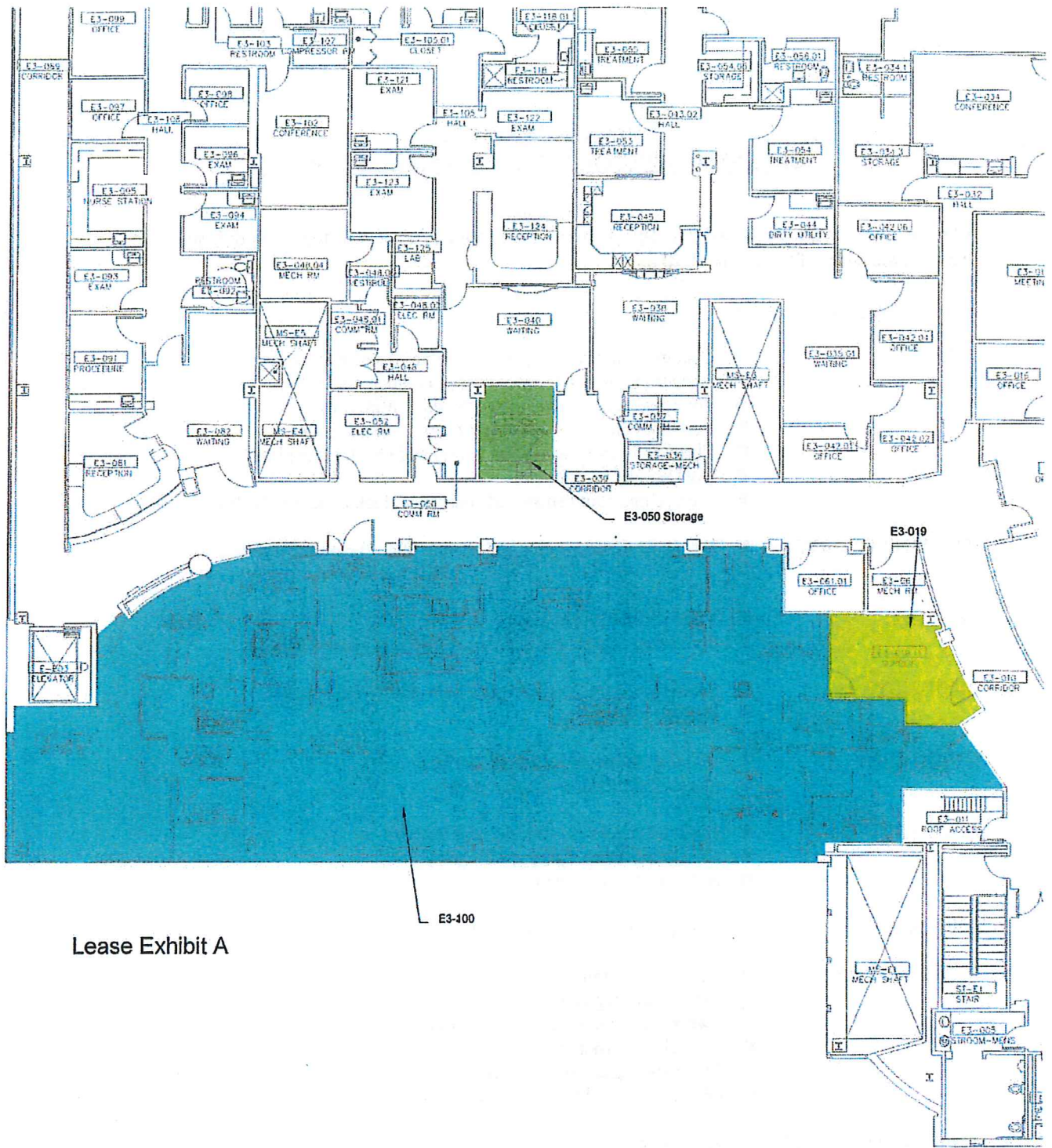
LESSEE:
ALASKA HEART INSTITUTE, LLC.

By: 
 JOHN MILNE
Its: SVP REAL ESTATE

By: 
 CEO

REM NO. RD 
Exhibit A – Floor Plan
Exhibit B – Janitorial
Exhibit C – Maintenance
Exhibit D – Rent Schedule

LEASE EXHIBIT A
FLOOR PLAN



Lease Exhibit A

LEASE EXHIBIT B
CLEANING SPECIFICATIONS for CLINICAL SPACE

Hours:

Cleaning services are performed five days per week from Monday through Friday. Work is scheduled between the hours of 5 p.m. and 2:30 a.m.

Typical Schedule of Services:

- DAILY:**
- Change trash liners in patient care areas and break rooms.
 - Vacuum high-traffic areas (reception area, corridor, etc.)
 - Sweep/wet-mop hard surface floors in high-traffic areas
 - Restroom cleaning - stock paper products and soap
 - Clean daily use glass (glass doors) and check other glass
 - Dust horizontal surfaces
 - Clean exam room sinks and counters - stock paper products and soap
- ALTERNATE DAYS:**
- Empty trash receptacles and change liners, remove recycling
- WEEKLY:**
- Vacuum low-traffic areas
 - Spot clean (baseboards, air vents/grills, windowsills, etc.)
- MONTHLY:**
- Sweep/wet-mop hard surface floors in low-traffic areas
 - Dusting throughout
- QUARTERLY:**
- Detail cleaning of horizontal surfaces
 - Check light fixtures for dirt, debris
- SEMI-ANNUALLY:**
- Wash all windows – interior and exterior
 - Shampoo carpet in high-traffic areas
 - Buff and finish all hard floors
- ANNUALLY:**
- Shampoo carpet in entire suite
- PUBLIC AREAS:**
- Restroom cleaning
 - Trash/recycling removal
 - Sweep/wet-mop hard surface floors
 - Spot-clean carpet in corridors
 - Walls spot-cleaned as needed
 - Glass, doors and hardware cleaned as needed

Regulated Medical Waste Disposal (where applicable):

The Tenants will be provided with red bags and Sharps containers for the disposal of regulated medical waste. Housekeeping services will regularly collect both the red bags and the containers in per building procedures. **Please do not use red bags for regular trash.**

LEASE EXHIBIT C
MAINTENANCE SERVICES

Hours:

Maintenance services are performed Mondays through Friday during regular working hours, unless other arrangements are made.

Types of Service:

1. **Building Maintenance and Repair:**

This comprises repairs and maintenance associated with normal use of the building and will include when applicable;

- lamp and fluorescent tube replacement
- minor interior patching and touch-up painting, basic wear & tear, under \$100 dollars.
- door and hardware repairs and adjustments
- minor plumbing and fixture repairs
- replacement of ceiling tiles
- thermostat and other environmental control devices, and
- minor electrical repairs on receptacles and switches.

These services will be performed based on the level of priority by an assigned person from the Facilities Management & Engineering department when applicable

2. **Building Mechanical Maintenance and Repair:**

This service comprises the operation, maintenance and repair of when applicable

- the boilers and the domestic hot and cold water systems
- the heating and cooling systems including:
- the air handling units
- heating air control boxes
- heating and cooling coils
- the natural gas piping system
- all associated grilles, registers and diffusers
- temperature control devices
- air filter replacement

Also, a scheduled preventative maintenance program will be maintained, and will include State inspections and an annual boiler inspection.

3. Building Electrical/Electronic Maintenance and Repairs:

This service includes the maintenance and repair of electrical distribution system to include when applicable:

- lighting fixture repair and/or replacement, excluding enhancements.
- operation, maintenance and repair of the fire detection system.
- operation and maintenance of emergency generator for building -- if one exists.

LEASE EXHIBIT D
RENT SCHEDULE

	<u>Monthly Rent</u>
March 1, 2020- February 29, 2021	\$12,836
March 1, 2021- February 28, 2022	\$12,836
March 1, 2022- February 28, 2023	\$12,836
March 1, 2023- February 28, 2024	\$12,836
March 1, 2024- February 29, 2025	\$13,221
March 1, 2025- February 28, 2026	\$13,618
March 1, 2026- August 31, 2026	\$14,027

