



L E A S E

THIS LEASE is made and entered into this 11<sup>th</sup> day of February, 1980, by and between SKAMANIA COUNTY, by and through its' Board of County Commissioners, hereinafter referred to as the "Lessor", and DR. ERNEST MULLINAUX, hereinafter referred to as the "Lessee".

IT IS AGREED AS FOLLOWS:

1. Premises. Lessor hereby agrees to lease, and Lessee hereby agrees to let from Lessor, that portion of the building commonly known as the "Skamania County Health Services Center" which has been set aside and designated as a private health care clinic, the same being more particularly described on the attached Schedule "A" which is specifically referred to and hereby incorporated by reference.

2. Term. The term of this lease shall be for five (5) years, beginning on the 1st day of January, 1980, and ending on the 31st day of December, 1985; provided however, that in the event medical services are not being delivered from said premises, or that the quality of said medical services are, in the opinion of the Lessor, after considering the advice of qualified medical consultants obtained from within the area defined in paragraph 11 hereto, sub-standard, Lessor may terminate this lease upon giving thirty (30) days' written notice to Lessee.

3. Rental. Subject to paragraph 10 hereof, the Lessee shall pay the Lessor a monthly rental for the premises of Fifty Dollars (\$50.00) per month, payable in advance on the 25th day of each month during the first year of the original term of this lease. Each year thereafter, said rental shall be negotiable.

4. Re-Newal Option. Providing the Lessor has not availed itself of the right to terminate this lease, the Lessee shall have the option to re-new said lease for an additional 5-year period at the expiration of the initial term, upon the same terms and conditions, except reserved rental and payment of utilities which shall be re-negotiated at the first of each year during the addi-

tional 5-year renewal period, subject to paragraph 10 of this lease.

5. Waste, Quiet Conduct. Lessee shall not commit, or suffer to be committed, any waste upon said premises, or any nuisance, or other act or thing which may disturb the quiet enjoyment of any other person on adjacent property.

6. Alterations. Lessee shall not make, or suffer to be made, any alterations of the premises or any part thereof, without the prior written consent of Lessor, and any additions to, or alterations of the said premises, except removable furniture and trade fixtures, subject to paragraph 7 below, shall become at once a part of the realty and belong to Lessor. Lessee shall keep the premises and the property on which the premises are situated free from any liens arising out of any work performed, material furnished, or obligations incurred by Lessee.

7. Removal of Trade Fixtures and Machinery. It is understood and agreed that all of the machinery and equipment, and other non-consumable items located within the premises, are the property of the Lessor and shall remain the Lessor's property unless a subsequent agreement, in writing, is entered into between the parties providing a contrary disposition of said property; PROVIDED, HOWEVER, the Lessee may from time to time add to said equipment and, provided that within ten (10) days after he does so, that he shall furnish the Lessor with a written description of said equipment. Lessee's failure to do so shall be a bar to his claiming any interest in any such equipment in the future.

8. Utilities. Lessor shall be responsible for the payment of all utilities during the initial term of this lease. The responsibility for such payments shall be negotiated by the parties upon Lessee's exercise of his option to renew for the additional 5-year period.

9. Maintenance and Repairs. The maintenance of the exterior of said building shall be the responsibility of the Lessor. The maintenance of the interior of the building shall be the responsibility of the Lessee. Major mechanical problems shall be the re-

sponsibility of the Lessor, including heating and air conditioning systems.

10. Lease Deposit. The Lessee hereby assigns all accounts receivable and future accounts receivable to the Lessor and agrees to execute all documents necessary to accomplish said assignments. Said assignments shall be given to secure the payment of the reserved monthly rental and, in addition thereto, to secure the payment of the Lessor's liquidated damages in the event Lessee should terminate this lease prior to the expiration thereof or in the event said lease is terminated by the Lessor under the provisions of paragraph 2 above dealing with the unsatisfactory quality of practice.

In the event this lease is terminated prior to the expiration of its' initial term by the Lessee, or because of non-delivery of quality health care services, the parties agree that the Lessor's liquidated damages shall be computed as follows:

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|------------------------|--|
| (A) <u>Year One:</u>   | Termination within the first year:<br>\$18,000.00;   |
| (B) <u>Year Two:</u>   | In the event the lease is terminated at any time during the 2nd year of its' term, the agreed upon liquidated damage is \$15,000.00;             |
| (C) <u>Year Three:</u> | In the event this lease is terminated at any time during the 3rd year, the agreed upon liquidated damage is \$10,000.00;                         |
| (D) <u>Year Four:</u>  | In the event this lease is terminated at any time during the 4th year, the agreed upon liquidated damage is \$5,000.00; and                      |
| (E) <u>Year Five:</u>  | In the event this lease is terminated at any time during its' 5th year it is agreed that there shall be no liquidated damages due to the Lessor. |

The parties have thoroughly examined this lease, with particular reference to the liquidated damage provision, and agree that said amounts are arrived at as an attempt to determine accurately, the Lessor's damages should the lease be terminated, but that the actual damages are difficult or impossible

to determine and all parties accept these estimates as being fair and reasonable.

11. Independent Contractors. The Lessee shall carry on a medical practice on the premises in such a fashion and manner as he deems advisable and he shall act at all times as an independent contractor not within the supervision or control of the Lessor; provided only that the care he delivers shall be of a quality generally acceptable in the area lying between Portland, Oregon, and White Salmon, Washington, and the opinion of the Lessor, after having consulted with the medical consultants within the Multnomah-Clark County areas, shall be final in this regard.

12. SubLease. It is specifically agreed between the parties that the Lessee may sublease the premises to one or more MD's of Lessee's choice, in the event he chooses to do so, provided said sublease shall first be submitted to the Lessor for approval and that any such approval will not unreasonably be withheld.

13. Acceptance of Premises "As is" - Surrender at End of Term. By entry hereunder, Lessee accepts the premises as being in good and sanitary order, condition, and repair, and agrees on the last day of the term of this lease, or upon sooner termination, to surrender unto Lessor the premises in the same condition as when received, reasonable use and wear thereof excepted, and to remove all of Lessee's property therefrom.

14. Compliance with Law. Lessee shall, at his sole cost and expense, comply with all of the requirements of all municipal, state, and federal authorities now in force or which may be hereafter in force pertaining to the premises, and shall faithfully observe, in the use of the premises, all municipal ordinances and state and federal statutes now in force or which may hereafter be in force.

15. Indemnity. Lessee agrees to indemnify and save Lessor harmless from any claims by any third party whomsoever for any work or thing whatsoever done in or about the premises, and from any injuries to person or property occurring upon the premises or

any improvements now or hereafter existing thereon, which injury to person or property is caused by the negligence or willful misconduct of the Lessee, or arising from any breach or default on the part of the Lessee in performing any covenant or agreement of Lessee herein contained, and in the case any action or proceeding be brought against Lessor by reason of any such claim, the Lessee, upon notice from Lessor, covenants to defend such action or proceeding at Lessee's cost and expense.

16. Insurance. Lessee agrees to maintain during the life hereof and at his expense, public liability insurance to protect against any liability to the public, incident to the use of or resulting from any accident occurring in or about the premises, the liability under said insurance to be not less than \$ 200,000 for any one person injured, and \$ 200,000 for any one accident, <sup>and</sup> ~~or~~ \$ 10,000 for property damage.


17. Entry by Lessor. Lessee shall permit Lessor and its' agents to enter into and upon the premises at all reasonable times for the purpose of inspecting the premises or for the purpose of maintaining the premises.

18. Default. If, during the term hereof, Lessee shall default in the payment of rental hereunder, or shall default in fulfilling any of the other covenants of this lease, and such default is not remedied within ten (10) days after receipt of written notice of such default from Lessor, Lessor may terminate this lease and recover damages for Lessee's preceding breach, and it shall be lawful for the Lessor to re-enter the premises and remove all persons therefrom, without prejudice however, to any other remedies available at law or in equity.

19. Attorney's Fees. In case either party hereto institutes any suit, action or other proceeding to enforce the terms and provisions contained herein, the prevailing party in any such action, suit, or proceeding shall be entitled to such sum as the court may adjudge reasonable as attorney's fees therein and any appeals therefrom.

IN WITNESS WHEREOF the parties hereto have executed this instrument, in duplicate, as of the date first above written.

SKAMANIA COUNTY (Lessor) by:

  
Chairman

Commissioner

Ed Callahan  
Commissioner

ATTEST:

*E. McFarland*  
County Auditor and Ex-Officio Clerk  
of the Board

Ernest B. Mullinaux M.D.  
ERNEST MULLINAUX, M.D. (Lessee)

STATE OF WASHINGTON )  
 ) ss.  
County of Skamania )

I, the undersigned, a notary public in and for the State of Washington, do hereby certify that on this 11<sup>th</sup> day of February, 1980, personally appeared before me B. E. Schulz, Ed Callahan, and Ed Callahan, to me known to constitute the Board of County Commissioners for Skamania County, Washington, set out and designated as the Lessor in the above-entitled instrument, and ERNEST MULLINAUX, M.D., the Lessee therein, all of whom executed the within and foregoing instrument, acknowledged said instrument to be the free and voluntary act and deed of each party thereto, for the uses and purposes therein mentioned, and on oath stated that they were authorized to so execute said instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 11<sup>th</sup> day of February, 1980.

Shirley A. Kettle  
Notary Public in and for the State of  
Washington, residing at Stevenson



SCHEDULE "A"

(A Part of Lease Agreement by and between SKAMANIA COUNTY, as Lessor, and DR. ERNEST MULLINAUX, Lessee, dated Feb 11, 1980)

Description of Leased Premises - Skamania County, Washington:

All of that portion of the property described below located in the southwest portion of the building previously known as The Family Clinic and most recently referred to as the Rock Creek Clinic and now being used for private medical practice, together with the right to use in common with the other tenants, the entry way and parking facilities as they now exist:

A tract of land located in the Northeast Quarter of the Northwest Quarter of Section 1, Township 2 North, Range 7 E.W.M., described as follows:

Beginning at the intersection of the center of the channel of Rock Creek with the centerline of the public road designated as Second Avenue Extension; said road formerly being designated as State Road No. 8; thence South  $63^{\circ} 24'$  W along the centerline of said road 300 ft.; thence North  $26^{\circ} 36'$  W 200 ft.; thence North  $63^{\circ} 24'$  E to the center of the channel of Rock Creek; thence in a southeasterly direction following the center of the channel of Rock Creek to the POB; EXCEPT right-of-way for the public road designated as Second Avenue Extension.

EXCEPTING THEREFROM AND RESERVING unto the grantors for the purpose of providing a means of ingress and egress to those premises retained by the grantors located to the north of these premises above described and west of the stream of Rock Creek, an easement and right-of-way for a road  $16\frac{1}{2}$  ft. in width to be used jointly with the grantees, located on the level land above the creek bank and E of the building now located on the above granted premises.

*Ernest B. Mullinaux M.D.*