

TO: James L. App, City Manager

FROM: Jim Throop, Dir. Administrative Services
Ken Johnson, ES Chief

SUBJECT: San Luis Ambulance Service, Inc. Lease Agreement

DATE: October 1, 2013

Needs: For the City Council to consider a new lease agreement with San Luis Ambulance Service, enabling them to continue to operate out of the Public Safety Center.

Facts:

1. The City signed a 10-year lease agreement in July 2003, providing space for San Luis Ambulance Service operations out of the Public Safety Center.
2. San Luis Ambulance Service, Inc. is the sole transportation provider for the critically sick and injured in San Luis Obispo County (including Paso Robles).
2. The Public Safety Center is adequately sized and outfitted to accommodate both the ambulance company and city employees (firefighters).
3. The proposed agreement provides \$875.00 in monthly rent plus \$670/mo. for utility and janitorial costs.

Analysis & Conclusion: The partnership with San Luis Ambulance (SLAS) has been beneficial to City residents due to the fact that the ambulance is centrally located within the City.

The space that is currently used by SLAS is not needed by the Emergency Services department and is not conducive to leasing to any other entity. By leasing to SLAS, the City receives revenue for both space and utilities/maintenance, which is used to offset the cost of operating the Public Safety Center, and ambulance service located directly in the City.

Fiscal Impact: Approximately \$18,500 revenue annually to the General Fund.

Options:

- a. Authorize the City Manager to sign a lease agreement that allows for San Luis Ambulance Service, Inc. to continue to operate out of the Public Safety Center; or
- b. Amend, modify, or reject the above option.

LEASE WITH RENEWAL OPTIONS

This Lease With Renewal and Transfer Options (hereinafter "Lease") is dated this ____ day of August, 2013 by and between the **CITY OF EL PASO DE ROBLES** (hereinafter referred to as "Lessor"), and **SAN LUIS AMBULANCE SERVICE, INC.** (hereinafter referred to as "Lessee").

- A. Lessor is a Municipal Corporation in the State of California.
- B. Lessee is a California for-profit organization, providing both emergency paramedic ambulance services and non-emergency transport services within the boundaries of the City of El Paso de Robles and immediately surrounding unincorporated County area.
- C. Lessor is the owner of real property and improvements located in the City of El Paso de Robles commonly known as the "Public Safety Center." The real property within the Public Safety Center to be leased is herein referred to as the "Premises" and is more particularly described in **Exhibit A**, attached hereto and referred to herein by reference.
- D. Lessor agrees to lease said Premises to Lessee and Lessee agrees to lease said Premises from Lessor on the terms and conditions herein stated.

Therefore, the parties hereby agree as follows:

1. Leasing and Description of Premises.

Subject to the terms, conditions and covenants set forth in this Lease, Lessor hereby leases to Lessee the Premises described in **Exhibit A**. The Premises are located at 900 Park Street in the City of El Paso de Robles.

2. Initial Term.

The initial term of this Lease shall be for five years, commencing on **August 1, 2013** (hereinafter referred to as the "Term").

This Lease may be terminated by either party upon three (3) months written notice to the other party. This Lease may be modified and/or renewed at its termination only by the mutual consent of the parties hereto.

3. Renewal.

(a) Provided and upon condition that Lessee has at all times faithfully and punctually performed all of the covenants and conditions of this Lease, Lessor, at its option, may extend the term of this lease for five (5) one (1) year extensions, for a total possible term of ten (10) years. Any such extended term shall be upon the same terms and conditions set forth herein.

(b) Provided that Lessee is not in default of any of the terms of this Lease (as evidenced by delivery to Lessee of a written notice from Lessor regarding such default), Lessee may exercise its option to extend the term of this Lease by providing written notice to Lessor not later than 90 days prior to the termination date of the initial term, or any such extended term, as applicable. In the event of any such extension(s), references herein to the term of this Lease shall mean and refer to the initial term, plus any such extended term, as applicable.

4. Assignment and Subletting.

Except as permitted in Lessor's sole and complete discretion, Lessee shall not (i) assign, convey, mortgage, pledge, encumber or otherwise transfer, (whether voluntarily or otherwise) this Lease or any interest under it; (ii) allow any transfer of or any lien upon Lessee's interest by operation of law; (iii) sublet the Premises or any part thereof; or (iv) permit the use or occupancy of the Premises or any part thereof by anyone other than Lessee and its employees. Lessor's consent to any action in this paragraph shall be documented in a written amendment to this Lease.

5. Rent and Payment of Utilities and Taxes.

(a) Lessee shall pay to Lessor as rent for the Premises Eight Hundred Seventy Five Dollars (\$875.00) per month, payment shall be delivered to Lessor on or before the twentieth (20th) day of the month which is then due.

All other monetary obligations of Lessee of any kind under this Lease shall be considered as additional rent, due and payable in full upon demand by Lessor. Lessor shall have such rights and remedies for failure to pay such monetary obligations as Lessor would have if Lessee failed to pay the rent hereunder.

(b) Rent shall be adjusted annually every July 15 based upon the increase in the Consumer Price Index (CPI), as published by the U.S. Department of Labor, Bureau of Labor Statistics, for the San Francisco-Oakland-San Jose area for Urban Wage Earners and Clerical Workers. In no event shall the annual rent adjustment for CPI exceed eight percent (8%). Should this CPI index no longer be published, a similar index shall be substituted by the Lessor.

(c) All rent shall be paid, without any off-set, counterclaim or deduction whatsoever, at City of El Paso de Robles, 1000 Spring Street, Paso Robles, CA 93446. If any portion of rent shall be due and unpaid for more than five (5) days, a late charge of Five Cents (\$.05) for each dollar so overdue shall be paid by Lessee for the purpose of defraying the expense incident to handling such delinquent payment, together with interest at the per annum rate equal to two percent (2%) per annum greater than the prime rate of interest announced from time to time by Bank of America, as the same may change from time to time, from the due date until the date of payment thereof by Lessee.

(d) Lessee shall be responsible for payment of 15% of the Fire Department's portion of the utilities: water, sewer, gas, and electric services supplied to the Premises, and janitorial services provided to the Premises, as additional rent. Said utility and janitorial payment shall be made in twelve equal monthly installments. For ease of calculating the total monthly utility payment, the initial monthly payment shall be set at Six Hundred Seventy Dollars (\$670.00).

At the end of each fiscal year, June 30, and when the total actual utility and janitorial costs are known, there shall be a "retroactive" adjustment wherein the actual total cost is compared to the monthly installments. If the retroactive adjustment indicates an overpayment by the Lessee, the City shall issue a refund check or credit future rent payments whichever is preferred by the Lessee. Should the retro adjustment indicate an amount owed to the City, the Lessee shall issue a check to the City for the adjustment. The actual utility and janitorial costs for the prior ten (10) month period ending April 30, except in the first year of this agreement, shall be the basis for determining the monthly installments for the following year.

(e) Lessee shall be fully responsible for monthly payment of telephone, cable television and internet services, if any, established solely for its business operations as additional rent.

(f) Lessee shall be responsible for payment of property taxes which may be assessed by the San Luis Obispo County Tax Collector for leasehold interest in the Premises.

6. Use of the Premises.

(a) Lessee shall use the Premises solely for the specific purpose of providing emergency medical/paramedic ambulance services and non-emergency medical transport services or other services consistent with its core purpose of providing emergency medical/paramedic ambulance services. No other use is permitted without the written consent of Lessor.

(b) Lessee shall not, directly or indirectly, use or suffer the Premises or any part thereof, or any improvements or fixtures to be constructed thereon, to be used in violation of any federal, state or local laws, rules, regulations or ordinances. Further, Lessee shall not use or suffer the Premise or any part thereof, or any improvements or fixtures to be constructed thereon, to be used for any purpose or purposes inconsistent with those for which the Premises is hereby leased, without first obtaining the express written consent of the Lessor, consent to be issued upon a finding by the Lessor that such use of facilities will be consistent with the purpose of this Lease, or are required by circumstances not anticipated at the time of execution hereof but are determined by the Lessor to be reasonable. This remedy shall be in addition to any others afforded by law or by this Lease.

(c) For purposes of this subparagraph, the term "Hazardous Substances" means: (a) any substance, products, waste, or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 United States Code Section 9601 et seq.; the Resources Conservation and Recovery Act, 42 United States Code Section 6901 et seq.; the Hazardous Materials Transportation Conservation and Recovery Act, 42 United States Code Section 1801 et seq.; the Clean Water Act, 33 United States Code Section 1251 et seq.; the Toxic Substances Control Act, 15 United States Code Section 2601 et seq.; the California Hazardous Waste Control Act, Health and Safety Code Section 25100 et seq.; the Hazardous Substance Account Act, Health and Safety Code Section 25330 et seq.; the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Section 25249.5 et seq.; California Health and Safety Code Section 25280 et seq. (Underground Storage of Hazardous Substances); the California Hazardous Waste Management Act, Health and Safety Code Section 25170.1 et seq.; California Health and Safety Code Section 25501 et seq. (Hazardous Materials Release Response Plans and Inventory); or the California Porter-Cologne Water Quality Control Act, Water Code Section 13000 et seq., all as amended (the above cited California state statutes are hereinafter collectively referred to as "the State Toxic Substances Law"); or any other federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, now or at any time hereinafter in effect; (b) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (c) petroleum or crude oil, other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and (d) asbestos.

Except as otherwise specifically permitted under the terms of this Lease, Lessee shall not use, create, generate, store, deposit, dispose of or allow any Hazardous Substances on, under, about or within the Premises in violation of any federal, state, or local law, rule, regulation, order, decree or other requirement listed above. Storage of oxygen for medical gas are excepted from the preceding prohibition of use by Lessee of Hazardous Substances on the Premises, so long as Lessee complies with all applicable federal, state and local laws rules and regulations governing the use of such items. Lessor shall at all times have the right to go upon and inspect the Premises and the operations conducted thereon to assure compliance with the requirements herein stated. This

inspection may include taking samples for chemical analysis of substances and materials present and/or testing soils on the Premises and taking photographs.

Lessor shall, within forty-eight (48) hours of the discovery by Lessee of the presence of, or believed presence of, a Hazardous Substance as defined herein, give written notice to Lessor in the event that Lessee knows or has reasonable cause to believe that any release of Hazardous Substance has come or will come to be located on, under, about or within the Premises. The failure to disclose in a timely manner the release of a Hazardous Substance, including but not limited to, an amount which is required to be reported to a state or local agency pursuant to law (e.g., California's Hazardous Materials Storage and Emergency Response Act, Health and Safety Code Section 25550 et seq.) shall be grounds for termination of this Lease by Lessor in addition to actual damages and other remedies provided by law. Lessee shall immediately clean up and completely remove all Hazardous Substances placed by Lessee on, under, about or within the Premises, in a manner that is in all respects safe and in accordance with all applicable laws, rules and regulations. In the event Hazardous Substances are discovered, Lessee shall disclose to Lessor the specific information regarding Lessee's discovery of any Hazardous Substances placed on, under, about or within the Premises by Lessee or its employees or agents, and provide written documentation of its safe and legal disposal.

Breach of any of the covenants, terms, and conditions contained in this subparagraph, and Lessee's failure to cure within thirty (30) days of Lessee's receipt of written notice from Lessor, shall give Lessor the authority to either immediately terminate this Lease, at the sole discretion of Lessor. Lessee will continue to be liable under this Lease to remove and mitigate all Hazardous Substances placed by Lessee on, under, about or within the Premises. Lessee shall be responsible for, and bear the entire cost of removal and disposal of, all Hazardous Substances introduced to the Premises by Lessee during Lessee's period of use and possession of the Premises (during or before the term of this Lease).

Lessee shall defend, indemnify and hold Lessor and its officials, officers, employees, contractors and agents free and harmless from any and all claims, liability, injury, damage, costs, or expenses (including, without limitation, the cost of attorney's fees) arising as a result of the presence of use of any Hazardous Substances placed or caused to be placed by Lessee or its partners, affiliates, agents, officials, officers, contractors or employees on the Premises. The foregoing indemnity is intended to operate as an agreement pursuant to, among other requirements, Section 107, subdivision (e) of CERCLA, 42 United States Code Section 9607, subdivision (e), and California Health and Safety Code Section 25364, to insure, protect, hold harmless and indemnify.

(d) Lessee shall not commit, or suffer to be committed, any waste upon the Premises; nor shall Lessee maintain, or suffer to be maintained, any nuisance or any other act or thing which may disturb the enjoyment or the use of any other property or public streets adjacent to the Premises.

(e) Lessee understands and accepts the Lessor's continued and concurrent use of the Premises as an operational fire apparatus storage facility; a training site for Lessor's fire fighter personnel; an emergency fire response facility; and other functions or uses consistent with emergency fire preparedness and responses.

7. Compliance with Governmental Rules and Regulations.

(a) Lessee shall, at its sole cost and expense, comply with all requirements of all municipal, state, and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, purposes, and operations, and shall faithfully observe in the use of the Premises and in the conduct of its operations all the municipal, state and federal statutes now in force or which may hereafter be in force.

(b) Lessee shall conduct its business in accordance with the requirements of the American with Disabilities Act of 1990 (the "Act") and with all other applicable statutes, rules, regulations and ordinances relating to handicapped accessibility. Any renovations, alterations and improvements to be undertaken by Lessee on the Premises shall be performed in compliance with the applicable provisions of the Act and with all other applicable statutes, rules, regulations and ordinances relating to handicapped accessibility.

(c) Lessee and Lessor incorporate herein the provisions of **Exhibit B**, "San Luis Ambulance Service, Inc. and Paso Robles Department of Emergency Services Co-Habitation at the Public Safety Center," and agree to abide by these guidelines.

(d) Lessor shall have the right to make such other rules and regulations as in the reasonable judgment of Lessor may from time to time be necessary for the safety, appearance, care and cleanliness of the Premises and the surrounding neighborhood, the safety and well-being of the users of the Premises, and for the preservation of good order therein.

8. Condition of the Premises.

Lessor represents that, to the best of its knowledge, there are no existing hazardous substances located upon the Premises. Lessee agrees to accept the Premises, including the land and the buildings and improvements thereon, in an "as is" and in its present condition. Lessor covenants to maintain the roof of Premises. Notwithstanding the foregoing, no promise of Lessor to alter, remodel, repair or improve the Premises, or any of the buildings or improvements located thereon, and no representation respecting the condition of the Premises or the buildings or improvements thereon, have been made by Lessor to Lessee, other than as is specifically set forth in this Lease or in a specific work letter agreement signed by Lessor and Lessee.

Except with respect to a termination resulting from damage or destruction, at the termination of this Lease, Lessee shall return and surrender the Premises in as good condition as when Lessee took possession, ordinary wear and tear and loss by fire or other casualty not caused by the negligence of Lessee or its agents, contractors or employees excepted. If Lessee fails to comply with the previous sentence, Lessor may restore the Premises to the condition the Premises were in when Lessee took possession, and Lessee shall pay the cost thereof on demand.

9. Maintenance of the Premises.

(a) Lessee hereby acknowledges that Lessor shall have no obligation whatsoever to provide guard service or other security measures for the benefit of the Premises. Lessee assumes all responsibility for the protection of Lessee, its agents, and invitees and the property of Lessee and of Lessee's agents and invitees from acts of third parties. Nothing herein contained shall prevent Lessor, at Lessor's sole option, from providing security protection for the Premises or any part thereof.

(b) Lessee shall, at Lessee's own expense, keep the Premises and each part thereof in good order, condition and repair during the term of this Lease. Lessee shall give to Lessor prompt written notice of any damage to, or defective conditions in, any part or appurtenance of the Premise's plumbing, electrical, heating, air-conditioning or other systems serving, located in, or passing through the Premises. If any damage results from any act or neglect of Lessee or its agents, contractors or employees, Lessor may, at Lessor's option, repair such damage and Lessee shall promptly thereupon pay to Lessor the total cost of such repair.

(c) Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the same, and insuring Lessee's compliance with the terms and conditions of this Lease. Lessee shall provide all keys to the Premises to Lessor.

10. Alterations.

(a) All alterations and improvements of the Premises made by Lessee shall be in accordance with plans and specifications filed with and pre-approved by Lessor. All alterations and improvements shall be at the sole expense of Lessee.

(b) Lessee shall keep the Premises free and clear from any and all liens, claims, and demands for work performed and shall post the appropriate Notice of Non-responsibility for any alteration work authorized by this paragraph. If because of any act or omission of Lessee, its employees, agents, contractors or subcontractors, any mechanic's lien, charge or order for the payment of money shall be filed against Lessor, or against all or any portion of the Premises, the improvements, or any portion thereof, Lessee shall, at its own cost and expense, cause the same to be discharged of record within thirty (30) days after the filing thereof, and Lessee shall indemnify and save harmless Lessor against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable attorneys' fees, resulting therefrom.

(c) Alterations, fixtures or equipment installed by Lessee shall become the property of the Lessor upon expiration or termination of lease for any reason.

11. Nondiscrimination.

(a) During the term of this Lease, Lessee agrees as follows:

1. Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, age, handicap, medical condition, sexual preference, marital status, ancestry or national origin. Lessee shall, in all solicitations or advertisements for employees placed by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, age, handicap, medical condition, sexual preference, marital status, ancestry or national origin.

2. There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, handicap, medical condition, sexual preference, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Premises, or any part thereof, and the Lessee itself, or any person claiming under or through it, shall not establish or permit any such practice of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Premises, or any part thereof.

12. Taxes and Assessments.

Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxes levied on such interest.

Lessee agrees to pay, as and when due, all lawful taxes, assessments, fees or charges from which it is not exempt, which at any time may be levied by the state, county, Lessor or any tax or assessment levying body upon any interest in this Lease or on any possessory right which Lessee may have in or to the property, or improvements or fixtures thereon, by reason of its use or occupancy thereof or otherwise, as well as all taxes, assessments, fees, and charges on goods, merchandise, fixtures, appliances, and equipment used by it, or related to its operations or the hiring and employment of agents and employees, provided or used by it, in, about, or for the operation and maintenance of the Premises.

13. Indemnity and Insurance.

(a) This Lease is made upon the express condition that Lessor is to be free from all liability and claims for damages by reason of

1. Injury to any person or persons including Lessee, his employees, guests and invitees, and

2. Damage to any property to whomsoever belonging including to Lessee and its employees, guests and invitees.

(b) Lessee agrees to and shall indemnify and hold Lessor, its officers, employees, directors and agents free and harmless from all claims, actions, damages and liabilities of whatsoever kind and nature arising from death, personal injury, property damage or other cause asserted or, based on the condition of the Premises, Lessee's occupation of the Premises, this Lease, or any negligent act or omission of Lessee, its employees, agents, invitees, relating to or in any way connected with the Premises or this Lease, regardless of the existence or degree of fault or negligence on the part of Lessor, its officers, employees, directors or agents. As part hereto of the foregoing indemnity, Lessee agrees to protect and to defend at its own expense, including attorney's fees, Lessor, its officers, employees, directors and agents from any and all legal action based upon any acts, conditions or omissions, as stated hereinabove, by any person or persons.

(c) During the Term of this Lease and any renewals, Lessee, at its own expense, shall maintain in force and effect and shall provide to Lessor a certificate that there is in effect:

1. A policy of public liability insurance insuring against liability or loss for bodily injury and damage to property arising on or in said Premises in policy limits of not less than One Million Dollars (\$1,000,000.00) combined single limit for injury to one or more persons. Said policy shall designate Lessor as an additional insured.

2. A policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements to the full replacement value of all personal property, Lessee's improvements, and alterations in or about the Premises. The proceeds from any such policy shall be used by Lessee for replacement of the personal property or the restoration of Lessee's improvements or alterations.

3. A policy of fire insurance insuring the buildings, improvements, and other structures on said Premises as well as any additions thereto, for their full insurable value against loss or destruction by fire and perils commonly covered under the standard extended coverage endorsement to fire insurance policies. Any loss payable under such insurance shall be payable to Lessee and Lessor. The proceeds of such insurance shall be applied towards the cost of repairing and restoring the damaged or destroyed buildings or improvements.

4. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in the Agreement does not relieve Lessee from liability under this indemnification and hold harmless clause. The obligations of this indemnity article shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt required, has been given to the Lessor.

6. The Lessor shall be endorsed as an "additional named insured" on the policies of the Lessee. All original certificates and amendatory endorsements effecting coverage required by this clause shall be provided to the Lessor prior to execution of this agreement and updated every anniversary date of this agreement. The Lessor reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

14. Damage or Destruction.

(a) Insured Loss: Subject to the provisions of paragraph 13, if any time during the terms of this Lease there is damage which is an Insured Loss, then Lessor and Lessee shall, as soon as possible and to the extent the required materials and labor are readily available through usual commercial channels, repair such damage to the condition existing at the time of the damage, and this lease shall continue in full force and effect.

(b) If at any time during the term of this Lease there is damage which is not an Insured Loss, then Lessee may at Lessee's option either (i) repair such damage as soon as reasonably possible at Lessee's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessor within thirty (30) days after the date of the occurrence of such damage of Lessee's intention to cancel and terminate this Lease as of the date of the occurrence of such damage, in which event this Lease shall terminate as of the date of the occurrence of such damage.

15. Condemnation.

In the event that title to the entire Premises shall be lawfully condemned or taken in any manner for any public or quasi-public use or conveyed in lieu of condemnation, this Lease shall automatically terminate as of the date possession is required to be delivered to the condemnor. In the event that only a portion of the Premises is taken and the Premises is thereby rendered unsuitable for the conduct of Lessee's business, either party may terminate this Lease as of the date when possession of the portion of the Premises so taken is delivered to the condemning authority. In the event of any taking, Lessor shall be entitled to receive the entire amount of any award relating to the Premises, including all real property improvements thereon, and Lessee shall be entitled to an award to recover damages resulting from the taking of its Personal Property, if any, diminution in value of its operation, leasehold value and for Lessee's moving expenses and Lessee's business interruption, if any. Notwithstanding the foregoing, Lessor agrees that it shall not acquire Lessee's leasehold interest by eminent domain during the term of this Lease.

16. Abandonment.

Lessee shall not vacate or abandon the Premises at any time during the term of this Lease; and if Lessee shall abandon, vacate or surrender the Premises, or be dispossessed by process of law or otherwise, Lessor shall have the right to immediate possession of the Premises, and any improvements or fixtures thereon. All personal property of Lessee, in such event, shall be removed within thirty (30) days. All personal property of Lessee which is not so removed within such period of time shall be deemed to be abandoned, at the option of the Lessor, and title to any such personal property shall pass to Lessor. For purposes of this Lease, Lessee shall be deemed to have abandoned the Premises if Lessee fails to use, operate and/or maintain the Premises in accordance with this Lease for a period of thirty (30) consecutive days. The provisions of this paragraph shall not apply during any period that the Premises is undergoing renovations or repair due to any damage to or destruction of the improvements, provided Lessee is diligently pursuing such renovations or repairs pursuant to plans approved by the City.

17. Termination.

(a) In the event that Lessee shall be in default of the payment of rent or any other amount due and owing under this Lease for a period of ten (10) days following written notice of such default from Lessor, or if Lessee shall fail or neglect to do or perform or observe any of the other covenants or agreements contained in this Lease on its part to be kept or performed, and such failure and neglect shall continue for a period of not less than thirty (30) days after Lessor has notified Lessee in writing of Lessee's default, and Lessee has failed to correct such default within said ten (10) day or thirty (30) day period, whichever is applicable, then Lessor may terminate this Lease.

(b) In the event Lessor is in default of any of its covenants or agreements contained in this Lease, and such failure and neglect shall continue for a period of not less than thirty (30) days after Lessee has notified Lessor in writing of Lessor's default, and Lessor has failed to correct such default within said thirty (30) day period, then Lessee may terminate this Lease.

(c) Upon expiration or within thirty (30) days after earlier termination or mutual cancellation of this Lease, Lessee shall turn over to Lessor the Premises in good and serviceable condition, damage by the elements and ordinary wear and tear excepted. If Lessee fails to surrender the Premises within said thirty (30) days period, then Lessor may lawfully at its option, immediately or at any time thereafter, without demand or notice, enter into and upon the Premises and in the name of the whole, repossess the same of its former estate, and expel Lessee, and those claiming by, through, or under Lessee, and remove their effects, if any, without prejudice to any remedy which otherwise might be used, for arrears, or rent, or other preceding breach of covenant. If Lessee fails to surrender the Premises to Lessor as required by this paragraph, Lessee shall hold Lessor harmless for all damages resulting from Lessee's failure to surrender the Premises.

(d) If Lessee, with Lessor's express consent, remains in possession of the Premises after the expiration or earlier termination of the term (including the initial term and any extended term), or after the date in any notice given by Lessor to Lessee terminating this Lease, such possession by Lessee shall be deemed to be a month-to-month tenancy terminable on 30 days' notice given at any time by either party. During such month-to-month tenancy, the rent required to be paid hereunder shall be increased by 50% over the rent of the last month prior to the expiration or earlier termination of the Lease, or such other amount as mutually agreed upon by the parties. Lessee shall pay such rent and all other sums required to be paid hereunder monthly on or before the first day of each month. All other provisions of this Lease except those pertaining to the term shall apply to the month-to-month tenancy.

(e) No expiration or termination of this Lease (except as expressly provided herein) and no repossession of the Premises or any part thereof shall relieve Lessee of its liabilities and obligations hereunder, all of which shall survive such expiration, termination or repossession, and Lessor may, at its option, sue for and collect all rent and other charges due hereunder at any time as when such charges accrue. In the event Lessor commences any suit for the repossession of the Premises, for the recovery of rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of the Lessee to be kept or performed, and a breach shall be established, Lessee shall pay to Lessor reasonable expenses incurred in connection therewith, including reasonable attorneys' fees.

18. Other Governing Provisions.

(a) **Covenants and Conditions.** All covenants and agreements contained in this Lease are declared to be conditions to this Lease and to the Term of this Lease. Should Lessee default in the performance of any covenant, conditions or agreement contained in this Lease, then this Lease With Renewal Options shall terminate and the Premises shall revert to Lessor. Lessor shall be entitled to bring an action to re-enter and regain possession of said Premises as provided by California law.

(b) **Attorneys' Fees.** If any action or other proceeding arising out of this Lease is commenced by either party to this Lease concerning the Premises, then as between Lessor and Lessee, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action or other proceeding by the prevailing party.

(c) **Entire Agreement.** The provisions of this Lease constitute the entire agreement between Lessor and Lessee with respect to the Premises, and neither party is relying on any representation, whether oral or written, that is not contained herein.

(d) **Binding on Successors.** The rights, duties, and obligations of this Lease shall be binding upon the heirs, successors and assigns of the parties.

(e) **Severability.** If any provision of this Lease is held invalid or unenforceable, such invalidity will not affect other provisions of this Lease. The provisions of this Lease are severable.

(f) **Waiver.** If Lessor agrees to waive any of the terms and conditions of this Lease, such waiver will not be construed as a waiver of any succeeding breach of the same term or condition, or as a waiver of any other term or condition. A waiver by the Lessor as to any term or condition will not be construed as a course of performance.

(g) **Recitals.** The Recitals A through D are incorporated herein by reference as though set at length.

(h) **Captions.** The captions, titles and headings in this Lease shall have no effect on the interpretation of this Lease or any part thereof.

(i) **Modification.** Any Addendum to or modification of this Lease must be in writing and signed by the respective authorized representative of both Lessor and Lessee and when so executed shall become a part of this Lease.

(j) **Venue.** Lessor and Lessee agree that if any legal action is taken to interpret or enforce the terms and conditions of this Lease, such actions shall be filed with the proper court in the County of San Luis Obispo.

19. Notices.

All notices, demands, requests, consents, or approvals which may or are required by this Lease shall be communicated in writing by either party and shall be delivered to the following addresses:

Lessor:

CITY OF EL PASO DE ROBLES

Director of Administrative Services
1000 Spring Street
Paso Robles, CA 93446

Lessee:

San Luis Ambulance Service, Inc.

Frank I. Kelton, President and CEO
P.O. Box 954
San Luis Obispo, CA 93406

If the notice cannot be delivered personally, a copy of the notice may be delivered by mail. Delivery shall be deemed given when such notice is enclosed in a sealed envelope, with postage thereon fully prepaid, that is addressed to a party on one of the above addresses and that envelope is deposited in a United States Post Office mailbox or such notice is sent by reputable overnight delivery service.

IN WITNESS WHEREOF, the said parties have executed this Lease in duplicate the day and year shown below.

Lessor:

CITY OF EL PASO DE ROBLES

BY: _____
James L. App, City Manager

Lessee:

San Luis Ambulance

BY: _____

RESOLUTION NO. 13-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING THE LEASE AGREEMENT WITH SAN LUIS AMBULANCE SERVICE FOR SPACE
AT THE PUBLIC SAFETY CENTER

WHEREAS, the City entered into a 10-year lease agreement with San Luis Ambulance Services (SLAS) in July 2003 for space located at the Public Safety Center; and

WHEREAS, this lease expired in July 2013, and it is in the City's best interest to renew the lease agreement for five years with an option for five additional years, and

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that the lease agreement with SLAS for two five-year periods, for a possible total of 10 years is approved.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 1st day of October 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk