

AMBULANCE LEASE

This Lease Agreement (the "Lease") dated as of July 1, 2022 is entered into by and between Washington County, a political subdivision of the State of Utah (the "County"), as lessor hereunder, and Hildale City, a Utah municipal corporation (the "Agency"), as lessee hereunder.

Recitals

- A. The County has an obligation under state law to ensure that a minimum level of 911 ambulance service is provided within its boundaries;
- B. The Agency holds an exclusive license from the Utah Bureau of Emergency Medical Services to deliver 911 transport services within its territory;
- C. Using federal CARES Act funding, the County purchased a 2022 ambulance with a vehicle identification number of 1FDUF4HT6NEC37832 (hereafter the "Ambulance");
- D. The County would like to lease the Ambulance to the Agency for its use in delivering 911 ambulance service in the County, subject to the terms and conditions of this Lease; and
- E. The Agency would like to lease the Ambulance from the County to deliver 911 ambulance service in its exclusive territory and as called upon in other areas of the County as called upon by dispatch and in the discretion of the Agency.

NOW THEREFORE, for in and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Lease Provisions

- 1. **Lease.** The County hereby leases the Ambulance to the Agency, and the Agency leases the Ambulance from the County, to have and to hold under this Lease unless sooner terminated as expressly provided herein.
- 2. **Term.** The Lease term shall commence as of the date of delivery of the Ambulance and shall terminate at midnight on June 30, 2027 (hereafter the "Lease Term"). Unless either party delivers a written notice of non-renewal at least 30 days before the end of the initial Lease Term, the Lease Term will automatically be renewed, for successive one-year terms (each a "Renewal Term") for so long as neither party delivers a written notice of non-renewal to the other party at least 30 days before the termination of the then-current term.
- 3. **Use.** During the Lease Term, the Ambulance will at all times be used only to provide 911 ambulance service in the Agency's territory or in other areas as called upon to do so by dispatch.
- 4. **Compliance with Laws.** The Agency shall comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus, agencies, and officers, including without limitation, BEMS regulations applicable to the use of the Ambulance. The Agency acknowledges that the Ambulance was purchased with federal funding and that the federal government may have other legal requirements governing the use of the Ambulance, and the Agency agrees to comply with such legal requirements.

5. **Termination of Lease Term.** The Lease Term shall terminate upon the first to occur of the following events:

- a. The conclusion of the Lease Term and any valid Renewal Term;
- b. Immediately upon the Agency's return of the Ambulance to the County with the Agency's written Notice of Termination based on the Agency's statement that it no longer has a need for the Ambulance; or
- c. 120 days from the date the County issues a written Notice of Termination to the Agency based on the County's need to use the Ambulance in another area of the County.

6. **Enjoyment of Equipment.** The County hereby covenants to provide to the Agency during the Lease Term with the exclusive use of the Ambulance, and the Agency shall during the Lease Term have the exclusive use of the Ambulance, without suit, trouble, or hindrance from the County, except as expressly set forth herein. The County shall have the right at all reasonable times during business hours (and in emergencies at all times) to inspect the Ambulance.

7. **Lease Payments.** The Agency shall pay to the County, as Base Rent, \$1.00 per year during the initial Lease Term and during any Renewal Term. In addition to Base Rent, the Agency shall pay, as Additional Rent, for all of the following:

- a. All costs necessary to operate the Ambulance;
- b. All costs necessary to keep the Ambulance equipped with necessary supplies;
- c. The costs of maintenance and repair as required under this Lease; and
- d. The costs of insurance on the Ambulance.

8. **No Setoff.** Notwithstanding any dispute between the County and the Agency, the Agency shall pay all payments of Base Rentals and Additional Rent when due, and shall not withhold any Base Rent or Additional Rent pending final resolution of such dispute. The obligation of the Agency to pay Base Rentals and Additional Rentals during the initial Lease Term and any Renewal Term shall be absolute and unconditional in all events, and payment of the Base Rent and Additional Rent shall not be abated through accident or unforeseen circumstances.

9. **Title.** Title to the Ambulance shall remain in the County. The Agency shall not have any right, title or interest in the Ambulance or any additions, repairs, replacements, modifications or fixtures thereto.

10. **Maintenance.** The Agency shall, at its own expense, and as if the Agency were the absolute owner of the Ambulance, operate, manage, keep and maintain the Ambulance in good working order, condition, and repair, including major repairs or replacements of a capital nature when necessary, including periodic painting as reasonably determined by the County, and in accordance with all operating and maintenance manuals and all applicable laws, rules, ordinances, orders, and regulations as shall be in effect from time to time of (1) any federal, state, county, municipal, or other governmental or quasi-governmental agencies and bodies having or claiming jurisdiction thereof and all their respective departments, bureaus, and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction thereof; and (3) all insurance companies insuring all or any part of the Ambulance. The Agency shall provide maintenance records at least annually or, upon the County's request, more frequently.

11. **Modifications.** The Agency shall have the privilege of making substitutions, additions, modifications, or improvements at its own cost and expense, and the same shall be subject to this Lease;

provided, however, that such substitution, addition, modification, or improvement shall not in any way damage the Ambulance or cause it to be used for any purpose other than those authorized under this Lease. The Agency shall not allow any mechanic's or other lien to be established or remain against the Ambulance for labor or materials furnished in connection with any substitution, addition, modification, repairs, or improvement.

12. **Ambulance Insurance.** The Agency agrees to insure or cause to be insured the Ambulance against loss or damage of the kinds usually insured against by public bodies similarly situated, including, without limitation, policies of casualty and property damage insurance, by means of policies issued by reputable insurance companies duly qualified to do such business in the State with a uniform standard coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in Utah, in amounts that are not less than the full insurable value of the Ambulance. The term "full insurable value" as used herein shall mean the actual replacement value. Alternatively, subject to approval of the County Attorney, the Agency may provide proof of coverage through the Utah Local Governments Trust or Utah Risk Management Agency, provided such coverage is adequate in the opinion of the County. Evidence of such insurance shall be provided to the County upon request.

13. **Liability Insurance.** The Agency agrees that it will, during the Lease Term or any Renewal Term, participate as a member of the Utah Local Governments Trust or the Utah Risk Management Agency, or in the alternative, provide such general liability insurance that provides coverage at limits that are acceptable in the opinion of the County Attorney.

14. **Advances.** If the Agency fails to maintain the insurance required under this Lease or to maintain and keep the Ambulance in good repair and operating condition, the County may (but shall be under no obligation to do so) obtain the required insurance and pay the premium on the same or make such repairs or replacements as are necessary and provide payment thereof. Amounts paid by the County under this Section shall be reimbursed by the Agency to the County upon request.

15. **Damage.** If the Ambulance is damaged at any time during the Lease Period, the Agency shall repair the damage at its sole cost. If the Agency fails to do so, the County may cause the Ambulance to be repaired and send the invoice for such repair to the Agency, which shall pay the invoice amount to the County. If the Ambulance is damaged to a degree that it is considered a total loss, the Agency shall pay the County the actual replacement value of the Ambulance.

16. **Disclaimer of Warranties.** The County makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Ambulance or any of the equipment or fixtures therein or any other representation or warranty. In no event will the County be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning, or the use by the Agency of any item, product, or service provided for herein.

17. **Assignment and Subleasing.** This Lease may not be assigned by the Agency for any reason. Any attempted assignment is void. The Agency shall not sublease the Ambulance for any reason.

18. **Events of Default.** Any one of the following shall be an "Event of Default" under this Lease:

a. Failure of the Agency to pay any Base Rent or Additional Rental within 15 days of the date it is due;

b. Failure of the Agency to observe and perform any covenant, condition, or agreement on its part to be observed or performed (other than as referred to in (a) above) for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, given to the Agency by the County, unless the County shall agree in writing to the extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the County shall not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the Agency within the applicable period and diligently pursued until the default is corrected;

c. The Agency abandons the Ambulance or discontinues its use; or

d. The Agency is no longer legally authorized to provide ambulance transport service.

19. **Remedies on Default.** Whenever an Event of Default has happened, the County shall have the right, at its option, without further demand or notice, to take one or any combination of the following remedial steps:

a. Immediately take possession of the Ambulance, including all associated equipment and supplies;

b. File an action to enforce any payment or other obligation under this Lease;

c. Terminate the lease; and

d. Take whatever action at law or in equity may appear necessary or desirable to enforce the County's rights in the Ambulance.

20. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to the County is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

21. **Indemnification.** The Agency shall indemnify, defend (which is defined to mean the reimbursement of costs and attorney's fees incurred by legal counsel of the County's choosing), and hold harmless the County from any claim or litigation arising from or related to the Agency's use of the Ambulance.

22. **Attorney's Fees and Costs.** In the event that either Party files an action on this Lease, the prevailing party shall be entitled to an award of costs and attorney's fees from the nonprevailing party.

23. **No Additional Waiver.** In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

24. **Severability.** In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

25. **Ambulance at End of Lease Term.** At the end of the Lease Term or any applicable Renewal Period, or upon any earlier termination, the Agency shall return the Ambulance to the County in the same condition in which it was delivered to the Agency by the County, reasonable wear and tear excepted.

26. **Modification.** This Lease may not be amended, changed, modified, or altered except by a signed writing of the parties.

27. **Execution in Counterparts.** This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

28. **Applicable Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Utah.

29. **Captions.** The captions or headings of this Lease are for convenience only and in no way define, limit, or describe the scope or intent of any provision or Sections of this Lease.

IN WITNESS WHEREOF, the County and the Agency have executed this Lease as of the day and year specified above.

WASHINGTON COUNTY

HILDALE CITY

Victor Iverson, Chair
Date:

By:
Its:
Date:

Attest:

Attest:

Susan Lewis, Clerk-Auditor