

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: July 30, 2024
PUBLIC HEARING DATE: July 30, 2024

CONTACT PERSON(S) NAME AND PHONE NUMBER: Mary Lou Espinoza, Capital Assets Manager, (915) 867-2629

DISTRICT(S) AFFECTED: 6

STRATEGIC GOAL: No. 6: Set the Standard for Sound Governance and Fiscal Management

SUBGOAL: No. 6.6: Ensure continued financial stability and accountability through sound financial management, budgeting and reporting

SUBJECT:

A resolution authorizing the City Manager to sign a lease agreement by and between the City of El Paso and Air Methods, LLC, a Missouri limited liability company, for the Aviation and Clinical Crew Base Site located at 12230 Pine Springs for a term of five years.

BACKGROUND / DISCUSSION:

The City of El Paso desires to lease a portion of the building located on real property parcel identified as PID 26528, aka Fire Station 35, located at 12230 Pine Springs Dr., that is proposed to be used for crew support personnel quarters and office space in support of a medical helicopter service.

PRIOR COUNCIL ACTION:

On April 23, 2024, the City and Air Methods, LLC, entered into an agreement titled Air Medical Services and Support Agreement for medically necessary air transport service.

June 11, 2024, Section 5.8 Base Sites was amended to extend the period for a lease agreement to be executed.

AMOUNT AND SOURCE OF FUNDING:

N/A: This is a revenue generating item

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? YES NO

PRIMARY DEPARTMENT: Streets & Maintenance (Real Estate)

SECONDARY DEPARTMENT: Fire Department

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: Richard J. Bristol - Streets and Maintenance Director



7-15-24

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, on April 23, 2024, the City and Air Methods, LLC, entered into an agreement titled Air Medical Services and Support Agreement for medically necessary air transport service; and

WHEREAS, on June 11, 2024, Section 5.8 Base Sites was amended to extend the period for a lease agreement to be executed; and

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. That the City Manager be authorized, on behalf of the City of El Paso, to sign a Building Lease by and between the City of El Paso and Air Methods, LLC, a Delaware limited liability company, for the Aviation and Clinical Crew Base Site located at 12230 Pine Springs for a term of five years.
2. That the City Manager be authorized to make subsequent nonmaterial amendments to the Lease Agreement after review by the City Attorney.

Approved this ____ day of _____ 2024.

CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:

Laura D. Prine, City Clerk

APPROVED AS TO FORM:



Carlos L. Armendariz
Assistant City Attorney

APPROVED AS TO CONTENT:



Mary Lou Espinoza
Capital Assets Manager

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

LEASE AGREEMENT FOR
12230 Pine Springs

This Lease Agreement (“**Lease**”) is made this 1st day of August, 2024 (“**Effective Date**”) between the City of El Paso, a municipal corporation organized and existing under the laws of the State of Texas, (“**Landlord**”), and Air Methods, LLC, a Delaware limited liability company, (“**Tenant**”).

For good and valuable consideration, the parties agree as follows:

SECTION 1. DEFINITIONS.

The following terms shall be defined in this Lease as follows:

Premises: A portion of the building located at 12230 Pine Springs, consisting of approximately 8,729 square feet, as determined by Landlord in its sole discretion, comprised of two (2) bedrooms (approximately 144 square feet each), and one (1) medical supply closet (approximately 65 square feet) for Tenant’s exclusive use, and nonexclusive use of the gym (approximately 240 square feet), office with 3 desks (approximately 202 square feet), men’s lockers and shower facilities (approximately 385 square feet), women’s lockers and shower facilities (approximately 193 square feet), restrooms (approximately 50 square feet), a common area consisting of a living, kitchen, and dining room (approximately 802 square feet), corridor (approximately 810 square feet) all as depicted on EXHIBIT A. PROPERTY ID# 26528 GEO ID# V86799900102400

Land: The land described on *Exhibit A* attached hereto (which includes the land where any improvements are located, including the Premises and the outside area including but limited to parking areas, and sidewalks).

Permitted Use: Solely for the following: Aviation and Clinical Crew Base Site

Term: The Initial Term, any renewal or extension term pursuant to any properly exercised Tenant option, any renewal or extension period provided for in any subsequent written agreement between the parties, and any month-to-month tenancy holdover period.

Initial Term: FIVE (5) YEARS Lease Years.
The first “Lease Year” shall commence on the Lease Commencement Date and end upon the expiration of the last day of the twelfth (12th) full calendar month following the Rent Commencement Date. Thereafter, a “Lease Year” shall consist of

successive periods of twelve (12) calendar months.

Renewal Term: THREE (3) OPTIONS OF ONE (1) YEAR

Lease Commencement Date: August 1, 2024

Rent Commencement Date: August 1, 2024

Base Rent Schedule:

Monthly Base Rent

From the Rent Commencement Date through Lease Year 1:	\$945.39 per month
Lease Year 2:	<u>\$964.30</u> per month
Lease Year 3:	<u>\$983.59</u> per month
Lease Year 4:	\$1,003.26 per month
Lease Year 5:	\$1,023.33 per month

Security Deposit: \$2,836.17

Broker(s): N/A

Landlord's Payment

Address: The City of El Paso
Attn: Office of the Comptroller
P. O. Box 1890
El Paso, Texas 79950-1890

Tenant's Notice Address: Air Methods, LLC
Attn: Vice President, South Central Region
Address: 5500 South Quebec St., Ste. 300
Greenwood Village, Colorado, 80111

Air Methods, LLC
Attn: Legal Department
Address: 5500 South Quebec Street, Suite 300
Greenwood Village, Colorado 80111
Email: contracts@airmethods.com

Email: realestate@airmethods.com

**SECTION 2. LEASE OF PREMISES; COMMON AREA; PERMITTED USE;
CONDITION OF PREMISES, COMMON AREA, AND LAND; QUIET ENJOYMENT**

A. PREMISES. Subject to the terms of this Lease, Landlord hereby leases the Premises to Tenant for the Term.

B. COMMON AREA. Subject to Landlord's existing and future rules and regulations, and the existing or future rights of third parties, if any, Tenant shall have the right to non-exclusive use of common areas on the Premises as set forth above. In this Lease, "common area(s)" means all parking areas, access roads, driveways, sidewalks, landscaped areas, retaining walls, fences and rock walls, lighting facilities, other non-exclusive use areas and improvements and other facilities furnished, made available or maintained by Landlord in, on, or about the Land.

C. PERMITTED USE. Tenant shall use the Premises solely for the Permitted Use and for no other purpose, and such use shall be subject to and in accordance with all applicable laws, rules, and regulations, including, without limitation, the laws of the United States of America and the State of Texas, the rules and regulations promulgated by their authority and all applicable rules, regulations and ordinances of Landlord now in force or hereafter prescribed or promulgated by charter authority, by law, or otherwise. If a federal agency assesses a civil penalty against Landlord for a violation related to the Permitted Use or an action or lack of action taken by Tenant or Tenant's agents, employees, contractors, or patrons in, on, or about the Land, then Tenant will reimburse Landlord the civil penalty amount. Tenant will reimburse Landlord for the civil penalty within 30 days of receipt of notice from Landlord of the civil penalty.

D. CONDITION OF PREMISES, COMMON AREAS, AND LAND. EXCEPT AS EXPRESSLY PROVIDED OTHERWISE IN THIS LEASE, TENANT AGREES AND UNDERSTANDS THAT: (i) LANDLORD IS MAKING NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PREMISES, THE COMMON AREAS, OR THE LAND, INCLUDING, WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES REGARDING (a) THE CONDITION OF THE PREMISES, OR (b) THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR ANY PARTICULAR USE OR PURPOSE; (ii) WITHOUT LIMITATION ON THE FOREGOING, TENANT EXPRESSLY WAIVES ANY AND ALL SUCH WARRANTIES, INCLUDING SPECIFICALLY, BUT WITHOUT LIMITATION, THE WARRANTY OF SUITABILITY; (iii) TENANT ACCEPTS THE PREMISES "AS IS" WITH ALL FAULTS AND HEREBY FULLY AND FINALLY RELEASES, ACQUITS AND FOREVER DISCHARGES LANDLORD AND ITS AGENTS AND EMPLOYEES FROM ANY AND ALL CLAIMS, AND DAMAGES, BOTH KNOWN AND UNKNOWN, IN LAW OR IN EQUITY, NOW EXISTING OR HEREAFTER ARISING, IN CONNECTION WITH THE CONDITION OF THE PREMISES, THE COMMON AREAS AND/OR THE LAND. THESE PROVISIONS SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

E. QUIET ENJOYMENT. Subject to all zoning ordinances and other laws and regulations governing or regulating the use of the Premises and all easements, rights of way, and prescriptive rights, and all presently recorded instruments which affect the Premises, and provided that Tenant fulfills its obligations under this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the Term.

SECTION 3. HOLDOVER.

If Tenant fails to surrender the Premises to Landlord prior to the expiration of the Term in the condition required by this Lease, the term shall renew on a month-to-month basis and (a) Tenant shall be considered a month-to-month Tenant under this Lease, (b) the Term shall automatically be extended on a month-to-month basis, (c) the monthly Base Rent due during such tenancy shall be one hundred fifty percent (150%) of the highest monthly Base Rent that was due throughout the Term, and (d) all terms and provisions of this Lease shall remain in full force and effect during such month-to-month tenancy. During such month-to-month tenancy, either party may terminate this Lease by providing the other party at least thirty (30) days prior written notice of termination. Tenant will be liable to Landlord for any loss or damage caused by Tenant's failure to surrender the Premises upon the expiration of this Lease.

SECTION 4. BASE RENT; SECURITY DEPOSIT.

A. **BASE RENT.** Tenant shall pay Landlord Base Rent in the amounts set forth in Section 1 of this Lease, in advance, on the first day of each calendar month throughout the Term. Base Rent will be paid to Landlord in the form of an ACH payment or check. On the Effective Date, Tenant shall pay Landlord the Base Rent that will be due under this Lease from the Effective Date through the expiration of the first full calendar month following the Effective Date. Any other fees or expenses payable from Tenant to Landlord pursuant to this Lease shall be considered additional rent. Any rent or other amounts accruing under this Lease that are not received by Landlord by the tenth (10th) day of the month in which payment is due, shall bear interest from the date such payment was due at the lesser of the rate of eighteen percent (18%) per year or the then maximum nonusurious rate under applicable law

All rent, fees, and other charges due Landlord shall be paid to Landlord at Landlord's Payment Address or at such place or by wire transfer as may be designated from time to time by Landlord.

B. **SECURITY DEPOSIT.** On the Effective Date, to secure Tenant's performance under this Lease, Tenant shall pay Landlord the Security Deposit, which shall be held by Landlord without obligation for interest or segregation. If Tenant does not timely pay Landlord any amount due Landlord pursuant to this Lease, then, without notice or demand, Landlord may utilize the Security Deposit to pay Landlord any such amounts, and Tenant shall, within thirty (30) days of receipt of written demand therefor, pay Landlord the amount necessary to restore the Security Deposit to the full amount required by this Lease. Landlord will return the Security Deposit, less any amounts owed by Tenant to Landlord, within sixty (60) days after the expiration or termination of this Lease, or the end of any holdover period. Tenant shall remain obligated to pay Landlord any amounts owed to Landlord that are not covered by the Security Deposit.

SECTION 5. PREMISES AND COMMON AREA MAINTENANCE

Tenant will pay its proportionate share, based on the square footage of Tenant's exclusive leased space as a portion of the square footage of Landlord's total building, of expenses incurred by Landlord to operate and maintain the Premises and common areas, if any. Such expenses are included in the base rent.

Notwithstanding any contrary provision in this Lease, Tenant is responsible for the costs of repairs for any damages to the common areas or Premises caused by Tenant or Tenant's employees, HQ#: 23-1861-Fire | TRAN-538720 | Lease Agreement – 12230 Pine Springs – Air Methods, LLC | CLA

contractors, agents, invitees, and/or licensees. Landlord shall have the right to make such repairs without notice to Tenant, at Tenant's sole cost, which costs shall be considered additional rent under this Lease and shall be due and payable within five (5) days after Tenant's receipt of an invoice therefor.

LANDLORD AND TENANT WAIVE THE APPLICABILITY OF SECTION 93.012 OF THE TEXAS PROPERTY CODE TO THE TERMS OF THIS LEASE.

SECTION 6. LANDLORD'S MAINTENANCE AND REPAIR OBLIGATIONS; LANDLORD'S RIGHT OF ENTRY.

A. **LANDLORD'S MAINTENANCE AND REPAIR OBLIGATIONS.** Landlord shall keep or cause to be kept the foundation, roof, and structural portions of walls, HVAC, plumbing and mechanical systems, fire suppression systems in good order, repair, and condition except for damage due to the acts or omissions of Tenant, its employees, contractors, licensees, and/or invitees (for which Tenant shall be solely responsible). Landlord shall commence required repairs as soon as reasonably practicable after receiving written notice from Tenant of any required repair. Except as provided in this Section, Landlord shall not be obligated to make repairs, replacements, or improvements of any kind to the Premises, or to any equipment, merchandise, stock in trade, facilities, or fixtures therein, all of which shall be Tenant's responsibility.

B. **LANDLORD'S RIGHT OF ENTRY.** Landlord reserves the right to enter the Premises to inspect the condition of the Premises, perform any Landlord maintenance, repairs, or replacements under this Lease, to inspect the Premises to verify Tenant is in compliance with all maintenance, repair, and replacement obligations under this Lease, and/or to show the Premises to prospective buyers, tenants, or current or prospective Landlord lenders. Except in case of emergency, prior to entering the Premises, Landlord will provide Tenant with 24 hours' notice. The exercise of Landlord's right to enter the Premises for the purposes under this Section do not constitute an eviction or disturbance of Tenant's rights under this Lease. Upon completion of any inspection pursuant to this provision, Landlord shall provide written notice of any repairs or maintenance which Landlord in its sole discretion determines Tenant is obligated to perform.

SECTION 7. TENANT'S MAINTENANCE AND REPAIR OBLIGATIONS.

Tenant shall at all times keep the portion of the Premises which is exclusively for Tenant's use, and any improvements Tenant makes to the Premises clean, orderly, sanitary and safe, damage by unavoidable casualty excepted. If replacement of equipment, fixtures and appurtenances thereto are necessary, Tenant shall, subject to Landlord's prior approval, replace the same with equipment, fixtures and appurtenances of the same quality, and repair all damages done in or by such replacement.

Landlord, acting reasonably, shall be the sole judge of Tenant's compliance with the foregoing Tenant obligations. Notwithstanding any contrary provision in this Lease, if Tenant fails to perform such obligations to Landlord's reasonable satisfaction within ten (10) days after receipt of written notice from Landlord, Tenant shall be in default of this Lease and, in addition to Landlord's other remedies, Landlord shall have the right to enter the Premises and perform such obligations at

Tenant's sole cost, which shall be considered additional rent under this Lease and shall be due and payable within five (5) days after Tenant's receipt of an invoice therefor.

SECTION 8. TAXES

Tenant shall pay all taxes and governmental charges of any kind whatsoever that may be assessed against Tenant or Landlord arising from or related to the portion of the Premises which is exclusive to Tenant during the Term. The base rent shall include the taxes expected on the portion of the Premises which is exclusive to Tenant during the Term. Tenant in good faith may contest any tax or governmental charge; provided that Tenant may not permit such tax or governmental charge to remain unpaid during the period of such contest and any appeal therefrom unless, in the opinion of counsel satisfactory to Landlord, such action will not adversely affect any right or interest of Landlord.

SECTION 9. TENANT IMPROVEMENTS AND PERSONAL PROPERTY.

Tenant shall not make any improvements, alterations, or changes of any nature (except for the addition of removeable trade fixtures) to the Premises without the prior written consent of Landlord. Any such improvements, alterations, or changes must comply with all applicable laws, rules, regulations, and Landlord conditions. Upon completion of the improvements, Tenant will deliver "as-built" records of the construction signed and sealed by a professional engineer or architect licensed in Texas. Any improvements made pursuant to this Lease will become, without compensation, Landlord's property at the expiration or termination of this Lease. Any improvements made without Landlord's consent shall, at Landlord's option, either (i) automatically become Landlord's property as provided above; or (ii) upon written demand from Landlord before or after the expiration or termination of this Lease, be removed by Tenant, at Tenant's sole cost (and Tenant shall restore the Premises to Landlord's satisfaction).

If Tenant leaves any personal property in, on, or about the Premises after the expiration or earlier termination of this Lease, at Landlord's option, title to such property shall (i) automatically vest in Landlord, which Tenant hereby warrants and represents shall be free and clear of any and all encumbrances or rights of any third parties; or (ii) without taking title to such property, Landlord may leave such property in the Premises or otherwise dispose of such property as Landlord deems necessary or advisable, and Tenant's indemnity obligations under this Lease shall extend to all damages incurred by Landlord arising from or related to such property, including, without limitation, Landlord's acts or omissions with respect to such property. Personal property includes, without limitation, all machinery, equipment, appliances, furniture, fixtures, and any other personal property of any kind or description owned or leased by Tenant, or otherwise located on the Premises due to any act or omission of Tenant, but excluding motor vehicles.

SECTION 10. UTILITIES.

Landlord is solely responsible for obtaining and maintaining all utilities and all utility services during the Term, including, but not limited to, gas, electricity, telephone, cable, and water services required for the operation of Tenant's business within the Premises. Landlord agrees to pay before delinquency, all meter and any other utility charges including hook up, connection fees, or other charges which may accrue with respect to the Premises during the Term, whether the same be

charged or assessed at flat rates, measured by separate meters by the utility company or prorated by Landlord. Tenant will pay its proportionate share, based on the square footage of Tenant's exclusive leased space as a portion of the square footage of Landlord's total building of utility expenses incurred by Landlord for the Premises. Such expenses are included in the base rent.

SECTION 11. SIGNS

Except for signage which is required by statute, regulation, or rule for Tenant's air ambulance operations and related billing and reimbursement, Tenant will not place any signs that are visible from outside the Premises without Landlord's prior written consent.

SECTION 12. NO ENCUMBRANCES

Tenant shall promptly pay all contractors and materialmen performing work for Tenant in, on, or about the Premises, and shall not permit or suffer any lien to attach, or affidavit of lien to be filed, with respect to such work. If any such lien or claim of lien is filed, Tenant shall cause same to be released of record within ten (10) days after notice thereof.

Tenant shall not permit Tenant's interest in the Premises and/or this Lease to be encumbered in any way.

SECTION 13. FIRE MONITORING AND SUPPRESSION SYSTEMS.

Landlord agrees to supply and maintain at its own expense any fire extinguishers, or other fire prevention equipment required by any and all applicable federal, state, and local laws, rules, orders, ordinances, and regulations, and/or as may be required by any underwriters association, bureau, or any other similar body having jurisdiction over said Premises.

SECTION 14. ASSIGNMENT AND SUBLETTING.

Tenant shall not have the right and privilege to assign or sublet sublease this Lease.

SECTION 15. ENVIRONMENTAL LAWS.

A. For purposes of this Lease:

1. "**Environmental Laws**" means any one or all of the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300h et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including sub-strata land.

2. “**Hazardous Material**” means all substances, materials and wastes that are, or that become, regulated under or classified as hazardous or toxic under any Environmental Law and all petroleum products, such as gasoline, kerosene, diesel fuel, and the like.
3. “**Releasing**” means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the environment.

B. COMPLIANCE.

1. Tenant will not cause or permit any Hazardous Material, other than what is necessary to carry out its operations, to be used, generated, manufactured, produced, stored, brought upon, or released, on, under or about the Premises, common areas, or transported to and from the Premises by Tenant, its sublessees, agents, employees, contractors, invitees, licensees, or a third party in violation of any Environmental Law. **Tenant will indemnify, defend and hold harmless Landlord, its successors and assigns, its officers, directors, employees, agents and attorneys from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are incurred or assessed as a result (whether in part or in whole) of any activity or operation on or discharge from the Premises, common areas, or transported to and from the Premises caused by the act or omission of Tenant, its sublessees, agents, employees, contractors, licensees or invitees. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the Premises, common areas, or other land, soil, underground or surface water to the extent required under Environmental Laws. Tenant’s obligations and liabilities under this paragraph shall continue so long as Landlord bears any liability or responsibility under the Environmental Laws for any action that occurred in, on, or about the Premises or common areas. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work to the extent required by any federal, state or local governmental agency or political subdivision having authority to enforce Environmental Laws because of Hazardous Material located on the Premises or any improvements thereon, or present in the soil or ground water on, under or about the Premises. The parties agree that Landlord’s right to enforce Tenant’s promise to indemnify is not an adequate remedy at law for Tenant’s violation of any provision of this Section. Landlord will also have all other rights and remedies provided by law or otherwise provided in this Lease.**
2. Without limiting the foregoing, if the presence of any Hazardous Material on, under or about the Premises or in any improvements thereon or permitted by Tenant results in any contamination of the Premises or any improvements thereon, Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to return the

Premises or any improvements thereon to the condition existing prior to the introduction of any such Hazardous Material to the Premises or in any improvements thereon; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Premises or on any improvements thereon. If Tenant fails to comply with this provision, then Landlord may take remedial action and invoice to Tenant the costs incurred by Landlord under this Provision. Tenant will pay such invoice within 30 calendar days of receiving such invoice. Any remedial action taken by Landlord under this provision does not modify or release Tenant's obligations under this Lease.

3. Tenant will, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority ("**Government**") under the Environmental Laws. If the Government determines that site characterization, site assessment and/or a cleanup plan be prepared or that a cleanup should be undertaken on the Premises or in any improvements thereon or on surrounding property to comply with applicable Environmental Laws, then Tenant will, at Tenant's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. At no expense to Landlord, Tenant will promptly provide all information requested by Landlord to determine the applicability of the Environmental Laws to the Premises to respond to any governmental investigation or to respond to any claim of liability by third parties which is related to environmental contamination of the Premises or the improvements thereon or the surrounding property.
4. Tenant will notify Landlord promptly after Tenant becomes aware of any of the following: (a) any correspondence or communication from any governmental entity regarding the application of Environmental Laws to the Premises or Tenant's Permitted Use on the Premises, and (b) any change in Tenant's Permitted Use on the Premises that will change or has the potential to change Tenant's or Landlord's obligations or liabilities under the Environmental Laws.

C. RELEASING HAZARDOUS MATERIAL.

1. In the event of a Release of Hazardous Materials in violation of Environmental Laws on the Premises that presents an immediate threat of injury to persons or property that is not immediately remediated to the satisfaction of Landlord or the expiration of cure periods provided for in this Lease, then notwithstanding any other provision in this Lease to the contrary, Landlord may "self-help" or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of any law on, under or about the Premises. Tenant will be responsible for the cost of Landlord's "self-help" in this Section, which can include but are not limited to attorneys' fees. Landlord will use its best efforts to notify Tenant prior to its exercise of such self-help rights.
2. Tenant's failure or the failure of its agents, employees, contractors, licensees, invitees, or a third party to comply with any of the requirements and obligations of this Section is a material default of this Lease. As such, Landlord may pursue the remedies as set

forth in this Lease, in addition to all other rights and remedies provided by law.

3. Notwithstanding anything to the contrary herein, Tenant shall only be responsible for the liabilities, costs, expenses, and indemnifies Landlord to the extent a violation of Environmental Laws is caused by and attributable to Tenant's actions.

D. REPORTING.

1. If required by applicable law, if Tenant submits any filing or response pertaining to its property, operations, or presence on City property with any governmental entity (other than the Internal Revenue Service) by way of example but not in limitation, the EPA or the TCEQ, or any successor agencies, Tenant provide duplicate copies to Landlord of such filing(s) and response(s) with any related documents at the time same are made.
2. If required by applicable law, upon expiration, termination or cessation of this Lease for any reason, Tenant will provide to Landlord a Phase I Environmental Site Assessment meeting ASTM standards of the Premises. If in the opinion of Landlord, such report indicates that the Premises is in violation of applicable Environmental Laws, then Tenant will perform work as is necessary to cause the Premises to be in compliance with applicable Environmental Laws.

SECTION 16. CASUALTY AND CONDEMNATION.

A. CASUALTY.

If the Premises is hereafter damaged or destroyed or rendered partially untenable for their accustomed use by fire or other casualty, Landlord may, in its sole and absolute discretion, restore the Premises (excluding stock in trade, trade fixtures, furniture, furnishings, carpeting, floor covering, wall covering, drapes and equipment, which Tenant shall be required to restore) or terminate this Lease upon written notice to Tenant. If Landlord elects to restore the Premises, from the date of such casualty until the Premises are so repaired and restored, the monthly Base Rent payments hereunder shall abate in such proportion as the part of the Premises thus destroyed or rendered untenable bears to the total Premises. If Tenant or its employees, agents, or contractors caused the casualty, Tenant shall not be entitled to any rent abatement. If Landlord terminates this Lease pursuant to this provision, this Lease shall terminate as of the later of (i) the date of the casualty; and (ii) the date Tenant ceased all operations and occupancy of the Premises (which shall not be later than thirty (30) days after the date of such notice).

B. CONDEMNATION.

1. If any portion of the Land or any improvement thereon shall be acquired, condemned or damaged as a result of the exercise of any power of eminent domain, condemnation or sale under threat thereof or in lieu thereof (herein called a "Taking"), then Landlord at its election may terminate this Lease by giving notice to Tenant of its election to terminate. If Landlord terminates this Lease pursuant to this provision, this Lease shall

terminate as of the date the condemning authority has the right to physical possession of the property subject to the Taking. If this Lease is not terminated as aforesaid, then it shall continue in full force and effect, and Landlord shall, if any portion of the Premises is a part of the property subject to the Taking, within a reasonable time after possession is physically taken by the condemning authority, restore the remaining portion of the Premises to the extent reasonably possible, to render it reasonably suitable for the Permitted Use. Provided, however, Landlord shall not be obligated to expend an amount greater than the proceeds received from the condemning authority less all expenses incurred in connection therewith (including attorneys' fees) for the restoration. Base Rent shall be reduced in the proportion that the area of the Premises so taken bears to the total Premises. Base Rent will not be reduced for a Taking of property outside the Premises. Landlord reserves and Tenant assigns to Landlord all rights to damages on account of any Taking, or any act of any public or quasi-public authority for which damages are payable. Tenant shall execute such instruments of assignment as Landlord requires, join with Landlord in any action for the recovery of damages, if requested by Landlord, and turn over to Landlord any damages recovered in any proceeding. However, Landlord does not reserve any damages payable for trade fixtures or leasehold improvements installed by Tenant at its own cost which are not part of the realty and all other damages that Tenant may be entitled to under applicable law; provided, however, Tenant shall not be entitled to any damages that would reduce Landlord's award.

2. Notwithstanding the foregoing, Tenant shall have the right to terminate this Lease by providing Landlord written notice of termination prior to the date the condemning authority has the right to physical possession of the property subject to any Taking (in which case this Lease will terminate on the date such right accrues), but only if the Taking includes any part of the Premises.

SECTION 17. SNDA AND ESTOPPEL.

A. SNDA. At the request of Landlord, Tenant will sign and return to Landlord any commercially reasonable Subordination, Nondisturbance, and Attornment agreement (“SNDA”) within ten (10) days after written request therefor, and Tenant agrees to the following:

1. SUBORDINATION. Tenant's interest under this Lease is, at all times, subordinate to other present and future liens on the Premises and any modifications, supplements, extensions, amendments, renewals, consolidations, and replacements of said liens.
2. NON-DISTURBANCE. If the ownership of the Premises changes in any way, then Tenant's right to quiet enjoyment and other rights under this Lease will not be disturbed or terminated, provided that this Lease is in full force and effect and there are no defaults by Tenant.
3. ATTORNMENT. Tenant shall recognize any future owners of the Premises as Landlord and will continue to perform all Tenant obligations under this Lease through the Term.

B. ESTOPPEL. At Landlord's request, Tenant will sign and return to Landlord within ten (10) days after written request therefor an estoppel certificate addressed to Landlord, any Landlord mortgagee and any third party that Landlord requests. Tenant will include the following in the estoppel certificate: the Term, the amounts that are to be paid under this Lease, a statement that there are no existing defaults on the part of Landlord (or describing such defaults) and that Tenant has no claims against Landlord (or describing such claims), and any other information pertaining to this Lease that Landlord may request.

SECTION 18. DEFAULTS AND REMEDIES.

A. LANDLORD DEFAULTS. Landlord shall not be in default of any of its obligations under this Lease unless and until Landlord shall have failed to perform any Landlord obligation under this Lease within thirty (30) days after written notice from Tenant to Landlord describing the unfulfilled obligation (or within such additional time thereafter as Landlord reasonably requires to fulfill such obligation).

B. TENANT DEFAULTS. The following shall be Tenant defaults under this Lease:

1. Tenant fails to pay Base Rent, additional rent or other amounts when due hereunder and fails to cure such default within thirty (30) days after receiving written notice from Landlord;
2. Tenant fails to perform or observe any other of the terms, provisions, conditions, and covenants of this Lease for more than thirty (30) days after receiving written notice of such failure;
3. Landlord determines that Tenant submitted any false report required to be furnished hereunder;
4. Tenant does anything upon or in connection with the Premises or the construction of any part thereof, which directly or indirectly interferes in any way with, or results in a work stoppage in connection with, any activities of Landlord in, on, under, or above any part of the Premises and fails to cure such default within ten (10) days after receiving written notice from Landlord;
5. Tenant becomes bankrupt or insolvent or file or have filed against it a petition in bankruptcy or for the appointment of a receiver or trustee of all or a portion of Tenant's property, or Tenant makes an assignment for the benefit of creditors;
6. Tenant abandons or vacates or does not do business in the Premises by providing written notice thereof to Landlord and the foregoing continues for ten (10) consecutive calendar days;
7. The Premises are used or occupied by any person other than Tenant and its contractors;
and

8. The Premises are used for any purpose other than the Permitted Use.

C. LANDLORD'S REMEDIES.

1. Should any such default occur, and without any grace period, demand or notice, except as herein provided (the same being hereby waived by Tenant), Landlord, in addition to all other rights or remedies it may have, shall have the right thereupon or at any time thereafter to terminate this Lease by giving notice to Tenant stating the date upon which such termination shall be effective. Landlord shall further have the right, either before or after any such termination, to re-enter and take possession of the Premises, remove all persons and property from the Premises and store such property at Tenant's expense, all without notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby. Nothing herein shall be construed to require Landlord to give notice before exercising any of its rights and remedies provided for in this Lease.
2. If Landlord re-enters as provided herein, or if Landlord takes possession pursuant to legal proceedings or otherwise, Landlord may either terminate this Lease or Landlord may, from time to time, without terminating this Lease, make such alterations and repairs as it deems advisable to relet the Premises, and relet the Premises or any part thereof for such term or terms and at such rentals and upon such other terms and conditions as Landlord in its sole discretion deems advisable. Upon each such reletting all rentals, fees, or charges received by Landlord through reletting shall be applied: (i) to any indebtedness other than rent due hereunder from Tenant of Landlord; (ii) to pay any costs and expenses of reletting, including brokers and attorneys' fees and costs of alterations and repairs; (iii) to rent due hereunder; and (iv) the residue, if any, shall be held by Landlord and applied in payment of future rent as it becomes due hereunder, and any amounts left over after the following will belong to Landlord.
3. If rentals received from such reletting during any month are less than that to be paid during that month by Tenant hereunder, Tenant shall immediately pay any such deficiency to Landlord. No re-entry or taking possession of the Premises by Landlord shall be construed as an election to terminate this Lease unless a written notice of such termination is given by Landlord.
4. Without any notice, Landlord may at any time terminate this Lease for any Tenant default, including any prior default after Landlord retakes possession of the Premises. If Landlord terminates this Lease for any such default, in addition to any other remedies Landlord may have, Landlord may recover from Tenant all damages incurred by reason of such default or breach, including all costs of retaking the Premises and including the total rent, fees, and charges reserved in this Lease for the remainder of the Term, subject to any Landlord obligation to mitigate damages, all of which shall be immediately due and payable by Tenant.
5. If Tenant shall continue in default in the performance of any of the covenants or agreements herein contained for a period of thirty (30) days after receiving Landlord's written notice thereof, Landlord may perform the same for the account of Tenant at

Tenant's sole cost, which shall be considered additional rent under this Lease, shall bear interest at the maximum nonusurious interest rate allowed by applicable law, and shall be due and payable immediately upon Tenant's receipt of an invoice therefor.

6. Landlord and Tenant entered into that certain Air Medical Services and Support Agreement dated April 30, 2024 (the "ADM Agreement"). In the event the ADM Agreement expires or terminates, this Lease will automatically terminate as of the effective date of such expiration or termination. Landlord and Tenant are entering into that certain Lease Agreement dated as of the Commencement Date ("Land Lease") for the land located at 12230 Pine Springs, El Paso, Texas 79936. In the event the Land Lease expires or terminates, this Lease will automatically terminate as of the effective date of such expiration or termination.

SECTION 19. SURRENDER OF PREMISES.

At the expiration or termination of this Lease, Tenant shall surrender the Premises, together with all real property improvements to the Premises constructed pursuant to this Lease, in good condition and repair, reasonable wear and tear excepted, and deliver all keys for, and all combinations on locks, safes, and vaults in the Premises to Landlord.

SECTION 20. INDEMNIFICATION.

TENANT AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS LANDLORD AND ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AND ELECTED AND APPOINTED OFFICIALS, HARMLESS AGAINST CLAIMS, DEMANDS, DAMAGES, COSTS, LIABILITIES AND EXPENSES, INCLUDING INVESTIGATION EXPENSES AND REASONABLE ATTORNEYS' FEES FOR THE DEFENSE OF SUCH CLAIMS AND DEMANDS, TO THE EXTENT ARISING OUT OF OR RELATED DIRECTLY OR INDIRECTLY TO ACTS OR OMISSIONS OF TENANT, ITS AGENTS, EMPLOYEES, CONTRACTORS, AND LICENSEES IN THE PREMISES, AND THE USE OF OR PRESENCE IN, ON THE PREMISES BY SUCH PARTIES, OR FROM ANY TENANT DEFAULT UNDER THIS LEASE. IN CASE ANY ACTION OR PROCEEDING IS BROUGHT AGAINST LANDLORD BY REASON OF ANY SUCH CLAIM, TENANT, UPON RECEIPT OF WRITTEN NOTICE FROM LANDLORD, AGREES TO DEFEND THE ACTION OR PROCEEDING BY COUNSEL ACCEPTABLE TO LANDLORD. THE OBLIGATIONS OF TENANT UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

SECTION 21. INSURANCE.

Tenant, at its sole cost, shall maintain the following insurance coverage throughout the Term:

A. **LIABILITY INSURANCE.**

1. General Liability Insurance in amounts not less than:

\$1,000,000 – Each Occurrence

\$2,000,000 – General Aggregate
\$1,000,000 – Personal & Advertising Injury
\$1,000,000 – Products/Completed Operations – Aggregate
\$5,000 – Premises Medical Expense
\$500,000 – Damage to Rented Premises (each occurrence)

Such policy shall include (i) a Waiver of Subrogation endorsement in favor of Landlord; (ii) a thirty (30) day Notice of Cancellation/Material Change endorsement in favor of Landlord; and (iii) if the policy does not provide blanket additional insured coverage for Landlord, an endorsement naming Landlord (and its elected and appointed officials, officers, agents and employees) as additional insureds.

2. Unless waived by Landlord in writing, Comprehensive Pollution Liability Insurance in amounts not less than \$1,000,000 for each occurrence, which insurance shall cover, at a minimum, bodily injury, property damage, including natural resource damage, loss of use of damaged property or of property that has not been physically injured or destroyed, cleanup costs, removal, storage, disposal, and or use of the pollutant, and defense costs, including costs and expenses incurred in the investigation, defense, or settlement of claims, all covering the Premises and surrounding Landlord's property. Such policy shall include (i) a Waiver of Subrogation endorsement in favor of Landlord; (ii) a thirty (30) day Notice of Cancellation, or ten (10) days for nonpayment of premium, endorsement in favor of Landlord; and (iii) if the policy does not provide blanket additional insured coverage for Landlord (and its elected and appointed officials, officers, agents and employees), an endorsement naming Landlord (and its elected and appointed officials, officers, agents and employees) as additional insureds.

B. PROPERTY INSURANCE.

1. Tenant will insure all of Tenant's real property improvements now or hereafter located on the Premises (for the mutual benefit of Landlord and Tenant) against loss or damage by fire and against loss or damage by other risks embraced by "extended coverage" and against civil commotions, riots, vandalism and malicious mischief in an amount equal to the full replacement cost of such improvements. Landlord shall not be liable for any loss to any such Tenant improvements by any casualty, fire, or theft, and Tenant shall be solely responsible for carrying adequate insurance, at its sole cost and expense, to cover any such losses.

If any such improvements suffer any casualty caused by Tenant and Landlord elects to repair or restore such improvements, Tenant shall pay Landlord all insurance proceeds payable due to such casualty plus any additional amount Landlord determines will be necessary for Landlord to repair or restore such improvements. If the total amount paid by Tenant for such restoration is in excess of the actual costs thereof, the amount of such excess shall be paid to Tenant after such improvements have been repaired or restored.

If any such improvements suffer any casualty caused by Tenant and Landlord elects to terminate the Lease due to such casualty, Tenant shall pay Landlord all insurance

proceeds payable due to such casualty and any additional amount that would be required to fully replace or repair such improvements; provided, however, Tenant shall not be required to pay Landlord an amount in excess of the full replacement or repair costs, as applicable.

2. Tenant shall carry insurance against all risks, for the full insurable value, covering all of Tenant's merchandise, trade fixtures, furnishings, wall covering, floor covering, carpeting, drapes, equipment, and all items of personal property of Tenant located in, on, or about the Land.
3. **ALL REAL AND PERSONAL PROPERTY OF TENANT KEPT IN, ON, OR ABOUT THE LAND SHALL BE KEPT AT TENANT'S RISK ONLY.**

C. **WORKERS' COMPENSATION.** Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act and minimum policy limits for employer's liability of \$1,000,000 bodily injury each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. Such policy shall include (i) a Waiver of Subrogation endorsement in favor of Landlord; and (ii) a thirty (30) day Notice of Cancellation, or ten (10) days for nonpayment of premium, endorsement in favor of Landlord.

D. **OTHER REQUIREMENTS.** The foregoing insurance coverage may be provided by one or more policies of insurance. The issuer of any policy must have a certificate of authority to transact insurance business in the State of Texas and must be responsible, reputable, and have financial capability consistent with the risks covered, as determined by Landlord in its sole discretion. Tenant will provide Landlord copies of all certificates of insurance on the Effective Date and at any time upon written request of Landlord throughout the Term. Tenant will provide Landlord all certificates evidencing renewal or replacement of said policies of insurance at least 10 calendar days following to the expiration or cancellation of any such policies.

SECTION 22. GENERAL PROVISIONS.

A. **NO WAIVER.** Landlord may waive any Tenant default without waiving any prior or subsequent defaults. Landlord's failure to exercise or delay in exercising any right under this Lease, will not operate as a waiver of such right.

B. **RELATIONSHIP OF THE PARTIES.** Landlord shall not, in any way or for any purpose, become a partner, employer, principal, master, agent or joint venturer of or with Tenant.

C. **TIME IS OF THE ESSENCE.** Time is of the essence in this Lease.

D. **WEEKENDS AND HOLIDAYS.** If the due date set forth in this Lease for the performance of any obligation by Landlord or Tenant is a Saturday, Sunday, or City of El Paso holiday (or if notice is received or would otherwise be deemed received on any such date), the due date for performance of such obligation, or date of receipt of such notice, shall be deemed to be the next date that is not a Saturday, Sunday, or City of El Paso holiday.

E. NOTICES. The parties will send all notices required by this Lease either in person, e-mail, in writing postmarked and delivered by certified mail, or by other nationally recognized overnight courier. All notices that are properly addressed and mailed shall be considered received 3 business days after the postmark date. All notices that are delivered in person or by e-mail are considered received on the date sent to the addresses or persons listed below. Parties may change their addresses or designated persons by sending a written notice to the other party. A new address is not official until the change of address notice is received by the other party as provided in this Section. Upon receipt of proper notification of change of address the notified party will send all further notifications to the new address. Parties will address notices as follows:

To the Landlord: The City of El Paso
Attn: City Manager
P. O. Box 1890
El Paso, Texas 79950-1890

With a Copy to: The City of El Paso
Attn: Real Estate Division
7969 San Paulo
El Paso, Texas 79907
Email: realestate@elpasotexas.gov

To the Tenant: Tenant's Notice Address set forth in Section 1.

F. CONFIDENTIALITY. Tenant acknowledges that this Lease is subject to Chapter 552 of the Texas Government Code (Texas Public Information Act). The release of the Agreement as a whole or in part must comply with Chapter 552 of the Texas Government Code (Texas Public Information Act).

G. GOVERNING LAW. This Lease is governed by Texas law.

H. VENUE. The venue for disputes regarding this Lease between the parties will be El Paso County, Texas.

I. SEVERABILITY. A future finding of invalidity of any provision of this Lease does not affect the validity of any remaining provisions of this Lease.

J. HEADINGS. The headings and subheadings of this Lease are for information purposes only and are not substantive terms.

K. GOVERNMENTAL FUNCTION. The parties agree that Landlord is entering into this Lease as a governmental entity performing a governmental function.

L. TERMINATION AS REQUIRED BY THE CITY OF EL PASO CHARTER. In
HQ#: 23-1861-Fire | TRAN-538720 | Lease Agreement – 12230 Pine Springs – Air Methods, LLC | CLA

accordance to Section 3.18 of the El Paso City Charter, this Lease may be terminated by the City if the City determines that it is necessary to secure efficiency of public service at a reasonable rate, or to assure that the property is maintained in good order throughout the life of the grant.

M. AUDIT RIGHTS. Reserved

N. FORCE MAJEURE. If either party hereto shall be delayed or hindered in or prevented from performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure material, failure of power, restrictive governmental laws or regulations, riots, insurrection, acts of war or other reason of the like nature not the fault of the party delayed in performing work or doing acts required under this Lease, the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. However, Tenant shall not be excused from any obligations for payment of Base Rent, additional rent, fees, or other payments required by the terms of this Lease when same are due, and all such amounts shall be paid when due.

O. SUCCESSORS AND ASSIGNS. This Lease is binding on Landlord and Tenant, and their successors.

P. NO THIRD-PARTY BENEFICIARIES. There are no third-party beneficiaries of this Lease.

Q. LANDLORD'S DISCRETION. Unless otherwise expressly provided for in this Lease, Landlord's approval or consent as permitted or required by this Lease may be given or withheld by Landlord for any reason or no reason at all.

SECTION 23. ADDITIONAL PROVISIONS. NOTWITHSTANDING ANY CONTRARY PROVISION IN THIS LEASE: N/A

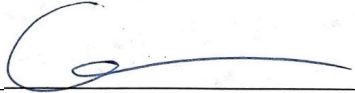
[signature page(s) follow]

LANDLORD:

CITY OF EL PASO:


Cary Westin, City Manager

APPROVED AS TO FORM:



Carlos L. Armendariz
Assistant City Attorney

APPROVED AS TO CONTENT:



Mary Lou Espinoza
Capital Assets Manager

(Acknowledgement)

STATE OF TEXAS)
COUNTY OF EL PASO)

This Instrument was acknowledged before me on the ____ day of _____, 2024 by Cary Westin, as City Manager of the City of El Paso, a municipal corporation, on behalf of said corporation.

Notary Public, State of Texas

Notary's Commission Expires:
Notary's Name (printed)

TENANT:
Air Methods, LLC



Name: Leo Morrissette
Title: Executive Vice President – Operations

EXHIBIT A

The portions marked in blue consisting of two (2) bedrooms (approximately 144 square feet each), and one (1) medical supply closet (approximately 65 square feet) for Tenant's exclusive use, and nonexclusive use of the gym (approximately 240 square feet), office with 3 desks (approximately 202 square feet), restrooms (approximately 50 square feet), men's lockers and shower facilities (approximately 385 square feet), women's lockers and shower facilities (approximately 193 square feet), a common area consisting of a living, kitchen, and dining room (approximately 802 square feet), corridor (approximately 810 square feet)

Figure A1

Floor Plan

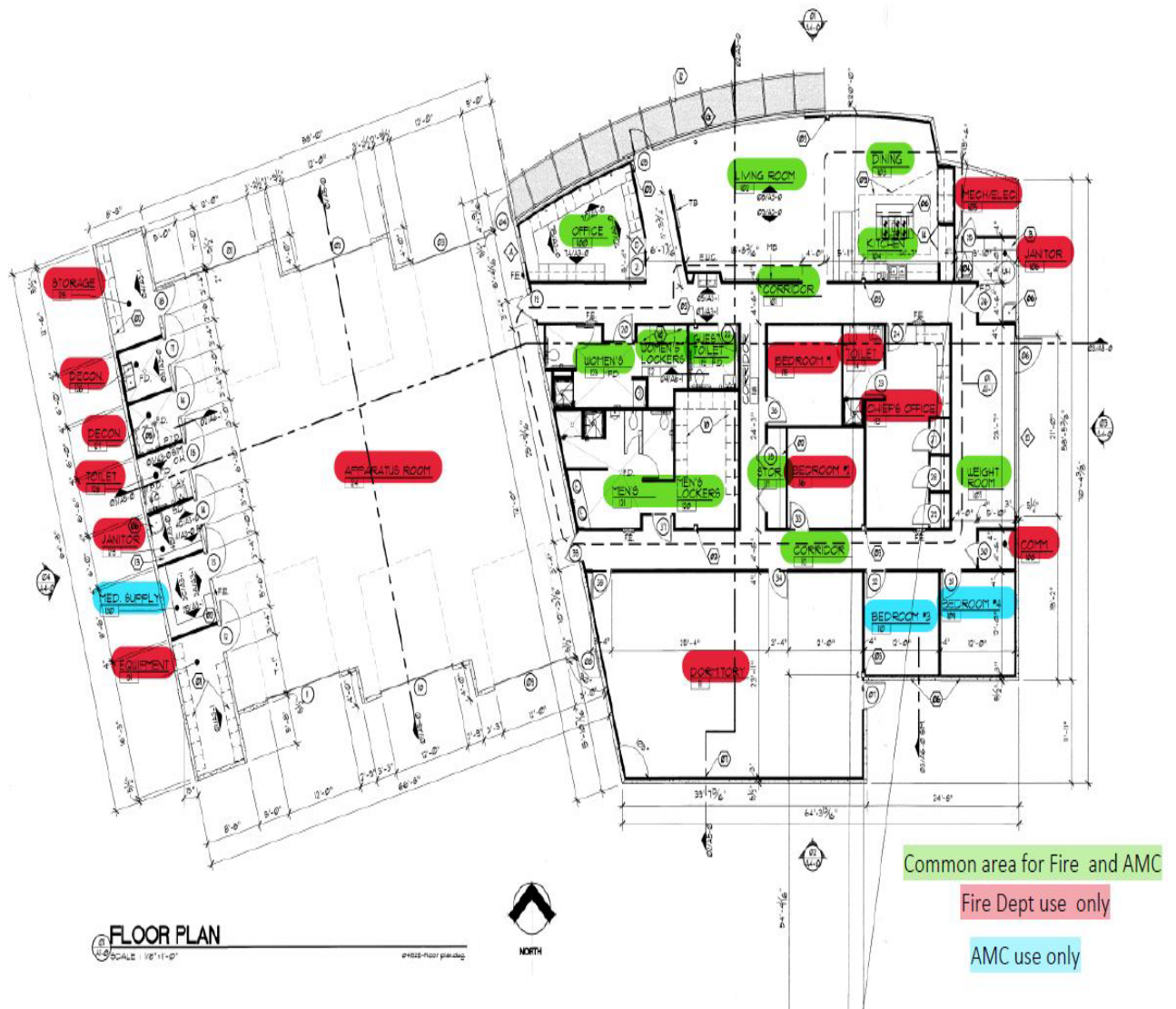


Figure A2

The portions outlined in yellow show the outside areas including but not limited to sidewalks and a parking lot.

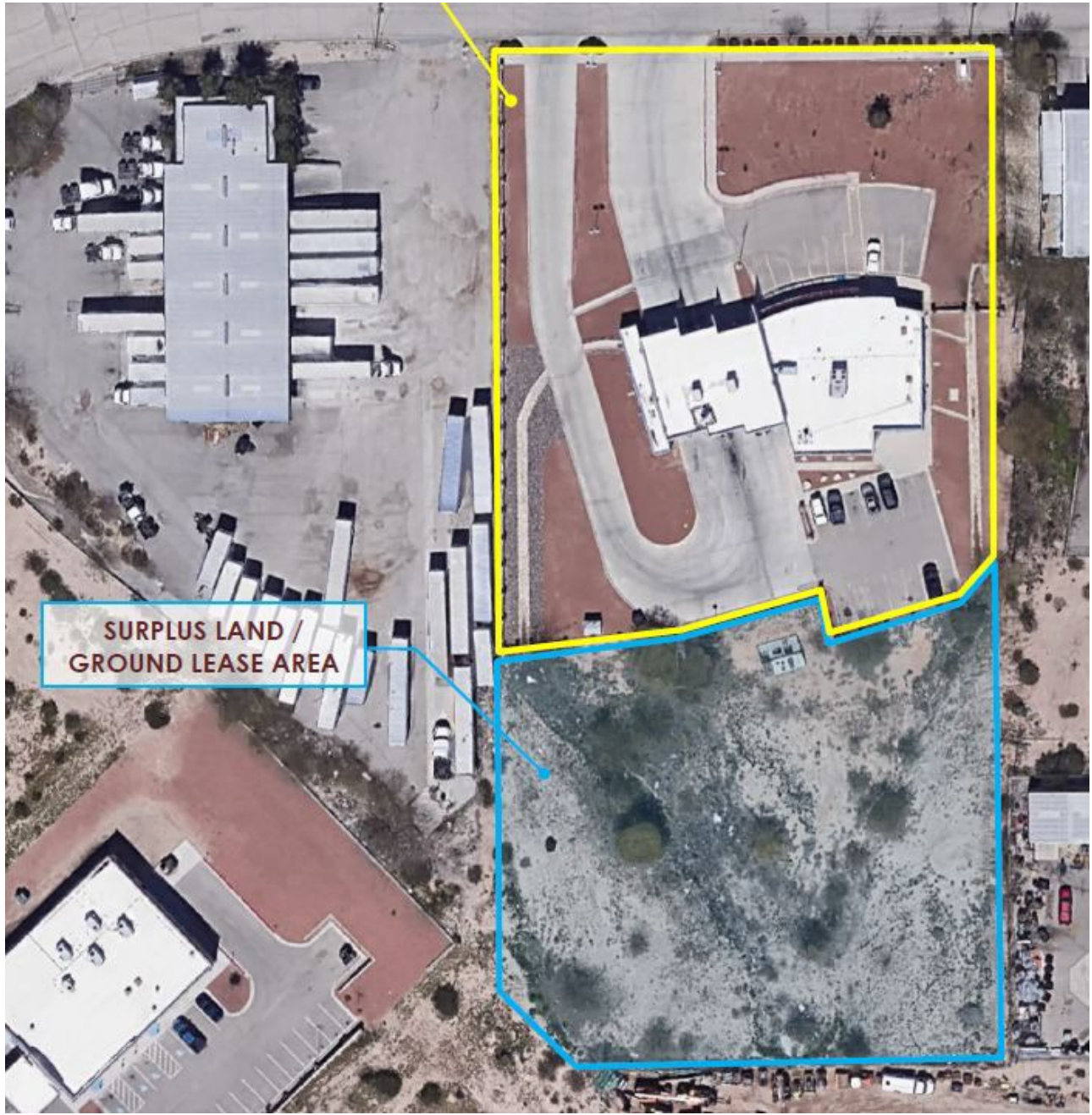


EXHIBIT B

RENEWAL OPTION ADDENDUM

Premises Address: 12230 Pine Springs

Landlord: City of El Paso

Tenant: Air Methods, LLC

Provided there are no uncured Tenant defaults under the Lease at the time Tenant exercises its option, Tenant shall have the right to extend the Term for three (3) additional period(s) of 12 months each, by delivering written notice of renewal to Landlord at least 90 days prior to the expiration of the then current Term. If the Term is extended, all provisions of the Lease shall continue in full force and effect; provided, however, Base Rent for the extension period(s) shall increase 2% at the beginning of each Lease Year throughout such extension period(s).

All capitalized terms used in this addendum not otherwise defined herein have the same meaning given such terms in the Lease.