AN ORDINANCE No. 95-0-046

AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE BETWEEN THE CITY OF LAREDO GENERAL FUND, AS LESSEE, AND THE CITY OF LAREDO AIRPORT FUND, AS LESSOR, FOR APPROXIMATELY 4.9567 ACRES OF LAND LOCATED AT 4700 MAHER AVENUE AT THE LAREDO INTERNATIONAL AIRPORT; 1. LEASE TERM IS FOR 40 YEARS COMMENCING MARCH 1, 1995, AND ENDING FEBRUARY 28, 2035; 2. MONTHLY RENT SHALL BE \$2,520.00 AND WILL BE ADJUSTED ANNUALLY ACCORDING TO CHANGES IN THE CONSUMER PRICE INDEX AND ADJUSTED BY APPRAISAL DURING EACH 10-YEAR ANNIVERSARY; PROVIDING FOR EFFECTIVE DATE.

WHEREAS, the Airport Manager recommends that the City Council approve the proposed lease between the City of Laredo Airport Fund, as LESSOR, and City of Laredo General Fund, as LESSEE, for approximately 4.9567 acres of land located at 4700 Maher Avenue at the Laredo International Airport, as a contract and in furtherance of the development of the Laredo International Airport and as a support to the maintenance and operation of the Laredo International Airport.

WHEREAS, the Airport Advisory Board finds that said lease and contract are in the best interest of the Airport; and

WHEREAS, the City Council of the City of Laredo is of the same opinion.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

Section 1: The City Manager be and is hereby authorized to execute a lease with the City of Laredo General Fund for approximate 4.9567 acres of land located at 4700 Maher Avenue at the Laredo International Airport, a copy of which lease is attached hereto as Exhibit A, and incorporated herein as if set out at length for all intents and purposes.

 $\underline{\text{Section}}$ $\underline{2}$: This Ordinance shall become effective upon passage hereof.

AN ORDINANCE AUTHORIZING A LEASE WITH THE CITY OF LAREDO GENERAL FUND (POLICE STATION)

THIS	PASSED THE	6th THE	DAY OF	OUNCIL AN	d Approved		MAYOR	ON
						<i>D.</i>		
					SAUL N. RA	MIREZ,	JR	
አጣጥፑር					MAYOR		7.	

ATTEST:

GUSTAVO GUEVARA, JR.

APPROVED AS TO FORM: JERRY BRUCE CAIN ACTING CITY ATTORNEY

BY: MYST GINGER BEINERT

ASSISTANT CITY ATTORNEY

95-0-046

STATE OF TEXAS)(

COUNTY OF WEBB)(

This lease agreement is made and entered into by and between the City of Laredo, Texas, a home rule city, hereinafter referred to as "LESSOR" and City of Laredo Police Department, hereinafter referred to as "LESSEE".

WHEREAS, the LESSOR currently owns and operates those premises known as the Laredo International Airport, sometimes referred to as "Airport" lying and situated within the incorporated limits of the City of Laredo, Webb County, Texas, and;

WHEREAS, the LESSOR has determined that it is advantageous to itself, its citizenry, and the operation of its airport to lease and demise premises located on the airport to the LESSEE together with certain rights, privileges, and uses;

NOW, THEREFORE, THE LESSOR and LESSEE for and in consideration of the covenants and agreements embodied below, do hereby covenant and agree as follows:

ARTICLE I

1.01 DEFINITIONS

- A. "Laredo International Airport area" means that certain area administered by the City of Laredo, Texas, pursuant to an indenture from the United States of America to the City of Laredo, Texas, dated February 21, 1975.
- B. "LESSOR" means the City of Laredo, Texas, and its duly constituted agents, including its Airport Manager.

1.02 APPLICABILITY OF TERMS OF CONTRACT

Terms of this lease agreement are binding upon the heirs, executors, administrators, trustees and assigns of LESSEE.

1.03 DESCRIPTION OF PREMISES DEMISED

LESSOR, in consideration of the covenants and agreements embodied below does hereby lease and demise the following described premises to the LESSEE; a tract of land containing approximately 4.9567 acre tract located at the Laredo International Airport which land is described by metes and bounds description which is attached to this lease agreement and incorporated into same for all intents and

purposes. See Exhibit A. The property described above shall be referred to as the "premises".

1.04 RIGHT TO IMPROVE

Subject to the terms, covenants and conditions embodied below, the LESSEE shall have the right and privilege to construct and maintain improvements upon the leased premises.

1.05 TERM OF LEASEHOLD, COMMENCEMENT OF TERM, SUSPENSION

- A. The term of this lease shall be for forty (40) years.
- B. This lease shall commence on the first day of the month immediately following the execution of this lease agreement by the City Manager of the City of Laredo, Texas, provided, however, that the City Manager must, prior to the execution of this lease agreement on LESSOR'S behalf, obtain the express written authority from the Mayor and City Council of the City of Laredo, Texas.

1.06 RENTAL OBLIGATION AND MODE OF PAYMENT

- A. LESSEE agrees to pay to LESSOR, an annual rental sum of legal money of the United States of America, said annual rental to be paid for and during each and every year of the original term of this lease. Each such annual rental amount shall be paid by LESSEE to LESSOR, in twelve (12) equal and consecutive monthly installments, each such monthly installment to be due and payable on the first (1st) day of each calendar month, except for the provision in (B), below, for the nine month grace period at the beginning of the first year of this lease.
 - B. The first monthly installment of the annual rental for the first year of this lease shall be due and payable on the first (1st) day of the tenth month next following the date of execution of this lease. The annual rental for the first year of this lease shall be the sum of \$30,240.00 with each monthly installment to be in the sum of \$2,520.00, except that the first nine months' rental is waived by LESSOR, that is, no monthly rental shall be due on May 1995, June 1995, July 1995, August 1995, September 1995, October 1995, November 1995, December 1995, and January 1996 but rather the first monthly installment shall be due and payable on February 1, 1996, with each monthly installment to be due and payable to LESSOR on the first day of each month. However, it is understood and agreed that the first annual rental adjustment as provided for in (C), below, shall be based on the annual rental amount of \$30,240.00.
 - C. For each annual period of the initial term after the first year of the initial term, rental shall be adjusted

annually on the anniversary date of this lease, (except during the tenth (10), twentieth (20) and thirtieth (30) anniversaries when the rental will be adjusted according to paragraph D of Section 1.06), by an amount which is equivalent to the percent change in the Consumer Price Index (CPI) of the preceding calendar year's (January-December) average, specifically defined as the Consumer Price Index (U.S. Average, All Urban Consumers, All Items) 1967=100 Base as compiled by the Bureau of Labor Statistics. This means that at the anniversary date of this lease, which is March 1, 1996, and annually thereafter, the rent will be adjusted on the percent change in the CPI of the preceding calendar year (January-December) or Four Percent (4%), whichever is less. Should the percent change in the Consumer Price Index be less than zero, then in such event, the rental obligation shall not be adjusted and the previous annual rental shall continue for the next twelve (12) month period.

If publication of the Consumer Price Index shall be discontinued, the parties hereto shall thereafter accept the comparable statistics on the cost of living for the City of Laredo, Texas, as they shall be computed and published by an agency of the United States or by the State of Texas or by a responsible financial periodical of recognized authority, then to be selected by the parties hereto.

Each annual rental sum calculated in the preceding paragraph shall be payable in twelve (12) equal monthly installments and each installment shall be due and payable on or before the first day of each calendar month.

D. Notwithstanding anything to the contrary, the annual rental obligation effective on the tenth (10), the twentieth (20) and thirtieth (30) anniversaries shall be adjusted based on twelve (12) percent of the then appraised fair market value of the leased premises excluding the improvements thereon and such revised rental shall be adjusted annually thereafter as provided in paragraph (C) of this section.

1.07 LATE CHARGE

- A. The rental sums provided for above, and such other additional charges provided for in this lease agreement shall be payable no later than the first (1st) day of each calendar month, without regard to notice, demand, setoff, deduction, defense or counterclaim.
- B. Except as otherwise provided in this lease agreement, the rental obligation of LESSEE shall be due and payable as provided in the preceding paragraphs and, shall not be affected by circumstances or occurrences including, but not limited to: damages to or destruction of the demised premises or any part of them, including improvements; use

restrictions or interference with any use of the demised premises or the like; claims of LESSEE against LESSOR; and notice of termination by either LESSOR or LESSEE.

C. Should LESSEE fail to pay when due any installment of rental, or any other sum payable to the LESSOR under the terms of this Lease, then interest at the maximum legal rate then payable by LESSEE in the State of Texas shall accrue from and after the date on which any such shall be due and payable, and such interest shall be paid by LESSEE to LESSOR at the time of payment of the sum upon which such interest shall have accrued.

1.08 AD VALOREM TAXES AND UTILITIES

A. LESSEE agrees to pay promptly, upon receipt of written notice from any taxing entity, authority, or appraisal district, all ad valorem taxes, penalties and interest imposed by them upon the demised premises, and upon any personal property, tools, equipment, furniture, fixtures, and inventory belonging to the LESSEE. The taxes shall be paid prior to any period of delinquency.

This section does not preclude LESSEE from the assertion of any remedies available to it under the Texas Property Tax Code Annotated 41.41-42.28.

- B. LESSEE shall, upon LESSOR'S written request, provide LESSOR with written receipts from all taxing authorities or entities showing payment of ad valorem taxes or, where applicable, written proof that it is availing itself by the remedies available to it under 41.41-42.28 of the Texas Property Tax Code. LESSEE'S failure to provide LESSOR with the written proof requested shall constitute a material breach of this lease agreement.
- C. LESSEE'S failure to pay all ad valorem taxes due and owing to any taxing entity or authority as required by this lease agreement, shall constitute a material breach of this lease agreement.
- D. LESSEE shall assume the responsibility for payment of and shall timely pay all utilities and connection fees, including water, sewer, heat, gas, electricity, and all other utilities to be used on the demised premises.

1.09 USE AND USE CONFLICT

A. The premises demised to the LESSEE are to be used and occupied solely for the purpose of a police station and other city governmental functions and for no other use. Should LESSEE desire to use the demised premises for a purpose other than the delineated above, it shall first obtain written authorization from the LESSOR.

1.10 LESSOR'S WARRANTY OF QUIET ENJOYMENT:

The LESSOR covenants that as long as LESSEE is not in default of any provision of this Agreement, LESSEE shall and may peaceably and quietly have, hold and enjoy the leased premises exclusively to it during the term hereof unless sooner terminated as provided in this Agreement.

1.11 WARRANTY OF TITLE:

LESSOR hereby represents and warrants that it is the owner in fee simple absolute of the leased premises, subject to any covenants, conditions, restrictions, easements, and other matters of record.

ARTICLE II

DEVELOPMENT OF PREMISES - REQUIRED IMPROVEMENTS

2.01 OFFSTREET PARKING

A. The LESSEE shall make provision for automobile parking for its employees, visitors, and other invitees on the demised premises. No parking shall be permitted on the streets immediately adjacent to the demised premises.

The LESSEE further agrees to pave its on-premise parking facilities in order to provide a dust-free, all-weather surface.

- B. Parking shall not be permitted in the front setback area or in side setback areas facing the streets immediately adjacent to the demised premises. Visitor parking may be provided in front setback areas and side setback areas of the demised premises facing the street provided that such onpremise parking is screened from the street by trees or shrubbery or other screening devices approved by the LESSOR or any of its authorized agents.
- C. Each parking space shall be designated by white lines painted on the paved surface.
- D. Parking for handicapped persons will be provided by the LESSEE and such spaces shall be clearly designated as handicapped parking.

2.02 VEHICLE LOADING

A. All provisions for loading and maneuvering of vehicles necessary to the operation of LESSEE'S business shall be conducted within the boundaries of the demised premises. On-street vehicle loading shall not be permitted. Vehicle loading shall be permitted only at the rear of

LESSEE'S buildings or, on a side provided that any sideloading facilities shall be screened from front street visibility by approved trees, shrubbery, or other instrumentality specifically approved by the LESSOR and initiated within the same period of time as set out in Section 2.04 (B).

2.03 SETBACKS

- A. All buildings shall be set back a minimum of twenty five (25') feet from the lot lines of the demised premises which face any street immediately adjacent thereto. The area between the lot lines and the buildings shall be landscaped. If visitor parking is provided in the front setback, all buildings shall be set back a minimum of fifty (50') feet from the lot line.
- B. At least twenty (20%) percent of the required minimum front setback area and side setback area facing the street shall be landscaped and planted.
- C. Side setbacks shall be a minimum of fifteen (15') feet.
- D. Rear setbacks shall be a minimum of ten (10') feet from the lot line or utility easement line.

2.04 LANDSCAPING

- A. A reasonable amount of landscaping, including the planting of ground cover, shrubs and trees shall be placed on the demised premises by the LESSEE.
- B. The LESSEE will initiate landscaping within one hundred eighty (180) days after notice of completion of any buildings or other improvements erected on the demised premises.
- C. Landscaping development plans and installation of such other landscaping devices as pools, fountains, sculpture, rock arrangements, sheltered outdoor sitting areas, shall be subject to a design approval by the LESSOR prior to installation.

2.05 BUILDING HEIGHTS

Building heights shall be limited to a maximum of fifty (50') feet above the curb line. This limitation includes phasial extensions of any building erected on the demised premises or other extension attached to any such building.

2.06 SITE COVERAGE

All buildings and structures, or portions of them, placed or erected on the leased premises, shall be prohibited from covering more than fifty (50%) percent of the total land area of the demised premises.

2.07 TYPE OF CONSTRUCTION

- A. All buildings shall be framed with reinforced concrete or masonry, structural steel, structural aluminum or wood which has been satisfactorily treated to resist fire, rot and insects. Siding shall consist of masonry, glass, enameled steel or treated wood. Common masonry and treated wood siding shall be kept neatly painted.
- B. All buildings shall conform to all local building codes and ordinances.

2.08 PIPES

With the exception of hoses and movable pipes used for irrigation, LESSEE shall neither install nor maintain water, gas, sewer or drainage pipes above the surface of the ground. This restriction does not apply to pipes installed or maintained within structures to be constructed by the LESSEE on the demised premises.

ARTICLE III

PREPARATION AND SUBMISSION OF PLANS FOR IMPROVEMENTS

3.01 GENERAL

A. LESSEE has represented to LESSOR during the negotiations of this Lease Contract, and now represents to LESSOR that LESSEE shall erect a building of a size not less than 15,000 square feet upon the premises. This representation is a part of the total consideration of this lease.

LESSEE covenants and agrees to improve the premises by the construction of buildings and other improvements which will enhance both the value and, in LESSOR'S opinion the appearance of the premises. LESSEE further covenants to commence to erect a building of not less than 13,500 square feet within one hundred eighty (180) calendar days from the date of the execution of this lease.

B. LESSEE covenants and agrees to submit to LESSOR within one hundred twenty (120) days after execution of this agreement the following plans for a building of not less than 15,000 square feet:

- 1. A plot plan at a scale not less than one inch per one hundred feet showing the relationship of the proposed improvement to the premises and to the improvements on adjacent lots, utilities, curbs, sidewalks, driveways, and parking area.
- 2. Floor plans at a scale not smaller than one sixteenth (1/16th) of one inch per one foot.
- 3. Ground cover plans including but not limited to landscaping.
- 4. A true architectural rendition of the proposed buildings or other structures, including parking lots and off-street parking which rendition shall include the proposed exterior color scheme, style, materials, and design and placement of signs.
- 5. LESSOR acknowledges that any and all such plans may be reasonably modified, replaced and/or amended by LESSEE; provided LESSEE delivers new copies of such revised plans to LESSOR as soon as said revised plans are available. LESSOR'S review and approval of said revised plan are required prior to any construction in accordance with said revised plans.

3.02 FORM AND CONTENT OF PLANS

- A. The LESSOR may, from time to time, promulgate rules governing the form and content of plans to be submitted for its approval and may issue statements of its policy with respect to the approval or disapproval of architectural styles, details or other matters pertaining to improvement plans.
- B. Such rules and policy statements may be amended or revoked by the LESSOR at anytime.

3.03 RULES AND REGULATIONS

- A. All improvements shall be planned and constructed in accordance with rules and regulations prescribed by the LESSOR.
- B. All improvements shall be planned and constructed in accordance with the laws and ordinances of the City of Laredo, Texas, and its applicable building codes.
- C. All improvements to be erected by LESSEE shall comply with the rules and regulations of the Federal Aviation Administration, an agency of the United States government, or any successor agencies.
- D. Should any conflict between LESSOR'S rules and regulations, laws and ordinances of the City of Laredo, and

rules and regulations of the Federal Aviation Administration occur, this provision shall be governed by the rules and regulations of the Federal Aviation Administration or any of its successor agencies.

3.04 APPROVAL OF PLANS

- A. Plans and specifications to be submitted to LESSOR shall be subject to LESSOR'S sole approval. LESSOR'S approval shall not be withheld in an arbitrary or unreasonable manner.
- B. LESSOR'S approval of LESSEE'S plans and specifications may be withheld for any of the following reasons:
- 1. Failure to comply with laws and ordinances of the City of Laredo, Texas, or any of its applicable building codes.
- 2. Failure to comply with the rules and regulations promulgated by the Federal Aviation Administration or its successor agencies.
- 3. Style conflicts with adjacent buildings or other improvements.
- 4. Non-compliance with any provision embodied in Article II of this lease.
- 5. Disapproval of the location, grading plan, color scheme, finish, design, proportions, style or architectural design, height, or appropriateness of the proposed structure, which, in LESSOR'S reasonable judgment, would render the proposed structure or improvements inharmonious with general plans promulgated by the Airport Manager for airport improvements.
- C. Approval of any plans or specifications for use on any one demised parcel shall not be deemed a waiver of LESSOR'S right to disapprove the same or similar plans or specifications submitted by other LESSEES for approval for use of any other parcel or parcels demised.

3.05 COMMITMENT TO CONSTRUCT, TIME PERIOD FOR COMPLETION OF CONSTRUCTIONS, EXTENSIONS AND LANDSCAPING

A. LESSOR'S written approval of LESSEE'S plans for erection or construction of structures and improvements upon the demised premises shall constitute LESSEE'S commitment to erect and maintain same within twelve (12) months of date of execution of this lease.

- B. LESSOR reserves the right to extend the completion date agreed upon by LESSOR and LESSEE in the preceding paragraph.
- C. Any request for extension of the agreed upon completion dates which might be sought by LESSEE shall be served upon LESSOR, in writing, in accordance with 8.19 of this lease.
- D. Any grant or denial of such an extension shall be served upon LESSEE in accordance with 8.18 of this lease.
- E. LESSEE'S failure to complete construction of improvements and structures within the time period specified above, or within the time provided by any period of extension granted by the LESSOR, shall constitute a material breach of this lease agreement.
- F. Trees, shrubs, fences, hedges or other landscaping shall not be planted, placed or erected upon the demised premises until LESSEE'S plans for same are submitted to and approved by the LESSOR in accordance with the provisions embodied in the foregoing sections and subparts.

3.06 ALTERATIONS, CONSTRUCTION OF ADDITIONAL IMPROVEMENTS

- A. Building or landscape alterations and the erection of additional structures on the demised premises shall be subject to LESSOR'S approval. Plans submissions, approval and time for completion of alterations and improvements shall be governed by the provisions of 3.01-3.06.
- B. Any alterations to structures, landscaping or other improvements, without LESSOR'S written approval shall constitute a material breach of this lease agreement and shall constitute grounds for termination of this lease by LESSOR.

3.07 MAINTENANCE OF PREMISES AND IMPROVEMENTS

- A. LESSEE covenants that he shall commit no waste nor shall he allow the commission of waste upon or to the demised premises.
- B. LESSEE agrees to maintain in a safe, clean well kept and orderly condition the premises surrounding said improvements to include right of way areas up to the street curb.
- C. LESSEE shall maintain and keep the improvements on the leased premises in a good state of repair and condition and in a presentable condition. The exterior finish on said improvements shall be repainted and refinished as necessary to maintain the appearance of such improvements. In this

regard LESSEE is responsible for 100% of the maintenance and repairs to the improvements throughout the primary and any extension terms of this lease agreement.

3.08 RIGHT OF ENTRY

A. LESSOR may, at any reasonable time, without notice to LESSEE, enter the premises for the purpose of ensuring LESSEE'S compliance with plans and timetables for the erection or alteration of structures or improvements upon the demised premises as well as other use restrictions and requirements embodied in this lease.

ARTICLE IV

USE RESTRICTIONS

4.01 GENERAL

- A. No land, alteration or structure occupied or erected by the LESSEE shall be used or occupied in any manner which could create conditions:
- 1. Adversely affecting the health, comfort, or safety of members of the general public or other LESSEES of the LESSEE; or
- 2. Adversely affecting the beneficial enjoyment and use of properties demised to LESSOR'S other LESSEES.
- B. Prohibited uses include, but are not limited, those which create:
 - 1. Fire hazards;
 - Explosive hazards;
 - Excessive noise;
 - 4. Excessive vibration;
 - 5. Excessive shock;
- 6. Smoke, dust, pungent odors, noxious emissions constituting air pollution;
 - 7. Electrical disturbances; and
- 8. Excessive liquid or solid refuse, waste or emissions.

4.02 <u>ULTRA-HAZARDOUS ACTIVITIES INCLUDING FIRE AND EXPLOSIVE HAZARDS</u>

No ultra-hazardous activities including those creating fire or explosive hazards endangering life or property shall be conducted upon the demised premises by the LESSEE.

4.03 NOISE LEVELS

At no point on the demised premises shall the sound pressure of any individual plant or operation conducted by the LESSEE (other than operation of motor vehicles, aircraft, or other conveyances of transportation) exceed the decibal levels in the designated octave bands shown below:

Maximum Permitted Sound Level in Decibals RE 0.0002 dynes/cm2			
75			
55			
45			
40			

4.04 VIBRATION OR SHOCK

No vibration or shock perceptible to a person of normal sensibilities shall be permitted within fifty (50') feet of any property line delineating the demised premises.

4.05 AIR POLLUTION

- A. Any use of the premises by the LESSEE which will produce smoke, gas, dust, odor, fumes, aerosols, particles, products of combustion, or other atmospheric pollutant shall be conducted within a completely enclosed building.
- B. Visible emissions of smoke which exceed Ringlemann No. 1 on the Ringlemann Chart of the U. S. Bureau of Mines other than motor vehicle emissions from conveyances of transportation shall not be permitted. This requirement is applicable to trash and waste material disposal. Windborne dust, sprays and mists originating in any plants upon the demised premises will not be permitted.
- C. No plant or operation shall discharge toxic or noxious matter into the atmosphere.
- D. Emission of odors detectable at any point beyond the property line of any plant erected by LESSEE shall not be permitted.

4.06 DUST CONTROL

All ground areas not covered by structures shall be landscaped or surfaced with concrete, asphaltic concrete, asphalt oil or other dust-free surfacing. These areas shall be maintained in good condition by LESSEE and shall at all times be kept free of weeds, trash, dust and other debris. They shall be properly drained and graded. This dust control shall be accomplished before the issuance of a certificate of occupancy.

4.07 HEAT OR GLARE

Any operation producing intense glare or heat shall be performed within an enclosed or screened area in such a manner which prevents the glare or heat so emitted from being discernible from any point on the property line of the demised premises.

4.08 ILLUMINATION

- A. The maximum height of any lighting standard shall be limited to thirty (30) feet above curb level.
- B. The intensity of illumination shall be limited to 10-foot candles or 0.1 lumens per square foot for open area or surfaces visible at the property line.
- C. The design and location of exterior lighting shall comply in all respects to the requirements of the Federal Aviation Administration or any successor agencies and other governmental agencies having applicable jurisdiction with respect to height, type, and placement of lighting standards as they may affect the safety of flight operations at the Airport.

4.09 SIGNS

The following regulations shall apply to all commercial signs displayed for observation from outside a building whether displayed on, near or within a building:

- A. Permitted Signs: LESSEE'S commercial signs shall be limited to those identifying the uses conducted on the site and to those necessary for directional purposes. The size, design and location of all signs shall require the written approval of the LESSOR or its authorized agent prior to installation. On-premise billboards and flashing signs are not permitted.
- B. Area and Location: One sign may be permitted on the front setback line of each leasehold and one sign may be attached to the side of the building which faces a public street. The sign of the front setback line shall not exceed

- one (1) square foot area for each linear foot of lot frontage and shall not extend more than ten (10) feet in height above the floor line of the building. An approved product or company symbol or device may be used in addition to each sign, and on the front setback line, may extend up to any point on the building. Any such symbol or device shall be considered a sign for the purpose of this Article and shall require the written approval of the LESSOR prior to installation.
- C. Construction: All signs shall comply with all building codes of the City of Laredo and with all rules and regulations of the Federal Aviation Administration or any other successor agencies.

4.10 REFUSE AND TRASH

No refuse or trash shall be kept, stored or allowed to accumulate on the demised premises.

4.11 SEWAGE DISPOSAL SYSTEMS

No cesspool, septic tank or other sewage disposal system or device shall be installed, maintained or used upon any parcel without LESSOR'S prior written approval.

ARTICLE V

INDEMNITY AND INSURANCE

5.01 INDEMNIFICATION

LESSEE shall indemnify and hold LESSOR harmless from any and all claims, demands or causes of action, including attorney's fees arising out of or resulting from the use, occupation and possession of the leased premises by LESSEE, its agents, employees, patrons, guests and invitees. LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and LESSOR shall in no way be responsible therefor.

5.02 FIRE AND OTHER RISK INSURANCE

LESSEE, at his sole cost and expense shall, throughout the term of this lease, keep or cause to be kept all improvements now or hereafter located upon the leased premises insured for the mutual benefit of LESSOR and LESSEE 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 actual replacement cost of such improvements, including costs of replacing excavations and foundations, but without deduction for depreciation

(hereinafter call "Full Insurable Value"). LESSEE shall name the City of Laredo as co-payee. In the event a dispute arises as to the Full Insurable Value which cannot be resolved by agreements, an appraisal of the leased premises and improvements thereon shall be made by an appraiser selected by LESSEE and reasonably acceptable to LESSOR to determine the Full Insurable Value as defined in this provision. The resulting determination shall be conclusive between the parties for the purpose of this Section. The expense of this appraisal shall be borne by LESSEE.

5.03 OBLIGATION OF LESSEE

During the term hereof, except as provided in Section 5.05 below, should the improvements constructed by LESSEE upon the leased premises be damaged or destroyed in whole or in part by fire or other casualty, LESSEE shall give prompt notice to LESSOR. LESSEE, at its own cost and expense, shall promptly repair, and rebuild the same to the extent as the prior value of, and as near as is practicable to the character of the buildings and improvements existing immediately prior to such damage. Such repairs, replacements or rebuilding shall be made by LESSEE and in accordance with the following terms and conditions:

- A. Prior to commencing such repairs, LESSEE shall deliver to LESSOR a set of preliminary construction plans and specifications for LESSOR'S approval. In the event the preliminary plans and specifications are disapproved, LESSEE will be notified in writing. The notice shall specify in detail the reasons for the disapproval. LESSOR shall specify the corrections to the specifications and plans.
- Upon approval of the preliminary plans specifications by LESSOR, LESSEE shall prepare or cause to be prepared, final working plans and specifications. shall conform to the preliminary plans and specifications. the final working Upon completion of plans specifications, LESSEE shall submit the same to appropriate governmental agencies for approval. Upon approval by such agency and the issuance of permits for the commencement of construction, LESSEE shall deliver to LESSOR one complete set of the final working plans and specifications as approved by the appropriate governmental agencies. Changes from the preliminary plans and specifications shall be considered to the scope of the preliminary plans and be within specifications if such changes are made to comply with suggestions, requests or requirements of the governmental agencies.
- C. Prior to commencing construction, LESSOR may require LESSEE to furnish a performance and payment bond, and, if requested, Builder's Risk Insurance.

D. Upon compliance with the foregoing, and after settlement shall have been made with the insurance company or companies, and said proceeds of such insurance policy or policies shall have been paid to LESSEE, LESSEE shall commence such repair, replacement or rebuilding within a reasonable time and shall continue such work with reasonable diligence until completion.

5.04 INSURANCE PROCEEDS

Upon receipt by LESSEE and LESSOR of the proceeds of the insurance policy or policies, LESSEE and LESSOR shall deposit same in an escrow account to pay for the cost of such repair, replacement and rebuilding. Such proceeds shall be disbursed by LESSEE and LESSOR during construction to pay the cost of such work.

If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, LESSEE shall pay any additional sums required, and if the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be retained by LESSEE.

5.05 CANCELLATION OF LEASE

Should the improvements on the leased premises be damaged or destroyed in whole or in part by fire or other casualty during the initial term or during the option term of this lease, LESSEE shall be relieved of the obligation to repair, replace and rebuild the same and shall have the right to cancel this lease by giving LESSOR written notice of its election to do so within thirty (30) days after the date of any such damage or destruction. In such event, this lease shall terminate as of the date of such destruction and the insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by LESSOR. All rents payable under this lease shall be prorated and paid to the The receipt of all insurance date of such termination. relieve LESSEE proceeds by LESSOR will from responsibility to restore the leased premises to their former condition.

5.06 CONTENTS

Insurance on contents of building is sole responsibility of the LESSEE.

5.07 PUBLIC LIABILITY INSURANCE

LESSEE agrees to indemnify and hold harmless LESSOR from any and all claims, damages, causes of action, costs and expense, including attorney's fees resulting from or related

to LESSEE'S use and occupancy of the leased premises, except any such claims, damages, causes of action, costs and expenses arising out of the negligence or willful act of LESSOR, its employee, agent, representative or invitee, from and against which LESSOR shall indemnify and hold LESSEE harmless. In this connection LESSEE shall carry and maintain public liability insurance in minimum amounts of five hundred thousand dollars (\$500,000.00) for each accident and fifty thousand dollars (\$50,000.00) property damage in which LESSOR shall be named as additional insured and as a co-insured. Such policies shall provide the same shall not be cancelled without thirty (30) days prior written notice to LESSOR, and LESSOR shall be furnished, within thirty (30) days from the effective date of this lease, with a copy of such proof of insurance. LESSOR reserves the right to accept or reject the insurance company issuing such policy or policies based on LESSOR'S prior experience with any particular insurance company.

5.08 POLICIES AND MODIFICATIONS

Copies of all LESSEE'S policies and modifications shall be deposited with LESSOR no later than forty-five (45) days after the execution of this lease.

ARTICLE VI

ENCUMBRANCES

6.01 ENCUMBRANCES

As used herein the term "Mortgage" includes a deed of trust and the term "Mortgagee" includes the beneficiary under a deed of trust. LESSEE may encumber its leasehold estate by the execution and delivery of a mortgage. The mortgagee of such mortgage may deliver to LESSOR a written notice specifying:

- A. The amount of the obligation secured by the mortgage and the date of the maturity or maturities thereof, and
 - B. The name and address of the mortgagee.

After receipt of such notice, LESSOR shall serve mortgagee by certified mail at the last address furnished by mortgagee a copy of every notice or demand served by LESSOR upon LESSEE under the terms and provisions of this lease so long as such mortgage is in effect.

6.02 MORTGAGEE'S RIGHTS

Upon receipt of a notice or demand in accordance with Section 6.01 above, mortgagee shall have one hundred eight

- (180) days after receipt of such notice within which, at mortgagee's election to:
- A. Cure any default if it can be cured by the payment or expenditure of money; or
- B. Perform such other action as may be necessary to cure the default; or
- C. Institute foreclosure proceedings and prosecute same diligently to conclusion.

6.03 RIGHTS ON FORECLOSURE

In the event of foreclosure by mortgagee, the purchaser at the foreclosure sale or the person acquiring LESSEE'S interest by virtue of or in lieu of foreclosure shall succeed to all of LESSEE'S rights, interests, duties and obligations under this lease.

ARTICLE VII

TERMINATION, CANCELLATION, ASSIGNMENT AND TRANSFER

7.01 CANCELLATION DURING INITIAL OPTION PERIOD

Notwithstanding any provision herein to the contrary, LESSEE may cancel this lease within six (6) calendar months from the date of this lease is signed by LESSOR, or the date LESSEE begins construction of improvements on the lease premises, whichever first occurs. If LESSEE cancels this lease in the manner provided for herein, this lease shall terminate and neither LESSEE nor LESSOR shall have any further responsibility under this lease, paying the rental accrued to the date such notice is received by LESSOR.

7.02 TERMINATION

This lease shall terminate at the end of the term of this lease or any renewal or extension thereof.

7.03 DEFAULT

Subject to the provisions of Article V above, the following events shall be deemed to be events of default by LESSEE under this lease:

A. Be in arrears in the payment of the whole or any part of the rental amounts agreed upon hereunder for a period of ten (10) days after LESSOR has notified LESSEE in writing that payment was not received when due.

- B. File in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of LESSEE'S property;
- C. Make any general assignment for the benefit of creditors;
 - D. Abandon the leased premises;
- E. Default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by LESSEE, and such default continues for a period of thirty (30) days after receipt of written notice from LESSOR to cure such default, unless during such thirty (30) day period, LESSEE shall commence and thereafter diligently perform such action as may be reasonably necessary to cure such default;
- F. Be adjudged bankrupt in involuntary bankruptcy proceedings; or
- G. Be made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of LESSEE where such receivership is not vacated within sixty (60) days after the appointment of such receiver.

In any of the aforesaid events, LESSOR may re-enter to take immediate possession of the leased premises and remove LESSEE'S effects or assert its LESSOR'S lien upon them as provided in paragraph 7.07, without being deemed guilty of trespassing.

7.04 REPOSSESSION AND RELETTING

In the event of default by LESSEE hereunder which shall remain uncured after the required notices have been given pursuant to this lease, and for such time as provided herein, LESSOR may at once thereafter, or at any time subsequent during the existence of such breach or default:

- A. Re-enter the demised premises or improvements or any part of them and repossess them; and
- B. Either cancel this lease by notice or without cancelling this lease, relet the leased premises or any part thereof upon such terms and conditions as shall appear advisable to LESSOR. If LESSOR shall proceed to relet the leased premises and the amounts received from reletting the leased premises during any month or part thereof be less than the rent due and owing from LESSEE during such month or part thereof under the terms of this lease, LESSEE shall pay such deficiency to LESSOR immediately upon calculation thereof, providing LESSOR has exercised good faith in terms and conditions of reletting. Payment of any such deficiencies

shall be made monthly within ten (10) days after receipt of notice of deficiency.

7.05 ASSIGNMENT AND TRANSFER

LESSEE shall have the right and privilege to assign or transfer this lease subject to the prior written approval of LESSOR.

7.06 SUBLEASING

LESSEE shall have the right to sublease all or any part of the space demised hereunder for the same purposes permitted under the terms and provisions of this lease, provided LESSEE first obtains LESSOR'S consent, such consent shall not be unreasonably withheld. Any such sublease shall be subject to the same conditions, obligations and terms as set forth herein and LESSEE shall be responsible for the observance by its sublessees of the terms and covenants contained in this lease.

7.07 LESSOR'S LIEN

It is expressly agreed that in the event of default by LESSEE hereunder, LESSOR shall have a lien upon all goods, chattels, personal property or equipment of any description belonging to LESSEE which are placed in or become a part of the leased premises a security for rent due and to become due for the remainder of the lease term, which lien shall not be in lieu of or in any way affect the statutory LESSOR'S lien given by law.

Default on rental payments entitles LESSOR, at its option, to take whatever lawful action reasonably necessary to protect LESSOR'S interest in said property, including the storing of goods, secured by a LESSOR'S lien for non-payment of rent for a reasonable time, as well as the selling of such goods at public or private auction for rental due, without waiving LESSOR'S right to the total rental due.

ARTICLE VIII

MISCELLANEOUS

8.01 ATTORNEY'S FEES

In case LESSEE defaults in the performance of any of the terms, covenants, agreements or conditions contained in this lease and LESSOR places the enforcement of the term of this lease, or any part thereof, or the collection of any rent due, or to become due hereunder, or recovery of possession of leased premises in the hands of an attorney, or files suit upon same, LESSEE agrees to pay LESSOR reasonable

attorney's fees and payment of same shall be secured in a like manner as herein provided as to lien for rent due.

8.02 LESSOR'S REPRESENTATION AND WAIVER

Any representations by LESSOR regarding LESSEE'S leasehold interest must be embodied in this writing.

The waiver by LESSOR or LESSEE of performance of any provisions of this agreement shall not amount to a future waiver of strict performance of such provision or any other provision of this agreement.

8.03 <u>ANTI-DISCRIMINATION CLAUSES MANDATED BY FEDERAL</u> GOVERNMENT

- A. AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1970: LESSEE assures that it will undertake an affirmative action program as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall on the grounds of race, color, creed, national origin, or sex be excluded from participating in any employment activities covered by 14 Code of Federal Regulations Part 152, Subpart E. The LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. covered LESSEE assures that it will require that its suborganizations provide assurances to the LESSEE that they similarly undertake affirmative action programs and that they will require assurance from their suborganizations, as required by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.
- personal В. The LESSEE for himself, his representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agrees as a covenant running with the land that: person on the grounds of race, color, or national origin shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participating in, otherwise be subjected to denied the benefits of, or discrimination, (3) that the LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Program of the Department of Transportation, and as said Regulations may be amended.
- C. That in the event of breach of any of the proceeding nondiscrimination covenants, City of Laredo shall have the right to terminate the license, lease, permit, etc.,

and to reenter and repossess said land and the facilities thereon, and hold the same as if said lease had never been made or issued.

8.04 LAWS AND REGULATIONS

Further, LESSEE will keep and maintain the premises in a clean and healthful condition and comply with the laws, ordinances, orders, rules and regulations whether State, Federal, or Municipal.

8.05 OUTSIDE STORAGE PROHIBITED

Storage of vehicles, equipment, supplies or any other items outside of the leased building(s) is prohibited, unless the storage area is fenced and approved by the LESSOR. For the purpose of this provision, the term "storage" shall mean the placing of vehicles, equipment, supplies or any other items outside the building and which vehicles, equipment, supplies or any other items do not serve an actual day-to-day business function.

8.06 HOUSEKEEPING

If accumulation of weeds, rubbish or items of equipment or supplies are permitted to remain on the premises and right-of-way areas up to the street curb more than ten (10) days after a request in writing from the LESSOR to have them removed, the LESSOR or authorized agent may enter upon the demised premises for the purpose of removing same by whatever means it deems necessary but shall not have any affirmative duty to do so. Such entry shall not be deemed a trespass and the LESSOR shall not be subject to any liability. The cost of such work shall be borne by the LESSEE.

8.07 MAINTENANCE AND LANDSCAPING

If landscaping areas are not maintained in accordance with the standards prescribed by the LESSOR or the condition is not corrected within ten (10) days after written notice from the LESSOR, the LESSOR or its authorized agent shall have the right to enter on any premises and plant or replant such areas, without being deemed guilty of trespass. The costs therefor, as determined by the LESSOR, shall be paid by the LESSEE.

8.08 GARBAGE STORAGE AND DISPOSAL

LESSEE agrees to store all accumulated garbage in a neat and clean manner, as an essential element of its responsibilities for neatness of the premises. LESSEE herein also agrees that garbage disposal is its sole responsibility, and agrees to comply with all rules and ordinances of the City and State regarding its storage and disposal.

8.09 CUMULATIVE RIGHTS AND REMEDIES

All rights and remedies of LESSOR enumerated in this lease shall be in addition to other rights or remedies allowed by law. Likewise, the exercise or failure to exercise by LESSOR of any remedy provided for herein or allowed by law shall not preclude its exercise of other remedies.

8.10 INTERPRETATION

Words of gender used in this lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vise versa unless the context otherwise requires.

8.11 INVALIDITY OR ILLEGALITY OF PROVISIONS

The invalidity or illegality of any provisions shall not affect the remainder of this lease.

8.12 SUCCESSORS AND ASSIGNS

All of the terms, provisions, covenants and conditions of this lease shall inure to the benefit of and being binding upon LESSOR and LESSEE and their successors, assigns, legal representatives, heirs, executors and administrators.

8.13 NON-EXCLUSIVE USE

It is understood that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right unless specifically identified herein.

8.14 TRAILERS, ABANDONED VEHICLES EXPRESSLY PROHIBITED

Towed vehicles or any motor vehicles not currently licensed and actively used, are not permitted on the demised premises. Under this provision, vehicles, RV trailers, travel homes and mobile homes, wrecked or abandoned vehicles must be removed at LESSEE'S expense, and failure to do so shall constitute a breach of this lease.

8.15 CAPTIONS

Articles and headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the intent of any provision hereof, nor are they meant to bind the LESSOR or LESSEE to the meaning of such heading.

8.16 RIGHT OF FLIGHT

LESSOR, for itself, its lessees, permittees, successors and assigns, reserves the right of flight for the passage of all types of aircraft now in existence or hereafter created above the leased premises. LESSOR, its consignees, lessees, permittees, licensees, successors and assigns shall likewise be entitled to cause such noise, smoke, vapors, sound effects and other distractions as may be inherent in the operation and flight of such aircraft.

8.17 GOVERNING LAW\VENUE

This agreement shall be construed under and in accordance with the laws of the State of Texas. Venue of any action arising under this agreement shall lie in Webb County, Texas, or the Laredo Division of the Southern District of Texas.

8.18 NOTICES

Any notices which are required hereunder, or which either LESSOR or LESSEE may desire to serve upon the other shall be in writing and shall be deemed served when deposited in the United States mail, postage paid, return receipt requested, addressed to LESSEE as follows:

City Manager, City of Laredo 1110 Houston Street Laredo, Texas 78040

and to LESSOR:

Office of the Airport Manager Laredo International Airport 4719 Maher Avenue, Building #132 Laredo, TX 78041

8.19 SUBORDINATION OF LEASE

The lease shall be subordinated to the provisions of any existing or future agreement between LESSOR and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal Funds for the development of the Airport.

It is expressly understood and agreed that this lease is subject to and subordinate to and contained in those certain contracts, agreements, resolutions and actions of the City of Laredo, Texas, constituting agreements between the City and the United States of America and its agent including but not limited to, the Federal Aviation Administration (FAA) and all regulations now and hereafter imposed upon the City and that the LESSOR shall not be liable to LESSEE on account of any of the foregoing matters and all of such contracts,

agreements, resolutions and regulations are incorporated herein by reference, and if any provision of this lease is determined to be a variance with same, such provision is unilaterally reformable to LESSOR'S option.

The parties agree that as of the date of execution of this contract there exists no provisions, stipulations, covenants, or agreements which would prohibit LESSEE from using the lease premises for the purpose set forth in paragraph 1.10; titled "Use and Use Conflict" in this agreement.

8.20 NATIONAL EMERGENCY

During the time of war or national emergency, LESSOR shall have the right to lease the landing area or any part thereof of the United States Government for military or naval use, and if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

8.21 FAA APPROVAL

This agreement is subject to FAA and City Council approval and also constitutes a public document under the Texas Open Meetings Act, being subject to public inspection at any time hereafter.

8.22 AIRPORT HAZARD

The LESSEE and its successors and assigns, will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the airport, or otherwise constitute an airport hazard. This includes such items as electrical and electronic interference with communications, electrical or electronic equipment, creation of dust or glaring or misleading lights.

8.23 NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION

The LESSEE and its successors and assigns will complete an FAA Form 7460-1, "Notice of Proposed Construction or Alteration", and receive a favorable determination from FAA prior to any construction on the property.

8.24 AERIAL APPROACHES

LESSOR reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport

which, in the opinion of the LESSOR, would limit the usefulness of the Airport or constitute a hazard to aircraft.

8.25 <u>IMPROVEMENTS VESTED IN LESSOR</u>

The parties agree that the obligation and promises of LESSEE, as expressed herein, to make improvements and maintain building is a part of the total consideration for this lease agreement. Therefore, all right, title, and interest in and to said improvements shall at all times herein be vested in LESSOR, subject only to the right of and possession of said building LESSEE to the use improvements during this lease plus any extensions hereof as provided in said lease so long as LESSEE is not in default of any of the terms of this lease agreement. It shall be the obligation of LESSEE to maintain and repair the said building and improvements during the term of this lease or any extension thereof. Upon termination, interest in and to the said improvements shall remain vested in LESSOR, and LESSEE shall not have any further rights therein nor be entitled to LESSEE'S maintenance, any reimbursement by reason of improvements, repair, or use of said building.

8.26 AGREEMENT:

This Agreement consists of Article I through VIII and Exhibit A. It constitutes the entire Agreement of the parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by the LESSOR and LESSEE. LESSEE agrees that no representations or grant of rights or privileges shall be binding upon the LESSOR unless expressed in writing in this Agreement.

EXECUTED on this 6th day of March, 1995.

CITY OF LAREDO a municipal corporation

PETER H. VARGAS

CITY MANAGER

ATTEST:

GUSTAVO GUEVARA, JR.

CITY SECRETARY

APPROVED BY CITY COUNCIL ON 3

-26-

APPROVED AS TO FORM:

JERRY BRUCE CAIN

ACTING CITY ATTORNEY

BY: MAINERT

ASSISTANT CITY ATTORNEY

METES & BOUNDS DESCRIPTION REPLAT OF BLOCK 5, LAREDO AIRPORT SUBDIVISION

Being 5.6115 acres of land (244,437.8756 square feet) out of Calton Rd. right-of-way and existing Block 5, Laredo Airport Subdivision, City of Laredo, Webb County, Texas, as recorded in Volume 5, on Page 1, Plat Records of Webb County, Texas, and being more particularly described as follows:

BEGINNING, at a set concrete monument which replaces a "X" found scribed on a concrete sidewalk, the northeast corner of the cutback line at the intersection of the south right-of-way line of Calton Rd. and the east right-of-way line of Thomas Ave.;

THENCE, South 86 degrees 59 minutes 10 seconds East (bearings are based on the above referenced plat), 325.06 feet with the new south right-of-way line of Calton Rd. to a set concrete monument which replaces a found 1/2 inch iron rod, the northwest corner of the cutback line at the intersection of the south right-of-way line of Calton Rd. and the west right-of-way line of Maher Ave.;

THENCE, South 41 degree 58 minutes 14 seconds East, 63.62 feet with said cutback line to a set concrete monument which replaces a set 1/2 inch iron rod, the southeast corner of the cutback line on the west right-of-way line of Maher Ave.;

THENCE, South 03 degrees 02 minutes 43 seconds West, 566.01 feet with the west right-of-way line of Maher Ave., to a set concrete monument which replaces a "pk" nail found in asphalt, the northeast corner of the cutback line at the intersection of the west right-of-way line of Maher Ave. and the north right-of-way line of Leal St.;

THENCE, South 48 degrees 02 minutes 18 seconds West, 28.30 feet with said cutback line to a set concrete monument which replaces a found 1/2 inch iron rod, the southwest corner of the cutback line on the north right-of-way line of Leal St.;

THENCE, North 86 degrees 58 minutes 06 seconds West, 354.59 feet with the north right-of-way line of Leal St., to a set concrete monument which replaces a found 1/2 inch iron rod, the southeast corner of the cutback line at the intersection of the north right-of-way line of Leal St. and the east right-of-way line of Thomas Ave.;

Continued

PAGE 2 OF 2 5.6115 ACRE TRACT

THENCE, North 41 degrees 58 minutes 57 seconds West, 21.22 feet with said cutback line to a set concrete monument which replaces a found 1/2 inch iron rod, the northwest corner of the cutback line on the east right-of-way line of Thomas Ave.;

THENCE, North 03 degrees 00 minutes 11 seconds East, 595.89 feet with the east right-of-way line of Thomas Ave., to a set concrete monument which replaces a set 1/2 inch iron rod, the southwest corner of the cutback line at the intersection of the east right-of-way line of Thomas Ave. and the south right-of-way line of Calton Rd.;

THENCE, North 48 degrees 00 minutes 31 seconds East, 28.28 feet with said cutback line to the POINT OF BEGINNING, containing 5.6115 acres.

This Metes & Bounds description is based on a survey made on the ground by personnel who were working under my supervision. The area shown hereon is based on the mathematical closure of the tract and does not indicate the degree of accuracy with which the survey was performed.

Reg

Thomas C. Haberer Registered Professional Land Surveyor No. 4350 Northstar Land Surveying 8301 Broadway, Suite 420 San Antonio, Texas 78209

(210) 826-6228

Thomas C. Hah

TCH:amd April 12, 1995

