

# **CITY OF LAREDO CITY COUNCIL MEETING**

**A-2015-R-06**

**CITY COUNCIL CHAMBERS**

**1110 HOUSTON STREET**

**LAREDO, TEXAS 78040**

**APRIL 20, 2015**

**5:30 P.M.**



## **DISABILITY ACCESS STATEMENT**



Persons with disabilities who plan to attend this meeting and who may need auxiliary aid or services are requested to contact Gustavo Guevara, City Secretary at (956) 791-7308 at least two working days prior to the meeting so that appropriate arrangements can be made. The accessible entrance and accessible parking spaces are located at City Hall, 1100 Victoria Ave.

Out of consideration for all attendees of the City Council meetings, please turn off all cellular phones and pagers, or place on inaudible signal. Thank you for your consideration.

### **I. CALL TO ORDER**

### **II. PLEDGE OF ALLEGIANCE**

### **III. ROLL CALL**

### **IV. MINUTES**

**Approval of the minutes of April 6, 2015.**

### **V. COMMUNICATIONS AND RECOGNITIONS**

#### **Recognitions**

1. Recognizing Jessica Ayala, Miss Laredo Latina 2015 and Ms. Fernanda Montoya, Miss Teen Laredo Latina 2015 for their crowning at the Miss Laredo Latina Pageant held at Laredo Civic Center on March 1, 2015.

2. Recognizing the United South High School Cheerleaders for being Non - Tumbling Division Cheer Power National Champions.
3. Recognizing the Trautmann Middle School Lassos' Dance Team for being National Champions.

### **Citizen comments**

Citizens are required to fill out a witness card and submit it to the City Secretary no later than 5:45 p.m. and identify themselves at the microphone. Comments are limited to three (3) minutes per speaker. No more than three (3) persons will be allowed to speak on any side of an issue. Should there be more than three (3) people who wish to speak on a particular issue, they need to select not more than three (3) representatives to speak for them and the presiding officer may limit the public comments further in the interest of an orderly meeting. Speakers may not pass their minutes to any other speaker. Comments should be relevant to City business and delivered in a professional manner. No derogatory remarks will be permitted.

## **VI. APPOINTMENTS TO COMMISSIONS, BOARDS AND COMMITTEES**

- a. Appointment by Mayor Pro-Tempore Esteban Rangel of Ray Camina to the Convention & Visitors Bureau Advisory Committee.
- b. Appointment by Council Member Alejandro "Alex" Perez of Juan Avila to the Para-Transit Advisory Committee.

## **VII. PUBLIC HEARINGS**

1. **First public hearing** on the voluntary annexation of the Majestic Realty Tract (Tract 1) being 1,992.92 acres, more or less, located east of Unitec Industrial Park.
2. **First public hearing** on the voluntary annexation of the 4V Holdings Tract (Tract 2) being 83.4979 acres, more or less, located east of Cuatro Vientos Road and south of Wormser Road.
3. **First public hearing** on the voluntary annexation of the Union Pacific Tract (Tract 4) being 29.435 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard.

4. **First public hearing** on the voluntary annexation of the Killam Ranch Properties Ltd., Port Drive R.O. W. Extension Tract (Tract 5) being 7.753 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard.
5. **First public hearing** on the voluntary annexation of the Laredo Town Center Tract (Tract 6) being 9.457 acres, more or less, located east of Loop 20 (Bob Bullock Loop) and north of El Ranchito Road (RR 6078A).
6. **Public hearing and introductory ordinance** authorizing the City Manager to accept funds in the amount of \$585,772.00 from the South Texas 9-1-1 Regional Administration Division to cost share personnel at the Laredo Police Department Public Safety Answering Point in accordance to Section 771.0751 of the Texas Health and Safety Code and Rule 251.3 Use of Revenue in Certain Counties from the Commission on State Emergency Communications; and amending the FY 2014-2015 General Fund Budget of the City of Laredo by appropriating revenues and expenditures in the amount of \$585,772.00 for Laredo Police Department Communications Division salaries. **(Approved by Operations & Finance Committees)**
7. **Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 5H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472; providing for publication and effective date.

Staff is in support of the application and the Planning and Zoning Commission recommends approval of the proposed Special Use Permit.  
District VII

8. **Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 6H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472; providing for publication and effective date.

Staff is in support of the application and the Planning and Zoning Commission recommends approval of the proposed Special Use Permit.  
District VII

9. **Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 76, Block 2, Southgate Subdivision, located at 3005 Frio Plaza, from R-1 (Single-Family Residential District) to R-2 (Multi-Family Residential District); providing for publication and effective date.

Staff does not support the application and the Planning and Zoning Commission recommends approval of the zone change. District II

10. **Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lots 7 and 8, Block 817, Eastern Division, located at 1520 Cortez Street, from R-3 (Mixed Residential District) to B-3 (Community Business District); providing for publication and effective date.

Staff does not support the application and the Planning and Zoning Commission recommends denial of the proposed zone change. District III

**(Recess)**  
**(Press Availability)**

## **VIII. INTRODUCTORY ORDINANCES**

11. Authorizing the City Manager to approve a sublease of the leased premises approved by Ordinance No. 95-O-251 dated February 20, 1996 between the City of Laredo as LESSOR and L.A. Ventures Terminal, LTD as LESSEE, for the premises described as Warehouse Suite No. 4A, which consists of approximately 11,348 sq. ft. of warehouse and office space located at 4114 Airpark Drive and within Lot 4, Block 1 of the Laredo International Airport Subdivision Plat to Johnstone Supply as SUB-LESSEE, said lease provides for right to sublease subject to city approval, which approval shall not be unreasonably withheld. **(Approved by Operations Committee)**

## **IX. FINAL READING OF ORDINANCES**

- 12.

**2015-O-048** Authorizing the City Manager to accept and appropriate the Federal Aviation Administration (FAA) Grant Project No. 3-48-0136-77-2014 Amendment No.1 in the amount of \$678,815.00 and amending the City of Laredo FY2015 Airport Construction Budget for the purpose of Airport improvements. The City's 10% local match for this grant amendment is



\$75,424.00. This is part of a multi-year grant totaling \$4,881,196.00; funds are available in the Airport Construction Fund.

**2015-O-049** Authorizing the City Manager to convey an easement and right of way to AEP Texas Central Company located at, and to serve the Max Mandel Golf Course Lift Station off FM 1472, one (1) conveyance over a tract of land containing 2,688 square feet of land, more or less, out of a 270.00 acre tract, situated in Porcion 06, Abstract 38 as described in easement conveyance attached as Exhibit "A"; and providing for an effective date.

**2015-O-050** Authorizing the City Manager to approve a sublease of Air Cargo Warehouse space constructed by Air Trade Laredo, LLC, on the leased premises approved by Ordinance No. 2011-O-148 dated November 7, 2011 between the City of Laredo as Lessor and Air Trade Laredo, LLC, as Lessee, for the premises consisting of 27,168 sq. ft., located at 4603 Maher at the Laredo International Airport. Said lease provides for the right to sublease subject to City approval, which approval shall not be unreasonably withheld. The sublease is to RobertShaw Controls Company, a Delaware Corporation.

**2015-O-051** Authorizing the City Manager to execute a lease with Trecon Investments Corporation, as lessee, for a tract of land consisting of 83,425.70 sq. ft., and located on Block No. 23, Tract "2B" at the Laredo Airport, Subdivision Plat. Lease term is for twenty (20) years commencing on May 1, 2015 plus, two (2) consecutive ten (10) year renewal options. Initial monthly rent shall be \$2,780.00 and will be adjusted annually according to changes in the Consumer Price Index; and rent adjustments based on appraisals at each ten (10) year anniversary period; providing for an effective date.

**2015-O-052** Authorizing the City Manager to execute a Lease Agreement with Dauntless, a Texas Sole Proprietorship, for approximately 1,460 square feet of building space located at 1701 E. Hillside, Suite No. 2 at the Laredo International Airport, Block 15, Lot 1. The initial monthly rent shall be \$1,400.00 and will be adjusted annually according to the changes in the Consumer Price Index (CPI). The term shall commence on May 1, 2015 and shall terminate on April 30, 2016, plus two (2) one-year renewal options until April 30, 2017 and April 30, 2018, providing for an effective date.

## **X. RESOLUTIONS**

13. **2015-R-31** Authorizing the City Manager to accept a grant in the amount of \$7,000.00 from the Texas Department of Transportation for the Enforcement of Vehicle Occupant Protection during the "Click It or Ticket" Campaign. This grant is for overtime salaries and fringe benefits and is funded 100% by the Texas Department of Transportation. **(Approved by Operations Committee)**

## XI. MOTIONS

14. Authorizing the City Manager to approve Amendment No. 1, an increase of \$50,000.00 to pay for past and future legal services by the Law Firm of Denton, Navarro, Rocha & Bernal in the matter of Crossett Development I, LLC v. City of Laredo, Case No. 5:14-CV-00199, in the United States District Court. Funding is available in Airport Operations Fund.
15. Approving monthly adjustments to the tax roll. The amounts to be adjusted for the month of March 2015, represent a decrease of \$53,840.09. These adjustments are determined by the Webb County Appraisal District and by court orders.

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## XII. CONSENT AGENDA

**Resolutions and Motions previously brought before Operations and Finance Committees may be approved by City Council categorically *EN BLOC*. At Council's request, specific items may be withheld from the consent agenda for individual treatment.**

### XII (a) RESOLUTIONS

16. **2015-R-32** Authorizing the City Manager to accept the contract with the Women's Health and Family Planning Association of Texas (WHFPT) in the amount of \$120,312.00 for the continuation of the City of Laredo Health Department Title X Family Planning Women's Health Program for the term period from April 1, 2015 through March 31, 2016.
17. **2015-R-33** Accepting the donation of a tract of land, being lot No. one (1), Block No. one hundred ninety-three (193), Western Division of the City of Laredo (802 Washington St.), donated by Ms. Lucille DeWitt.

## **XII (b) MOTIONS**

18. Authorizing award of 2014 HOME Investment Partnership Program (HOME), Community Housing Development Organization (CHDO) set-aside funds in the amount of \$102,763.00 to Habitat for Humanity of Laredo, Inc., to assist in part with the construction of approximately four (4) homes in the Los Obispos subdivision; and further authorizing the City Manager to execute all documents in support of the same.
19. Authorizing the City Manager to purchase the surface only of Lots 9 and 10, Block 127, Western Division, City of Laredo, commonly known as 1315 and 1317 Victoria. The Chamberlain and Gallagher families have agreed to the purchase of the (2) two lots for the purchase price of \$293,000.00 as determined by a fair market appraisal and closing costs not to exceed \$3,000.00. These lots will be used for the purpose of providing additional parking for City patrons and employees. Funding is available in the 2007 C.O.
20. Consideration to award a contract to sole source provider, Transcore L.P., for the purchase of 5,000 Automatic Vehicle Identification (A.V.I.) sticker tags as part of the Laredo Bridge System Toll Collection System in an amount not to exceed \$62,500.00. Funding is available in the Bridge System Fund.
21. Consideration for approval of the South Laredo Library Facility (Plumbing Package) as complete, ratification of change order No. 1, an increase of \$1,500.00, ratification of change order No. 2, an increase of \$1,400.00, ratification of change order No. 3, a decrease of \$980.00 for the balance of quantities actually constructed in place, release of retainage and approval of final payment in the amount of \$13,692.00 to A Plus Plumbing Contractor, Inc., Laredo, Texas. Final construction contract amount is \$136,920.00. Funding is available in the Capital Improvement Fund and the 2008 C.O. Fund.
22. Consideration for approval of the South Laredo Library Facility (Elevator Package) as complete, approval of change order No. 1, a decrease of \$5,399.50 for the balance of quantities actually constructed in place, release of retainage and approval of final payment in the amount of \$10,259.05 to ThyssenKrupp Elevator Corporation, Frisco, Texas. Final construction contract amount is \$102,590.50. Funding is available in the Capital Improvement Fund.

23. Consideration for approval to award a professional services contract to Seca Engineering, L.L.C., Laredo, Texas, in an amount not to exceed \$68,750.00 for design and preparation of plans and specifications for Repairs/Reconstruction and/or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street. Design work is to be done on a fast track basis. Funding is available in the Grant No.TX-05-0055-01.
24. Authorizing the City Manager to grant multiple Public Fireworks Display Permits for special events at the Uni-Trade Stadium Lemurs Baseball Games during the 2015 Season. The technician for the display will be Magic in the Sky, LLC.
25. Authorizing and advancing additional funding to the Laredo Urban Transportation Study - Metropolitan Planning Organization (LUTS - MPO) for contract amendment No.3 with Kimley-Horn and Associates, Inc., in the amount of \$21,500.00, which increases the contract fee from \$56,700.00 to \$78,200.00, for additional services related to the development of the Railroad Quiet Zone Study Update. Said sums are 100% reimbursable from federal funds supplied to the M.P.O. as per the fiscal agreement between the City and the M.P.O. Funding is available in the General Fund - Planning MPO Grant.
26. Authorizing the City Manager to award a professional engineering services contract in the amount of \$175,115.00 to Premier Civil Engineering, LLC., Laredo, Texas for engineering and surveying services for the Waterline Replacement Project along Laredo Street, San Dario Avenue, Esperanza Drive and Arkansas Avenue to include identification of critical issues and problem areas, general topographic survey, utility coordination, cost estimates, construction documents, bidding and construction management. Funding is available in the 2012 Water Revenue Bond.
27. Authorizing the City Manager to award a professional engineering services contract in the amount of \$174,900.00 to Crane Engineering Corp., Laredo, Texas for engineering and surveying services for the Galveston Street Water Main Replacement Project to include utility coordination, preliminary design, topographic survey, develop construction plans and construction phase services. Funding is available in the 2012 Water Revenue Bond.

28. Authorizing the City Manager to award a professional engineering services contract in the amount of \$174,600.00 to Mejia Engineering Company, Laredo, Texas for engineering and surveying services for the Waterline Replacement for Lane Street from Stone Avenue to Smith Avenue to include Preliminary Engineering Assessment, Preliminary Engineering Design, Plans and Specifications, Final Engineering Design, Traffic Control Plan, Construction Management, Project Close-out, Survey Control and Right-of-Way Survey. Funding is available in the 2012 Water Revenue Bond.
29. Awarding a construction contract to QROMEX Construction Inc., Granite Shoals, Texas in the amount of \$2,324,219.50 for the 24" EPC Water Main - Jefferson WTP to Bridge I. The project consists of approximately 8000 linear feet of 24" PVC water mains, boring & casing 620 linear feet in steel casing with related valves, appurtenances and incidentals. The contract time is two hundred ten (210) working days. Funding is available in the 2014 Water System Revenue Bond.
30. Authorizing the City Manager to approve change order No. 5, in the amount of \$61,479.57 to the construction contract with Mountain Cascade of Texas LLC, Mansfield, Texas for the 60 inch Transmission Main Project. This change order is for additional costs associated with sandblasting, priming and painting Pressure Reducing Valve Station and Blow-off piping, additional 21 LF of 42" steel pipe, additional CMU Fence at El Pico Water Treatment Plant, installation of a longer spool piece for the Air Release Valve vent and installation of a bend due to a skew at 16" connection point. The contract time will be increased by one hundred seventeen (117) working days. The new contract amount is \$15,788,596.71. Funding is available in the 2012 Revenue Bond.
31. Authorizing the approval of Amendment No. 4 to Black & Veatch Corporation associated with Civil Engineering Consultants Corporation dba Jeff Puig Engineering in the amount of \$58,500.00 for additional services for construction engineering for the 60-Inch Water Transmission Main Project from El Pico Ranch on Mines Road to IH 35. The revised contract amount is \$1,562,550.00. Funding is available in the 2012 Water Revenue Bond and 2013 Water Revenue Bond.

**END OF CONSENT AGENDA**

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**XIII. GENERAL COUNCIL DISCUSSIONS AND PRESENTATIONS**

- 32.

**A. Request by Mayor Pete Saenz**

1. Review of less than \$50,000.00 contracts by City Manager, with possible action.

**B. Request by Council Member Alejandro "Alex" Perez**

1. Presentation by Chano Aldrete of Chano's Patio on the Laredo Burger Cook-Off to be held at Slaughter Park on May 30, 2015, with possible action.

**XIV. STAFF REPORTS**

33. Discussion with possible action for the Mayor to appoint three (3) Council Members to serve on the Board of Directors of the Laredo Development Foundation. Term of service is one (1) year unless otherwise indicated.
34. Discussion with possible action to approve the City Manager's employment contract. At a past City Council Meeting, Council directed staff to prepare an employment contract for the new City Manager to include a salary identical with that of the former City Manager, including appropriate benefits. Yearly salary set at \$249,202.32 including car and phone allowance as part of salary.

**XV. EXECUTIVE SESSION**

The City Council hereby reserves the right to go into executive session at any time during this public meeting, if such is requested by the City Attorney or other legal counsel for the City, pursuant to his or her duty under Section 551.071(2) of the Government Code, to consult privately with his or her client on an item on the agenda, or on a matter arising out of such item.

35. Request for Executive Session pursuant to Texas Government Code Section 551.074 to deliberate the duties and contractual terms of the City Manager and return to open session for possible action regarding the City Manager's employment contract, and any matters related thereto.

36. Request for Executive Session pursuant to Texas Government Code Section 551.071(1)(a) to consult with attorney on pending litigation: Cause No. 2015CVQ001077-D3; Laredo Merchants Association v. City of Laredo; in the 341st Judicial District Court, Webb County, Texas; and return to open session for possible action.

## **XVI. ADJOURNMENT**

This notice was posted at the Municipal Government Offices, 1110 Houston Street, Laredo, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Wednesday, April 15, 2015 at 6:30 p.m.

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Gustavo Guevara, Jr.  
City Secretary

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Majestic Realty (Owner)

**Staff Source:** Nathan R. Bratton, Planning Director

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**SUBJECT**

**First public hearing** on the voluntary annexation of the Majestic Realty Tract (Tract 1) being 1,992.92 acres, more or less, located east of Unitec Industrial Park.

**PREVIOUS COUNCIL ACTION**

On January 20, 2015, the City Council adopted a schedule of hearings and proceedings for voluntary annexations for the calendar year 2015 and, on February 20, 2015, directed staff to prepare a service plan for this proposed annexation .

**BACKGROUND**

This is the first of two statutorily required hearings prior to the institution of proceedings. This hearing was noticed on April 3, 2015. The second public hearing is scheduled for April 27, 2015. Voluntary Annexations: Tract 1: Majestic Realty Tract - 1,992.92 acres, more or less, located east of Unitec Industrial Park. Tract 2: 4V Holdings Tract - 83.4979 acres, more or less, located east of Cuatro Vientos Road and south of Wormser Road. Tract 4: Union Pacific Tract - 29.435 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 5: Port Drive R.O. W. Extension Tract - 7.753 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 6: Laredo Town Center Tract - 9.457 acres, more or less, located east of Loop 20 (Bob Bullock Loop) and north of El Ranchito Road (RR 6078A).

**COMMITTEE RECOMMENDATION**

Not applicable.

**STAFF RECOMMENDATION**

To conduct a public hearing for this tract.

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**Attachments**

Tract 1 Majestic Realty (aerial)

Tract 1 Majestic Realty Map

Tract 1 Majestic Realty Survey

Tract 1 Majestic Realty Legal Description (metes and bounds)









**DISCLAIMER**  
The information provided in this map was submitted to, generated by, and/or developed by the City of Laredo from various sources. Geographic information has a high probability of becoming outdated from the time it is collected and therefore, as presented, conditions should be assessed to determine the accuracy of provided information. The City of Laredo assumes no liability for any decisions made or actions taken or not taken by the user of this data in reliance upon any data furnished herewith. The life of this data indicates your unconditional acceptance of all risks associated with the use of this data.



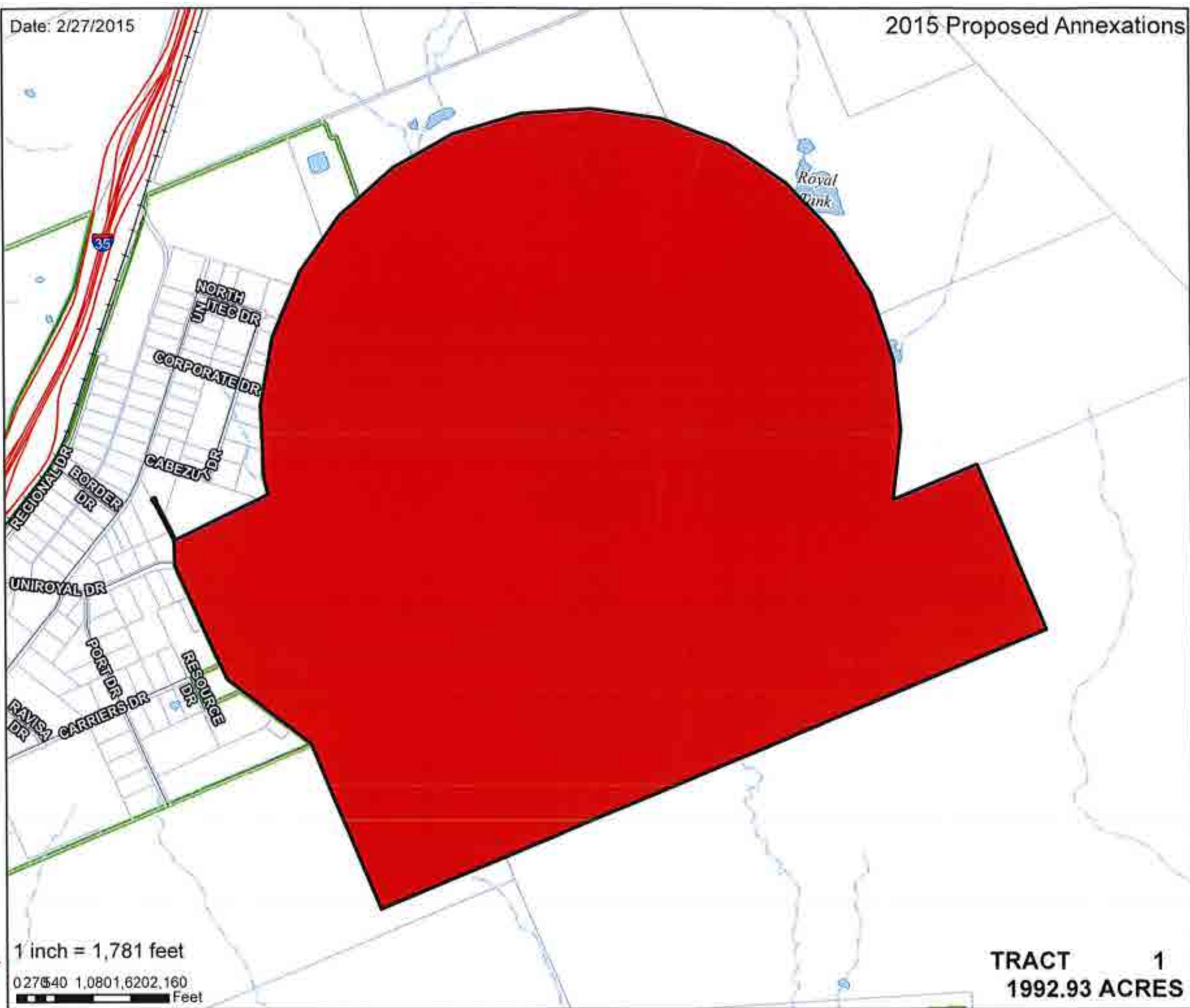




Date: 2/27/2015

2015 Proposed Annexations

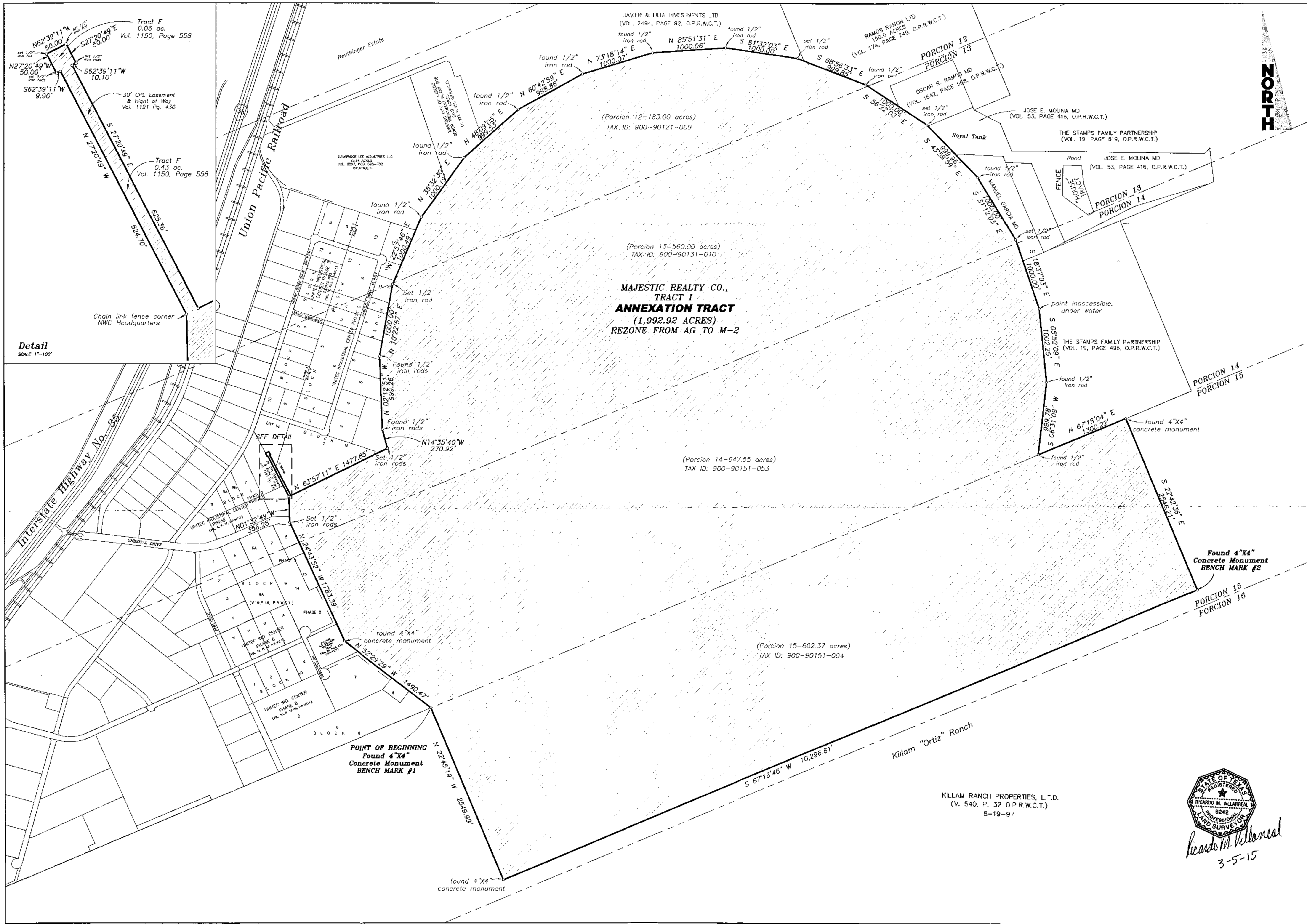
DISCLAIMER  
The information provided in this map was submitted to, gathered by and/or developed by the City of Laredo from various sources. Geographic information has a high probability of becoming outdated from the time it is collected and therefore, all present ground conditions should be assessed to determine the accuracy of provided information. The City of Laredo assumes no liability for any decisions made or actions taken or not taken by the user of this data in reliance upon any data furnished herewith. The use of this data indicates your unconditional acceptance of all risks associated with the use of this data.



1 inch = 1,781 feet

027640 1,0801,6202,160  
Feet

TRACT 1  
1992.93 ACRES



Detail  
SCALE 1"=100'

**HOWLAND**  
ENGINEERING AND SURVEYING CO.  
TBP E Firm Registration No. F-40871 TBP L S Firm Registration No. 100464-00  
7615 N. Barlett Avenue (P.O. Box 451128) (76045) Laredo, TX 78041  
P. 956.722.4411 F. 956.722.5414  
www.howlandcompanies.com



**MAJESTIC REALTY CO.**  
**TRACT I**  
**ANNEXATION TRACT**  
REZONE 1,992.92 ACRES  
FROM AG TO M-2

DRAWN BY:	J.C.R.
CHECKED BY:	R.M.V.
DRAWN DATE:	02/09/2015
PLOTTED DATE:	
JOB No.	
FILE NAME:	
STATUS:	
AS-BUILT:	
REVISED DATE:	
SCALE: ( 24"x36" ) SHEET	
HOR: 1"=600' VER.	
SCALE: ( 11"x17" ) SHEET	
HOR: 1"=1200' VER.	
SHEET TOTAL:	1 of 1

Ricardo M. Villarreal  
3-5-15

Revised 3-6-15



**LEGAL DESCRIPTION**  
MAJESTIC REALTY CO.  
1,992.92 ACRE TRACT

**A TRACT OF LAND CONTAINING 1,992.92 ACRES (86,811,398 SF)**, being 183.20 acres situated in Porcion 12, Santiago Sanchez, Original Grantee, Abstract 278; 560.12 acres situated in Porcion 13, Jose Miguel Garcia, Original Grantee, Abstract 51; 647.19 acres situated in Porcion 14, J. Guajardo, Original Grantee, Abstract 56; and 602.44 acres situated in Porcion 15, J.P. Garcia, Original Grantee, Abstract 53, City of Laredo, Webb County, Texas. This 1,992.86 acre tract being more particularly described as follows to-wit:

**BEGINNING** at a found concrete monument being on the most eastern corner of Lot 6, Block 10, of Unitec Industrial Center, Phase 8, as recorded in Volume 20, Pages 17-18 of the Map Records of Webb County, Texas; This point being on the common division line of Porcion 14 & Porcion 15, for an exterior corner hereof;

**THENCE, N52°29'29"W**, along the east boundary of said Unitec Industrial Center, Phase 8, a distance of 1264.42 FEET, over and across a 5.0 acre tract owned by U.S. Cellular as recorded in Volume 80, Page 332, of the Official Public Records of Webb County, Texas a distance of 235.05 FEET for a total distance of **1,499.47 FEET** to a found concrete monument, for a point of deflection right;

**THENCE, N24°43'52"W**, along said 5.0 acre tract a distance of 250.57 FEET over an across said Unitec Industrial Center, Phase 8 a distance of 1,069.49 FEET over and across Unitec Industrial Center, Phase 2 as recorded in Volume 8, Page 18, of the Plat Records of Webb County, Texas, a distance of 413.34 FEET, over and across Unitec Industrial Center, Phase 1 as recorded in Volume 8, Page 17, of the Map Records of Webb County, Texas, along the end of Uniroyal Drive boundary, a distance of 49.99 FEET, also being the most southeastern boundary of a 4.66 acre tract known as Uniroyal Goodrich Headquarters Area Laredo Proving Ground as recorded in Volume 12, Page 3 of the Map Records of Webb County, Texas, for a total distance of **1,783.39 FEET** to a set 1/2" iron rod, for a point of deflection right;

**THENCE, N01°32'49"W**, along the end of Uniroyal Drive boundary and the west boundary of said 4.66 acre tract, a distance of 83.98 FEET to a point on the north right of way of Uniroyal Drive also, being the southeast corner of Lot 5, Block 1, of said Unitec Industrial Center Phase I, and continuing along same path, a distance of 272.30 FEET for a total distance of **356.28 FEET** to a set 1/2" iron rod, for the northwest corner of said 4.66 acre tract and a point of deflection left;

**THENCE, N27°20'49"W**, along the east boundary of Lot 5, Block 1, of said Unitec Industrial Center Phase 1 and the west boundary of a 0.43 acre tract identified as "Tract F" as per deed recorded in Volume 1150, Page 558, of the Official Public Records of Webb County, Texas, a distance of 165.69 FEET, over and across Lot 6, Block 1, of said Unitec Industrial Center Phase 2, a distance of 458.98 FEET for a total distance of **624.70 FEET** to a set 1/2" iron rod, being on the northwest corner of said "Tract F" also, being an interior corner of a 0.06 acre tract identified as "Tract E" as per deed recorded in Volume 1150, Page 558, of the Official Public Records of Webb County, Texas, for a point of deflection left;

**THENCE, S62°39'11"W** along a the south boundary of said "Trace E", a distance of **9.90 FEET** to a set 1/2" iron rod, for a point of deflection right;

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**THENCE, N27°20'49"W** along the east boundary of Lot 6, Block 1, of said Unitec Industrial Center Phase 2, and a west boundary of said "Tract E", a distance of **50.00 FEET** to a set 1/2" iron rod, being a point on the west exterior corner of Lot 14, Block 16, of Unitec Industrial Center Phase 9, as recorded in Volume 20, Pages 94-95, of the Map Records of Webb County, Texas, for a point of deflection right;

**THENCE, N62°39'11"E** along the north boundary of said "Trace E", a distance of **50.00 FEET** to a set 1/2" iron rod, being an interior corner of Unitec Industrial Center Phase 9, for a point of deflection right;

**THENCE, S27°20'49"E** along the east boundary of said "Trace E", a distance of **50.00 FEET** to a set 1/2" iron rod, being an interior corner of Unitec Industrial Center Phase 9, for a point of deflection right;

**THENCE, S62°39'11"W** along the south line of said "Tract E", a distance of **10.10 FEET** to a set 1/2" iron rod, being an exterior corner of Unitec Industrial Center Phase 9 also, being the northeast corner of said "Tract F", for a point of deflection left;

**THENCE, S27°20'49"E** along the west boundary of said Unitec Industrial Center Phase 9 and the east boundary of said "Tract F", a distance of **625.36 FEET** to a set 1/2" iron rod, being the south corner of Lot 1, Block 16, of said Unitec Industrial Center Phase 2, for a point of deflection left;

**THENCE, N63°57'11"E** along the south boundary Lot 1, Block 16, of Unitec Industrial Center Phase 9, a distance of **1,477.85 FEET** to a set 1/2" iron rod, for a point of deflection left;

**THENCE, N14°35'40"W** along the east boundary Lot 3, Block 16, of Unitec Industrial Center Phase 9, a distance of **270.92 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, N02°12'51"W** along the east boundary of Unitec Industrial Center Phase 9, a distance of **999.26 FEET** to a found 1/2" iron rod, being a deflection point on Lot 7, Block 16, of said Unitec Industrial Center Phase 9, for a point of deflection right;

**THENCE, N10°22'57"E** along the east boundary of Unitec Industrial Center Phase 9, a distance of **1,000.00 FEET** to a set 1/2" iron rod, being a deflection point on Lot 10, Block 16, of said Unitec Industrial Center Phase 9, for a point of deflection right;

**THENCE, N22°57'46"E** along the east boundary of Unitec Industrial Center Phase 9, a distance of 803.63 FEET over and across a 75.11 acre tract owned by Cambridge-Lee Industries LLC., as per deed recorded in Volume 2297, Pages 695-702 of the Public Records of Webb County Texas, and continuing along same path a distance of 196.86 FEET for a total distance of **1,000.49 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, N35°32'30"E** along the southeastern boundary of said 75.11 acre tract a distance of 580.80 FEET over and across a 20.0 acre Sewer Treatment Plant site as per deed recorded in Volume 272, Page 651, of the Official Public Records of Webb County, Texas, and continuing along same path, a distance of 419.39 FEET for a total distance of **1,000.19 FEET** to a found 1/2" iron rod, for a point of deflection right;



**THENCE, N48°09'05"E** along the southeastern boundary of said 75.11 acre tract a distance of 344.08 FEET over and across a 117.97 acre tract owned by Javier and Lilia Investments, LTD., as per deed recorded in Volume 2494, Page 92, of the Official Public Records of Webb County, Texas, and continuing along same path, a distance of 655.45 FEET for a total distance of **999.53 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, N60°42'59"E** along the southern boundary of said 117.97 acre tract a distance of 228.02 FEET to an existing 15' wide utility easement as per deed recorded in Volume 3541, Pages 823-830 of the Official Public Records of Webb County, Texas, and continuing along same path a distance of 15.00 FEET to the end of said 15' wide utility easement and continuing along same path, a distance of 755.84 FEET for a total distance of **998.86 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, N73°18'14"E** along the southern boundary of said 117.97 acre tract a distance of **1,000.07 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, N85°51'31"E** along the southern boundary of said 117.97 acre tract a distance of **1,000.06 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, S81°32'03"E** along the southern boundary of said 117.97 acre tract a distance of **1,000.00 FEET** to a set 1/2" iron rod, for a point of deflection right;

**THENCE, S68°56'33"E** along the southern boundary of said 117.97 acre tract a distance of 91.60 FEET over and across a 150.00 acre tract owned by Ramos Ranon LTD., as per deed recorded in Volume 174, Page 249, of the Official Public Records of Webb County, Texas, and continuing along same path, a distance of 908.25 FEET for a total distance of **999.85 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, S56°22'03"E** along said 150.00 acre tract, a distance of 537.11 FEET over and across a 12.18 acre tract owned by Oscar R. Ramos as per deed recorded in Volume 1642, Page 568 of the Official Public Records of Webb County, Texas, a distance of 462.89 FEET for a total distance of **1,000.00 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, S43°59'59"E** along said 12.18 acre tract a distance of 18.20 FEET over and across a 48.74 acre tract owned by Jose E. Molina MD., as per deed recorded in Volume 1642, Page 572 of the Official Public Records of Webb County, Texas, and continuing along same path, a distance of 532.96 FEET over and across a 12.18 acre tract owned by Manuel Garcia MD., as per deed recorded in Volume 1642, Page 548, of the Official Public Records of Webb County, Texas and continuing along same path, a distance of 448.80 FEET for a total distance of **999.96 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, S31°12'03"E** along said 12.18 acre tract a distance of **1,000.00 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, S18°37'03"E** along said 12.18 acre tract a distance of 307.10 FEET over and across a 100.02 acre tract owned by The Stamps Family Partnership as recorded in Volume 19, Page 496 of the Official Public Records of Webb County, Texas and continuing along same path a distance of 692.90 FEET for a total distance of **1,000.00 FEET** to an inaccessible point being under an existing pond, for a point of deflection right;

**THENCE, S05°52'09"E** along said 100.00 acre tract a distance of **1,002.25 FEET** to a found 1/2" iron rod, for a point of deflection right;

**THENCE, S06°31'09"W** along said 100.00 acre tract a distance of **999.78 FEET** to a found 1/2" iron rod, for a point of deflection left;

**THENCE, N67°18'04"E** along the south boundary of said 100.00 acre tract and the common division line of Porcion 14 and Porcion 15, a distance of **1,300.22 FEET** to a found concrete monument, for a point of deflection right;

**THENCE, S22°42'36"E** a distance of **2,546.21 FEET** to a found concrete monument, for a point of deflection right;

**THENCE, S67°16'46"W** along the south boundary of this tract, a distance of **10,296.61 FEET** to a found concrete monument, for a point of deflection right;

**THENCE, N22°45'19"W** a distance of **2,549.99 FEET** to the **POINT OF BEGINNING** and containing 1,992.92 acres of land, more or less.

**BASIS OF BEARING:** NAD27 Texas State Planes, South Zone (4205), US Foot

"The Property is the same as the property described in the Special Warranty Deed, recorded as Book 622, Page 590, as filed on April 16, 1998, in the Office of the County Recorded of Webb County, Texas."

*Ricardo M. Villarreal*  
RICARDO M. VILLARREAL RPLS #6242

*2/16/15*  
DATE





**BOUNDARY CLOSURE  
MAJESTIC REALTY CO., TRACT I  
1,992.92 ACRE ANNEXATION**

Course: N 52-29-29 W	Distance: 1499.47
Course: N 24-43-52 W	Distance: 1783.39
Course: N 01-32-49 W	Distance: 356.28
Course: N 27-20-49 W	Distance: 624.70
Course: S 62-39-11 W	Distance: 9.90
Course: N 27-20-49 W	Distance: 50.00
Course: N 62-39-11 E	Distance: 50.00
Course: S 27-20-49 E	Distance: 50.00
Course: S 62-39-11 W	Distance: 10.10
Course: S 27-20-49 E	Distance: 625.36
Course: N 63-57-11 E	Distance: 1477.85
Course: N 14-35-40 W	Distance: 270.92
Course: N 02-12-51 W	Distance: 999.26
Course: N 10-22-57 E	Distance: 1000.00
Course: N 22-57-45 E	Distance: 1000.49
Course: N 35-32-28 E	Distance: 1000.18
Course: N 48-09-05 E	Distance: 999.53
Course: N 60-42-59 E	Distance: 998.86
Course: N 73-18-14 E	Distance: 1000.07
Course: N 85-51-31 E	Distance: 1000.06
Course: S 81-32-03 E	Distance: 1000.00
Course: S 68-56-33 E	Distance: 999.85
Course: S 56-22-03 E	Distance: 1000.00
Course: S 43-59-58 E	Distance: 999.96
Course: S 31-12-03 E	Distance: 1000.00
Course: S 18-37-03 E	Distance: 1000.00
Course: S 05-52-09 E	Distance: 1002.25
Course: S 06-31-09 W	Distance: 999.78
Course: N 67-18-04 E	Distance: 1300.22
Course: S 22-42-36 E	Distance: 2546.21
Course: S 67-16-46 W	Distance: 10296.60
Course: N 22-45-18 W	Distance: 2549.99

Perimeter: 39501.28

Area: 86811397.79

1992.92 acres

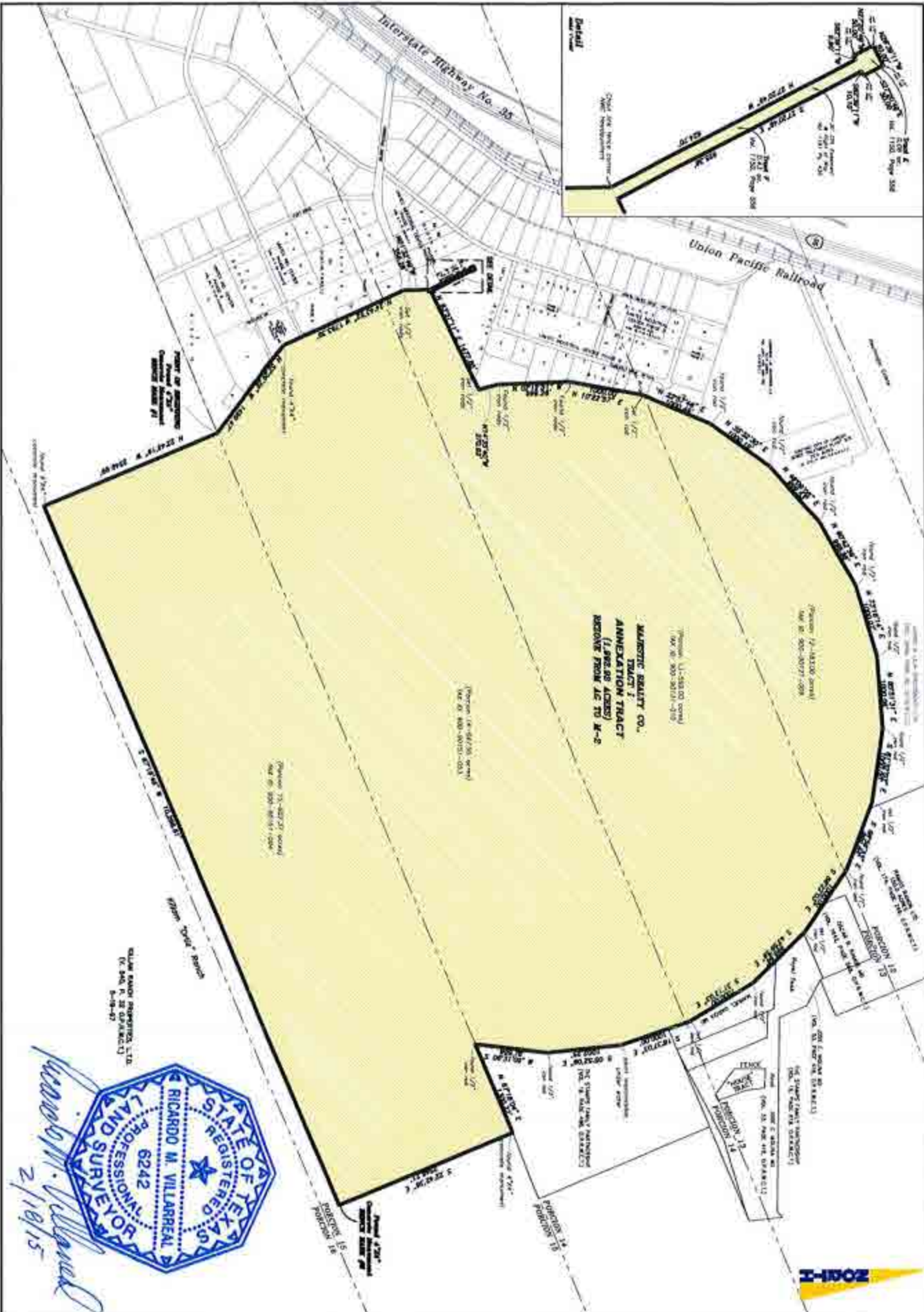
Error of Closure: 0.030  
Precision 1: 1310839.70

Course: N 17-54-49 W



*Ricardo M. Villarreal*  
2/17/15

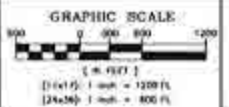
[www.howlandcompanies.com](http://www.howlandcompanies.com)



*Ricardo M. Villarreal*  
2/18/15

**STATE OF TEXAS**  
**REGISTERED**  
**LAND SURVEYOR**  
**PROFESSIONAL**  
**6242**  
**RICARDO M. VILLARREAL**

**MAJESTIC REALTY CO.**  
**TRACT I**  
**ANNEXATION TRACT**  
**REZONE 1,992.92 ACRES**  
**FROM AG TO M-2**



**HOWLAND**  
**ENGINEERING AND SURVEYING CO.**  
TSPC Firm Registration No. T-4993 | TSPS Firm Registration No. 10064-02  
7615 N. Barkers Avenue # 770 Box 45126 | Lubbock, TX 79641  
P. 806.732.4414 | F. 806.732.5414  
[www.howlandcompanies.com](http://www.howlandcompanies.com)

NAME OF JOB	
OWNER OR CLIENT	
DATE OF SURVEY	
SCALE	
BY	
CHECKED BY	
APPROVED BY	
DATE	
PROJECT NO.	
FILE NO.	
REVISIONS	
NO. DATE	
BY	
REASON	
SCALE	
DATE	
BY	
CHECKED BY	
APPROVED BY	
DATE	

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** 4V Holdings Ltd. (Landowner)

**Staff Source:** Nathan R. Bratton

---

**SUBJECT**

**First public hearing** on the voluntary annexation of the 4V Holdings Tract (Tract 2) being 83.4979 acres, more or less, located east of Cuatro Vientos Road and south of Wormser Road.

**PREVIOUS COUNCIL ACTION**

On January 20, 2015, the City Council adopted a schedule of hearings and proceedings for voluntary annexations for the calendar year 2015 and, on February 20, 2015, directed staff to prepare a service plan for this proposed annexation .

**BACKGROUND**

This is the first of two statutorily required hearings prior to the institution of proceedings. This hearing was noticed on April 3, 2015. The second public hearing is scheduled for April 27, 2015. Voluntary Annexations: Tract 1: Majestic Realty Tract - 1,992.92 acres, more or less, located east of Unitec Industrial Park. Tract 2: 4V Holdings Tract - 83.4979 acres, more or less, located east of Cuatro Vientos Road and south of Wormser Road. Tract 4: Union Pacific Tract - 29.435 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 5: Port Drive R.O. W. Extension Tract - 7.753 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 6: Laredo Town Center Tract - 9.457 acres, more or less, located east of Loop 20 (Bob Bullock Loop) and north of El Ranchito Road (RR 6078A).

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

To conduct a public hearing for this tract.

---

**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

---

**Attachments**

Tract 2 4V Holding (aerial)

Tract 2 4V Holding Map

Tract 2 4V Holding Survey

Tract 2 4V Holding Legal Description (metes and Bounds)

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DISCLAIMER  
 The information provided in this map was submitted to, gathered by and/or developed by the City of Laredo from various sources. Geographic information has a high probability of becoming outdated from the time it is collected and therefore, at-present/ground conditions should be assessed to determine the accuracy of provided information. The City of Laredo assumes no liability for any decisions made or actions taken or not taken by the user of this data in reliance upon any data furnished herewith. The use of this data indicates your unconditional acceptance of all risks associated with the use of this data.



2019 Proposed Amendments

TRACT 27  
 89.5 ACRES



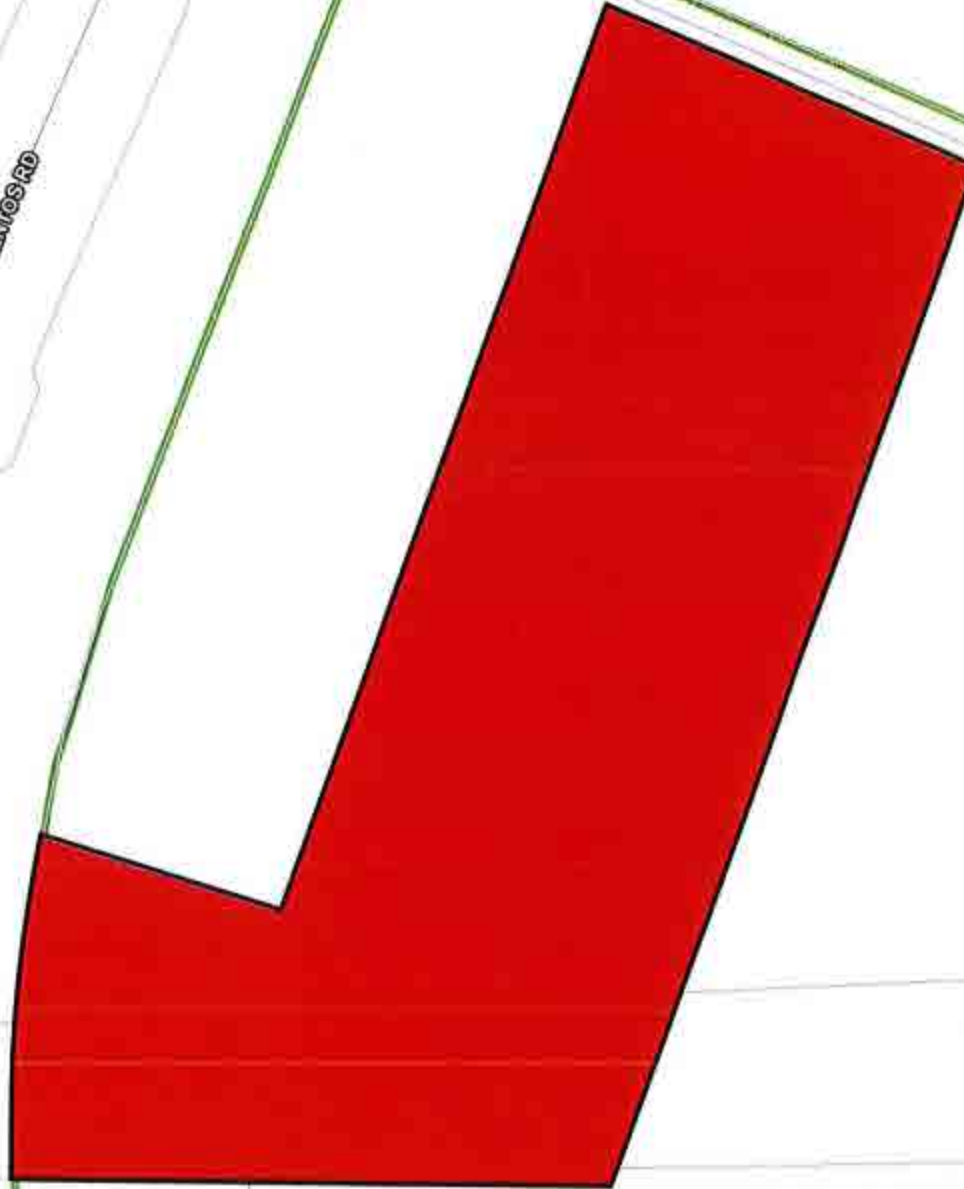


Date: 2/27/2015

2015 Proposed Annexations

DISCLAIMER  
The information provided in this map was submitted to, gathered by and/or developed by the City of Laredo from various sources. Geographic information has a high probability of becoming outdated from the time it is collected and therefore, at present ground conditions should be assessed to determine the accuracy of provided information. The City of Laredo assumes no liability for any decisions made or actions taken or not taken by the user of this data in reliance upon any data furnished herewith. The use of this data indicates your unconditional acceptance of all risks associated with the use of this data.

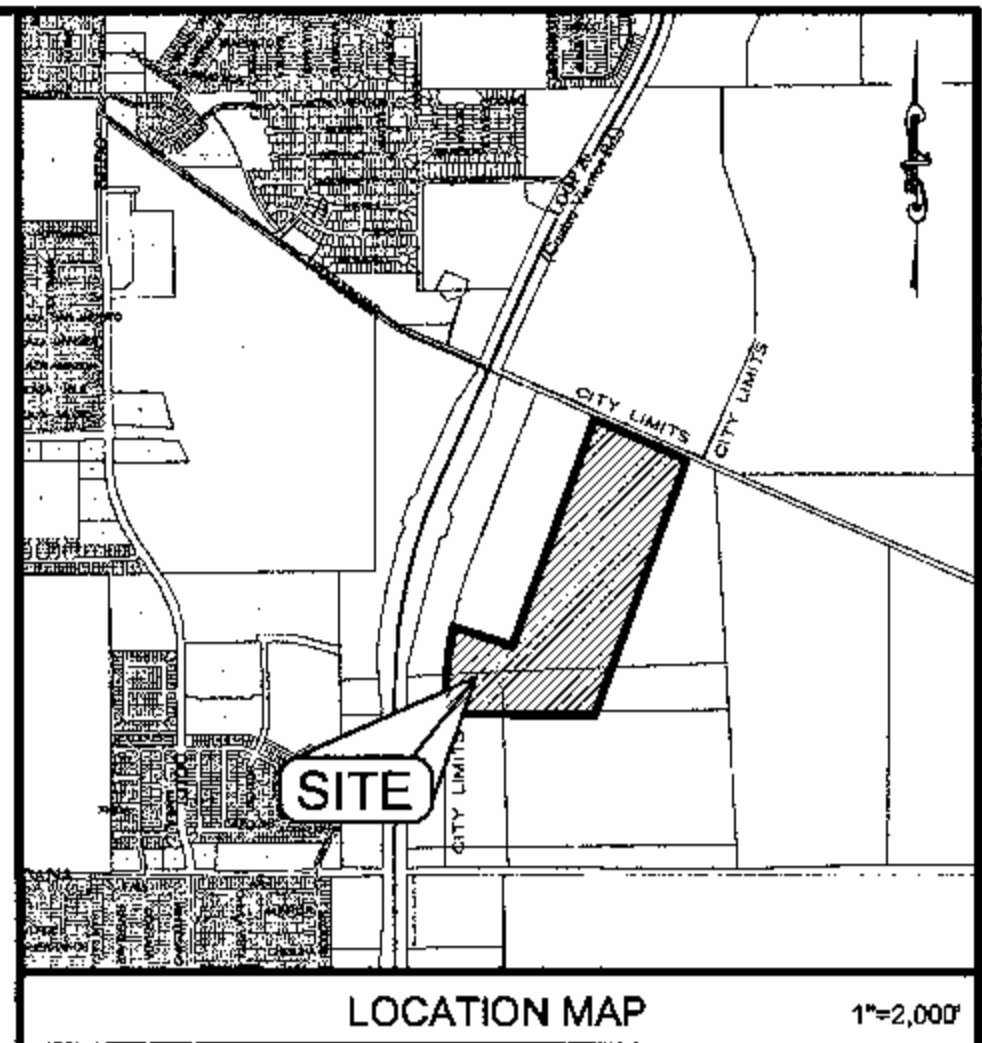
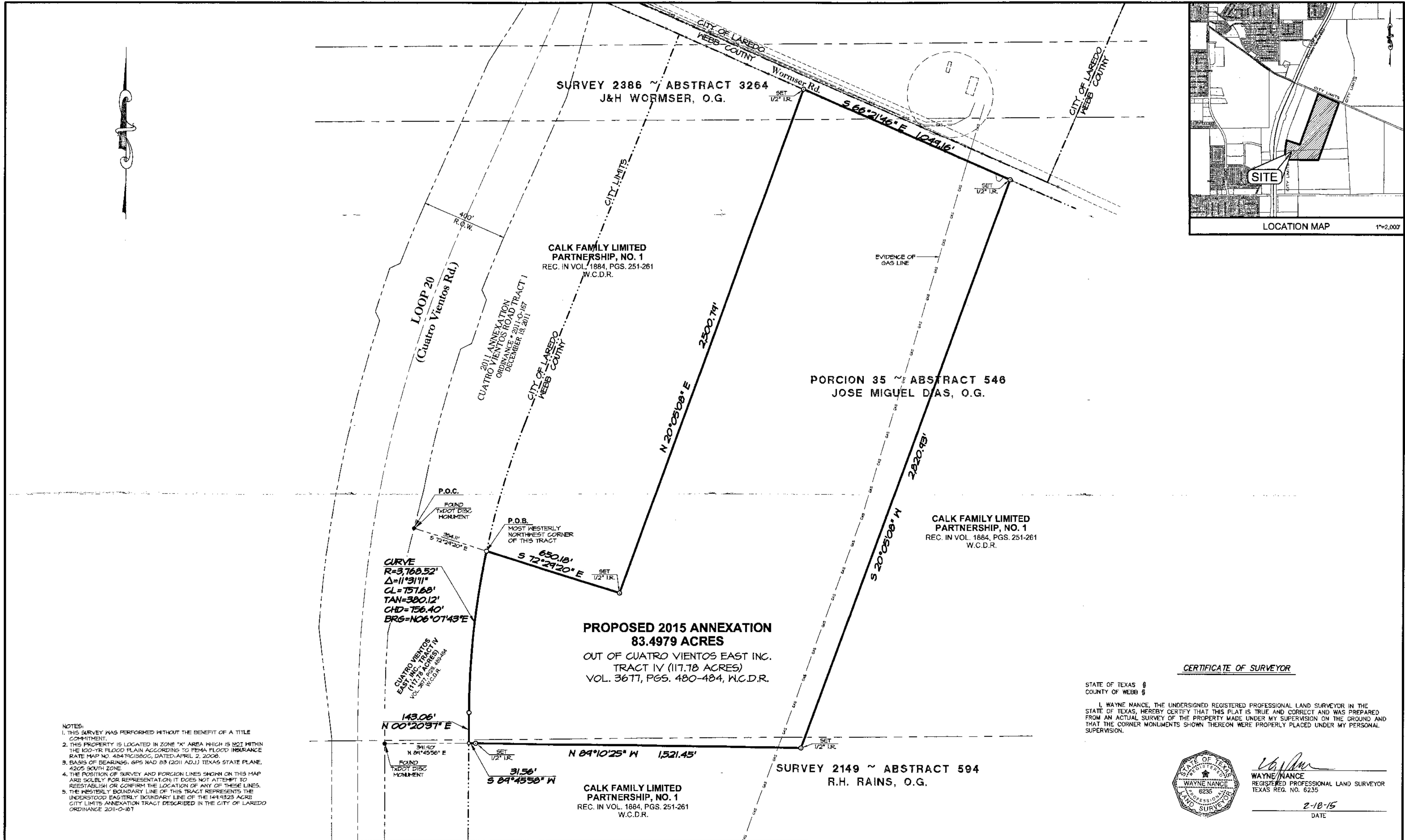
CUATRO VIENTOS RD



1 inch = 480 feet

0 70 140 280 420 560 Feet

TRACT 2  
83.5 ACRES



- NOTES:
1. THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT.
  2. THIS PROPERTY IS LOCATED IN ZONE 'X' AREA WHICH IS NOT WITHIN THE 100-YR FLOOD PLAIN ACCORDING TO FEMA FLOOD INSURANCE RATE MAP NO. 48470C0002, DATED APRIL 2, 2009.
  3. BASIS OF BEARINGS: GRS NAD 83 (2011 ADJ.) TEXAS STATE PLANE, 4205 SOUTH ZONE.
  4. THE POSITION OF SURVEY AND PORCION LINES SHOWN ON THIS MAP ARE SOLELY FOR REPRESENTATION. IT DOES NOT ATTEMPT TO REESTABLISH OR CONFIRM THE LOCATION OF ANY OF THESE LINES.
  5. THE WESTERLY BOUNDARY LINE OF THIS TRACT REPRESENTS THE UNDERSTOOD EASTERLY BOUNDARY LINE OF THE 1419323-ACRE CITY LIMITS ANNEXATION TRACT DESCRIBED IN THE CITY OF LAREDO ORDINANCE 2011-0-167.

**CERTIFICATE OF SURVEYOR**

STATE OF TEXAS §  
COUNTY OF WEBB §

I, WAYNE NANCE, THE UNDERSIGNED REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT AND WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION ON THE GROUND AND THAT THE CORNER MONUMENTS SHOWN THEREON WERE PROPERLY PLACED UNDER MY PERSONAL SUPERVISION.



*Wayne Nance*  
**WAYNE NANCE**  
REGISTERED PROFESSIONAL LAND SURVEYOR  
TEXAS REG. NO. 6235

2-18-15  
DATE

GRAPHIC SCALE IN FEET

50 0 100 200 400

SURVEYED DATE: 11-21-14

REVISIONS :

VERTICAL SCALE : —

HORIZONTAL SCALE: 1"=200'

DRAWN : R.B.

CHECKED : T.P.N./W.N.

APPROVED : R.B./W.N.

FIELD BOOK : —

LEGEND:

R.O.W. RIGHT OF WAY

P.O.B. POINT OF BEGINNING

W.C.P.R. WEBB COUNTY PLAT RECORDS

W.C.D.R. WEBB COUNTY DEED RECORDS

B.S. BUILDING SETBACK

U.E. UTILITY EASEMENT

W.L. WATER LINE

S.S.L. SANITARY SEWER LINE

D.E. DRAINAGE EASEMENT

**PORRAS NANCE ENGINEERING**

P.O. BOX 1670  
LAREDO, TEXAS 78044

OWNER:  
CUATRO VIENTOS EAST, INC.  
3302 CUATRO VIENTOS DR.  
SUITE 23B  
LAREDO, TEXAS 78044  
(956)718-2892 OFF.  
(956)718-2057 FAX

ENGINEER/SURVEYOR:  
PORRAS NANCE ENGINEERING  
304 E. CALTON RD.  
P.O. BOX 1670  
LAREDO, TEXAS 78044  
(956) 724-3097 PH  
(956) 724-9208 FX

PROJECT DATA:  
ACRES : 83.4979 ACRES  
LOTS : 1 TRACT  
R.O.W. : N/A  
B/B : N/A

**PROPOSED 2015 ANNEXATION PLAN  
CUATRO VIENTOS EAST  
83.4979 ACRE TRACT**

OUT OF CUATRO VIENTOS EAST, INC. - TRACT IV (117.78 ACRES)  
SURVEY 2386, ABSTRACT 3264 & PORCION 35, ABSTRACT 548  
REC. IN VOLUME 3677, PAGES 480-484 OF WEBB COUNTY DEED RECORDS  
WEBB COUNTY, TEXAS

SHEET:  
1 OF 1

## 83.4979 ACRE TRACT

Being out and part of  
Survey 2386 ~ Abstract 3264 ~ J&H Wormser Original Grantee  
Porcion 35 ~ Abstract 546 ~ Jose Miguel Dias, Original Grantee  
Webb County, Texas  
Survey Date 12-08-14

Being a tract of land found to contain 83.4979 Acres, more or less, situated in Survey 2386, Abstract 3264, J&H Wormser, Original Grantee and Porcion 35, Abstract 546, Jose Miguel Dias, Original Grantee in Webb County, Texas, said 83.4979 Acre tract being out and part of the Cuatro Vientos East, Inc. Tract IV (117.78 Acres), as recorded in Volume 3677, Pages 480-484 of the Webb County Deed Records, and more particularly described by metes and bounds as follows, to-wit;

**COMMENCING** at a found TxDOT right-of-way disc monument for a point of reference, being the point of intersection between the Easterly right-of-way line of Loop 20 (Cuatro Vientos Rd.) and the Northerly boundary line of said Tract IV (117.78 Acres); **THENCE** South 72°29'20" East, 354.11-feet, to the most Westerly Northwest corner of the herein described tract and the **POINT OF BEGINNING**;

**THENCE** along the Northerly boundary line of said Tract IV and the Northerly boundary line of the herein described tract, as follows:

South 72°29'20" East, 650.18 feet, to a set ½" iron rod for an interior deflection corner to the left of this tract;

North 20°05'08" East, 2500.79 feet, to a set ½" iron rod for an exterior deflection corner to the right of this tract;

South 66°21'46" East, 1049.16 feet, to a set ½" iron rod for the Northeast corner of this tract;

**THENCE** South 20°05'08" West, 2,820.93 Feet, along the Easterly boundary line of said Tract IV and Easterly boundary line of the herein described tract, to a set ½" iron rod for the Southeast corner of this tract;

**THENCE** along the Southerly boundary line of said Tract IV and the Southerly boundary line of the herein described tract, as follows:

North 89°10'25" West, 1521.45 feet, to a set ½" iron rod for an interior deflection corner to the left of this tract;

South 89°45'58" West, 31.56 feet, to the Southwest corner of this tract;

**THENCE** along the Westerly boundary line of the herein described tract also being the understood Easterly boundary line of the 149.9323 Acre City Limits Annexation tract (City of Laredo Ordinance 2011-O-167) as follows:



North  $00^{\circ}20'37''$  East, 143.06 feet, to a point of curvature to the right;

A curvilinear distance of 757.68 feet, with said curve having the following characteristics:  
Central Angle= $11^{\circ}31'11''$ , R=3,768.52 feet, CL=757.68 feet, TAN=380.12 feet, CHD=756.40 feet,  
CHD. Bearing = N  $06^{\circ}07'43''$  E, to the most Westerly Northwest corner of this tract and the  
**POINT OF BEGINNING.**

*Basis of Bearings:*

GPS NAD 83 (2011 Adj.), Texas State Plane, 4205 South Zone

I, Wayne Nance, the undersigned Registered Professional Land Surveyor, Number 6235, do hereby certify that the metes and bounds description shown hereon is true and correct to my best knowledge and belief and that it was prepared from an actual survey made on the ground and from office records available, without the benefit of a complete title examination report.



Witness my Hand and Seal

  
Wayne Nance, R.P.L.S.

**PROPOSED 2015 ANNEXATION  
CUATRO VIENTOS EAST  
83.4979 ACRE TRACT**

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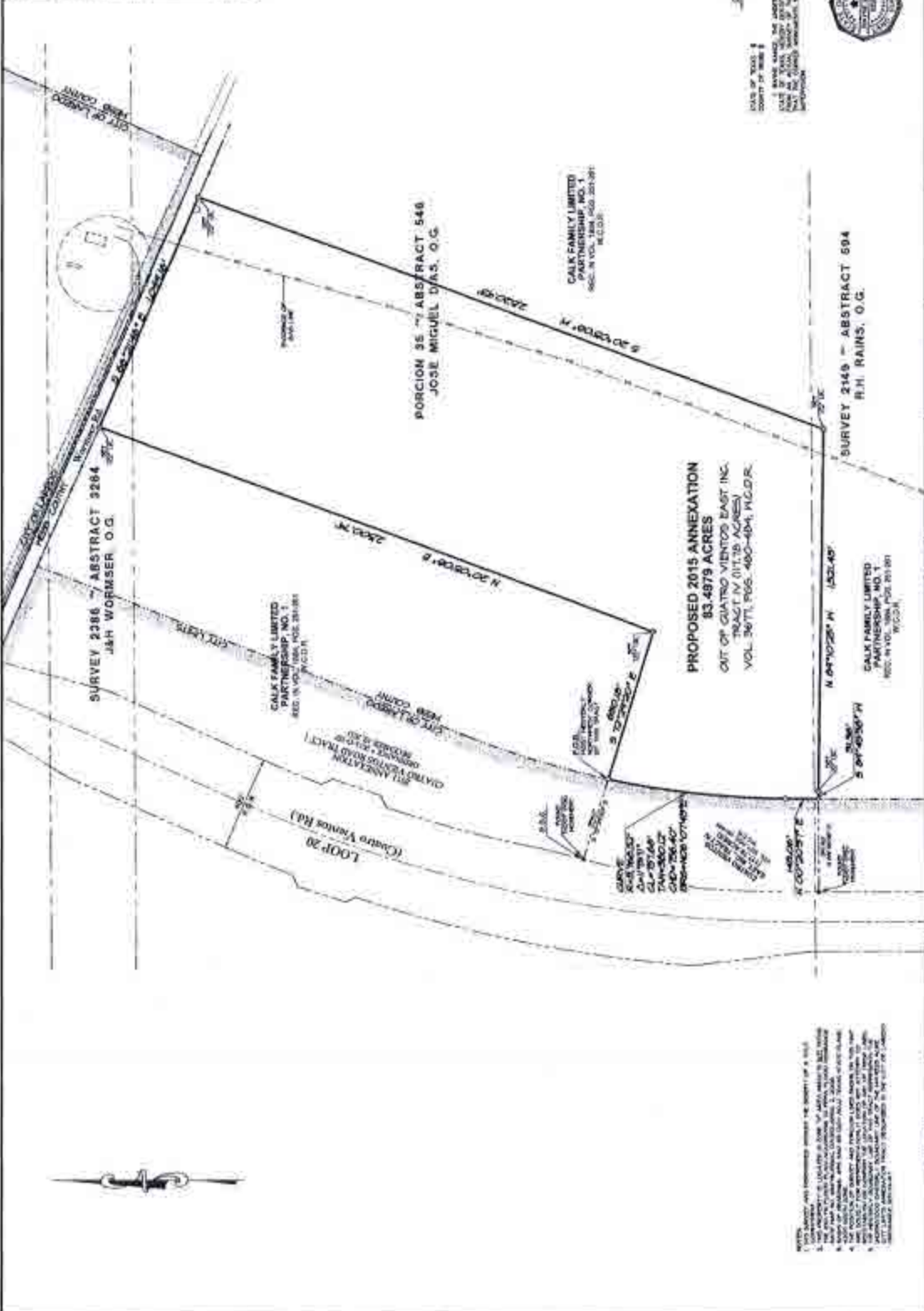
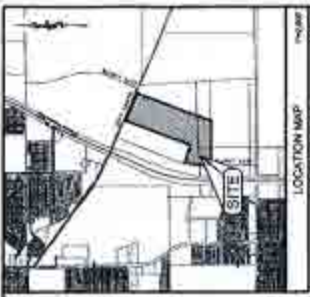
Parcel name: 83-49 AC ANNEX

	North: 17056844.7776	East : 675901.2057
Line	Course: S 72-29-20 E	Length: 650.18
	North: 17056649.1445	East : 676521.2555
Line	Course: N 20-05-08 E	Length: 2500.79
	North: 17058997.8386	East : 677380.0841
Line	Course: S 66-21-46 E	Length: 1049.16
	North: 17058577.1839	East : 678341.2222
Line	Course: S 20-05-08 W	Length: 2820.93
	North: 17055927.8204	East : 677372.4501
Line	Course: N 89-10-25 W	Length: 1521.45
	North: 17055949.7639	East : 675851.1584
Line	Course: S 89-45-58 W	Length: 31.56
	North: 17055949.6350	East : 675819.5986
Line	Course: N 00-20-37 E	Length: 143.06
	North: 17056092.6924	East : 675820.4566
Curve	Length: 757.67	Radius: 3768.52
	Delta: 11-31-10	Tangent: 380.12
	Chord: 756.40	Course: N 06-07-43 E
	Course In: S 89-37-52 E	Course Out: N 78-06-42 W
	RP North: 17056068.4297	East : 679588.8985
	End North: 17056844.7634	East : 675901.2096
Line	Course: N 90-00-00 W	Length: 0.00
	North: 17056844.7634	East : 675901.2096

Perimeter: 9474.80 Area: 3,637,167.64 sq. ft. 83.4979 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)  
Error Closure: 0.0148 Course: S 15-20-27 E  
Error North: -0.01424 East : 0.00391  
Precision 1: 640,189.19





**STATE OF TEXAS**  
**COUNTY OF TARRANT**

**PROPOSED 2015 ANNEXATION PLAN**  
**OUT OF CUATRO VIENTOS EAST TRACT**  
**83.4879 ACRES**  
**TRACT IN OIT.75 ACRES**  
**VOL. 3671, PAGES 490-494, PUBLIC RECORDS**



**PROPPAS NANCE ENGINEERING**  
 11110 AMB  
 SUITE 100  
 FORT WORTH, TEXAS 76134  
 (817) 336-1111  
 FAX (817) 336-1112

<b>PROPPAS NANCE ENGINEERING</b> 11110 AMB SUITE 100 FORT WORTH, TEXAS 76134 (817) 336-1111 FAX (817) 336-1112		<b>PROPOSED 2015 ANNEXATION PLAN</b> <b>OUT OF CUATRO VIENTOS EAST TRACT</b> <b>83.4879 ACRES</b> <b>TRACT IN OIT.75 ACRES</b> <b>VOL. 3671, PAGES 490-494, PUBLIC RECORDS</b>	SHEET: <b>1 OF 1</b>
<b>DATE:</b> 08/11/2015 <b>PROJECT NO.:</b> 15-001	<b>PROJECT DATA:</b> DATE: 08/11/2015 TIME: 10:00 AM BY: JLN	<b>PROJECT DATA:</b> DATE: 08/11/2015 TIME: 10:00 AM BY: JLN	<b>PROJECT DATA:</b> DATE: 08/11/2015 TIME: 10:00 AM BY: JLN
<b>OWNER:</b> CALK FAMILY LIMITED 11110 AMB SUITE 100 FORT WORTH, TEXAS 76134 (817) 336-1111 FAX (817) 336-1112	<b>OWNER:</b> CALK FAMILY LIMITED 11110 AMB SUITE 100 FORT WORTH, TEXAS 76134 (817) 336-1111 FAX (817) 336-1112	<b>OWNER:</b> CALK FAMILY LIMITED 11110 AMB SUITE 100 FORT WORTH, TEXAS 76134 (817) 336-1111 FAX (817) 336-1112	<b>OWNER:</b> CALK FAMILY LIMITED 11110 AMB SUITE 100 FORT WORTH, TEXAS 76134 (817) 336-1111 FAX (817) 336-1112

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Union Pacific (Landowner)

**Staff Source:** Nathan R. Bratton

---

**SUBJECT**

**First public hearing** on the voluntary annexation of the Union Pacific Tract (Tract 4) being 29.435 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard.

**PREVIOUS COUNCIL ACTION**

On January 20, 2015, the City Council adopted a schedule of hearings and proceedings for voluntary annexations for the calendar year 2015 and, on February 20, 2015, directed staff to prepare a service plan for this proposed annexation .

**BACKGROUND**

This is the first of two statutorily required hearings prior to the institution of proceedings. This hearing was noticed on April 3, 2015. The second public hearing is scheduled for April 27, 2015. Voluntary Annexations: Tract 1: Majestic Realty Tract - 1,992.92 acres, more or less, located east of Unitec Industrial Park. Tract 2: 4V Holdings Tract - 83.4979 acres, more or less, located east of Cuatro Vientos Road and south of Wormser Road. Tract 4: Union Pacific Tract - 29.435 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 5: Port Drive R.O. W. Extension Tract - 7.753 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 6: Laredo Town Center Tract - 9.457 acres, more or less, located east of Loop 20 (Bob Bullock Loop) and north of El Ranchito Road (RR 6078A).

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

To conduct a public hearing for this tract.

---

**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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### **Attachments**

Tract 4 Union Pacific (aerial)

Tract 4 Union Pacific Map

Tract 4 Union Pacific Survey

Tract 4 Union Pacific Legal Description (metes and bounds)

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**DISCLAIMER**  
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1 inch = 500 feet  
 0 100 200 300 400 500 feet

TRACT 4  
 29.43 ACRES

2015 Proposed Waterlines

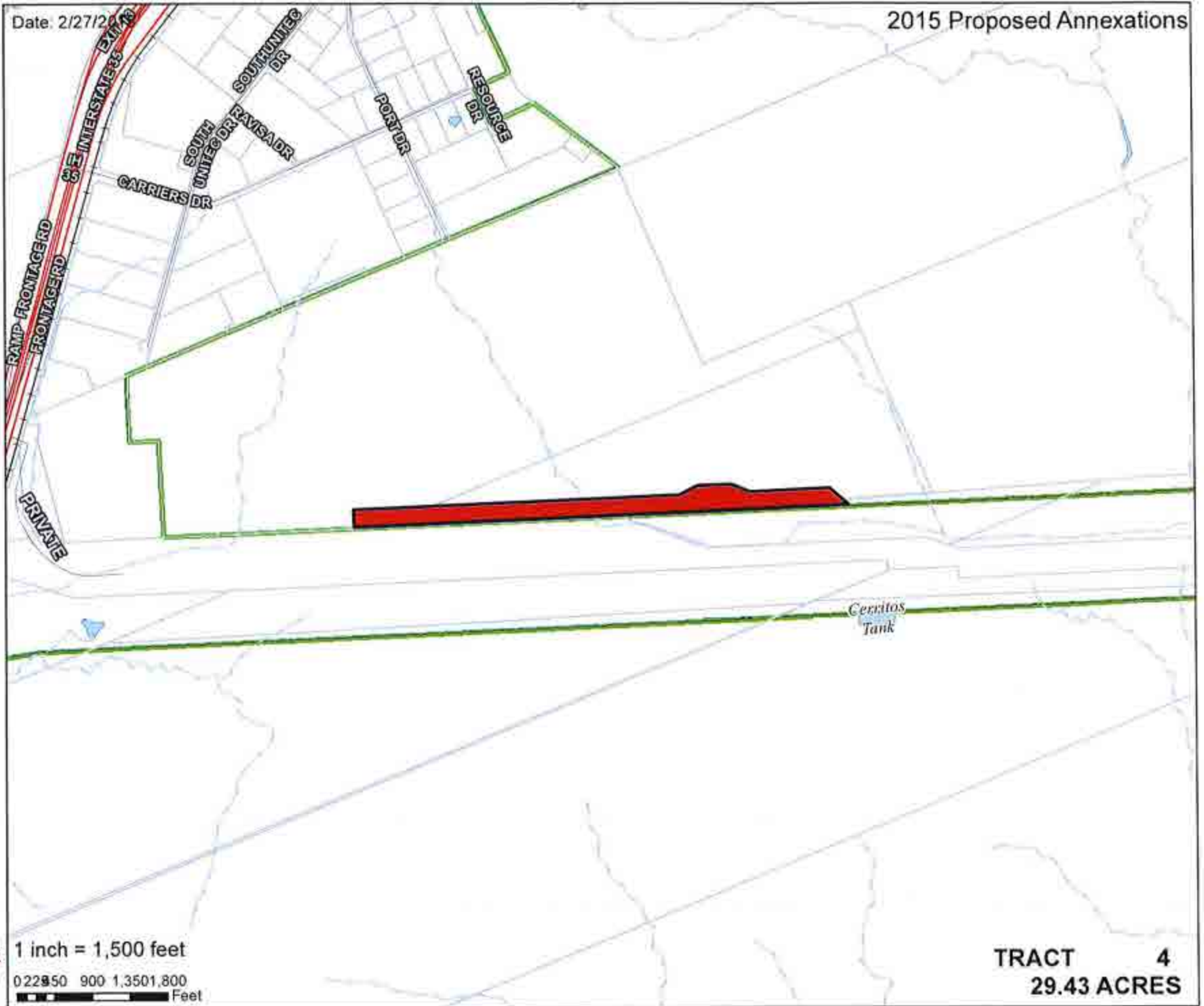




Date: 2/27/20

# 2015 Proposed Annexations

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1 inch = 1,500 feet

022850 900 1,3501,800  
Feet

**TRACT 4**  
**29.43 ACRES**

**LEGAL DESCRIPTION  
OF A  
29.435 ACRE TRACT**

BEING A 29.435 ACRE TRACT OF LAND, OUT OF THE 43,878.5855 ACRE CONVEYANCE OF REMAINDER INTEREST TRACT DATED AUGUST 18, 1997, EFFECTIVE AUGUST 19, 1997, FROM DAVID WINFIELD KILLAM, AISHAN KATHLEEN KILLAM AND TRACY LEIGH KILLAM-DILEO, AND DAVID W. KILLAM, AS TRUSTEES, TO KILLAM RANCH PROPERTIES, LTD. RECORDED IN VOLUME 540, PAGE 632, DEED RECORDS OF WEBB COUNTY, TEXAS (D.R.W.C.T.); SAID 43,878.5855 ACRE CONVEYANCE OF REMAINDER INTEREST TRACT BEING A PORTION OF THAT CERTAIN 44,142.45 ACRE TRACT, MORE PARTICULARLY DESCRIBED AS TRACT K-1 IN THAT CERTAIN CLARIFICATION, CONVEYANCE AND CONFIRMATION OF OWNERSHIP UNTO KILLAM OIL COMPANY DATED FEBRUARY 9, 1987, EFFECTIVE DECEMBER 31, 1981, RECORDED IN VOLUME 1219, PAGES 762-785, D.R.W.C.T.; SAID 29.435 ACRE TRACT BEING SITUATED IN PORCION 15, ABSTRACT 93, JOSE P. GARCIA, ORIGINAL GRANTEE, AND PORCION 16, ABSTRACT 46, DOLORES GARCIA, ORIGINAL GRANTEE, WEBB COUNTY, TEXAS. THIS 29.435 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 2 1/2" DIAMETER ALUMINUM PIPE IN CONCRETE STAMPED "UP NO. 4 CVH 365" BEING THE MOST NORTHEASTERLY CORNER OF THAT CERTAIN 529.95 ACRE TRACT AS DESCRIBED IN JUDGEMENT WARRANTY DEED RECORDED IN VOLUME 1351, PAGE 392, QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 409, QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 414, QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 419, AND QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 424 ALL IN D.R.W.C.T. THENCE, S 87° 24' 48" W, ALONG THE NORTHERLY LINE OF SAID 529.95 ACRE TRACT, A DISTANCE OF 5,914.70 FEET TO THE SOUTHEASTERLY CORNER OF THIS TRACT AND THE POINT OF BEGINNING HEREOF:

THENCE S 87° 24' 48" W, CONTINUING ALONG SAID NORTHERLY LINE OF SAID CERTAIN 529.95 ACRE TRACT, A DISTANCE OF 5,914.70 FEET TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE N 02° 35' 14" W, A DISTANCE OF 210.00 FEET TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE N 87° 24' 46" E, A DISTANCE OF 3,889.10 FEET TO A POINT FOR A DEFLECTION TO THE LEFT HEREOF;

THENCE N 62° 37' 33" E, A DISTANCE OF 238.52 FEET TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE N 87° 24' 46" E, A DISTANCE OF 410.69 FEET TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE S 68° 24' 50" E, A DISTANCE OF 244.20 FEET TO A POINT FOR A DEFLECTION TO THE LEFT HEREOF;

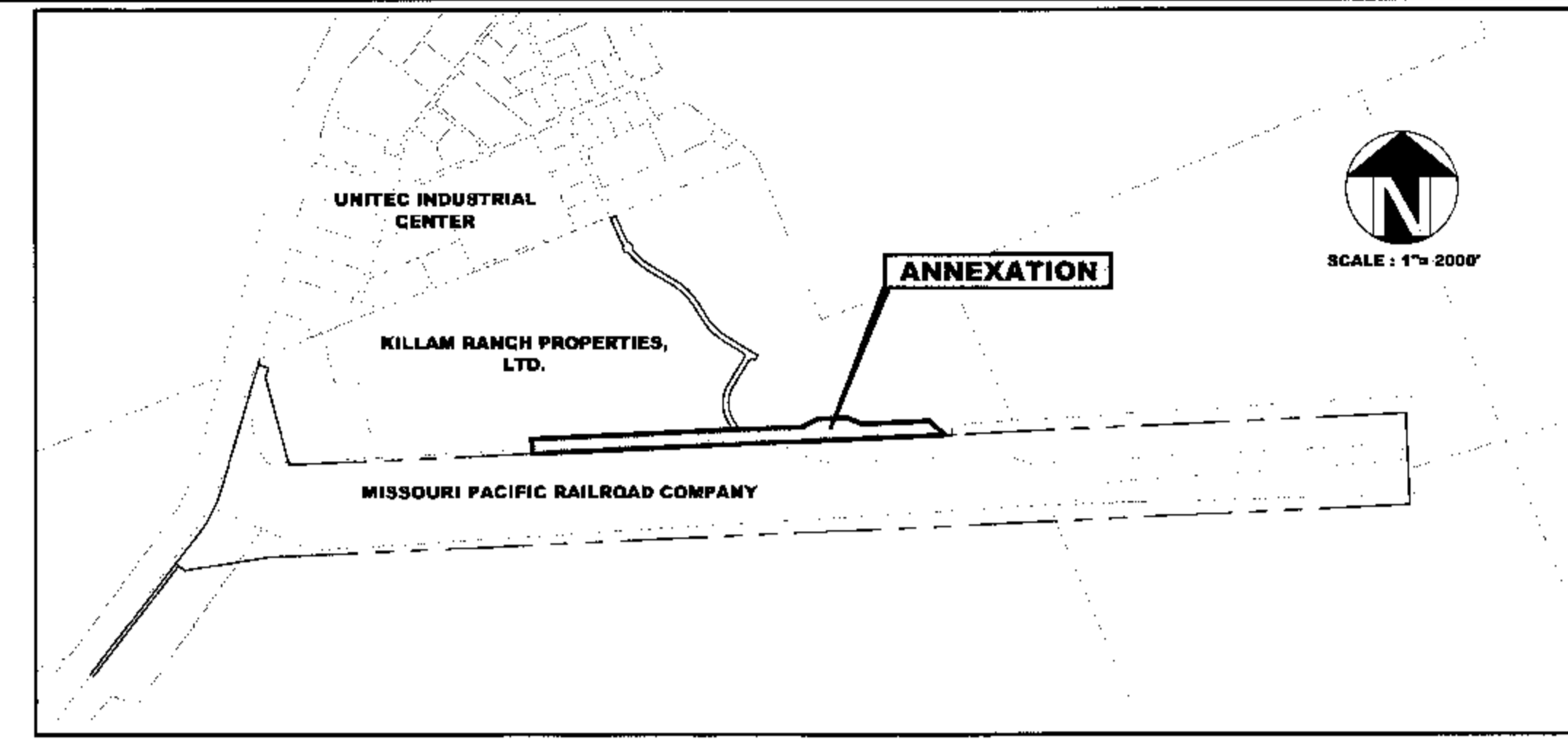
THENCE N 87° 24' 46" E, A DISTANCE OF 657.10 FEET TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE S 48° 43' 15" E, A DISTANCE OF 303.04 FEET TO THE SAID NORTHERLY LINE OF SAID CERTAIN 529.95 ACRE TRACT AND POINT OF BEGINNING AND CONTAINING 29.435 ACRES OF LAND, MORE OR LESS.

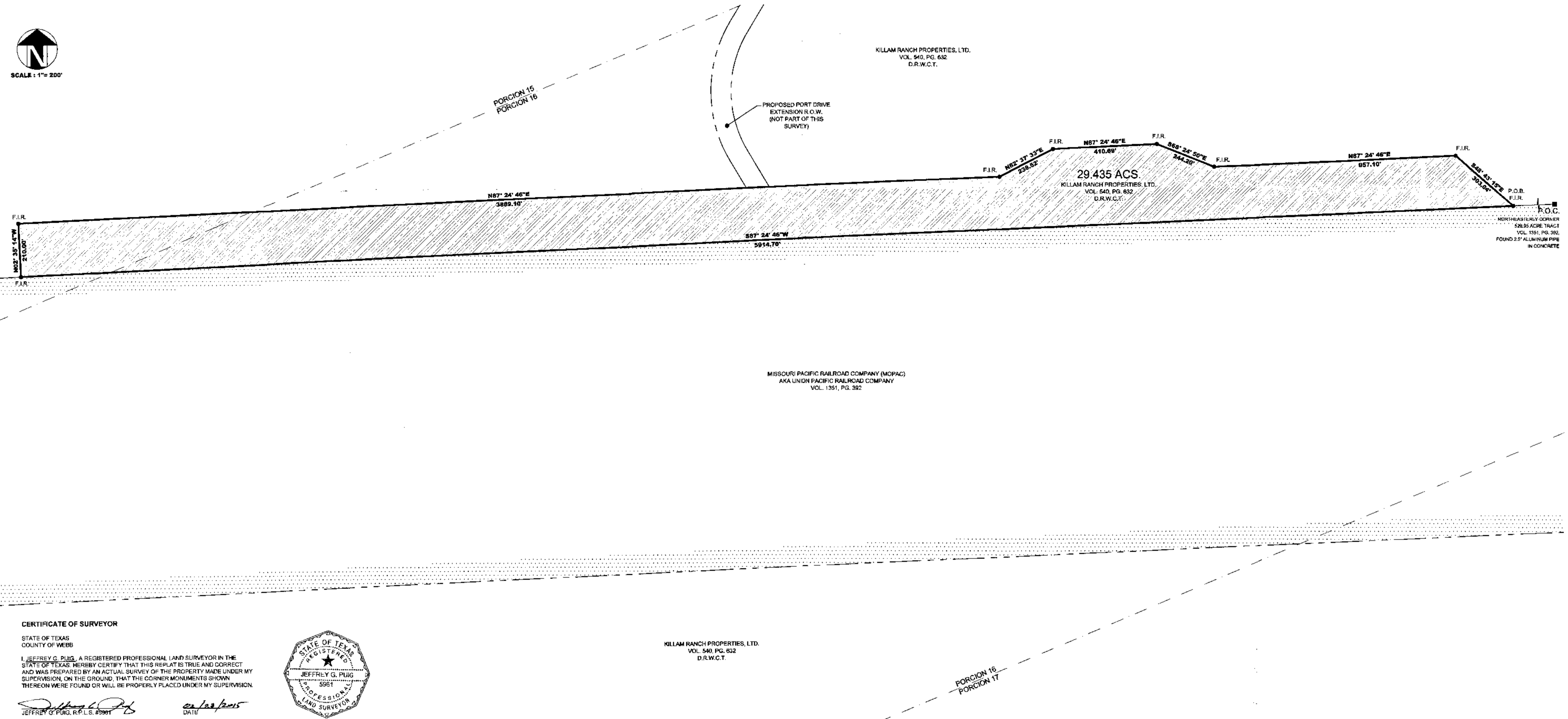
**BASIS OF BEARING:** BASED FROM MISSOURI PACIFIC COMPANY RAIL YARD FACILITIES SUBDIVISION PHASE 1 PLAT RECORDED IN VOL. 9, PG. 61, PUBLIC RECORDS OF WEBB COUNTY, AND A 532.25 ACRE "MOPAC RAIL YARD TRACT" ANNEXED BY THE CITY OF LAREDO, TEXAS AS PER CITY ORDINANCE NO. 69-3216 DATED OCT. 16, 1993 AND RECORDED IN VOL. 1453, PAGES 433-440, REAL PROPERTIES OF WEBB COUNTY, TEXAS

**LEGEND**

	POINT OF COMMENCING FOUND 2.5" ALUMINUM PIPE IN CONCRETE
	FOUND IRON ROD
	ANNEXATION LINE
	PROPERTY LINE
	PORCION LINE
	INDICATES PRESENT LAREDO CITY LIMITS LINE



**LOCATION MAP**

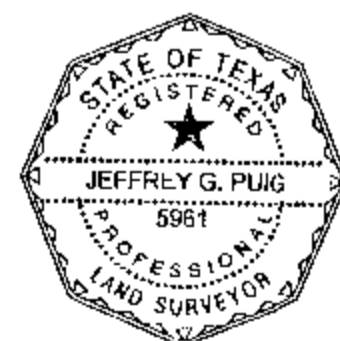


**CERTIFICATE OF SURVEYOR**

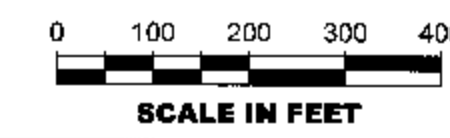
STATE OF TEXAS  
COUNTY OF WEBB

I, JEFFREY G. PLUG, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS REPLAT IS TRUE AND CORRECT AND WAS PREPARED BY AN ACTUAL SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION, ON THE GROUND, THAT THE CORNER MONUMENTS SHOWN THEREON WERE FOUND OR WILL BE PROPERLY PLACED UNDER MY SUPERVISION.

*Jeffrey G. Plug*  
JEFFREY G. PLUG, R.P.L.S. #5901  
DATE: *02/23/2015*



KILLAM RANCH PROPERTIES, LTD.  
VOL. 540, PG. 632  
D.R.W.C.T.



PROJECT	E0453200
PLAT DATE/TIME	2/23/2015 11:22 AM
STATUS	FINAL
DRAWN BY	F.R.
CHECKED BY	J.P.
NO.	
DATE	
REVISION DESCRIPTION	
FILE	E0453200-ANNEXATION.dwg
REF	
REF	

**CEC**  
CIVIL ENGINEERING CONSULTANTS  
9652 MidPhonon Road, Ste. 700  
Laredo, Texas 78040  
TEL: 956-729-7844 FAX: 956-729-7854  
TBP# F-2214 TBP# 1100410-00

**2015 ANNEXATION  
UNION PACIFIC RAILROAD YARD TRACT SURVEY  
29.435 ACRES**

S:\Data\PE Projects\E0453200-UPRR Port Laredo Intermodal Facility - LAR\Drawings\acadd\E0453200-ANNEXATION.dwg





CIVIL ENGINEERING CONSULTANTS  
DON DURDEN, INC.

**2015 ANNEXATION  
UNION PACIFIC RAILROAD YARD TRACT**

**METES AND BOUNDS DESCRIPTION  
29.435 ACRE TRACT**

BEING A 29.435 ACRE TRACT OF LAND, OUT OF THE 43,878.5855 ACRE CONVEYANCE OF REMAINDER INTEREST TRACT DATED AUGUST 18, 1997, EFFECTIVE AUGUST 19, 1997, FROM DAVID WINFIELD KILLAM, ADRIAN KATHLEEN KILLAM AND TRACY LEIGH KILLAM-DILEO, AND DAVID W. KILLAM, AS TRUSTEE, TO KILLAM RANCH PROPERTIES, LTD. RECORDED IN VOLUME 540, PAGE 632, DEED RECORDS OF WEBB COUNTY, TEXAS (D.R.W.C.T.), SAID 43,878.5855 ACRE CONVEYANCE OF REMAINDER INTEREST TRACT BEING A PORTION OF THAT CERTAIN 44,142.45 ACRE TRACT, MORE PARTICULARLY DESCRIBED AS TRACT K-1 IN THAT CERTAIN CLARIFICATION CONVEYANCE AND CONFIRMATION OF OWNERSHIP UNTO KILLAM OIL COMPANY DATED FEBRUARY 9, 1987, EFFECTIVE DECEMBER 31, 1981, RECORDED IN VOLUME 1219, PAGES 762-785, D.R.W.C.T., SAID 29.435 ACRE TRACT BEING SITUATED IN PORCION 15, ABSTRACT 53, JOSE P. GARCIA, ORIGINAL GRANTEE, AND PORCION 16, ABSTRACT 46, DOLORES GARCIA, ORIGINAL GRANTEE, WEBB COUNTY, TEXAS. THIS 29.435 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING** AT A FOUND 2½" DIAMETER ALUMINUM PIPE IN CONCRETE STAMPED "UP NO. 4 CVH 305" BEING THE MOST NORTHEASTERLY CORNER OF THAT CERTAIN 529.95 ACRE TRACT AS DESCRIBED IN JUDGEMENT WARRANTY DEED RECORDED IN VOLUME 1351, PAGE 392, QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 409, QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 414, QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 419, AND QUIT CLAIM DEED RECORDED IN VOLUME 1351, PAGE 424 ALL IN D.R.W.C.T. THENCE **SOUTH 87° 24' 46" WEST**, ALONG THE NORTHERLY LINE OF SAID 529.95 ACRE TRACT, A DISTANCE OF **6,578.88 FEET** TO THE SOUTHEASTERLY CORNER OF THIS TRACT AND THE **POINT OF BEGINNING** HEREOF;

THENCE, **SOUTH 87° 24' 46" WEST**, CONTINUING ALONG SAID NORTHERLY LINE OF SAID CERTAIN 529.95 ACRE TRACT, A DISTANCE OF **5,914.70 FEET** TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE, **NORTH 02° 35' 14" WEST**, A DISTANCE OF **210.00 FEET** TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE, **NORTH 87° 24' 46" EAST**, A DISTANCE OF **3,889.10 FEET** TO A POINT FOR A DEFLECTION TO THE LEFT HEREOF;

THENCE, **NORTH 62° 37' 33" EAST**, A DISTANCE OF **238.52 FEET** TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE, NORTH 87° 24' 46" EAST, A DISTANCE OF 410.69 FEET TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE, SOUTH 68° 24' 50" EAST, A DISTANCE OF 244.20 FEET TO A POINT FOR A DEFLECTION TO THE LEFT HEREOF;

THENCE, NORTH 87° 24' 46" EAST, A DISTANCE OF 957.10 FEET TO A POINT FOR A DEFLECTION TO THE RIGHT HEREOF;

THENCE, SOUTH 48° 43' 15" EAST, A DISTANCE OF 303.04 FEET TO THE SAID NORTHERLY LINE OF SAID CERTAIN 529.95 ACRE TRACT AND POINT OF BEGINNING CONTAINING 29.435 ACRES OF LAND, MORE OR LESS.

**BASIS OF BEARINGS:** BEARINGS BASED ON THE NORTH LINE OF MISSOURI PACIFIC COMPANY RAIL YARD FACILITIES SUBDIVISION, PHASE 1 PLAT RECORDED IN VOLUME 9, PAGE 51, PUBLIC RECORDS OF WEBB COUNTY, AND A 532.25 ACRE "MOPAC RAIL YARD TRACT" ANNEXED BY THE CITY OF LAREDO, TEXAS, AS PER CITY ORDINANCE NO. 90-0-216 DATED OCTOBER 15, 1990 AND RECORDED IN VOLUME 1453, PAGES 433-440, REAL PROPERTY RECORDS OF WEBB COUNTY, TEXAS.



*Jeffrey G. Puig*  
02/20/2016

**BOUNDARY  
CLOSURE CALCULATIONS**

**UNION PACIFIC RAILROAD YARD ANNEXATION – 29.435 ACRES**

Being a 29.435 acre tract of land, out of the 43,878.5855 acre tract conveyed to Killam Ranch Properties, LTD., recorded in Volume 540, Page 632, Deed Records of Webb County, Texas, situated in Porcion 15, Jose P. Garcia original grantee, Abstract 53, and Porcion 16, Dolores Garcia original grantee, Abstract 46, Webb County, Texas.

Course: S 87°24'46" W	Distance: 5,914.70'
Course: N 02°35'14" W	Distance: 210.00'
Course: N 87°24'46" E	Distance: 3889.10
Course: N 62°37'33" E	Distance: 238.52'
Course: N 87°24'46" E	Distance: 410.69'
Course: S 68°24'50" E	Distance: 244.20'
Course: N 87°24'46" E	Distance: 957.10'
Course: S 48°43'15" E	Distance: 303.04'

---

Perimeter: 12,167.35

Area: 1,282,180.0105 sq.ft.      29.435 acres, more or less

Error of Closure: 0.0019'      Course: N 41°12'53" W

---



*Jeffrey G. Puig*  
02/23/2015





**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Killam Ranch Properties, Ltd.(Landowner)

**Staff Source:** Nathan R. Bratton

---

**SUBJECT**

**First public hearing** on the voluntary annexation of the Killam Ranch Properties Ltd., Port Drive R.O. W. Extension Tract (Tract 5) being 7.753 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard.

**PREVIOUS COUNCIL ACTION**

On January 20, 2015, the City Council adopted a schedule of hearings and proceedings for voluntary annexations for the calendar year 2015 and, on February 20, 2015, directed staff to prepare a service plan for this proposed annexation .

**BACKGROUND**

This is the first of two statutorily required hearings prior to the institution of proceedings. This hearing was noticed on April 3, 2015. The second public hearing is scheduled for April 27, 2015. Voluntary Annexations: Tract 1: Majestic Realty Tract - 1,992.92 acres, more or less, located east of Unitec Industrial Park. Tract 2: 4V Holdings Tract - 83.4979 acres, more or less, located east of Cuatro Vientos Road and south of Wormser Road. Tract 4: Union Pacific Tract - 29.435 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 5: Port Drive R.O. W. Extension Tract - 7.753 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 6: Laredo Town Center Tract - 9.457 acres, more or less, located east of Loop 20 (Bob Bullock Loop) and north of El Ranchito Road (RR 6078A).

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

To conduct a public hearing for this tract.

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**Attachments**

[Tract 5 Killam Port Dr \(aerial\)](#)

[Tract 5 Killam Port Dr Map](#)

[Tract 5 Killam Port Dr Survey](#)

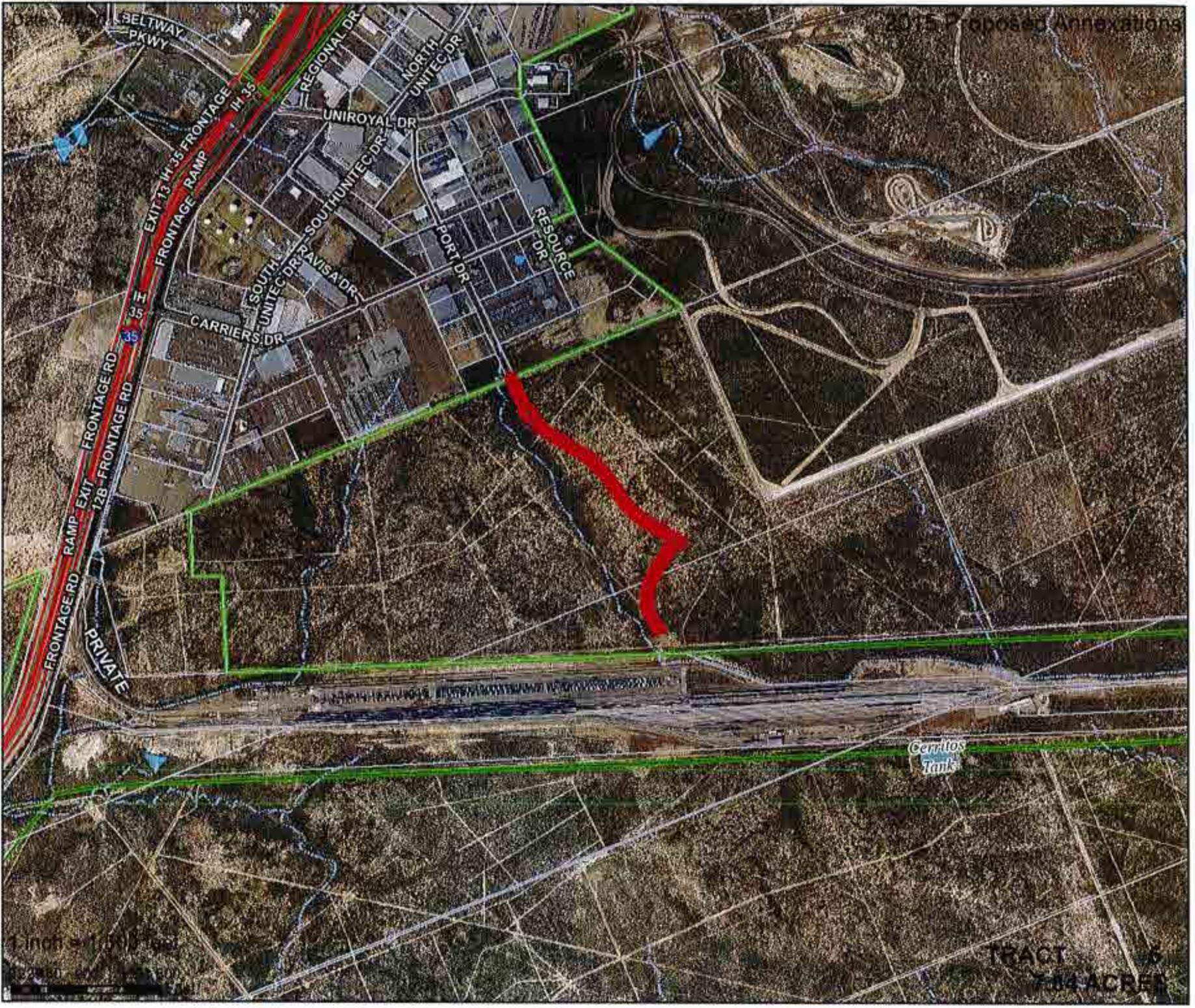
Tract 5 Killam Port Dr Legal Description (metes and bounds)

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TRACT 15  
 114 ACRES

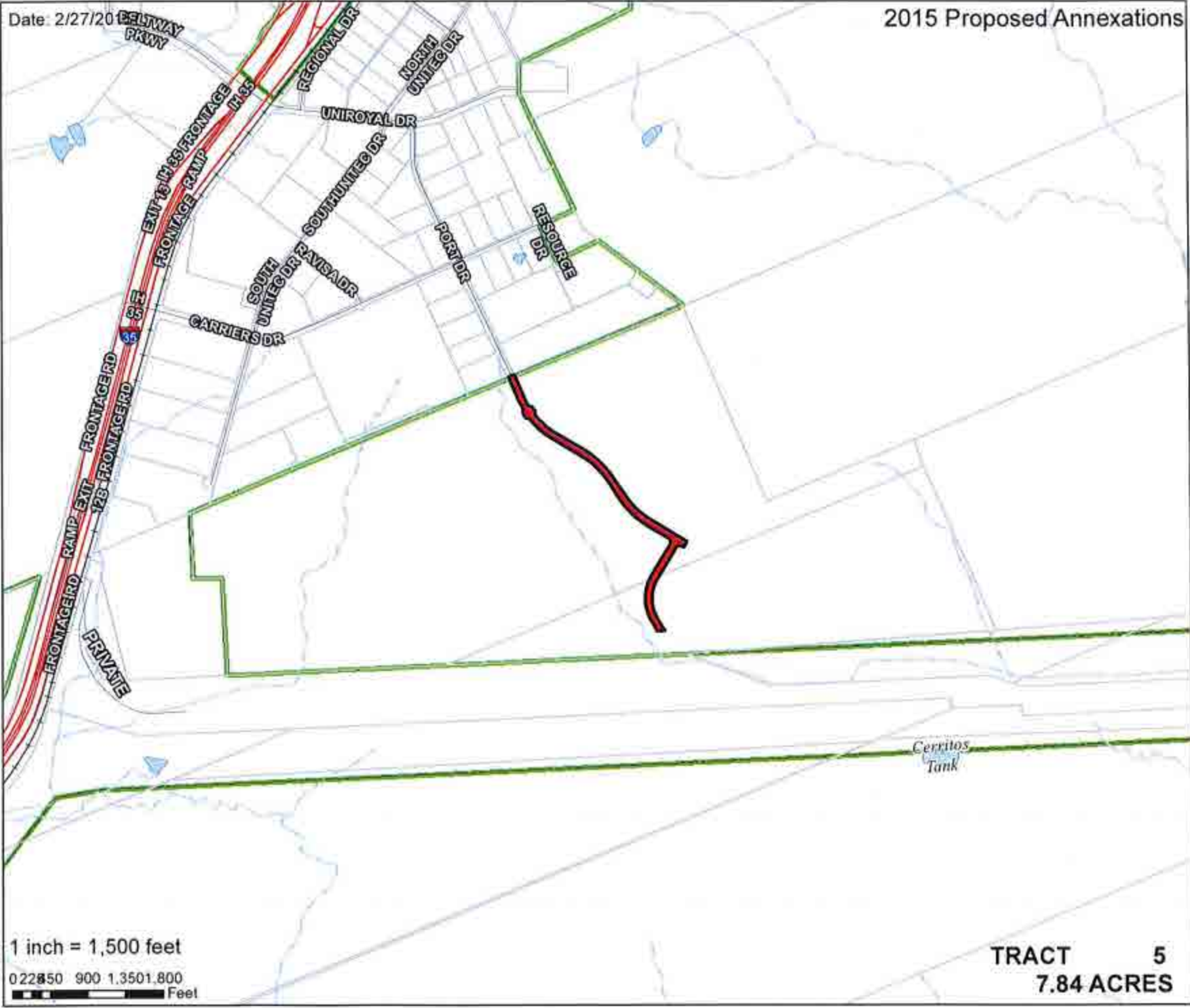




Date: 2/27/20

# 2015 Proposed Annexations

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1 inch = 1,500 feet  
0 228 50 900 1.350 1.800  
Feet

**TRACT 5**  
**7.84 ACRES**

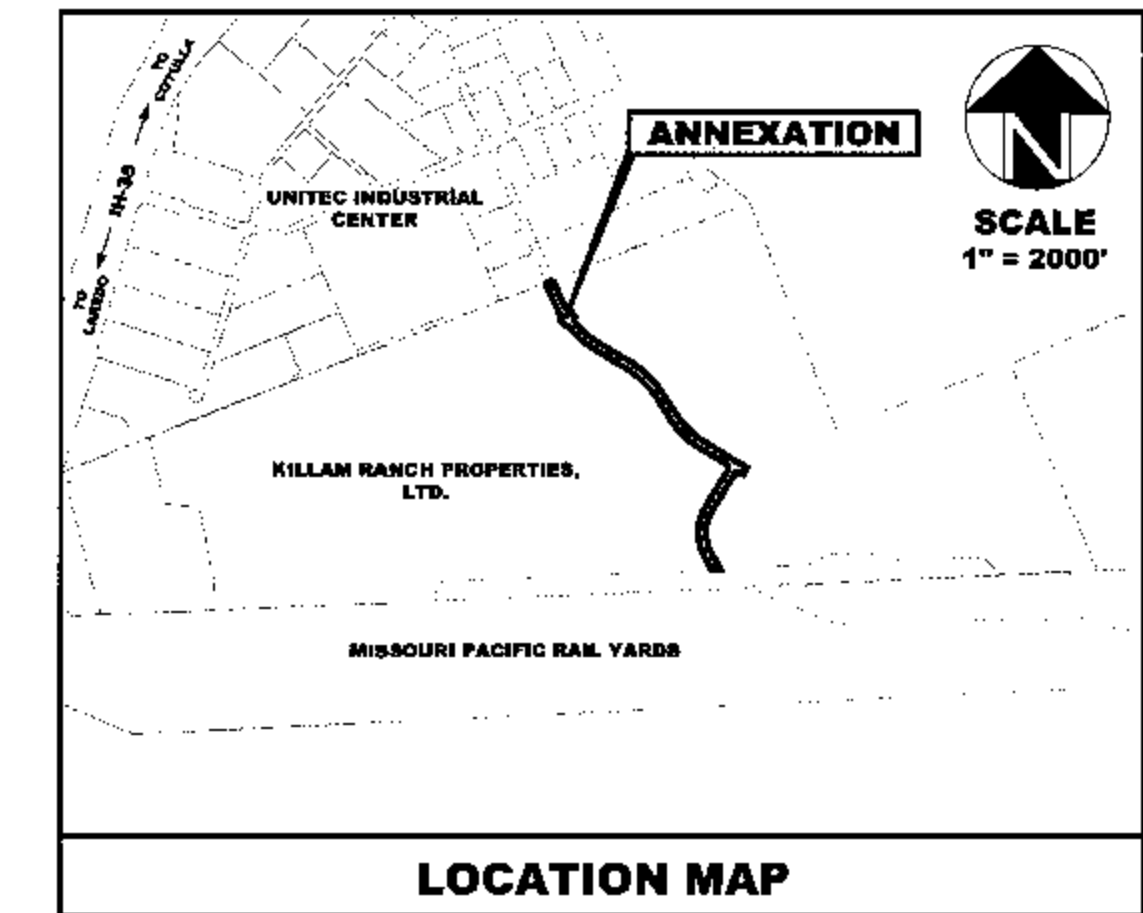




SCALE  
1" = 200'

LEGEND

- FOUND IRON ROD
- SET IRON ROD
- ANNEXATION LINE
- PROPERTY LINE
- PORCION LINE
- INDICATES PRESENT LAREDO CITY LIMITS LINE



PROJECT	E0453200	
PLAT DATE/TIME	3/12/2015 10:31 PM	
STATUS	FINAL	
DRAWN BY	F.R.	
CHECKED BY	J.P.	
NO.	DATE	REVISION DESCRIPTION
FILE	E0453200-UPRR-RODWAY-ANNEX.dwg	
REF	XREF 1	
	XREF 2	

**CEC**  
 CIVIL ENGINEERING CONSULTANTS  
 9852 McPherson Road, Ste. 700  
 TEL: 956-292-7844 FAX: 956-292-7854  
 TBPE # F-2214 TBPS # 1004-10-00

**2015 ANNEXATION  
 PORT DRIVE R.O.W. EXTENSION TRACT  
 SURVEY OF  
 7.753 ACRE TRACT**

UNITEC INDUSTRIAL CENTER PHASE 7  
 VOL. 19, PG. 9  
 M.R.W.C.T.

UNITEC INDUSTRIAL CENTER PHASE 8  
 VOL. 20, PG. 17  
 M.R.W.C.T.

KILLAM RANCH PROPERTIES, LTD.  
 VOL. 540, PG. 632  
 D.R.W.C.T.

7.753 ACRES  
 KILLAM RANCH PROPERTIES, LTD.  
 VOL. 540, PG. 632  
 D.R.W.C.T.

KILLAM RANCH PROPERTIES, LTD.  
 VOL. 540, PG. 632  
 D.R.W.C.T.

KILLAM RANCH PROPERTIES, LTD.  
 VOL. 540, PG. 632  
 D.R.W.C.T.

MISSOURI PACIFIC RAILROAD COMPANY (MOPAC) AKA UNION  
 PACIFIC RAILROAD COMPANY  
 VOL. 1351, PG. 392

LINE TABLE		
LINE #	LENGTH	BEARING
L1	90.05'	N67° 56' 54"E
L2	303.43'	S23° 59' 22"E
L3	41.31'	S77° 48' 38"E
L4	70.00'	S34° 18' 09"E
L5	41.31'	S09° 12' 19"W
L6	389.48'	S58° 51' 00"E
L7	238.79'	S32° 44' 41"E
L8	513.02'	S58° 50' 51"E

LINE TABLE		
LINE #	LENGTH	BEARING
L9	80.00'	S31° 09' 09"W
L10	40.71'	N58° 50' 51"W
L11	49.51'	S76° 10' 20"W
L12	451.28'	S31° 11' 31"W
L13	167.63'	S30° 44' 21"E
L14	90.73'	S87° 24' 46"W
L15	124.82'	N03° 44' 21"W
L16	451.28'	N51° 11' 31"E

LINE TABLE		
LINE #	LENGTH	BEARING
L17	49.48'	N13° 49' 40"W
L18	322.61'	N58° 50' 51"W
L19	238.79'	N32° 44' 41"W
L20	369.48'	N58° 51' 00"W
L21	43.43'	N80° 40' 48"W
L22	70.00'	N34° 18' 09"W
L23	43.43'	N12° 04' 30"E
L24	306.18'	N23° 59' 22"W

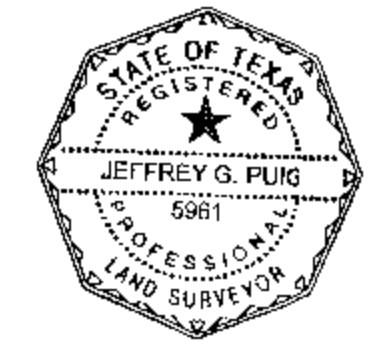
CERTIFICATE OF SURVEYOR

STATE OF TEXAS  
 COUNTY OF WEBB

I, JEFFREY G. PUG, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS SURVEY MAP IS TRUE AND CORRECT AND WAS PREPARED BY AN ACTUAL SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION, ON THE GROUND, THAT THE CORNER MONUMENTS SHOWN THEREON WERE FOUND OR WILL BE PROPERLY PLACED UNDER MY SUPERVISION.

*Jeffrey G. Pug*  
 JEFFREY G. PUG, R.P.L.S. #5961

03/13/2015  
 DATE



C:\Users\frd\Documents\top\E0453200-UPRR-RODWAY-ANNEX.dwg

Revised 3-16-15



CIVIL ENGINEERING CONSULTANTS  
DON DURDEN, INC.

**2015 ANNEXATION  
PORT DRIVE R.O.W. EXTENSION TRACT**

**METES AND BOUNDS DESCRIPTION  
7.753 ACRE TRACT**

BEING A 7.753 ACRES TRACT OF LAND, OUT OF A 43,878.5855 ACRE CONVEYANCE OF REMAINDER INTEREST TRACT DATED AUGUST 18, 1997, EFFECTIVE AUGUST 19, 1997, FROM DAVID WINDFIELD KILLAM, ADRIAN KATHLEEN KILLAM AND TRACY LEIGH KILLAM-DILEO, AND DAVID W. KILLAM, AS TRUSTEE TO KILLAM RANCH PROPERTIES, LTD. RECORDED IN VOLUME 540, PAGE 632, DEED RECORDS OF WEBB COUNTY, TEXAS (D.R.W.C.T.), SAID 43,878,5855 ACRE CONVEYANCE OF REMAINDER INTEREST TRACT BEING A PORTION OF THAT CERTAIN 44,142.45 ACRE TRACT, MORE PARTICULARLY DESCRIBED AS TRACT K-1 IN THAT CERTAIN CLARIFICATION CONVEYANCE AND CONFIRMATION OF OWNERSHIP UNTO KILLAM OIL COMPANY DATED FEBRUARY 9, 1987, EFFECTIVE DECEMBER 31, 1981, RECORDED IN VOLUME 1219, PAGES 762-785, D.R.W.C.T., SAID 7.753 ACRE TRACT BEING SITUATED IN PORCION 15, ABSTRACT 53, JOSE P. GARCIA, ORIGINAL GRANTEE, AND PORCION 16, ABSTRACT 46, DOLORES GARCIA, ORIGINAL GRANTEE, WEBB COUNTY, TEXAS. THIS 7.753 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** AT A FOUND 1/2" IRON ROD ON THE SOUTHEAST CORNER OF LOT 11 OF UNITEC INDUSTRIAL CENTER, PHASE 8, RECORDED IN VOLUME 20, PAGE 17, MAP RECORDS OF WEBB COUNTY TEXAS;

THENCE, **NORTH 67° 58' 54" EAST**, ALONG THE SOUTH BOUNDARY LINE OF SAID UNITEC INDUSTRIAL CENTER, PHASE 8, A DISTANCE OF **80.05 FEET** TO A FOUND 1/2" IRON ROD AT THE SOUTHWEST CORNER OF LOT 6 OF SAID UNITEC INDUSTRIAL CENTER, PHASE 8, BEING THE MOST NORTHERN CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **SOUTH 23° 59' 22" EAST**, A DISTANCE OF **303.43 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE LEFT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **960.00 FEET**, AN ARCH LENGTH OF **107.79 FEET**, A CHORD BEARING OF **SOUTH 27° 12' 21" EAST**, AND A CHORD DISTANCE OF **107.73 FEET** TO A SET 1/2" IRON ROD, BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, **SOUTH 77° 48' 36" EAST**, A DISTANCE OF **41.31 FEET** TO A SET 1/2" IRON ROD, BEING AN EXTERIOR CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **SOUTH 34° 18' 09" EAST**, A DISTANCE OF **70.00 FEET** TO A SET 1/2" IRON ROD, BEING AN EXTERIOR CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **SOUTH 09° 12' 19" WEST**, A DISTANCE OF **41.31 FEET** TO A SET 1/2" IRON ROD, BEING A NON-TANGENT POINT OF A CURVE TO THE LEFT, AND BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **960.00 FEET**, AN ARCH LENGTH OF **346.29 FEET**, A CHORD BEARING OF **SOUTH 48° 30' 58" EAST**, AND A CHORD DISTANCE OF **344.42 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **SOUTH 58° 51' 00" EAST**, A DISTANCE OF **389.48 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE RIGHT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **1,040.00 FEET**, AN ARCH LENGTH OF **473.85 FEET**, A CHORD BEARING OF **SOUTH 45° 47' 51" EAST**, AND A CHORD DISTANCE OF **469.76 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **SOUTH 32° 44' 41" EAST**, A DISTANCE OF **238.79 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE LEFT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **960.00 FEET**, AN ARCH LENGTH OF **429.93 FEET**, A CHORD BEARING OF **SOUTH 45° 34' 27" EAST**, AND A CHORD DISTANCE OF **426.34 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **SOUTH 58° 50' 51" EAST**, A DISTANCE OF **513.02 FEET** TO A SET 1/2" IRON ROD, BEING THE MOST EASTERN CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **SOUTH 31° 09' 09" WEST**, A DISTANCE OF **80.00 FEET** TO A SET 1/2" IRON ROD, BEING AN EXTERIOR CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **NORTH 58° 50' 51" WEST**, A DISTANCE OF **40.71 FEET** TO A SET 1/2" IRON ROD, BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, **SOUTH 76° 10' 20" WEST**, A DISTANCE OF **49.51 FEET** TO A SET 1/2" IRON ROD, BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, **SOUTH 31° 11' 31" WEST**, A DISTANCE OF **451.28 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE LEFT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **460.00 FEET**, AN ARCH LENGTH OF **497.21 FEET**, A CHORD BEARING OF **SOUTH 00° 13' 35" WEST**, AND A CHORD DISTANCE OF **473.36 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **SOUTH 30° 44' 21" EAST**, A DISTANCE OF **167.63 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE LEFT HEREOF;



THENCE, **SOUTH 87° 24' 46" WEST**, ALONG THE NORTH PROPERTY LINE OF SAID 29.435 ACRE TRACT, A DISTANCE OF **90.73 FEET** TO A SET 1/2" IRON ROD AT THE NORTH PROPERTY LINE OF SAID 29.435 ACRE TRACT, BEING AN EXTERIOR CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **NORTH 30° 44' 21" WEST**, A DISTANCE OF **124.82 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE RIGHT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **540.00 FEET**, AN ARCH LENGTH OF **583.69 FEET**, A CHORD BEARING OF **NORTH 00° 13' 35" WEST**, AND A CHORD DISTANCE OF **555.68 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **NORTH 31° 11' 31" EAST**, A DISTANCE OF **451.23 FEET** TO A SET 1/2" IRON ROD, BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, **NORTH 13° 49' 40" WEST**, A DISTANCE OF **49.48 FEET** TO A SET 1/2" IRON ROD, BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, **NORTH 58° 50' 51" WEST**, A DISTANCE OF **322.61 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE RIGHT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **1,040.00 FEET**, AN ARCH LENGTH OF **466.07 FEET**, A CHORD BEARING OF **NORTH 45° 34' 59" WEST**, AND A CHORD DISTANCE OF **462.18 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **NORTH 32° 44' 41" WEST**, A DISTANCE OF **238.79 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE LEFT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **960.00 FEET**, AN ARCH LENGTH OF **437.40 FEET**, A CHORD BEARING OF **NORTH 45° 47' 51" WEST**, AND A CHORD DISTANCE OF **433.63 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **NORTH 58° 51' 00" WEST**, A DISTANCE OF **389.48 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT OF A CURVE TO THE RIGHT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **1,040.00 FEET**, AN ARCH LENGTH OF **380.57 FEET**, A CHORD BEARING OF **NORTH 48° 22' 01" WEST**, AND A CHORD DISTANCE OF **378.45 FEET** TO A SET 1/2" IRON ROD, BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, **NORTH 80° 40' 48" WEST**, A DISTANCE OF **43.43 FEET** TO A SET 1/2" IRON ROD, BEING AN EXTERIOR CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **NORTH 34° 18' 09" WEST**, A DISTANCE OF **70.00 FEET** TO A SET 1/2" IRON ROD, BEING AN EXTERIOR CORNER AND POINT OF DEFLECTION TO THE RIGHT HEREOF;

THENCE, **NORTH 12° 04' 30" EAST**, A DISTANCE OF **43.43 FEET** TO A SET 1/2" IRON ROD, BEING A NON-TANGENT POINT OF A CURVE TO THE RIGHT, AND BEING AN INTERIOR CORNER AND POINT OF DEFLECTION TO THE LEFT HEREOF;

THENCE, ALONG SAID CURVE HAVING A RADIUS OF **1,040.00 FEET**, AN ARCH LENGTH OF **122.19 FEET**, A CHORD BEARING OF **NORTH 27° 21' 19" WEST**, AND A CHORD DISTANCE OF **122.12 FEET** TO A SET 1/2" IRON ROD, BEING A TANGENT POINT HEREOF;

THENCE, **NORTH 23° 59' 22" WEST**, A DISTANCE **306.18 FEET** TO THE **POINT OF BEGINNING** CONTAINING 7.753 ACRES OF LAND, MORE OF LESS.

***BASIS OF BEARINGS:*** BEARINGS BASED ON THE NORTH LINE OF MISSOURI PACIFIC COMPANY RAIL YARD FACILITIES SUBDIVISION, PHASE 1 PLAT RECORDED IN VOLUME 9, PAGE 51, PUBLIC RECORDS OF WEBB COUNTY, AND A 532.25 ACRE "MOPAC RAIL YARD TRACT" ANNEXED BY THE CITY OF LAREDO, TEXAS, AS PER CITY ORDINANCE NO. 90-0-216 DATED OCTOBER 15, 1990 AND RECORDED IN VOLUME 1453, PAGES 433-440, REAL PROPERTY RECORDS OF WEBB COUNTY, TEXAS.





CIVIL ENGINEERING CONSULTANTS  
DON BURDEN, INC.

## BOUNDARY CLOSURE CALCULATIONS

### Port Drive Right-of-Way Extension Tract – 7.753 ACRES

Being a 7.753 acre tract of land, out of the 43,878.5855 acre tract conveyed to Killam Ranch Properties, LTD., recorded in Volume 540, Page 632, Deed Records of Webb County, Texas, situated in Porcion 15, Jose P. Garcia original grantee, Abstract 53, and Porcion 16, Dolores Garcia original grantee, Abstract 46, Webb County, Texas.

Course: N 67°58'54" E	Distance: 80.05'
Course: S 23° 59' 22" E	Distance: 303.43'
Course: S 27°12'21" E Radius: 960.00'	Distance: 107.73' Length: 107.79'
Course: S 77°48'36" E	Distance: 41.31'
Course: S 34°18'09" E	Distance: 70.00'
Course: S 09°12'19" W	Distance: 41.31'
Course: S 48°30'58" E Radius: 960.00'	Distance: 344.42' Length: 346.29'
Course: S 58°51'00" E	Distance: 389.48'
Course: S 45°47'51" E Radius: 1,040.00'	Distance: 469.76' Length: 473.85'
Course: S 32°44'41" E	Distance: 238.79'
Course: S 45°34'27" E Radius: 960.00'	Distance: 426.34' Length: 429.93'
Course: S 58°50'51" E	Distance: 513.02'
Course: S 31°09'09" W	Distance: 80.00'
Course: N 58°50'51" W	Distance: 40.71'
Course: S 76°10'20" W	Distance: 49.51'
Course: S 31°11'31" W	Distance: 451.28'
Course: S 00°13'35" W Radius: 460.00'	Distance: 473.36' Length: 497.21'
Course: S 30°44'21" E	Distance: 167.63'
Course: S 87°24'46" W	Distance: 90.73'

SAN ANTONIO - LAREDO - BRYAN/COLLEGE STATION



Course: N 30°44'21" W	Distance: 124.82'
Course: N 00°13'35" W Radius: 540.00'	Distance: 555.68' Length: 583.69'
Course: N 31°11'31" E	Distance: 451.23'
Course: N 13°49'40" W	Distance: 49.48'
Course: N 58°50'51" W	Distance: 322.61'
Course: N 45°34'59" W Radius: 1,040.00'	Distance: 462.18' Length: 466.07'
Course: N 32°44'41" W	Distance: 238.79
Course: N 45°47'51" W Radius: 960.00'	Distance: 433.63' Length: 437.40'
Course: N 58°51'00" W	Distance: 389.48'
Course: N 48°22'01" W Radius: 1,040.00'	Distance: 378.45' Length: 380.57'
Course: N 80°40'48" W	Distance: 43.43'
Course: N 34°18'09" W	Distance: 70.00'
Course: N 12°04'30" E	Distance: 43.43'
Course: N 27°21'19" W Radius: 1,040.00'	Distance: 122.12' Length: 122.19'
Course: N 23° 59' 22" W	Distance: 306.18'




---

Perimeter: 8,441.70'

Area: 337,724.1111 sq.ft.      7.753 acres, more or less

Error of Closure: 0.0154'      Course: N 73°03' 40" W

---



**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Laredo Town Center LP

**Staff Source:** Nathan R. Bratton

---

**SUBJECT**

**First public hearing** on the voluntary annexation of the Laredo Town Center Tract (Tract 6) being 9.457 acres, more or less, located east of Loop 20 (Bob Bullock Loop) and north of El Ranchito Road (RR 6078A).

**PREVIOUS COUNCIL ACTION**

On January 20, 2015, the City Council adopted a schedule of hearings and proceedings for voluntary annexations for the calendar year 2015 and, on February 20, 2015, directed staff to prepare a service plan for this proposed annexation .

**BACKGROUND**

This is the first of two statutorily required hearings prior to the institution of proceedings. This hearing was noticed on April 3, 2015. The second public hearing is scheduled for April 27, 2015. Voluntary Annexations: Tract 1: Majestic Realty Tract - 1,992.92 acres, more or less, located east of Unitec Industrial Park. Tract 2: 4V Holdings Tract - 83.4979 acres, more or less, located east of Cuatro Vientos Road and south of Wormser Road. Tract 4: Union Pacific Tract - 29.435 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 5: Port Drive R.O. W. Extension Tract - 7.753 acres, more or less, located south of Unitec Industrial Park and north of the Missouri Pacific Rail Yard. Tract 6: Laredo Town Center Tract - 9.457 acres, more or less, located east of Loop 20 (Bob Bullock Loop) and north of El Ranchito Road (RR 6078A).

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

To conduct a public hearing for this tract.

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**Attachments**

Tract 6 Laredo Town Center (aerial)

Tract 6 Laredo Town Center Map

Tract 6 Laredo Town Center Survey



Tract 6 Laredo Town Center Legal Description (mees and bounds)

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**DISCLAIMER**  
 The information provided in this map was submitted to, gathered by and/or developed by the City of Laredo from various sources. Geographic information has a high probability of becoming outdated from the time it is collected and therefore, at-present/ground conditions should be assessed to determine the accuracy or provided information. The City of Laredo assumes no liability for any decisions made or actions taken or not taken by the user of this data in reliance upon any data furnished hereunder. The use of this data indicates your unconditional acceptance of all risks associated with the use of this data.







Date: 2/27/2015

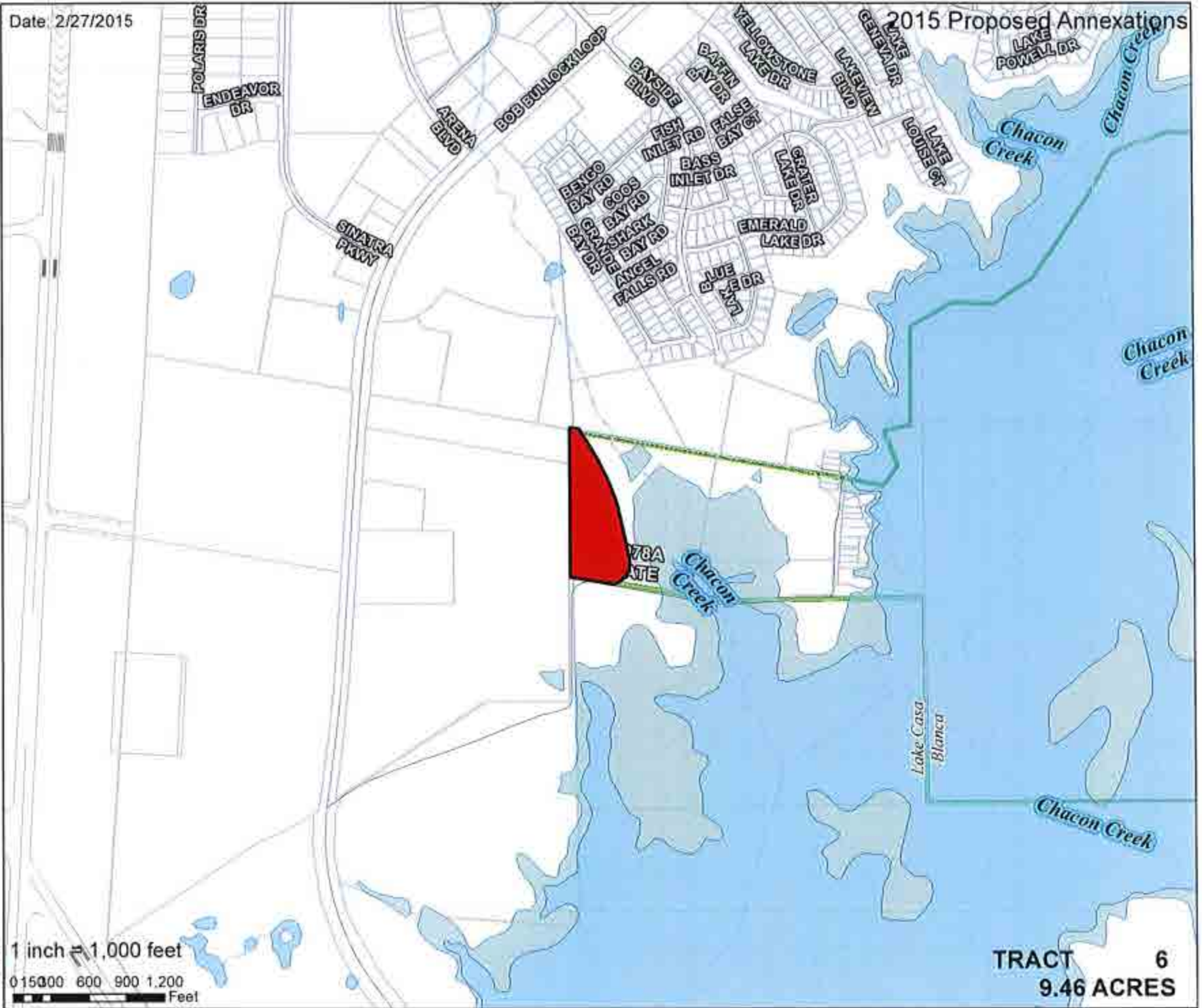
DISCLAIMER  
The information provided in this map was submitted to, gathered by and/or developed by the City of Laredo from various sources. Geographic information has a high probability of becoming outdated from the time it is collected and therefore, as present ground conditions should be assessed to determine the accuracy of provided information. The City of Laredo assumes no liability for any decisions made or actions taken or not taken by the user of this data in reliance upon any data furnished herewith. The use of this data indicates your unconditional acceptance of all risks associated with the use of this data.



1 inch = 1,000 feet

0 150 300 600 900 1,200  
Feet

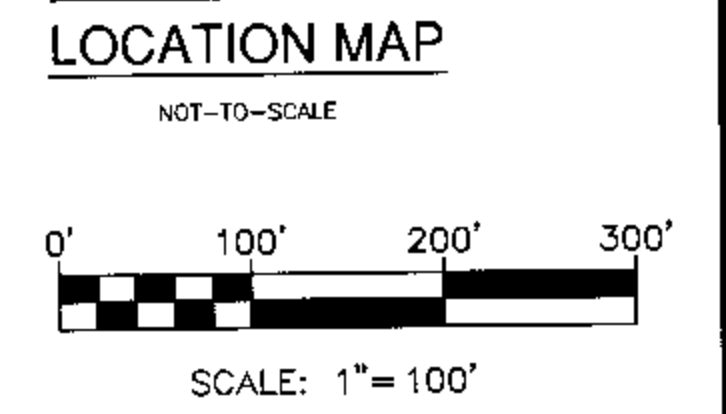
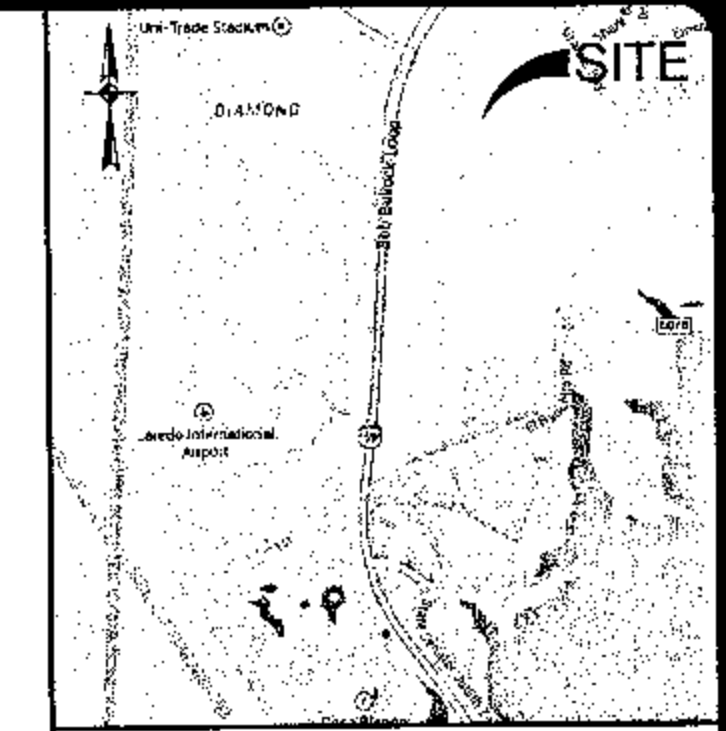
TRACT 6  
9.46 ACRES





Date: Mar 05, 2015, 3:21pm User ID: tpalomo  
 File: N:\Survey\4\14-9300\3532-14\EX 8332-14 ANNEXATION 14AC1.dwg

- NOTES:
1. THE PROFESSIONAL SERVICES PROVIDED HERewith INCLUDE THE PREPARATION OF A FIELD NOTE DESCRIPTION.
  2. THE BEARINGS ARE BASED ON THE LAREDO INTERNATIONAL AIRPORT PASSENGER TERMINAL SUBDIVISION RECORDED IN VOLUME 16, PAGES 45-47 OF THE PLAT RECORDS OF WEBB COUNTY TEXAS.
  3. THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21. DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.



NO.	REVISION	DATE
1	REVISED CIVIL DRAWING	03-05-15

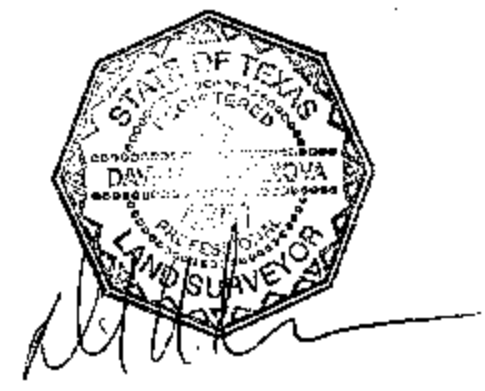
**PAPE-DAWSON ENGINEERS**

PHONE: 210.375.9000  
 FAX: 210.375.3010  
 2000 NW LOOP 410 | SAN ANTONIO TEXAS 78213  
 TEXAS BOARD OF PROFESSIONAL ENGINEERS, FIRM REGISTRATION # 470  
 TEXAS BOARD OF PROFESSIONAL LAND SURVEYING, FIRM REGISTRATION # 1022800

**ANNEXATION EXHIBIT**

A 9.457 ACRES TRACT OF LAND OUT OF THAT 53.626 ACRE TRACT RECORDED IN VOLUME 2574, PAGE 425 OF THE OFFICIAL PUBLIC RECORDS OF WEBB COUNTY, TEXAS, BEING OUT OF THE R.S. RUMSEY SURVEY NUMBER 1022, ABSTRACT 654, WEBB COUNTY, TEXAS.

JOB NO.	9332-14
DATE	FEB. 2015
CHECKED D.A.C.	DRAWN A.P.
CML JOB NO.	8578-00
REFERENCE:	
SHEET	1 OF 1



PROJECT NAME: LAREDO TOWN CENTER

Rev 1/15 3-16-15

FIELD NOTES  
FOR  
PROPOSED ANNEXATION

A 9.457 acre, tract of land out of that 53.626 acre tract recorded in Volume 2574, Page 425 of the Official Public Records of Webb County, Texas, being out of the R.S. Rumsey Survey Number 1022, Abstract 654, Webb County, Texas.. Said 9.457 acre tract being more fully described as follows, with bearings based on the Laredo International Airport Passenger Terminal Subdivision recorded in Volume 16, Pages 45-47 of the Plat Records of Webb County, Texas.;

- BEGINNING:** At a point on the west line of a 53.626 acre tract recorded in Volume 2574, Page 425 of the Official Public Records of Webb County, Texas, and being the northeast corner of Lot 1 of said Laredo International Airport Passenger Terminal Subdivision;
- THENCE:** Along and with the west and north line of said 53.626 acre tract the following bearings and distances;  
N 00°04'14" W, a distance of 273.13 feet to a point to the northwest corner of said 53.626 acre tract;
- THENCE:** S 80°03'00" E, a distance of 74.62 feet to a point the northwest corner of a 44.219 acre conservation easement recorded in Volume 2639, Page 814 of the Official Public Records of Webb County, Texas;
- THENCE:** Departing the north line of said 53.626 acre tract, with the west line of said conservation easement, the following bearings and distances;  
S 32°09'46" E, a distance of 279.40 feet to a point;  
S 26°05'43" E, a distance of 222.92 feet to a point;  
S 20°47'26" E, a distance of 161.57 feet to a point;  
S 12°12'56" E, a distance of 454.64 feet to a point;  
Along a non-tangent curve to the right, said curve having a radial bearing of S 80°46'04" W, a radius of 184.04 feet, a central angle of 79°09'59", a chord bearing and distance of S 30°21'04" W, 234.54 feet, for an arc length of 254.29 feet to a point;
- THENCE:** S 72°41'54" W, a distance of 6.32 feet to a point on the south line of said 53.626 acre tract and the southwest corner of said conservation easement;
- THENCE:** N 80°31'52" W, along and with the south line of said 53.626 acre tract, a distance of 352.63 feet to a point on the east line of said Lot 1, the southwest corner of said 53.626 acre tract;

THENCE: N 00°04'14" W, along and with the east line of said Lot 1, the west line of said 53.626 acre tract, a distance of 918.15 feet to a point the POINT OF BEGINNING, and containing 9.457 acres in the Webb County, Texas. Said tract being described in accordance with an exhibit prepared by Pape-Dawson Engineers, Inc. under job number 9332-14 by Pape-Dawson Engineers, Inc.

"This document was prepared under 22TAC663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

PREPARED BY: Pape-Dawson Engineers, Inc.

DATE: February 19, 2015

JOB NO: 9332-14

DOC. ID: N:\Survey\14\14-9300\9332-14\Field Notes\FN 9.457 acres annexation.docx

TBPE Firm Registration #470

TBPLS Firm Registration #100288-00





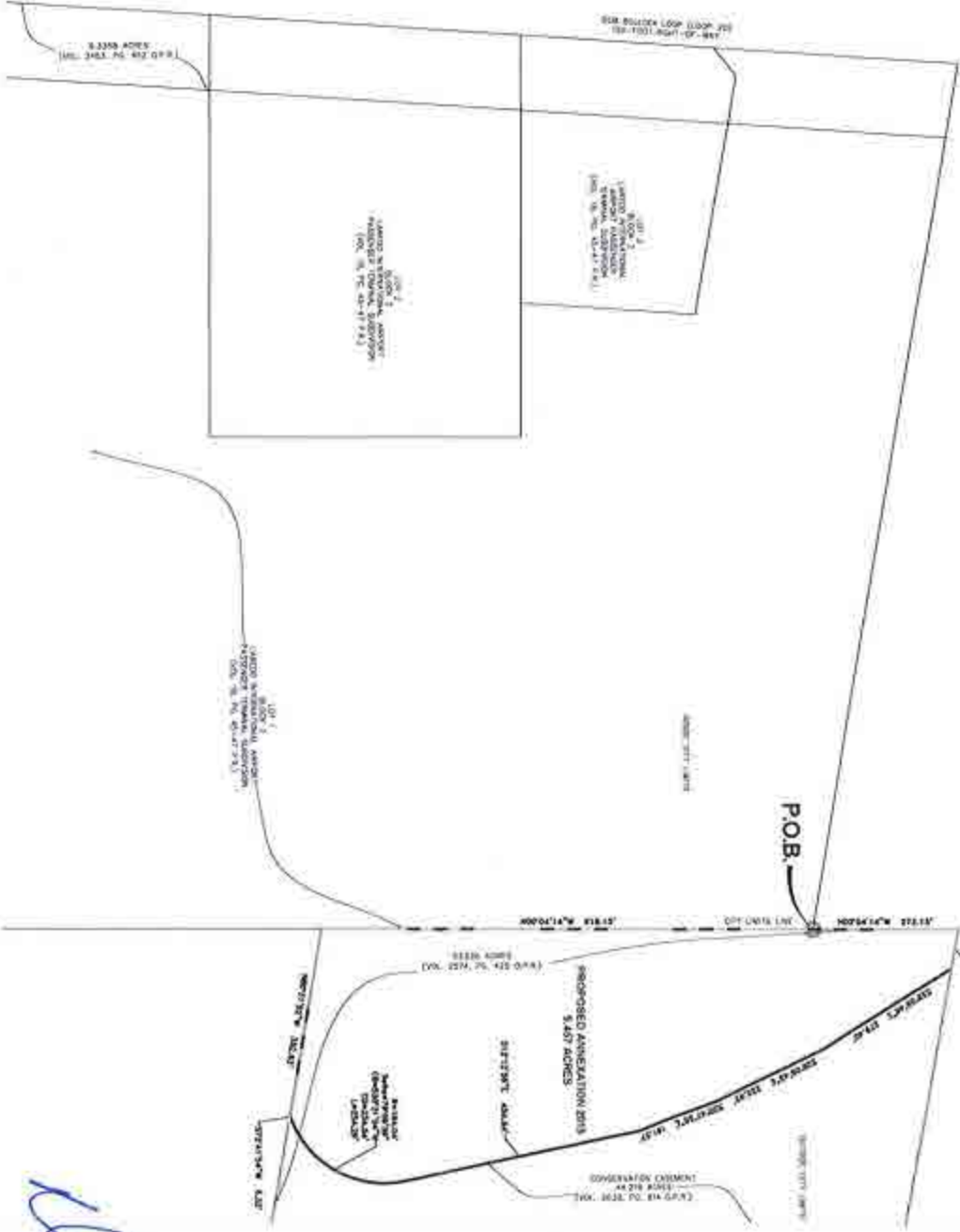
# Pape Dawson Engineers Inc.

## Parcel Inverse Report

Report Date: 2/19/2015 3:24:14 PM

Parcel Survey BNDY : 1		
Point whose Northing is -283.004 and whose Easting is 1629.065		
	Bearing: N 0-4-14.000 W	Length: 273.13
Point whose Northing is -9.875 and whose Easting is 1628.729		
	Bearing: S 80-2-60.000 E	Length: 74.62
Point whose Northing is -22.769 and whose Easting is 1702.230		
	Bearing: S 32-9-46.000 E	Length: 279.40
Point whose Northing is -259.295 and whose Easting is 1850.964		
	Bearing: S 26-5-43.000 E	Length: 222.92
Point whose Northing is -459.492 and whose Easting is 1949.019		
	Bearing: S 20-47-26.000 E	Length: 161.57
Point whose Northing is -610.541 and whose Easting is 2006.368		
	Bearing: S 12-12-56.000 E	Length: 454.64
Point whose Northing is -1054.887 and whose Easting is 2102.566		
	Curve	
	<b>Direction P.C. to Radius:</b>	S 80-46-4.373 W
	<b>Radius Length:</b>	184.04
	<b>Delta:</b>	79° 09' 59.25"
	<b>Curve Length:</b>	254.291
	<b>Chord Length:</b>	234.54
	<b>Chord Direction:</b>	S 30-21-4.000 W
	<b>Direction Radius to P.T.:</b>	S 20-3-56.373 E
Point whose Northing is -1257.282 and whose Easting is 1984.053		
	Bearing: S 72-41-54.000 W	Length: 6.32
Point whose Northing is -1259.162 and whose Easting is 1978.019		
	Bearing: N 80-31-52.000 W	Length: 352.63
Point whose Northing is -1201.150 and whose Easting is 1630.195		
	Bearing: N 0-4-14.000 W	Length: 918.15
Area		
	Acre	9.457

2-19-2015



**NOTES:**  
 1. THE PROPOSED SERVICES REQUIRED HEREIN INCLUDE THE PREPARATION OF A SURVEY AND THE LAYING OUT OF THE LOTS, VESTING, EASES, RIGHTS, AND INTERESTS IN THE PROPOSED ANNEXATION AREA.  
 2. THE SURVEY AND LAYING OUT SHALL BE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING, STATE OF TEXAS.  
 3. THE SURVEY AND LAYING OUT SHALL BE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING, STATE OF TEXAS.  
 4. THE SURVEY AND LAYING OUT SHALL BE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING, STATE OF TEXAS.  
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 9. THE SURVEY AND LAYING OUT SHALL BE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING, STATE OF TEXAS.  
 10. THE SURVEY AND LAYING OUT SHALL BE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF SURVEYING AND MAPPING, STATE OF TEXAS.



PROJECT NAME: LAREDO TOWN CENTER

<p>DATE: 08/14/2014                  TIME: 10:00 AM                  PROJECT: LAREDO TOWN CENTER                  SHEET: 1 OF 1</p>	<p><b>ANNEXATION EXHIBIT</b></p> <p>THIS SURVEY AND LAYING OUT WAS MADE BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND I AM A REGISTERED PROFESSIONAL SURVEYOR IN THE STATE OF TEXAS. I HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL SURVEYOR IN THE STATE OF TEXAS AND THAT I AM THE AUTHOR OF THIS SURVEY AND LAYING OUT.</p>	<p><b>PAPE-DAWSON ENGINEERS</b></p> <p>1000 W. 14TH STREET, SUITE 100                  LAREDO, TEXAS 78401                  TEL: 512-781-1111                  FAX: 512-781-1112                  WWW.PAPE-DAWSON.COM</p>	<table border="1"> <tr> <th>NO.</th> <th>REVISION</th> <th>DATE</th> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>	NO.	REVISION	DATE									
NO.	REVISION	DATE													

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Initiated By:** Horacio de Leon Assitant City Manager

**Staff Source:** Heberto L. Ramirez, Information Services and Telecommunications Director

---

**SUBJECT**

**Public hearing and introductory ordinance** authorizing the City Manager to accept funds in the amount of \$585,772.00 from the South Texas 9-1-1 Regional Administration Division to cost share personnel at the Laredo Police Department Public Safety Answering Point in accordance to Section 771.0751 of the Texas Health and Safety Code and Rule 251.3 Use of Revenue in Certain Counties from the Commission on State Emergency Communications; and amending the FY 2014-2015 General Fund Budget of the City of Laredo by appropriating revenues and expenditures in the amount of \$585,772.00 for Laredo Police Department Communications Division salaries.

**(Approved by Operations & Finance Committees)**

**VENDOR INFORMATION FOR COMMITTEE AGENDA**

N/A

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

On March 10, 2015, the Commission on State Emergency Communications approved the request to cost share personnel at the Laredo Police Department under the legislative provision found in Section 771.0751 of the Texas Health and Safety Code.

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Hold public hearing and introduce Ordinance.

---

**Fiscal Impact**

**Fiscal Year:** 2015

**Budgeted Y/N?:** N



**Source of Funds:** CSEC

**Account #:**

**Change Order: Exceeds 25% Y/N:** N/A

**FINANCIAL IMPACT:**

		<b>Annual Budget</b>	<b>Proposed Amendment</b>	<b>Amended Budget</b>
<b>Revenues:</b>				
Other/ 911 Regional Admin	101-0000-327-9012	-	585,772	585,772
<b>Expenditures:</b>				
Salaries - Regular	101-2341-521-11101,924,709		585,772	2,510,481

---

**Attachments**

Ordinance

---

**ORDINANCE 2015-O-\_\_**

**AUTHORIZING THE CITY MANAGER TO ACCEPT FUNDS IN THE AMOUNT OF \$585,772.00 FROM THE SOUTH TEXAS 9-1-1 REGIONAL ADMINISTRATION DIVISION TO COST SHARE PERSONNEL AT THE LAREDO POLICE DEPARTMENT PUBLIC SAFETY ANSWERING POINT IN ACCORDANCE TO SECTION 771.0751 OF THE TEXAS HEALTH AND SAFETY CODE AND RULE 251.3 USE OF REVENUE IN CERTAIN COUNTIES FROM THE COMMISSION ON STATE EMERGENCY COMMUNICATIONS; AND AMENDING THE FY 2014-2015 GENERAL FUND BUDGET OF THE CITY OF LAREDO BY APPROPRIATING REVENUES AND EXPENDITURES IN THE AMOUNT OF \$585,772.00 FOR LAREDO POLICE DEPARTMENT COMMUNICATIONS DIVISION SALARIES.**

**WHEREAS**, on September 15, 2014, City Council adopted fiscal year 2014-2015 annual budget; and

**WHEREAS**, Section 771.0751 of the Texas Health and Safety Code authorizes certain uses of funds for 9-1-1 related services within the largest county in that region; and

**WHEREAS**, the 9-1-1 2014-2015 Strategic Plan was amended to reflect such expenses; and

**WHEREAS**, the City Council will hold a public hearing to introduce this ordinance on April 20, 2015.

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

**Section 1:** the City Manager is hereby authorized to accept funds in the amount of \$585,772.00 from the 9-1-1 Regional Administration program for South Texas; and

**Section 2:** the FY 2014-2015 General Fund budget is hereby amended as follows:

		<b>Annual Budget</b>	<b>Proposed Amendment</b>	<b>Amended Budget</b>	<b>Project Number</b>
<b>Revenues:</b>					
Other / 9-1-1					
Regional Admin	101-0000-327-9012	-	585,772	585,772	RCOM15
<b>Expenditures:</b>					
Salaries - Regular	101-2341-521-1110	1,924,709	585,772	2,510,481	N/A

**PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE  
20<sup>th</sup> DAY OF APRIL, 2015.**

---

**PETE SAENZ  
MAYOR**

**ATTEST:**

---

**GUSTAVO GUEVARA, JR  
CITY SECRETARY**

**APPROVED AS TO FORM:**

**RAUL CASSO  
CITY ATTORNEY**

---

**BY: RAUL CASSO**



## Public Hearings (also Intro Ord) 7.

### City Council-Regular

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Initiated By:** Laredo Energy VI, LP, applicant; Adolfo Campero, Jr., representative

**Staff Source:** Nathan R. Bratton, Planning Director

---

### SUBJECT

**Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 5H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472; providing for publication and effective date.

Staff is in support of the application and the Planning and Zoning Commission recommends approval of the proposed Special Use Permit. District VII

### PREVIOUS COUNCIL ACTION

City Council approved Ordinance 2015-O-001 permitting a Special Use Permit and Drilling Permit for oil and or gas extraction on this property at the regular meeting of January 20, 2015.

### BACKGROUND

**Council District:** VII

**Proposed use:** Oil and / or Gas Extraction & Production

**Site:** Existing wells and proposed new well

**Surrounding land uses:** Properties in every direction are vacant and undeveloped. Green Ranch Subdivision is to the south west of the site.

**Comprehensive Plan:** The Comprehensive Plan identifies this area as Light Industrial.

**Transportation Plan:** The Long Range Thoroughfare Plan identifies F.M. 1472 as an Expressway.

**Letters sent to surrounding property owners:** 1 In Favor: 0 Opposed: 0

### STAFF COMMENTS

A Special Use Permit (SUP) is used for those types of uses that warrant individual

attention on a case by case basis and should not be categorized in a zoning district. A Special Use Permit is basically an overlay on top of the existing zoning designation and can be limited in many respects such as time, fencing, setbacks, landscaping, etc.

### **STAFF COMMENTS**

A Special Use Permit (SUP) is used for those types of uses that warrant individual attention on a case by case basis and should not be categorized in a zoning district. A Special Use Permit is basically an overlay on top of the existing zoning designation and can be limited in many respects such as time, fencing, setbacks, landscaping, etc. Staff supports the request of the proposed SUP at this location for the following reasons:

1. The proposed SUP is compatible with the surrounding uses and zones.
2. The proposed use is consistent with the Comprehensive Plan's designation for this area as Light Industrial.
3. The proposed drilling site is a considerable distance from any other development.

Should the Commission recommend approval of the proposed SUP, staff suggests the following conditions:

1. The Special Use Permit is issued to Laredo Energy VI, LP, and is non-transferable.
2. The Special Use Permit is restricted to the site plan, Exhibit "A", which is made part hereof for all purposes.
3. The Special Use Permit must abide by statements made in letter, Exhibit "B", which is made part hereof for all purposes.
4. The Special Use Permit shall comply with all Fire Code requirements including the location and treatment of the premises.
5. The Special Use Permit shall comply with all rules and regulations of the Laredo Land Development Code Section 24-73: Oil & Gas Extraction & Production Specific Use Zoning Overlay District and Permit Requirements.
6. The Special Use Permit shall be subject to an annual inspection.

### **COMMITTEE RECOMMENDATION**

The P & Z Commission, in a 7 to 1 vote, recommended **approval** of the Special Use Permit.

### **STAFF RECOMMENDATION**

Staff **supports** the proposed Special Use Permit.

---

### **Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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**Attachments**

Ordinance

Zoning Map

Aerial Map

Future Land Use Map

Pictures

Exhibits

---



**ORDINANCE NO. 2015-O-**

AMENDING THE ZONING ORDINANCE (MAP) OF THE CITY OF LAREDO BY AUTHORIZING A SPECIAL USE PERMIT AND DRILLING PERMIT FOR OIL AND/OR GAS EXTRACTION AND PRODUCTION FOR HACHAR 5H WELL ON A 2.62 ACRE PAD SITE OUT OF A 6,132.06 ACRE TRACT KNOWN AS THE HACHAR LEASE, LOCATED EAST OF F.M. 1472; PROVIDING FOR EFFECTIVE DATE AND PUBLICATION.

WHEREAS, a request has been received for the issuance of a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 5H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472; and,

WHEREAS, the required written notices were sent to surrounding property owners at least ten (10) days before the public hearing held before the Planning and Zoning Commission on April 2, 2015; and,

WHEREAS, the Planning and Zoning Commission, after a public hearing, has recommended **approval** of the Special Use Permit; and,

WHEREAS, notice of the zone change request was advertised in the newspaper at least fifteen (15) days prior to the public hearing held before the City of Laredo City Council on this matter; and,

WHEREAS, the City Council has held a public hearing on April 20, 2015, on the request and finds the Special Use Permit appropriate and consistent with the General Plan of the City of Laredo; and,

WHEREAS, all conditions imposed by the Special Use Permit, and all pertinent requirements the Laredo Land Development Code shall be met before the activity sanctioned by the Special Use Permit may commence; and,

WHEREAS, the City Council does not consider the impact, if any, of private covenants and deed restrictions on the subject property with the adoption of this ordinance; and,

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

Section 1: The Zoning Map of the City of Laredo be and is hereby amended by authorizing the issuance of a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 5H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472.

Section 2: The Special Use Permit is further restricted to the following provision herewith adopted by the City Council:

1. The Special Use Permit is issued to Laredo Energy VI, LP, and is non-transferable.
2. The Special Use Permit is restricted to the site plan, Exhibit "A", which is made part hereof for all purposes.

3. The Special Use Permit must abide by statements made in letter, Exhibit “B”, which is made part hereof for all purposes.
4. The Special Use Permit shall comply with all Fire Code requirements including the location and treatment of the premises.
5. The Special Use Permit shall comply with all rules and regulations of the Laredo Land Development Code Section 24-73: Oil & Gas Extraction & Production Specific Use Zoning Overlay District and Permit Requirements.
6. The Special Use Permit shall be subject to an annual inspection.

Section 3: This ordinance shall be published in a manner provided by Section 2.09 (D) of the Charter of the City of Laredo.

Section 4: This ordinance shall become effective as and from the date of publication specified in Section 3.

Section 5: The Special Use Permit authorized by this ordinance shall be revoked pursuant to the Laredo Land Development Code, section 24.93.12, entitled “Enforcement and Revocation of Special Use Permits,” according to the criteria and procedures described therein and below:

(a) Any Special Use Permit, authorized by City Council, shall be considered in noncompliance and shall be suspended or revoked and removed from the City of Laredo Zoning Map if:

(1) A court having jurisdiction or a jury find the holder of the Special Use Permit guilty of a violation or if a holder of an SUP pleads guilty of violating:

(a.) Any requirement or term or condition of the Special Use Permit or has not conformed, at any time, with any or all of the requirements or terms or conditions as set out in the Special Use Permit as approved by the City Council.

(2) The activity authorized by the Special Use Permit commences prior to the institution of all conditions imposed by the Special Use Permit.

(3) The use for which the Special Use Permit was authorized does not commence within six months of the effective date of the Special Use Permit.

(a.) An extension of up to six months may be granted, for good cause shown, by the Building Services Director upon petition of the SUP holder.

(4) The use for which the Special Use Permit is authorized is discontinued for a period of six (6) consecutive months.

(5) In the event of discontinuance or failure to commence as stipulated in Subsection 24.93.12 of this Ordinance, Zoning Enforcement Staff will issue written notification of same. Ten days after issuance of Zoning Enforcement notification of discontinuance or failure to commence, the Planning Director shall then issue the permit holder written notification of the Special Use Permit’s official revocation and removal from the City of Laredo Zoning Map.

(b) Procedures:

(1) Should a City of Laredo Zoning Enforcement Official or Fire Official inspection reveal non-compliance with Laredo Land Development Code, Section 24.93.7.(b) or any of any additional express conditions of the Special Use Permit, Special Use Permit suspension/revocation procedures shall commence as below stipulated:

(a.) A Zoning Officer or Fire Official shall, upon discovery of special use permit non-compliance as per Subsection 24.93.7.(b), issue a written warning, granting a grace period of a minimum of ten (10) working days, within which time the use may be brought into compliance with the current City Council approved Special Use Permit for that location.

(b.) If non-compliance persists after the conclusion of the warning grace period, a Zoning Enforcement Official or Fire Official shall issue written citation.

(c.) The requirement for the issuance of a written warning and grace period shall not apply to a citation issued as a result of a violation of the "Occupant Load" as set forth in the Certificate of Occupancy with Occupant Load or the failure to, during all hours of operation, maintain, free from obstruction or impediment to full instant use in the case of fire or other emergency, all exit accesses, exits or exit discharges and said citation/s shall be filed for prosecution.

(d.) Should a citation result in a court, having jurisdiction or a jury finding the holder of the Special Use Permit guilty of a violation, or if a holder of an SUP pleads guilty, the Special Use Permit will be suspended for such period of time as is necessary to remedy the violation, but in no event shall the suspension be for less than 24 hours to be implemented as follows:.

- i. The Zoning Officer or Fire Official shall immediately notify the Planning Director, in writing, of the result of the prosecution of the citation.
- ii. The Planning Director shall, within 48 hour notice of the court's determination (or as soon thereafter as is practicable) issue the permit holder written notification of the Special Use Permit's official suspension.
- iii. The Special Use Permit Holder shall suspend all business operations in accordance with the notice.
- iv. The Special Use Permit Holder shall not resume operation until the violation has been corrected and the establishment has been inspected. A "Notice of Termination of Suspension" shall be issued by the Planning Director upon his/her finding that all issues relevant to the suspension have been complied with and the 24 hour suspension period has run. The Planning Director shall issue such notice without unreasonable delay.

(2) Upon the second conviction of a violation of any of the provisions of the Laredo Land Development Code, Section 24.93.7. (b) or any additional express condition of the Special

Use Permit, within any twelve month period, the Special Use Permit will be suspended for such period of time as is necessary to remedy the violation, but in no event shall the suspension be for less than 72 hours. This provision shall be implemented in the same manner as set forth above in Section 24.93.12 (b) (1)(a-d).

(3) Upon the third conviction of a violation of any of the provisions of the Laredo Land Development Code, Section 24.93.7. (b) or any additional express condition of the Special Use Permit, within any twelve month period, and subject to the revocation/suspension procedures set forth in Section 24.93.12 (b) (1)(a-d), the Special Use Permit will be revoked and the City shall proceed with its removal from the City of Laredo Zoning Map.

(a.) The Planning Director shall issue the permit holder written notification of the Special Use Permit's official revocation and removal from the City of Laredo Zoning Map and the Special Use Permit Holder shall suspend all business operations which are inconsistent with and in violation of the zoning district in which the business is located.

(b.) Once the holder of the Special Use Permit has been notified of the revocation, the permit holder may petition the City Council for reinstatement of the permit. The reinstatement shall be processed and proceed in the same manner as a new application for a Special Use Permit inclusive of all required fees and documentation.

(c.) In the event the Special Use Permit Holder appeals the conviction, any suspension or revocation will be abated until the completion of the appeals process.

(4) For purposes of Section 24.93.7.(1), (2), or (3) above, a finding of guilt on more than one citation issued on the same day for the same location shall be counted as only one violation.

(5) In the event the Special Use Permit Holder appeals a conviction, any suspension or revocation will be abated until the completion of the appeals process.

(6) Effect of Other Violations (Habitual Offenses):

(a.) Twelve violations of City Ordinances which result in an adjudication of guilt (by trial to the court, by jury or by entering a plea of guilt) during any twelve month period shall result in the revocation of the Special Use Permit. The holder of said SUP may avail himself/herself of the remedy set forth in Section 24.93.12(b)(3)(b).

(b.) Should the twelve citations, issued during any twelve month period result in a court having jurisdiction or a jury find the holder of the Special Use Permit guilty of each violation or if a holder of an SUP pleads guilty to violation/s, the City of Laredo shall consider the Special Use Permit revoked and proceed with its removal from the City of Laredo Zoning Map.

(c.) The Planning Director shall then issue the permit holder written notification of the Special Use Permit's official revocation and removal from the City of Laredo Zoning Map and the Special Use Permit Holder shall suspend all business operations which are inconsistent with and in violation of the zoning district in which the business is located.



(d.) Once the holder of the Special Use Permit has been notified of the revocation, the permit holder may petition the City Council for reinstatement of the permit. The reinstatement shall be processed and proceed in the same manner as a new application for a Special Use Permit inclusive of all required fees and documentation.

(e.) In the event the Special Use Permit Holder appeals any of the convictions the revocation will be abated until the completion of the appeals process.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

---

PETE SAENZ  
MAYOR

ATTEST:

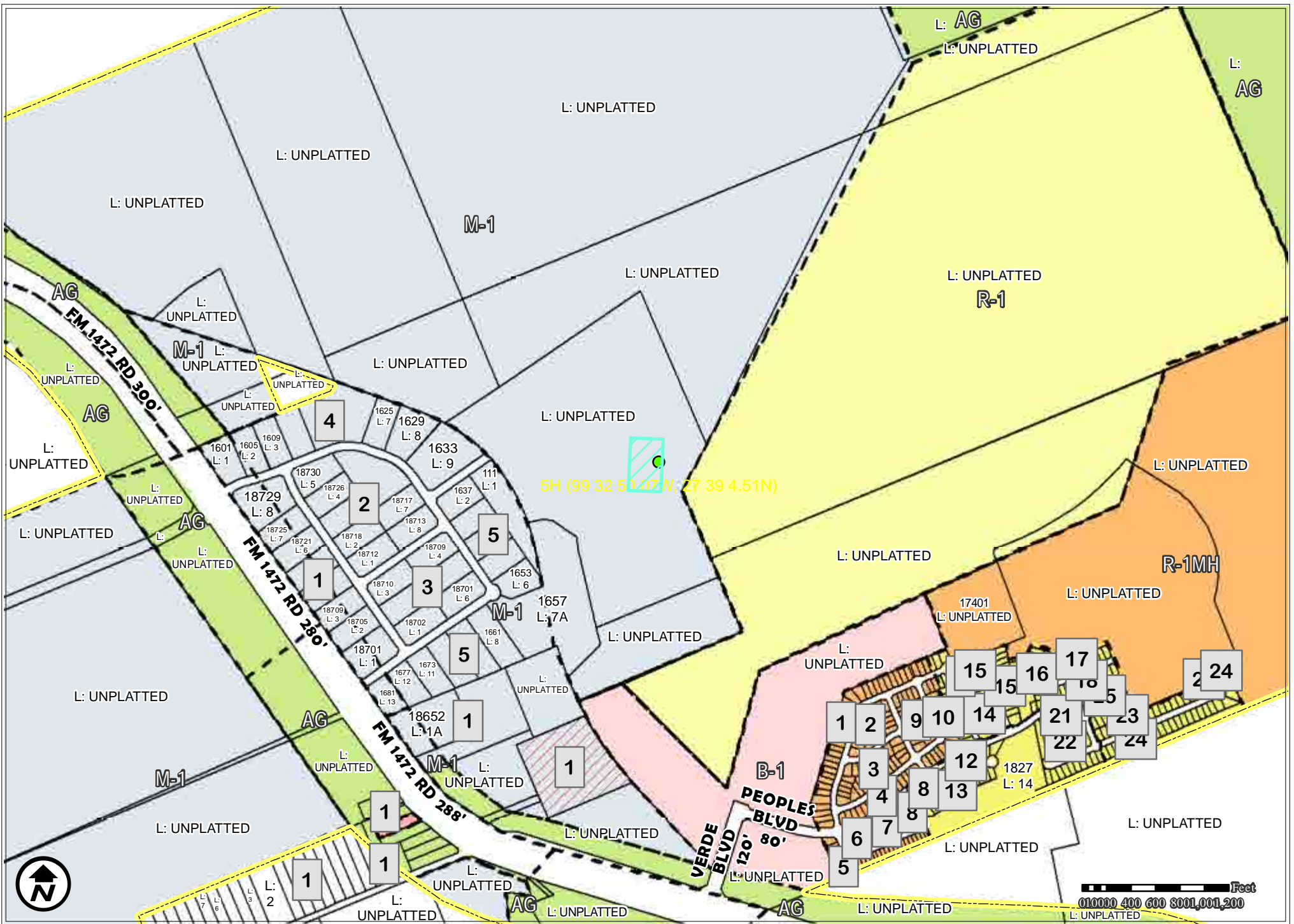
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GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:  
RAUL CASSO, CITY ATTORNEY




---

KRISTINA LAUREL HALE  
ASSISTANT CITY ATTORNEY

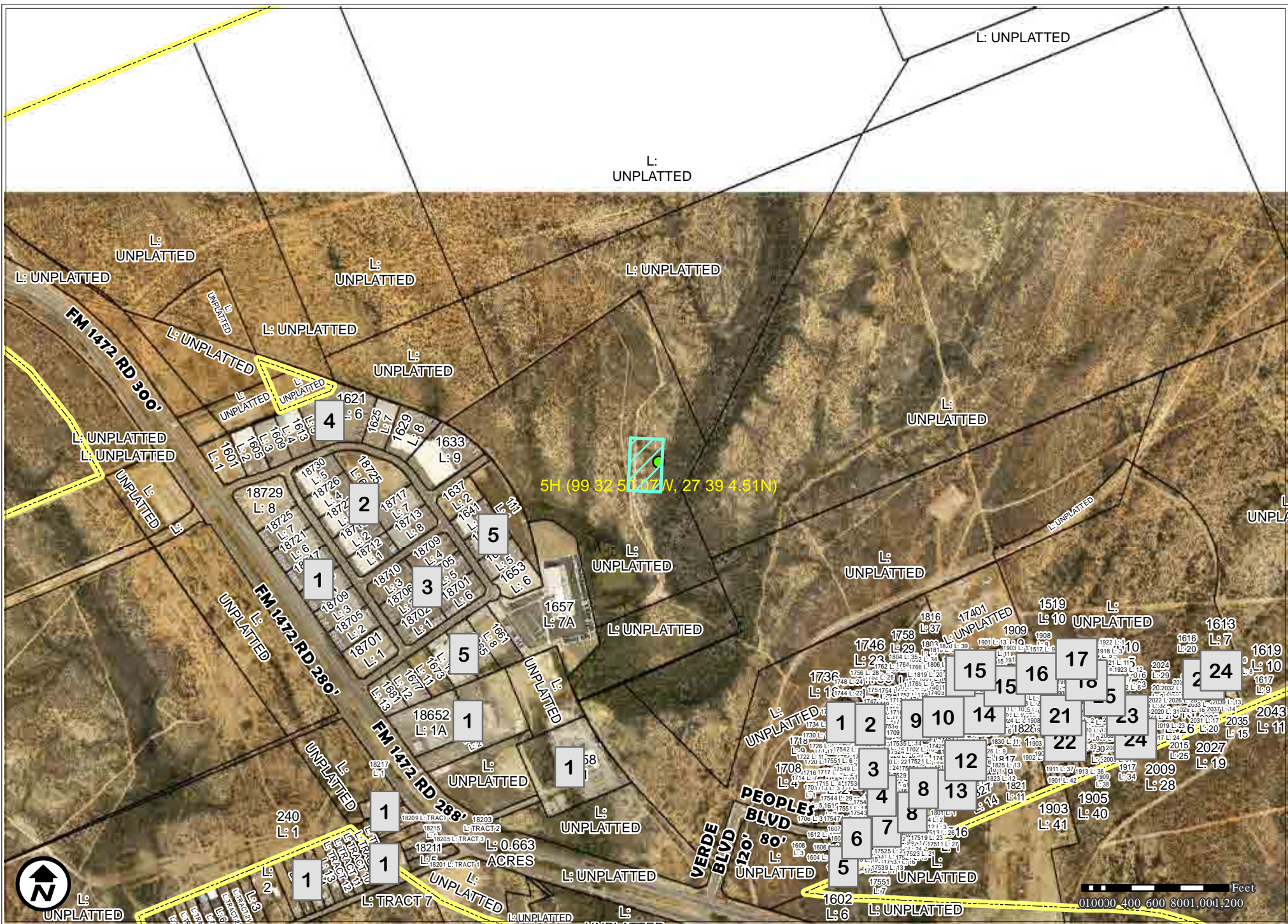


ZONING MAP 5H; HACHAR PAD SITE OUT OF 6132.06 ACRES  
 1 inch = 1,000 feet  
 Date: 3/5/2015  
 COUNCIL DISTRICT 7  
 ZC-31-2015

APPLICATION FOR  
 S.U.P. (SPECIAL USE PERMIT)  
 TO OIL AND/ OR GAS EXTRACTION & PRODUCTION

-  S.U.P. (SPECIAL USE PERMITS)
-  C.U.P. (CONDITIONAL USE PERMITS)
-  S.U.P. & C.U.P.





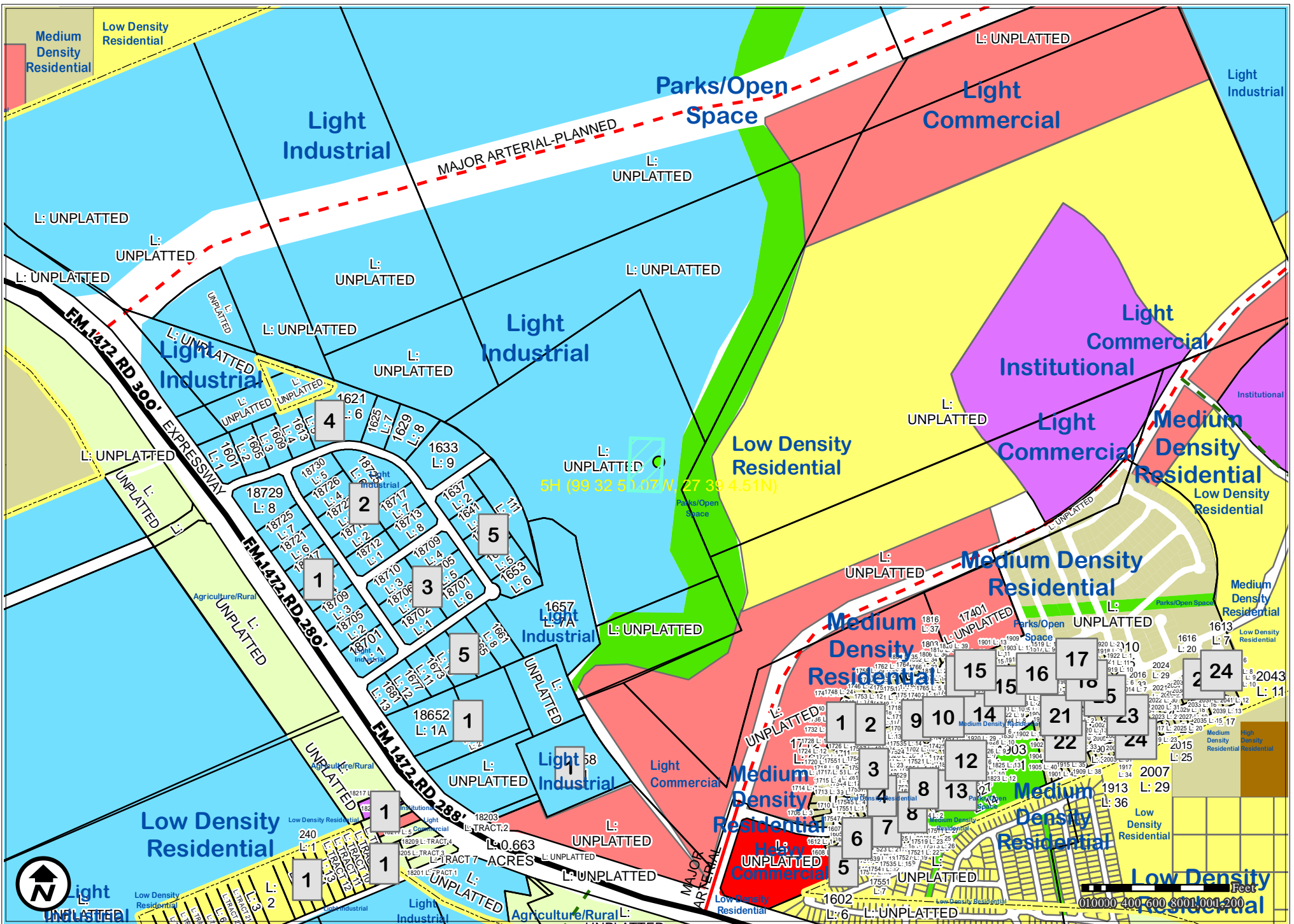
AERIAL MAP 5H; HACHAR PAD SITE OUT OF 6132.06 ACRES

1 inch = 1,000 feet  
Date: 3/5/2015

COUNCIL DISTRICT 7  
ZC-31-2015

APPLICATION FOR  
S.U.P. (SPECIAL USE PERMIT)  
TO OIL AND/ OR GAS EXTRACTION & PRODUCTION





FUTURE LAND USE MAP FOR PAD SITE OUT OF 6132.06 ACRES

1 inch = 1,000 feet  
Date: 3/5/2015

COUNCIL DISTRICT 7  
ZC-31-2015

APPLICATION FOR  
S.U.P. (SPECIAL USE PERMIT)  
TO OIL AND/ OR GAS EXTRACTION & PRODUCTION



ZC-31-2015  
2.62 Acres NE of Green Ranch Subdivision  
M-1 (Light Manufacturing District) to S.U.P. (Special Use Permit)



ZC-31-2015  
2.62 Acres NE of Green Ranch Subdivision  
M-1 (Light Manufacturing District) to S.U.P. (Special Use Permit)



**EXHIBIT "A"**

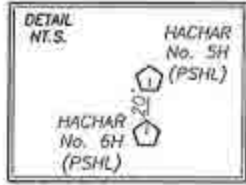
**LAREDO ENERGY OPERATING, LLC**

HACHAR No. 5H AND HACHAR No. 6H PAD SITE

SITUATED IN

PORCION 13, JOSE MIGUEL GARCIA, ABSTRACT 51  
CITY OF LAREDO, WEBB COUNTY, TEXAS.

**NORTH**



PORCION 13  
JOSE MIGUEL GARCIA  
ABSTRACT 51  
CITY OF LAREDO  
WEBB COUNTY, TEXAS

**COMMENCING**  
S 65°23'44" E ~ 6,302.53'  
From a found 6" inch fence corner  
post being the west corner of a  
6.132-06 Acre tract

POINT OF BEGINNING

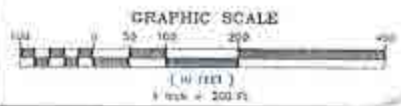
LAREDO ENERGY  
HACHAR LEASE  
6,132.06 ACRES (CALLED)  
VOLUME 3198, PAGE 528  
O.P.R.W.C.T.

PAD SITE  
2.62 ACRES

LAREDO ENERGY  
OPERATING, LLC  
(OPERATOR)



*James Ornelas*  
R.P.L.S. No. 5726  
**02-17-15**  
CURRENT DATE



100-YEAR FLOODPLAIN ZONE

PORCION 13  
FOR  
PORCION 14

PORCION 14  
JOSE GUAJARDO  
ABSTRACT 58  
CITY OF LAREDO

**HOWLAND**

ENGINEERING AND SURVEYING CO.  
1892 Film Registration No. P-4007 TSPLS Film Registration No. 120454-00  
1613 H Bartlett Avenue Laredo TX 78041 P. 958.722.4411  
www.howlandcompanies.com

**WARNING:** BASIS OF BEARING: GPS Tr. South Zone, V42-22  
THIS PLAT MAY NOT SHOW ALL CORNERS OF ADJACENT OR ADJ. HOLDINGS OR ADJ. HOLDINGS AND SURVEYING CO., INC. ASSUMES NO RESPONSIBILITY TO LOCAL, FEDERAL OR STATE ENGINEERS WHO DULY IN THEIR OWN BEARING CLERK OR ACTUAL SURFACE MINERAL FEE DISTRICTS OR LESSOR. THIS PLAT IS MADE EXCLUSIVELY FOR LAREDO ENERGY OPERATING, LLC.  
COPYRIGHT HOWLAND ENGINEERING AND SURVEYING CO., INC. 2015

LEGEND		Revision	Date
	(PSHL) = PROPOSED SURFACE HOLE LOCATION	1	01-07-15
	= PAD LINE	2	02-11-15
	= PERPENDICULAR TIES	3	02-12-15
	= SURVEY LINE	4	02-12-15
	= FENCE LINE		

FIELD DATE	BOOK	PAGE(S)	DRAWN BY:
01-08-15	944	68	J.S./L.D.T.
01-29-15	940	15	

CHECKED BY: J.S./L.D.T.  
JOB No. 234117-109  
SHEET: 2 OF 3



**EXHIBIT "A"**

**FIELD NOTES  
FOR  
LAREDO ENERGY OPERATING, LLC  
HACHAR LEASE  
2.62 ACRE PAD SITE**

A TRACT OF LAND CONTAINING 2.62 ACRES, more or less, being out of the Hachar Lease, 6,132.06 Acres (Called), recorded in Volume 3196, Page 529, Official Public Records of Webb County, Texas, situated in Porcion 13, Jose Miguel Garcia, Abstract 51, City of Laredo, Webb County, Texas, and being more particularly described as follows;

COMMENCING from a found 6 inch fence corner post, being the West corner of said Hachar Lease, 6,132.06 Acres (Called); Thence, S 68°23'44" E, a distance of 6,302.55 feet, for the Northwest corner hereof, and the **POINT OF BEGINNING**;

THENCE, S 87°18'00" E, a distance of 265.00 FEET, to a point for the Northeast corner hereof;

THENCE, S 02°42'00" W, a distance of 430.00 FEET, to a point for the Southeast corner hereof;

THENCE, N 87°18'00" W, a distance of 265.00 FEET, to a point for the Southwest corner hereof;

THENCE, N 02°42'00" E, a distance of 430.00 FEET, to the **POINT OF BEGINNING** and containing 2.62 acres of land, more or less.

Basis of Bearing: G.P.S., TX. South Zone, NAD-27

  
R.P.L.S. No. 5726 - TEXAS



02-17-15  
Current Date

SHEET 2 OF 2

S:\HOWLAND SURVEYING\DEPARTMENT\JOBS\2015\23411.1-15\23411.1-15B.docx

[www.howlandcompanies.com](http://www.howlandcompanies.com)





[www.laredoenergy.com](http://www.laredoenergy.com)

City Centre Four  
840 W. Sam Houston Pkwy N.  
Suite 400  
Houston, Texas 77024  
713-600-6000  
713-600-6001 Fax

The undersigned, on behalf of Laredo Energy VI, L.P. ("Laredo Energy"), hereby states as follows:

1. Laredo Energy agrees to present any evidence to the Laredo City Council, in addition to that which is required under Section 24-73 of the Land Development Code, as may be requested by the City Council.
2. To the best of Laredo Energy's belief, the proposed drilling, completion, and production operations can be conducted safely.
3. Laredo Energy hereby authorizes the City of Laredo to expend such funds as may be necessary under the direction and advice of the Texas Railroad Commission, under the circumstances, to regain well control.
4. Laredo Energy hereby agrees to file with the Office of the Superintendent and/or Planning and Zoning Department the reports required under Section 24-73 of the Land Development Code.

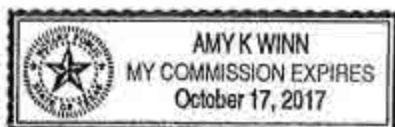
Signed on this the 21st day of January, 2015.

LAREDO ENERGY VI, L.P.  
By: Laredo Energy VI GP, LLC  
Its general partner

By:   
Kenneth A. Cravens, VP-Land

THE STATE OF TEXAS §  
COUNTY OF HARRIS §

Subscribed and sworn to before me, by Kenneth A. Cravens, Vice President-Land, Laredo Energy VI, L.P., this 21st day of January, 2015, in the capacity stated.



  
Notary Public in and for the State of TEXAS

**Exhibit B**

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Initiated By:** Laredo Energy VI, LP, applicant

**Staff Source:** Nathan R. Bratton, Planning Director

---

**SUBJECT**

**Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by authorizing a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 6H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472; providing for publication and effective date.

Staff is in support of the application and the Planning and Zoning Commission recommends approval of the proposed Special Use Permit. District VII

**PREVIOUS COUNCIL ACTION**

City Council approved ordinance 2015-O-001 permitting a Special Use Permit and Drilling Permit for oil and/or gas extraction on this property at the regular meeting of January 20, 2015.

**BACKGROUND**

**Council District:** VII

**Proposed use:** Oil and / or Gas Extraction & Production

**Site:** Existing wells and proposed new well

**Surrounding land uses:** Properties in every direction are vacant and undeveloped. Green Ranch Subdivision is to the south west of the site.

**Comprehensive Plan:** The Comprehensive Plan identifies this area as Light Industrial.

**Transportation Plan:** The Long Range Thoroughfare Plan identifies F.M. 1472 as an Expressway.

**Letters sent to surrounding property owners:** 1 In Favor: 0 Opposed: 0

**STAFF COMMENTS**

A Special Use Permit (SUP) is used for those types of uses that warrant individual attention on a case by case basis and should not be categorized in a zoning district. A Special Use Permit is basically an overlay on top of the existing zoning designation and can be limited in many respects such as time, fencing, setbacks, landscaping, etc.

1. The proposed SUP is compatible with the surrounding uses and zones.
2. The proposed use is consistent with the Comprehensive Plan's designation for this area as Light Industrial.
3. The proposed drilling site is a considerable distance from any other development.

Should the Commission recommend approval of the proposed SUP, staff suggests the following conditions:

1. The Special Use Permit is issued to Laredo Energy VI, LP, and is non-transferable.
2. The Special Use Permit is restricted to the site plan, Exhibit "A", which is made part hereof for all purposes.
3. The Special Use Permit must abide by statements made in letter, Exhibit "B", which is made part hereof for all purposes.
4. The Special Use Permit shall comply with all Fire Code requirements including the location and treatment of the premises.
5. The Special Use Permit shall comply with all rules and regulations of the Laredo Land Development Code Section 24-73: Oil & Gas Extraction & Production Specific Use Zoning Overlay District and Permit Requirements.
6. The Special Use Permit shall be subject to an annual inspection.

### **COMMITTEE RECOMMENDATION**

The P & Z Commission, in a 7 to 1 vote, recommended approval of the Special Use Permit.

### **STAFF RECOMMENDATION**

Staff supports the proposed Special Use Permit.

---

### **Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

---

### **Attachments**

Ordinance

Zoning Map

Aerial Map

Future Land Use Map

Pictures

Exhibits

---



**ORDINANCE NO. 2015-O-**

AMENDING THE ZONING ORDINANCE (MAP) OF THE CITY OF LAREDO BY AUTHORIZING A SPECIAL USE PERMIT AND DRILLING PERMIT FOR OIL AND/OR GAS EXTRACTION AND PRODUCTION FOR HACHAR 6H WELL ON A 2.62 ACRE PAD SITE OUT OF A 6,132.06 ACRE TRACT KNOWN AS THE HACHAR LEASE, LOCATED EAST OF F.M. 1472; PROVIDING FOR EFFECTIVE DATE AND PUBLICATION.

WHEREAS, a request has been received for the issuance of a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 6H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472; and,

WHEREAS, the required written notices were sent to surrounding property owners at least ten (10) days before the public hearing held before the Planning and Zoning Commission on April 2, 2015; and,

WHEREAS, the Planning and Zoning Commission, after a public hearing, has recommended **approval** of the Special Use Permit; and,

WHEREAS, notice of the zone change request was advertised in the newspaper at least fifteen (15) days prior to the public hearing held before the City of Laredo City Council on this matter; and,

WHEREAS, the City Council has held a public hearing on April 20, 2015, on the request and finds the Special Use Permit appropriate and consistent with the General Plan of the City of Laredo; and,

WHEREAS, all conditions imposed by the Special Use Permit, and all pertinent requirements the Laredo Land Development Code shall be met before the activity sanctioned by the Special Use Permit may commence; and,

WHEREAS, the City Council does not consider the impact, if any, of private covenants and deed restrictions on the subject property with the adoption of this ordinance; and,

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

Section 1: The Zoning Map of the City of Laredo be and is hereby amended by authorizing the issuance of a Special Use Permit and Drilling Permit for Oil and/or Gas Extraction and Production for Hachar 6H Well on a 2.62 acre pad site out of a 6,132.06 acre tract known as the Hachar Lease, located East of F.M. 1472.

Section 2: The Special Use Permit is further restricted to the following provision herewith adopted by the City Council:

1. The Special Use Permit is issued to Laredo Energy VI, LP, and is non-transferable.
2. The Special Use Permit is restricted to the site plan, Exhibit "A", which is made part hereof for all purposes.

3. The Special Use Permit must abide by statements made in letter, Exhibit “B”, which is made part hereof for all purposes.
4. The Special Use Permit shall comply with all Fire Code requirements including the location and treatment of the premises.
5. The Special Use Permit shall comply with all rules and regulations of the Laredo Land Development Code Section 24-73: Oil & Gas Extraction & Production Specific Use Zoning Overlay District and Permit Requirements.
6. The Special Use Permit shall be subject to an annual inspection.

Section 3: This ordinance shall be published in a manner provided by Section 2.09 (D) of the Charter of the City of Laredo.

Section 4: This ordinance shall become effective as and from the date of publication specified in Section 3.

Section 5: The Special Use Permit authorized by this ordinance shall be revoked pursuant to the Laredo Land Development Code, section 24.93.12, entitled “Enforcement and Revocation of Special Use Permits,” according to the criteria and procedures described therein and below:

(a) Any Special Use Permit, authorized by City Council, shall be considered in noncompliance and shall be suspended or revoked and removed from the City of Laredo Zoning Map if:

(1) A court having jurisdiction or a jury find the holder of the Special Use Permit guilty of a violation or if a holder of an SUP pleads guilty of violating:

(a.) Any requirement or term or condition of the Special Use Permit or has not conformed, at any time, with any or all of the requirements or terms or conditions as set out in the Special Use Permit as approved by the City Council.

(2) The activity authorized by the Special Use Permit commences prior to the institution of all conditions imposed by the Special Use Permit.

(3) The use for which the Special Use Permit was authorized does not commence within six months of the effective date of the Special Use Permit.

(a.) An extension of up to six months may be granted, for good cause shown, by the Building Services Director upon petition of the SUP holder.

(4) The use for which the Special Use Permit is authorized is discontinued for a period of six (6) consecutive months.

(5) In the event of discontinuance or failure to commence as stipulated in Subsection 24.93.12 of this Ordinance, Zoning Enforcement Staff will issue written notification of same. Ten days after issuance of Zoning Enforcement notification of discontinuance or failure to commence, the Planning Director shall then issue the permit holder written notification of the Special Use Permit’s official revocation and removal from the City of Laredo Zoning Map.

(b) Procedures:

(1) Should a City of Laredo Zoning Enforcement Official or Fire Official inspection reveal non-compliance with Laredo Land Development Code, Section 24.93.7.(b) or any of any additional express conditions of the Special Use Permit, Special Use Permit suspension/revocation procedures shall commence as below stipulated:

(a.) A Zoning Officer or Fire Official shall, upon discovery of special use permit non-compliance as per Subsection 24.93.7.(b), issue a written warning, granting a grace period of a minimum of ten (10) working days, within which time the use may be brought into compliance with the current City Council approved Special Use Permit for that location.

(b.) If non-compliance persists after the conclusion of the warning grace period, a Zoning Enforcement Official or Fire Official shall issue written citation.

(c.) The requirement for the issuance of a written warning and grace period shall not apply to a citation issued as a result of a violation of the "Occupant Load" as set forth in the Certificate of Occupancy with Occupant Load or the failure to, during all hours of operation, maintain, free from obstruction or impediment to full instant use in the case of fire or other emergency, all exit accesses, exits or exit discharges and said citation/s shall be filed for prosecution.

(d.) Should a citation result in a court, having jurisdiction or a jury finding the holder of the Special Use Permit guilty of a violation, or if a holder of an SUP pleads guilty, the Special Use Permit will be suspended for such period of time as is necessary to remedy the violation, but in no event shall the suspension be for less than 24 hours to be implemented as follows:.

- i. The Zoning Officer or Fire Official shall immediately notify the Planning Director, in writing, of the result of the prosecution of the citation.
- ii. The Planning Director shall, within 48 hour notice of the court's determination (or as soon thereafter as is practicable) issue the permit holder written notification of the Special Use Permit's official suspension.
- iii. The Special Use Permit Holder shall suspend all business operations in accordance with the notice.
- iv. The Special Use Permit Holder shall not resume operation until the violation has been corrected and the establishment has been inspected. A "Notice of Termination of Suspension" shall be issued by the Planning Director upon his/her finding that all issues relevant to the suspension have been complied with and the 24 hour suspension period has run. The Planning Director shall issue such notice without unreasonable delay.

(2) Upon the second conviction of a violation of any of the provisions of the Laredo Land Development Code, Section 24.93.7. (b) or any additional express condition of the Special

Use Permit, within any twelve month period, the Special Use Permit will be suspended for such period of time as is necessary to remedy the violation, but in no event shall the suspension be for less than 72 hours. This provision shall be implemented in the same manner as set forth above in Section 24.93.12 (b) (1)(a-d).

(3) Upon the third conviction of a violation of any of the provisions of the Laredo Land Development Code, Section 24.93.7. (b) or any additional express condition of the Special Use Permit, within any twelve month period, and subject to the revocation/suspension procedures set forth in Section 24.93.12 (b) (1)(a-d), the Special Use Permit will be revoked and the City shall proceed with its removal from the City of Laredo Zoning Map.

(a.) The Planning Director shall issue the permit holder written notification of the Special Use Permit's official revocation and removal from the City of Laredo Zoning Map and the Special Use Permit Holder shall suspend all business operations which are inconsistent with and in violation of the zoning district in which the business is located.

(b.) Once the holder of the Special Use Permit has been notified of the revocation, the permit holder may petition the City Council for reinstatement of the permit. The reinstatement shall be processed and proceed in the same manner as a new application for a Special Use Permit inclusive of all required fees and documentation.

(c.) In the event the Special Use Permit Holder appeals the conviction, any suspension or revocation will be abated until the completion of the appeals process.

(4) For purposes of Section 24.93.7.(1), (2), or (3) above, a finding of guilt on more than one citation issued on the same day for the same location shall be counted as only one violation.

(5) In the event the Special Use Permit Holder appeals a conviction, any suspension or revocation will be abated until the completion of the appeals process.

(6) Effect of Other Violations (Habitual Offenses):

(a.) Twelve violations of City Ordinances which result in an adjudication of guilt (by trial to the court, by jury or by entering a plea of guilt) during any twelve month period shall result in the revocation of the Special Use Permit. The holder of said SUP may avail himself/herself of the remedy set forth in Section 24.93.12(b)(3)(b).

(b.) Should the twelve citations, issued during any twelve month period result in a court having jurisdiction or a jury find the holder of the Special Use Permit guilty of each violation or if a holder of an SUP pleads guilty to violation/s, the City of Laredo shall consider the Special Use Permit revoked and proceed with its removal from the City of Laredo Zoning Map.

(c.) The Planning Director shall then issue the permit holder written notification of the Special Use Permit's official revocation and removal from the City of Laredo Zoning Map and the Special Use Permit Holder shall suspend all business operations which are inconsistent with and in violation of the zoning district in which the business is located.



(d.) Once the holder of the Special Use Permit has been notified of the revocation, the permit holder may petition the City Council for reinstatement of the permit. The reinstatement shall be processed and proceed in the same manner as a new application for a Special Use Permit inclusive of all required fees and documentation.

(e.) In the event the Special Use Permit Holder appeals any of the convictions the revocation will be abated until the completion of the appeals process.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

---

PETE SAENZ  
MAYOR

ATTEST:

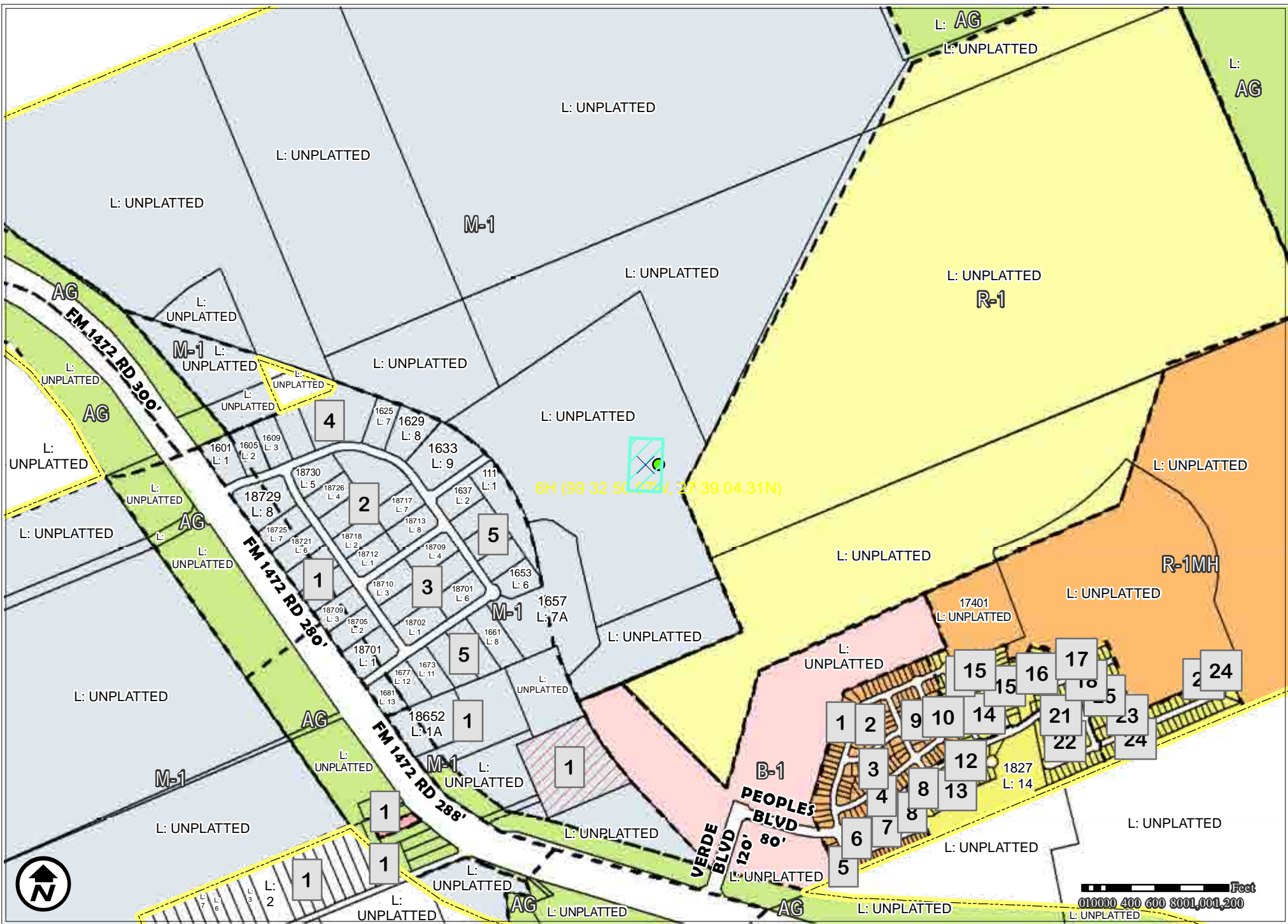
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GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:  
RAUL CASSO, CITY ATTORNEY

---

KRISTINA LAUREL HALE  
ASSISTANT CITY ATTORNEY

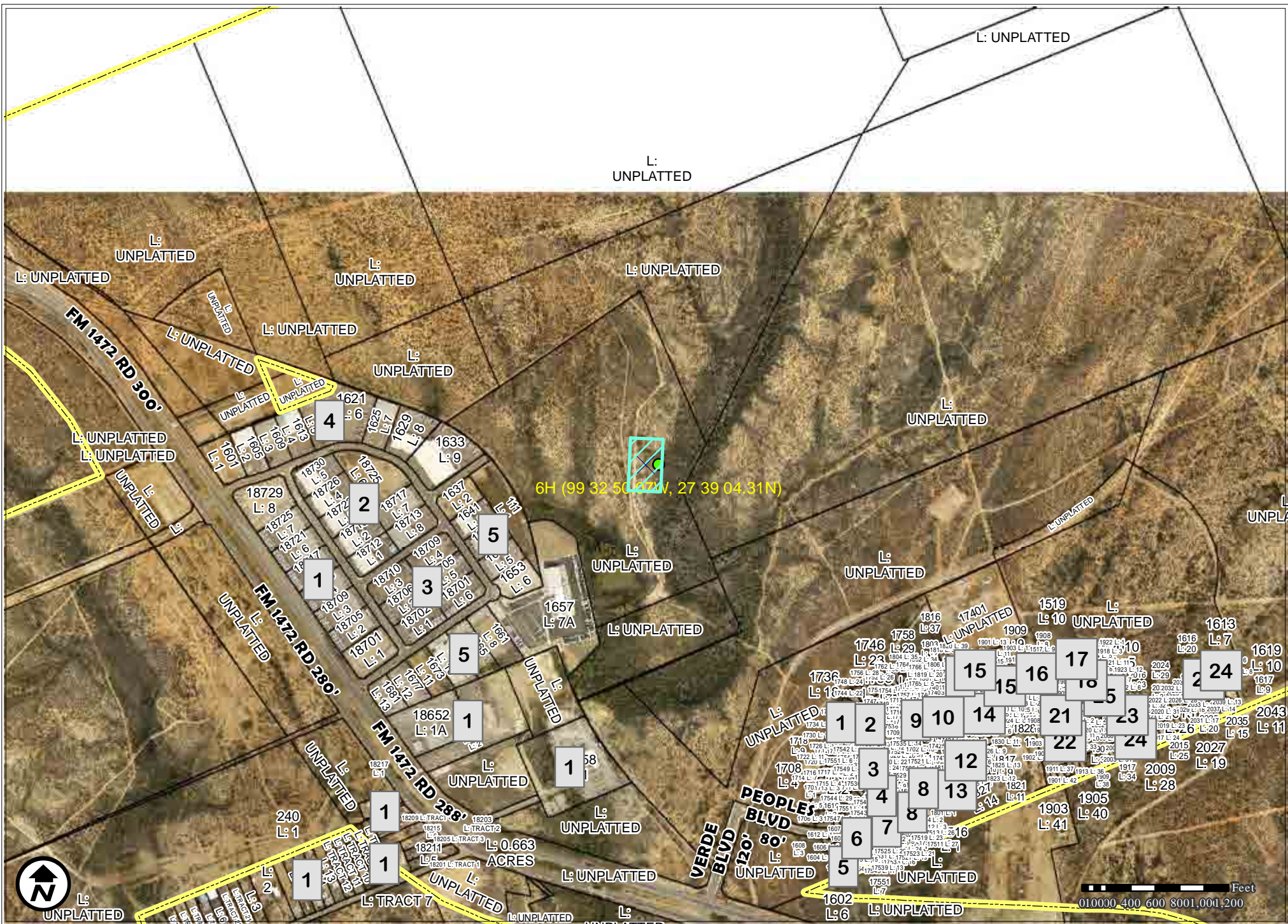


ZONING MAP 6H; HACHAR PAD SITE OUT OF 6132.06 ACRES  
 1 inch = 1,000 feet  
 Date: 3/5/2015  
 COUNCIL DISTRICT 7  
 ZC-32-2015

APPLICATION FOR  
 S.U.P. (SPECIAL USE PERMIT)  
 TO OIL AND/ OR GAS EXTRACTION & PRODUCTION

- S.U.P. (SPECIAL USE PERMITS)
- C.U.P. (CONDITIONAL USE PERMITS)
- S.U.P. & C.U.P.





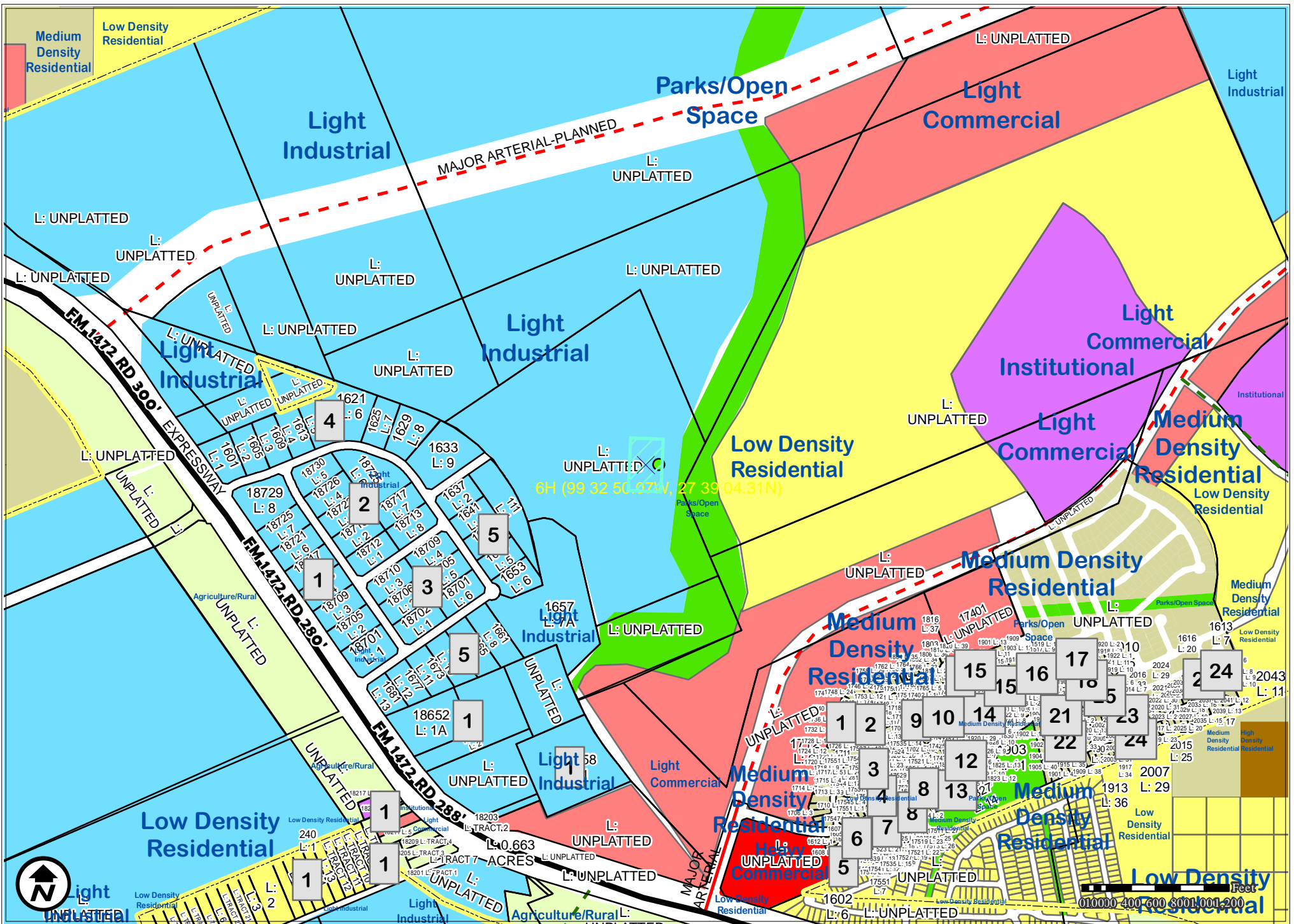
AERIAL MAP 6H; HACHAR PAD SITE OUT OF 6132.06 ACRES

1 inch = 1,000 feet  
Date: 3/5/2015

COUNCIL DISTRICT 7  
ZC-32-2015

APPLICATION FOR  
S.U.P. (SPECIAL USE PERMIT)  
TO OIL AND/ OR GAS EXTRACTION & PRODUCTION





FUTURE LAND USE MAP FOR PAD SITE OUT OF 6132.06 ACRES

1 inch = 1,000 feet  
Date: 3/5/2015

COUNCIL DISTRICT 7  
ZC-32-2015

APPLICATION FOR  
S.U.P. (SPECIAL USE PERMIT)  
TO OIL AND/ OR GAS EXTRACTION & PRODUCTION



ZC-32-2015  
2.62 Acres NE of Green Ranch Subdivision  
M-1 (Light Manufacturing District) to S.U.P. (Special Use Permit)



ZC-32-2015  
2.62 Acres NE of Green Ranch Subdivision  
M-1 (Light Manufacturing District) to S.U.P. (Special Use Permit)



**EXHIBIT "A"**

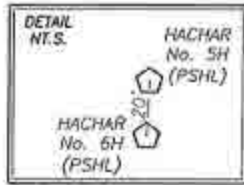
**LAREDO ENERGY OPERATING, LLC**

HACHAR No. 5H AND HACHAR No. 6H PAD SITE

SITUATED IN

PORCION 13, JOSE MIGUEL GARCIA, ABSTRACT 51  
CITY OF LAREDO, WEBB COUNTY, TEXAS.

**NORTH**



PORCION 13  
JOSE MIGUEL GARCIA  
ABSTRACT 51  
CITY OF LAREDO  
WEBB COUNTY, TEXAS

COMMENCING  
S 65°23'44" E ~ 6,302.53'  
From a found 6" inch fence corner  
post being the west corner of a  
6.132-06 Acre tract

POINT OF BEGINNING

LAREDO ENERGY  
HACHAR LEASE  
6.132-06 ACRES (CALLED)  
VOLUME 3198, PAGE 528  
O.P.R.W.C.T.

PAD SITE  
2.62 ACRES

LAREDO ENERGY  
OPERATING, LLC  
(OPERATOR)



R.P.L.S. No. 5726  
**02-17-15**  
CURRENT DATE

GRAPHIC SCALE



100-YEAR FLOODPLAIN  
ZONE

PORCION 13  
FOR  
PORCION 14

PORCION 14  
JOSE GUAJARDO  
ABSTRACT 58  
CITY OF LAREDO

**HOWLAND**

ENGINEERING AND SURVEYING CO.  
1892 Film Registration No. P-4007 TSPLS Film Registration No. 120454-00  
1613 H Bartlett Avenue Laredo TX 78041 P. 958.722.4411  
www.howlandcompanies.com

**WARNING:** BASIS OF BEARING: GPS Tr. South Zone, V42-22  
THIS PLAT MAY NOT SHOW ALL CORNERS OF ADJACENT OR ADJ. HOLDINGS OR ADJ. HOLDINGS AND SURVEYING CO., INC. ASSUMES NO RESPONSIBILITY TO LOCAL, FEDERAL OR STATE ENGINEERS WHO DULY IN THEIR WISE BEARING CORNER OR ACTUAL SURFACE MINERAL FEE DEFERENT OR LESSOR. THIS PLAT IS MADE EXCLUSIVELY FOR LAREDO ENERGY OPERATING, LLC.  
COPYRIGHT HOWLAND ENGINEERING AND SURVEYING CO., INC. 2015

LEGEND		Revision	Date
	(PSHL) = PROPOSED SURFACE HOLE LOCATION	1	01-07-15
	= PAD LINE	2	02-11-15
	= PERPENDICULAR TIES	3	02-12-15
	= SURVEY LINE	4	02-12-15
	= FENCE LINE		

FIELD DATE	BOOK	PAGE(S)	DRAWN BY:
01-08-15	944	68	J.S./L.D.T.
01-29-15	940	15	

CHECKED BY: J.S./L.D.T.  
JOB No. 234117-109  
SHEET: 2 OF 3



**EXHIBIT "A"**

**FIELD NOTES  
FOR  
LAREDO ENERGY OPERATING, LLC  
HACHAR LEASE  
2.62 ACRE PAD SITE**

A TRACT OF LAND CONTAINING 2.62 ACRES, more or less, being out of the Hachar Lease, 6,132.06 Acres (Called), recorded in Volume 3196, Page 529, Official Public Records of Webb County, Texas, situated in Porcion 13, Jose Miguel Garcia, Abstract 51, City of Laredo, Webb County, Texas, and being more particularly described as follows;

COMMENCING from a found 6 inch fence corner post, being the West corner of said Hachar Lease, 6,132.06 Acres (Called); Thence, S 68°23'44" E, a distance of 6,302.55 feet, for the Northwest corner hereof, and the POINT OF BEGINNING;

THENCE, S 87°18'00" E, a distance of 265.00 FEET, to a point for the Northeast corner hereof;

THENCE, S 02°42'00" W, a distance of 430.00 FEET, to a point for the Southeast corner hereof;

THENCE, N 87°18'00" W, a distance of 265.00 FEET, to a point for the Southwest corner hereof;

THENCE, N 02°42'00" E, a distance of 430.00 FEET, to the POINT OF BEGINNING and containing 2.62 acres of land, more or less.

Basis of Bearing: G.P.S., TX. South Zone, NAD-27

  
R.P.L.S. No. 5726 - TEXAS



02-17-15  
Current Date

SHEET 2 OF 2

S:\HOWLAND SURVEYING\DEPARTMENT\JOBS\2015\23411.1-15\23411.1-15B.docx

[www.howlandcompanies.com](http://www.howlandcompanies.com)





[www.laredoenergy.com](http://www.laredoenergy.com)

City Centre Four  
840 W. Sam Houston Pkwy N.  
Suite 400  
Houston, Texas 77024  
713-600-6000  
713-600-6001 Fax

The undersigned, on behalf of Laredo Energy VI, L.P. ("Laredo Energy"), hereby states as follows:

1. Laredo Energy agrees to present any evidence to the Laredo City Council, in addition to that which is required under Section 24-73 of the Land Development Code, as may be requested by the City Council.
2. To the best of Laredo Energy's belief, the proposed drilling, completion, and production operations can be conducted safely.
3. Laredo Energy hereby authorizes the City of Laredo to expend such funds as may be necessary under the direction and advice of the Texas Railroad Commission, under the circumstances, to regain well control.
4. Laredo Energy hereby agrees to file with the Office of the Superintendent and/or Planning and Zoning Department the reports required under Section 24-73 of the Land Development Code.

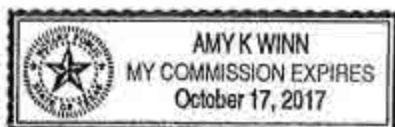
Signed on this the 21st day of January, 2015.

LAREDO ENERGY VI, L.P.  
By: Laredo Energy VI GP, LLC  
Its general partner

By:   
Kenneth A. Cravens, VP-Land

THE STATE OF TEXAS §  
COUNTY OF HARRIS §

Subscribed and sworn to before me, by Kenneth A. Cravens, Vice President-Land, Laredo Energy VI, L.P., this 21st day of January, 2015, in the capacity stated.



  
Notary Public in and for the State of TEXAS

**Exhibit B**

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Initiated By:** Jose A. Gonzalez, owner

**Staff Source:** Nathan R. Bratton, Planning Director

---

**SUBJECT**

**Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lot 76, Block 2, Southgate Subdivision, located at 3005 Frio Plaza, from R-1 (Single-Family Residential District) to R-2 (Multi-Family Residential District); providing for publication and effective date.

Staff does not support the application and the Planning and Zoning Commission recommends approval of the zone change. District II

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

**Council District:** II – The Honorable Esteban Rangel

**Proposed use:** Duplex Residential

**Site:** Multi-family residential under construction

**Surrounding land uses:** The properties to the north are single-family residences. To the south are single-family residential and a vacant lot. To the east are a duplex and single-family residential. To the west are single-family residences, vacant lots, manufactured homes and multi-family residential.

**Comprehensive Plan:** The Future Land Use Map recognizes this area as Low Density Residential.

**Transportation Plan:** The Long Range Thoroughfare Plan does not identify Frio Plaza Court.

**Letters sent to surrounding property owners:** 31 In Favor: 2 Opposed: 0

**STAFF COMMENTS**

Staff recommends denial of the proposed zone change for the following reasons:

1. The proposed zone change is not appropriate at this location because it is not compatible with the primarily single-family residential uses in the neighborhood.
2. The proposed district is not in conformance with the Comprehensive Plan's designation of this area as Low Density Residential.

### **IMPACT ANALYSIS**

**R-2 (Multi-Family Residential District):** The purpose of the R-2 is to provide an area for higher density residential uses and those public and semi-public uses normally considered an integral part of the neighborhood they serve.

#### **Is this change contrary to the established land use pattern?**

Yes, the established pattern is primarily single-family residential in nature.

#### **Would this change create an isolated zoning district unrelated to surrounding districts?**

Yes, the surrounding districts are R-1 in all directions. The nearest R-2 district is one block away.

#### **Will change adversely influence living conditions in the neighborhood?**

Yes, the proposed district may introduce more intense uses into the area.

#### **Are there substantial reasons why the property can not be used in accordance with existing zoning?**

Yes. The current R-1 district only allows single-family residential structures.

### **COMMITTEE RECOMMENDATION**

The P & Z Commission, in a 3 to 2 vote, recommended approval of the zone change.

### **STAFF RECOMMENDATION**

Staff does not support the proposed zone change.

---

### **Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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### **Attachments**

Ordinance

Zoning Map

Aerial Map

Future Land Use Map

Pictures

Survey

---



**ORDINANCE NO. 2015-O-**

AMENDING THE ZONING ORDINANCE (MAP) OF THE CITY OF LAREDO BY REZONING LOT 76, BLOCK 2, SOUTHGATE SUBDIVISION, LOCATED AT 3005 FRIO PLAZA, FROM R-1 (SINGLE-FAMILY RESIDENTIAL DISTRICT) TO R-2 (MULTI-FAMILY RESIDENTIAL DISTRICT); PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

WHEREAS, a zone change has been requested by the owners of Lot 76, Block 2, Southgate Subdivision, located at 3005 Frio Plaza, from R-1 (Single-Family Residential District) to R-2 (Multi-Family Residential District); and,

WHEREAS, the required written notices were sent to surrounding property owners at least ten (10) days before the public hearing held before the Planning and Zoning Commission on March 19, 2015, and,

WHEREAS, the Planning and Zoning Commission, after a public hearing, has recommended **approval** of the proposed zone change; and,

WHEREAS, notice of the zone change request was advertised in the newspaper at least fifteen (15) days prior to the public hearing held before the City of Laredo City Council on this matter; and,

WHEREAS, the City Council has held a public hearing on April 20, 2015, on the request and finds the zone change appropriate and consistent with the General Plan of the City of Laredo; and,

WHEREAS, the City Council does not consider the impact, if any, of private covenants and deed restrictions on the subject property with the adoption of this ordinance.

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

Section 1: The Zoning Map of the City of Laredo be and is hereby amended by rezoning Lot 76, Block 2, Southgate Subdivision, located at 3005 Frio Plaza, from R-1 (Single-Family Residential District) to R-2 (Multi-Family Residential District).

Section 2: This ordinance shall be published in a manner provided by Section 2.09 (D) of the Charter of the City of Laredo.

Section 3: This ordinance shall become effective as and from the date of publication specified in Section 2.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

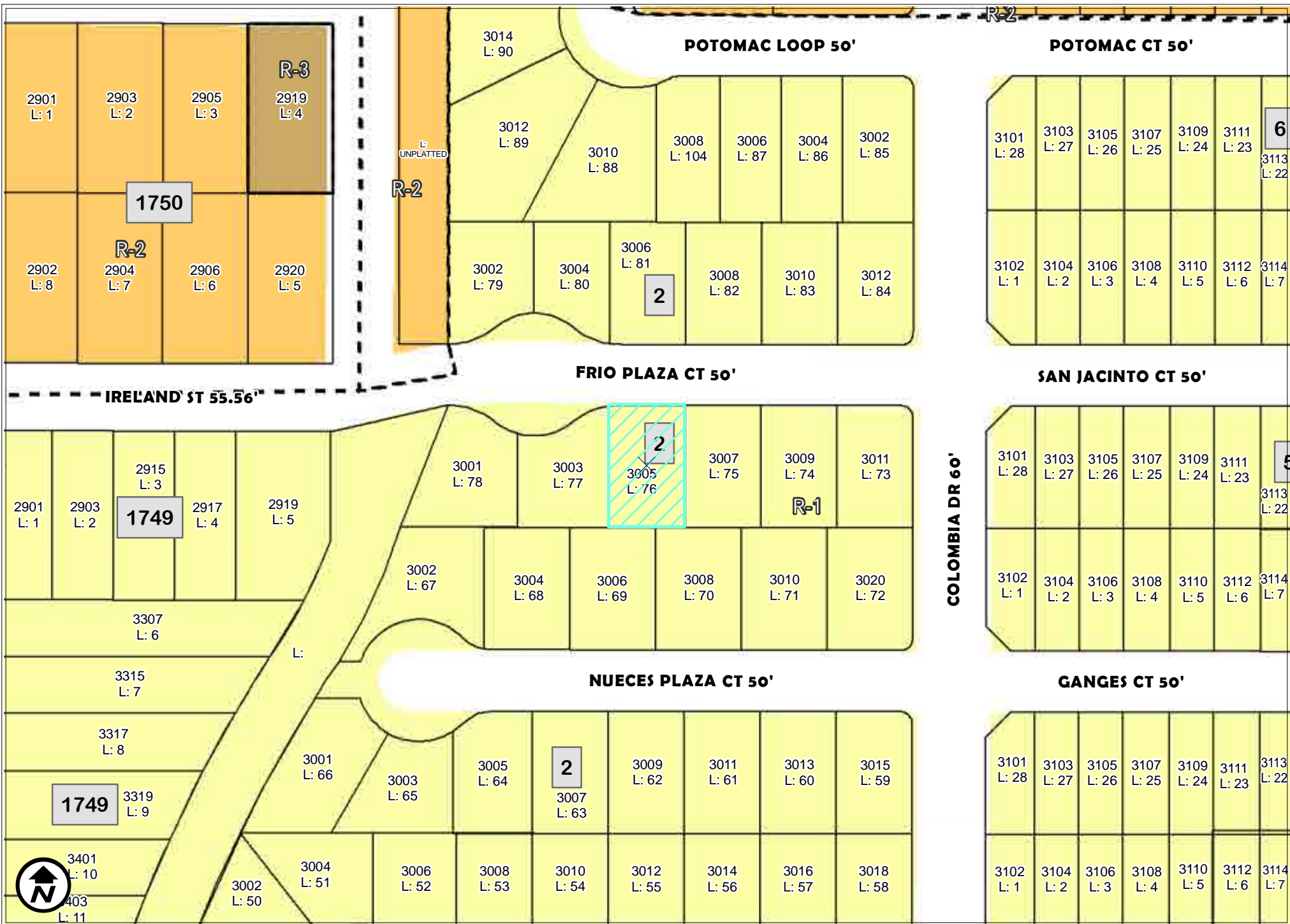
\_\_\_\_\_  
PETE SAENZ  
MAYOR

ATTEST:

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:  
RAUL CASSO, CITY ATTORNEY




\_\_\_\_\_  
KRISTINA K. LAUREL HALE  
ASSISTANT CITY ATTORNEY



ZONING MAP  
 1 inch = 100 feet  
 Date: 3/5/2015

3005 FRIO PLAZA CT  
 COUNCIL DISTRICT 2  
 ZC-30-2015

REZONE FROM  
 R1 (SINGLE FAMILY RESIDENTIAL DISTRICT)  
 TO R2 (MULTI-FAMILY RESIDENTIAL DISTRICT)

-  S.U.P. (SPECIAL USE PERMITS)
-  C.U.P. (CONDITIONAL USE PERMITS)
-  S.U.P. & C.U.P.



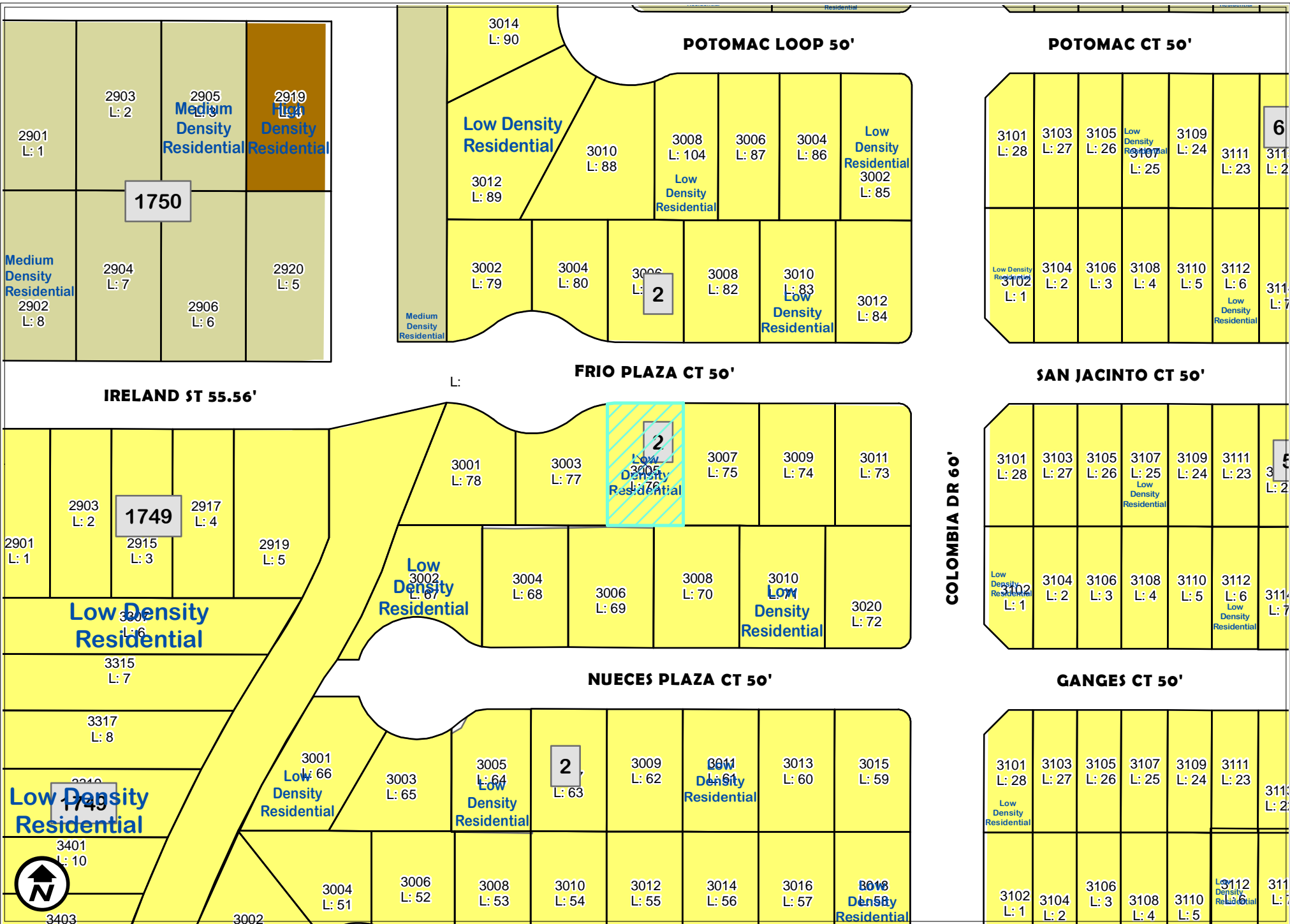


AERIAL MAP  
 1 inch = 100 feet  
 Date: 3/5/2015

3005 FRIO PLAZA CT  
 COUNCIL DISTRICT 2  
 ZC-30-2015

REZONE FROM  
 R1 (SINGLE FAMILY RESIDENTIAL DISTRICT)  
 TO R2 (MULTI-FAMILY RESIDENTIAL DISTRICT)





FUTURE LANDUSE MAP  
 1 inch = 100 feet  
 Date: 3/5/2015

3005 FRIO PLAZA CT  
 COUNCIL DISTRICT 2  
 ZC-30-2015

REZONE FROM  
 R1 (SINGLE FAMILY RESIDENTIAL DISTRICT)  
 TO R2 (MULTI-FAMILY RESIDENTIAL DISTRICT)

ZC--30-2015  
3005 Frio Plaza Ct.  
R-1 (Single Family Residential District) to R-2 (Multi-Family Residential District)



ZC--30-2015  
3005 Frio Plaza Ct.  
R-1 (Single Family Residential District) to R-2 (Multi-Family Residential District)







*Iglesia Bautista Nueva*  
**POTOMAC CT 50'**

**POTOMAC LOOP 50'**

**SAN JACINTO CT 50'**

**GANGES CT 50'**

**FRIO PLAZA CT 50'**

**NUECES PLAZA CT 50'**

**IRELAND ST 55.56'**

**COLUMBIA DR 60'**

2901 L:1 SF	2903 L:2 SF	2905 L:3 SF	2919 L:4 MH
2902 L:8 SF	2904 L:7 SF	2906 L:6 SF	2920 L:5 Apts

2901 L:1 SF	2903 L:2 SF	2915 L:3 SF	2917 L:4 SF	2919 L:5 SF
3002 L:78 SF	3003 L:77 SF	3005 L:75 VAC	3007 L:75 SF	3009 L:74 SF
3004 L:68 SF	3006 L:69 SF	3008 L:70 SF	3010 L:71 SF	3020 L:72 SF

3307 L:6 SF	3315 L:7 SF	3317 L:8 SF	3401 L:10 SF
3001 L:66 VAC	3003 L:65 VAC	3005 L:64 VAC	3008 L:53 VAC
3004 L:51 SF	3010 L:54 SF	3012 L:55 SF	3014 L:56 SF
3011 L:60 SF	3013 L:60 SF	3015 L:59 SF	3018 L:58 SF

3012 L:89 SF	3010 L:88 SF	3008 L:104 SF	3006 L:87 SF	3004 L:86 SF	3002 L:85 SF
3002 L:79 SF	3004 L:80 SF	3008 L:82 SF	3010 L:83 SF	3012 L:84 SF	

3102 L:1 SF	3104 L:2 SF	3106 L:3 SF	3108 L:4 SF	3110 L:5 SF	3112 L:6 SF	3114 L:7 SF
3103 L:27 SF	3105 L:26 SF	3107 L:25 SF	3109 L:24 SF	3111 L:23 SF	3113 L:22 SF	3115 L:21 SF

3101 L:28 SF	3103 L:27 SF	3105 L:26 SF	3107 L:25 SF	3109 L:24 SF	3111 L:23 SF	3113 L:22 SF
3102 L:1 SF	3104 L:2 SF	3106 L:3 SF	3108 L:4 SF	3110 L:5 SF	3112 L:6 SF	3114 L:7 SF

3101 L:28 SF	3103 L:27 SF	3105 L:26 SF	3107 L:25 SF	3109 L:24 SF	3111 L:23 SF	3113 L:22 SF
3102 L:1 SF	3104 L:2 SF	3106 L:3 SF	3108 L:4 SF	3110 L:5 SF	3112 L:6 SF	3114 L:7 SF

REZONE FROM  
 R1 (SINGLE FAMILY RESIDENTIAL DISTRICT)  
 TO R2 (MULTI-FAMILY RESIDENTIAL DISTRICT)

3005 FRIO PLAZA CT  
 COUNCIL DISTRICT 2  
 ZC-30-2015

200' NOTIFICATION  
 1 inch = 100 feet  
 Date: 3/5/2015





**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Initiated By:** Laura E. and Victor H. Mendoza, owners

**Staff Source:** Nathan R. Bratton, Planning Director

---

**SUBJECT**

**Public hearing and introductory ordinance** amending the Zoning Ordinance (Map) of the City of Laredo by rezoning Lots 7 and 8, Block 817, Eastern Division, located at 1520 Cortez Street, from R-3 (Mixed Residential District) to B-3 (Community Business District); providing for publication and effective date.

Staff does not support the application and the Planning and Zoning Commission recommends denial of the proposed zone change. District III

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

**Council District:** III – The Honorable Alejandro “Alex” Perez, Jr.

**Proposed use:** commercial

**Site:** single-family residential structure

**Surrounding land uses:** North of the site are Sunrise Convenience Store and single-family residential uses. South of the site are single-family residential uses. West of the site are single-family residences, vacant lots Tacos Ravi, Joe Jackson Heights Funeral Chapels and a manufactured home. East of the site are single-family residences, Marcos Furniture, a convenience store, La Taquisa, a beauty salon and Bronco Auto Parts.

**Comprehensive Plan:** The Future Land Use Map recognizes this area as High Density Residential.

**Transportation Plan:** The Long Range Thoroughfare Plan identifies Meadow Avenue as a Major Collector.

**Letters sent to surrounding property owners:** 23 In Favor: 0 Opposed: 5

## STAFF COMMENTS

Staff does not support the request for the following reasons:

1. The proposed use is not compatible with the established residential neighborhood.
2. The property is too small to support uses permitted in a B-3 District including parking requirements.
3. The proposed district will introduce more intense uses into the established residential neighborhood.

## IMPACT ANALYSIS

**B-3 (Community Business District):** The purpose of the B-3 District is to provide for those businesses and services serving a trade area larger than a neighborhood, but smaller than the entire city and located primarily along minor or principal arterial streets, as classified in the Transportation Plan of the City of Laredo. It is intended for this zoning classification to exist primarily abutting minor or principal arterial streets while preserving established residential neighborhoods along such streets.

### **Is this change contrary to the established land use pattern?**

Yes, the established land use pattern is primarily residential and light commercial in nature.

### **Would this change create an isolated zoning district unrelated to surrounding districts?**

Yes, there are no other B-3 districts in the immediate vicinity.

### **Will change adversely influence living conditions in the neighborhood?**

Yes, the proposed district may introduce more intense uses into the adjacent residences.

### **Are there substantial reasons why the property cannot be used in accord with existing zoning?**

Yes, the current district only allows for residential uses.

## COMMITTEE RECOMMENDATION

The P & Z Commission, in a 5 to 0 vote, recommended denial of the zone change.

## STAFF RECOMMENDATION

Staff does not support the proposed zone change.

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## Fiscal Impact

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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### **Attachments**

Ordinance

Zoning Map

Aerial Map

Future Landuse Map

Pictures

Survey

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**ORDINANCE NO. 2015-O-**

AMENDING THE ZONING ORDINANCE (MAP) OF THE CITY OF LAREDO BY REZONING LOTS 7 AND 8, BLOCK 817, EASTERN DIVISION, LOCATED AT 1520 CORTEZ STREET, FROM R-3 (MIXED RESIDENTIAL DISTRICT) TO B-3 (COMMUNITY BUSINESS DISTRICT); PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

WHEREAS, a zone change has been requested by the owners of Lots 7 and 8, Block 817, Eastern Division, located at 1520 Cortez Street, from R-3 (Mixed Residential District) to B-3 (Community Business District); and,

WHEREAS, the required written notices were sent to surrounding property owners at least ten (10) days before the public hearing held before the Planning and Zoning Commission on March 19, 2015, and,

WHEREAS, the Planning and Zoning Commission, after a public hearing, has recommended **denial** of the proposed zone change; and,

WHEREAS, notice of the zone change request was advertised in the newspaper at least fifteen (15) days prior to the public hearing held before the City of Laredo City Council on this matter; and,

WHEREAS, the City Council has held a public hearing on April 20, 2015, on the request and finds the zone change appropriate and consistent with the General Plan of the City of Laredo; and,

WHEREAS, the City Council does not consider the impact, if any, of private covenants and deed restrictions on the subject property with the adoption of this ordinance.

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

Section 1: The Zoning Map of the City of Laredo be and is hereby amended by rezoning Lots 7 and 8, Block 817, Eastern Division, located at 1520 Cortez Street, from R-3 (Mixed Residential District) to B-3 (Community Business District).

Section 2: This ordinance shall be published in a manner provided by Section 2.09 (D) of the Charter of the City of Laredo.



Section 3: This ordinance shall become effective as and from the date of publication specified in Section 2.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETE SAENZ  
MAYOR

ATTEST:

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:  
RAUL CASSO, CITY ATTORNEY

\_\_\_\_\_  
KRISTINA K. LAUREL HALE  
ASSISTANT CITY ATTORNEY



ZONING MAP  
 1 inch = 100 feet  
 Date: 3/5/2015

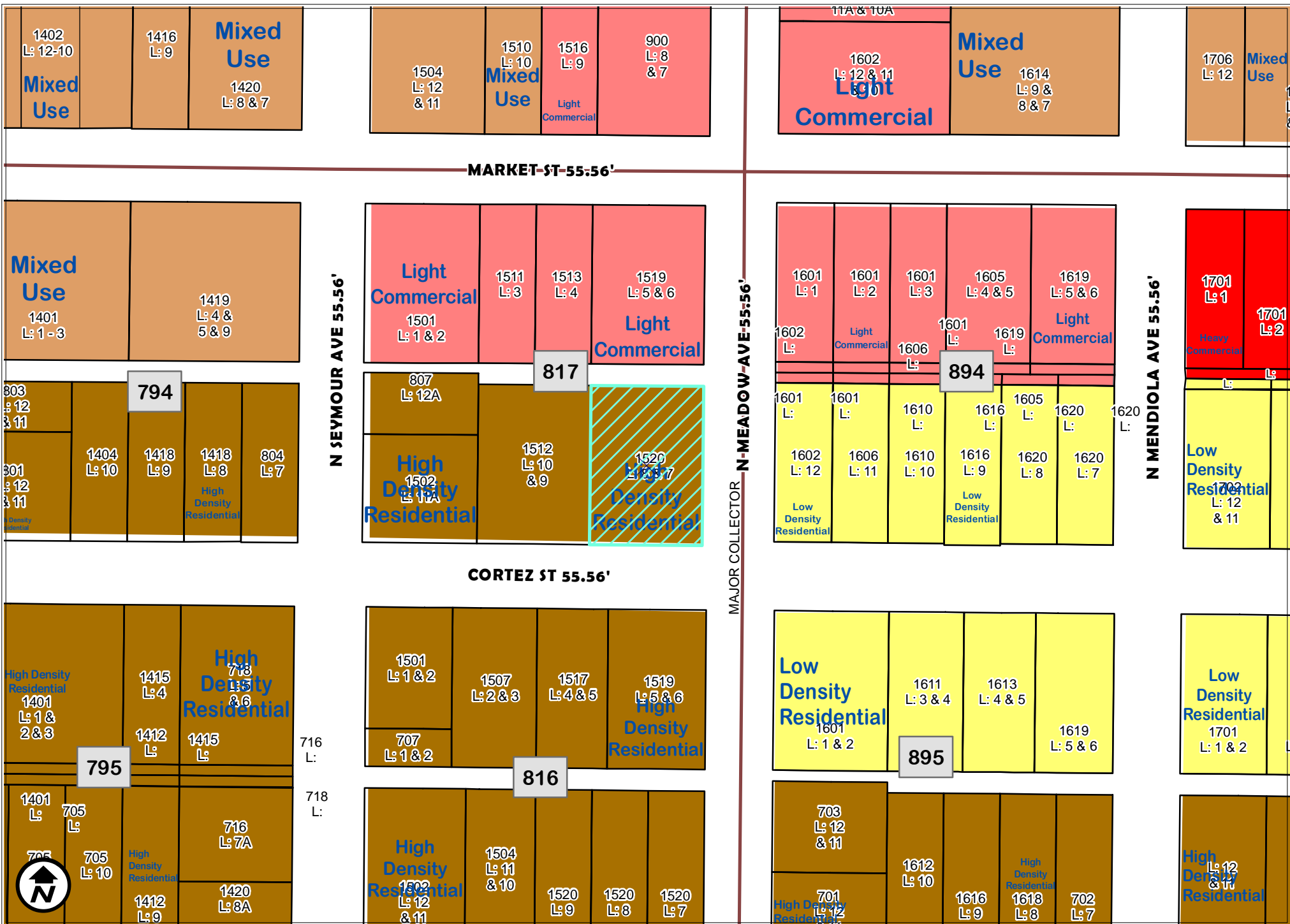
1520 CORTEZ ST  
 COUNCIL DISTRICT 3  
 ZC-29-2015

REZONE FROM  
 R3 (MIXED RESIDENTIAL DISTRICT)  
 TO B3 (COMMUNITY BUSINESS DISTRICT)

- ▢ S.U.P. (SPECIAL USE PERMITS)
- ▢ C.U.P. (CONDITIONAL USE PERMITS)
- ▢ S.U.P. & C.U.P.







FUTURE LANDUSE MAP

1 inch = 100 feet

Date: 3/5/2015

1520 CORTEZ ST  
COUNCIL DISTRICT 3

ZC-29-2015

REZONE FROM  
R3 (MIXED RESIDENTIAL DISTRICT)  
TO B3 (COMMUNITY BUSINESS DISTRICT)



ZC--29-2015  
1520 Cortez St.  
R-3 (Mixed Residential District) to B-3 (Community Business District)



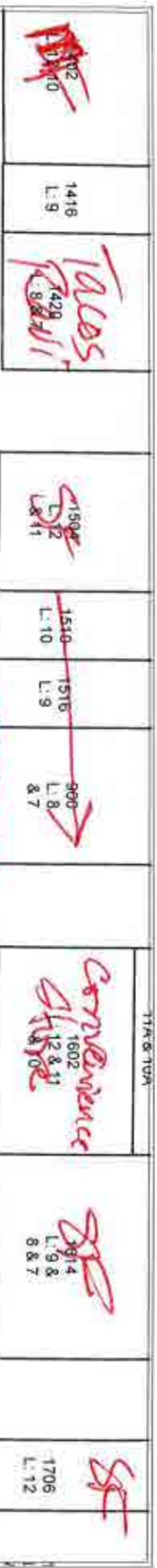
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1520 Cortez St.  
R-3 (Mixed Residential District) to B-3 (Community Business District)



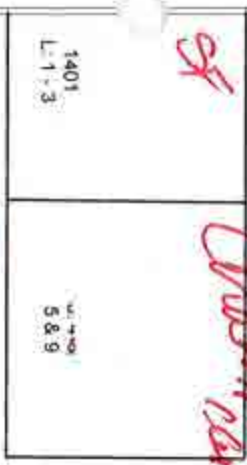
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R-3 (Mixed Residential District) to B-3 (Community Business District)



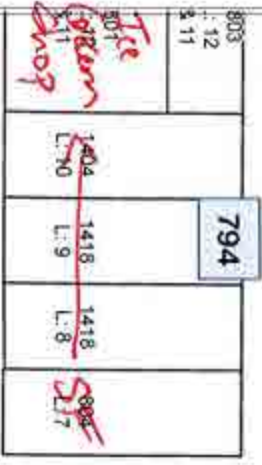




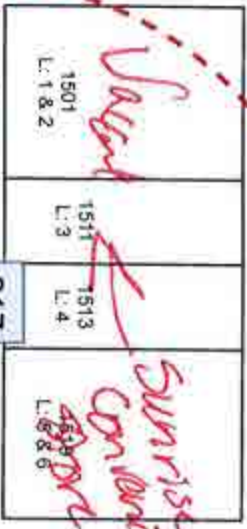
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*Customize*



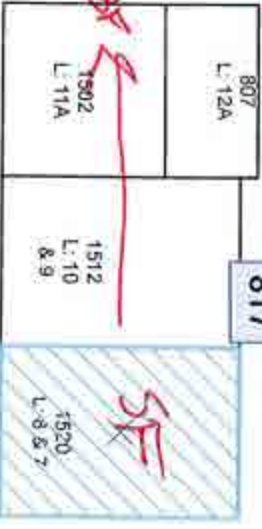
**N SEYMOUR AVE 55.56'**



**MARKET ST 55.56'**



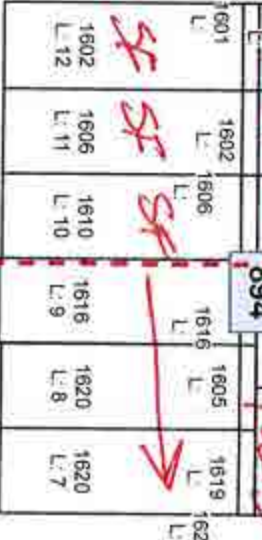
**N MEADOW AVE 55.56'**



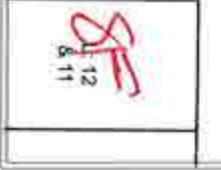
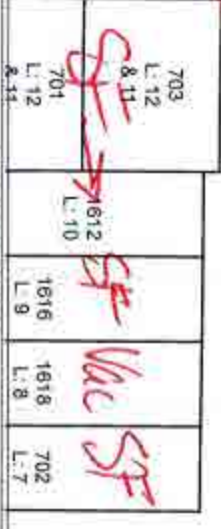
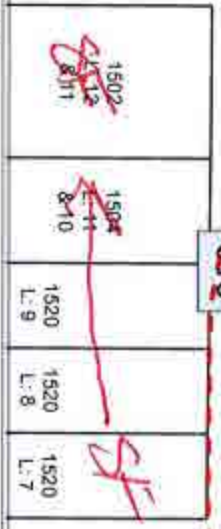
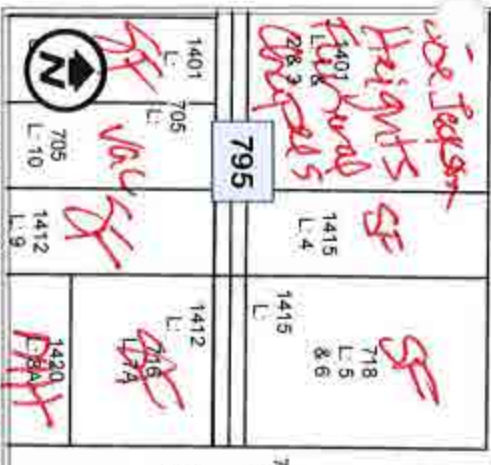
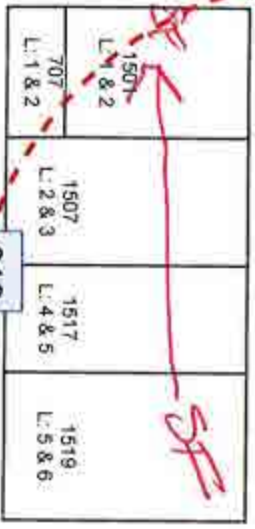
*La Tailoise*



**N MENDIOLA AVE 55.56'**



**CORTEZ ST 55.56'**



200' NOTIFICATION  
 1520 CORTEZ ST  
 COUNCIL DISTRICT 3  
 ZC-29-2015  
 REZONE FROM  
 R3 (MIXED RESIDENTIAL DISTRICT)  
 TO B3 (COMMUNITY BUSINESS DISTRICT)  
 1 inch = 100 feet  
 Date: 3/5/2015



**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Jose Luis Flores, Airport Manager

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**SUBJECT**

Authorizing the City Manager to approve a sublease of the leased premises approved by Ordinance No. 95-O-251 dated February 20, 1996 between the City of Laredo as LESSOR and L.A. Ventures Terminal, LTD as LESSEE, for the premises described as Warehouse Suite No. 4A, which consists of approximately 11,348 sq. ft. of warehouse and office space located at 4114 Airpark Drive and within Lot 4, Block 1 of the Laredo International Airport Subdivision Plat to Johnstone Supply as SUB-LESSEE, said lease provides for right to sublease subject to city approval, which approval shall not be unreasonably withheld. **(Approved by Operations Committee)**

**PREVIOUS COUNCIL ACTION**

On February 20, 1996 City Council approved Ordinance No. 95-O-251.

**BACKGROUND**

L.A. Ventures Terminal, LTD. Is in good standing.

The lease with L. A Ventures Terminal, LTD, allows for sublease subject to city approval, which approval shall not be unreasonably withheld.

**COMMITTEE RECOMMENDATION**

On April 07, 2015 the Airport Advisory Board considered this item and recommends approval.

**STAFF RECOMMENDATION**

Approval of this Ordinance

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**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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**Attachments**

L.A. Ventures Sublease- Johnstone Supply ORD

Sublease Johnstone Supply DOC

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**ORDINANCE NO.**

**AUTHORIZING THE CITY MANAGER TO APPROVE A SUBLEASE OF THE LEASED PREMISES APPROVED BY ORDINANCE NO. 95-O-251 DATED FEBRUARY 20, 1996 BETWEEN THE CITY OF LAREDO AS LESSOR AND L.A. VENTURES TERMINAL, LTD AS LESSEE, FOR THE PREMISES DESCRIBED AS WAREHOUSE SUITE NO. 4A, WHICH CONSISTS OF APPROXIMATELY 11,348 SQ. FT. OF WAREHOUSE AND OFFICE SPACE LOCATED AT 4114 AIRPARK DRIVE AND WITHIN LOT 4, BLOCK 1 OF THE LAREDO INTERNATIONAL AIRPORT SUBDIVISION PLAT TO JOHNSTONE SUPPLY AS SUB-LESSEE, SAID LEASE PROVIDES FOR RIGHT TO SUBLEASE SUBJECT TO CITY APPROVAL, WHICH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.**

WHEREAS, the Airport Manager recommends that the City Council approve a sublease of the leased premises approved by Ordinance No. 95-O-251 dated February 20, 1996 between the City of Laredo as LESSOR and L.A. Ventures Terminal, LTD as LESSEE, for the premises described as Warehouse Suite No. 4A, which consists of approximately 11,348 sq. ft. of warehouse and office space located at 4114 Airpark Drive and within Lot 4, Block 1 of the Laredo International Airport Subdivision Plat to Johnstone Supply as SUB-LESSEE, 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 is in the best interest of the Airport and recommends that the City Council approve the proposed lease; and

WHEREAS, the City Council of the City of Laredo having heard the recommendations of the Airport Manager and of the Airport Advisory Board agrees with same.

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

Section 1: The City Manager be hereby authorized to sublease of the leased premises approved by Ordinance No. 95-O-251 dated February 20, 1996 between the City of Laredo as LESSOR and L.A. Ventures Terminal, LTD as LESSEE, for the premises described as Warehouse Suite No. 4A, which consists of approximately 11,348 sq. ft. of warehouse and office space located at 4114 Airpark Drive and within Lot 4, Block 1 of the Laredo International Airport Subdivision Plat to Johnstone Supply as SUB-LESSEE, 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.

Section 2: This Ordinance shall become effective upon passage hereof.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON  
THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETE SAENZ  
MAYOR

ATTEST:

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
RAUL CASSO  
CITY ATTORNEY



STATE OF TEXAS  
COUNTY OF WEBB

This sub-lease agreement ("sublease") is made and entered this 5th day of March 2015 into by and between L.A. VENTURES, INC. ("LESSOR") and JOHNSTONE SUPPLY, ("LESSEE"). WHEREAS, the City of Laredo currently owns and operates those premises known as Laredo International Airport, lying and situated within the incorporated limits of the City of Laredo, Webb County, Texas, and,

WHEREAS, L.A. VENTURES, INC. has leased from the City of Laredo, had developed and operates those premises at the Laredo International Airport, and as part of that operation has leased, the Warehouse Suite #4A, located within Lot 4, Block 1, at the Laredo Industrial Airpark in Laredo Texas and consisting of approximately 11,348 square feet of warehouse, and office,

NOW, THEREFORE THE LESSOR AND LESSEE for and in consideration of the covenants and agreements set forth in this sub-lease, do hereby covenant and agree as follows:

**ARTICLE I**  
**DEFINITIONS**

**1.01 DEFINITIONS**

A. "Laredo International Airport area" means that certain area administered by the City of Laredo, pursuant to an indenture from the United States of America to the City of Laredo, Dated February 21, 1975 and recorded in volume 478 at page 471 et seq. of the Real Property Records of Webb County, Texas.

B. "LESSOR" means L.A. VENTURES, INC. and its duly constituted agents.

C. "The premises" or "the leased premises" or "the sub-lease premises" mean the Warehouse described as Warehouse Suite 4A, which consists of approximately 11,348 square feet, located next to the Laredo International Airport at 4114 Airpark Drive, in Laredo Texas.

D. The "Federal Aviation Administration" (FAA) is that administration so designated and provided for in the Department of Transportation Act, of October 15, 1966 (Public Law 89-670, at Congress, 2nd Session), and as the act may be amended or to such other Federal Government authority or authorities or agency or agencies as may be the successors thereto or be vested with the same as similar authority.

E. The term "Public Areas" and "Public Facilities" shall mean those areas and facilities of the Airport and the terminal buildings which are provided free of charge by the Airport for the common use of the public.

F. The word "Director" shall mean the Airport Director of the City of Laredo or such other Officer to whom the duties and authority of the Director may be assigned by the City Council of Laredo or by any agency or authority which may be subsequently succeed to the Jurisdiction of the City over the Airport.

G. The word "Aircraft" shall mean any and all types of controlled airborne vehicle designated or used for transporting persons, cargo, or mail through the airspace and certificated or licensed for such use by the governmental agency or agencies so authorized.

H. The word "City" shall mean the governing body of the municipal corporation the City of Laredo, Texas.

Initialed for identification by LESSOR [Signature] and LESSEE [Signature]

or such other agency, board, or authority which may succeed to the jurisdiction of City over Airport.

F. The word "building" includes, but is not limited to, the foundation, load bearing walls, joists, rafters, load bearing surfaces, water pipes, drainage pipes, and air conditioning ducts.

## **ARTICLE II SUB-LEASE TERM**

### **2.01 COMMENCEMENT OF TERM AND TERMINATION DATE**

A. This sublease term shall be for a term of Four (4) years.

B. LESSOR and LESSEE agree that the commencement date of the term of the sublease shall be the 15th of March 2015, and shall terminate on the 28<sup>th</sup> day of February 2019.

C. LESSEE may ask for one year of additional extension term or other different yearly terms may be agree by LESSOR and LESSEE and new monthly rent will be then renegotiated.

### **2.02 TERMINATION**

A. This sub-lease shall terminate and become null and void without further notice on the expiration of the term specified in section 2.01, and any holding over by LESSEE after the expiration of that term, shall not constitute a renewal of the sub-lease or give LESSEE any rights under the sub-lease in or to the leased premises, except as stated in section 2.03.

B. Notwithstanding the foregoing, LESSEE may ask for an additional term extension as it is specified in section 2.01 (C).

### **2.03 HOLDOVER**

In the event LESSEE remains in possession of the premises after the expiration of this sub-lease, and without the execution of a new sub-lease, LESSEE, shall be deemed to be occupying the premises as a tenant from month-to-month, at a monthly rental equal to the 200% of the latest monthly rental amount being paid by LESSEE, and subject to all the conditions, provisions, and obligations of this sub-lease insofar as they are applicable to month to month tenancy. The LESSOR'S collection of holdover rent shall not be deemed as waiver of LESSOR'S rights to take possession of the leased premises nor shall it establish any rights on the part of the LESSEE to occupy the leased premises, except on a month-to-month tenancy.

### **2.04 CONDITION OF PREMISES AT TERMINATION**

LESSEE covenants that at the expiration or prior termination of this sub-lease, it will quit and surrender possession of the leased premises and all improvements thereon that LESSEE is not entitled to remove under the provisions hereof to LESSOR, free and clear of any and all liens an encumbrances and in good repair and condition, reasonable wear and tear and damage by fire, act of God, the public enemy or action of the elements or by any cause not due to any act or omission of LESSEE or any damage beyond its control excepted.

LESSEE shall be deemed to have abandoned to LESSOR any trade equipment and other property of lessee

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Initialed for Identification by LESSOR [Signature] and LESSEE [Signature]

when, without the consent of the LESSOR, it has failed to remove from the leased premises such trade equipment and other property within thirty calendar days after the end of the term of this sub-lease or after effective date of termination thereof, provided, however, LESSEE shall not abandon any such equipment on the leased premises without the written consent of LESSOR. Notwithstanding the foregoing, at the end of the term Lessee shall not be required to remove any data and phone wiring and cabling, and may leave the same in place without being in breach of this sublease

## ARTICLE III RENT

### 3.01 MONTHLY RENT

LESSEE agrees to pay to LESSOR in legal money of the United States of America on a monthly basis for the use and occupancy of the leased premises. The monthly installments shall be paid during the first Five (5) days of each and every month for the term of this sub-lease, or any extension option. The payments will be as follows:

Sub-Lease Term	Square (approximately):	Monthly installments (USD):
<u>15th of March 2015 to 31st of March 2013</u>	<u>11,348</u>	<u>\$2,837.00</u>
<u>1<sup>st</sup> of April 2015 to 29<sup>th</sup> of February 2016</u>	<u>11,348</u>	<u>\$5,674.00</u>
<u>01<sup>st</sup> of March 2016 to 28th of February 2017</u>	<u>11,348</u>	<u>\$5,674 + CPI% or 3%</u>
<u>01<sup>st</sup> of March 2017 to 28th of February 2018</u>	<u>11,348</u>	<u>Previous Rent + CPI% or 3%</u>
<u>01<sup>st</sup> of March 2018 to 28th of February 2019</u>	<u>11,348</u>	<u>Previous Rent + CPI% or 3%</u>

\*CPI is the Consumer Price Index published by the U.S. Government Bureau of Labor Statistics and the CPI-U of last 12 months before adjustment is the one to be use in this lease.

\*Base rent shall increase by the greater CPI% or 3% per annum.

In case of renewal after the primary term, new rent will then negotiated.

### ADDITIONAL RENT

No additional rent shall be due under this sub-lease agreement.

### 3.02 TIME AND MANNER OF PAYMENT

Each monthly rent payment is due and payable since the first day of each calendar month starting on Commencement Date (defined below) of this sub-lease, and it shall be paid within the first 5 (five) business days of each and every month. Except as other provided in this sub-lease, the rent and or any additional charges shall be paid without notice, demand, counterclaim, setoff, deduction of damages, and without abatement or suspension.

### 3.03 LATE CHARGES ON DELINQUENT PAYMENTS

Rent installments unpaid for five (5) business days after the due date thereof shall bear a \$40.00 a day penalty. It is agreed and understood that LESSOR and LESSEE that the \$40.00 daily late charge above mentioned shall not be construed as rent. This provision of the sub-lease shall never be construed to permit the collection of interest in excess of the maximum permitted by law.

Initialed for identification by LESSOR [Signature] and LESSEE [Signature]

### 3.04 PLACE OF PAYMENT

All rent shall be paid by LESSEE to LESSOR at 2824 E. Bustamante St., Suite C, Laredo, Texas 78041, or at such other location or locations as LESSOR may from time to time designate by written notice to LESSEE.

### 3.05 SECURITY DEPOSIT

LESSEE will deposit \$7,092.00 USD (Seven Thousand Ninety two Dollars No/100) with the Landlord as Security Deposit for Tenant's payment of rent and performance of the other obligations under the terms of this Lease. If Tenant defaults in the payment of rent or the performance of any other obligation under this Lease, Landlord may use all or part of the Security Deposit for the payment of rent or any other amount in default, or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's default. If Landlord uses any portion of the Security Deposit, Tenant will restore it to its original amount within 5 (Five) days after written notice from Landlord. Landlord will not be required to keep the Security Deposit separated from its general funds, and Tenant will not be entitled to interest on Security Deposit. The Security Deposit shall not be construed as a limitation on Landlord's damages or other rights under this Lease, or a payment of liquidated damages, or an advance payment of rent. If Tenant pays the rent and performs all of the other obligations under this Lease, Landlord will return the unused portion of the Security Deposit to the Tenant within 30 (Thirty) days after Tenant surrenders the Leased Premises.

### 3.06 RETURNED CHECK

All returned checks will bear a charge of \$75.00 (SEVENTY FIVE DOLLARS 00/100 USD) for each returned check. After the receipt of one insufficient funds check, the LESSOR may require LESSEE to pay rent in the form of a cashier's check or money order.

## ARTICLE IV UTILITIES AND AD VALOREM TAXES

### 4.01 UTILITY CHARGES

LESSEE shall pay or cause to be paid all charges for water, heat, electricity, sewers, and all other utilities used on the sub-leased premises throughout the term of this sub-lease. LESSEE shall also pay for the removal of all garbage from the premises.

### 4.02 AD VALOREM TAXES

LESSEE agree to promptly pay, upon receipt of a tax statement from any taxing entity, all ad valorem taxes, penalties and interest imposed by it upon any personal property, tools, equipment, furniture, fixtures, and inventory belonging to the LESSEE. The taxes shall be paid prior to delinquency. LESSEE'S failure to pay all ad valorem taxes due and owing to any taxing entity or authority as required by this sub-lease agreement shall constitute a material breach of this sub-lease agreement.



**ARTICLE V  
INSPECTION OF PREMISES**

Subject to the mutual agreement of both LESSOR and LESSEE as to the time and date, LESSOR hereby reserves the right to inspect at all time during normal business hours the sub-leased premises and improvements, if any, for the purpose of determining whether or not the improvements are being properly maintained in accordance with the requirements of this sub-lease. The inspection will occur at a time and date agreed in advance by both parties.

**ARTICLE VI  
RIGHTS AND PRIVILEGES OF LESSEE**

All rights and privileges granted to LESSEE herein are expressly made subject to the rules and regulations established from time to time by LESSOR and Laredo International Airport under the provisions of **Article XVIII** of this sub-lease.

**6.01 POSSESSION**

During the term of this sub-lease and while LESSEE is not in default of any of its obligations, LESSEE shall be entitled to and shall have the peaceful possession and enjoyment of the leased premises. Except that the possession and enjoyment of the yard and loading docks at the premises shall not be exclusive, as this area is considered common and is used by the occupants of the contiguous warehouses.

**6.02 COMMON AREAS AND FACILITIES**

LESSEE'S employees, customers, invitees, contractors, suppliers and furnishers of service, and other Tenants, subject to the rules and regulations and to payment of applicable fees, charges and rentals established by LESSOR from time to time, shall have the same privileges to use the public areas and facilities of the Airport as are granted to LESSOR and other similar persons and firms.

**6.03 RUNWAYS, TAXIWAYS AND RAMP AREAS**

LESSEE is not intended to use any RUNWAY, TAXIWAYS or RAMP AREA for AIR TRANSPORTATION PURPOSES. The sub-leased premises will be used only as STORAGE AND WAREHOUSE to Store and Distribute merchandise through ground transportation. In case LESSEE may need the use of the RUNWAY, TAXIWAYS or RAMP AREA at the Laredo International Airport, LESSEE compromises and agree to consult the Laredo International Airport's rules and regulations, to follow the process to get their approval for such purpose, as well as it also compromises to inform the LESSOR of its intention to do so.

LESSEE may make the same use of the RUNWAYS, TAXIWAYS or RAMP AREA at the Airport as is permitted by the Laredo International Airport's rules and regulations at the same fees and charges for the same type of operations, aircrafts and personnel.

**ARTICLE VII  
ASSIGNMENT AND SUBLEASE**

**7.01 ASSIGNMENT AND SUBLEASE**

(a) LESSOR covenants and agrees that it will not sell, convey, transfer, mortgage, pledge this sub-lease or any rights created hereby; provided, however, that LESSEE shall have the right to assign or sublet the sub-leased premises to a third party, upon the condition that the LESSEE hereunder shall remain liable for the full, faithful, and complete performance of this sub-lease, including but not limited to any and all insurance requirements. It is agreed that LESSEE may sublease all or part of the leased premises. Notwithstanding the foregoing, LESSEE may assign this agreement to a related entity without the prior approval of LESSOR; however, LESSEE shall immediately provide LESSOR with written notice of an assignment. Such assignment shall not entitle the LESSOR to terminate this sub-lease as provided in Section 7.01(b) below.

(b) Any assignment or transfer of this sub-lease or any rights of LESSEE hereunder (except as otherwise permitted herein) whether it be a voluntary assignment without the consent of LESSOR, or an assignment or transfer by operation of law, shall entitle the LESSOR at its option to terminate this sub-lease and re-enter upon and take possession of the sub-leased premises and of all improvements thereupon that LESSEE is not authorized to remove under the provisions hereof, and in such event, title to all such improvements located upon the sub-lease premises, and which may not have previously vested in LESSOR, shall vest LESSOR, free and clear of all liens, claims and encumbrances.

**ARTICLE VIII  
USE OF LEASED PREMISES AND AIRPORT FACILITIES**

**8.01 PURPOSE, USE OF PARKING LOT AND DOCKS**

LESSEE shall have the right to use the leased premises for warehousing and a distribution facility, for all legal general merchandise, and for its customer pickup and delivery, including the use of all docking areas attendant to the Premises and trucking delivery drives appurtenant thereto.

LESSEE may install signs or placards in the Parking Area and, without the consent of, or advance notice to, LESSOR, may cause unauthorized vehicles to be towed from the Parking Area so long as LESSEE complies with applicable laws, ordinances and regulations when taking action.

LESSEE shall also have exclusive use to the truck parking servicing Premises' truck docks that correspond to the leased Premises.

LESSEE shall have complete access to both sides of the Premises and all drives to and from the Premises twenty-four (24) hours a day, three hundred and sixty-five (365) days per year.

**8.02 ILLEGAL USE NOT PERMITTED**

LESSEE agrees not to use all or part of the sub-leased premises for any use or purpose in violation of any applicable law, regulation, or ordinance of the United States, the State of Texas, or the City of Taredo, or other lawful authority having jurisdiction over the leased premises.

**8.03 OUTSIDE STORAGE PROHIBITED**

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Initialed for Identification by LESSOR LS and LESSEE MS

Storage of vehicles, equipment, supplies or any other items outside of the building(s) is prohibited if such is not related to the actual day-to-day business function of LESSEE. 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.

#### **8.04 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 (to include aircraft) must be removed at LESSEE'S expense, and failure to do so shall constitute breach of this sub-lease.

#### **8.05 INSTALLATION OF ANTENNAS**

Subject to the prior approval of the Director, the installation, maintenance and operation of antennas and of such electronic, communications, meteorological and aerial navigation equipment and facilities as may be necessary or convenient for the operation of LESSEE'S business shall be permitted on the premises so long as the location, elevation, installation, maintenance or operation of such antennas, equipment operated by the LESSEE are in compliance with the regulations of the premises, the Federal Aviation Administration and does not interfere with the use of the Airport by scheduled airline carriers or other Airport public transportation operators.

#### **8.06 CONDITIONS PROHIBITED**

The premises occupied by the LESSEE shall not 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 tenants of the LESSOR; or
2. Materially and adversely affecting the beneficial enjoyment and use of properties demised to LESSOR'S other tenants (it being understood and agreed that LESSEE'S use of the Premises for the purposes described in Section 8.01 above); or
3. Which violate the zoning or other ordinances of the City of Laredo as amended.

#### **8.07 ULTRA-HAZARDOUS ACTIVITIES INCLUDING FIRE AND EXPLOSIVE HAZARDS**

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

#### **8.08 NOISE LEVELS**

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Initialed for Identification by LESSOR JK, and LESSEE PK

At no point within fifty (50) feet of the property line of 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 which comply with the state and federal licensing requirements) exceed the decibel levels in the designated octave bands shown below:

Octave Band Cycles Per Second	Maximum permitted Sound Level in Decibels RI: <u>0.0002 dynes/cm<sup>2</sup></u>
0-300	75
300-1200	55
1200-4800	45
4800-Above	40

### 8.09 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 except as may occur during the operation of the Premises for the use described in Section 8.01 above.

### 8.10 AIR POLLUTION

a. Any use of the premises by the LESSEE which LESSEE knows will produce excessive smoke, gas, dust, odor, fumes, aerosols, particles, products of combustion, or other atmospheric pollutants, other than emissions from motor vehicles, forklifts, or other ground service equipment operated by LESSEE shall be conducted within a completely enclosed building.

b. Visible emissions of smoke which exceed Ringelmann No. 1 on the Ringelmann Chart of the U.S. Bureau of Mines other than motor vehicle emissions from conveyances of transportation which comply with state and federal licensing and emission requirements shall not be permitted. This requirements applicable to trash and waste material disposal. Wind borne dust, sprays and mists originating in any plants upon the demised premises will not be permitted.

c. No operation shall discharge toxic or noxious matter into the atmosphere or into the sanitary sewer system.

d. Emission of odors by LESSEE detectable at any point beyond the property line of the premises occupied by LESSEE shall not be permitted.

### 8.11 HEAT, GLARE OR ELECTRICAL DISTURBANCES

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. No electrical disturbances may be created within the demised premises which may affect the operation, taking off, and landing of aircraft on the Laredo International Airport.

### 8.12 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 invisible 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.

### **8.13 SIGNS**

Premises signage will be provided by LESSEE at LESSEE's expense and shall conform to the City of Tareo requirements. All LESSEE's signs will be installed and removed by the LESSEE at LESSEE's sole expense.

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

- a. Permitted Signs: LESSEE'S commercial signs shall be limited to those identifying the LESSEE, and the uses conducted on the site and to those necessary for directional purposes. The design and location of all signs shall require the written approval of the LESSOR and its authorized agent prior to installation, not to be unreasonably withheld, to be granted within ten (10) business days of written request therefor by LESSEE together with signage presentation to be installed.
- b. Area and Location: One sign may be permitted on the front of structure and one at the rear of the structure in accordance with a. above.
- c. Construction: All signs shall comply with all building codes of the City of Tareo and with all rules and regulations of the Federal Aviation Administration or any other successor agencies.

### **8.14 REFUSE AND TRASH**

Refuse and trash shall be regularly removed from the demised premises by LESSEE.

### **8.15 SEWAGE DISPOSAL SYSTEMS**

No cesspool, septic tank or other sewage disposal system or device shall be installed, maintained or used upon the premises.

## **ARTICLE IX**

**CARE, MAINTENANCE AND REPAIR BY LESSEE**

**9.01 MAINTENANCE OF PREMISES AND IMPROVEMENTS**

Section 9.1 Maintenance and Repair. At its own expense, the Tenant shall provide reasonable janitorial services to the Premises. Tenant shall maintain in good condition the roof; gutters, downspouts, exterior walls, building structure, foundation, exterior paved areas, curbs, electrical systems, plumbing, drainpipes to sewers, air conditioning and heating systems, interior portions and overhead and personnel doors, and in case Tenant causes damages to any or all above mentioned shall promptly repair them in previous condition, except to the extent that such repairs or maintenance are required due to (i) defects or deficiencies in the workmanship or materials of the Premises or the Landlord improvements and/or (ii) normal wear and tear. The tenant shall be responsible for all broken or cracked glass with the same quality of glass. The Tenant shall refrain from any discharge that will damage the sewer system serving the Premises. The tenant shall also keep the sidewalks abutting the Premises free and clear of hazards, debris and obstructions of any and every kind. Tenant is responsible for the repair and maintenance of its personal property. Tenant will pay for the HVAC services under this lease. HVAC services means the utilities expenses to heat and cool the leased premises. HVAC Service Contract: Tenant besides maintaining the HVAC system is required to maintain at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from HVAC Maintenance Company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and charge the Tenant the expense of such a maintenance and service contract or exercise Landlord's remedies under this lease agreement. The specified items include and relate only to real property in the lease premises. (Check all that apply)

**CONCRETE**

	Tenant	Landlord
Repair of potholes in patio area of maneuvers driveways and loading docks		X
Repair of sidewalks, ramps, steps and corridors of access		X
Repair cracks in walls		X

**ELECTRICITY**

	Tenant	Landlord
Electrical Failure/Power load center	X	
Replacement of lamps and ballasts	X	
Repair of contacts and switches	X	
Replacement of batteries in EXRT advertisements	X	
Replacement of exterior lamps (not including the loading docks area)		X
Maintenance/Installation of an exhaust fan	X	

**GARDENING**

	Tenant	Landlord
		X
	X	
	X	

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Maintenance in outdoor gardening area (Visit 1 time x month)  
 Weeding on loading areas and corridors  
 In-paint on system repair (delivered functional)  
 Pests and grass prevention/elimination with in the lease premises  
 Pests and grass prevention/elimination with in front yard

	X	
		X

**HVAC SYSTEM**

General Maintenance of HVAC system every 5 months  
 Replacement of HVAC system in case of failure  
 Monthly checkup of HVAC system.

Tenant    Landlord

	X	
X		
		X

**PLUMBING**

Repair of downspouts or gutters failures due to aged materials  
 Accessory Kit for toilets, sinks  
 Fix water/gas pipes damage by misuse  
 Repair water/gas aged pipes  
 Regular service to drains and grease traps (if any)  
 Repair or change of Boiler within the first year of use  
 Repair or change of Boiler after the first year of use

Tenant    Landlord

		X
X		
X		
		X
X		X
X		

**PAINTING**

Maintenance interior walls and in good painted condition  
 Maintenance of paint lines at parking lot, handicapped, and fire  
 Paint in walls inside warehouse and loading docks  
 Paint on exterior walls of warehouse

Tenant    Landlord

	X	
		X
X		
		X

**OTHERS**

Tenant    Landlord

Deep cleaning corridors and alleyways  
 Pest control in areas leased by the customer  
 Termite fumigation in property  
 Protection of pipes and gauges to prevent frost  
 Repairing Leaks  
 Repair of gates beaten or misused  
 Maintain in good condition trailer bumpers (Delivered in good condition)  
 Dust sealing under door, base doors and frame  
 Repair damaged fences and access gates strike  
 Replacement and upgrade of fire extinguisher each year  
 Review of fire sprinklers and updates each year  
 Maintenance Pistons overhead doors  
 Repair of door larks, pistons, padlocks and chains  
 Broken glass from misuse  
 Glass and silicon seal  
 Change/repair tiles damaged by misuse  
 Change of grids of climates worn  
 Maintenance of kitchens, drawers and fixtures  
 Change ceiling stained by leaks

X	
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	X

**Section 9.2 Clean and Neat Condition.** The Tenant shall keep the Premises in a clean and neat condition. The Tenant shall properly dispose, or arrange for the prompt disposal, of any and all trash and rubbish.

**Section 9.3 Utilities.** From and after the Rent Commencement Date, the Tenant shall pay when due all charges for electricity, natural gas, water, garbage collection, janitorial service, sewer, and all other utilities of any nature furnished to the Premises, including any connection account initiation fees. The Tenant shall take all steps to ensure that the foregoing services are provided to the account of the Tenant and the Tenant shall pay all hookup or other related fees.

**9.02 FAILURE TO MAINTAIN PREMISES AND IMPROVEMENTS**

In the event LESSEE fails to commence, within a period of 30 days after notice from the LESSOR, any maintenance or repair work required to be done under the provisions hereof other than preventive maintenance, or within a period of 60 days if the said notice specifies that the work to be accomplished by the LESSEE involves preventive maintenance only; or fails in any material respect diligently to continue to completion of the repair or replacement of all of the premises required to be repaired or replaced by LESSEE under the terms of this sub-lease, the LESSOR may, at its option, and in addition to any other remedies which may be available to it, repair or replace all or any part of the leased premises or the improvements thereon included in the said notice and the reasonable cost thereof shall be payable to LESSOR by LESSEE upon demand.

**ARTICLE X  
OBLIGATIONS OF LESSEE**

**10.01 REQUIREMENTS**

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(a) To the extent the same is necessary, LESSEE shall obtain and maintain in effect all Federal Aviation Administration required certificates and licenses necessary to comply with the requirements of this sub-lease and provide and maintain all facilities, equipment and qualified personnel required by such licenses and certificates to provide the services and perform the functions authorized or required herein.

(b) LESSEE shall conduct its operation hereunder in an orderly and proper manner.

(c) LESSEE shall, within reason, control the conduct and demeanor of its officers, agents and employees and upon objection from the Airport Director concerning the conduct or demeanor of any such person, shall immediately take all reasonable steps necessary to remedy the objection.

(d) LESSEE shall commit no nuisance, unpermitted waste, or injury on the leased premises and shall not do or permit to be done anything, which may result in the creation or commission or maintenance of a nuisance, unpermitted waste or injury on the leased premises.

(e) LESSEE shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located on the sub-lease premises.

LESSEE shall not do or permit to be done any act or thing upon the leased premises: (1) Which will invalidate or conflict with any fire insurance policies at the Airport. (2) Which may constitute an extra hazardous condition so as to increase the risks normally attendant upon the operation permitted by this sub-lease; (3) Which will interfere with the safe and efficient operation of the Airport or create any undue noise, vibration, fumes, smoke or any other condition that will be a hazard to the safe operation of the Airport or unreasonably interfere with the operation of other tenants and users of the Airport.

(f) Any liquids having a flash point of less than one hundred and ten degrees Fahrenheit shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories. This shall not apply to underground storage of aircraft fuel for use in LESSEE'S operations under the provisions hereof nor to fuel in aircraft fuel tanks.

## **ARTICLE XI IMPROVEMENTS**

### **11.01 LESSOR'S IMPROVEMENTS**

It is agreed that LESSOR will take care and repair any water leaks that LESSEE could have inside the premises.

### **11.02 CONSTRUCTION BY LESSEE**

LESSEE shall have the right at any time and from time to time during the term of this sub-lease, to erect, maintain, alter, remodel, reconstruct, rebuild, replace buildings, and other improvements on the leased premises, subject to the following general conditions:

- a. The cost of any such work shall be borne and paid for by LESSEE.
- b. The leased premises shall at all times be kept free of mechanic's and material men's liens.

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Initialed for Identification by LESSOR [Signature] and LESSEE [Signature]

c. LESSOR shall be notified in writing of the time of commencement and the general nature of any such work, other than repairs or maintenance of existing buildings or improvements, no less than thirty (30) days before time of commencement.

d. The provisions of Section 11.03 concerning LESSOR'S approval of plans shall be followed.

e. LESSEE shall be responsible for procuring all necessary building and other permits required by the Ordinances of the City of Laredo at its sole cost.

### 11.03 LESSOR'S APPROVAL OF PLANS

LESSOR'S approval of construction, additions, and alterations of buildings or other improvements by LESSEE on the sub-lease premises and off-site improvements shall be governed by the following provisions.

a. **LESSOR's Written Approval Required.** No building or other improvement shall be constructed on the leased premises, unless the plans, specifications, and proposed location of the buildings or other improvements have received the written approval of LESSOR and the City of Laredo.

b. **Submission of Plans.** LESSEE shall, at their own expense, engage a licensed architect or engineer to prepare plans and specifications for the construction of the improvements or the construction of any other buildings or improvements or additions or alterations to any buildings which require LESSOR'S approval under Subsection (a) above. LESSEE shall submit (2) copies of detailed working drawings, plans and specifications for construction of improvements to LESSOR for approval (30) days before any work is to commence.

c. **Approval of LESSOR.** Approval shall be in writing after review of all required drawings, plans, and specifications have been received by LESSOR, and shall be provided by LESSOR within ten (10) business days of its receipt of LESSEE'S plans as provided above. If not granted within such time period, such shall be deemed to be approval of the LESSEE'S plans as submitted.

d. **Effect of Approval.** The approval by LESSOR of any plans and specifications applies only to the conformity of such plans and specification to the general architectural plan for the sub-lease premises, and such approval shall not be withheld unreasonably. LESSOR'S approval does not constitute approval of the architectural or engineering design, and LESSOR, by approving such plans and specifications, assumes no liability or responsibility for the architectural or engineering design or for any defect in any building or improvement constructed from plans or specifications.

### 11.03 RIGHT TO REMOVE IMPROVEMENTS

LESSEE shall have the right at any time during LESSEE'S occupancy of the leased premises, or within a reasonable time thereafter, to remove any and all furniture, machinery, equipment, or other trade fixtures, owned or placed by LESSEE, its sub-lessee or licensees, in, under, or on the leased premises, or acquired by LESSEE, whether before or during the sub-lease term, but prior to the termination of the sub-lease LESSEE must repair any damage to any building or improvements on the premises resulting from their removal. Any such items which are not removed by the termination date of the sub-lease shall become the property of LESSOR as of that date.

**ARTICLE XII  
INSURANCE AND INDEMNIFICATION**

**12.01 IMPROVEMENTS CONSTRUCTED BY LESSEE**

All insurable improvements constructed on the leased premises by either LESSOR or LESSEE if any, shall be insured at all times during the term of this sub-lease by LESSEE under so-called "Fire and Extended Coverage" policy or policies, in the amount equal to the actual replacement cost of such improvements, including costs of replacing excavations and foundations but without deduction for depreciation (hereinafter called "Full Insurable Value") issued by a responsible insurance company or companies authorized to do business in the State of Texas, on a policy form which shall specifically insure against loss or damage by fire, lightning, collision, explosion, strikes, riots, civil commotions, vandalism, malicious mischief, tornado and windstorm. All such insurance policies shall name as insured there under the LESSOR and LESSEE and provide that proceeds of such insurance shall be payable to the LESSOR. Two certified copies of each such policy or replacement or renewal thereof shall be delivered to the Director.

**12.02 OBLIGATIONS DUE TO MAJOR DAMAGE OR DESTRUCTION**

In the event the improvements on leased premises are damaged or destroyed LESSOR shall have the election of repairing or reconstructing the improvements substantially as they were immediately prior to such casualty, or in a new or modified design, or not to construct the improvements, and LESSOR shall give the LESSEE notice of his election hereunder within 30 days next following the damage to or destruction of the improvements. If LESSOR elects not to repair or reconstruct the improvements, this sub-lease and all of LESSEE'S and LESSOR'S not accrued obligations hereunder shall terminate as of the date of the damage or destruction. All rents payable under this sub-lease shall be prorated and paid to the date of termination.

**12.03 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 LESSOR during construction to pay the costs 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, LESSOR 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 LESSOR.

**12.04 BUILDER'S RISK INSURANCE**

During any period of construction by LESSEE on the leased premises, LESSEE shall carry a "Builder's Risk Completed Value Policy" with an all risk endorsement in the minimum amount of one million dollars (\$1,000,000.00).

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Initialed for Identification by LESSOR JA and LESSEE MS

**12.05 FIRE INSURANCE**

LESSEES shall maintain in full force and effect fire insurance of the improvements located on the leased premises.

**12.06 LIABILITY INSURANCE**

Prior to the conduct of its business operations on the Airport, LESSEE, at its sole expense, shall obtain and cause to be kept in full force at all times during the term of this sub-lease, liability insurance issued by a company or companies of sound and adequate financial responsibility, authorized to do business in the State of Texas, by policies meeting the requirements of the laws of the State of Texas, of the following types and minimum amounts:

**Aircraft Liability (Fleet Insurance Acceptable)**

Bodily Injury	\$1,000,000.00 per occurrence
Third Party Property Damage	\$500,000.00 per occurrence

Notwithstanding the foregoing, the LESSOR hereby acknowledges and agrees that as long as the LESSEE does not use the Premises, including any adjacent RUNWAY, TAXIWAYS or RAMP AREA, for AIR TRANSPORTATION PURPOSES, then the LESSEE shall not be required to carry or maintain any of the foregoing Aircraft Liability insurance.

**Comprehensive Public Liability Including Vehicles**

Bodily Injury	\$1,000,000.00 per occurrence
Third Party Property Damage	\$250,000.00 per occurrence

**Products Liability**

Bodily Injury	\$100,000.00 per occurrence
	\$1,000,000.00 per occurrence
Third Party Property Damage	\$1,000,000.00 per occurrence

The above liability insurance shall include the LESSOR as an additional insured under contractual liability coverage for the covenants and indemnification of LESSOR by LESSEE under the term of this sub-lease subject to policy terms and conditions. The naming of the LESSOR, as an additional insured in such policies of liability insurance shall not thereby causes the LESSOR to be deemed as joint venturer with LESSEE in his business conducted on the Airport.

**12.07 COMPREHENSIVE PUBLIC LIABILITY INSURANCE**

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Initialed for Identification by LESSOR       , and LESSEE



LESSEE'S Comprehensive Public Liability Insurance policy shall protect the LESSOR against any and all liability created by reason of LESSEE'S conduct incident to use the Airport, or resulting from any accident occurring on or about the roads, driveways or the public areas of the Airport, including the runways, taxiways and ramps used by LESSEE at Airport.

Comprehensive Public Liability Insurance coverage for the above risks shall maintained in the amount of not less than \$1,000,000.00. It is not required that the LESSOR be an additional named insurance under this excess coverage.

#### **12.08 CERTIFICATES AND DUPLICATES OF INSURANCE**

Certificates, in duplicate, of all insurance coverage required of LESSEE shall be filed with the Director. LESSEE shall procure the insurance required by this sub-lease prior to any cancellation or expiration of the existing insurance policy(s). LESSEE shall provide the LESSOR with all certificates of insurance complying with this sub-lease.

#### **12.09 RIGHTS AND REMEDIES OF LESSOR**

Should LESSEE fail or refuse to obtain and keep in full force and effect the insurance required by this Article XII, LESSOR may either cancel this sub-lease or suspend LESSEE'S rights hereunder.

The LESSOR reserves the right to increase the amounts of insurance coverage described herein above, and to require any additional riders or provisions in said policies or certificates as shall be considered necessary by the LESSOR, consistent with the terms and conditions of this sub-lease; provided, however, such increases or additional riders or provisions shall not be in excess of or in addition to the customary insurance coverage. LESSEE shall immediately comply with said increase or other change. LESSEE shall provide the LESSOR with all certificates of insurance complying with *this* sublease within sixty (60) days.

#### **12.10 WORKMEN'S COMPENSATION INSURANCE**

LESSEE shall, if required by State law, also carry Workmen's Compensation Insurance in the amounts and form required by the Workmen's Compensation Act and the insurance laws of the State of Texas. LESSEE has elected and may continue to elect to opt out of carriage of such Workmen's Compensation to the extent permitted by applicable laws and regulations, and self-insures such liability.

#### **12.11 NON-LIABILITY OF LESSOR FOR THIRD PARTIES**

The LESSOR shall not in any event be liable to LESSEE for any acts or omissions of, or for any condition resulting from, the operations or activities of any third person, firm, corporation, or the agents, servants, employees or independent contractors of any such person, firm, or corporation unless the third party is acting as the agent or servant of Lessor, that results in injury, loss or damage to LESSEE or to any other person, or loss or damage to any personal property installed or stored on the leased premises unless such injury, loss or damage is caused by or arises from the gross negligence or willful misconduct of LESSOR or LESSOR's officers, agents, servants or employees.

The LESSEE shall not in any event be liable to LESSOR for any acts or omissions of, or any condition resulting from, the operations or activities of any third person, firm, or corporation, unless the third party is acting as the agent or servant of Lessee, or the agents, servants, employees or independent contractors of any such person, firm, or corporation, that results in injury, loss or damage to LESSOR or to any other person, or loss or damage to any personal property installed or stored on the leased premises unless such injury, loss or damage is caused by or arises from the gross negligence or willful misconduct of LESSEE or LESSEE'S officers, agents, servants or employees.

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## 12.12 INSURANCE PROVISIONS

All policies of insurance provided for in this Article XII shall be issued in form acceptable to LESSOR by solvent insurance companies licensed to do business in the State of Texas or of internationally recognized reputation in the marketplace with a general policy holder's rating of not less than B+ and a financial rating of "X" as rated in the most current available "Best's Insurance Reports", and qualified to do business in the State of Texas. A certificate thereof shall be delivered to the LESSOR and any such other parties in interest prior to the commencement of the term of this sub-lease and thereafter upon or prior to the expiration of each policy. The amounts of insurance herein above specified shall be increased by LESSEE promptly upon LESSOR'S request. As often as any such policy shall expire or terminate, it shall be renewed, or additional policies shall be procured and maintained, by LESSEE in like manner and to the extent. All such policies of insurance contain provisions that:

- a. the company in writing said policy will give to LESSOR and any such other parties in interest at least thirty days' notice in writing in advance of any cancellations or lapse, or the effective date of any reduction in the amount of insurance;
- b. any loss shall be payable notwithstanding any act or negligence of LESSOR which might result in a forfeiture of the insurance; and
- c. The insurer waives the right of subrogation against LESSOR and against LESSOR'S agents and representatives.

All such public liability, third party property damage and other casualty policies shall be written as primary policies which do not contribute to and are not in excess of coverage which LESSOR may carry. All such public liability and third party property damage policies shall contain a provision that LESSOR and any such other parties in interest, although named as insured, shall nevertheless be entitled to recover under said policies for any loss sustained by it its servants, agents and employees by reason of the negligence of LESSOR. LESSEE'S failure to provide and keep in force any of the insurance policies required hereunder shall be regarded as a material default hereunder entitling LESSOR to exercise any and all of the remedies provided in this sub-lease in the event of LESSEE'S default.

It is understood and agreed that LESSEE provides a self-insurance level for all insurance required under this sublease.

## 12.13 INDEMNIFICATION OF LESSOR

Except to the extent set forth in Section 12.11 above, LESSEE shall keep and hold harmless the LESSOR from any and all costs, liability, damage and expense, including costs of suit and reasonable expenses of legal services, claimed or recovered by anyone by reason of injury to or death of any person or persons and damage to, destruction or loss of use of property, including LESSOR'S property, caused by or resulting from any act or omission of LESSEE, their agents, servants, employees, contractors, or customers, excepting such liability as may be caused by the acts or omission of LESSOR. Provided, however, that upon the filing by anyone of a claim with LESSOR for damages arising out of incidents for which LESSEE herein agrees to indemnify and hold LESSOR harmless, LESSOR shall promptly notify LESSEE of such claim, then LESSEE shall have the right but not the obligation to undertake the legal defense of such claims both on behalf of LESSEE and on behalf of the LESSOR. Upon LESSOR'S request, LESSOR may cooperate in the defense of such claims.

Any final judgment rendered against LESSOR for any cause for which LESSEE is liable hereunder shall be conclusive against LESSEE as to liability and amount upon the expiration of the time to appeal. In addition to LESSEE'S undertaking, as stated in this Article XI, and as means of further protecting LESSOR, its officers, agents, servants, and employees, LESSEE shall at all times during the term of this sub-lease obtain and maintain in effect the insurance coverage required under the provisions of this Article hereof.

## **ARTICLE XIII DEFAULT AND REMEDIES**

### **13.01 EVENTS OF DEFAULT BY LESSEE**

The following shall be deemed to be events of default by LESSEE under this sub-lease:

- A. LESSEE shall fail to pay any rental payment or any other payment required pursuant to this sub-lease after such is due under this sublease, and within five (5) days after written notice by LESSOR.
- B. LESSEE shall fail to comply with any term, covenants, or condition of this sub-lease, other than the payment of rent, and fail to cure within 30 days after written notice by LESSOR.
- C. LESSEE shall have a receiver or trustee appointed for all or substantially all of the assets of LESSEE, or LESSEE shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors other than LESSOR.
- D. LESSEE shall do or permit to be done any act which results in a lien being filed against the leased premises, and does not discharge of record or place bond against said lien within 30 days following written notice by LESSOR to LESSEE of the filing thereof.

### **13.02 REMEDIES**

A. LESSOR after giving a 15 (fifteen) business days written notice to LESSEE of a default as specified hereunder, LESSOR may exercise any remedy provided by law or in equity including but not limited to the remedies hereinafter specified. The LESSOR may cancel this sub-lease, effective upon the date specified in the notice of cancellation. Upon such date, Lessee shall be deemed to have no further rights hereunder. LESSOR may remove all of Lessee's persons and property from the leased premises. Upon any removal of Lessee's property by LESSOR hereunder, LESSEE'S property may be stored at a public warehouse or elsewhere at Lessee's sole cost and expense.

B. In the event that LESSOR elects to re-enter the leased premises without terminating the lease, then LESSEE shall be liable for and shall pay to LESSOR at the place for payment provided in Section 3.04, all rent and other indebtedness accrued to that date, plus rent required to be paid by LESSEE to LESSOR during the remainder of the lease term until the date of expiration of the term, diminished by a net sum thereafter received by LESSOR through re-letting the leased premises (after deducting all expenses incurred by LESSOR to re-let the leased premises). In no event shall LESSEE be entitled to any excess of any rent obtained by re-letting over and above the rent herein reserved. Actions to collect amount due by LESSEE may be brought from time to time, on one or more occasions, without the necessity of LESSOR waiting until expiration of the lease term.

C. Notwithstanding any prior election not to terminate, LESSOR may at any time, including subsequent to a re-entry, elect to terminate this lease on account of such default. Upon termination LESSEE shall be

liable for and shall pay to LESSOR the sum of all rent and other indebtedness accrued to the date of such termination, plus, as agreed and liquidated damages, an amount equal to the rent for the remaining portion of the sub-lease term (had such a term not been terminated by LESSOR prior to expiration of the lease term), less the then fair rental value of the leased premises for said period, the undersigned parties hereby stipulate that the fair rental value shall be the amount of rental for which LESSOR actually leases the leased premises for the remaining portion of the lease term. The fair rental value, if it applies, has to be at least 80% of the last rental LESSEE was paying to LESSOR and LESSOR will show to LESSEE the amount of rental which LESSOR actually leases the leased premises.

D. In case of Default, LESSEE shall also be liable for and shall pay to LESSOR, at the place for payment provided in Section 3.04, in addition to any sum provided to be paid above: Broker's fee incurred by LESSOR in connection with re-letting the whole part or any part of the leased premises; the costs of removing and storing lessee's or other occupant's property; the cost of repairing, altering, remodeling, renovating, or otherwise putting the leased premises into condition acceptable to a new tenant, and all reasonable expenses incurred by LESSOR in enforcing LESSOR'S remedies, including reasonable attorney's fees. Notwithstanding anything to the contrary stated herein, Lessee's maximum liability for default hereunder shall be all rent and or other indebtedness accrued to the default plus rent required to be paid by Lessee to LESSOR during the remainder of the lease term until the date of expiration of the term diminished by a net sums thereafter received by LESSOR through re-letting the leased premises (after deducting all expenses incurred by LESSOR to re-let the leased premises).

### **13.05 CHANGE OF LOCKS**

In the event that LESSEE default in the payment of rent and the default continue for a period of 30 (Thirty) days after the due date of the rent and at least 2 (Two) days after written notice by LESSOR to LESSEE, LESSOR may change the door locks to the leased premises. If this happens, LESSOR shall have the right to withhold a new key from LESSEE unless LESSEE pays all delinquent rent and cures any other existing default. A new key will be provided only during the regular business hours of LESSOR.

## **ARTICLE XIV REPAIR AND MAINTENANCE**

At all times during the term of this sublease, LESSEE will keep in reasonable good condition all buildings, improvements and premises subleased, as only normal wear and tear in the facilities is expected to be suffered by the subleased premises during the term of this sublease or any extension agreed.

## **ARTICLE XV RIGHTS OF ENTRY RESERVED**

### **14.01 LESSOR'S RIGHTS OF ENTRY SHALL BE AS FOLLOWS:**

(a) The LESSOR, by its officer, employees, agents, representative, contractors and the City of Laredo shall have the right with 24 hour notice at a reasonable time during normal business hours of LESSEE to enter upon the leased premises for the purpose of inspecting the same, for observing the performance by LESSEE of its obligations under this sub-lease and for doing for any act or thing which the LESSOR may be obligated or have the right to do under this sub-lease or otherwise.

(b) In the event that any personal property of LESSEE shall obstruct the access of the LESSOR, its officer, employees, agents, or contractors to any of the existing or future utility, mechanical, electrical, and other



systems and thus shall interfere with the inspection, maintenance or repair of any such system. LESSEE shall move such property, as directed by the City or the utility company owning and furnishing the utility service, in order that the access may be had to the system or part thereof for inspection, maintenance or repair, and if LESSEE shall fail to so move such property within a reasonable period after direction from LESSOR or the utility company to do so, the LESSOR or utility company may move it and the LESSEE hereby agree to pay the cost of such moving upon demand.

(c) At any time and from time to time during the ordinary business hours within the three months next preceding the expiration of the term of this sub-lease the LESSOR, by its agents, and employees, shall have the rights to enter upon the sub-lease premises to exhibit to prospective tenants.

(d) Exercise of any or all of the foregoing rights by the LESSOR shall not be or be construed to be an eviction of LESSEE nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

## **ARTICLE XVI LESSORS WARRANTIES AND COVENANTS**

### **15.01 WARRANTY OF QUIET ENJOYMENT**

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

## **ARTICLE XVII ABATEMENT OF RENTALS**

In the event that the Airport should be closed to operations or the premises are unavailable for LESSEE'S use for any reason other than reasons attributable to LESSEE, for any period of time, by any order or direction of the City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction, the LESSOR shall use its best and diligent efforts to make the premises available and habitable to the LESSEE as soon as possible, and the rental for the leased premises shall be abated for the entire period of such closing or such time as the premises were unavailable.

## **ARTICLE XVIII RULES AND REGULATIONS**

From time to time the City may adopt and enforce and regulations with respect to the occupancy and use of the Airport, its services and facilities, by person's vehicles, aircraft and equipment that in City's opinion will reasonably insure the safe, efficient and economically practicable operation thereof and provide for the safety and convenience of those using the Airport, and to protect the Airport and its facilities and the public from damage or injury resulting from operations on, into and from the Airport.

LESSEE agrees to observe and obey any and all rules and regulations and all other Federal, State, and Municipal rules and regulations and laws and to require its officers, agents, employees, contractors, and suppliers, to observe and obey the same.

LESSEE shall be furnished a current copy of any such rules and regulations and any amendments thereto.

## **ARTICLE XIX**

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Initialed for Identification by LESSOR AK and LESSEE DMS

## **NON-DISCRIMINATION**

In the use of the Airport under the provisions of this sub-lease, LESSEE will not discriminate or permit discrimination against any person or group of persons because of race, color, or national origin or in any manner validly prohibited by part 15 of the Federal Aviation Administration's regulations, the Federal Aid Airport Program Grant Agreements applicable to the Airport, and all Federal laws. In enforcing this provision, the City reserves the right to take whatever action it might be required or entitled to take. This provision is to be considered as a covenant on the part of the LESSEE, a breach of which, continuing after written notice by LESSOR to cease or desist, will constitute a material breach of this sub-lease and will entitle the LESSOR at its option to exercise its right of termination as provided for herein.

## **ARTICLE XX NON-EXCLUSIVITY**

Nothing herein contained shall be deemed to grant to LESSEE any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, LESSEE shall have the exclusive right to possession of the leased premises, including the yard and loading dock contained therein, and the loading platform which is contiguous and adjacent to the premises.

## **ARTICLE XXI SPECIAL CONDITIONS**

### **20.01 NATIONAL EMERGENCY**

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

### **20.02 PUBLIC DOCUMENT**

A duplicate original of this sub-lease shall be delivered to the City of Laredo and will constitute a public document under the Texas Open Records Act, being subject to public inspection at any time hereafter.

### **20.03 SUBJECT TO**

This sub-lease is made subject to the Constitution and laws of the State of Texas and the Charter of the City of Laredo, Texas, and to the provisions of the Federal Aid Airport Program Grant Agreements applicable to the Airport and its operation, and the provisions of such agreements, insofar as they are applicable to the terms and provisions of this sub-lease, shall be considered a part hereof to the same extent as though copied herein at length.

## **ARTICLE XXII SPECIAL CONDITIONS**

### **21.01 NON-AUTHORIZED USES PROHIBITED**

LESSEE shall not use or permit the use of the leased premises or any part thereof for any purpose or use

other than those authorized by this sub-lease.

#### **21.02 TEXAS LAW APPLICABLE**

This sub-lease shall be performable and enforceable in Laredo, Webb County, Texas, and shall be construed in accordance with the laws of the State of Texas.

#### **21.03 BENEFIT OF LESSOR AND LESSEE ONLY**

This sub-lease is made for the sole and exclusive benefit of the LESSOR and LESSEE, their successors and assigns, and is not made for the benefit of any third party.

#### **21.04 AMBIGUITY**

In the event of any ambiguity in any of the terms of this sub-lease, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

#### **21.05 BINDING EFFECT**

All covenants, stipulations and agreements in this sub-lease shall extend to and bind each party hereto, and its legal representatives, successors and assigns.

#### **21.06 EFFECTIVE DATE**

This sub-lease shall not become effective until the same has been fully and properly executed by both parties hereto.

#### **21.07 TITLES**

The titles of the several articles of this sub-lease are inserted herein for convenience only and are not intended and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

#### **21.08 NO PARTNERSHIP OR JOINT VENTURE**

The relationship between LESSOR and LESSEE at all times shall remain solely that of LESSOR and LESSEE shall not be deemed a partnership or joint venture. LESSOR shall not have or be construed to have any responsibility or liability for any work, acts, or omissions of LESSEE, their agents, employees, tenants, lessee, guest, invitee or customers.

#### **21.09 PRIOR AGREEMENTS SUPERSEDED**

This sub-lease constitutes the sole and only agreement of the parties to the sub-lease and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of the sub-lease.

#### **21.10 AMENDMENT**

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Initialed for Identification by LESSOR Wcy, ..... and LESSEE TMS .....

No amendment, modification or alteration of the terms of this sub-lease shall be binding unless it is in writing, dated subsequent to the date of this sub-lease, and duly executed by the parties to this sub-lease.

#### **21.11 ATTORNEY'S FEES AND COSTS**

If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it becomes necessary for the other to employ an attorney to enforce or defend any of its rights or remedies hereunder, if such party prevails it shall be entitled to collect reasonable attorneys' fees and costs from the other party.

#### **21.12 TIME OF ESSENCE**

Time is of the essence of this sub-lease.

#### **21.13 INDEMNITY AGAINST TOXIC WASTE CLEANUP**

All operations by LESSEE shall be in compliance with all state, local and federal laws, ordinances and regulations applicable to the business of LESSEE, and in particular those applicable to the storage and dispensing of fuels or other hazardous or toxic chemicals or substances handled, stored or dispensed by LESSEE. LESSEE agree to hold LESSOR completely harmless from, and to fully indemnify LESSOR (except to the extent of negligent, intentional or willful misconduct on the part of the LESSOR) against, all fines, claims, costs and damages (including reasonable attorney's fees) caused by LESSEE'S use of the leased premises, including those caused by spillage, leakage, escape or contamination of any fuel, chemical or substance from or upon the leased premises to the environment caused by LESSEE, including also the cost of removing same or returning the premises to the condition required by the governmental authority responsible for regulating such cleanup.

#### **21.14 PREPARATION OF SUB-LEASE**

The parties hereto expressly agree and stipulate that there shall not be a presumption that this sub-lease shall be construed more strongly against the party drafting this sub-lease or any paragraph, clause or provision hereof.

#### **21.15 GENDER; NUMBER**

Unless the context required otherwise, all pronouns used in this sub-lease shall be held and construed to include the other genders, whether used in the masculine, feminine or neuter gender, and words in the singular number shall be held and construed to include plural, and words in the plural shall be held and construed to include the singular.

#### **21.16 NO WARRANTIES**

LESSOR and LESSEE expressly acknowledge and agree, as a moving and material part of the consideration for the LESSOR entering into this sub-lease with LESSEE, that except as contained in Article XVI herein, LESSOR has made no warranties to LESSEE as to the condition of the premises, either express or implied, and LESSOR and LESSEE expressly disclaim any implied warranty that the premises are suitable for LESSEE'S intended commercial purpose, and also expressly acknowledge and agree that LESSEE'S business success is not dependent upon the condition of the premises or the performance by LESSOR of her obligations hereunder, and that LESSEE will continue and pay the rent provided for

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Initialed for Identification by LESSOR WJ, and LESSEE MS



herein without abatement, set-off, or deduction, notwithstanding any breach by LESSOR of its duties or obligations hereunder, express or implied attorney's fees and costs incurred to enforce this sub-lease.

#### **21.17 BROKERS**

Landlord and Tenant represent and acknowledge that no brokers or other representatives have been involved in the negotiation or completion of this lease except for Carlo Molano from FORUM CRE REAL LLC which have signed a separate agreement with Tenant. Tenant agrees and shall pay a brokerage fee and shall be likewise responsible for the payment of any fees due FORUM CRE LLC in connection with this agreement. Each Landlord and Tenant represents and warrants that no other fees or commissions are payable in connection with this agreement, and each agrees to and shall indemnify and hold the other harmless from any claims by any other person for any such fees or commissions.

### **ARTICLE XXIII AIR OPERATIONS AREA SECURITY**

LESSEE shall provide for the security of the air operations area to prevent ground entry or movement of unauthorized persons from or through the leased premises in accordance with any regulations imposed upon LESSOR by Federal Aviation Administration. LESSEE will indemnify and hold harmless LESSOR, its officers and employees, from any charges, fines, or penalties that may be levied by any agency of the United States or the State of Texas by reason of LESSEE'S failure to comply with this requirement unless such failure is caused by or arises from LESSOR's, its officers' or employees' negligence, gross negligence or willful misconduct.

LESSEE shall, at its own expense, provide reasonable security for the building and other improvements now existing or hereafter erected or installed on the leased premises subject to the approval of the Director.

### **ARTICLE XXIV NOTICES**

All notices, demands or requests from one party to another may be personally delivered or sent by mail, certified, postage prepaid, to the addresses stated in this section and shall be deemed to have been given at the time of personal delivery or at the time of mailing.

All payments notices, demands or requests from LESSEE to LESSOR shall be given or mailed to LESSOR at **2824 E. Bustamante St., Suite C, Laredo, Texas 78041** or at such other address as requested by LESSOR in writing.

All notices demands or requests from LESSOR to LESSEE shall be given or mailed to LESSEE:

Attn: Mr. Tim Stephens  
JOHNSTONE SUPPLY  
2701 Agnes St.  
Carpus Christi, TX 78405.

**IN WITNESS WHEREOF**, this Lease is executed as of the day, month and year first above written.

**LESSOR:**

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Initialed for Identification by LESSOR MLJ and LESSEE TMS

L.A. VENTURES, INC.

BY: [Signature]  
Mr. Humberto Garza/President.

STATE OF TEXAS §  
COUNTY OF WEBB §

This instrument was acknowledged on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS  
My commission expires: \_\_\_\_\_

LESSEE:

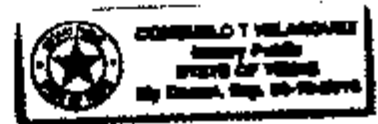
JOHNSTONE SUPPLY

BY: [Signature]  
Mr. Tim Stephens/ Owner

STATE OF Texas §  
COUNTY OF Nueces §

This instrument was acknowledged on the 5<sup>th</sup> day of March, 2015, by

[Signature]  
NOTARY PUBLIC, STATE OF TEXAS  
My commission expires: 6-18-16



## Final Reading of Ordinances

### City Council-Regular

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Jose Luis Flores, Airport Manager

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### SUBJECT

**2015-O-048** Authorizing the City Manager to accept and appropriate the Federal Aviation Administration (FAA) Grant Project No. 3-48-0136-77-2014 Amendment No.1 in the amount of \$678,815.00 and amending the City of Laredo FY2015 Airport Construction Budget for the purpose of Airport improvements. The City's 10% local match for this grant amendment is \$75,424.00. This is part of a multi-year grant totaling \$4,881,196.00; funds are available in the Airport Construction Fund.

### PREVIOUS COUNCIL ACTION

Resolution 2014-R-038 approved on 04/21/2014, Ordinance No. 2014-O-104 approved on 09/02/2014.

### BACKGROUND

The proposed project will enable the airport to use this area as an active aircraft parking area for the cargo aircraft fleet currently utilizing the airport. The structural capacity of the existing pavement section is inadequate for the current aircraft fleet mix. The average Pavement Condition Index (PCI) for this area is 36.5, which corresponds to a Very Poor rating. Foreign Object Debris (FOD) is a problem in this area, in large part due to the pavement condition and poses a safety concern. The Terminal Apron will be rehabilitated. Spalls and cracks will be repaired and failed panels will be replaced. A regenerative air sweeper will be purchased to clean airfield pavement and reduce FOD. A rubble pile, identified as a hazard in the Wildlife Hazard Management Plan, will be removed.

### COMMITTEE RECOMMENDATION

On March 19, 2015, the Airport Advisory Board considered this item and recommends approval.

### STAFF RECOMMENDATION

Approve this ordinance.

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### Fiscal Impact

**Fiscal Year:**

2015

**Budgeted Y/N?:**

**Source of Funds:** FAA Grant #77

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

This grant is part of a multiyear grant funding from 2014 to 2015, where \$678,815.00 was advanced by Airport Fund. Funds will remain in Airport Construction Fund for future projects.

<b>Revenues</b>	<b>Account</b>	<b>Budget</b>	<b>Amendment</b>	<b>Amendment Budget</b>
FAA Grant 77	433-0000-322-2088	4,202,381.00	678,815.00	4,881,196.00
Local Match-433	433-0000-393-0433	542,356.00	-	542,356.00
<b>Total</b>			<b>678,815.00</b>	

<b>Expenses</b>	<b>Account</b>	<b>Budget</b>	<b>Amendment</b>	<b>Amendment Budget</b>
Automotive	433-3670-585-9004	198,594.00	-	198,594.00
Improv. Other Bld.	433-3670-585-9301	4,470,718.00	754,240.00	5,224,958.00
Improv. Other Bld.	433-3670-585-9301	1,254,240.00	(75,425.00)	1,178,815.00
<b>Total</b>			<b>678,815.00</b>	

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**Attachments**

FAA Grant #77 Budget Amend ORD

FAA Grant #77 Budget Amend. No.1 Letter FAA

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**ORDINANCE NO. 2015-O-048**

**AUTHORIZING THE CITY MANAGER TO ACCEPT AND APPROPRIATE THE FEDERAL AVIATION ADMINISTRATION (FAA) GRANT PROJECT NO. 3-48-0136-77-2014 AMENDMENT NO.1 IN THE AMOUNT OF \$678,815.00 AND AMENDING THE CITY OF LAREDO FY2015 AIRPORT CONSTRUCTION BUDGET FOR THE PURPOSE OF AIRPORT IMPROVEMENTS. THE CITY'S 10% LOCAL MATCH FOR THIS GRANT AMENDMENT IS \$75,424.00. THIS IS PART OF A MULTI-YEAR GRANT TOTALING \$4,881,196.00; FUNDS ARE AVAILABLE IN THE AIRPORT CONSTRUCTION FUND.**

WHEREAS, the City of Laredo approves and appropriates revenues from a grant received from the Federal Aviation Administration Airport Improvement Program in the amount of \$4,881,196.00 for the Laredo International Airport Construction Budget; and

WHEREAS, said transfer will fund future grant funds and local match towards Federal Aviation Administration "FAA" Grant(s) for the Airport Improvements Program; and

WHEREAS, the Airport Manager recommends that the City Council approve the proposed budget amendment to the City of Laredo FY 2015 Airport Construction Budget to recognize the additional revenues and to appropriate like expenditures; and

WHEREAS, the Airport Advisory Board finds that amending the budget is in the best interest of the City of Laredo; 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 amend City of Laredo FY 2015 Airport Construction Budget to appropriate revenues from a grant received from the Federal Aviation Administration Airport Improvement Program being Grant Project No. 3-48-0136-77-2014 Amendment No.1 in the amount \$678,815.00 and authorizing the City Manager to implement said budget amendment.

Section 2: This Ordinance shall become effective upon passage hereof.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETE SAENZ  
MAYOR

ATTEST:

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
RAUL CASSO  
CITY ATTORNEY



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Federal Aviation Administration  
Southwest Region, Airports Division  
Texas Airports Development Office

FAA-ASW-650  
2601 Meacham Boulevard  
Fort Worth, Texas 76137

**MAR 09 2015**  
The Honorable Pete Saenz  
Mayor of Laredo, Texas  
P.O. Box 579  
Laredo, Texas 78042

Dear Mayor Saenz:

**Laredo International Airport  
AIP Project No. 3-48-0136-077-2014  
Letter Amendment No. 1**

This letter transmits the Federal Aviation Administration (FAA) current Fiscal Year 2015 statement of the maximum obligation for the multi-year grant agreement for Project No.3-48-0136-077-2014.

The above-captioned grant agreement commits the FAA, acting for and on behalf of the United States of America, to increase the maximum obligation of the United States, as authorized by Section 47108(a) of the Act, as amended. The maximum obligation is increased by \$678,815.00 (from \$4,202,381.00 to \$4,881,196.00) to include the current fiscal year (FY-2015) obligation of the multi-year grant agreement for the subject project. Under the terms of the grant agreement procedures, this document is incorporated into and constitutes Amendment No. 1, to the above referenced grant agreement. All other terms and conditions of the grant agreement remain in full force and effect.

If you have any questions about the applicability of this provision, please contact me directly at 817-222-5650.

Sincerely,

Edward N. Agnew  
Manager, Texas Airports  
Development Office

cc:

Mr. Jose Flores  
Airport Director  
5210 Bob Bullock Loop  
Laredo, Texas 78041

## Final Reading of Ordinances

### City Council-Regular

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, Interim City Manager

**Staff Source:** Tomas M. Rodriguez, Jr., P.E., Utilities Director

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### SUBJECT

**2015-O-049** Authorizing the City Manager to convey an easement and right of way to AEP Texas Central Company located at, and to serve the Max Mandel Golf Course Lift Station off FM 1472, one (1) conveyance over a tract of land containing 2,688 square feet of land, more or less, out of a 270.00 acre tract, situated in Porcion 06, Abstract 38 as described in easement conveyance attached as Exhibit "A"; and providing for an effective date.

### VENDOR INFORMATION FOR COMMITTEE AGENDA

None

### PREVIOUS COUNCIL ACTION

City Council approved on April 6, 2015

### BACKGROUND

AEP Texas Central Company requests a permanent easement and right of way within the area of the Max Mandel Golf Course Lift Station off FM 1472 for the provision of installing permanent electrical facilities to service the lift station; and has submitted proposed easement conveyance for a tract of land containing 2,688 square feet of land, more or less, out of a 270.00 acre tract, situated in Porcion 06, Abstract 38, Blas Maria Diaz Original Grantee, Webb County, Texas conveyed to the City of Laredo and recorded in Volume 2995, Pages 165-210, Webb County Official Public Records.

It is in the best interest of the City to convey the said easement to AEP Texas Central Company, in the form and content attached as Exhibit "A".

### COMMITTEE RECOMMENDATION

Approval of Ordinance #2015-O-049

### STAFF RECOMMENDATION

Approval of Ordinance #2015-O-049

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### Fiscal Impact

**Fiscal Year:**

2015

**Budgeted Y/N?:** y  
**Source of Funds:**  
**Account #:** 559-0000-161-1000  
**Change Order: Exceeds 25% Y/N:** n  
**FINANCIAL IMPACT:**

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**Attachments**

AEP Easement for Max Mandel Golf Course Lift Station  
AEP Ordinance 2015-O-049

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Town: Laredo, Texas  
County: Webb  
Submitted by: MAV/FRH  
Date: 03/13/2015

Description: Install electrical facilities for City of Laredo Max Mandel Golf Course (Jiff Station off FM 1472, Mines Road, Laredo, Texas

WR# 52944184

**EASEMENT AND RIGHT OF WAY**

CITY OF LAREDO, A MUNICIPAL CORPORATION, ("Grantor"), for and in consideration of Ten & 00/100 Dollars (\$10.00), and other good and valuable consideration to Grantor in hand paid by **AEP TEXAS CENTRAL COMPANY**, a Texas Corporation, whose address is P.O. Box 2121, Corpus Christi, Texas 78403 ("Grantee") the receipt and sufficiency of which is hereby acknowledged and confessed, has GRANTED, SOLD, and CONVEYED, and by these presents does GRANT, SELL, and CONVEY unto Grantee, its successors and assigns, a perpetual easement and right of way for electric distribution lines, consisting of poles made of wood, metal, or other materials, cross arms, static wires, guys, wire circuits, underground cables and conduits, communication circuits, metering equipment and all necessary or desirable appurtenances (including, but not limited to, transformers, meters, vaults, and service pedestals) over, under, across, and upon the following described land located in Webb County, Texas, to wit:

SEE EXHIBIT "A", ATTACHED HERETO, MADE A PART HEREOF AND INCORPORATED HEREIN FOR ALL APPLICABLE PURPOSES. (the "Easement Area")

Together with the right of ingress and egress over, under, across and upon the Easement Area and Grantor's adjacent land for the purpose of constructing, operating, reconstructing on poles or burying and replacing underground cables and conduits (including necessary ditching and backfilling), enlarging, inspecting, patrolling, repairing, maintaining, upgrading and removing said lines, circuits, underground cables and conduits, poles, wires and appurtenances; the right to relocate along the same general direction of said lines, cables, and conduits; and the right to remove from the Easement Area all structures, obstructions, trees and parts thereof, using generally accepted vegetation management practices, (whether from the Easement Area or that could grow into the Easement Area) which may, in the reasonable judgment of Grantee, endanger or interfere with the safe and efficient operation and/or maintenance of said lines, cables, conduits or appurtenances or ingress and egress to, from or along the Easement Area.

Grantor reserves the right to use the Easement Area subject to said Easement and Right of Way in any way that will not interfere with Grantee's exercise of the rights hereby granted. However, Grantor shall not construct or permit to be constructed any house or other above ground structure on or within the Easement Area containing Grantee's improvements without the express written consent of Grantee.

TO HAVE AND TO HOLD the above described easement and rights unto the Grantee, its successors and assigns forever. Grantor binds itself, assigns, and legal representatives to warrant and forever defend all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

CITY OF LAREDO, A MUNICIPAL CORPORATION  
(Name of Corporation)

By: \_\_\_\_\_  
Jesus M. Olivares, Interim City Manager  
(Typed Name and Title)

**ACKNOWLEDGMENT FOR CORPORATIONS, PARTNERSHIPS, ASSOCIATIONS, ETC.**

**STATE OF TEXAS**  
**COUNTY OF WEBB**

§  
§  
§

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_

20 15 , by Jesus M. Olivares , Interim City Manager

(name)

(title)

of The City of Laredo, a Municipal Corporation on behalf of

(name of corporation, partnership, association, etc.)

said Corporation \*

(corporation, partnership, association, etc.)

\_\_\_\_\_  
NOTARY PUBLIC, State of Texas

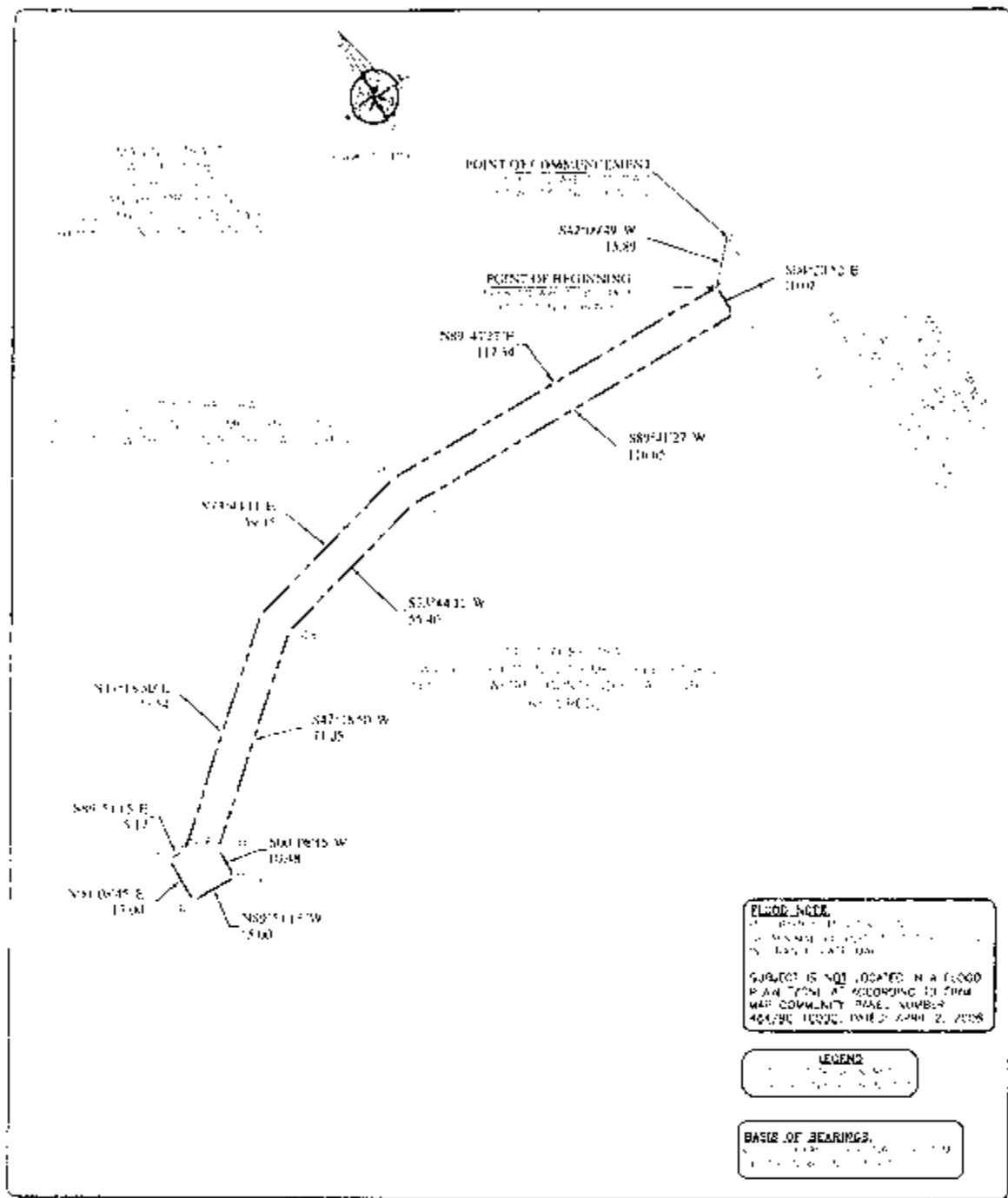
\_\_\_\_\_  
Notary's Typed or Printed Name

(Seat)

Notary's Commission Expires: \_\_\_\_\_

# EXHIBIT "A"

WR# 56-497587  
PAGE 1 OF 2



**FLUOR SOLID**  
 A FLOOD PLAIN IS NOT LOCATED IN A FLOOD PLAIN FROM A RECORDING TO THE MAP COMMUNITY RISK NUMBER 404790 10000. DATE 2-2-2008

**LEGEND**

**BASIS OF BEARINGS**

STATE OF TEXAS  
 COUNTY OF WEBB

THE UNDERSIGNED, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS SURVEY IS TRUE AND WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY HERE UNDER MY SUPERVISION, ON THE GROUND, THAT THE CORNER MONUMENTS WERE PROPERLY PLACED OR LOCATED UNDER MY SUPERVISION.

Francis J. Sherkey, Jr. 02/28/15  
 FRANCIS J. SHERKEY, JR. TEXAS Reg. No. 5902

**NOTE:**  
 THIS SURVEY WAS PREPARED FOR THE CITY OF FLORENCE, TEXAS.

**VARIABLE WIDTH UTILITY EASEMENT BOUNDARY SURVEY**  
 A tract of land containing 2.689 square feet more or less, more or less situated in Block 26, Abstract 38, Star Map No. 10,000, County of Webb, County, Texas, as conveyed to the City of Florence, recorded in Volume 2895, Pages 785-786, Webb County Official Public Records.

**SHERKEY ENGINEERING COMPANY, L.L.C.**  
 TYPE REG. REGISTRATION No. F-250  
 LICENSE REGISTRATION No. 00000000



# Sherfey Engineering Company, L.L.C.

TBPE FIRM REGISTRATION No. F-3132

104 Del Court, Suite 400, Laredo, Texas 79041 PH: (956) 791-3511 FAX: (956) 791-3144

### METES AND BOUNDS DESCRIPTION 2,688 SQUARE FOOT TRACT PORCION 06 - ABSTRACT 38 WEBB COUNTY, TEXAS

A tract of land containing 2,688 square feet of land, more or less, out of a 270.00 acre tract, situated in Porcion 06, Abstract 38, Blas Maria Diaz Original Grantee, Webb County, Texas, conveyed to the City of Laredo and as recorded in Volume 2995, Pages 165-210, Webb County Official Public Records, and being more particularly described by metes and bounds as follows:

**COMMENCING** at a found 1/2 inch iron rod on an interior corner of the said 270.00 acre tract as conveyed to the City of Laredo and recorded in Volume 2995, Pages 165-210, Webb County Official Public Records;

**THENCE**, S 42°09'49" W, a distance of 15.89 feet to a set 1/2 inch iron rod, the **POINT OF BEGINNING** and the most northerly corner of the herein described tract;

**THENCE**, S 04°20'52" E, a distance of 10.02 feet to a set 1/2 inch iron rod, the most easterly corner of the herein described tract;

**THENCE**, S 89°41'27" W, a distance of 116.65 feet to a set 1/2 inch iron rod, a deflection left;

**THENCE**, S 73°44'11" W, a distance of 55.40 feet to a set 1/2 inch iron rod, a deflection left;

**THENCE**, S 47°18'50" W, a distance of 71.05 feet to a set 1/2 inch iron rod, a deflection left;

**THENCE**, S 00°03'45" W, a distance of 10.48 feet to a set 1/2 inch iron rod, the southeast corner of the herein described tract;

**THENCE**, N 89°51'15" W, a distance of 15.00 feet to a set 1/2 inch iron rod, the southwest corner of the herein described tract;

**THENCE**, N 00°08'45" E, a distance of 15.00 feet to a set 1/2 inch iron rod, the most westerly corner of the herein described tract;

**THENCE**, S 89°51'15" E, a distance of 5.17 feet to a set 1/2 inch iron rod, an interior corner of the herein described tract;

**THENCE**, N 47°18'50" E, a distance of 77.54 feet to a set 1/2 inch iron rod, a deflection right;

**THENCE**, N 73°44'11" E, a distance of 59.15 feet to a set 1/2 inch iron rod, a deflection right;

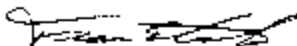
**THENCE**, N 89°41'27" E, a distance of 117.34 feet to return to and close at the **POINT OF BEGINNING**, containing 2,688 square feet of land.

#### Basis of Bearing

For this legal description is the G.P.S. Texas Coordinate System, Texas South Zone (NAD 83)

State of Texas §  
County of Webb §

I, Francisco Estrada IV, a Registered Professional Land Surveyor, do hereby state that the above captioned "Metes and Bounds Description" was prepared from available office records and on the ground survey of the property made under my supervision.

  
R.P.L.S. No. 5862-Texas

02-23-15  
Current Date



EXHIBIT "A"

WR# 56492587  
PAGE 2 OF 2

**ORDINANCE 2015-O-049**

AUTHORIZING THE CITY MANAGER TO CONVEY AN EASEMENT AND RIGHT OF WAY TO AEP TEXAS CENTRAL COMPANY LOCATED AT, AND TO SERVE, THE MAX MANDEL GOLF COURSE LIFT STATION OFF FM 1472, ONE (1) CONVEYANCE OVER A TRACT OF LAND CONTAINING 2,668 SQUARE FEET OF LAND, MORE OR LESS, OUT OF A 270.00 ACRE TRACT, SITUATED IN PORCION 06, ABSTRACT 38 AS DESCRIBED IN EASEMENT CONVEYANCE ATTACHED AS EXHIBIT A; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, AEP Texas Central Company requests an easement and right of way for electrical distribution lines, overhead power lines, wire circuits, underground cables and all necessary or desirable appurtenances through the site owned by the City which site will be used for the install of permanent electrical facilities at the Max Mandel Golf Course Lift Station, in order for AEP to provide electric service to and for that lift station; and

WHEREAS, this permanent easement line has been approved by the Department of Utilities and the location of the line in the tract is shown on Exhibit "A", attached to this ordinance; and

WHEREAS, it is necessary and in the public interest and welfare that the City convey the easement to AEP Texas Central Company, in the form and content attached as Exhibit A.

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

1. It hereby authorizes the City Manager to convey to AEP Texas Central Company, a perpetual easement for the install of permanent electrical facilities through the site of the max Mandel Golf Course Lift Station for service of electricity on the site; and the form of such easement is attached as Exhibit A.
2. This Ordinance shall become effective upon passage thereof.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR on this the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

ATTEST:

\_\_\_\_\_  
PETE SAENZ  
MAYOR

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
RAUL CASSO  
CITY ATTORNEY



## Final Reading of Ordinances

### City Council-Regular

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Jose Luis Flores, Airport Manager

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### SUBJECT

**2015-O-050** Authorizing the City Manager to approve a sublease of Air Cargo Warehouse space constructed by Air Trade Laredo, LLC, on the leased premises approved by Ordinance No. 2011-O-148 dated November 7, 2011 between the City of Laredo as Lessor and Air Trade Laredo, LLC, as Lessee, for the premises consisting of 27,168 sq. ft., located at 4603 Maher at the Laredo International Airport. Said lease provides for the right to sublease subject to City approval, which approval shall not be unreasonably withheld. The sublease is to RobertShaw Controls Company, a Delaware Corporation.

### PREVIOUS COUNCIL ACTION

On November 7, 2011 City Council approved Ordinance No. 2011-O-148 and as amended by Ordinance No. 2013-O-066.

### BACKGROUND

Air Trade Laredo, LLC, is requesting the City to approve a sublease with RobertShaw Controls Company. Air Trade Laredo, LLC is a tenant in good standings.

The permitted uses under the lease agreement are: Air Cargo Facilities (dry and cold storage), Freight Forwarding, Air Cargo Logistics, Transportation, Customs Clearing Services, and Aeronautical use.

### COMMITTEE RECOMMENDATION

On March 19, 2015, the Airport Advisory Board considered this item and recommends approval.

### STAFF RECOMMENDATION

Approval of this Ordinance.

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### Fiscal Impact

<b>Fiscal Year:</b>	2015
<b>Budgeted Y/N?:</b>	
<b>Source of Funds:</b>	
<b>Account #:</b>	N/A

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

No financial impact.

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**Attachments**

Air Trade- Sublease RobertShaw DOC

Air Trade- Sublease RobertShaw ORD

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**LEASE AGREEMENT**

**BETWEEN**

**AIR TRADE LAREDO, L.L.C,**

**A Texas limited liability company,**

**AS LANDLORD,**

**AND**

**ROBERTSHAW CONTROLS COMPANY,**

**A Delaware corporation,**

**AS TENANT**

**DATED**

**March ~~March~~ 16, 2015**

**4603 Maher Avenue, Suites B, C & D**

**Laredo, Texas 78041**

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*Handwritten initials/signature*

**LEASE AGREEMENT**

THIS LEASE AGREEMENT ("Lease") is dated as of \_\_\_\_\_ day of March, 2015, by and between AIR TRADE LAREDO, LLC, a Texas limited liability company ("Landlord"), and ROBERTSHAW CONTROLS COMPANY, a Delaware corporation ("Tenant"). The following capitalized and bold faced terms, which have been placed at the beginning of this Lease for convenience, shall have the meaning set forth below.

**Premises:** Suites B, C & D containing approximately 27,168 square feet of that certain warehouse Building situated on a portion of that certain real property legally described in the Underlying Lease (the "Land").

**Underlying Lease:** Lease between City of Laredo, Texas, as prime landlord, and Landlord, as lessee, dated November 7, 2011, as amended.

**Building:** The Building located at 4603 Maher Avenue, Laredo, Webb County, Texas 78041. Landlord and Tenant stipulate that the number of rentable square feet in the Premises and in the Building set forth above is conclusive and shall be binding upon them.

**Project:** The Building, the Land, improvements, driveways, parking facilities, loading dock areas, roadways, any rail tracks associated with the Building and similar improvements situated on the Land and easements associated with the foregoing or the operation thereof. Landlord and Tenant stipulate that the number of rentable square feet in the Project set forth above is conclusive and shall be binding upon them.

**Permitted Use:** General industrial and warehouse use for the purpose of receiving, storing, shipping and selling (but limited to wholesale sales) products, materials and merchandise as permitted by applicable laws and regulations and for such other uses which may be incidental thereto and permitted by the Underlying Lease.

**Tenant's Proportionate Share of Building:** 75%

**Tenant's Proportionate Share of Project:** 75%

**Lease Term:** Beginning on the Commencement Date and ending on the last day of the 24<sup>th</sup> full calendar month thereafter, unless sooner terminated or extended pursuant to the terms and provisions of this Lease. The Lease Term may be extended pursuant to the Renewal Option as set forth on Exhibit D attached hereto.

**Commencement Date:** The later of (a) April 1, 2015; or (b) the Delivery of Possession (as hereinafter defined).

**Delivery of Possession:** The date on which all keys to the Premises have been physically delivered by Landlord to Tenant (with no contractors or any other workers or persons (including employees, agents or representatives of Landlord) having access to the Premises).

**Base Rent:** Broken down below in chart.

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As used herein, the term "Lease Month" means each calendar month during the Term (and if the Commencement Date does not occur on the first day of a calendar month, the period from the Commencement Date to the first day of the next calendar month shall be included in the first Lease Month for purposes of determining the duration of the Term and the monthly Base Rent rate applicable for such partial month).

Month	Monthly Base Rent
1-12	\$16,300.00
13-24	\$17,660.00

Operating Expense Payments:	\$0.00 per square foot per month during the first twelve months of the Term. Thereafter, Tenant shall pay its Proportionate Share of any increase in Operating Expenses Payments
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Security Deposit:	\$16,300.00
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**TENANT:**

Robertshaw Controls Company  
Attention: Vice President & General Counsel  
191 E. North Avenue  
Carol Stream, IL 60188  
Telephone: (630)260-3147  
Facsimile:

**LANDLORD:**

AIR TRADE LAREDO, LLC  
Attn: Oscar Garza  
4603 Maher Avenue, Laredo, Texas 78041

Exhibit A Intentionally Omitted; Exhibit B Intentionally Omitted;  
Exhibit C (Permitted Hazardous Material); Exhibit D (Renewal Option);  
Exhibit E (Tenant Improvements); and Exhibit F (Landlord's Waiver).

Tenant's Initials



Landlord's Initials

FA & B

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## LEASE

1. **Granting Clause.** In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises, to have and to hold for the Lease Term, subject to the terms, covenants and conditions of this Lease.

2. **Use.**

(a) Subject to Tenant's compliance with all zoning ordinances and Legal Requirements (as hereinafter defined), the Premises may be used only for the Permitted Use. Tenant shall not conduct or give notice of any auction, liquidation, or going out of business sale on the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit waste, overload the floor or structure of the Premises or subject the Premises to use that would damage the Premises. Tenant shall not permit any reasonably objectionable or unpleasant odors, smoke, dust, gas, noise, or vibrations to emanate from the Premises, or take any other action that would constitute a nuisance or would unreasonably disturb, interfere with, or endanger Landlord or any tenants of the Project. Outside storage, including, but not limited to, the storage of material, equipment, trucks and other vehicles and the parking of trucks and trailers used in the operation of Tenant's business, shall be allowed. As used in this Lease, "including" and "include" shall always mean "without limitation."

(b) Subject to this Section 2, Tenant, at its sole expense, shall use and occupy the Premises in compliance with all laws, including the Americans With Disabilities Act, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "Legal Requirements"). The Premises shall not be used as a place of public accommodation under the Americans With Disabilities Act or similar state statutes or local ordinances or any regulations promulgated thereunder, all as may be amended from time to time. Subject to Section 10, Tenant shall, at its expense, make any alterations or modifications, within or without the Premises, that are required by Legal Requirements and which directly relate to Tenant's specific use of the Premises. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance. If any increase in the cost of any insurance on the Premises or the Project is caused by Tenant's use of the Premises, then Tenant shall pay the amount of such increase to Landlord. Prior to the Commencement Date, Landlord shall provide Tenant with a copy of all association restrictions and restrictive covenants applicable to the Project.

3. **Base Rent.** Tenant shall pay Base Rent in the amounts set forth in the table of Base Rent set forth on the first page of this Lease, with the first (1<sup>st</sup>) installment of Base Rent due upon Tenant's execution of this Lease. During the Term of this Lease, Tenant promises to pay to Landlord in advance, without demand, deduction or set-off except as otherwise provided in this Lease, monthly installments of Base Rent on or before the first day of each calendar month succeeding the Commencement Date in accordance with the table of Base Rent set forth on the first page of this Lease. Payments of Base Rent for any fractional calendar month shall be prorated. All payments required to be made by Tenant to Landlord hereunder shall be payable by good and sufficient ACH money transfer drawn on a US national banking institution determined by Tenant to a US national banking institution designated by Landlord. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any rent due hereunder except where expressly provided in this Lease. Tenant acknowledges that late payment by Tenant to Landlord of any rent due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impractical to determine. Therefore, if Tenant is delinquent in any monthly installment of Base Rent, estimated Operating Expenses or other sums due and payable hereunder for more than five (5) days, Tenant shall pay to Landlord promptly upon receipt of notice a late charge equal to one and one-half percent (1 1/2%) of such delinquent sum; provided that the foregoing late fee shall not be charged with respect to the first two (2) occurrences during any 12-month period that Tenant fails to make payment when due until five (5) business days after Landlord delivers written notice of such delinquency to Tenant. In addition, all payments required of Tenant hereunder which are more than 30 days past due shall bear interest from the date due until paid at the lesser of six percent (6%) per annum or the maximum lawful rate of interest. The parties agree that such late charge and interest represent a fair and reasonable estimate of the costs that Landlord will incur by reason of such late payment by Tenant. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as a penalty. Additionally,

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CSG

Tenant shall pay to Landlord all sales, use, transaction privilege, or other excise tax that may at any time be levied or imposed upon, or measured by, any amount payable by Tenant under this Lease.

4. **Security Deposit.** Tenant shall deposit with Landlord, upon execution of this Lease, the sum of SIXTEEN THOUSAND THREE HUNDRED AND NO/100 DOLLARS (\$16,300.00) as a security deposit. In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Tenant, then the Landlord at its option may appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate the Landlord for loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the security deposit, or any portion thereof be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore the security deposit to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a default under this lease. Should Tenant comply with all of the terms, covenants and conditions of this lease and promptly pay all of the Rents and other obligations due herein provided for as they fall due, and all other sums payable by Tenant to Landlord hereunder, the security deposit shall be returned in full to Tenant at the end of the term of this lease, or upon the earlier termination of this lease.

Landlord may deliver the security deposit hereunder by Tenant to a purchaser of Landlord's interest in the leased premises, in the event that such interest be sold and thereupon Landlord shall be discharged from any further liability with respect to such security deposit.

5. **Management of Project.** Landlord and Tenant acknowledge and agree that as of the Commencement Date, Tenant shall be permitted to self-manage its 75% of the Project and therefore Landlord will not be performing regular maintenance of the Project and passing thru the cost of same to Tenant per Section 6 below. Rather, Tenant, will, at its sole cost and expense, be performing regular maintenance of the Project and paying applicable Operating Expenses (not including expenses for which Landlord is responsible for under this Agreement). Notwithstanding the foregoing, Landlord shall continue to maintain, repair and replace those items set forth in Section 10 below and pay for the cost of same. In the event Landlord, in good faith and based on reasonable factors, becomes dissatisfied with Tenant's performance of property management of the Project, then Landlord shall submit notice to Tenant specifying the basis for such dissatisfaction and Tenant shall have thirty (30) days to cure or initiate reasonable steps to cure such dissatisfaction. If Tenant is unable to or fails to cure such dissatisfaction as required in the immediately preceding sentence, then Landlord shall have the right, upon ninety (90) days' notice to Tenant, to either (i) take over on its own the property management functions for the Project or (ii) place the property management functions of the Project with a third party manager. In the event Landlord itself takes over property management functions for the Project or places such functions with a third party manager, (a) the property manager shall comply with Section 6 below, and (b) Tenant shall cooperate with Landlord or the property manager to estimate the total amount of Operating Expenses during the remaining portion of the Calendar Year based on Tenant's records applicable to the Operating Expenses.

6. **Operating Expense Payments.** Subject to the terms of Section 5 above:

During the first twelve months of the Lease Term, Tenant shall not pay any Operating Expenses for the Project. Thereafter, during each month of the Lease Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to seventy-five percent (75%) of 1/12 of the annual cost, as estimated by Landlord as provided herein and based upon prior year's costs and/or reasonably anticipated cost increases, of Tenant's Proportionate Share (hereinafter defined) of any increase in customary Operating Expenses for the Project over the Operating Expenses for the Project during the first twelve months of the Lease Term. Payments thereof for any fractional calendar month shall be prorated.

The term "**Operating Expenses**" means all necessary and reasonable costs and expenses incurred with respect to the ownership, maintenance, and operation of the Project including, but not limited to costs of: Common Area utilities (if any); maintenance and repair of all portions of the Project, including paving and parking areas, roads, roofs (except that Landlord is responsible for replacement of the roof, parking lot, structural systems, mechanical and electrical systems, and all other items as provided or contemplated in Section 10), roof membrane, alleys, and driveways; mowing, landscaping, and exterior painting; the cost of maintaining utility lines, exterior lighting and mechanical and Building systems serving the Building or Project; amounts paid to contractors and

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Landlord's Initials

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subcontractors for work or services performed in connection with any of the foregoing; charges or assessments of any association or any restrictive covenants to which the Project is subject; reasonable fees payable to tax consultants and attorneys for consultation and contesting taxes; environmental insurance or environmental management fees; the cost of any insurance deductibles for insurance required to be maintained by Landlord hereunder (not to exceed \$25,000); property management fees (in an amount not to exceed 3% of Base Rent, but subject to the terms of this Lease) payable to a third party property manager, if applicable; security services, if any; and trash collection, sweeping and removal. In addition, Operating Expenses shall include (1) Taxes (pursuant to Section 8) for each calendar year during the Lease Term, and (2) the cost of insurance maintained by Landlord for the Project (pursuant to Section 9) for each calendar year during the Lease Term. Notwithstanding anything in this Lease to the contrary, in no event shall Controllable Operating Expenses (as hereinafter defined) increase during any calendar year (or prorated portion thereof) by more than five percent (5%) per annum; provided, further, that if the increase in the Controllable Operating Expenses is limited by this 5% limitation in any one year, the Controllable Operating Expenses as limited shall be deemed to be the base amount for determining an adjustment in the subsequent year during the Lease Term. For purposes hereof, "Controllable Operating Expenses" shall mean all Operating Expenses other than Taxes and insurance.

Notwithstanding the foregoing, or anything else in this Lease to the contrary, Operating Expenses do not include (1) costs, expenses, depreciation or amortization for capital repairs and capital replacements required to be made by Landlord under Section 10 of this Lease; (2) debt service under mortgages or base ground rent underground leases; (3) costs of restoration to the extent of net insurance proceeds actually received by Landlord with respect thereto; (4) leasing commissions or the costs of renovating space for tenants; (5) any costs or legal fees incurred in connection with any particular tenant; (6) salaries and fringe benefits for officers, employees (above the position of Building manager) and executives; (7) any management or administrative fee in excess of the amount set forth above; (8) any (i) estate, inheritance, income or transfer taxes on Landlord, (ii) the cost of any challenge to taxes unless such challenge results in a verifiable tax savings to Tenant, or (iii) any late fees or penalties assessed due to any action or inaction by Landlord or its employees, agents or contractors; (9) rentals for items (except when needed in connection with normal repairs and maintenance of permanent systems) which if purchased, rather than rented, would constitute a capital repair, replacement, improvement or equipment under commercially reasonable accounting principles consistently applied or otherwise; (10) costs incurred by Landlord due to the violation by Landlord of the terms and conditions of any lease of space in the Building; (11) costs incurred by Landlord due to a violation of laws or recorded covenants by Landlord or its employees, agents or contractors; (12) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Building or Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis; (13) any costs incurred in connection with upgrading the Building or Project to comply with recorded covenants, the recommendations of any insurance company, or life, fire and safety codes, ordinances, statutes or other laws, not including the ADA, all as in existence as of the Commencement Date, including penalties or damages incurred due to such non-compliance, unless affected by Tenant's product's stored in the leased premises; (14) costs arising from the sole negligence or willful misconduct of Landlord or its employees, or agents; (15) any and all costs arising from the presence of hazardous materials or substances (as defined by applicable laws in effect on the date this Lease is executed) in or about the Premises, Building, or Project, not placed in such by Tenant or its employees, agents or contractors, including without limitation costs incurred in connection with any environmental investigation, clean-up, response action, or remediation, and costs and expenses associated with the defense, administration, settlement, monitoring or management thereof; (16) costs associated with the operation of the business of the partnership or entity which constitutes Landlord, including general corporate overhead, accounting and legal matters, the costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building or Project, any "in-house" legal and/or accounting fees, costs of any disputes between Landlord and its employees or agents; (17) reserves of any kind; (18) costs paid by (or payable by) or reimbursed or reimbursable through insurance or third parties; and (19) any other expenses which, in accordance with commercially reasonable accounting principles, consistently applied, would not normally and customarily charged as common area maintenance expenses or "triple-net" expenses by landlords of comparable Building in the Laredo, Texas warehouse and industrial market area. The cost of any repairs or replacements which are classified as capital improvements under generally accepted accounting principles shall be amortized with interest over the lesser of the useful life of the improvement or ten (10) years and included in Operating Expenses only to the extent of the amortized amount for the respective calendar year.

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Notwithstanding anything to the contrary contained herein, if Tenant requires a trash dumpster larger than the "4-yard dumpster" currently at the Building, to be shared with co-Tenant in suite A, Tenant shall procure, at its sole cost and expense, such additional trash service or dumpsters as may be necessary for Subtenant to operate its business and otherwise comply with this Sublease.

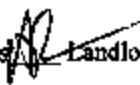
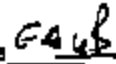
The payment of the sums set forth in Section 6 shall be payable by Tenant in addition to the Base Rent payable pursuant to Section 3. In the event the Lease Term shall begin or expire at any time during any calendar year, the Tenant shall be responsible for its Proportionate Share of any increase in Operating Expenses under Section 6 only during the Lease Term.

Prior to the commencement of each anniversary of the Commencement Date, Landlord or a third party manager designated by Landlord (in the event that Tenant is not self-managing its 75% of the Project) shall estimate for the following 12 month period; (i) the total amount of Operating Expenses; (ii) Tenant's Proportionate Share of any increase in Operating Expenses for such twelve month period over the Operating Expenses for the initial twelve month period of the Lease Term; and (iii) the computation of the annual and monthly rental payable during such twelve month period as a result of the Base Rent plus Tenant's Proportionate Share of any increase in Operating Expenses.

The amount of Tenant's Proportionate Share of any increase Operating Expenses for each twelve month period commencing on an anniversary of the Commencement Date, as so estimated, shall be payable as additional rent, in equal monthly installments, in advance, on the first day of each month during such twelve month period. In the event that such estimate is delivered to Tenant before the first day of April of such twelve month period, the estimated amount shall be payable as additional rent in equal monthly installments, in advance on the first day of each month during such twelve month period. In the event that such estimate is delivered to Tenant after the first day of April of such twelve month period, the estimated amount shall be payable as additional rent in equal monthly installments, in advance, on the first day of each month over the balance of such twelve month period, with the number of installments being equal to the number of full months remaining in such twelve month period.

Upon completion of each twelve month period during the Lease Term, Landlord or a third party manager designated by Landlord (in the event that Tenant is not self-managing its 75% of the Project) shall determine the actual amount of the Operating Expenses payable in such twelve month period and Tenant's Proportionate Share of any increase thereof and deliver to Tenant a written statement of the amounts thereof, together with documentation (including copies of insurance invoices and Tax statements) of Operating Expenses incurred, to the other parties to this Agreement. If Tenant has underpaid its share of Operating Expenses for such twelve month period, Tenant shall pay the balance of its Proportionate Share thereof within thirty (30) days after the receipt of such statement, together with reasonable supporting documentation. If Tenant has overpaid its share of Operating Expenses for such twelve month period, Landlord shall either (i) refund such excess, or (ii) credit such excess against the most current monthly installment or installments due Landlord for Base Rent or its estimate of Tenant's Proportionate Share of Operating Expenses for the next following twelve month period. A pro rata adjustment shall be made for any fractional twelve month period occurring during the Lease Term based upon the number of days of the Lease Term during said calendar year and all additional sums payable by Tenant or credits due Tenant as a result of the provisions of Section 3 and Section 6 shall be adjusted accordingly.

With respect to Operating Expenses, Landlord shall make available to Tenant during regular business hours Landlord's records relating to such items for inspection or audit by Tenant or its representatives. Tenant's review of the Landlord's records concerning such costs shall be at Tenant's expense, unless Landlord's calculations were in error by more than ten percent (10%), in which event Landlord shall pay the reasonable and necessary costs attributable to Tenant's audit of such records.

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Notwithstanding anything to the contrary in this Lease, it is understood and agreed that the Landlord's right to include a management fee as part of Operating Expenses shall be subject to the following conditions: (a) Landlord must have engaged a third party (the "Management Company") to manage the Building and the Project; (b) Landlord and the Management Company must have entered into a written management agreement that set forth the management duties and obligations of the Management Company, as it relates to the Management Company's management of the Building and the Property (such written document being hereinafter referred to as the "Management Agreement"); (c) prior to any obligation of the Tenant to pay any applicable portion of management fees which are covered under the Management Agreement, Landlord shall be required to deliver a redacted copy of the Management Agreement which shows the Management Fee payable and that the Landlord and Management Company have fully executed the Management Agreement; and (d) in the event that subsections (a) through (c) of this Section 6 have been satisfied, the actual management fees under the Management Agreement may be included as part of Operating Expenses, subject, however, to the limitations set forth in this Section 6.

7. Duties. Landlord agrees to provide normal water, electricity, and telephone service connections to the Premises upon the Commencement Date hereof. Tenant will contract, in its own name and for its own account, with the utility and service providers for the connection and use of such services. Tenant shall thereafter timely pay for all water, gas, electricity, heat, light, power, telephone, sewer, refuse and trash collection, and other utilities and services used on the Premises, all maintenance charges for utilities, and any storm sewer charges or other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like pertaining to Tenant's use of the Premises. Except in the event of a casualty, in which case the provisions of Section 15 shall control, in the event utilities serving the Premises are interrupted through no fault of Tenant, Landlord shall not be liable for any interruption in utility services unless caused by Landlord's negligence or willful misconduct. If the interruption is due to Landlord's act or omission and if such interruption creates a condition which substantially interferes with the normal use of the Premises by Tenant, and, as a consequence, Tenant is required to cease business operations in the Premises, in whole or in part, during the duration of such interruption, then, for such duration, any and all Base Rent and Tenant's Proportionate Share of Operating Expenses payable hereunder shall be abated in proportion to the area of the Premises which cannot be used by Tenant. In the event any utility interruption continues for a period greater than an aggregate of fifteen (15) days within a twelve (12) month period, Tenant shall have the option, in addition to Tenant's other remedies set forth in this Lease or otherwise by law, to terminate this Lease immediately upon written notice to Landlord. Tenant, at Tenant's sole cost and expense, shall contract directly with a janitorial service and shall pay for all janitorial services used on or for the Premises.

8. Taxes. Landlord shall timely pay all taxes, assessments, special assessments, improvement districts, and governmental charges (collectively referred to as "Taxes") that either (b) accrue against the Project during the Lease Term if such Taxes are payable in advance, or (c) are assessed against the Project during the Lease Term if such Taxes are payable in arrears. Taxes shall be included as part of the Operating Expenses charged to Tenant pursuant to Section 6 hereof during each year of the Lease Term, based upon Landlord's reasonable estimate of the amount of Taxes, and shall be subject to reconciliation and adjustment pursuant to Section 6 once the actual amount of Taxes is known. Taxes shall include any increase in any of the foregoing based upon construction of improvements on the Project or changes in ownership (as defined in applicable laws). Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens thereof and any costs incurred in such contest may be included as part of Taxes. All capital levies or other taxes assessed or imposed upon the rents payable to Landlord under this Lease and any franchise tax, any excise, transaction, sales, business & occupation, or privilege tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises and/or the Project or any portion thereof shall be the responsibility of Landlord and, in no event shall Tenant be liable for any net income taxes imposed on Landlord. If any such tax or excise is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises, whether levied or assessed against Landlord or Tenant, and if any such taxes are levied or assessed against Landlord or Landlord's property and (1) Landlord pays them or (2) the assessed value of Landlord's property is increased thereby and Landlord pays the increased taxes, then Tenant shall pay to Landlord such taxes within thirty (30) days after Landlord provides written notice to Landlord (but only to the extent such written notice is accompanied by reasonable supporting documentation). Tenant shall have the right, at its sole cost and expense, to contest Taxes, provided that Tenant provides prior written notice thereof to Landlord and indemnifies Landlord from any and all claims relating to such contest.

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Landlord's Initials

9. **Insurance.** Landlord may, at Landlord's sole cost, obtain rent loss insurance and business interruption coverage, and such other insurance and additional coverages as it may deem reasonably necessary, including, but not limited to, flood insurance. Notwithstanding the foregoing, Landlord shall, at Tenant's expense, obtain and maintain the following insurance coverage: all risk property insurance covering the full replacement cost of the Building (excluding foundation), the Tenant Improvements and any other improvements thereto existing prior to the Commencement Date and not covered by item (A) below in the amount of \$2,000,000.00, less a commercially reasonable deductible if Landlord so chooses. The Project or Building may be included in a blanket policy (in which case the cost of such insurance allocable to the Project or Building will be determined by Landlord based upon the insurer's cost calculations). Notwithstanding, Landlord's selection of an insurer and placement of the all-risk property insurance or inclusion in a blanket policy shall be of the best and most affordable option from multiple bids (no less than three) from reputable insurers, including any insurer recommended by Tenant.

Effective as of the date hereof, Tenant, at its expense, shall obtain and maintain in full force the following insurance coverage:

(A) Tenant Made Alterations, Trade Fixtures and any other personal property of the Tenant, covering the full replacement cost of all Tenant Made Alterations, Trade Fixtures and any other personal property of the Tenant;

(B) worker's compensation insurance in accordance with the laws of the state in which the Premises are located with employer's liability insurance in an amount not less than \$1,000,000;

(C) commercial general liability insurance which insures against claims for bodily injury, personal injury, advertising injury, and property damage occurring in or about the Premises. Such commercial general liability insurance shall afford, at a minimum, the following limits: each occurrence: \$1,000,000; general aggregate: \$2,000,000; products/completed operations aggregate: \$1,000,000; personal and advertising injury liability: \$1,000,000; fire damage: \$50,000; fire legal liability: \$50,000; medical payments: \$5,000. This coverage shall include blanket contractual liability, broad form property damage liability, premises-operations and products-completed operations and shall contain an exception to a contractual liability endorsement, and provide primary coverage to Landlord. Such insurance shall be written on an occurrence and not a claims-made basis and contain a standard separation of insured's provision;

(D) umbrella/excess liability insurance, on an occurrence basis, that applies in excess of the required commercial general liability, business automobile liability, and employer's liability policies with a minimum limit of \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate. These limits shall be in addition to and not including those stated for the underlying commercial general liability, business automobile liability, and employers liability insurance required herein; and

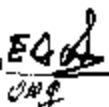
(E) business automobile liability insurance covering owned, hired and non-owned vehicles with limits of \$1,000,000 combined single limit per occurrence.

All policies required to be carried by Tenant hereunder shall be issued by and binding upon an insurance company licensed to do business in the state in which the Premises is located with a rating of at least "A-: X" or better as set forth in the most current issue of Best's Insurance Reports, unless otherwise approved by Landlord in writing. Tenant shall not do or permit anything to be done that would invalidate the insurance policies required herein. Liability insurance maintained by Tenant shall be primary coverage without right of contribution by any similar insurance that may be maintained by Landlord. Certificates of insurance, reasonably acceptable to Landlord, evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord prior to delivery or possession of the Premises (and thereafter, upon written request by Landlord but in no event more than once per calendar year). Certificates of insurance shall include an endorsement for each policy showing that Landlord, Landlord's mortgagees, and Landlord's representatives are included as additional insured's on liability policies. Further, the certificates must include an endorsement for each policy whereby the insurer agrees not to cancel, non-renew, or materially alter the policy without endeavoring to provide at least thirty (30) days' prior written notice to Landlord. Tenant may self-insure under a global captive insurance program for Tenant's parent company.

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Landlord's Initials



In the event that Tenant fails to comply with the foregoing insurance requirements or to timely deliver to Landlord copies of such policies and certificates evidencing the coverage required herein, Landlord, in addition to any remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on promptly upon receipt of notice all costs thereof, plus an administrative fee of ten percent (10%) of such costs.

The limits of insurance required by this Lease, or as carried by Tenant, shall not limit the liability of Tenant or relieve Tenant of any obligation thereunder. Any deductibles selected by Tenant shall be the sole responsibility of Tenant.

Should Tenant engage the services of any contractor to perform work in the Premises, Tenant shall take reasonable steps to ensure that such contractor carries commercial general liability, business automobile liability, umbrella/excess liability, worker's compensation and employer's liability coverages in substantially the same amounts as are required of Tenant under this Lease. Such contractor shall name Landlord, its trustees, officers, directors, members, agents and employees, Landlord's mortgagees and Landlord's representatives as additional insured's on the liability policies required hereunder.

All policies required to be carried by any such contractor shall be issued by and binding upon an insurance company licensed to do business in the state in which the Premises is located with a rating of at least "A-: X" or better as set forth in the most current issue of Best's Insurance Reports, unless otherwise approved by Landlord. Certificates of insurance, reasonably acceptable to Landlord, evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord prior to the commencement of any work in the Premises. Further, the certificates must include an endorsement for each policy whereby the insurer agrees not to cancel, non-renew, or materially alter the policy without at least thirty (30) days' prior written notice to Landlord. The above requirements shall apply equally to any subcontractor engaged by contractor.

Anything in this Lease to the contrary notwithstanding, Landlord and Tenant, to the extent permitted by law, each, on behalf of their respective insurance companies insuring the property of either Landlord or Tenant against any loss or damage to such property, waives any rights of subrogation that Landlord or Tenant or their respective insurance companies based upon an assignment from its insured, may have. If required, both parties hereto agree to submit to their respective carrier's notice of this paragraph so that proper endorsement of their policies can be obtained. It is specifically understood that this waiver of subrogation right shall not in any way result in a waiver by either Landlord or Tenant of any claim for damages or loss not specifically covered by insurance required to be carried by either the Landlord or Tenant under this Lease.

Landlord hereby waives and releases any claims against Tenant, and its officers, directors, employees, and managers (collectively, "Tenant-Related Parties") for any loss or damage to the Building, regardless of whether such loss or damage is covered under the all-risk policy covering the Building, except to extent caused by the willful misconduct of Tenant. Likewise, Tenant hereby waives and releases any claims against Landlord, and its officers, directors, employees, and managers (collectively, "Landlord-Related Parties") for any loss or damage to the Tenant Made Alterations, Trade Fixtures and any other personal property of the Tenant, regardless of whether such loss or damage is covered under the all-risk policy covering the Tenant Made Alterations, Trade Fixtures and any other personal property of the Tenant, except to extent caused by the willful misconduct of Landlord.

10. Landlord's Repairs. This Lease is intended to be a net lease; accordingly, Landlord's maintenance and repair obligations which are not reimbursable by Tenant are limited to the replacement of the Building's roof and the parking lot, and the maintenance, repair and replacement of the structural systems, footings, foundation piers and structural members of the exterior walls, concrete floor, underground plumbing and utilities, mechanical and electrical systems, and the HVAC system, (excluding general monthly maintenance and filters that shall be done by Tenant), and sprinkler system, however, uninsured losses and damages directly caused by Tenant or a Tenant-Related Party are hereby excluded with respect to all of the foregoing items. The term "walls" as used in this Section 10 shall not include windows, window frames, glass or plate glass, doors or overhead doors, door frames, special store fronts, dock bumpers, dock plates or levelers, or office entries, all of which shall be maintained by Tenant. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section 10, after which Landlord shall promptly repair such item. Landlord shall also maintain in good repair and condition the roof membrane, parking areas and other common areas of the Building, including, but not limited to

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driveways, alleys, landscape and grounds surrounding the Premises, the cost of such maintenance, repair and replacement to be paid in accordance with Section 6 hereof.

Landlord hereby represents, warrants and covenants to the Tenant that to the best of Landlord's knowledge the Building is structurally sound and free of latent defects, and is in compliance with all current applicable Legal Requirements. Provided that the Permitted Use of the Building by Tenant does not materially change, Landlord shall be responsible for maintaining compliance of the Building and Tenant Improvements with all applicable Legal Requirements. If either the Premises (including the Building and Tenant Improvements) or the Project is found to be in noncompliance, Landlord shall promptly remedy the violation at Landlord's sole cost and expense. Conversely, if any Tenant-Made Alterations are found to be in noncompliance, Tenant shall promptly remedy the violation at Tenant's sole cost and expense. Landlord shall promptly cure at its sole cost and expense any omission or defects in the Premises that were not known or readily discoverable upon acceptance of possession, and thereafter shall remain liable for any latent defects in the Premises (including the Building and only those Tenant Improvements built Landlord's contractor prior to the lease commencement). Landlord shall promptly, after receiving written notice thereof by Tenant, correct any and all such defects or omission at Landlord's sole cost and expense.

Prior to the Commencement Date, Landlord will inspect and certify that the HVAC system, plumbing, mechanical and electrical systems, as well as overhead doors are in proper working condition. Furthermore, Landlord will provide a nine-month warranty on the HVAC system(s) provided Tenant maintains such systems as required under the Lease and provides written notice to Landlord of a need for repair during such warranty period. In addition, Landlord shall assign to Tenant all warranties and guarantees received by Landlord from manufacturers and suppliers of any item associated with the Premises.

11. Tenant's Repairs.

Subject to Landlord's obligation in Section 10, Tenant, at its sole expense, shall repair and maintain in good condition all portions of the Premises and all areas, improvements and systems exclusively serving the Premises including dock, dock equipment and loading areas, dock doors, above-ground plumbing, entries, doors, ceilings, windows, interior walls, and the interior side of demising walls, and heating, ventilation and air conditioning systems, and other Building and mechanical systems serving the Premises. Subject to the nine-month warranty being given by the Landlord under Section 10 of this Lease, maintenance and repair of the heating, ventilation and air conditioning systems and other mechanical and Building systems serving the Premises shall be at Tenant's expense pursuant to maintenance service contracts entered into by Tenant. The scope of services and contractors under such maintenance contracts shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned.

In the event that any repair or maintenance obligation required to be performed by Tenant hereunder will affect the structural integrity of the Building (e.g., roof, foundation, structural members of the exterior walls), prior to commencing any such repair, Tenant shall provide Landlord with written notice of the necessary repair or maintenance and a brief summary of the structural component or components of the Building that may be affected by such repair or maintenance. Within ten (10) business days after Landlord's receipt of Tenant's written notice, Landlord shall have the right, but not the obligation, to elect to cause such repair or maintenance to be performed by Landlord, or a contractor selected and engaged by Landlord, but at Tenant's sole cost and expense (without any mark-up by or commission to Landlord). The foregoing sentence is not intended to obligate Tenant to pay for repairs or maintenance to those structural items which are Landlord's sole responsibility pursuant to Section 6 above, but shall only require Tenant to pay for the repair and maintenance to such structural components to the extent such repair or maintenance is necessitated due to the performance of Tenant's repair and maintenance obligations pursuant to this Section 11.

12. Tenant-Made Alterations and Trade Fixtures.

(a) Any alterations, additions, or improvements made by or on behalf of Tenant to the Premises ("Tenant-Made Alterations") shall be subject to Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however that Landlord's consent shall not be required nor notice to Landlord shall be required for Tenant-Made Alterations that (1) do not affect the structural components or

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exterior of the Building (including without limitation, roof membrane, the dock and loading areas, truck doors, entry doors or windows), or the mechanical, plumbing or Building systems of the Building and (2) are reasonably projected to cost no more than \$25,000 to complete in any one instance.

(b) Notwithstanding the foregoing, Landlord's consent shall be required for the following items: (i) any modifications to the racking and/or conveyor systems, (ii) the installation of a crane and equipment incidental thereto, (iii) modifications to create one or more clean rooms and equipment incidental thereto, (iv) installation of pads, rock basins, or other improvements to prepare for storage of heavy equipment on the Land in reasonable locations agreed to by the parties, and (v) fencing for secured storage. Further, Landlord hereby grants to Tenant, effective as of the date hereof, the right to access, enter and use the Premises prior to the Commencement Date as necessary for the purpose of constructing and installing the Tenant-Made Alterations identified in this Section 12(b) and as otherwise agreed to between the parties.

(c) All Tenant-Made Alterations shall be approved by Landlord in writing and constructed in a good and workmanlike manner by contractors reasonably acceptable to Landlord and only good grades of materials shall be used. If applicable, all plans and specifications for any Tenant-Made Alterations shall be submitted to Landlord for its approval. Landlord may monitor construction of the Tenant-Made Alterations (but may not charge a supervision or administrative fee). Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations.

(d) Upon completion of any Tenant-Made Alterations, Tenant shall deliver to Landlord sworn statements setting forth the names of all contractors and subcontractors who did work on the Tenant-Made Alterations and final lien waivers from all such contractors and subcontractors.

(e) Upon surrender of the Premises, all Tenant-Made Alterations and any leasehold improvements constructed by Landlord or Tenant shall remain on the Premises as Landlord's property, except to the extent Landlord and Tenant have otherwise agreed in writing in connection with Landlord's consent to any Tenant-Made Alterations. Prior to the expiration or termination of this Lease, Tenant, at its sole expense, shall repair any and all damage caused by such removal and restore the Premises to their condition existing upon the Commencement Date, normal wear and tear and damage due to a casualty or condemnation excepted. The parties hereby agree that, in the event Tenant installs any crane, Tenant may, upon the earlier surrender of the Premises or termination of this Lease, remove and retain ownership in and to any such crane, but shall not remove any crane rails.

(f) Tenant, at its own cost and expense and without Landlord's prior approval, may erect such shelves, bins, machinery and trade fixtures (collectively "Trade Fixtures") in the ordinary course of its business provided that such items do not alter the basic character of the Premises, do not overload or damage the Premises, and may be removed without injury to the Premises, and the construction, erection, and installation thereof complies with the underlying lease between Landlord and the City of Laredo, all Legal Requirements and with Landlord's requirements set forth above. Prior to the expiration or termination of this Lease, Tenant, at its sole expense, shall remove its Trade Fixtures and shall repair any and all damage caused by such removal.

(g) Notwithstanding the foregoing, in connection with the performance of any Tenant-Made Alterations that may be desired by the Tenant and which are approved by the Landlord, Tenant may request (at the time in which such Landlord approval is requested) that the Landlord advise the Tenant whether such Tenant-Made Alterations must be removed by the expiration of the Lease, whereupon, the Landlord shall be obligated at the time in which such Landlord approval is given, advise the Tenant whether such Tenant-Made Alterations must be removed by the expiration of the Lease. Tenant's obligations under this section shall survive the expiration of the Term or earlier termination of this Lease.

13. Signs. All signs, decorations, advertising media, blinds, draperies and other window treatment or bars or other security installations visible from outside the Premises shall be allowed so long as any of the foregoing is in compliance with all applicable ordinances and laws. Tenant shall not make any changes to the exterior of the Premises, install any exterior lights, decorations, balloons, flags, pennants, banners, or painting, or erect or install any fascia or monument signs, windows or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises, unless any of the foregoing is in compliance with all

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applicable ordinances and laws. Upon surrender or vacation of the Premises, Tenant shall have removed all signs and repair, paint, and/or replace the Building fascia surface to which its signs are attached. If Tenant constructs a Landlord-approved monument sign on the Building grounds, Landlord may elect to have Tenant leave the monument sign, in which case Tenant shall remove Tenant's sign panel from the monument sign and restore any damage caused thereby, or have Tenant remove the entire monument sign and restore the Building grounds to their prior condition. Tenant shall obtain all applicable governmental permits and approvals for sign and exterior treatments. Prior to the Commencement Date, Landlord shall provide Tenant with a copy of all association restrictions and restrictive covenants applicable to the Premises and the use, installation and maintenance of any signs, decorations, advertising media, blinds, draperies and other window treatment or bars or other security installations, if any.

14. **Parking.** Tenant shall have the exclusive right to use such parking spaces associated with the use of 75% of the Project in accordance with applicable zoning codes. All motor vehicles (including all contents thereof) shall be parked in the Project's parking areas at the sole risk of Tenant, it being expressly agreed and understood Landlord has no duty to insure any of said motor vehicles (including the contents thereof), and Landlord is not responsible for the protection and security of such vehicles. Tenant shall respect the use of parking spaces by the occupants of the remaining 25% of the Project.

15. **Restoration.**

(a) If at any time during the Lease Term the Premises are damaged by a fire or other casualty, Landlord shall notify Tenant within forty-five (45) days after such damage as to the amount of time Landlord reasonably estimates it will take to restore the Premises. If the restoration time is estimated to exceed one hundred eighty (180) days from the date of such fire or casualty, either Landlord or Tenant may elect to terminate this Lease upon notice to the other party given no later than thirty (30) days after Landlord's notice. If neither party elects to terminate this Lease or if Landlord estimates that restoration will take 180 days or less, then, Landlord shall promptly restore the Premises excluding the improvements installed by Tenant or by Landlord and paid by Tenant, subject to delays arising from Force Majeure events. Notwithstanding the foregoing, either party may terminate this Lease upon thirty (30) days written notice to the other if the Premises are damaged during the last year of the Lease Term and Landlord reasonably estimates that it will take more than thirty (30) days to repair such damage.

(b) Notwithstanding anything to the contrary in this Lease, in the event that the Landlord elects or is otherwise required to repair damage due to a casualty as set forth under this Section 15 and such repairs have not been substantially completed within one hundred eighty (180) days after the date of the casualty (unless, and to the extent, the delay is caused by Tenant or by force majeure in which case the period allotted for substantial completion shall be extended accordingly), Tenant may, in its sole election, terminate this Lease by delivering written notice of termination to the Landlord, in which event this Lease shall terminate, the rights and obligations of the parties hereto shall cease, the accrual, if any, of Base Rent and Tenant's Proportionate Share of Operating Expenses shall cease as of the date of the notice of termination, and any Base Rent and/or Tenant's Proportionate Share of Operating Expenses paid for periods beyond the date of such notice of termination shall be promptly refunded to Tenant.

If the Premises are destroyed or substantially damaged by any peril not covered by the insurance to be maintained by Landlord, Landlord may terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after such destruction or damage or such requirement is made known by any such Landlord's mortgagee, as applicable, whereupon all rights and obligations hereunder shall cease and terminate, except for any liabilities of Tenant and Landlord which accrued prior to Lease termination.

Notwithstanding anything to the contrary, Base Rent and Tenant's Proportionate Share of Operating Expenses shall be abated for the period of repair and restoration in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises. Notwithstanding the foregoing, if in Tenant's reasonable opinion (taking into account its ability to conduct business as needed to meet its customer standards and reasonable demands) Tenant is unable to use the Premises as needed to conduct its business during the restoration period, and Tenant does in fact cease a significant portion of operations in the Building during the restoration period or is required to obtain temporary structures to continue operations, then Rent shall be abated in its entirety until the restoration of the Premises has been completed or Tenant resumes operating at the Premises,

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whichever occurs first. Such abatement, if any, shall be the sole remedy of Tenant, and except as provided herein, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

16. Condemnation. If any part of the Premises or the Project, or reasonable access thereto, should be taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and (d) the Taking would, in Tenant's reasonable judgment, prevent or materially interfere with Tenant's use of the Premises, (e) in Landlord's reasonable judgment would materially interfere with or impair its ownership or operation of the Project or (f) as a result of such Taking, Landlord's mortgagee accelerates the payment of any indebtedness securing all or a portion of the Project, then upon written notice by Landlord this Lease shall terminate and Base Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, the Base Rent payable hereunder during the unexpired Lease Term shall be reduced to such extent as may be fair and reasonable under the circumstances, and Landlord shall restore the Premises to its condition prior to the Taking; provided, however, Landlord's obligation to so restore the Premises shall be limited to the award Landlord receives in respect of such Taking that is not required to be applied to the indebtedness secured by a mortgage. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's Trade Fixtures, if a separate award for such items is made to Tenant.

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17. Assignment and Subletting.

(a) Tenant shall not assign this Lease or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises (each being a "Transfer") without Landlord's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned), and any attempt to do any of the foregoing shall be void and of no effect. Notwithstanding, Landlord shall not deny consent under this Section in the event of a change in control or a sale of all or substantially all of the assets of the Tenant so long as the successor (i) has an equivalent or better credit history than the Tenant (ii) assumes the obligations of Tenant under this Lease and (iii) either has an audited net worth (defined as the total assets less the total liabilities) equivalent to or greater than \$25 million, or provides a guarantor of the Lease which has an audited net worth (defined as the total assets less the total liabilities) equivalent to or greater than \$25 million. Notwithstanding the above, Tenant may assign the Lease to a successor of its business or to any entity controlling, controlled by, or under common control with the original Tenant named herein (a "Tenant Affiliate") without the prior written consent of, and without prior notice to Landlord. In the case of a Transfer that requires the Landlord's prior written consent, Tenant shall reimburse Landlord for all of Landlord's reasonable out-of-pocket expenses in connection with any Transfer (but in no event more than \$1,000.00). Tenant acknowledges and agrees that Landlord may withhold its consent to any proposed assignment for any reasonable basis including, but not limited to: (1) Tenant is in default of this Lease after notice and lapse of applicable cure period; (2) the assignee is unwilling to assume in writing all of Tenant's obligations hereunder; or (3) the Premises will be used for different purposes than those set forth in Section 2 or for a use requiring or generating any Hazardous Substance.

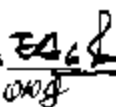
(b) Tenant may sublease the Premises or any part thereof with the prior written consent of Landlord, provided that that: (1) Tenant is not in default of this Lease, and (2) the Premises or such sublet part thereof will not be used for a use requiring or generating any Hazardous Substance. Notwithstanding any sublet or Transfer, except an assignment or change in control as set forth in Section 17(a), Tenant shall at all times remain fully responsible and liable for the payment of the rent and for compliance with all of Tenant's other obligations under this Lease. In the event that the rent due and payable by a sublessee (or a combination of the rental payable under such sublease plus the rent payable under the remaining portion of the Premises, and any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this Lease (which rental shall be calculated on a per square foot basis if less than the entire Premises is subleased), after deducting all commissions, improvement allowances, fees and other expenses incurred in connection with the Transfer, then Tenant shall be bound and obligated to pay Landlord as additional rent hereunder fifty percent (50%) of all such excess rental and other excess consideration, together with all sales, use, transaction privilege, or other excise tax that may at any time be levied or imposed upon said excess rental and other excess consideration, within ten (10) days following receipt thereof by Tenant.

(c) If this Lease is assigned or if the Premises is subleased (whether in whole or in part) or in the event of the mortgage, pledge, or hypothecation of Tenant's leasehold interest or grant of any concession or license within the Premises or if the Premises be occupied in whole or in part by anyone other than Tenant, then upon a default by Tenant hereunder Landlord may collect rent from the assignee, sublessee, mortgagee, pledgee, party to whom the leasehold interest was hypothecated, concessionee or licensee or other occupant and, except to the extent set forth in the preceding subsection, apply the amount collected to the next rent payable hereunder; and all such rentals collected by Tenant shall be held in trust for Landlord and immediately forwarded to Landlord. No such transaction or collection of rent or application thereof by Landlord, however, shall be deemed a waiver of these provisions or a release of Tenant from the further performance by Tenant of its covenants, duties, or obligations hereunder. Any approved assignment or sublease shall be expressly subject to the terms and conditions of this Lease. Landlord's consent to any Transfer shall not waive Landlord's rights as to any subsequent Transfers.

18. Indemnification.

(a) Except to the extent caused by the negligence or willful misconduct of Landlord, its employees, agents or contractors, and to the extent permitted by law, Tenant agrees to indemnify, defend and hold harmless Landlord, and Landlord's agents, employees and contractors, from and against any and all claims, demands, losses, liabilities, causes of action, suits, judgments, damages, costs and expenses (including reasonable attorneys' fees) resulting from claims by third parties for injuries or death to any person and damage to or theft or misappropriation or loss of property to the extent arising from the act or omission of Tenant, its subcontractors,

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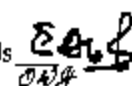
assignees, employees, contractors, and agents. This indemnity provision shall survive termination or expiration of this Lease. The furnishing of insurance required hereunder shall not be deemed to limit Tenant's obligations under this Section 18.

(b) Except to the extent caused by the negligence or willful misconduct of Tenant, its employees, agents or contractors, to the extent permitted by law, and subject to the limitations set forth in Section 19, Landlord agrees to indemnify, defend and hold harmless Tenant, and Tenant's agents, employees and contractors, from and against any and all claims, demands, losses, liabilities, causes of action, suits, judgments, damages, costs and expenses (including reasonable attorneys' fees) resulting from claims by third parties for injuries or death to any person and damage to or theft or misappropriation or loss of property to the extent arising from the act or omission of Landlord, its subtenants, assignees, employees, contractors, and agents. This indemnity provision shall survive termination or expiration of this Lease. The furnishing of insurance required hereunder shall not be deemed to limit Tenant's obligations under this Section 18.

19. **Inspection and Access.** Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time after at least 24 hours prior notice to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. During the last year of the Term of this Lease, Landlord and Landlord's representatives may enter the Premises during business hours after at least 24 hours prior notice for the purpose of showing the Premises to prospective purchasers, lenders or, during the last year of the Lease Term, to prospective tenants. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate common areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially interferes with Tenant's use or occupancy of the Premises. At Landlord's written request, but subject to the terms of this Lease (including those set forth in Section 20 below), Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Notwithstanding anything to the contrary in this Lease, except in the case of an emergency, a representative of the Tenant shall have the right to accompany the Landlord (or the Landlord's representative, if applicable) during any Landlord inspection or any other entry by Landlord.

20. **Quiet Enjoyment.** So long as this Lease is in effect, Tenant shall, subject to the terms of this Lease, underlying ground lease with the City of Laredo, mortgage or deed of trust now or hereafter encumbering the Premises and all matters of record, at all times during the Lease Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord, but not otherwise, Landlord shall not, without Tenant's prior written approval, diminish access, ingress or egress to the Premises, diminish the amount of available parking or the proximity of such parking to the Premises, diminish the ability of Tenant or its invitees to access the loading docks or any entrance to the Premises or diminish the visibility of the Premises from any public street adjacent to the Premises in any material manner which may negatively impact Tenant's business or its right to the quiet use and possession of the Premises.

21. **Surrender.** Upon termination of the Lease Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 15 and 16 excepted. Between thirty (30) and sixty (60) days prior to Tenant vacating the Premises, Landlord and Tenant shall meet for a joint inspection of the Premises. During such joint inspection, Landlord and Tenant shall develop a list of repairs and other work to be performed in order to surrender the Premises to Landlord in the condition required under this Lease; such list to be reasonably acceptable to Landlord and Tenant. Tenant shall complete all such repairs and other work prior to surrendering the Premises to Landlord. Any Trade Fixtures, Tenant-Made Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Lease Term shall survive the termination of the Lease Term, including indemnity obligations, payment obligations with respect to Operating Expenses, which shall be limited to one year after end of lease term, and all obligations concerning the condition and repair of the Premises. If Tenant fails to perform any obligation prior to the expiration or earlier termination of this Lease, Landlord may, but shall not be obligated to, perform such obligation and Tenant shall pay Landlord all costs associated therewith, plus an administrative fee of 10% of such

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costs, promptly upon Landlord's delivery to Tenant of an invoice therefor, and any time required by Landlord to complete such obligations shall be considered a period of holding over and the terms of Section 22 shall apply.

22. **Holding Over.** If Tenant fails to vacate the Premises after the termination of the Lease Term, Tenant shall be a tenant at will or at sufferance, the Lease shall continue on a month-to-month basis, and Tenant shall pay, in addition to any other rent or other sums then due Landlord, a daily base rental equal to 150% of the Base Rent in effect on the expiration or termination date. Tenant shall also be liable for all Operating Expenses incurred during such holdover period. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 22 shall not be construed as consent for Tenant to retain possession of the Premises. Notwithstanding anything to the contrary in this Section 22 or otherwise within this Lease, Tenant acknowledges and agrees that the holdover rent identified herein shall in no event be deemed a penalty, but represents liquidated damages in favor of Landlord, as its sole and exclusive remedy, for any claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, legal fees incurred or suffered by Landlord by reason of Tenant's failure to surrender the Premises on the expiration or earlier termination of this Lease in accordance with the provisions of this Lease.

23. **Events of Default.** Each of the following events shall be an event of default ("**Event of Default**") by Tenant under this Lease:

Tenant shall fail to pay any installment of Base Rent or any other payment required herein when due, and such failure shall continue for a period of five (5) business days or more after Landlord has given written notice to Tenant that such payment is past due, provided that such notice from Landlord shall be in lieu of, and not in addition to, any notice of default required by applicable law; and provided, further, Landlord shall be obligated to give only two (2) such notices per twelve (12) month period, with subsequent payment default to be an Event of Default if such failure to pay shall continue for a period of five (5) business days or more from the date such payment is due (without any notice).

Tenant shall (4) make a general assignment for the benefit of creditors; (5) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (6) become the subject of any Proceeding for Relief which is not dismissed within sixty (60) days of its filing or entry or within ninety (90) days if without the consent or acquiescence of Tenant; or (7) be dissolved or otherwise fail to maintain its legal existence (if Tenant is a corporation, partnership or other entity).

Any insurance required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire and not be promptly renewed or shall be reduced or materially changed, except, in each case, as permitted in this Lease.

Tenant shall attempt or there shall occur any assignment, subleasing or other transfer of Tenant's interest in or with respect to this Lease except as otherwise permitted in this Lease.

Tenant shall fail to discharge or bond over any lien placed upon the Premises in violation of this Lease within sixty (60) days after any such lien or encumbrance is filed against the Premises.

Tenant shall breach any of the requirements of Section 11 and such failure shall continue for a period of thirty (30) days or more after notice from Landlord is received by Tenant, provided, however, if the nature of that failure and obligation are such that more than 30 days are reasonably required for performance, and Landlord is not otherwise jeopardized by such failure, Tenant shall not be in default if Tenant commences performance within 30 days after Landlord's notice and thereafter completes such performance diligently and within a reasonable time; or

Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 23, and except as otherwise expressly provided herein, such default shall continue for more than thirty (30) days after Tenant shall have received written notice of such default from Landlord; provided, however, if the nature

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of that failure and obligation are such that more than 30 days are reasonably required for performance, Tenant shall not be in default if Tenant commences performance within 30 days after Landlord's notice and thereafter completes such performance diligently and within a reasonable time.

24. Landlord's Remedies.

Upon each occurrence of an Event of Default and so long as such Event of Default shall be continuing, Landlord may at any time thereafter at its election: (1) terminate this Lease, (2) terminate Tenant's right of possession, (but Tenant shall remain liable as hereinafter provided), (3) perform Tenant's obligations and Tenant shall pay to Landlord, as additional rent, Landlord's costs incurred to perform the same, and/or (4) pursue any other remedies available to Landlord at law or in equity. Upon the termination of this Lease or termination of Tenant's right of possession, it shall be lawful for Landlord, without formal demand or notice of any kind, to re-enter the Premises by summary dispossession proceedings or any other action or proceeding authorized by law and to remove Tenant and all persons and property therefrom. If Landlord re-enters the Premises, Landlord shall have the right to keep in place and use, or remove and store, at Tenant's sole cost and expense and without any liability therefore, all of the furniture, fixtures and equipment at the Premises.

If Landlord terminates Tenant's right of possession (but not this Lease), then without releasing Tenant from any liability hereunder and without demand or notice of any kind to Tenant Landlord shall use commercially reasonable efforts to relet the Premises on such terms as Landlord in its sole discretion may determine (including a term different from the Lease Term, rental concessions, and alterations to, and improvement of, the Premises); however, Landlord shall not be obligated to relet the Premises before leasing other portions of the Building and Landlord shall not be obligated to accept any prospective tenant proposed by Tenant unless such proposed tenant meets all of Landlord's leasing criteria. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or to collect rent due for such reletting. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Base Rent due hereunder. For the purpose of such reletting Landlord is authorized to make any repairs, changes, alterations, or additions in or to the Premises as Landlord deems reasonably necessary or desirable. If the Premises are not relet, then Tenant shall pay to Landlord as damages a sum equal to the amount of the rental reserved in this Lease for such period or periods, plus the cost of recovering possession of the Premises (including reasonable attorneys' fees and costs of suit through all levels of proceedings), the unpaid Base Rent and other amounts accrued hereunder at the time of repossession, and the costs incurred in any attempt by Landlord to relet the Premises. If the Premises are relet and a sufficient sum shall not be realized from such reletting (after first deducting therefrom, for retention by Landlord, the unpaid Base Rent and other amounts accrued hereunder at the time of reletting, the cost of recovering possession (including reasonable attorneys' fees and costs of suit through all levels of proceedings), all of the costs and expense of repairs, the expense of such reletting (including brokerage fees and leasing commissions) and the cost of collection of the rent accruing therefrom to satisfy the rent provided for in this Lease to be paid, then Tenant shall immediately satisfy and pay any such deficiency. Any such payments due Landlord shall be made promptly upon receipt of notice therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due from time to time. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect in writing to terminate this Lease for such previous breach.

Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, whether by agreement or by operation of law. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same.

Both Landlord and Tenant shall each use commercially reasonable efforts to mitigate any damages resulting from a default of the other party under this Lease.

25. Tenant's Remedies/Limitation of Liability. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within thirty (30) days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in

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excess of thirty (30) days, then after such period of time as is reasonably necessary). All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "Landlord" as used in this Lease shall mean only the owner, for the time being of the Premises, and in the event of the transfer by such owner of its interest in the Premises and provided that the transferee assumes in writing all of Landlord's obligations under this Lease, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership. The liability of Landlord (and its partners, shareholders or members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Building or Project shall be recoverable only from the interest of Landlord in the Building and insurance proceeds relating thereto, and Landlord (and its partners, shareholders or members) shall not be personally liable for any deficiency.

26. Waiver of Jury Trial. TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

27. Subordination; Landlord Waiver and Consent.

Provided that the mortgagee in question shall execute and deliver a non-disturbance agreement in the form as the Landlord, Tenant and the mortgagee may agree, this Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any deed of trust or mortgage or any ground lease, now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant. Tenant agrees, at the election of the holder of any such mortgage, to attorn to any such holder. The provisions of this Section 27 shall be self-operative and no further instrument shall be required to effect such subordination or attornment; however, provided that Tenant receives a duly executed non-disturbance agreement reasonably acceptable to Tenant, then Tenant agrees to execute, acknowledge and deliver such instruments, confirming such subordination and such instruments of attornment as shall be reasonably requested by any such holder within fourteen (14) business days.

Notwithstanding the foregoing, any such holder may at any time subordinate its mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution, delivery or recording and in that event such holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such mortgage and had been assigned to such holder. The term "mortgage" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "holder" of a mortgage shall be deemed to include the beneficiary under a deed of trust.

Tenant shall not seek to enforce any remedy it may have for any default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail to any mortgage holder whose address has been given to Tenant, and affording such mortgage holder the same opportunity to perform Landlord's obligations hereunder as afforded to Landlord under this Lease. Notwithstanding any such attornment or subordination of a mortgage to this Lease, the holder of any mortgage shall not be liable for any acts of any previous landlord, shall not be obligated to install any tenant improvements, and shall not be bound by any payment of rent made more than one month in advance.

Landlord shall obtain, within thirty (30) days following the date of this Lease, a subordination, non-disturbance and attornment agreement from the current mortgage holder, if any, in form and substance reasonably acceptable to Tenant and the mortgage holder.

Concurrently herewith, Landlord shall execute that certain Landlord's Waiver and Consent attached hereto as Exhibit F.

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28. **Mechanic's Liens.** Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of Landlord or Tenant in, the Premises or the Project or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises on Tenant's behalf and that it will save and hold Landlord harmless from all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the interest of Landlord in the Premises or under this Lease. Tenant shall give Landlord prompt written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within sixty (60) days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to Landlord within such sixty (60) day period.

29. **Estoppel Certificates.** Tenant agrees, from time to time, within fourteen (14) business days after written request of Landlord, to execute and deliver to Landlord, or Landlord's designee, any estoppel certificate requested by Landlord, stating that this Lease is in full force and effect, the date to which rent has been paid, that Landlord is not in default hereunder (or specifying in detail the nature of Landlord's default), the termination date of this Lease and such other matters pertaining to this Lease as may be reasonably requested by Landlord.

30. **Environmental Compliance.**

The term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, permits, authorizations, orders, policies or other similar requirements of any governmental authority, agency or court regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Clean Air Act; the Clean Water Act; the Toxic Substances Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Pollution Prevention Act; the Oil Pollution Act; the Emergency Planning & Community Right-to-Know Act and all state and local counterparts thereto, and any common or civil law obligations including nuisance or trespass, and any other requirements of Sections 3 and 15 of this Lease. The term "**Hazardous Substance**" means and includes any substance or material or element, compound or mixture thereof that is or could be regulated under any Environmental Requirement or that may pose a threat to human health and/or the environment, including any substance or material, any solid waste, hazardous waste, hazardous substance, chemical substance, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, synthetic gas, polychlorinated biphenyls ("**PCBs**")), and/or radioactive material. For purposes of Environmental Requirements, to the extent authorized by law, Tenant is and shall be deemed to be the responsible party, including the "owner" and "operator" of Tenant's "facility" and the "owner" of all Hazardous Substances brought on the Premises by Tenant or a Tenant-Related Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

Except for Hazardous Substances contained in products used by Tenant in *de minimis* quantities for ordinary warehousing, cleaning and office purposes and except for the materials of Tenant's customers set forth on Exhibit C attached hereto, Tenant shall not permit or cause any party to bring any Hazardous Substance upon the Premises or transport, store, use, generate, manufacture, dispose, or release any Hazardous Material on or from the Premises without Landlord's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned). Notwithstanding the foregoing to the contrary, Landlord and Tenant acknowledge and agree that Landlord's prior written consent shall not be required (nor shall it constitute a default under this Lease) if the actual materials that Tenant brings onto or are stored at the Premises at any time vary in description, quantity or other non-material characteristic from the descriptions set forth on Exhibit C, so long as such actual materials are substantially the same materials as listed on Exhibit C, Tenant remains at all times in full compliance with Environmental Requirements, and Tenant complies with all other provisions of this Lease (by way of example but not limitation, any such variance from Exhibit C shall not void Tenant's or Landlord's insurance, increase the insurance risk, nor cause the disallowance of any sprinkler credits, as set forth in Section 2(b)). Tenant, at its sole cost and expense, shall operate its business in the Premises in compliance with all Environmental Requirements and all requirements of this Lease. Tenant shall complete and certify to disclosure statements as reasonably requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture, disposal or release of

Tenant's Initials  Landlord's Initials  17  
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Hazardous Substances on the Premises, and Tenant shall promptly deliver to Landlord a copy of any notice of violation relating to the Premises or Project of any Environmental Requirement.

Tenant, at its sole cost and expense, shall remove all Hazardous Substances stored, disposed of or otherwise released by Tenant or a Tenant-Related Party onto or from the Premises, in a manner which complies with all Environmental Requirements. Tenant shall perform such work at any time during the period of the Lease upon written request by Landlord or, in the absence of a specific request by Landlord, before Tenant's right to possession of the Premises terminates or expires. If Tenant fails to perform such work within the time period specified by Landlord or before Tenant's right to possession terminates or expires (whichever is earlier), Landlord may at its sole discretion, and without waiving any other remedy available under this Lease or at law or equity (including an action to compel Tenant to perform such work), upon reasonable prior written notice to Tenant, perform such work at Tenant's cost. Tenant shall pay all reasonable costs incurred by Landlord in performing such work within thirty (30) days after Landlord's request therefor. Such work performed by Landlord is on behalf of Tenant and Tenant remains the owner, generator, operator, transporter, and/or arranger of the Hazardous Substances for purposes of Environmental Requirements. Tenant agrees not to enter into any agreement with any person, including any governmental authority, regarding the removal of Hazardous Substances that have been disposed of or otherwise released onto or from the Premises without the prior written approval of the Landlord.

Tenant shall indemnify, defend, and hold harmless Landlord, its agents and employees from and against any and all losses (including diminution in value of the Premises or the Project and loss of rental income from the Project), claims, demands, actions, suits, damages (including punitive damages), expenses (including remediation, removal, repair, corrective action, or cleanup expenses), and costs (including reasonable attorneys' fees through all levels of proceedings, consultant fees and/or expert fees and including removal or management of any asbestos brought into the Premises or disturbed in breach of the requirements of this Section 30, regardless of whether such removal or management is required by law) which are brought or recoverable against, or suffered or incurred by Landlord as a result of any release of Hazardous Substances or any breach of the requirements under this Section 30 by Tenant or a Tenant-Related Party regardless of whether Tenant had knowledge of such noncompliance. The obligations of Tenant under this Section 30 shall survive any termination of this Lease.

Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this Section 30, or the environmental condition of the Premises. Access shall be granted to Landlord upon Landlord's reasonable prior written notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for all of Landlord's reasonable costs of such inspection and tests. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant. Tenant shall promptly notify Landlord of any communication or report that Tenant makes to any governmental authority regarding any possible violation of Environmental Requirements or release or threat of release of any Hazardous Substance onto or from the Premises. Tenant shall, within thirty (30) days of receipt thereof, provide Landlord with a copy of any documents or correspondence received from any governmental agency or other party relating to a possible violation of Environmental Requirements or claim or liability associated with the release or threat of release of any Hazardous Substance onto or from the Premises.

In addition to all other rights and remedies available to Landlord under this Lease or otherwise, Landlord may, in the event of a breach of the requirements of this Section 30 that is not cured within sixty (60) days following notice of such breach by Landlord, require Tenant to provide financial assurance (such as insurance, escrow of funds or third party guarantee) in an amount and form reasonably satisfactory to Landlord. The requirements of this Section 30 are in addition to and not in lieu of any other provision in the Lease.

Landlord has received no notice that any municipality or any governmental or quasi-governmental authority has determined that there are any violations of the Environmental Requirements with respect to the Premises.

Landlord agrees not to bring any Hazardous Substances upon the Premises or transport, store, use, generate or manufacture or release any Hazardous Substances in or about the Premises without Tenant's prior written

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consent. Notwithstanding any provision in this Lease to the contrary, Tenant shall not have any liability with respect to, and Landlord shall protect, indemnify, defend and hold Tenant harmless for, from and against any and all loss, damages, costs, expenses, claims, suits, judgments, actions, investigations, proceedings and liabilities arising out of or in connection with (i) any Hazardous Materials present on the Project or Premises prior to the Commencement Date, (ii) any Hazardous Materials brought onto the Project or the Premises by any third party (other than employees or invitees of Tenant) during the Lease Term or (iii) the migration of any Hazardous Materials described in clauses (i) or (ii) at any time before, during or after the Lease Term

31. **Rules and Regulations.** Tenant shall, at all times during the Lease Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto, if any. In the event of any conflict between said rules and regulations and other provisions of this Lease, the other terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project.

32. **Force Majeure.** Other than for Tenant's obligations under this Lease that can be performed by the payment of money (e.g., payment of Base Rent and maintenance of insurance), Landlord and Tenant shall not be held responsible for delays in the performance of their respective obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, acts of terrorism, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of Landlord or Tenant, as the case may be ("**Force Majeure**").


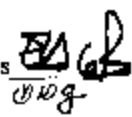
33. **Entire Agreement.** This Lease constitutes the complete and entire agreement of Landlord and Tenant with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained herein, and any prior agreements, promises, negotiations, or representations are superseded by this Lease. This Lease may not be amended except by an instrument in writing signed by both parties hereto.

34. **Severability.** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

35. **Brokers.** Landlord represents that it has executed a separate agreement under which it is obligated to pay a commission to Forum CRE, LLC, with respect to the execution of this Lease and Landlord shall pay such commission in accordance with the terms of such separate agreement. Landlord agrees that Forum CRE, LLC will pay Gabali Realty, as Tenant's representative, a commission with respect to the execution of this Sublease as per separate agreement by and between FORUM CRE, LLC and Gabali Realty.

36. **Tenant Improvements.** The tenant improvements, generally described on Exhibit D attached hereto (the "Tenant Improvements"), shall be constructed and installed by Landlord. Landlord hereby represents, warrants and covenants to the other party that the Tenant Improvements will be erected, installed, constructed, completed and operated in a good and workmanlike manner, structurally sound and free of latent defects, in accordance with all applicable Legal Requirements.

For purposes of this Lease, "**Substantial Completion**" shall mean, as determined by Landlord, in consultation with Tenant and/or Tenant's architect or construction consultants, that Landlord has completed construction of the Tenant Improvements in accordance with Exhibit D and this Lease, except for minor "punch list" items that will not materially interfere with Tenant's occupancy and use of the Project (including the Tenant Improvements) for its intended purposes, and the usual and customary requirements for a Certificate of Occupancy have been met.

Tenant's Initials  Landlord's Initials  19

Other than the Tenant Improvements, and as otherwise set forth herein, Landlord shall not perform any other improvements to the Project, the Tenant having inspected same and accepts same in its "AS IS" condition.

37. Miscellaneous.

**NO SECURITY OBLIGATION.** SUBTENANT SPECIFICALLY ACKNOWLEDGES THAT SUBLANDLORD HAS NO DUTY TO PROVIDE SECURITY FOR ANY PORTION OF THE PREMISES OR THE BUILDING, AND SUBTENANT HAS ASSUMED SOLE RESPONSIBILITY AND LIABILITY FOR THE SECURITY OF ITSELF, ITS PERMITTEES AND THEIR RESPECTIVE PROPERTY, IN, ON, ABOUT OR WITHIN THE PREMISES AND THE BUILDING. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, SUBTENANT EXPRESSLY STIPULATES, ACKNOWLEDGES AND AGREES THAT TO THE EXTENT SUBLANDLORD ELECTS TO PROVIDE ANY SECURITY, SUBLANDLORD IS NOT WARRANTING THE EFFICACY OF ANY SUCH SECURITY PERSONNEL, SERVICES, PROCEDURES OR EQUIPMENT AND THAT SUBTENANT IS NOT RELYING AND SHALL NOT HEREAFTER RELY ON ANY SUCH PERSONNEL, SERVICES, PROCEDURES OR EQUIPMENT. SUBLANDLORD SHALL NOT BE RESPONSIBLE OR LIABLE IN ANY MANNER FOR FAILURE OF ANY SUCH SECURITY PERSONNEL, SERVICES, PROCEDURES OR EQUIPMENT TO PREVENT OR CONTROL, OR APPREHEND ANYONE SUSPECTED OF, PERSONAL INJURY OR PROPERTY DAMAGE IN, ON OR AROUND THE PREMISES AND THE BUILDING.

Tenant is knowledgeable and experienced in commercial transactions and does hereby acknowledge and agree that the provisions of this Lease for determining charges and amounts payable by Tenant are commercially reasonable and valid and constitute satisfactory methods for determining such charges and amounts as required by Section 93.012 (assessment of charges) of the Texas Property Code, as enacted by House Bill 2186, 77th Legislature. TENANT FURTHER VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ALL RIGHTS AND BENEFITS OF LANDLORD UNDER SUCH SECTION, AS IT NOW EXISTS OR AS IT MAY BE HEREAFTER AMENDED OR SUCCEDED.

Any payments or charges due from Tenant to Landlord hereunder shall be considered rent for all purposes of this Lease.

If and when included within the term "Tenant", as used in this Lease, there is more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Tenant.

All notices required or permitted to be given under this Lease shall be in writing and shall be sent by certified mail, return receipt requested, or by a reputable national overnight courier service, with proof of delivery and postage prepaid, or by hand delivery and sent to the Notice Address for each party noted on page (ii) of this Lease. Either party may by notice given aforesaid change its address for all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon delivery.

Except as otherwise expressly provided in this Lease, Landlord's consent or approval, may not be unreasonably withheld, delayed or conditioned.

Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord, Tenant will execute a memorandum of lease.

Each party acknowledges that it has had the opportunity to consult counsel with respect to this Lease, and therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto.

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The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

Construction and interpretation of this Lease shall be governed by the laws of the state in which the Project is located, excluding any principles of conflicts of laws.

Time is of the essence under this Lease.

All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. In the event of any conflict between such exhibits or addenda (other than the rules and regulations) and the terms of this Lease, such exhibits or addenda shall control. In the event of a conflict between the rules and regulations attached hereto and the terms of this Lease, the terms of this Lease shall control.

If either party should prevail in any litigation instituted by or against the other related to this Lease, the prevailing party, as determined by the court, shall receive from the non-prevailing party all costs and reasonable attorneys' fees through all levels of proceedings (payable at standard hourly rates) incurred in such litigation, including costs on appeal, as determined by the court.

There shall be no merger of the leasehold estate hereby created with the fee estate in the Premises or any part thereof if the same person acquires or holds, directly or indirectly, this Lease or any interest in this Lease and the fee estate in the leasehold Premises or any interest in such fee estate.

Tenant hereby represents and warrants to Landlord that Tenant is and will remain during the Term a duly formed and existing entity qualified to do business in the state in which the Premises are located, that Tenant has full right and authority to execute and deliver this Lease, that each person signing on behalf of Tenant is authorized to do so. Landlord hereby represents and warrants to Tenant that Landlord is a duly formed and existing entity qualified to do business in the state in which the Premises are located, that Landlord has full right and authority to execute and deliver this Lease, and that each person signing on behalf of Landlord is authorized to do so.

Landlord reserves to itself the right, from time to time, to grant such easements, rights and dedications that Landlord deems necessary or desirable, and to cause the recordation of parcel maps, easement agreements and covenants, conditions and restrictions, so long as such easements, rights, dedications, maps and covenants, conditions and restrictions do not unreasonably interfere with the permitted use of the Premises by Tenant.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

**LANDLORD:**

**AIR TRADE LAREDO, LLC**, a Texas limited liability company

By: [Signature]  
Name: EDUARDO ALARCON  
Title: MANAGER  
Execution Date: 3/17/2015

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Execution Date: \_\_\_\_\_

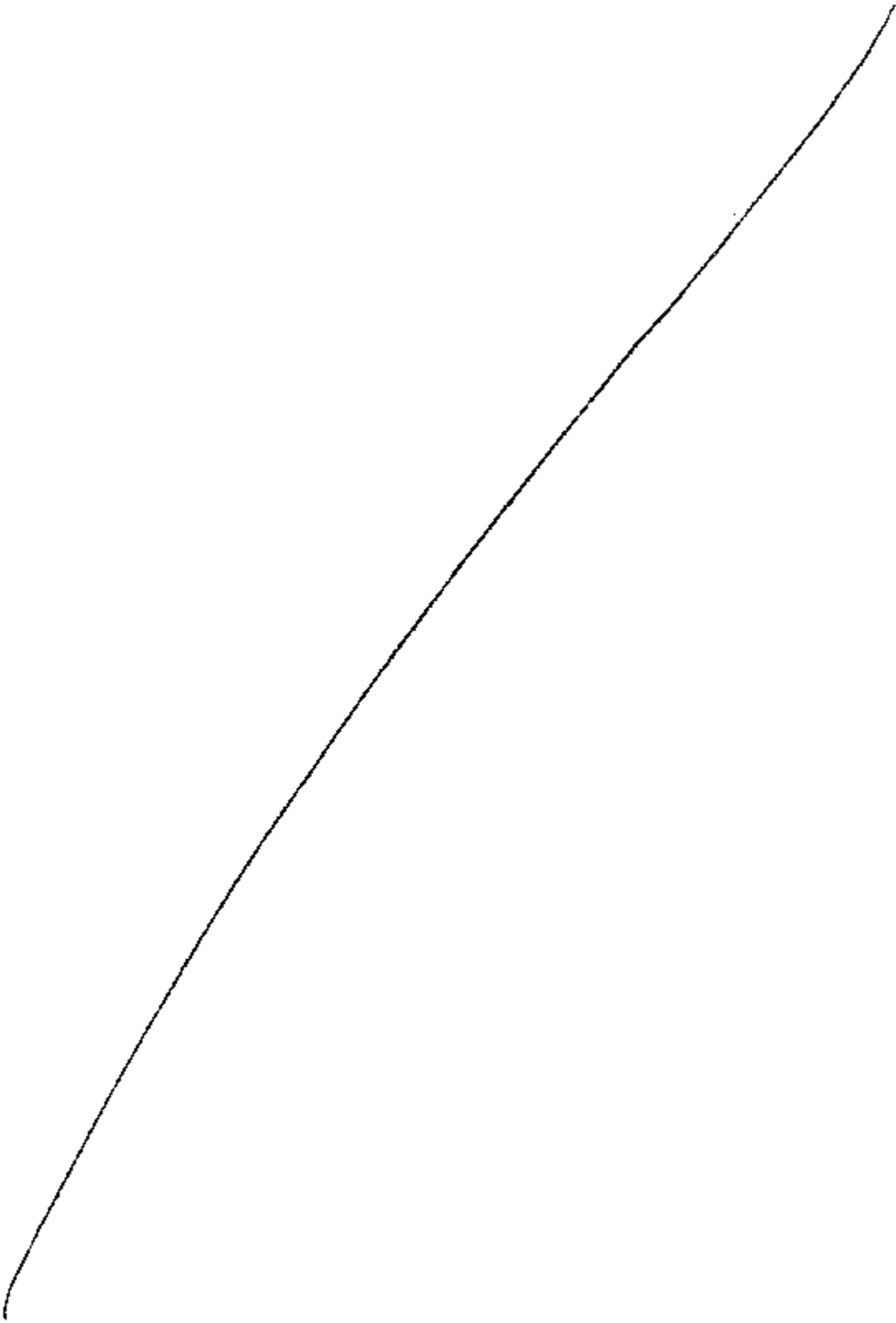
**TENANT:**

**ROBERTSHAW CONTROLS COMPANY**, a Delaware corporation

By: [Signature]  
Name: FRANK BACHMAN  
Title: Vice President - General Counsel  
Execution Date: 3/16/2015

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EXHIBIT C

PERMITTED HAZARDOUS SUBSTANCES

NONE

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**EXHIBIT D**  
**RENEWAL OPTION**

(a) Provided that as of the time of the giving of the Renewal Notice and the Commencement Date of the first Renewal Term or second Renewal Term, as applicable (as those terms are hereinafter defined), no Event of Default then exists, or both, then Tenant shall have the right to extend the Lease Term for a total of two (2) additional terms of two (2) years each (such additional terms are hereinafter each referenced herein as a "**Renewal Term**") and, including the initial Lease Term representing a total potential term of 6 years) commencing on the day following the expiration of the Lease Term or the first Renewal Term, as applicable (hereinafter referred to as the "**Commencement Date of the Renewal Term**"). Tenant shall give Landlord written notice (hereinafter called the "**Renewal Notice**") of its election to extend the term of the Lease Term or first Renewal Term at least 180 days, but not more than 365 days, prior to the scheduled expiration date of the Lease Term or first Renewal Term, if applicable.

(b) The Annual Base Rent payable by Tenant to Landlord during any Renewal Term shall be increased by the greater of: (i) the percentage change in the CPI (as defined in Section 1.07 of the Underlying Lease) adjusted annually on the anniversary date of the Commencement Date or (ii) two (2%) percent adjusted annually on the anniversary date of the Commencement Date.

(c) Except for the Base Rent as determined above and as set forth in paragraph (i) below, Tenant's occupancy of the Premises during any Renewal Term shall be on the same terms and conditions as are in effect immediately prior to the expiration of the initial Lease Term; provided, however, Tenant shall have no further right to any allowances (except as set forth in paragraph (i) below), credits or abatements or any options to renew or extend the Lease.

(d) If Tenant does not give either Renewal Notice within the periods set forth in subsection (a) above, Tenant's right to extend the Lease Term shall automatically terminate. Time is of the essence as to the giving of either Renewal Notice.

(e) Landlord shall have no obligation to refurbish or otherwise improve the Premises for a Renewal Term. The Premises shall be tendered on the Commencement Date of any Renewal Term in "as is" condition.

(f) If the Lease is extended for a Renewal Term, then Landlord shall prepare and Tenant shall execute an amendment to the Lease confirming the extension to the Lease Term and the other provisions applicable thereto (the "**Amendment**").

(g) If Tenant exercises its right to extend the term of the Lease for a Renewal Term pursuant to this Addendum, the term "Lease Term" as used in the Lease, shall be construed to include, when practicable, the Renewal Term except as provided in (d) above.

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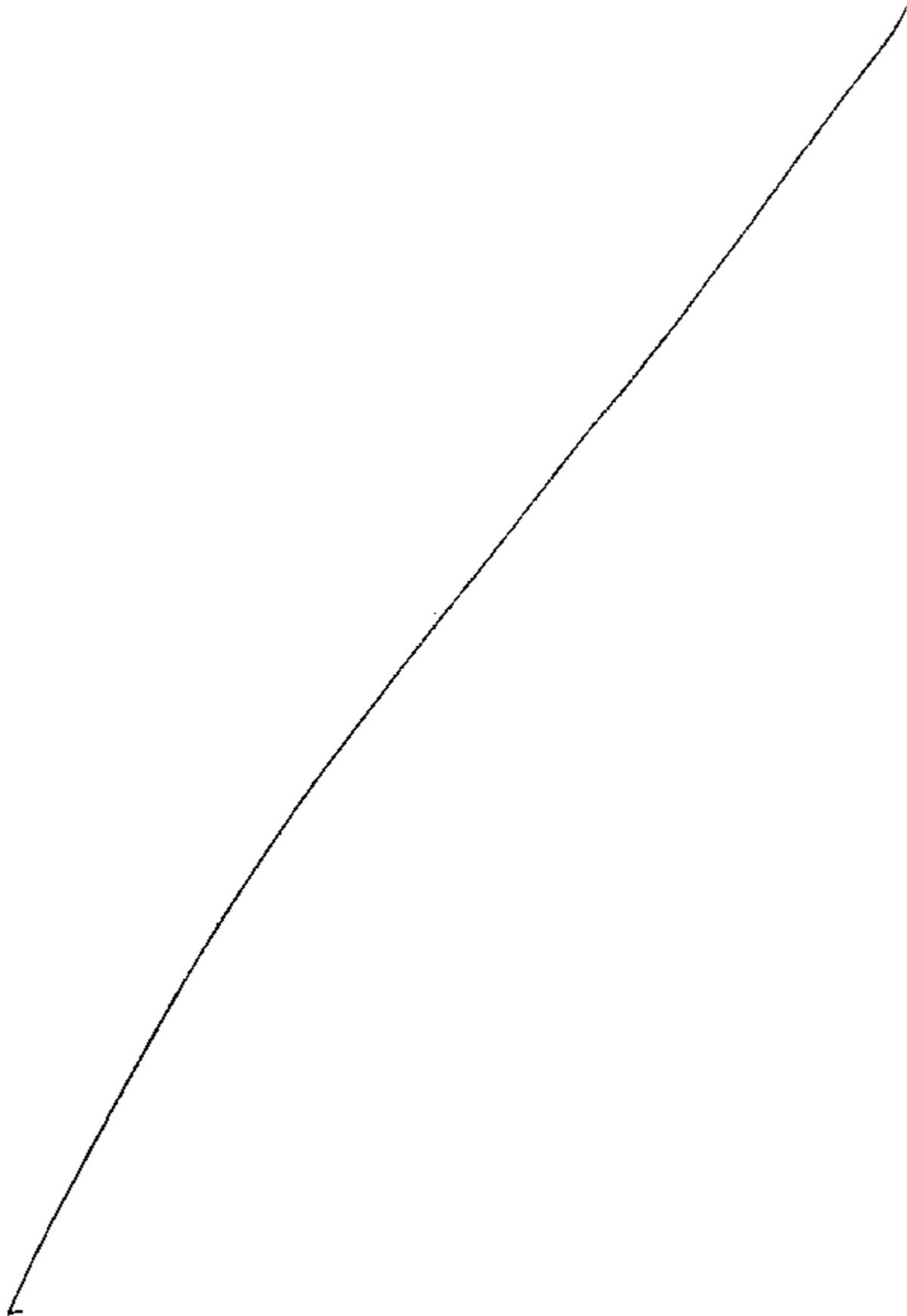
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EXHIBIT E

TENANT IMPROVEMENTS

1. None

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**EXHIBIT F**

**LANDLORD'S WAIVER AND CONSENT**

WAIVER AND CONSENT, dated March 16, 2015 (this "Waiver and Consent"), is by and between Robertshaw Controls Company, a Delaware corporation having an office of 191 E North Avenue, Carol Stream, Illinois 60188 (the "Tenant"), and Air Trade Laredo, LLC, a Texas limited liability company, having an office at 4603 Maher Avenue, Laredo, Texas 78041 (the "Landlord") for the benefit of Cerberus Business Finance, LLC, a Delaware limited liability company ("Cerberus"), in its capacity as collateral agent (the "Collateral Agent") for certain agents and lenders.

WHEREAS, the Tenant and certain of its affiliates have entered into a Financing Agreement, dated as of June 18, 2015 (as amended, restated, supplemented or otherwise modified from time to time, including any replacements thereof, the "Financing Agreement"), with the Collateral Agent, Cerberus, as administrative agent (the "Administrative Agent" and, together with the Collateral Agent, each an "Agent" and collectively the "Agents") and the lenders from time to time party thereto (collectively, the "Lenders"), whereby the Agents and the Lenders are making certain financial accommodations to or for the benefit of the Tenant and its affiliates;

WHEREAS, to secure the payment and performance of all of the obligations and liabilities of the Tenant and its affiliates to the Agents and the Lenders under the Financing Agreement, the Tenant has pledged and granted to the Collateral Agent for the benefit of the Agents and the Lenders a continuing first priority security interest in all personal property of the Tenant, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, of every kind and description, tangible or intangible, including, without limitation, all of the Tenant's now owned or hereafter acquired accounts and other receivables, books and records, inventory, machinery, equipment, furniture, furnishings, trade fixtures, tools, certain deposit accounts and other related assets and all proceeds thereof (collectively, the "Collateral"); and

WHEREAS, such security interest covers the Collateral now or hereafter located at the premises (the "Premises") described in that certain Lease Agreement between Landlord and Tenant, dated of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, including any renewals or replacements thereof, the "Lease").

NOW, THEREFORE, it is hereby agreed by and among the Collateral Agent, on behalf of the Agents and the Lenders, the Tenant and the Landlord as follows:

1. The Landlord consents to the Tenant's grant to the Agents and the Lenders of a lien on and security interest in the Collateral and recognizes the Agents' and the Lenders' lien on and security interest in the Collateral.

2. The Landlord agrees that so long as the Tenant is obligated or indebted to the Agents and the Lenders, (a) the Collateral shall be and remain personal property, (b) any right (including, without limitation, rights of distraint or levy), title, interest, lien or claim in, on or to the Collateral that the Landlord may have or acquire by reason of the installation in, attachment to, or location on the Premises of any of the Collateral is subordinate to the right, title, interest, lien and claim of the Agents and the Lenders in, on and to such Collateral, (c) the Landlord shall not exercise any rights, assert any claim or interest, distraint or levy, take any action or institute any proceedings, with respect to the Collateral and (d) the Landlord shall not hinder or delay the Agents or the Lenders in enforcing their rights under this Waiver and Consent, the Financing Agreement or any agreement executed or delivered in connection therewith.

3. The Agents and the Lenders and their agents and representatives may enter the Premises at any time and from time to time, without prior notice, to inspect and examine the Collateral and to take any of the following actions (the "Permitted Actions") with respect to the Collateral: assemble, have appraised, display, sever, maintain, prepare for sale or lease, advertise, repair, lease, transfer, remove, take possession of or conduct a public or private sale of the Collateral on the Premises at any time in accordance with this Waiver and Consent. The

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Agents and the Lenders shall repair at their expense any physical damage to the Premises that is actually and directly caused by the Agents and the Lenders. No Agent or Lender shall be liable for any diminution in value of the Premises caused by the absence of Collateral actually removed.

4. The Landlord acknowledges that (a) the Lease is in full force and effect, and (b) it has not sent to the Tenant or any other party any notice of default under the Lease which remains uncured and, to the best of the Landlord's knowledge, no default by the Tenant presently exists, and no event has occurred which, with the giving of notice or the passage of time, might constitute a default under the Lease.

5. If the Tenant shall default under the Lease, the Landlord shall give the Collateral Agent notice of such default and provide the Collateral Agent with a 30 day period after the receipt by the Collateral Agent of such notice to cure, or cause the Tenant to cure, such default. The Agents and the Lenders shall not be obligated to cure any such default and, except as expressly stated herein, nothing shall obligate the Agents and the Lenders to assume any obligations under the Lease. In the event that the Lease is terminated for any reason (including, without limitation, if a default is not cured within such 30 day period), the Landlord shall give the Collateral Agent notice thereof (the "Termination Notice") and the Collateral Agent shall be entitled to enter the Premises to take any of the Permitted Actions for a period of 60 days following receipt by the Collateral Agent of the Termination Notice (the "Disposition Period"). In consideration of the foregoing, the Collateral Agent agrees to pay to the Landlord the regular installments of the base rent due under the Lease for the Premises (on a per month basis) for the number of months the Collateral Agent actually occupies the Premises, to the extent not already paid by the Tenant. The Collateral Agent shall not, by virtue of its payment of rent to the Landlord, be deemed to have assumed the Lease or any other obligations of the Tenant under the Lease. If any injunction or stay is issued that prohibits the Collateral Agent from removing the Collateral, the commencement of the Disposition Period will be deferred until such injunction or stay is lifted or removed.

6. The provisions hereof shall remain in full force and effect until the Tenant has fully paid and performed all of its present and future obligations to the Agents and the Lenders. The Agents and the Lenders may, without affecting the validity of this Waiver and Consent, extend, amend or in any way modify the terms of the Financing Agreement or the other documents related thereto.

7. This Waiver and Consent shall be governed and controlled by, and interpreted in accordance with, the laws of the State of New York, and shall be binding upon and inure to the benefit of the parties herein named and their respective assigns and successors in interest. This Agreement may be executed in counterparts and delivered by PDF or facsimile, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Landlord and Tenant hereto have duly executed this Waiver and Consent as of the day and year first above written.

LANDLORD:

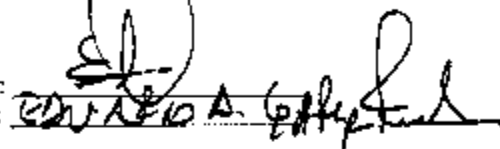
TENANT:

Air Trade Lefedo, LLC

Robertshaw Controls Company

By:

Its:



By:

Its:



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Landlord's Initials

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**ORDINANCE NO. 2015-O-050**

**AUTHORIZING THE CITY MANAGER TO APPROVE A SUBLEASE OF AIR CARGO WAREHOUSE SPACE CONSTRUCTED BY AIR TRADE LAREDO, LLC, ON THE LEASED PREMISES APPROVED BY ORDINANCE NO. 2011-O-148 DATED NOVEMBER 7, 2011 BETWEEN THE CITY OF LAREDO AS LESSOR AND AIR TRADE LAREDO, LLC, AS LESSEE, FOR THE PREMISES CONSISTING OF 27,168 SF., LOCATED AT 4603 MAHER AT THE LAREDO INTERNATIONAL AIRPORT, SAID LEASE PROVIDES FOR THE RIGHT TO SUBLEASE SUBJECT TO CITY APPROVAL, WHICH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD. THE SUBLEASE IS TO ROBERTSHAW CONTROLS COMPANY, A DELAWARE CORPORATION, AS SUB-LESSEE.**

WHEREAS, the Airport Manager recommends that the City Council approve the proposed sublease between Air Trade Laredo, LLC., as LESSEE, for the premises described as 27,168 square feet of warehouse space, to the RobertShaw Controls Company, as SUB-LESSEE located 4603 Maher, 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 sublease is in the best interest of the Airport and recommends that the City Council approve the proposed sublease; and

WHEREAS, the City Council of the City of Laredo having heard the recommendations of the Airport Manager and of the Airport Advisory Board agrees with same.

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

Section 1: The City Manager be hereby authorized to approve said sublease between Air Trade Laredo, LLC., as LESSEE, for the premises described as 27,168 square feet of warehouse space, to the RobertShaw Controls Company, as SUB-LESSEE located 4603 Maher 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.

Section 2: This Ordinance shall become effective upon passage hereof.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON  
THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETE SAENZ  
MAYOR

ATTEST:

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
RAUL CASSO  
CITY ATTORNEY

## Final Reading of Ordinances

### City Council-Regular

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Jose Luis Flores, Airport Manager

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### SUBJECT

**2015-O-051** Authorizing the City Manager to execute a lease with Trecon Investments Corporation, as lessee, for a tract of land consisting of 83,425.70 sq. ft., and located on Block No. 23, Tract "2B" at the Laredo Airport, Subdivision Plat. Lease term is for twenty (20) years commencing on May 1, 2015 plus, two (2) consecutive ten (10) year renewal options. Initial monthly rent shall be \$2,780.00 and will be adjusted annually according to changes in the Consumer Price Index; and rent adjustments based on appraisals at each ten (10) year anniversary period; providing for an effective date.

### PREVIOUS COUNCIL ACTION

None.

### BACKGROUND

Trecon Investments Corporation is proposing to lease an approximate 83,425.70 sq. ft. being the Block No. 23 tract "2B" at the Laredo Airport, Subdivision Plat.

The lease term is for twenty (20) years.

The subject property is leased "AS IS" condition.

DEPARTMENT OF FAMILY & PROTECTIVE SERVICES (DFPS) AND THE DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES (DARS) WILL BE OCCUPYING THE PROPERTY.

### COMMITTEE RECOMMENDATION

On March 19, 2015, the Airport Advisory Board considered this item and recommends approval.

### STAFF RECOMMENDATION

Approval of this Ordinance.

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### Fiscal Impact

**Fiscal Year:**

2015

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:** 242-0000-361-2060

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Land Rent

242-000-361-2060

Monthly rent: \$ 2,2780.00

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**Attachments**

Trecon Investments ORD

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**ORDINANCE NO. 2015-O-051**

**AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE WITH TRECON INVESTMENTS CORPORATION, AS LESSEE, FOR A TRACT OF LAND CONSISTING OF 83,425.70 SQ. FT., AND LOCATED ON BLOCK NO. 23, TRACT "2B" AT THE LAREDO AIRPORT, SUBDIVISION PLAT. LEASE TERM IS FOR TWENTY (20) YEARS COMMENCING ON MAY 01, 2015 PLUS, TWO (2) CONSECUTIVE TEN (10) YEAR RENEWAL OPTIONS. INITIAL MONTHLY RENT SHALL BE \$2,780.00 AND WILL BE ADJUSTED ANNUALLY ACCORDING TO CHANGES IN THE CONSUMER PRICE INDEX; AND RENT ADJUSTMENTS BASED ON APPRAISALS AT EACH TEN (10) YEAR ANNIVERSARY PERIOD; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Airport Manager recommends that the City Council approve the proposed lease between the City of Laredo, as LESSOR, and Trecon Investments Corporation as LESSEE, for a tract of land consisting of 83,425.70 sq. ft., and located on Block No. 23, Tract "2B" at the Laredo Airport Subdivision Plat 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 is in the best interest of the Airport and recommends that the City Council approve the proposed lease; and

WHEREAS, the City Council of the City of Laredo having heard the recommendations of the Airport Manager and of the Airport Advisory Board agree with same.

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

Section 1: The City Manager be hereby authorized to execute a lease with Trecon Investments Corporation as LESSEE, for a tract of land consisting of of 83,425.70 sq. ft., and located on Block No. 23, Tract "2B" at the Laredo Airport Subdivision Plat being the northwest corner, 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.

Section 2: This Ordinance shall become effective upon passage hereof.

*LEASE AGREEMENT BETWEEN THE CITY OF LAREDO AND  
TRECON INVESTMENTS CORPORATION BLOCK NO.23 TRACT "2B"*

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON  
THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETE SAENZ  
MAYOR

ATTEST:

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
RAUL CASSO  
CITY ATTORNEY

## Final Reading of Ordinances

### City Council-Regular

**Meeting Date:** 04/20/2015

**Initiated By:** Jose L. Flores

**Staff Source:** Jose. L Flores, Airport Manager

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### SUBJECT

**2015-O-052** Authorizing the City Manager to execute a Lease Agreement with Dauntless, a Texas Sole Proprietorship, for approximately 1,460 square feet of building space located at 1701 E. Hillside, Suite No. 2 at the Laredo International Airport, Block 15, Lot 1. The initial monthly rent shall be \$1,400.00 and will be adjusted annually according to the changes in the Consumer Price Index (CPI). The term shall commence on May 1, 2015 and shall terminate on April 30, 2016, plus two (2) one-year renewal options until April 30, 2017 and April 30, 2018, providing for an effective date.

### PREVIOUS COUNCIL ACTION

None

### BACKGROUND

Dauntless is a Texas Sole Proprietorship who operates a CrossFit. They are currently on a month-to-month lease and this Ordinance is for a full 1-year lease with two (2) one-year options. This Suite is located are the SE corner of Bartlett and Hillside and shares the building with the Texas Workforce Commission. The have been in good standing as a month-to-month tenant.

### COMMITTEE RECOMMENDATION

On March 19, 2015, the Airport Advisory Board recommended approval of this Ordinance.

### STAFF RECOMMENDATION

Staff is in support of this Ordinance.

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### Fiscal Impact

<b>Fiscal Year:</b>	2015
<b>Budgeted Y/N?:</b>	N
<b>Source of Funds:</b>	
<b>Account #:</b>	242-000-361-1060
<b>Change Order: Exceeds 25% Y/N:</b>	

**FINANCIAL IMPACT:**

\$1,400 x 12 = \$16,000

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**Attachments**

Dauntless Lease

Dauntless Ordinance

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**STATE OF TEXAS  
COUNTY OF WEBB,**

This License agreement is made and entered into by and between **CITY OF LAREDO, TEXAS ("LICENSOR")** and **DAUNTLESS, a Texas Sole Proprietorship, ("LICENSEE")**.

WHEREAS, the LICENSOR owns those premises at the Laredo International Airport located at 1701 E. Hillside #2, Laredo, Texas 78041.

WHEREAS, LICENSOR and LICENSEE, have agreed to a License covering a portion of the building located within the Laredo International Airport Medical Park of the Laredo Airport Plat, located within Block No. 15, Lot No. 1, Laredo Airport Plat in Laredo, Texas at 1701 E. Hillside.

NOW, THEREFORE THE LICENSOR AND LICENSEE for and in consideration (If the covenants and agreements set forth in this License, do hereby covenant and agree as follows:

**ARTICLE I  
DEFINITIONS AND DEMISE OF LICENSED PREMISES**

**1.01 DEFINITIONS**

- A. "Laredo International Airport area" means that certain area administered by the city of Laredo, Pursuant to an indenture from the United States of America to the City of Laredo, Dated February 21, 1975 and recorded in volume 478 at page 471 et seq. of the Real Property Records of Webb County, Texas.
- B. "LICENSOR" means City of Laredo and its duly constituted agents.
- C. "PREMISES" includes the property and building subject to the License.
- D. The word "building" includes, but is not limited to, the foundation, load-bearing walls, joists, rafters, load bearing surfaces, water pipes, drainage pipes, and air conditioning ducts.

**1.02 DEMISE OF LICENSED PREMISES**

In consideration of the mutual covenants and agreements set forth in this License, and other good and valuable consideration, LICENSOR does hereby demise and License to LICENSEE, and LICENSEE does hereby License from LICENSOR, the west portion of the building located at 1701 E. Hillside, Suite #2 having approximately 1,460 sq. feet of building space and parking spaces shown in Exhibit A. The building and parking situated on the Laredo International Airport, Block 15, Lot No.1, Laredo International Airport, Laredo, County of Webb, Texas. The premises are referred to in this License as "the premises" or "the Licensed premises" and as depicted in Exhibit A.

Compliance with the Americans with Disabilities Act (ADA) and any Texas Law will be the sole responsibility of the LICENSEE.

**ARTICLE II**

**LICENSE TERM**

**2.01 COMMENCEMENT OF TERM**

- A. This License shall be for a term of fifty (50) days.
- B. This License shall commence on February 9, 2015, and shall terminate on March 31, 2015.

**ARTICLE III**

**RENT**

**3.01 RENTAL OBLIGATION**

LICENSEE agrees to pay to LICENSOR in advance a payment of \$886.87. A second payment of \$1400.00 is due on or before March 1, 2015 less the total cost incurred by LICENSEE for the repainting of the interior of the premise. The LICENSEE must provide receipts for these improvements by March 1, 2015 along with proof of payment.

**3.02 PLACE OF PAYMENT**

All rent shall be paid by LICENSEE at Office of the Airport Director, Laredo International Airport, 5210 Bob Bullock Loop, Laredo, Texas 78041 or at such other location or locations as LICENSOR may from time to time designate by written notice to LICENSEE.

**ARTICLE IV**

**UTILITIES AND AD VALOREM TAXES**

**4.01 UTILITY CHARGES**

LICENSEE shall provide and pay or cause to be paid all charges for water, heat, gas, electricity, sewers, and any and all other utilities used on the premises throughout the term of this License, including any connection fees.

**ARTICLE V**

**INSPECTION OF PREMISES**

LICENSOR hereby reserves the right to inspect, at all times during normal business hours, the licensed premises and improvements for the purpose of determining whether or not the improvements are being properly maintained in accordance with the requirements of this agreement. However, LICENSOR affirmatively acknowledges that any right of inspection shall not interfere and/or disrupt LICENSEE'S business operations being conducted on the premises.



## ARTICLE VI

### RIGHTS AND PRIVILEGES OF LICENSEE

All rights and privileges granted to LICENSEE herein are expressly made subject to the rules and regulations established from time to time by LICENSOR and the Laredo International Airport under the provisions of Article XVIII of this License. LICENSOR shall provide LICENSEE with notice of any change of rule or regulation or the implementation of same within 10 days of receiving notice of same.

#### 6.01 POSSESSION

During the term of this License and while LICENSEE is not in default of any of its obligations, LICENSEE shall be entitled to and shall have the possession and enjoyment of the Licensed premises.

## ARTICLE VII

### ASSIGNMENT AND SUBLICENSE

#### 7.01 ASSIGNMENT AND SUBLICENSE

- A. LICENSEE covenants and agrees that it will not sell, sublet, convey, transfer, mortgage, or pledge this Agreement or any rights created thereby.
- B. Any assignment or transfer of this Agreement or any rights of LICENSEE inconsistent with 7.01(a) above, shall entitle the LICENSOR at its option to terminate this Agreement and re-enter upon and take possession of the Licensed premises provided that LICENSOR has given LICENSEE notice of the alleged License violation and an opportunity to cure as provided in this agreement.

## ARTICLE VIII

### USE OF LICENSED PREMISES

#### 8.01 USE AND USE CONFLICT

LICENSEE shall have the right to use the Licensed premises for the use a exercise facility and any usage reasonably necessary or incidental thereto and no other use. LICENSEE has twenty-four-hour-a-day access to Licensed space. LICENSEE shall not use the Licensed premises to overnight its clients, customers, and guests. LICENSEE affirms all liability for storage, handling and transporting of merchandise, equipment and vehicles. LICENSEE shall follow all State, Local, Municipal, and any and all governmental guidelines with regards to its use of the Licensed premises.

#### 8.02 ILLEGAL USE NOT PERMITTED

LICENSEE agrees not to use all or part of the Licensed premises for any use or purpose in violation of any applicable law, regulation, or ordinance of the United States, the State of Texas,

or the City of Laredo, or other lawful authority having jurisdiction over the Licensed premises.

**8.03 OUTSIDE STORAGE PROHIBITED**

Storage of vehicles, equipment, supplies or any other items outside of the building(s) is prohibited. For the purpose of this provision, the term "storage" shall mean the placing of vehicles, equipment, supplies or any other items outside the building.

**8.04 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 promptly removed at LICENSEE'S expense, and failure to do so shall constitute a material breach of this License.

**8.05 CONDITIONS PROHIBITED**

The premises occupied by the LICENSEE shall not be used or occupied in any manner which:

- A. unreasonably affects the health, comfort, or safety of members of the general public or other adjoining tenants,
- B. unreasonably affects the beneficial enjoyment and use of properties demised to adjoining tenants,
- C. violates the zoning or other ordinances of the City of Laredo, as amended.

**8.06 ULTRA HAZARDOUS ACTIVITIES INCLUDING FIRE AND EXPLOSIVE HAZARDS**

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

**8.07 NOISE LEVELS**

At no point within fifty (50) feet of the property line of the demised premises shall the sound pressure of any individual plant or operation conducted by the LICENSEE (other than operation of motor vehicles, aircraft, or other conveyances of transportation which comply with the state and federal licensing requirements) exceed the decibel levels in the designated octave bands shown below:

Octave Band Cycles	Maximum Permitted Sound
Per Second	Level in Decibels RE 0.0002 dynes/cm <sup>2</sup>
0-300	75
300 -1200	55
1200 -4800	45

4800 and above

40

**8.08 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.

**8.09 AIR POLLUTION**

- A. Any use of the premises by the LICENSEE which will produce smoke, gas, dust, odor, fumes, aerosols, particles, products of combustion, or other atmospheric pollutants shall be conducted within a completely enclosed container.
- B. Visible emissions of smoke which exceed Ringlemenn No. 1 on the Ringlemenn Chart of the U.S. Bureau of Mines other than motor vehicle emissions from conveyances of transportation which comply with state and federal licensing and emission requirements shall not be permitted. This requirement is applicable to trash and waste material disposal. Wind borne dust, sprays and mists originating in any plants upon the demised premises will not be permitted.
- C. No operation shall discharge toxic or noxious matter into the atmosphere or into the sanitary sewer system.
- D. Emission of odors detectable at any point beyond the property line of the premises occupied by LICENSEE shall not be permitted.

**8.10 HEAT, GLARE OR ELECTRICAL DISTURBANCES**

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. No electrical disturbances may be created within the demised premises, which may affect the operation, taking off and landing of aircraft on the Laredo International Airport.

**8.11 ILLUMINATION**

- A. The maximum height of any lighting standard shall be limited to twenty (20) feet above curb level, and with LICENSOR'S prior approval.
- 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.

### **8.12 SIGNS**

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

- A. LICENSEE, with the prior written consent of LICENSOR which consent shall not be unreasonably withheld or delayed, shall have the right and privilege to erect, maintain, remove, and replace such signs on the Licensed premises as LICENSEE may deem reasonably necessary or convenient in the operation of its business from the Licensed premises. LICENSEE agrees to maintain said signs in a good state of repair. LICENSEE shall remove said signs upon termination of this License.
- B. Permitted Signs: LICENSEE'S commercial signs shall be limited to those identifying the uses conducted on the site and to those necessary for directional purposes. The design and location of all signs shall require the written approval of the LICENSOR or its authorized agent prior to installation. Approval shall not be unreasonably withheld.
- C. Area and Location: One sign may be permitted on the front wall of structure.
- D. Construction: All signs shall comply with all building codes of the City of Laredo.

### **8.13 REFUSE AND TRASH**

No refuse or trash shall be kept, stored or allowed to unreasonably accumulate on the demised premises. LICENSEE shall dispose of all trash and refuse behind the building until same is collected by the chosen contractors. Trash and refuse shall be collected a minimum of once a week.

### **8.14 SEWAGE DISPOSAL SYSTEMS**

No cesspool, septic tank or other sewage disposal system or device shall be installed, maintained or used upon the premises.

## **ARTICLE IX**

### **CARE, MAINTENANCE AND REPAIR BY LICENSEE**

#### **9.01 MAINTENANCE OF PREMISES AND IMPROVEMENTS**

LICENSEE shall, throughout the term of this License, take good care of the Licensed area and the fixtures and appurtenances therein and at its sole cost and expense make routine maintenance and non-structural repairs thereto as and when needed to preserve them in good working order and condition, damage from the elements and fire excepted. In this regard, LICENSEE is responsible for the maintenance and repair of all windows, all doors, plumbing lines, electrical, light fixtures, and plumbing fixtures. LICENSEE is not responsible for damages and/or repairs related to foundation, building defect, structural defect, construction defects, and/or any other pre-existing defects/conditions.

LICENSOR, at its sole expense, agrees to keep the roof, foundation, vertical and horizontal

columns, and all other structural portions of the premises including the parking lots in good condition and repair during the term of this License agreement. LICENSEE shall be responsible for the exterior trash and debris removal, sidewalk sweeping, interior plumbing, and interior maintenance through the term of this License. LICENSEE shall provide interior janitorial maintenance. LICENSOR will provide a working existing HVAC system and HVAC maintenance during the term of this License. LICENSOR and LICENSEE shall each be responsible for the damage to any portions of the premises caused by their respective negligence. LICENSEE agrees to change air conditioning filters at regular intervals where such air conditioning units and/or filtering system are solely for the use by LICENSEE and readily accessible by LICENSEE. LICENSEE shall surrender the premises to the LICENSOR in good condition, broom clean, ordinary wear and tear expected. LICENSEE shall repair any damage to the premises occasioned by the removal of LICENSEE'S trade fixtures, furnishings, and equipment. LICENSOR represents and warrants that at the time of giving possession of the premises, all building systems are in good repair and working order.

Damage or injury to the premises, fixture, appurtenances whether requiring structural or non-structural repairs, caused by or resulting from carelessness, omission, neglect or improper conduct of LICENSEE, its servants, employees, or licensees' shall be repaired promptly by LICENSEE at its sole cost and expense.

- A. LICENSEE shall keep at all times in a clean and orderly condition and appearance the Licensed premises and all improvement thereon.
- B. LICENSEE shall provide and maintain in good operable condition all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule order, ordinance, resolution or regulation of any competent authority, including the City of Laredo.
- C. LICENSEE shall observe all regulations and requirements of insurers on the Licensed premise concerning the use and condition thereof for the purpose of reducing fire hazards and insurance rates on the Licensed premises. LICENSOR shall notify LICENSEE of all obligations requested by insurers other than these with whom LICENSEE is in privity of contract.
- D. LICENSEE shall repair at its sole cost any damage to paving or other surface of the premises cause by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
- E. LICENSEE shall be responsible for unclogging of sanitary sewers and storm sewers located at the Licensed premises to the extent that same is the result of LICENSEE'S ordinary and regular use of premise and would constitute "routine maintenance."
- F. LICENSOR shall keep mowed and in a neat condition all landscaping and areas within the Licensed premises. This area expressly excludes any area subject to the control of other parties (not LICENSOR) including but not limited to areas which are city right of ways.

#### **9.02 FAILURE TO MAINTAIN PREMISES AND IMPROVEMENTS**

- A. In the event LICENSEE fails to commence, within a period of 30 days after notice from

the LICENSOR of any reasonable routine maintenance or repair work required to be done under the provisions hereof other than preventive maintenance, or within a period of 60 days if the said notice specifies that the work to be accomplished by the LICENSEE involves reasonable routine preventive maintenance only; or fails in any material respect diligently to continue to completion of the repair or replacement of all of the premises required to be repaired or replaced by LICENSEE under the terms of this Agreement, the LICENSOR may, at its option, and in addition to any other remedies which may be available to it, repair or replace all or any part of the Licensed premises or the improvements thereon included in the said notice and the cost thereof shall be payable to LICENSOR by LICENSEE upon demand.

- B. LICENSOR shall act in good faith with regard to maintenance requests. LICENSOR shall be responsible for all other repairs not specifically identified herein as the obligations of LICENSEE. LICENSOR shall respond timely to all maintenance and repair obligations with the exception of LICENSEE's constructed improvements.

## ARTICLE X

### OBLIGATIONS OF LICENSEE

#### 10.01 REQUIREMENTS

- A. LICENSEE shall conduct its operation hereunder in an orderly and proper manner.
- B. LICENSEE shall, within reason, control the conduct and demeanor of its officers, agents and employees and upon objection from LICENSOR, concerning the conduct or demeanor of a said person shall immediately take all reasonable steps necessary to remedy the objection.
- C. LICENSEE shall commit no nuisance, waste, or injury on the Licensed premises and shall not do or permit to be done anything, which may result in the creation or commission or maintenance of a nuisance, waste or injury on the Licensed premises.
- D. LICENSEE shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located on the License premises.
- E. LICENSEE shall not do or permit to be done any act or thing upon the Licensed premises: (1) Which will invalidate or -conflict with any fire insurance policies on the premises, (2) Which may constitute an extra hazardous condition so as to increase the risks normally attendant upon the operation permitted by this Agreement; (3) Which will interfere with the safe and efficient operation of the premises or create any undue noise, vibration, fumes, smoke or any other condition that will be a hazard to the safe operation of the premises or that will be a health hazard to, or unreasonably interfere with the operation of other tenants and users of the premises. Again, LICENSEE'S obligation is triggered only upon due notice of the insurance policy requirement in issue.



- F. Any liquids having a flash point of less than one hundred and ten degrees Fahrenheit shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.

## ARTICLE XII

### INSURANCE AND INDEMNIFICATION

#### **11.01 IMPROVEMENTS CONSTRUCTED**

All insurable improvements currently existing or constructed on the Licensed premises by either LICENSOR or LICENSEE, if any shall be insured at all times during the term of this Agreement by LICENSOR under so-called "Fire and Extended Coverage" policy or policies.

#### **11.02 OBLIGATIONS DUE TO DAMAGE OR DESTRUCTION**

In the event the improvements on Licensed premises are damaged or destroyed, LICENSOR shall have the election of repairing or reconstructing the improvements substantially as they were immediately prior to such casualty, or in a new or modified design, or not to construct the improvements. LICENSOR shall give the LICENSEE notice of its election hereunder within 30 days next following the damage to or destruction of the improvements. If LICENSOR elects not to repair or reconstruct the improvements, this Agreement and all of LICENSEE'S and LICENSOR'S un-accrued obligations hereunder shall terminate.

#### **11.03 INSURANCE PROCEEDS**

Upon receipt by LICENSEE and LICENSOR of the proceeds of the insurance policy or policies, LICENSEE and LICENSOR shall deposit same in an escrow account to pay for the cost of such repair, replacement and rebuilding. Such proceeds shall be disbursed by LICENSOR during construction to pay the costs of such work. LICENSOR has no right to claim any portion of the insurance proceeds for reimbursement related to personal property, inventory, equipment, etc.

#### **11.04 BUILDER'S RISK INSURANCE**

During any period of construction by LICENSEE on the Licensed premises, LICENSEE shall carry a Builder's Risk Completed Value Policy with an all risk endorsement in the minimum amount of one million dollars (\$1,000,000.00).

#### **11.05 FIRE INSURANCE AND EXTENDED COVERAGE**

LICENSOR shall maintain in full force and effect fire insurance and extended coverage insuring the real property improvements located on the Licensed premises for resulting from but limited to fire, flood, rain, wind, hail and/or other natural causes.

**11.06 LIABILITY INSURANCE**

- A. Fire and Extended Coverage Insurance: The Licensed area is covered under the LICENSOR'S Master Insurance Coverage. Premiums are paid by the LICENSOR for its sole benefit and protection.
- B. Contents: Insurance on the contents of the Licensed area is the sole responsibility of the LICENSEE.
- C. LICENSEE agrees to carry with an admitted insurance company or companies approved by the LICENSOR, licensed to do business in the State of Texas and keep in effect during the term of this Agreement, liability and property insurance for the Licensed premise area as described in Section 1.01 of this agreement in for the benefit of the LICENSOR and with the LICENSOR, shown as an additional insured, including the obligation of the insurer to defend the LICENSOR, in any action covered by said insurance in the following amounts:
  - D. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage. Contractual Liability must be maintained covering the LICENSOR's and LICENSEE'S obligations contained in the contract. The general aggregate limit must be at least two (2) times the each-occurrence limit.
  - E. Workers Compensation insurance, if applicable, at statutory limits, including Employers Liability coverage a minimum limits of \$1,000,000 each-occurrence each accident/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate. See section 12.13.
  - F. Commercial Automobile Liability, if applicable, insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage. See section 12.06 D
  - G. The City of Laredo shall be named as an additional insured with respect to General and Auto Liability. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions. A waiver of subrogation in favor of The City of Laredo shall be contained in the Workers' Compensation and all liability policies. All insurance policies shall be endorsed to require the insurer to immediately notify the City of Laredo of any material change in the insurance coverage. All insurance policies, which name the City of Laredo as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
- H. LICENSEE may maintain reasonable and customary deductibles, subject to approval by the City of Laredo. Insurance must be purchased from insurers that are financially acceptable to the City of Laredo. All insurance must be written on forms filed with and approved by the Texas Department of Insurance.
- I. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing, warranting and sets forth all

endorsements and insurance coverage according to requirements and instructions contained herein. Said certificates shall specifically set forth the notice-of-cancellation or termination provisions to the City of Laredo.

- J. LICENSOR reserves the right to increase the amounts of insurance coverage described here-in-above, and to require any additional riders or provisions in said policies or certificates as shall be considered necessary by the LICENSOR in accordance to changes in risk or changes in statutory requirements, consistent with the terms and conditions of this License; provided, however, such increases or additions shall not be in excess of or in addition to customary and reasonable insurance coverage in the aviation industry as determined by the Airport Operators Council International. LICENSEE shall promptly comply with said increase or other change.
- K. LICENSEE agrees that any subcontractor(s) hired by the LICENSEE shall be required to maintain insurance coverages equal to that required by the LICENSEE. It is the responsibility of the LICENSEE to assure compliance with this provision. LICENSOR accepts no responsibility arising out of the conduct of or lack of conduct of any such contractor of the LICENSEE.

#### **11.08 CERTIFICATES AND DUPLICATES OF INSURANCE**

- A. Certificates, in duplicate, of all insurance coverage required of LICENSEE shall be filed with the Airport Manager and Risk Manager. Such certificates shall provide therein that the policies of insurance referred to in such certificates shall not be subject to cancellation by insured except after delivery of written notice by certified mail to Airport Manager at least sixty (60) days prior to the effective date of cancellation or material change. In such event LICENSEE shall procure the insurance required by this agreement prior to the cancellation of the existing insurance policy(s). LICENSEE shall provide the LICENSOR with all certificates of insurance complying with this License within ten (10) days of the execution of this License and annually thereafter thirty (30) days prior to the renewal of such insurance upon request by the LICENSOR. LICENSEE shall provide LICENSOR with a certified copy of each policy of insurance requested of LICENSEE.
- B. Certified copies of all LICENSEE'S insurance policies and modifications shall be deposited with LICENSOR no later than ten (10) days after the execution of this License. In no event shall LICENSEE, its employees, guests, invitees, contractors access the Premises without first obtaining the insurance policies required by this Agreement.

#### **11.09 RIGHTS AND REMEDIES OF LICENSOR**

Should LICENSEE fail or refuse to obtain and keep in full force and effect the insurance required by this Article XII, LICENSOR may either cancel this Agreement or suspend LICENSEE'S rights hereunder.

The LICENSOR reserves the right to increase the amounts of insurance coverage described herein above and to require any additional riders or provisions in said policies or certificates as shall be

considered necessary by the LICENSOR and consistent with the terms and conditions of this License. LICENSOR shall notify LICENSEE of any increase, additional riders, provisions or certificates in writing at least 90 days before the renewal date of the policy. Increases shall not be unreasonable or for the purpose of intending to cause breach of contract or to place an undue burden on LICENSEE.

#### **11.10 NON-LIABILITY OF LICENSOR FOR THIRD PARTIES**

The LICENSOR shall not in any event be liable to LICENSEE for any acts or omissions of, or for any condition resulting from, the operations or activities of any third person, firm, corporation, or the agents, servants, employees or independent contractors of any such person, firm or corporation, that results in injury, loss or damage to LICENSEE or to any other person, or loss of damage to any personal property installed or stored on the Licensed premises.

#### **11.11 INSURANCE PROVISIONS**

All policies of insurance provided for in this Article XII shall be issued in form acceptable to LICENSOR by solvent insurance companies licensed to do business in the State of Texas with a general policy holder's rating of not less than B+ and a financial rating of "X" as rated in the most current available "Best's Insurance Reports", and qualified to do business in the State of Texas. Each such policy shall be issued in the names of LICENSOR and LICENSEE, its designees and any other parties in interest from time to time designated in writing by notice from LICENSOR to LICENSEE. Said policies shall be for the mutual and joint benefit and protection of LICENSOR and LICENSEE and any such other parties in interest as designated in this agreement. Executed copies of each such policy of insurance or a certificate thereof shall be delivered to LICENSOR within 30 days of the commencement of the term of this LICENSE, and thereafter, within thirty (30) days receipt of the renewal. All such insurance policies as required herein shall be renewed in a timely manner so as to prohibit and avoid any lapse in coverage. All such policies of insurance shall contain provisions that:

- A. The company writing said policy will give to LICENSOR and any such other parties in interest at least thirty days' notice in writing in advance of any cancellations or lapse, or the effective date of any reduction in the amount of insurance.
- B. All such insurance policies required to be maintained by LICENSEE as set forth in this agreement, shall be written as primary policies which do not contribute to and are not in excess of coverage which LICENSOR may carry. All such insurance policies required to be maintained by LICENSEE as set forth in this agreement, shall contain a provision that LICENSOR and any other parties in interest identified in this agreement, although named as an additional insured, shall nevertheless be entitled to recover under said policies for any loss sustained by it, its servants, agents and employees by reason of the negligence of LICENSEE to the extent such policies are obtainable. LICENSEE'S failure to provide and keep in force any of the insurance policies required hereunder shall be regarded as a material default hereunder entitling LICENSOR to exercise any and all of the remedies provided in this License in the event of LICENSEE'S default after LICENSOR has given proper notice of default.

#### **11.12 INDEMNIFICATION OF LICENSOR**

LICENSEE shall keep and hold harmless the LICENSOR, its officers, agents, servants, and employees from any and all costs, liability, damages and expenses including, costs of suit and reasonable expenses of legal services, claimed or recovered by anyone by reason of injury to or death of any person or persons and damage to, destruction or loss of use of property caused by or resulting from any act or omission of LICENSEE, its agents, servants, employees, or contractors, excepting such liability as may be proximately caused by the acts or omission of LICENSOR. Provided, however, that upon the filing by anyone of a claim against LICENSOR for damages arising out of incidents for which LICENSEE herein agrees to indemnify and hold LICENSOR harmless, LICENSOR shall notify LICENSEE of such claim within 10 days of receipt of same. In the event that LICENSEE does not settle or compromise such claim, then LICENSEE shall undertake the legal defense of such claims both on behalf of LICENSEE and on behalf of the LICENSOR.

It is specifically agreed, however, that LICENSOR, at its option, may have its personal counsel participate in the legal defense of any such claim. However, LICENSEE is not responsible for any such cost associated herewith. LICENSEE or its insurance carrier has the right to choose counsel for LICENSOR. Any final judgment rendered against LICENSOR for any cause for which LICENSEE is liable hereunder shall be conclusive against LICENSEE as to liability and amount upon the expiration of the time appeal. In addition to LICENSEE'S undertaking, as stated in this Article XII, and as means of further protecting LICENSOR, its officers, agents, servants, and employees, LICENSEE shall at all times during the term of this Agreement obtain and maintain in effect the insurance coverage required under the provisions of this Article hereof. LICENSOR shall in no way compromise the defense of any claim or lawsuit.

#### **11.16 INDEMNIFICATION OF LICENSEE**

LICENSOR shall keep and hold harmless the LICENSEE, its officers, agents, servants, and employees from any and all costs, liability, damages and expenses including, costs of suit and reasonable expenses of legal services, claimed or recovered by anyone by reason of injury to or death of any person or persons and damage to, destruction or loss of use of property caused by or resulting from any act or omission of LICENSOR, its agents, servants, employees, or contractors, excepting such liability as may be proximately caused by the acts or omission of LICENSEE. Provided, however, that upon the filing by anyone of a claim against LICENSEE for damages arising out of incidents for which LICENSOR herein agrees to indemnify and hold LICENSEE harmless, LICENSEE shall notify LICENSOR of such claim within 10 days of receipt of same. In the event that LICENSOR does not settle or compromise such claim, then LICENSOR shall undertake the legal defense of such claims both on behalf of LICENSOR and on behalf of the LICENSEE.

It is specifically agreed, however, that LICENSEE, at its option, may have its personal counsel participate in the legal defense of any such claim. However, LICENSOR is not responsible for any such cost associated herewith. LICENSOR or its insurance carrier has the right to choose counsel for LICENSEE. Any final judgment rendered against LICENSEE for any cause for which LICENSOR is liable hereunder shall be conclusive against LICENSOR as to liability and amount upon the expiration of the time appeal. In addition to LICENSOR'S undertaking, as stated in this Article XII, and as means of further protecting LICENSEE, its officers, agents, servants, and employees, LICENSOR shall at all times during the term of this Agreement obtain and maintain in effect the insurance coverage required under the provisions of this Article hereof. LICENSEE

shall in no way compromise the defense of any claim or lawsuit.

### ARTICLE XIII

#### DEFAULT AND REMEDIES

##### **12.01 EVENTS OF DEFAULT BY LICENSEE AND LICENSOR**

The following shall be deemed to be events of default by LICENSEE under this License:

- A. LICENSEE shall fail to comply with any term, covenants, or condition of this License and fails to cure within 10 days after written notice by LICENSOR;
- B. LICENSEE shall do or permit to be done any act which results in a lien being filed against the Licensed premises, and does not discharge of record or place bond against said lien within 30 days following written notice by LICENSOR to LICENSEE of the filing thereof.

The following shall be deemed to be events of default by LICENSOR under this License:

- A. LICENSOR fails to comply with any term, covenants, or condition of this License and fails to cure within 30 days after written notice by LICENSEE;
- B. LICENSOR'S intentional interference with LICENSEE'S enjoyment of the premises.

##### **12.02 REMEDIES**

If LICENSEE fails to cure any default within 10 days of receiving written notice of same,

- A. LICENSOR may at its option enter and take possession of the Licensed premises. LICENSOR may secure, lock up, cut off utility service to, and attempt to relet the Licensed premises, all without any such actions being deemed a trespass or an election on LICENSOR'S part to terminate the License. If however, any such default on LICENSEE'S part should be fully corrected and cured before LICENSOR exercises an option to terminate the License, and before LICENSOR has relet the Licensed premises then the Licensed premises shall be returned to LICENSEE, and LICENSEE may continue in possession. LICENSEE expressly waives any and all damages resulting from a reasonable reentry by LICENSOR under this License.
- B. In the event that LICENSOR elects to re-enter the Licensed premises without terminating the License, then LICENSEE shall be liable for and shall pay to LICENSOR at the place for payment provided in Section 3.05, all rent and other indebtedness accrued to that date, plus rent required to be paid by LICENSEE to LICENSOR during the remainder of the License term until the date of expiration of the term, diminished by a net sums thereafter received by LICENSOR through reletting the Licensed premises (after deducting all expenses incurred by LICENSOR to relet the Licensed premises). In no event shall LICENSOR be entitled to any excess of any rent obtained by reletting over and above the rent herein reserved. LICENSOR acknowledges its common law and statutory obligation to mitigate damages and make reasonable efforts to relet premium.
- C. Notwithstanding any prior election not to terminate, LICENSOR may at any time,



including subsequent to a re-entry, elect to terminate this License on account of such default. Upon termination LICENSEE shall be liable for and shall pay to LICENSOR the sum of all rent accrued to the date of such termination, and as liquidated damages, an amount equal to the rent for the remaining portion of the License term had such a term not been terminated by LICENSOR prior to expiration of the License term. Any option of LICENSEE to renew or extend the current agreement shall not be considered when calculating damages.

- D. In case of Default, LICENSEE shall also be liable for and shall pay to LICENSOR, at the place for payment provided in Section 3.06, in addition to any sum provided to be paid above: Broker's fee incurred by LICENSOR in connection with reletting the whole part or any part of the Licensed premises; the costs of removing and storing LICENSEE'S or other occupant's property; the cost of repairing, altering, remodeling, renovating, or otherwise putting the Licensed premises into condition acceptable to a new tenant, and all reasonable expenses incurred by LICENSOR in enforcing LICENSOR'S remedies, including reasonable attorney's fees.

#### **12.03 LICENSOR'S LIEN**

LICENSOR shall have a statutory LICENSOR'S lien on all merchandise, goods, chattels, implements, fixtures, tools, furniture, machinery and any other personal property which LICENSEE now or at any time hereafter may place in or upon the premises, all exemption of said property, or any part of it being herein expressly waived by the LICENSEE.

**LICENSOR IS HEREBY GRANTED AN EXPRESSED CONTRACTUAL LICENSOR'S LIEN ON THE ABOVE GOODS, ALL OR ANY EXEMPTION BEING HEREBY WAIVED BY LICENSEE, BUT WITHOUT LIMITING LICENSEE'S RIGHT TO SELL, EXCHANGE OR REPLACE SUCH GOODS FROM TIME TO TIME IN THE ORDER OR COURSE OF BUSINESS OR TRADE.**

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

#### **12.04 CHANGE OF LOCKS**

In the event that LICENSEE defaults in the payment of rent and the default continues for a period of 10 days after the due date of the rent, LICENSOR may change the door locks to the Licensed premises. LICENSOR shall have the right to withhold a new key from LICENSEE unless LICENSEE pays all delinquent rent and cures any other existing default. A new key will be provided only during the regular business hours of LICENSOR.

### **ARTICLE XIII**

#### **RIGHTS OF ENTRY RESERVED**

##### **13.01 LICENSOR'S RIGHTS OF ENTRY SHALL BE AS FOLLOWS:**

- A. The LICENSOR, by its officer, employees, agents, representative, contractors and the City of Laredo shall have the right at all reasonable times during normal business hours of LICENSEE to enter upon the Licensed premises for the purpose of inspecting the same, for observing the performance of LICENSEE of its obligations under this Agreement and for doing for any act or thing which the LICENSOR may be obligated or have the right to do under this Agreement or otherwise, so long as such entry does not interfere with the daily operations of LICENSEE. LICENSOR shall provide LICENSEE with at least one-hour notice before entering the premises unless such entry is required due to an emergency in which reasonable effort will be made to inform LICENSEE prior to such entry.
- B. In the event that any personal property of LICENSEE shall obstruct the access of the LICENSOR, its officers, employees, agents, or contractors to any of the existing or future utility, mechanical, electrical, and other systems and thus shall interfere with the inspection maintenance or repair of any such system, LICENSEE shall move such property, as directed by the City or the utility company owing and furnishing the utility service, in order that the access may be had to the system or part thereof for inspection, maintenance or repair, and if LICENSEE shall fail to so move such property within a reasonable period after direction from LICENSOR or the utility company to do so, the LICENSOR or utility company may move it and the LICENSEE hereby agrees to pay the cost of such moving upon demand.
- C. At any time and from time to time during ordinary business hours within the six months preceding the expiration of the term of this Agreement, the LICENSOR by its agents, and employees, shall have the rights to enter upon the License premises to exhibit to prospective tenants. LICENSOR shall provide LICENSEE with at least one-hour notice before entering the premises unless such entry is required due to an emergency in which reasonable effort will be made to inform LICENSEE prior to such entry.
- D. Exercise of any of the foregoing rights as identified in Article XIV, by the LICENSOR or under other rights of LICENSOR shall not be or be construed to be an eviction of LICENSEE nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

#### **ARTICLE XIV**

#### **LICENSOR'S WARRANTIES AND COVENANTS**

##### **14.01 WARRANTY OF QUIET ENJOYMENT**

The LICENSOR covenants that as long as LICENSEE is not in default of any provision of this Agreement, LICENSEE shall and may peaceably and quietly have, hold and enjoy the Licensed premises during the term hereof unless sooner terminated as provided in this Agreement.

#### **ARTICLE XV**

#### **RULES AND REGULATIONS**

SHORT TERM LICENSE BETWEEN CITY OF LAREDO AND DAUNTLESS

From time to time the City may adopt and enforce any regulations with respect to the occupancy and use of the airport, its services and facilities, by person's vehicles, aircraft and equipment that in City's opinion will reasonably insure the safe, efficient and economically practicable operation thereof and provide for the safety and convenience of those using the Airport, and to protect the Airport and its facilities and the public from damage or injury resulting from operations on, into and from the Airport.

LICENSEE agrees to observe and obey any and all rules and regulations and all Federal, State, and Municipal rules and regulations and laws and to require its officers, agents, employees, contractors, and suppliers, to observe and obey the same.

LICENSEE shall be furnished a current copy of any such rules and regulations and any amendments thereto.

**ARTICLE XVI**

**NON-DISCRIMINATION**

In the use of the Airport under the provisions of this Agreement, LICENSEE will not discriminate or permit discrimination against any person or group of persons because of race, color, or national origin or in any manner validly prohibited by Part 15 of the Federal Aviation Administration's regulations, the Federal Aid Airport Program Grant Agreements applicable to the Airport and all Federal Laws. In enforcing this provision, the City reserves the right to take whatever action it might be required or entitled to take.

This provisions is to be considered as a covenant on the part of the LICENSEE, a breach of which, continuing after notice by LICENSOR or cease or desist, will constitute a material breach of this Agreement and will entitle the LICENSOR at its option to exercise its right of termination as provided for herein.

**ARTICLE XVII**

**NON-EXCLUSIVITY**

Nothing herein contained shall be deemed to grant to LICENSEE any exclusive right or privilege within the meaning of Section 3.08 of the Federal Aviation Act for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, LICENSEE shall have the exclusive right to possession of the Licensed premises as defined within this License.

**ARTICLE XVIII**

**SPECIAL CONDITIONS**

**18.01 NATIONAL EMERGENCY**

During the time of war or national emergency, the City of Laredo shall have the right to license the Airport or any part thereof to the United States Government for military or naval use, and if such License is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the License to the Government, shall be terminated.

**18.02 ATTORNMEN**

In the event the LICENSEE'S License with the City of Laredo is terminated, the LICENSEE shall, at the request of the City, attorn to the City and this License agreement, at the option of the City, shall continue in effect with the City as LICENSOR, but the City shall be bound to the LICENSEE in such circumstances only by privity of estate. The City of Laredo shall not be required to accept LICENSEE'S attornment.

**18.03 SUBJECT TO**

This Agreement is made subject to the Constitution and laws of the State of Texas and the Charter of the City of Laredo, Texas, and, to the provisions of the Federal Aid Airport Program Grant Agreements applicable to the Airport and its operation, and the provisions of such agreements, insofar as they are applicable to the terms and provisions of this Agreement, shall be considered a part hereof to the same extent as though copied herein at length.

**ARTICLE XIX**

**MISCELLANEOUS PROVISIONS**

**19.01 NON-AUTHORIZED USES PROHIBITED**

LICENSEE shall not use or permit the use of the Licensed premises or any part thereof for any purpose or use other than those authorized by this Agreement.

**19.02 TEXAS LAW APPLICABLE**

This Agreement shall be performable and enforceable in Laredo, Webb County, Texas, and shall be construed in accordance with the laws of the State of Texas.

**19.03 BENEFIT OF LICENSOR AND LICENSEE ONLY**

This Agreement is made for the sole and exclusive benefit of the LICENSOR and LICENSEE, their successors and assigns, and is not made for the benefit of any third party.

**19.04 COVENANTS**

All covenants, stipulations and agreements in this Agreement shall extend to and bind each party hereto, and its legal representatives, successors and assigns.

**19.05 EXECUTION OF LICENSE**

This Agreement shall not become effective until the same has been fully and properly executed by both parties hereto.

**19.06 TITLES FOR CONVENIENCE**

The titles of the several articles of this Agreement are inserted herein for convenience only and are not intended and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction on thereof.

**19.07 NO PARTNERSHIP OR JOINT VENTURE**

## SHORT TERM LICENSE BETWEEN CITY OF LAREDO AND DAUNTLESS

The relationship between LICENSOR and LICENSEE at all times shall remain solely that of landlord and tenant and shall not be deemed a partnership or joint venture. LICENSOR shall not have or be construed to have any responsibility or liability for any work, acts, or omissions of LICENSEE, its agents, employees, tenants, subLICENSEE, guest, invitee or customers. LICENSEE shall not have or be construed to have any responsibility or liability for any work, acts, or omissions of LICENSOR, its agents, employees, tenants, successors in interest, guest, invitee or customers.

### **19.08 PRIOR AGREEMENTS**

This Agreement constitutes the sole and only agreement of the parties to the License and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of the License.

### **19.09 AMENDMENT**

No amendment, modification or alteration of the terms of this License shall be binding unless it is in writing, dated subsequent to the date of this License, and duly executed by the parties to this License.

### **19.10 ATTORNEY'S FEES AND COSTS**

If as a result of a breach of this Agreement by LICENSEE, LICENSOR employs an attorney or attorneys to enforce its rights under this License, then the LICENSEE agrees to pay the LICENSOR the reasonable attorney's fees and costs incurred to enforce this License.

### **19.11 TIME OF ESSENCE**

Time is of the essence of this Agreement

### **19.12 CONTRACT AMBIGUITY**

In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author same.

### **19.13 PREPARATION OF LICENSE**

The parties hereto expressly agree and stipulate that there shall not be a presumption that this License shall be construed more strongly against the party drafting this License or any paragraph, clause or provision hereof.

### **19.14 INDEMNITY AGAINST TOXIC WASTE CLEANUP**

All operations by LICENSEE shall be in strict compliance with all state, local and federal laws, ordinances and regulations applicable to the business of LICENSEE, and in particular those applicable to the storage and dispensing of fuels, oxygen, or other hazardous or toxic chemicals or substances handled, stored or dispensed by LICENSEE. LICENSEE agrees to hold LICENSOR

completely harmless from, and to fully indemnify LICENSOR against, all fines, claims, costs and damages (including attorney's fees) relating to, or arising out of LICENSEE'S use of the Licensed premises, including those arising by reason of spillage, leakage, escape or contamination of any fuel, oxygen, chemical or substance from or upon the premises, including also the cost of removing same and returning the premises to a clean and healthful condition. LICENSEE has no obligation to indemnify LICENSOR for any toxic waste cleanup that does not result from LICENSEE'S own actions.

#### **19.15 GENDER NUMBER**

Unless the context required otherwise, all pronouns used in this License Agreement shall be held and construed to include the other genders, whether used in the masculine, feminine or neuter gender, and words in the singular number shall be held and construed to include plural, and words in the plural shall be held and construed to include the singular.

### **ARTICLE XX**

#### **NOTICES**

All notices, demands or requests from One party to another may be personally delivered or sent by mail, certified, postage prepaid, to the addresses stated in this section and shall be deemed to have been given at the time of personal delivery or at the time of mailing.

All payments notices, demands or requests from LICENSEE to LICENSOR shall be given or mailed to LICENSOR at:

Office of the Airport Manager

Jose L. Flores

Laredo International Airport

5210 Bob Bullock Loop

Laredo, Texas 78041

All notices demands or requests from LICENSOR to LICENSEE shall be given or mailed to LICENSEE at:

Katherine D. Jacaman

Dauntless



SHORT TERM LICENSE BETWEEN CITY OF LAREDO AND DAUNTLESS

3415 Nottingham

Laredo, TX 78043

SHORT TERM LICENSE BETWEEN CITY OF LAREDO AND DAUNTLESS

EXECUTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

CITY OF LAREDO  
A MUNICIPAL CORPORATION

BY:   
JESUS OLIVARES  
INTERIM CITY MANAGER

ATTEST:

  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY



APPROVED AS TO FORM:

BY:   
RAUL CASSO  
CITY ATTORNEY

DAUNTLESS, A TEXAS SOLE PROPRIETOR

BY:   
KATHERINE D. JACAMAN  
OWNER

**ORDINANCE NO. 2015-O-052**

**AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE WITH DAUNTLESS, A TEXAS SOLE PROPRIETERSHIP, FOR APPROXIMATELY 1,460 SQUARE FEET OF BUILDING SPACE LOCATED AT 1701 E. HILLSIDE, SUITE #2 AT THE LAREDO INTERNATIONAL AIRPORT, BLOCK 15, LOT NO.1. THE INITIAL MONTHLY RENT SHALL BE \$1,400.00 AND WILL BE ADJUSTED ANNUALLY ACCORDING TO CHANGES IN THE CONSUMER PRICE INDEX (CPI). THE TERM SHALL COMMENCE ON MAY 1, 2015 AND SHALL TERMINATE ON APRIL 30, 2016, PLUS TWO ONE-YEAR RENEWAL OPTIONS UNTIL APRIL 30, 2017 AND APRIL 1, 2018 PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Airport Manager recommends that the City Council approve the proposed lease between the City of Laredo, as LESSOR, and Dauntless, a Texas Sole Proprietorship, as LESSEE for the building located at 1701 E. Hillside, Suite #2 having approximately 1,400 square feet of building space with associated land and is situated on the Laredo International Airport, Block 15 Lot 1 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 is in the best interest of the Airport and recommends that the City Council approve the proposed lease; and

WHEREAS, the City Council of the City of Laredo having heard the recommendations of the Airport Manager and of the Airport Advisory Board agrees with same.

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

Section 1: The City Manager be hereby authorized to execute a lease with Dauntless, A Texas Sole proprietorship as LESSEE for the building located at 1701 E. Hillside, Suite #2 having approximately 1,400 square feet of building space with associated land and is situated on the Laredo International Airport, Block 15 Lot 1, 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.

Section 2: This Ordinance shall become effective upon passage hereof.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON  
THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETE SAENZ  
MAYOR

ATTEST:

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
RAUL CASSO  
CITY ATTORNEY

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Staff Source:** Raymond E. Garner, Chief of Police

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**SUBJECT**

**2015-R-31** Authorizing the City Manager to accept a grant in the amount of \$7,000.00 from the Texas Department of Transportation for the Enforcement of Vehicle Occupant Protection during the "Click It or Ticket" Campaign. This grant is for overtime salaries and fringe benefits and is funded 100% by the Texas Department of Transportation.  
**(Approved by Operations Committee)**

**VENDOR INFORMATION FOR COMMITTEE AGENDA**

None.

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

The Texas Department of Transportation has made a grant entitled Click It or Ticket available to the Laredo Police Department. The grant will pay for overtime salaries and fringe benefits for police officers for the enforcement of the seat belt law during May 19, 2014-June 1, 2015. Public information materials will also be available under this grant.

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Recommends that Council approve this Resolution.

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**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** Grant  
**Account #:** 229-2316  
**Change Order: Exceeds 25% Y/N:** N/A

**FINANCIAL IMPACT:**

Funding is available in the Special Police Fund 229.

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## Attachments

2015-R-31

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**RESOLUTION NO. 2015-R-31**

**Authorizing the City Manager to accept a grant in the amount of \$7,000 from the Texas Department of Transportation for the enforcement of Vehicle Occupant Protection during the “Click It or Ticket” Campaign. This grant is for overtime salaries and fringe benefits and is funded 100% by the Texas Department of Transportation.**

**Whereas**, there is available to the City of Laredo a grant entitled Click It or Ticket from the Texas Department of Transportation for a program which would pay for overtime salaries and fringe benefits for off duty police officers for the enforcement of the seat belt law during May 19, 2015 – June 1, 2015; and

**Whereas**, the Police Chief Recommends that the Council authorize acceptance of a grant for such a program in the amount of \$7,000 for fiscal year 2014-2015; and

**Whereas**, the City Council finds that such acceptance should be made and will be beneficial to the City.

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

**Section 1:** It authorizes the City Manager to accept a grant from the Texas Department of Transportation in the amount of \$7,000 for the enforcement of the seat belt law during May 19, 2015 through June 1, 2015.

**Section 2:** It authorizes the City Manager to execute all necessary documents to achieve said grant and to effectuate its terms.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
PETE SAENZ  
CITY MAYOR

ATTEST:

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GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:

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RAUL CASSO  
CITY ATTORNEY

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Jose Luis Flores, Airport Manager

**SUBJECT**

Authorizing the City Manager to approve Amendment No. 1, an increase of \$50,000.00 to pay for past and future legal services by the Law Firm of Denton, Navarro, Rocha & Bernal in the matter of Crossett Development I, LLC v. City of Laredo, Case No. 5:14-CV-00199, in the United States District Court. Funding is available in Airport Operations Fund.

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

On May 31, 1979, the City of Laredo, Lessor entered into a Lease Agreement with Jeffrey H. Tamkin and Joan Tamkin, Lessee for approximately 14.5 acres of land at the Laredo International Airport. Original term is for 50 years ending June 14, 2029 with an additional five (5) options to extend the term of five (5) years each.

The additional rent that is based on ad valorem tax formula went unpaid for a considerable amount of time, and, after several proceedings continues in litigation.

This amendment no. 1 is to provide additional legal representation in all matters regarding lease agreement between Jeffrey H. and Joan Tamkin, now Crossett Development, LLC as Lessee.

Amount owed in additional rent to date exceeds \$1,400,000 includes interest since 2003.

Original contract amount.....	\$45,000.00
(P.O. 241902 awarded October 28, 2014)	
This Amendment No. 1.....	<u>\$50,000.00</u>
Current contract amount.....	\$95,000.00

**COMMITTEE RECOMMENDATION**

On April 7, 2015 the Airport Advisory Board considered this item and recommends approval.

**STAFF RECOMMENDATION**

Approval of Motion.

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**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** 242  
**Account #:** 242-3605-583.55-07  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Legal Expense Account No. 242-3605-583.55-07

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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Staff Source:** Elizabeth Martinez, RTA Tax Assessor-Collector

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**SUBJECT**

Approving monthly adjustments to the tax roll. The amounts to be adjusted for the month of March 2015, represent a decrease of \$53,840.09. These adjustments are determined by the Webb County Appraisal District and by court orders.

**PREVIOUS COUNCIL ACTION**

Approves tax roll each year.

**BACKGROUND**

Under Section 26.09, Calculation of Tax, paragraph (e) of the Texas Property Tax Code, "the Assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and submit it to the governing body of the unit for approval. The appraisal roll with amount of tax entered as approved by the governing body constitutes the unit's tax roll. It was the recommendation of the City Attorney and the Tax Collections Attorney, that adjustments be approved each month, in addition to the tax roll being accepted with adjustments.

**COMMITTEE RECOMMENDATION**

None.

**STAFF RECOMMENDATION**

Approval

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**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

"Potential revenues will decrease due to a decrease in levy in the amount of \$53,840.09."

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## Attachments

March 2015 Adjustments

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TAX ADJUSTMENT LISTING  
 3/01/15 - 3/31/15  
 BY TRANSACTION DATE  
 RECAP TOTALS BY ENTITY/YEAR

ENTITY/YR	+ BASE	PAYMT REF	PYMT VOID	- BASE	CR REF	- / - TX DOB	TRANS FRM	TRANS TO
INTS 14	.00	.00	.00	.00	26.63	.00	.00	.00
INTS TOTALS	.00	.00	.00	.00	26.63	.00	.00	.00
IN12 12	27.31	.00	.00	.00	.00	.00	.00	.00
IN12 TOTALS	27.31	.00	.00	.00	.00	.00	.00	.00
IN13 13	40.00	.00	.00	.00	.00	.00	.00	.00
IN13 TOTALS	40.00	.00	.00	.00	.00	.00	.00	.00
IN14 14	9.22	.00	.00	.00	.00	.00	.00	.00
IN14 TOTALS	9.22	.00	.00	.00	.00	.00	.00	.00
LARE 94	.00	.00	.00	.23	.00	.00	.00	.00
LARE 96	.00	.00	.00	95.15	.00	.00	.00	.00
LARE 97	.00	.00	.00	335.95	.00	.00	.00	.00
LARE 98	.00	.00	.00	354.06	.00	.00	.00	.00
LARE 99	.00	.00	.00	785.38	.00	.00	.00	.00
LARE 00	.00	.00	.00	334.78	.00	.00	.00	.00
LARE 01	.00	.00	.00	285.14	.00	.00	.00	.00
LARE 02	.00	.00	.00	593.43	.00	.00	.00	.00
LARE 03	.00	.00	.00	2587.34	.00	.00	.00	.00
LARE 04	.00	.00	.00	43212.54	.00	.00	.00	.00
LARE 07	.00	.00	.00	.00	.00	.00	.00	.00
LARE 09	.00	.00	.00	.00	.00	.00	.00	.00
LARE 10	.00	.00	.00	106.82	.00	.00	.00	.00
LARE 12	.00	.00	.00	.00	.00	.00	.00	.00
LARE 13	.00	.00	.00	.00	.00	.00	.00	.00
LARE 14	.00	.00	.00	548.80	.00	.00	.00	.00
LARE TOTALS	215.24	2211.71	2211.71	14097.44	1143.65	.00	2684.68	70.00
NSP 04	.00	601.58	2058.17	28016.81	28016.81	.00	18243.31	2632.24
NSP TOTALS	.00	817.52	4269.88	87337.06	29160.46	.00	20927.99	14567.93
OMIT 12	109.24	.00	.00	.00	.00	.00	.00	.00
OMIT 13	307.80	.00	.00	.00	.00	.00	.00	.00
OMIT 14	926.00	.00	.00	.00	.00	.00	.00	.00
OMIT TOTALS	1343.04	.00	.00	.00	.00	.00	.00	.00
OM05 05	.00	.00	.00	418.98	.00	.00	.00	.00
OM05 TOTALS	.00	.00	.00	418.98	.00	.00	.00	.00
RP12 12	8.10	.00	.00	.00	.00	.00	.00	.00
RP12 TOTALS	8.10	.00	.00	.00	.00	.00	.00	.00
RP13 13	27.95	.00	.00	4.71	.00	.00	.00	.00
RP13 TOTALS	27.95	.00	.00	4.71	.00	.00	.00	.00
RP14 14	89.78	21.83	.00	78.93	95.26	.00	20.37	20.37
RP14 TOTALS	89.78	21.83	.00	78.93	95.26	.00	20.37	20.37
RTN 14	100.00	.00	.00	.00	.00	.00	.00	.00
RTN TOTALS	100.00	.00	.00	.00	.00	.00	.00	.00
SUPP 03	.00	.00	.00	73.80	.00	.00	.00	.00

*Handwritten:* 100% GET 5.5%

TAX ADJUSTMENT LISTING  
 3/01/15 - 3/31/15  
 BY TRANSACTION DATE  
 RECAP TOTALS BY ENTITY/YEAR

ENTITY/YR	+ BASE	PAYMT REF	PVMT VOID	CR REF	+/-TX DUE	TRANS FRM	TRANS TO
SUPP 09	1234.52	.00	.00	.00	.00	.00	.00
SUPP 10	1108.08	.00	.00	.00	.00	.00	.00
SUPP 11	1160.25	.00	.00	.00	.00	.00	.00
SUPP 12	1211.93	.00	.00	.00	.00	.00	.00
SUPP 13	1040.00	.00	.00	.00	.00	.00	.00
SUPP 14	15150.93	.00	.00	.00	.00	.00	.00
SUPP TOTALS	20905.71	.00	.00	.00	.00	.00	3383.09
TOTALS	22551.11	839.35	4269.88	29282.35	.00	20948.36	20948.36

MARCH 2015

2014	< 14,097.44 >
PRIOR	< 53,239.62 >
OMIT	926.00
OMIT P.	417.04
OMOS	< 418.98 >
RP12	8.10
RP13	23.24
RP14	10.85
SUPP	6,849.74
SUPP P.	5,680.98
IN 12	27.31
IN 13	40.00
IN 14	9.22
NSF	< 25.00 >
RTN	100.00
	<u>&lt; 53,688.56 &gt;</u>

2014	< 14,097.44 >
PRIOR	< 53,239.62 >
OMIT	926.00
OMIT P.	417.04
OMOS	< 418.98 >
RP12	8.10
RP13	23.24
RP14	10.85
JUPP	6,849.74
SUPP P.	5,680.98
	<u>&lt; 53,840.09 &gt;</u>
IN 12	27.31
IN 13	40.00
IN 14	9.22
NSF	< 25.00 >
RTN	100.00
	<u>&lt; 53,688.56 &gt;</u>

C.C. AGENDA

TAX ADJUSTMENT LISTING  
 3/01/15 - 3/31/15  
 BY TRANSACTION DATE  
 PAYMENT RECAP TOTALS BY ENTITY/YEAR

ENTITY/YR	BASE TAX	PENALTY	INTEREST	COLL FEE	DISCOUNT	UNAPPLIED	TOTAL
INT5 14	.00	.00	.00	.00	.00	26.63	26.63
INT5 TOTALS	.00	.00	.00	.00	.00	26.63	26.63
IN12 TOTALS	.00	.00	.00	.00	.00	.00	.00
IN13 TOTALS	.00	.00	.00	.00	.00	.00	.00
IN14 TOTALS	.00	.00	.00	.00	.00	.00	.00
LARE 02	12.95-	1.55-	18.75-	4.98-	.00	.00	38.23-
LARE 07	60.36-	7.22-	51.14-	17.76-	.00	.00	136.50-
LARE 09	49.99-	5.99-	30.98-	13.04-	.00	.00	103.00-
LARE 12	44.45-	5.33-	11.09-	9.12-	.00	.00	70.00-
LARE 13	.00	24.44	.40	.00	.00	191.10	215.94
LARE 13	1538.58	184.63	200.02	268.48	.00	.00	2211.71
LARE 13	1913.14	65.99	69.36	102.79	.00	1143.65	2284.68
LARE 13	726.02	38.78-	91.87-	7.83-	.00	533.40	2684.68
LARE 14	.00	22.88	6.36	.00	.00	1747.74-	2632.24-
LARE 14	1920.74	71.34	15.61	50.48	.00	572.34	601.58
LARE 14	.00	.00	.00	.00	.00	.00	2058.17
LARE 14	13832.53	111.11	27.94	13.05	.00	28016.6-	28016.61
LARE 14	3100.81	105.95-	27.06-	.00	.00	4259.28	18243.31
LARE TOTALS	15210.40 ✓	295.57	88.20	402.05	.00	11334.1-	14567.93-
NSF TOTALS	.00	.00	.00	.00	.00	21634.73	37630.95
OMIT TOTALS	.00	.00	.00	.00	.00	.00	.00
OM05 TOTALS	.00	.00	.00	.00	.00	.00	.00
RP12 TOTALS	.00	.00	.00	.00	.00	.00	.00
RP13 TOTALS	.00	.00	.00	.00	.00	.00	.00
RP14 14	.00	1.24	.22	.00	.00	20.37	21.83
RP14 14	.00	.00	.00	.00	.00	95.26	95.26
RP14 14	20.37 ✓	.00	.00	.00	.00	20.37	20.37
RP14 TOTALS	20.37 ✓	1.24	.22	.00	.00	95.26	117.09
RTN TOTALS	.00	.00	.00	.00	.00	.00	.00
SUPP 14	3377.18-	4.69-	1.22-	.00	.00	.00	3383.09-
SUPP TOTALS	3377.18- ✓	4.69-	1.22-	.00	.00	.00	3383.09-
TOTALS	11853.59	292.12	87.20	402.05	.00	21756.62	34391.58

2014 2,557.94  
 PRIOR 12,652.46  
 R14 20.37  
 Supp < 3,377.18 >  
 11,803.59

TAX ADJUSTMENT LISTING  
 3/01/15  
 BY TRANSACTION DATE

RECAP TOTALS BY ADJUSTMENT CODE

ADJ CODE	+ BASE	PAYMT REF	PYMT VOID	- BASE	CR REF	+/-TX DDB	TRANS FRM	TRANS TO
APCR	.00	.00	.00	.00	.00	.00	195.67	195.67
CBR	.00	839.35	.00	.00	29282.35	.00	.00	.00
CLOS	.00	.00	377.42	.00	.00	.00	.00	.00
IPR2	76.53	.00	.00	.00	.00	.00	.00	.00
KSP	.00	.00	3405.11	.00	.00	.00	.00	.00
OTAX	1343.64	.00	.00	8301.19	.00	.00	278.11	278.11
OTHR	.00	.00	.00	83.64	.00	.00	1406.50	1406.50
REND	125.83	.00	.00	.00	.00	.00	20.37	20.37
RTN	100.00	.00	.00	.00	.00	.00	.00	.00
SCB	9113.45	.00	.00	.00	.00	.00	.00	.00
SDA	.00	.00	.00	162.12	.00	.00	.00	.00
SDIS	153.39	.00	.00	106.62	.00	.00	793.86	793.86
SDNF	.00	.00	.00	18.94	.00	.00	2774.32	2774.32
SDVH	.00	.00	.00	855.70	.00	.00	1178.45	1178.45
SENV	6442.73	.00	.00	114.09	.00	.00	114.09	114.09
SEP	.00	.00	.00	.00	.00	.00	191.10	191.10
SFR2	109.28	.00	.00	383.48	.00	.00	5926.22	5926.22
SLHS	.00	.00	.00	528.69	.00	.00	.00	.00
SOBS	.00	.00	.00	9.91	.00	.00	37.51	37.51
SSPT	3600.63	.00	.00	6455.66	.00	.00	191.10	191.10
STOP	.00	.00	487.35	6383.83	.00	.00	894.94	894.94
SVET	.00	.00	.00	.00	.00	.00	.00	.00
TE	1486.23	.00	.00	102.52	.00	.00	38.82	38.82
TRNF	.00	.00	.00	631.10	.00	.00	631.10	631.10
YEAR	.00	.00	.00	52101.78	.00	.00	6276.20	6276.20
TOTALS	22551.11	839.35	4269.66	76239.67	29282.35	.00	20948.36	20948.36

YR/ADC CODE	BASE TAX	PENALTY	INTEREST	COLL FEE	DISCOUNT	UNAPPLIED	TOTAL
14 TOTALS	.00	.00	.00	.00	.00	.00	.00
96 TOTALS	.00	.00	.00	.00	.00	.00	.00
97 TOTALS	.00	.00	.00	.00	.00	.00	.00
98 TOTALS	.00	.00	.00	.00	.00	.00	.00
99 TOTALS	.00	.00	.00	.00	.00	.00	.00
00 TOTALS	.00	.00	.00	.00	.00	.00	.00
01 TOTALS	.00	.00	.00	.00	.00	.00	.00
02 APCR	12.95-	1.55-	18.75-	4.98-	.00	.00	38.23-
02 TOTALS	12.95-	1.55-	18.75-	4.98-	.00	.00	38.23-
03 TOTALS	.00	.00	.00	.00	.00	.00	.00
04 TOTALS	.00	.00	.00	.00	.00	.00	.00
07 OTHER	60.35-	7.22-	51.14-	17.78-	.00	.00	136.50-
07 TOTALS	60.35-	7.22-	51.14-	17.78-	.00	.00	136.50-
09 TRNF	49.99-	5.99-	30.98-	13.04-	.00	.00	100.00-
09 TOTALS	49.99-	5.99-	30.98-	13.04-	.00	.00	100.00-
20 TOTALS	.00	.00	.00	.00	.00	.00	.00
-1 TOTALS	.00	.00	.00	.00	.00	.00	.00
12 OTHER	44.46-	5.33-	11.09-	5.12-	.00	.00	70.00-
12 TOTALS	44.46-	5.33-	11.09-	5.12-	.00	.00	70.00-
13	1248.29	.00	.00	.00	.00	.00	1248.29
13 APCR	.00	.00	.00	.00	.00	1248.29-	1248.29-
13 CBR	.00	.00	.00	.00	.00	195.67	195.67
13 NSP	.00	24.44	.00	.00	.00	131.10	155.54
13 OTHER	1538.58	184.63	200.02	288.48	.00	1143.65	2271.71
13 SSPT	550.79	65.99	69.36	102.79	.00	893.93	1617.97
13 TRNF	726.02-	58.78-	91.87-	7.83-	.00	945.55-	1573.05
13 IF	-14.05	.00	.00	.00	.00	375.96-	361.91
13 TRNF	.00	.00	.00	.00	.00	114.06-	114.06-
13 TOTALS	2725.70	216.28	177.91	383.44	.00	120.41	3623.74
14	10275.29	.00	.00	.00	.00	.00	10275.29
14 APCR	.00	.00	.00	.00	.00	10275.29-	10275.29-
14 CBR	157.44-	.00	.00	.00	.00	.00	157.44-
14 TRNF	.00	24.12	6.58	.00	.00	592.71	623.41
14 TOTALS	.00	.00	.00	.00	.00	28138.70	28138.70

PAYMENT RECAP TOTALS BY YEAR/ADJUSTMENT CODE

YR/ADJ. CODE	BASE TAX	PENALTY	INTEREST	COLL FEE	DISCOUNT	UNAPPLIED	TOTAL
14 CLOS	352.73	21.17	3.52	.00	.00	.00	377.42
14 NSF	1120.90	18.87	3.15	50.48	.00	.00	1193.40
14 OTHR	560.47	29.54	5.03	.00	.00	22.53	617.57
14 OTHR	268.84	12.37	2.06	.00	.00	22.80	306.07
14 REND	20.37	.00	.00	.00	.00	.00	20.37
14 REND	.00	.00	.00	.00	.00	20.37	20.37
14 SSPT	885.13	8.41	1.40	.00	.00	518.98	894.94
14 SSPT	.00	.00	.00	.00	.00	.00	518.98
14 STOP	447.11	31.30	6.94	.00	.00	.00	487.35
14 TF	517.04	.00	.00	.00	.00	.00	517.04
14 TF	.00	.00	.00	.00	.00	.00	517.04
14 TRNF	1594.60	73.16	20.91	13.05	.00	4236.75	5938.47
14 TRNF	6051.71	98.27	26.22	.00	.00	.00	6176.20
14 TOTALS	9295.65	95.93	21.25	63.53	.00	21636.21	9112.57
TOTALS	11853.59	292.12	87.20	402.05	.00	21756.62	34391.58

	PREVIOUS BALANCES	ORIGINAL TRANSACTIONS	ADJUSTMENTS TO ORIGINAL	ADJUSTMENTS TO PREVIOUS	NET ADJUSTMENTS	ENDING BALANCES
BASE TAX BILLED	71,781,669.45		4,734.91	-0,936.54	6,201.63	71,775,467.82
BASE TAX PAID	64,009,605.01	1,794,623.63	655.57	8,630.38	9,295.65	65,769,932.99
BASE PAID FROM DEFERRED						
ADJUSTMENTS TO UNPAID TAX						
OUTSTANDING BASE TAX	7,777,064.44					5,985,534.83

	CHARGES LEVIED	CHARGES PAID	ADJUSTMENTS TO UNPAID CHARGES	OUTSTANDING CHARGES
CHARGES LEVIED				
CHARGES PAID				
ADJUSTMENTS TO UNPAID CHARGES				
OUTSTANDING CHARGES				

	OTHER PAID:	PENALTY	INTEREST	COLLECTION FEE	DISCOUNT	UNAPPLIED DEFERRED	TOTAL PAID
OTHER PAID:							
PENALTY	108,202.55						
INTEREST	18,045.04						
COLLECTION FEE	3,601.81						
DISCOUNT	53,843.30						
UNAPPLIED DEFERRED							
TOTAL PAID	64,186,297.71						66,110,585.28

	ORIGINAL TRANSACTIONS	ADJUSTMENTS TO ORIGINAL	ADJUSTMENTS TO PREVIOUS	NET ADJUSTMENTS	ENDING BALANCES
ORIGINAL TRANSACTIONS	109,011.01	28,600	67.33	95.93	217,117.63
ADJUSTMENTS TO ORIGINAL	28,129.06	13.48	10.77	21.25	46,152.85
ADJUSTMENTS TO PREVIOUS	5,685.88	13.05	50.48	63.53	9,224.16
NET ADJUSTMENTS	15,950.56	503.64	21,132.57	21,636.21	48,157.65
ENDING BALANCES	1,953,400.14	1,221.34	29,891.23	31,112.57	66,110,585.28



	PREVIOUS BALANCES	ORIGINAL TRANSACTIONS	ADJUSTMENTS TO ORIGINAL	ADJUSTMENTS TO PREVIOUS	ADJUSTMENTS NEE	ENDING BALANCES
- BASE TAX BILLED	1022,541,904.69	1,954,831.12	5,255.31	58,943.87-	53,688.56-1021,988,216.13	
- BASE TAX PAID	10,028,858.16		504.10-	11,349.49-	11,853.59-1012,17-,835.69	
- BASE PAID FROM DEFERRED						
+/- ADJUSTMENTS TO UNPAID TAX	2,734.03-					2,734.03-
= OUTSTANDING BASE TAX	1,810,312.50					9,813,646.41

CHARGES LEVIED  
 CHARGES PAID  
 +/- ADJUSTMENTS TO UNPAID CHARGES  
 = OUTSTANDING CHARGES

OTHER PAID:

PENALTY	20,402,917.45	125,586.87	16.06	276.06-	292.12-	20,528,312.20
INTEREST	8,360,264.12	59,166.11	40.16	127.36-	87.20-	6,419,343.03
COLLECTION FEE	20,284,475.05	35,396.52	22.70-	379.35-	402.05-	10,319,469.53
DISCOUNT						
UNAPPLIED	39,491.58	17,551.87	633.48-	21,123.14-	21,756.62-	36,286.83
DEFERRED						
TOTAL PAID	1047,316,006.36	2,192,532.49	1,136.18-	33,255.40-	34,391.88-1049,474,147.27	

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Cynthia Collazo, Deputy City Manager

**Staff Source:** Hector F. Gonzalez, MD, MPH, Director of Health

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**SUBJECT**

**2015-R-32** Authorizing the City Manager to accept the contract with the Women's Health and Family Planning Association of Texas (WHFPT) in the amount of \$120,312.00 for the continuation of the City of Laredo Health Department Title X Family Planning Women's Health Program for the term period from April 1, 2015 through March 31, 2016.

**VENDOR INFORMATION FOR COMMITTEE AGENDA**

N/A

**PREVIOUS COUNCIL ACTION**

On May 5, 2014, Council approved Resolution 2013-R-047.

**BACKGROUND**

The City of Laredo Health Department (CLHD) is continuing its contract with the Women's Health and Family Planning Association of Texas (WHFPT) for the continuation of the Title X Family Planning and Women's Health Program. Through this agreement the CLHD will provide family planning and women's preventive wellness services to include counseling and women's health wellness and preventive health care services, annual check-ups, family planning, birth control methods, prenatal, post-partum and interpartum care, and laboratory services needed for quality women's health care and in accordance to Title X screening and eligibility guidelines.

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Staff recommends that Council approve the Resolution.

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**Fiscal Impact**

**Fiscal Year:**

2015

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

The revenue account 226-0000-321-6304 and the expenditure account 226-6203 will increase by \$19,816 The revenue account 226-0000-372-1000 and the expenditure division 226-6801-544-9900 will decrease by \$19,816. The total budget remains the same.

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**Attachments**

Contract

Budget

2015-R-32

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## WHFPT - SUB-RECIPIENT CONTRACT

**THIS AGREEMENT** (this “Agreement”) is effective this 1st day of April 2015, by and between The Women’s Health and Family Planning Association of Texas, a Texas nonprofit corporation, with its principal offices located in Austin, Texas (“WHFPT”), and City of Laredo Public Health, a nonprofit corporation with its principal office located at 2600 Cedar Avenue, Laredo, TX, 78040, Employer Identification No. 74-6001573.

### RECITALS

**WHEREAS**, WHFPT has been awarded a grant from the U.S. Department of Health and Human Services (hereinafter referred to as “DHHS”) pursuant to the provisions of the Public Health Service Act (42 U.S.C. 201, et seq.) (hereinafter referred to as the “Act”) to manage a program entitled “The Family Planning Project” (the “Project”) involving the provision of family planning services in the State of Texas.

**WHEREAS**, the Sub-recipient has been and is engaged in providing the public with qualified medical, counseling, and educational services in the area of family planning.

**WHEREAS**, the Sub-recipient has agreed to provide directly to the public certain services related to the Project, defined for purposes of this Agreement as medical, counseling, and educational activities in the area of family planning (the “Project Services”), financed in whole or in part of grant awards pursuant to the Act (a “Grant Award”) in accordance with the Act and the regulations promulgated thereunder, and in cooperation with and in accordance with the goals and policies/procedures and standard statements of WHFPT.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the covenants and representations set forth herein and for other good and valuable consideration, the parties, intending to be legally bound, hereby agree as follows:

#### ARTICLE I TERM OF AGREEMENT

Section 1.1 This Agreement shall be in effect for a term of **12** months commencing on April 1, 2015 until March 31, 2016, unless earlier terminated as provided elsewhere herein upon delivery of written notice by WHFPT to Sub-recipient not less than ten (10) days prior to the expiration of the term of the agreement.

#### ARTICLE II SCOPE OF WORK OF SUB-RECIPIENT

Section 2.1 Sub-recipient shall provide Project Services to **940** unduplicated clients during the term. In the event that Sub-recipient provides Project Services to the minimum number of unduplicated clients prior to the end of the Agreement year, Sub-recipient shall nonetheless continue to provide Project Services through the end of the Term. Sub-recipient shall have a policy that addresses the issue of capacity. WHFPT must be notified immediately and in

writing if Sub-recipient is unable to accept new family planning clients because they are at capacity.

Section 2.2 Sub-recipient will implement, manage, and conduct the Project under this Agreement according to the following terms and conditions:

(a) Sub-recipient shall at all times during the Term be enrolled as a Medicaid provider and shall remain eligible to treat beneficiaries of Medicaid programs.

(b) Sub-recipient shall provide all FDA approved methods of contraception, including natural family planning and emergency contraception. If Sub-recipient cannot provide all methods of contraception on-site, Sub-recipient must notify WHFPT in writing.

(c) Sub-recipient shall provide confidential services to all clients, including adolescents.

(d) Sub-recipient shall provide services strictly on a voluntary basis, without coercion.

(e) Sub-recipient shall provide all services in a manner which respects the individual client's privacy and dignity.

(f) Sub-recipient shall provide services without regard to religion, race, color, national origin, disabling condition, sexual orientation, age, sex, number of pregnancies, ability to pay, or marital status, and without the imposition of residence or referral requirements.

(g) Sub-recipient shall ensure all persons freedom of choice of contraceptive methods as long as there are no medical contraindications to the method selected.

(h) Sub-recipient shall obtain sufficient informed consent from all clients.

(i) Sub-recipient shall ensure that priority in the provision of services will be given to persons from low-income families (as defined below) and that no charge will be made for services provided to any person from a low-income family, except to the extent that payment is made by a third party which is authorized to or is under a legal obligation to pay such charge. For purposes of this Agreement, "low-income family" is defined as a social unit comprised of one or more individuals living together as a household whose total annual income does not exceed one hundred percent (100%) of the current Federal Poverty Guidelines, issued pursuant to 42 U.S.C. §9902(2), unless otherwise defined by applicable DHHS Regulations. Any charge made for services hereunder shall be made in compliance with DHHS Regulations and the WHFPT Policy on Client Fee Charges. Sub-recipient will submit to WHFPT on an annual basis, its fee schedule, and policies and procedures, related to client fees.

(j) Sub-recipient shall submit invoices for services, and diligently pursue payment, without application of any discounts, from all third party payers which are

authorized or under a legal or contractual obligation to reimburse Sub-recipient for services rendered.

(k) Sub-recipient shall develop, manage and conduct the Project and provide Project Services related to family planning in compliance with the requirements of the Act, all regulations promulgated and/or amended by DHHS under the Act (hereafter “DHHS Regulations”), applicable DHHS policies, procedures, conditions, and standards, as amended from time to time; and all WHFPT policies, standards and guidelines, including, but not limited to the following: Program Guidelines for Project Grants for Family Planning Services through September 30, 2014; Effective October 1, 2014, the new Title X Program Requirements and Quality Family Planning Services (QFP); 42 USC §256b, as applicable (340B drug pricing agreements); 2 CFR Part 200 and 45 CFR Part 75, as applicable; 25 TAC Chapter 39 Subchapter B (Texas Women’s Health Program rules); 1 TAC Chapter 371, Subchapter G, as applicable (Medicaid program integrity rules); the Texas Medicaid Providers and Procedures Manual, as applicable; and WHFPT Policy and Procedure Manual, all as amended from time to time. In addition, Sub-recipients Project shall conform to WHFPT’s Medical Standards (hereinafter the “Medical Standards”).

(l) Sub-recipient shall provide social services related to family planning, including counseling and referral to other social and medical service agencies, and any ancillary services which may be necessary to facilitate Project Services.

(m) Sub-recipient shall provide unbiased and neutral counseling for women who have a positive pregnancy test. The counseling must include information about access to prenatal care, adoption services, and pregnancy termination services.

(n) Sub-recipient shall provide informational and educational programs designed to achieve community understanding of the objectives of the Project, to inform the community of the availability of Project Services and to promote continuing participation in the Project by persons to whom family planning services may reasonably be expected to be beneficial. All informational or educational material developed by Sub-recipient for use in connection with the Project shall be in accord with the guidelines as reviewed and approved by the Education Materials Workgroup established by WHFPT.

(o) Sub-recipient shall provide orientation and in-service training for each of its personnel providing Project Services.

(p) Sub-recipient shall ensure attendance by a minimum of two (2) staff members, one (1) of which is a direct service provider, at the WHFPT Annual Title X Conference.

(q) Sub-recipient shall provide family planning medical services: (1) under the direction of a physician with special training or experience in family planning; and (2) in compliance with all state practice standards and/or standards of care.

(r) Sub-recipient shall maintain a quality assurance system which allows for program development and evaluation and includes required participation in WHFPT's quality assurance program. Sub-recipient must provide a standard of care that conforms, at a minimum, to standards of practice established by DHHS and WHFPT, through, among other things, the employment of qualified personnel and the provision of safe, effective services, which meet the needs of the community, and through a program that allows for on-going monitoring and evaluation of services.

(s) Sub-recipient shall coordinate and provide referral arrangements with other providers of healthcare and social services.

(t) Sub-recipient shall provide accurate and timely information on the clients served and services provided through WHFPT central data processing agreement with Ahlers and Associates.

(u) Sub-recipient shall maintain confidentiality and security of client records at all times in compliance with the Health Information Portability and Accountability Act of 1996 and its implementing regulations (45 CFR Parts 160-164) as amended from time to time, (hereinafter collectively "HIPAA"). All information obtained by Sub-recipient or its personnel about individuals receiving services shall be held confidential and shall not be disclosed without consent of such individual, except that such information may be disclosed in summary, statistical or other form which fully complies with HIPAA. Sub-recipient specifically affirms and agrees that persons from low-income families will not be charged any fee for retrieval and copies of their respective medical records, and that medical records will be released to clients promptly upon presentation of a written authorization as provided by Texas law. Sub-recipient acknowledges that the provisions of this paragraph survive the termination of the Agreement.

(v) Sub-recipient shall not provide abortion as a method of family planning and is prohibited from using any Title X Project resources to perform or promote such procedures.

### **SCOPE OF WORK BY WHFPT**

Section 2.3 WHFPT shall advise Sub-recipients of all pertinent changes in federal requirements and guidelines which relate to the development or implementation of the Project. However, a failure or delay in notifying the Sub-recipient of such changes will not relieve the Sub-recipient of the responsibilities described in this Agreement.

Section 2.4 WHFPT shall monitor programmatic and fiscal operations of the Sub-recipient as they relate to the Project and/or the provision of Project Services, and shall have the right to require Sub-recipient to implement reasonable changes to such operations based on WHFPT's findings.

Section 2.5 Based on information obtained as a result of WHFPT program staff's contact with Sub-recipient, including site visits, chart audits, and review of financial and client data, WHFPT may recommend appropriate technical assistance and/or training. WHFPT shall



work with Sub-recipient to obtain required and/or requested technical assistance/or training at no or minimal cost to the Sub-recipient.

Section 2.6 WHFPT staff shall be available during normal business hours to Sub-recipient on an ongoing basis to discuss policy and other questions related to the Project and the Project Services.

### **ARTICLE III COMPENSATION**

#### Section 3.1

(a) The amount of Title X (Federal CFDA Number 93.217) grant funds to be paid to the Sub-recipient by WHFPT pursuant to this Agreement is **\$120,312.00** (the “Base Amount”) in the aggregate, the parties acknowledge and agree that all payments made by WHFPT to Sub-recipient shall be deemed payments of the Base Amount, and Sub-recipient shall not be entitled to payment of any additional amounts hereunder for Project Services provided prior to the Effective Date except to the extent set forth in Section 3.1(c) below.

(b) WHFPT shall remit the Base Amount to Sub-recipient in equal monthly installments. Payment shall be made no later than the 15th of every calendar month during the term of this Agreement. WHFPT’s obligations to pay the Base Amount pursuant to this section shall be expressly conditioned upon the disbursement to WHFPT of grant funds by DHHS for the Project with respect to the relevant portion of the Term. To the extent such grant funds are not disbursed, then WHFPT’s obligation to pay the Base Amount shall be deferred until such grants funds are received.

(c) From time to time, WHFPT will administer Special Funds to Sub-recipient agencies. WHFPT will inform Sub-recipient agency of the specific policies and procedures to access each fund. All clients benefitting from these funds must be documented in WHFPT’s centralized data collection system. WHFPT is providing these funds to the Sub-recipient agency in lieu of cash and in addition to the Base Amount.

(d) It shall be a condition precedent to Sub-recipient’s right to receive a scheduled portion of any Base Amount that (1) Sub-recipient has submitted all program and/or fiscal reports required pursuant to this Agreement, and (2) Sub-recipient has materially complied with the terms and conditions of this Agreement as determined by WHFPT in its sole discretion.

(e) The funds described in Section 3.1(a) will be earned by the Sub-recipient by providing family planning services to 940 unduplicated clients (the “Client Quota”) during the term of this Agreement. The definition of a family planning client is described in the definitions for the completion of the DHHS, Title X Family Planning Annual Report (FPAR). Each client will be counted at their first visit during the term of this Agreement and will earn **\$127.93** (the “Per Client Rate”) toward the satisfaction of the Base Amount.

Section 3.2 Annual Reconciliation.

(a) Annual Reconciliation: The cutoff date to accept client data is Forty-five (45) days from the end of the contract term (March 31). Reconciliation will be completed within Ninety (90) days from the end of the contract term.

(b) Should the Sub-recipient fail to earn the Base Amount, based on the number of clients served during the term of the agreement, multiplied by the Per Client Rate, WHFPT will set up an accounts receivable for the amount the Sub-recipient has under earned. Should the Sub-recipient serve more clients than the number of clients contained in this Agreement, multiplied by the Per Client Rate, WHFPT will establish an accounts payable to the Sub-recipient for the amount the Sub-recipient has over earned. WHFPT will pay all or part of this payable, based on the availability of funds.

(c) If there is an accounts receivable and the Agreement is terminated and WHFPT and the Sub-recipient are unable to negotiate a new Agreement, then Sub-recipient shall pay to WHFPT the entire account receivable in a single lump sum amount promptly, and in any event within fifteen (15) days, after the date WHFPT's written determination pursuant to Section 3.2(b) of this Agreement.

Section 3.3 All amounts paid by WHFPT to the Sub-recipient, which are subsequently found to be unallowable under the Act, DHHS regulations, shall be refunded by the Sub-recipient to WHFPT promptly after written notice is delivered.

Section 3.4 The collection and use of income from the Project shall comply with DHHS Regulations and WHFPT Policies and Procedures. Sub-recipients shall report all such income to WHFPT for Table 14 of the Family Planning Annual Report ("FPAR").

**ARTICLE IV  
REPORTING AND RETENTION OF RECORDS**

Section 4.1 Sub-recipient shall establish and maintain separate accounting records for the Project, reflecting all receipts and disbursements of grant and program income funds.

Section 4.2 If the Sub-recipient provides abortion services, these accounting records must demonstrate a financial separation between the Project and any abortion services provided by the Sub-recipient as determined by WHFPT in its sole discretion. Sub-recipient shall deliver within 30 days of the end of this Agreement, a certificate executed by a duly authorized officer of Sub-recipient certifying that no portion of the Grant Award was used (directly or indirectly) in connection with any abortion services provided by the Sub-recipient.

Section 4.3 Sub-recipient shall have its accounting records audited annually by an independent certified public accountant or other party acceptable to WHFPT to assure proper accounting for Project funds. Such audit shall be conducted in such a manner so as to establish that Project funds have been expended in accordance with this Agreement and all applicable State and Federal Regulations. Such audit shall further be conducted in accordance with the applicable DHHS Grants Policy Statement 45 CFR Part 75, or other mandated Audit Guidelines, and the completed audit report shall be in a form acceptable to WHFPT. A copy of the

completed audit report shall be forwarded to WHFPT within 90 days of the completion of the audit.

Section 4.4 Sub-recipient shall provide to WHFPT a completed Table 14 of the FPAR, no later than January 30 of each calendar year, based on instructions provided by WHFPT and in compliance with FPAR definitions. Sub-recipient shall, at WHFPT's request, make all Project, medical, and financial records available for review by WHFPT, or DHHS. Confidentiality and security of client identification data shall be maintained by both parties and their respective representatives and agents.

Section 4.5 Sub-recipient must report all family planning services under the Project to the WHFPT centralized data system in a format and on a schedule approved by WHFPT and WHFPT's third party data contractor.

Section 4.6 Except as hereafter provided or as otherwise provided under applicable DHHS Regulations, Sub-recipient shall retain all records pertaining to the Project for five (5) years. If any audits, investigations, civil investigative demands or subpoenas, litigation, negotiation, claims, or other action involving the records have been commenced before the expiration of the Agreement and have not been resolved, Sub-recipient shall retain all records until resolution of such actions and all issues related thereto, or until the expiration of such period, whichever is later. Sub-recipient shall retain personnel and payroll records related to the provision of Project Services for a minimum of seven (7) years after issuance of the applicable W-2s. Sub-recipient shall retain all records pertaining to the purchase of equipment (as defined below) using any portion of the Grant Award for a minimum of three (3) years after disposition of such equipment.

Section 4.7 Except as hereafter provided or as otherwise provided under applicable DHHS Regulations, Sub-recipient shall retain all medical records pertaining to the Project for seven (7) years or for the period prescribed by statute, regulation, or policy, whichever period is longer. Sub-recipient shall maintain medical or clinical records in accordance with regulations including, but not limited to the following: Texas Health & Safety Code §241.103, as applicable (hospital records); 22 TAC §165.1 (medical records), all as amended from time to time. If any audits, investigations, civil investigative demands or subpoenas, litigation, negotiation, claims, or other action involving the records have been commenced before the expiration of the Agreement and have not been resolved, Sub-recipient shall retain all records until resolution of such actions and all issues related thereto, or until the expiration of such period, whichever is later.

## **ARTICLE V GENERAL TERMS AND CONDITIONS**

Section 5.1 In performing its duties under this Agreement, Sub-recipient is acting as an independent contractor, not as an agent of WHFPT, and shall perform services in accordance with currently approved methods and practices and accepted professional standards. No other relationship is intended to be created among the parties hereto and nothing in this Agreement shall be construed so as to make any party hereto the employer, employee, partner, or agent of the other.

Section 5.2 Sub-recipient shall comply with all DHHS Regulations pertaining to inventions developed and patents and copyrights obtained in connection with the Project, and shall promptly report such inventions, patent and copyrights to WHFPT.

Section 5.3 Sub-recipient shall not compensate any person in connection with the Project in excess of amounts customarily paid for similar services by the Sub-recipient.

Section 5.4 Sub-recipient shall not engage in any activity which impairs its ability to perform its duties under this Agreement.

Section 5.5 Sub-recipient shall procure and maintain for the Term of this Agreement fire and extended coverage insurance covering all property owned or controlled by Sub-recipient in an amount not less than its full insurable value. Sub-recipient shall procure and maintain public liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000) per occurrence for healthcare injury or wrongful death to one person, and One Million Dollars (\$1,000,000) in aggregate for all healthcare liability claims occurring in an insurance policy year, and in an amount not less than Two Hundred Thousand Dollars (\$200,000) for each occurrence of damage to property. WHFPT shall be named as an additional insured under such all such policies.

Section 5.6 Sub-recipient shall procure and maintain medical malpractice insurance in a form and in amounts sufficient that Sub-recipient is fully protected. Texas places a Two Hundred and Fifty Thousand Dollars (\$250,000) cap on non-economic damages for all doctors and other individual healthcare providers. There is also a Two Hundred and Fifty Thousand Dollars (\$250,000) non-economic damages cap placed on each hospital. In total, for all hospitals and other institutions, there is a Five Hundred Thousand Dollars (\$500,000) non-economic damages cap.

#### Section 5.7

(a) Sub-recipient shall indemnify, defend and hold harmless WHFPT and its Related Persons (collectively, the “WHFPT Indemnitees”) for all losses, damages, claims, costs, liabilities, expenses, or obligations (including, without limitation, reasonable attorneys’ fees and associated expenses), (collectively, “Losses”) incurred or suffered by the WHFPT Indemnitees based upon, arising out of, or resulting from (i) the provision of Project Services or other activities by Sub-recipient, (ii) the actions of Sub-recipient pursuant to this Agreement or (iii) any claims, investigations, audits, reviews, requests for information, or other proceedings involving any third-party (including any governmental or regulatory authority), but in each case only to the extent such Losses are not caused by a breach by WHFPT of its obligations under this Agreement. “Related Persons” means agents, officers, employees, directors of a person, and their respective affiliates.

(b) WHFPT shall indemnify, defend, and hold harmless Sub-recipient and its officers, directors, employees, and agents (collectively, the “Sub-recipient Indemnitees”) for all Losses incurred or suffered by the Sub-recipient Indemnitees to the extent based upon, as a result of or arising from WHFPT’s or its Related Persons’ material breach of this Agreement.

(c) Notwithstanding anything in this Agreement to the contrary, WHFPT shall not be liable for any Losses caused by its arising out of or related to this Agreement, unless such Losses are finally adjudicated to be the result of the gross negligence or willful misconduct of the WHFPT and/or its Related Person.

(d) The maximum amount of indemnifiable Losses pursuant to Sections 5.7(a) and (b) shall equal all amounts paid by WHFPT to Sub-recipient pursuant to this Agreement.

Section 5.8 Sub-recipient shall comply with DHHS Regulations pertaining to real property, equipment, and supplies acquired with funds provided under this Agreement. Sub-recipient shall keep an inventory of all such equipment, and the disposition of such equipment shall be determined by WHFPT in accordance with DHHS Regulations and procedures. For purposes of this Agreement, the term “equipment” shall mean tangible personal property with a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000) or more per unit.

Section 5.9 Sub-recipient shall give prompt notice to WHFPT of any audits, inspections, investigations, requests for records from any governmental agency or its designee, civil investigative demands, subpoenas, notices of potential or final violation, or any other proceedings threatened or instituted against it in any court, administrative tribunal, commission, or other regulatory body which, if adversely determined, could have a material effect upon the Project, Sub-recipient’s assets or operations.

Section 5.10 The Sub-recipient certifies by signing this Agreement that it will comply with the provisions of DHHS’ “Certification Regarding Lobbying”, which provides that no federal appropriated funds will be paid by or on behalf of the Sub-recipient to any person for influencing or attempting to influence an officer or employee, any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any to the aforementioned persons, the Sub-recipient shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying” in accordance with its instructions.

Section 5.11 The Sub-recipient shall not use Title X funds to pay for salaries in excess of the Executive Level II of the Federal Executive Pay Scale. The amount is \$183,300.00. For the purposes of the salary limitation, the direct salary is exclusive of fringe benefits and indirect costs.

## **ARTICLE VI TERMINATION OF AGREEMENT OR SUSPENSION OF PAYMENTS**

Section 6.1 This Agreement shall terminate automatically if the Title X Grant to WHFPT, or any portion of such Grant designated by WHFPT for Sub-recipients Project, is transferred to another entity, suspended or terminated. This Agreement shall be amended if said Title X funds are reduced, at the sole discretion of WHFPT.

Section 6.2 This Agreement may be terminated by WHFPT (a) without notice upon Sub-recipient's loss or suspension of its Medicaid provider number, and/or Sub-recipient's restriction from treating beneficiaries of Medicaid programs or (b) upon thirty (30) days prior written notice to Sub-recipient, if Sub-recipient breaches any provision of this Agreement or any additional requirements or conditions applicable to this Agreement.

Section 6.3 In lieu of termination, WHFPT may, in its sole discretion, issue a warning letter stating that Sub-recipient has a specified number of days to cure its noncompliance to the satisfaction of WHFPT. If the noncompliance is not cured to WHFPT's satisfaction at the end of such specified period, WHFPT may suspend payments to Sub-recipient under this Agreement. WHFPT may also immediately suspend payments as a result of Sub-recipient's noncompliance at WHFPT's sole discretion. When Sub-recipient's noncompliance has been corrected to the satisfaction of WHFPT, payments under this Agreement shall be reinstated.

Section 6.4 This Agreement may be terminated by Sub-recipient upon thirty (30) days prior written notice to WHFPT in the event that:

- (a) WHFPT breaches any material provision of this Agreement; or
- (b) Additional requirements or conditions imposed on this Agreement by the Act, DHHS Regulations, or the terms and conditions of the DHHS Grant would materially increase the costs or other burdens of the Sub-recipient in fulfilling its duties under this Agreement.

Section 6.5 This Agreement may be terminated at any time by the mutual agreement of both Sub-recipient and WHFPT.

Section 6.6 Upon termination of this Agreement, as provided above, neither party shall have any further obligations hereunder except for: (a) obligations accrued for Project Services provided to unduplicated clients prior to the date of termination, and (b) obligations, promises, or covenants set forth herein that are expressly made to extend beyond the Term.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

Section 7.1 Program Manager. WHFPT's Program Manager who will serve as the Sub-recipient's initial point of contact is designated as:

Name: Alejandra Amaro  
Contact Information: Alejandra.Amaro@whfpt.org  
855-498-8888

Section 7.2 Notices. All notices given under this Agreement shall be in writing and shall be deemed given when delivered, or when mailed by certified mail, addressed as follows:

- (a) If to WHFPT:  
1114 Lost Creek Boulevard, Suite 110  
Austin, Texas 78746

If to Sub-recipient:  
City of Laredo Public Health  
2600 Cedar Avenue, Laredo, TX, 78040

or to such other address as either party shall specify to the other by advance written notice.

(b) Designated Officials.

(c) The Sub-recipient appoints \_\_\_\_\_ [**Name of Representative**] as its designated agent for administering its obligations under this Agreement.

(d) WHFPT appoints Chief Executive Officer Fran Hagerty as its designated agent for administering WHFPT's obligations under this Agreement.

(e) The individuals designated above are designated for the purpose of notice and convenience, and under no circumstance shall either person identified be held personally or individually liable, or responsible for the actions, representations, or undertakings contained herein or taken pursuant to this Agreement by WHFPT or Sub-recipient.

(f) The parties agree that the following matters shall be subject to binding arbitration under this Agreement:

(i) All decisions rendered pursuant to termination herein.

(ii) All actions for breach of this Agreement or noncompliance brought by either WHFPT or Sub-recipient.

(iii) All other actions or claims asserted by WHFPT arising from management or administration of the Project by Sub-recipient.

(iv) All other actions or claims asserted by Sub-recipient arising from WHFPT's management or administration of the Title X Grant.

(g) The parties agree that binding arbitration will be conducted pursuant to the procedures outlined in Texas Arbitration Act, and that each party shall bear its own costs arising from the arbitration proceedings.

(h) This Agreement shall be governed by the laws of the State of Texas applicable to agreements to be performed wholly within the State of Texas. The federal and state courts of Travis County, Texas shall be the exclusive venue for any litigation, special proceeding, or other proceeding between the parties that may arise out of or be brought in connection with or by reason of this Agreement.

(i) Except as may be herein provided to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and permitted assigns; provided, however, that Sub-recipient



may not assign this Agreement (or any provision thereof) or delegate any duties hereunder without the prior written consent of the other party.

(j) Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

(k) Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words herein shall include the singular and plural. References to “including,” “includes”, and similar words shall be deemed to mean “including, without limitation”.

(l) Except as may be herein specifically provided to the contrary, the provisions of this Agreement shall be self-operative and shall not require further agreement by the parties; provided, however, at the request of any party, Sub-recipient shall execute such additional instruments and take such additional acts as are reasonable and as WHFPT may deem necessary or desirable to effectuate the purposes of this Agreement.

(m) This Agreement and amendments hereto shall be in writing and may be executed in multiple copies. Each multiple copy shall be deemed an original, but all multiple copies together shall constitute one and the same instrument. If any signature is delivered by facsimile or electronic transmission (including but not limited to Portable Document Format (PDF) or Tagged Image File Format (TIFF), such signature shall create a valid and binding obligation of the party executing (or on whose behalf the signature is executed) with the same force and effect as if such facsimile or electronic copy were an original thereof.

(n) Notwithstanding any other provisions of this Agreement, if the governmental agencies (or their representatives) that administer Medicaid, or any other payor, or any other federal, state, or local government, or agency passes, issues, or promulgates any law, rule, regulation, standard, or interpretation at any time while this Agreement is in effect which prohibits, restricts, limits, or otherwise materially affects either party's rights or obligations hereunder, either party may give the other party notice of intent to amend this Agreement in a fashion that is equitable to each party considering such prohibition, restriction, limitation, or change, and the parties shall negotiate in good faith to accomplish such amendment. If, following good faith negotiation for a period of

thirty (30) days following such notice to amend, the parties fail to enter into a written amendment, then either party shall have the right to terminate this Agreement.

(o) With respect to the subject matter herein, this Agreement (including all exhibits and schedules hereto) and any agreements and documents specifically referenced herein, if any, constitute the entire agreement between the parties. Neither party shall be entitled to benefits other than those specified herein. No prior oral statements or contemporaneous negotiations or understandings or prior written material not specifically incorporated herein shall be of any force and effect, and no changes in or additions to this Agreement shall be recognized unless incorporated herein by amendment as provided herein, such amendments to become effective on the date stipulated in such amendments. The parties specifically acknowledge that, in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no other.

(p) For auditing purposes, the current fiscal year of WHFPT is from April 1 through March 31. The current fiscal year of the Sub-recipient agency is from October 1 through September 30.

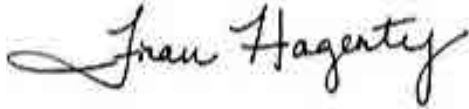
*[Remainder of page intentionally blank. Signature page follows.]*

The parties hereto, intending to be legally bound hereby, have duly executed this Agreement effective as of the date first above written.

**Women's Health and Family Planning  
Association of Texas**

**Sub-recipient**

By:

A handwritten signature in black ink that reads "Fran Hagerty". The signature is written in a cursive style with a large, sweeping initial "F".

Printed Name: Fran Hagerty

Title: CEO

Date: April 1, 2015

By:

Printed Name:

Title:

Date:

# COUNCIL COMMUNICATION

## BUDGET (6203)

CATEGORIES	APPROVED BUD.	
REVENUES		
TDSHS GRANT REVENUE	\$	120,312
PROGRAM INCOME		
TOTAL REVENUES	\$	120,312
EXPENSES		
PERSONNEL	\$	47,583
FRINGE BENEFITS		22,433
TRAVEL		0
EQUIPMENT		0
SUPPLIES		50,296
CONTRACTUAL		0
OTHER		0
SUB-TOTAL	\$	120,312
INDIRECT CHARGES		0
RESERVE (PROGRAM INC.)		0
TOTAL	\$	120,312

**RESOLUTION 2015-R-32**

**AUTHORIZING THE CITY MANAGER TO ACCEPT THE CONTRACT WITH THE WOMEN’S HEALTH AND FAMILY PLANNING ASSOCIATION OF TEXAS (WHFPT) IN THE AMOUNT OF \$120,312 FOR THE CONTINUATION OF THE CITY OF LAREDO HEALTH DEPARTMENT TITLE X FAMILY PLANNING PROGRAM FOR THE TERM PERIOD FROM APRIL 1, 2015 THROUGH MARCH 31, 2016.**

**WHEREAS**, the City of Laredo Health Department (CLHD) will contract with the Women’s Health and Family Planning Association of Texas (WHFPT) for the continuation of the Title X Family Planning Program; and

**WHEREAS**, through this agreement the CLHD agrees to provide family planning services to include counseling on birth control methods and/or prenatal care, and laboratory services in accordance to Title X screening and eligibility guidelines.

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

**Section 1:** The City Manager is hereby authorized to accept the contract with the Women’s Health and Family Planning Association of Texas (WHFPT) in the amount of \$120,312 for the continuation of the City of Laredo Health Department Title X Family Planning program for the term period from April 1, 2015 through March 31, 2016.

**Section 2:** The revenue account 226-0000-321-6304 and the expenditure account 226-6203 are hereby increased by \$19,816. The revenue account 226-0000-372-1000 and the expenditure division 226-6801-544-9900 are hereby decreased by \$19,816. The total budget remains the same.

**Section 3:** The City Manager is hereby authorized to make transfers within the budget as allowable under the General Provisions of the existing general contract to meet the necessary costs to accomplish the scope of work for the program.

**PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.**

\_\_\_\_\_  
**PETE SAENZ  
MAYOR**

**ATTEST:**

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**GUSTAVO GUEVARA, JR.**  
**CITY SECRETARY**

**APPROVED AS TO FORM:**

**RAUL CASSO**  
**CITY ATTORNEY**

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**KRISTINA K. LAUREL HALE**  
**ASSISTANT CITY ATTORNEY**

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Initiated By:** Ms. Lucille DeWitt

**Staff Source:** Nathan R. Bratton, Planning Director

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**SUBJECT**

**2015-R-33** Accepting the donation of a tract of land, being lot No. one (1), Block No. one hundred ninety-three (193), Western Division of the City of Laredo (802 Washington St.), donated by Ms. Lucille DeWitt.

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

The City was contacted by representatives of Ms. DeWitt., inquiring about donating the property located at 802 Washington St. to the City of Laredo.

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Staff recommends that the donation be accepted.

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**Fiscal Impact**

**Fiscal Year:** 2015

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Cost of accrued ad valorem taxes (2015) and closing cost.

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**Attachments**

2015-R-33 Accepting donation of property -Lucille DeWitt

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**RESOLUTION NO. 2015-R-033**

ACCEPTING THE DONATION OF A TRACT OF LAND, BEING LOT NUMBER ONE (1), BLOCK NUMBER ONE HUNDRED NINETY-THREE (193), WESTERN DIVISION OF THE CITY OF LAREDO (802 WASHINGTON ST.), FROM MS. LUCILLE DEWITT

**WHEREAS**, Ms. Lucille DeWitt wishes to donate a tract of land, being Lot Number One (1), Block Number One Hundred Ninety-Three (193), Western Division of the City Of Laredo (802 Washington St.), as set forth in the attached Exhibit 1 ( incorporated herein by reference as if set out in full for all intents and purposes) to the City; and

**WHEREAS**, Ms. DeWitt has executed a Special Warranty Deed of Gift, conveying said tract to the City; and

**WHEREAS**, the City Council finds it to be in the public interest and benefit to accept the said conveyance of said tract and further finds it to be a benefit to the public and in the public interest.

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

**Section 1:** It gratefully acknowledges and thanks Ms. Lucille Dewitt for her generosity; and

**Section 2:** It hereby accepts the donation of the property, being Lot Number One (1), Block Number One Hundred Ninety-Three (193), Western Division of the City Of Laredo (802 Washington St.); and

**Section 3:** It hereby directs that the property be closed on as quickly as possible with the City to incur ad valorem taxes for the 2015 tax year and closing costs; and

**Section 4:** Resolution 2015-R-27 is hereby vacated and void and of no further affect.

**PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS, THE \_\_\_\_\_ DAY OF MARCH, 2015.**

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PETE SAENZ  
MAYOR

ATTEST:

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GUSTAVO GUEVARA, JR.  
CITY SECRETARY

APPROVED AS TO FORM:

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RAUL CASSO  
CITY ATTORNEY

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Cynthia Collazo, Deputy City Manager

**Staff Source:** Ronnie Acosta, CD Director

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**SUBJECT**

Authorizing award of 2014 HOME Investment Partnership Program (HOME), Community Housing Development Organization (CHDO) set-aside funds in the amount of \$102,763.00 to Habitat for Humanity of Laredo, Inc., to assist in part with the construction of approximately four (4) homes in the Los Obispos subdivision; and further authorizing the City Manager to execute all documents in support of the same.

**PREVIOUS COUNCIL ACTION**

9/15/2014- Council approved The City Manager to award the 2013 HOME Investment Partnership Program (HOME), Community Housing Development Organization (CHDO) set-aside funds in the amount of \$94,699.00 to Habitat for Humanity of Laredo, Inc., to assist in part with the construction of approximately four (4) homes in Los Obispos subdivision and further authorizing the City Manager to enter into an agreement with Habitat to ensure compliance with the housing affordability requirements.

**BACKGROUND**

In 2014 the City received a HOME Investment Partnership Program Entitlement of \$685,083.00. Through statutory requirement, the City is obligated to set aside 15% of the Program Year's funds for use by a CHDO(s).

A Community Development Housing Organization (CHDO) is a private, non-profit organization that engages in the development of affordable housing and meets the requirements as stipulated in the Home Investment Partnership Program (HOME) Rule. In order for a CHDO to receive HOME funds, a CHDO must act as a developer, sponsor, and/or owner of housing. Habitat for Humanity is a CHDO.

Habitat for Humanity of Laredo, Inc., submitted the sole proposal for the award and use of 2014 HOME CHDO set aside funds. Staff recommends that the \$102,763 be awarded to Habitat for Humanity of Laredo, Inc., to assist in part with the construction of approximately four (4) single family homes in the Los Obispos Subdivision. Habitat intends to use Home funds for the purchase of building materials, soft costs, professional services, foundation site work, soil testing, and other related expenses. Habitat has also secured funds from volunteer labor, donated materials/services, Habitat's revolving mortgage fund and Texas Department of Housing and Community Affairs' (TDHCA) Bootstrap Program funds. Habitat has been very successful in administering the CHDO HOME funds in the past and has currently constructed 7

Homes in Los Obispos subdivision. Habitat builds each home to meet the individual needs of each family. Very low income homebuyers are provided the opportunity to purchase the home at an average sales price of \$75,000 at 0% interest amortized over a 30 year period. The difference in loan to value is provided in the form of a forgivable subsidy to the Homebuyer as a means to maintain the housing unit's affordability.

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

That this Motion be passed

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**Fiscal Impact**

**Fiscal Year:** 2014  
**Budgeted Y/N?:** Y  
**Source of Funds:** HOME Grant  
**Account #:** 21769585637530  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

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**Attachments**

2014 CHDO Contract

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**CONTRACT BETWEEN  
CITY OF LAREDO  
&  
HABITAT FOR HUMANITY OF LAREDO, INC.  
  
FOR  
HOME INVESTMENT PARTNERSHIP PROGRAM  
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION  
(CHDO) FUNDS**

**SECTION 1. PARTIES**

This contract is made between the CITY OF LAREDO, [ hereinafter referred to as "City"] and HABITAT FOR HUMANITY OF LAREDO, INC., [ hereinafter referred to as "Developer"]. The parties bind themselves to the mutual obligations of the contract, and to the performance and accomplishment of the tasks described in the contract.

**SECTION 2. CONTRACT PERIOD**

This contract is effective from date of signature and actual performance shall begin on April, 2015 and shall terminate on April, 2025 unless otherwise specifically provided by the terms of this contract.

**SECTION 3. DEVELOPER PERFORMANCE**

- A. Developer's standard of performance shall be that as required and established by the HOME Program's Community Housing Development Organization (CHDO) Program. Developer shall be awarded 2014 Home Investment Partnership Program funds totaling One Hundred Two thousand Seven hundred Sixty Three dollars (\$102,763.00).
- B. Developer shall expend grant funds to support hard and soft costs incurred in the construction of 4 homes, as illustrated in EXHIBIT 1. These homes will be located inside Laredo's city limits on Habitat owned lots in Block 3 of Los Obispos Subdivision, which will be made available to households earning between 25% - 80% of the Area Median Family Income (AMFI). EXHIBIT 5
- C. Developer shall expend CHDO funds to construct single family housing units as per the following contract time of performance:
- Developer shall expend funds and construct four (4) modest, decent, single-family affordable housing units for low- income families in our community within three (3) years from the date of signing this contract.
- D. Developer must submit site location to the City for environmental review, decision making, and other actions in compliance with 24 CFR, Part 58 prior to project start. Award of funds is contingent on completion of environmental review and release of funds by the U.S. Department of Housing and Urban Development.

- E. Developer must obtain all applicable building permits and adhere to local building code requirements.
- F. Once occupied Homes will carry an affordability requirement based on the amount of Homeownership assistance (subsidy) provided per unit as illustrated in the following table and EXHIBIT 2 24 CFR 92.254 Home Investment Partnership Program Final Rule.

Homeownership assistance HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

- G. Developer shall comply with 24 CFR 92.254(a)(2)(iii). Housing Constructed under this contract is not to exceed 95 percent of the median purchase price for the area published by HUD.

State	Area	Existing Homes Purchase Price Limit	New Homes Purchase Price Limit
<i>Tx</i>	<i>Laredo</i>	<i>1-unit</i>	<i>1-unit</i>
		\$139,000	\$200,000

- H. Developer shall comply with 24 CFR 92.254(a) requiring conversion of unsold homebuyer units to rental units 9 months after construction completion if homebuyer unit remains unsold.
- I. Developer must maintain applicant eligibility certifications on file.
1. Developer must maintain for each household a low-income certification, supported by check stubs or any other documents, which are used as proof of income and provide anticipated income information.
  2. Proof of residency including utility bills/and/or rent receipts. All applicants must reside within the City of Laredo for the past six months prior to being assisted.
  3. Housing Counseling certification as per 24 CFR 92.254(a)(3)
- J. Developer shall administer the 15% set-aside CHDO funds in accordance with the HOME Investment Partnership Program Act of 1990, 42 u.s.c. 127001 et.seq. included as EXHIBIT 2 and the implementing regulations, 24 CFR Part 92, applicable laws and regulations, and Program Certifications included as EXHIBIT 3.

#### **SECTION 4. CITY OF LAREDO OBLIGATIONS**

A. Measure of City's fiscal obligation

1. In consideration of full and satisfactory performance of the activities referred to in Section 3 of this contract the City of Laredo shall award, as a grant, HOME Investment

Partnership Program funds totaling **One Hundred Two thousand Seven hundred Sixty Three dollars (\$102,763.00)**

2. The City of Laredo shall not be liable to Developer for any costs incurred by Developer that are not strictly in accordance with the terms of this contract.
3. The City of Laredo shall not be liable to Developer for any costs incurred or performance rendered by Developer before commencement of this contract or after termination of this contract.
4. The City of Laredo assumes the responsibilities for environmental review, decision-making, and other actions in compliance with 24CFR, Part 58.
5. The City will verify that the project adheres to local building code requirements by conducting progress and completion inspections of construction.

**B. Limit of City's fiscal obligation**

Notwithstanding any other provisions of this contract, the total of all payments and other obligations incurred by Developer under this contract shall not exceed the sum of **\$102,763.00** specified in Section 4(A)(1).

**SECTION 5. DISBURSEMENT OF FUNDS**

- A. City shall reimburse eligible costs incurred under this contract in accordance with the requirements of 24 CFR 92.502. Developer may not request disbursement of funds under this contract until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.
- B. It is expressly understood and agreed by the parties that any payments under this contract are contingent upon Developer's full and satisfactory performance of its obligations under this contract. City reserves the right to recapture funds provided under this contract in the event that the City determines that Developer will be unable to expend funds within the prescribed time as stated on Section 3 of this contract.
- C. It is expressly understood and agreed by the parties hereto that any right or remedy provided for in this Section 5, or in any other provision of this contract, shall not preclude the exercise of any other right or remedy under this contract or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

**SECTION 6. RETENTION AND ACCESSIBILITY OF RECORDS**

- A. Developer must establish and maintain sufficient records, as determined by the City in section 7, including those records specified as being required in 24 CFR, Section 92.508;
- B. Developer shall give the City, the Department of Housing and Urban Development, or any other duly authorized representatives of either, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to



or in use by Developer pertaining to this contract. Such rights to access shall continue as long as the records are retained by Developer. Developer agrees to maintain such records in an accessible location.

- C. All records pertinent to this contract shall be retained by Developer for five years after the affordability period terminates, following the date of termination of this contract or the submission of the final close-out report, whichever is later, with the following exceptions:
1. If any litigation, claim or audit is started before the expiration of the five-year period and extends beyond the five-year period, the records will be maintained until all litigation, claims or audit findings involving the records have been resolved.
  2. Records covering displacement and acquisitions must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR 92.353.
- D. Developer shall include the substance of this Section 6 in all subcontracts.
- E. Developer must provide citizens, public agencies, and other interested parties with reasonable access to records consistent with applicable state and local laws regarding privacy and obligations of confidentiality.

## **SECTION 7. REPORTING REQUIREMENTS**

- A. Developer shall submit to the City such reports on the operation and performance of this contract as may be required by the City including but not limited to the reports specified in this Section 7. Developer shall provide the City with all reports necessary for City of Laredo's compliance with 24 CFR 92.508 and 24 CFR 92 Subpart L.
1. Records demonstrating a full description of each project assisted with HOME funds, including the location (address of each unit), form of HOME assistance, and the units assisted with HOME funds
  2. Records demonstrating the source and application of funds for each project, including supporting documentation in accordance with 24 CFR 85.20; and records to document the eligibility of the project costs, including the documentation of the actual HOME-Eligible costs of each HOME-assisted unit (through allocation of costs if permissible under 92.205 (d)) where HOME funds are used to assist less than all of the units in a multi-unit project.
  3. Records demonstrating that each homeownership project meet the minimum per-unit subsidy amount of 92.205 (c), the maximum per-unit subsidy amount of 92.250 (a) and the subsidy layering and underwriting evaluation adopted in accordance with 92.250(b)
  4. Records demonstrating beneficiary information
  5. Records demonstrating that each family is income eligible in accordance with 24 CFR 92.203

6. Records demonstrating that each homeownership housing project meets the affordability requirements of 24 CFR 92.254 for the required period.
7. Records (e.g. Inspection reports) demonstrating that each project meets the property standards of 24 CFR 92.251 at project completion.
8. Records demonstrating adequate budget control, in accordance with 24 CFR 85.20, including evidence of periodic account reconciliations.
9. Records demonstrating compliance with the labor requirements of 24 CFR 92.354, including contract provisions and payroll records.

B. In addition to the limitations on liability otherwise specified in this contract, it is expressly understood and agreed by the parties hereto that if Developer fails to submit to the City in a timely and satisfactory manner any report required by this contract, the City may, at its sole operation and in its sole discretion, withhold any or all payments otherwise due or requested by Developer hereunder. If the City withholds such payments, it shall notify Developer in writing of its decision and the reasons therefore. Payments withheld pursuant to this paragraph may be held by the City until such time as the delinquent obligations for which funds are withheld are fulfilled by Developer.

#### **SECTION 8. MONITORING**

- A. The City reserves the right to carry out field inspections to ensure compliance with the requirements of this contract. These inspections will be conducted on a yearly basis during the period of affordability of the project.
- B. After each monitoring visit, the City shall provide Developer with a written report of the monitor's findings. If the monitoring reports note deficiencies in Developer's performance under the terms of this contract, the monitoring report shall include requirements for the timely correction of such deficiencies by Developer. Failure by Developer to take action specified in the monitoring report may be cause for suspension or termination of this contract, as provided in Section 15 and 16 of this Contract.

#### **SECTION 9. INDEPENDENT DEVELOPER**

It is expressly understood and agreed by the parties that the City herein contracts with the Developer as an independent Developer, and that Developer, as such, herein holds the City harmless and herein indemnifies the City from and against any and all claims, demands, and causes of action of every kind and character which may be asserted by any third party occurring or in any way incident to, arising out of, or in connection with the services to be performed by Developer under this contract.

In accordance with V.T.C.A. Labor Code, Section 406.096, Developer must ensure that all its subDevelopers working on this project, have workers' compensation insurance coverage.

#### **SECTION 10. CONFLICT OF INTEREST**

The conflict of interest provisions outlined in 24 CFR Part 92.356 are applicable in the administration of this contract. The Developer and or officer, employee, agent elected or appointed official or consultant of the Developer may not occupy a HOME assisted affordable housing unit in a project.

No persons who exercise or have exercised any functions or responsibilities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

#### **SECTION 11. NONDISCRIMINATION AND SECTARIAN ACTIVITY**

- A. Equal Opportunity. Developer shall ensure that no person shall on the grounds of race, color, religion, sex, handicap, familial status, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds provided under this contract. In addition, funds provided under this contract must be made available in accordance with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that:
1. To the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with HOME funds provided under this contract be given to low income persons residing within the general local government area or metropolitan area or non-metropolitan county in which the project is located; and,
  2. To the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to business concerns, including, but not limited to, individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the same metropolitan area or non-metropolitan county as the project.
  3. In addition, HOME funds must be made available in accordance with the following:
    - a. The Fair Housing Act (42 U.S.C. 3601-190) and implementing regulations at 24 CFR part 100; Executive Order 11063, as amended by Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp. p. 652 and 3 CFR, 1980 Comp. p.307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR, Part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR, Part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Program) and implementing regulations at 24 CFR part 1.
    - b. The prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR, Part 146; Section 504, of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR, Part 8; section 2 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and

- c. Implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp, p. 339; 3 CFR, 1966-1970 Comp., p.684; 3 CFR, 1966-1970 Comp.; p.803; 3 CFR, 1966-1970 p. 230; and 3 CFR, 1978 Comp., p. 264, respectively Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.
  - d. The requirements of Executive Orders 11625, as amended by Executive Order 12007 (3 CFR, 1971-1975 Comp., p. 616 and 3 CFR, 1977 Comp., p.139) (Minority Business enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Cop., p. 393 and 3 CFR, 1987 Comp, p.245) (Women's Business Enterprise). Consistent with these Orders, Developer must make efforts to encourage the use of minority and women's business enterprises in connection with HOME funded activities. The Developer will be required to identify contracts, which have been bid by minority owned, women owned, and/or small disadvantaged businesses.
  - e. Disclosure requirements. The disclosure requirements and prohibitions of 31 U.S.C. 1352 and implementing regulations at 24 CFR part 87; and the requirements for funding competitions established by the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531 et.seq.).
  - f. Debarred, suspended or ineligible Developers. The prohibitions at 24 CFR part 24 on the use of debarred, suspended or ineligible Developers.
  - g. Drug-free Workplace. The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.) and HUD's implementing regulations at 24 CFR part 24.
- B. Religious Organizations. There must be no religious or membership criteria for homebuyers of the property as specified under 24 CFR 92.257.

## SECTION 12. DEVELOPER'S ASSURANCES

- A. Developer assures and guarantees that Developer possesses the legal authority to enter into this contract, to receive funds authorized by this contract, and to perform the services Developer has obligated itself to perform hereunder.
- B. The person or persons signing and executing this contract on behalf of Developer, or representing themselves as signing and executing this contract on behalf of Developer, do hereby warrant and guarantee that he/she has been duly authorized by Developer to execute this contract on behalf of Developer and to validly and legally bind Developer to all terms, performances, and provisions herein set forth.
- C. Developer shall not employ, award contract to, or fund any person that has been debarred, suspended, proposed for debarment, or placed on ineligibility status by the U.S. Department of Housing and Urban Development. In addition, City shall have the right to

suspend or terminate this contract if Developer is debarred, suspended, proposed for debarment, or ineligible from participating in the HOME Program.

### **SECTION 13. LITIGATION AND CLAIMS**

Developer shall give City immediate notice in writing of (1) any action, including any proceeding before an administrative agency filed against Developer in connection with this contract; and (2) any claim against Developer, the cost and expense of which Developer may be entitled to be reimbursed by City. Except as otherwise directed by City, Developer shall furnish immediately to City copies of all pertinent papers received by Developer with respect to any such action or claim.

### **SECTION 14. CHANGES AND AMENDMENTS**

- A. Other than what is stated in subsection C, *infra*, This contract may not be altered or changed, in any way, except by an amendment, which is in writing and signed by both parties.
- B. It is understood and agreed by the parties hereto that performances under this contract must be rendered in accordance with the Act, the regulations promulgated under the Act, the assurances and certifications made to City by Developer, and the assurance and certifications made to the United States Department of Housing and Urban Development by the City with regard to the operation of the HOME Program. Based on these considerations, and order to ensure the legal and effective performance of this contract by both parties, it is agreed by the parties hereto that the performances under this contract are amended by the provisions of the HOME Regulations, 24 CFR, Part 92 and any amendments thereto and may further be amended in the following manner: City may from time to time during the period of performance of this contract issue policy directives, which serve to establish, interpret, or clarify performance requirements under this contract. Such policy directives shall be promulgated by the Director of Community Development in the form of HOME issuances, shall have the effect of qualifying the terms of this contract and shall be binding upon Developer, as if written herein, provided however that said policy directives and any amendments to said Program Regulations shall not alter the terms of this contract so as to release City of an obligation specified in Section 4 of this contract to reimburse costs incurred by Developer prior to the effective date of said amendments or policy directives.
- C. Any alterations, additions, or deletions to the terms of this contract which are required by changes in Federal or state law or regulations are automatically incorporated into this contract without written amendment hereto, and shall be come effective on the date designated by such law or regulation.

### **SECTION 15. SUSPENSION**

In the event the Developer fails to comply with any term of this contract, the City may terminate this contract in whole or in part and withhold further payments to the Developer, and prohibit the Developer from incurring additional obligations of funds under this contract.

### **SECTION 16. TERMINATION**

The City may terminate this contract in whole or in part, in accordance with 24 CFR 85.43 and this Section. In the event that the Developer, as determined by the City, materially fails to comply with any term of this contract within (3) three years from date of execution, and whether such term is stated in a federal statute or federal regulation, in an assurance, in a City plan or application, in a notice of award, or elsewhere, City may take one or more of the following actions:

- A. Temporarily withhold cash payments pending correction of the deficiency by the Developer or take more severe enforcement action against Developer.
- B. Disallow all or part of the cost of the activity or action not in compliance.
- C. Withhold further HOME awards from Developer.
- D. Any HOME funds invested in a project that is terminated before completion, either voluntarily or otherwise, must be repaid by the Developer to the city.
- E. Take other remedies that may be legally available as determined by the City to comply with terms of this contract. City may terminate contract for convenience in accordance with 24 CFR 85.44.

#### **SECTION 17. AUDIT**

- A. Unless otherwise directed by City, Developer shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this contract, subject of the following conditions and limitations:
  - 1. Developer shall have an audit made in accordance with 24 CFR 92.506, the Single Audit Act of 1984, 31 U.S.C 7501 et.seq., and OMB Circular 133.
  - 2. At the option of Developer, each audit required by this section may cover either Developer's entire operations or each department, agency, or establishment of Developer which received, expended, or otherwise administered federal funds;
  - 3. Unless otherwise specifically authorized by Department in writing, Developer shall submit the report of such audit to City within thirty (30) days after completion of the audit, but no later than 90 days. Audits performed under Subsection of this Section 17 are subject to review and resolution by City or its authorized representative.
- B. Notwithstanding Subsection A of this Section 17, City reserves the right to conduct an annual financial and compliance audit of funds received and performances rendered under this contract. Developer agrees to permit City or its authorized representative to audit Developer's records and to obtain any documents, materials, or information necessary to facilitate such audit.
- C. Developer understands and agrees that it shall be liable to City for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this contract. Developer further understands and agrees that reimbursement to City of such disallowed costs shall be paid by Developer from funds, which were not provided or otherwise made available to Developer under this contract.

- D. Developer shall take all necessary actions to facilitate the performance of such audit or audits conducted pursuant to this Section 17 as City may require of Developer.

**SECTION 18. LABOR STANDARDS**

- A. All laborers and mechanics employed in the construction of the project assisted under this contract that contains 12 or more dwelling units shall be paid wages at rates not less than the appropriate rate as determined by the secretary of Labor in accordance with the Davis-Bacon Act A (40 U.S.C. 276a-5) and contracts involving their employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333). Construction Developers and subDevelopers, must comply with regulations issued under these Acts and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable.
- B. The contract for construction must contain these wage provisions if HOME funds are used for any projects costs (as defined in 24 CFR 92.206), including construction or Non-construction costs, of housing with 12 or more HOME assisted units.

**SECTION 19. SPECIAL CONDITIONS**

- A. **Affordability.** Funds provided under this contract must meet the affordability requirement of 24 CFR 92.254. Developer agrees to repay all HOME funds governed by this Contract if the project fails to comply or ceases to comply with the affordability requirements as set forth herein. Affordability requirements will be binding upon the heirs, successors, assigns, and transferees of the Developer for the duration of the 10 year affordability period as required by 24 CFR, Part 92.254.
1. **Enforcement of the affordability provisions must be in the form of a lien on real property, a deed restrictions or a covenants running with the land between the City of Laredo and each purchaser of the HOME assisted property for which proceeds under this contract have been contributed. The covenant/lien with each purchaser will comply with 24 CFR 92.254, and the language of which covenant/lien will be as shown on EXHIBIT 6.**
- B. **Property Standards.** Developer shall ensure that all housing assisted with funds provided under this contract shall meet the requirements of 24 CFR 92.251 at the time of completion.
- C. **Affirmative Marketing.** As applicable in the construction of 5 or more units, Developer shall adopt the City's affirmative marketing procedures, as amended, (EXHIBIT 4) and those requirements specified in 24 CFR 92.351. At a minimum, Developer must:
1. Inform the public and potential tenants about federal fair housing laws and affirmative marketing policy.
    - a. Include the Equal Housing Opportunity as appropriate in press releases and solicitations.
    - b. Advertise vacancies via community contacts, display of Fair Housing Poster, and



commercial media.

- c. Advise the City's Department of Community Development and the Laredo Housing Authority of any vacancies that become available.
  - d. Implement outreach efforts, to inform and solicit applications from persons in the housing market area who are not likely to apply for housing by contacting community and civic organizations, employment centers, fair housing groups, etc., and posting notices as allowed.
  - e. Participate in affirmative marketing efforts for a period of 20 years.
2. Maintain records describing actions taken by the Developer to affirmatively market units and records to assess the results of these actions. Developer must maintain a file that contains all marketing efforts (i.e. copies of newspapers ads, memos of phone calls, copies of letters) to be available for inspection at least annually by City.
  3. Solicit applications for vacant units from persons in the housing market who are least likely to apply for the housing without benefit of special outreach efforts. In general, persons who are not of the race/ethnicity of the residents of the neighborhood in which the assisted building is located shall be considered those least likely to apply.
  4. Maintain a listing of all homeowners residing in each unit through the end of the compliance period.

D. **Use of CHDO Proceeds.** The CHDO must use any CHDO proceeds which it is authorized to retain, for HOME-eligible or other housing activities to benefit low-income families, as allowed by 24 CFR 92.300(a)(2).

1. CHDO proceeds will be reported on a yearly basis for each CHDO funding year to the City of Laredo. Once the CHDO project proceeds are used by the CHDO for eligible activities, there is no further HOME requirements. Funds generated from use of CHDO proceeds are not considered CHDO proceeds.

2. CHDO proceeds which are retained by a CHDO are not subject to the requirements of the HOME regulations. Thus, the Davis-Bacon Act, National Environmental Policies Act and Uniform Relocation Assistance and Real Property Acquisition Policies Act do not apply to the use of CHDO proceeds. However, because CHDO proceeds are derived from the expenditure of HOME funds, any activities which are funded with CHDO proceeds may not be contributed as match. However, funds recaptured because housing no longer meets the affordability requirements under 92.254(a)(5)(ii) are subject to the requirements of this part in accordance with 92.503.

E. **Reversion of Assets.** Upon termination of this Contract, all funds remaining on hand on the date of termination, and all accounts receivable attributable to the use of funds received under this contract shall revert to City. Developer shall return these assets to City within 7 days after the date of termination.

- F. **Flood Insurance.** Funds provided under this contract may not be used in connection with the acquisition or rehabilitation of a development located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless the locality in which the site is located is participating in the National Flood Insurance Program or less than a year has passed since FEMA notification regarding such hazards and flood insurance is obtained as a condition of approval of the commitment.
- G. **Lead Based Paint** Upon project completion, Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sec. 4821 et seq.) and 24 CFR part 35 apply. The lead-based paint provision of Section 24 CFR 982.401(j), except 24 CFR 982.401(j)(i), also apply.
- H. The environmental effects of each activity carried out with HOME funds will be assessed by the City in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in implementing regulations at 24 CFR parts 59 and 58.
- I. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C., Sec. 4201-4655) and 49 CFR Part 24.
- J. **Displacement, Relocation, and Acquisition.** Developer must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, business and nonprofit organizations) as a result of a project assisted with funds provided under this contract. Developer must comply with the applicable provisions of 24 CFR 82.353.

#### **SECTION 20. ENTIRE CONTRACT**

- A. The entire agreement of the parties is embodied in this contract and its six exhibits contained in this contract.
- C. The following listed six exhibits constitute promised performances by the Developer in accordance with Section 3 of this contract.

- EXHIBIT 1: Budget
- EXHIBIT 2: Home Investment Partnerships Final Rule, as amended, 24CFR Part 92
- EXHIBIT 3: Certifications
- EXHIBIT 4: Affirmative Marketing Policy and Procedures
- EXHIBIT 5: Current HOME Income Limits (at the time of contract)
- EXHIBIT 6: Covenant ( recapture requirement)

#### **SECTION 21. VENUE**

In the event of any legal dispute involving this contract, venue shall lie in Webb County, Texas, Texas.

#### **SECTION 22. NOTICES**

All notices, demands, or requests from one party to another shall be given or mailed as follows:

**To the City:**

Thelma V. Acosta, Director  
Department of Community Development  
1301 Farragut  
Laredo, TX. 78042

**To the Developer:**

Carol Sherwood  
Executive Director  
Habitat for humanity of Laredo, Inc.  
4703 Warehouse Lane  
Laredo, Texas 78045

SIGNED, in multiple originals, on this the \_\_\_\_ day of \_\_\_\_\_, 2014.

**CITY OF LAREDO**

By: \_\_\_\_\_  
Jesus Olivares  
City Manager

**HABITAT FOR HUMANITY OF LAREDO, INC.**

By: \_\_\_\_\_  
Carol Sherwood  
Executive Director

ATTEST:

\_\_\_\_\_  
Gustavo Guevara, Jr.

City Secretary

APPROVED BY:  
Raul Casso  
City Attorney

By: \_\_\_\_\_  
Raul Casso  
City Attorney

# EXHIBIT 1

## Proposed Program Budget 2014 CHDO Funds

2014 CHDO Request= \$102,763  
4 homes @ \$25,690.75 (approximate)  
(Depending on availability of donated materials and/or labor, CHDO fund request per house may change)

### *Construction costs including but not limited to:*

Soil Testing, Excavation & Equipment, Soil, Driveways, Sidewalks, Lumber, Wall units, Roofing, Materials including Trusses, Shingles, Decking, Bricks, Hardieboard, Framing & Windows, Insulation, Sheetrock & Sheetrock Finishing, Electrical, Plumbing & Fixtures, HVAC Installation & Unit, Doors & Trim, Floors & Installation, Cabinets, Paint, Landscaping, Contract Labor (for non-volunteer-friendly work), Professional Fees

<u>CHDO Funding</u>	<u>*Leveraging</u>	<u>Cost per Unit</u>		<u>Total (4 Houses)</u>
\$25,690.75	+ \$67,579.25	\$93,270	X 4 =	\$373,080

**\*Volunteer labor, "sweat equity" homeowner labor, donated materials/services, Habitat revolving mortgage funds, TDHCA Bootstrap to families is leverage for the project.**

<u>Income</u>		
Land-Owned by Habitat	\$ 19,320 x 4	\$77,280
Donated Professional Labor	4,850 x 4	19,400
Donated Materials	6,850 x 4	27,400
TDHCA Administrative Funding(3)		7,110
TDHCA Bootstrap Eligibility Letters (3)		118,500
Habitat for Humanity Funds		20,627
CHDO Funding	\$ 25,690.75 x 4	<u>102,763</u>
	<b>Income</b>	<b>\$373,080</b>

<b>Total Request</b>	<b>\$102,763.00</b>
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## EXHIBIT 2

**ELECTRONIC CODE OF FEDERAL REGULATIONS****e-CFR data is current as of April 3, 2015**

Title 24 → Subtitle A → Part 92

Title 24: Housing and Urban Development

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**PART 92—HOME INVESTMENT PARTNERSHIPS PROGRAM**

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**Contents****Subpart A—General**

- §92.1 Overview.
- §92.2 Definitions.
- §92.3 Applicability of 2013 regulatory changes.
- §92.4 Waivers and suspension of requirements for disaster areas.

**Subpart B—Allocation Formula**

- §92.50 Formula allocation.

**INSULAR AREAS PROGRAM**

- §92.60 Allocation amounts for insular areas.
- §92.61 Program description.
- §92.62 Review of program description and certifications.
- §92.63 Amendments to program description.
- §92.64 Applicability of requirements to insular areas.
- §92.65 Funding sanctions.
- §92.66 Reallocation.

**Subpart C—Consortia; Designation and Revocation of Designation as a Participating Jurisdiction**

- §92.100 [Reserved]
- §92.101 Consortia.
- §92.102 Participation threshold amount.
- §92.103 Notification of intent to participate.
- §92.104 Submission of a consolidated plan.
- §92.105 Designation as a participating jurisdiction.
- §92.106 Continuous designation as a participating jurisdiction.
- §92.107 Revocation of designation as a participating jurisdiction.

**Subpart D—Submission Requirements**

- §92.150 Submission requirements.

**Subpart E—Program Requirements**

- §92.200 Private-public partnership.
- §92.201 Distribution of assistance.

### EXHIBIT 3 CERTIFICATIONS

In accordance with the HOME Investment Partnerships Act and with 24 CFR Part 92 of the HOME Investment Partnership Program Rule, Habitat for Humanity, identified as Community Housing Development Organization, certifies that:

1. It will use HOME funds pursuant to the requirements of 24 CFR Part 92 and in general, comply with the requirements of Federal law governing the acceptance and use of federal funds.
2. It will assume responsibility for environmental review, decision making, and action for each activity that it carries out with HOME funds in accordance with the requirements imposed under 24 CFR Part 58.
3. In terms of Equal Opportunity it will carry out activities assisted under the program in compliance with:
  - a. The requirements of Title VIII of the Fair Housing Act (42 U.S.C., 3601-3620) and implementing regulations at 24 CFR Part 100; Executive Order 11063 as amended by Executive Order 12259 (3 CFR, 1958, 1963 Comp.p. 652 and 3 CFR, 1980 Comp. P. 307) (Equal Opportunity in Housing) and implementing regulations at 24CFR part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1.
  - b. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8.
  - c. The requirements of Executive Order 11246 (3 CFR 1964-65 Comp. P. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60.
  - d. The requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u).
4. It will implement and adhere to the resale guidelines, adopted by the City of Laredo and approved by the U.S. Department of Housing and Urban Development in order to insure that HOME assisted units are maintained affordable.



5. Any contract for the construction (rehabilitation or new construction) of affordable housing with 12 or more units assisted with HOME funds will contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis Bacon Act (40 U.S.C. 276a-5) will be paid to all laborers and mechanics, and such contracts will be subject to the overtime provisions, as applicable of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
6. It will adhere to the conflict of interest provisions in 24 CFR 85.36 and OMB Circular A-110 as applicable. In all cases not governed by 24 CFR 85.36 and OMB Circular A-110, the provisions of 24 CFR 92.356 would be adhered to.
7. It will adhere to the provisions of 24 CFR Part 24 relating to the employment, engagement of services, awarding of contracts or finding or any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.
8. No site proposed on which acquisition, construction, repair or improvement of a building which is to be assisted through this program will be located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless the community in which the area is situated is participating in the National Flood Insurance Program and the regulations thereunder (44 CFR Parts 59 through 79) or less than a year has passed since FEMA notification regarding such hazards, and the grantee will ensure that Flood Insurance on the structure is obtained in compliance with section 102 (a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.).
9. It will comply with the requirements, as applicable, of the Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) and implementing regulations at 24 CFR Part 35. Unless otherwise provided, the CHDO is responsible for testing and abatement activities.
10. It will adhere to the policies, guidelines, and requirements of OMB Circular Nos. A-110 and A-122 with respect to the acceptance and use of assistance by private nonprofit organizations.
11. It will comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended and Implementing regulations at 49 CFR part 24, and the requirements of 24 CFR Part 92 which govern the acquisition of real property for the project and the provision of relocation assistance to persons displaced as a direct result of acquisition, rehabilitation or demolition of the project.
12. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise) and 12138 (concerning Women's Business Enterprise) and follow the Minority and Women Outreach Programs adopted by the City of

Laredo and approved by the U.S. Department of Housing and Urban Development.

13. It will adhere to the Affirmative Marketing Policy and Procedures adopted by the City of Laredo and approved by the U.S. Department of Housing and Urban Development.
14. It will adhere to all local laws and ordinances and specifically those pertaining to zoning and building codes.
15. It will or will continue to provide a drug-free workplace by:
  - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the CHDO's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - b. Establishing an ongoing drug-free awareness program to inform employees about-
    - 1.) The dangers of drug abuse in the workplace;
    - 2.) The CHDO's policy of maintaining a drug-free workplace;
    - 3.) Any available drug counseling, rehabilitation, and employee assistance programs; and
    - 4.) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - c. Making it a requirement that each employee to be engaged in the performance of the HOME loan to be given a copy of the statement required by paragraph 15-a.
  - d. Notifying the employee in the statement required by paragraph (15a) that, as a condition of employment under the grant, the employee will –
    - 1.) Abide by the terms of the statement; and
    - 2.) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
  - e. Notify the City of Laredo, Department of Community Development in writing within 7 calendar days after receiving notice under paragraph C-2 from an employee or otherwise receiving actual notice of such conviction.
  - f. Taking one of the following actions, within 30 calendar days of receiving notice under paragraph d-2, with respect to any employee who is so convicted:

- 1.) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - 2.) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or appropriate agency;
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs A, B, C, D, E, and F.
- h. The CIIDO may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, and zip code)  
4703 Warehouse Lane  
Laredo, Texas 78040

16. To the best of its knowledge and belief:
- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress in connection with the awarding of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant loan, or cooperative agreement;
  - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a grant, loan, or cooperative agreement, it will complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying, in accordance with its instructions, to the City of Laredo.
  - c. It will require that the language of paragraph (a) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements), and that all sub-recipients shall certify and disclose accordingly.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title

**EXHIBIT 4**  
**CITY OF LAREDO**  
**AFFIRMATIVE MARKETING POLICY AND PROCEDURES**

In accordance with regulations of the HOME Investments Partnership Program, 24 CFR, Section 92.351, and in furtherance of the City of Laredo's commitment to non-discrimination and equal opportunity in housing, the City of Laredo has established procedures to affirmatively market units rehabilitated or constructed under the HOME Investment Partnerships Program. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, Fair Housing Act, Executive Order 11063, and HUD regulations issued pursuant thereto. The City of Laredo believes that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of race, color, religion, sex, national origin, familial status, or handicap.

- A. Pursuant to the implementation of a Housing Activity under the HOME program, the City of Laredo will:
1. Inform the public, owners, and potential tenants about its Affirmative Marketing Policy and Federal Fair Housing Laws, by:
    - a.) Publishing a program description in the local paper of widest circulation and provide notice of the program through the electronic media, both in English and Spanish.
    - b.) Including the Equal Housing Opportunity Logo as appropriate in press releases and solicitations.
    - c.) Directly meeting with potential owners who may wish to participate in the HOME program and/or mailing the information to each potential owner.
    - d.) Directly meeting with tenants in buildings scheduled for rehabilitation and/or mailing information to each affected tenant.
  2. Enter into an Affirmative Marketing Agreement with the owner(s) of a HOME assisted project, delineating the responsibility of the owner to:
    - a.) Advertise vacancies via community contacts, display of Fair Housing Poster, and commercial media in the event that 5 or more units become vacant. Press releases should include the HUD-Equal Housing Opportunity Logo.
    - b.) Advise the City's Department of Community Development and the Laredo Housing Authority (if applicable) of any vacancies that become available.

- c.) Implement outreach efforts, to inform and solicit applications from persons in the housing market area who are not likely to apply for housing by contacting community and civic organizations, employment centers, fair housing groups, etc...and posting notices as allowed.
  - d.) Participate in affirmative marketing program for a period of 20 years for new construction projects and up to 15 years for rehabilitation projects depending on the amount of HOME funds utilized per project.
  - e.) Provide written reports to the City of Laredo in a prescribed format and time schedule as deemed appropriate for each project undertaken.
- B. The City of Laredo will maintain records of the affirmative marketing efforts undertaken by the City of Laredo and owners who participate in the HOME program, noting:
  - 1. The racial/ethnic and gender characteristics of the groups to whom affirmative marketing and outreach efforts are directed.
  - 2. Copies of ads used to advertise vacancies.
  - 3. The racial/ethnic and gender characteristics of potential tenants who respond to the ads and the characteristics of the tenants who actually occupy the HOME assisted units.
- C. The effectiveness of the City's Affirmative Marketing Program for individual HOME assisted projects, will be assessed by the City of Laredo, through a comparative review of affirmative marketing efforts undertaken and post tenant occupancy characteristics.
- D. Upon any violation or negation of the required provision of this policy on the part of an individual or organization assisted with HOME funds, the City of Laredo will
  - 1. Impose sanctions as specified by the Grant Agreement or construction contract.
  - 2. Impose other sanctions as are available through rules, regulations or applicable policy.
  - 3. Implement actions as are deemed appropriate, including but not limited to the cancellation, termination, suspension in whole or in part of the contract or debarment from any further assistance or contracts under the program with respect to which the failure or referral occurred; and referral to the U.S. Department of Justice for appropriate legal action.

# EXHIBIT 5

U.S. DEPARTMENT OF HUD 01/22/2014  
STATE: TEXAS

*Effective  
May 1, 2014*

2014 ADJUSTED HOME INCOME LIMITS

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
<b>Austin County, TX HUD Metro FMR Area</b>								
30% LIMITS	14200	16200	18250	20250	21900	23500	25150	26750
VERY LOW INCOME	23650	27000	30400	33750	36450	39150	41850	44550
60% LIMITS	28380	32400	36480	40500	43740	46980	50220	53460
LOW INCOME	37800	43200	48600	54000	59350	62650	67000	71300
<b>Killeen-Temple-Fort Hood, TX HUD Metro FMR Area</b>								
30% LIMITS	12400	14150	15900	17650	19100	20500	21900	23300
VERY LOW INCOME	20650	23600	26550	29450	31850	34200	36550	38900
60% LIMITS	24780	28320	31860	35340	38220	41040	43860	46680
LOW INCOME	33000	37700	42400	47100	50900	54650	58450	62200
<b>Lampasas County, TX HUD Metro FMR Area</b>								
30% LIMITS	12450	14200	16000	17750	19200	20600	22050	23450
VERY LOW INCOME	20700	23650	26600	29550	31950	34300	36650	39050
60% LIMITS	24840	28380	31920	35460	38340	41160	43980	46860
LOW INCOME	33150	37850	42600	47300	51100	54900	58700	62450
<b>Laredo, TX MSA</b>								
30% LIMITS	10550	12050	13550	15050	16300	17500	18700	19900
VERY LOW INCOME	17600	20100	22600	25100	27150	29150	31150	33150
60% LIMITS	21120	24120	27120	30120	32580	34980	37380	39780
LOW INCOME	28150	32150	36150	40150	43400	46600	49800	53000
<b>Loggview, TX HUD Metro FMR Area</b>								
30% LIMITS	11650	13300	14950	16600	17950	19300	20600	21950
VERY LOW INCOME	19400	22150	24900	27650	29900	32100	34300	36500
60% LIMITS	23280	26580	29880	33180	35880	38520	41160	43800
LOW INCOME	31000	35400	39850	44250	47800	51350	54900	58450
<b>Rusk County, TX HUD Metro FMR Area</b>								
30% LIMITS	12350	14100	15850	17600	19050	20450	21850	23250
VERY LOW INCOME	20550	23500	26450	29350	31700	34050	36400	38750
60% LIMITS	24660	28200	31740	35220	38040	40860	43680	46500
LOW INCOME	32900	37600	42300	46950	50750	54500	58250	62000
<b>Lubbock, TX MSA</b>								
30% LIMITS	12400	14150	15900	17650	19100	20500	21900	23300
VERY LOW INCOME	20650	23600	26550	29450	31850	34200	36550	38900
60% LIMITS	24780	28320	31860	35340	38220	41040	43860	46680
LOW INCOME	33000	37700	42400	47100	50900	54650	58450	62200

## Exhibit 6

### Covenant

#### Repayment.

The terms of payment shall be in accordance with the City of Laredo agreement between Habitat for Humanity and the City of Laredo. Homeowner understands and agrees that if Homeowner sells the Property, as provided in this paragraph, within the period of affordability, TBD at time of sale to eligible homebuyer years following the beginning date used in the Loan Documents.

- (A) Accordingly, in the event of a voluntary or involuntary transfer of the property during the applicable period of affordability, the City will recapture all or a portion of the direct subsidy provided to the homebuyer (TBD). The loan will be forgiven pro rata over the period of affordability under the following terms, as long as the home remains the principal residence of the home buyer:
- (i) Upon completion of the 1<sup>st</sup> year of the Loan Documents -10% of the original principal amount will be forgiven;
  - (ii) Upon completion of the 2<sup>nd</sup> year of the Loan Documents -20% of the original principal amount will be forgiven;
  - (iii) Upon completion of the 3<sup>rd</sup> year of the Loan Documents - 30% of the original principal amount will be forgiven;
  - (iv) Upon completion of the 4<sup>th</sup> year of the Loan Documents - 40% of the original principal amount will be forgiven; and
  - (v) Upon completion of the 5<sup>th</sup> year of the Loan Documents -50% of the original principal amount will be forgiven;
  - (vi) Upon completion of the 6<sup>th</sup> year of the Loan Documents -60% of the original principal amount will be forgiven;
  - (vii) Upon completion of the 7<sup>th</sup> year of the Loan Documents -70% of the original principal amount will be forgiven;
  - (viii) Upon completion of the 8<sup>th</sup> year of the Loan Documents - 80% of the original principal amount will be forgiven;
  - (ix) Upon completion of the 9<sup>th</sup> year of the Loan Documents - 90% of the original principal amount will be forgiven; and
  - (x) Upon completion of the 10<sup>th</sup> year of the Loan Documents -100% of the original principal amount will be forgiven
- (B) If the net proceeds from a voluntary or involuntary sale are insufficient to repay the prorated amount of the HOME subsidy, the City shall recapture the entire amount of net proceeds from the sale. If there are no net proceeds from the sale, no repayment is required. Net proceeds are defined as the sales price minus superior loan repayment and any closing costs incurred by the homebuyer.

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Cynthia Collazo, Deputy City Manager

**Staff Source:** Ronnie Acosta, CD Director

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**SUBJECT**

Authorizing the City Manager to purchase the surface only of Lots 9 and 10, Block 127, Western Division, City of Laredo, commonly known as 1315 and 1317 Victoria. The Chamberlain and Gallagher families have agreed to the purchase of the (2) two lots for the purchase price of \$293,000.00 as determined by a fair market appraisal and closing costs not to exceed \$3,000.00. These lots will be used for the purpose of providing additional parking for City patrons and employees. Funding is available in the 2007 C.O.

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

The City of Laredo is looking to expand parking for city employees and patrons conducting city business. The two (2) vacant lots located at 1315 and 1317 Victoria are closely situated to both City Hall and the recently acquired Matamoros courthouse.

Real Estate staff requested an appraisal of the properties to be conducted. Based on the report submitted by Mr. Frank Leal, Independent State Certified appraiser, the market value of the 2 lots was determined to be \$293,000.00.

The Chamberlain and Gallagher families have accepted the City's offer to purchase at market value.

Staff seeks authorization to purchase both lots at their fair market value of \$293,000.00 and incidental closing costs not to exceed \$3,000.00.

**COMMITTEE RECOMMENDATION**

N/A.

**STAFF RECOMMENDATION**

Staff recommends approval of Motion.

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**Fiscal Impact**

**Fiscal Year:**

2015



**Budgeted Y/N?:** Y

**Source of Funds:**

**Account #:** 462-9810-535-9101

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the 2007 C.O. Fund Land Account no. 462-9810-535-9101.

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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, Assistant City Manager

**Staff Source:** Mario I. Maldonado, Jr., Bridge Manager; Miguel A. Pescador, Purchasing Agent

**SUBJECT**

Consideration to award a contract to sole source provider, Transcore L.P., for the purchase of 5,000 Automatic Vehicle Identification (A.V.I.) sticker tags as part of the Laredo Bridge System Toll Collection System in an amount not to exceed \$62,500.00. Funding is available in the Bridge System Fund.

**PREVIOUS COUNCIL ACTION**

On May 05, 2014 Council awarded a contract to sole source provider, TransCore, L.P., for the purchase of 5,000 Automatic Vehicle Identification (A.V.I.) sticker tags in the amount of \$62,500.00.

**BACKGROUND**

The Laredo Bridge System utilizes a sticker tag as part of the AVI program. To participate in the AVI program, customers purchase a sticker tag which is placed on the windshield of the vehicle. At the time of crossing, the sticker tag is identified, associated to an account and the toll automatically deducted from the customer's account. The inventory of sticker tags must be replenished on a continuous basis in order to have sufficient inventory on hand to continue the issuance of sticker tags. Sticker tags are issued as new accounts are opened or as vehicles are added to AVI accounts. Considering the AVI program is an important component of processing traffic efficiently and with the current increase in traffic, an additional order must be placed in order to maintain an adequate inventory of sticker tags on hand.

**COMMITTEE RECOMMENDATION**

None

**STAFF RECOMMENDATION**

Awarding contract to the sole source provider, TransCore L.P., for the purchase of A.V.I. Sticker Tags.

**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y

**Source of Funds:** Toll Revenues  
**Account #:** 553-4012-582-2400  
**Change Order: Exceeds 25% Y/N:**  
**FINANCIAL IMPACT:**  
\$31,250

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** Toll Revenues  
**Account #:** 553-4061-582-2400  
**Change Order: Exceeds 25% Y/N:**  
**FINANCIAL IMPACT:**  
\$31,250

**Fiscal Year:**  
**Budgeted Y/N?:**  
**Source of Funds:**  
**Account #:**  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

The purpose of this contract is to establish prices for the commodities or services needed should the City need to purchase these commodities or services. The City's obligation for performance of an annual supply contract beyond the current fiscal year is contingent upon the availability of appropriated funds from which payments for the contract purchases can be made. If no funds are appropriated and budgeted during the next fiscal year, this contract becomes null and void

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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Rogelio Rivera, P.E., City Engineer

**SUBJECT**

Consideration for approval of the South Laredo Library Facility (Plumbing Package) as complete, ratification of change order No. 1, an increase of \$1,500.00, ratification of change order No. 2, an increase of \$1,400.00, ratification of change order No. 3, a decrease of \$980.00 for the balance of quantities actually constructed in place, release of retainage and approval of final payment in the amount of \$13,692.00 to A Plus Plumbing Contractor, Inc., Laredo, Texas. Final construction contract amount is \$136,920.00. Funding is available in the Capital Improvement Fund and the 2008 C.O. Fund.

**PREVIOUS COUNCIL ACTION**

On June 3, 2013, City Council approved to award a construction contact to A-Plus Plumbing Contractor, Inc., Laredo, Texas in the amount of \$135,000.00 for the South Laredo Library Facility (Plumbing Package).

**BACKGROUND**

The original project consisted of:

Plumbing Package - including all labor, installation, piping materials, and all related accessories as per plans and specifications.

Original construction contract amount (Approved by City Council on June 3, 2013)	\$135,000.00
Change order no. 1 (Approved by City Manager on November 14, 2013)	\$1,500.00
Change order no. 2 (Approved by City Manager on November 6, 2014) For the balance of quantities actually constructed in place.	\$1,400.00
Change order no. 3 (Approved by City Manager) For the balance of quantities actually constructed in place.	\$(980.00)

Final construction contract amount	\$136,920.00
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**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Approval of Motion.

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**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Yes  
**Source of Funds:** Capital Improvement Fund  
**Account #:** 402-4311-535-4043  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the Capital Improvement Fund and 2008 C.O. Issue  
Account No. 402-4311-535-4043 & 463-9854-535-9571

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** 2008 C.O.  
**Account #:** 463-9854-535-9571  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the Capital Improvement Fund and 2008 C.O. Issue  
Account No. 402-4311-535-4043 & 463-9854-535-9571

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**Attachments**

Change Order No. 1, Change Order No. 2 and Change Order No. 3  
Site Plan

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# CITY OF LAREDO CONSTRUCTION CHANGE ORDER

CHANGE ORDER: NO. 1

PROJECT: South Laredo Library Facility (Plumbing Package)

DATE: 11/12/2013

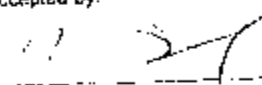
CONTRACTOR: A Plus Plumbing Contractor, Inc.  
524 Olympia Bay  
Laredo, Texas 78041  
Office # (956) 237-7810, Fax # (956) 725-1588

You are hereby requested to comply with the following changes from the contract plans and specifications. This document shall become an Amendment to the Contract and all provisions of the Contract shall apply thereto.

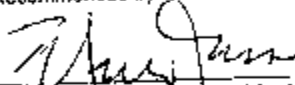
ITEM NO.	DESCRIPTION OF CHANGES	QUANTITY	UNIT	UNIT PRICE	CONTRACT PRICE INCREASE	CONTRACT PRICE DECREASE
1	PLUMBING IMPROVEMENTS Add - Installation of 60 linear feet of 2-1/2 inch diameter PVC waterline from water meter to the building, and includes all labor, materials, and equipment for a complete installation.	1	LS	\$ 1,500.00	\$ 1,500.00	
	<b>TOTAL PLUMBING IMPROVEMENTS</b>				\$ 1,500.00	
	<b>TOTAL</b>				\$ 1,500.00	
Original Contract Amount:		\$ 135,000.00	Total Increase:		\$ 1,500.00	
			Total Decrease:		\$	
			Net Change:		\$ 1,500.00	

JUSTIFICATION: This Change Order No. 1 is for the installation of 60 linear feet of 2-1/2 inch diameter PVC waterline from the water meter to the building, and includes all labor, materials, and equipment for a complete installation. There will be no change in construction contract time for this change order no. 1.

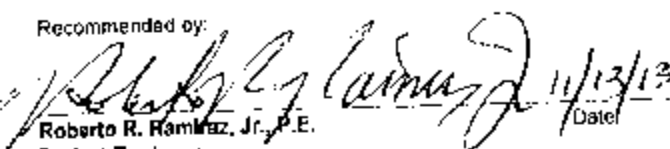
Contract price including previous Change Orders	\$ 135,000.00	Contract time including previous Change Orders	270 Calendar Days
Net Increase/decrease resulting from this Change Order	\$ 1,500.00	Net Increase/decrease resulting from this Change Order	00 Calendar Days
Current contract price including this Change Order	\$136,500.00	Current contract time including this Change Order	270 Calendar Days

Accepted by:  
  
Ricardo Aguilar, President  
A Plus Plumbing Contractor, Inc.

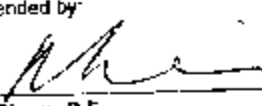
Nov 19, 2013  
Date

Recommended by:  
  
Mario Jasso Sr., AIA, President  
Architects Plus, Inc.

11/12/13  
Date

Recommended by:  
  
Roberto R. Ramirez, Jr., P.E.  
Project Engineer

11/13/13  
Date

Recommended by:  
  
Rogelio Rivera, P.E.  
City Engineer

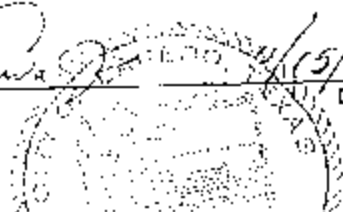
11/13/13  
Date

Attest by:  
  
Carlos Villarreal  
City Manager

11/14/13  
Date

Approved by:  
  
Gustavo Guvera  
City Secretary

11/15/13  
Date



# CITY OF LAREDO CONSTRUCTION CHANGE ORDER

PROJECT: South Laredo Library Facility (Plumbing Package)

CHANGE ORDER: NO. 2

CONTRACTOR: A Plus Plumbing Contractor, Inc.  
524 Olympia Bay  
Laredo, Texas 78041  
Office # (956) 237-7810, Fax # (956) 725-1588

DATE: 11/5/2014

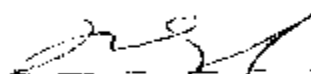
You are hereby requested to comply with the following changes from the contract plans and specifications.  
This document shall become an Amendment to the Contract and all provisions of the Contract shall apply thereto.

ITEM NO.	DESCRIPTION OF CHANGES	QUANTITY	UNIT	UNIT PRICE	CONTRACT PRICE INCREASE	CONTRACT PRICE DECREASE
1	<b>PLUMBING IMPROVEMENTS</b> Add - Removal and replacement of the first floor mop sink p trap which was plugged with a hard solid object resembling concrete, and includes all labor, materials, and equipment for a complete installation (Labor = \$1,350.00 & Materials = 550.00)	1	L.S	\$ 1,400.00	\$ 1,400.00	
	<b>TOTAL PLUMBING IMPROVEMENTS</b>				\$ 1,400.00	\$ -
	<b>TOTAL</b>				\$ 1,400.00	\$ -


Original Contract Amount: \$ 135,000.00  
Total Increase: \$ 1,400.00  
Total Decrease: \$ -  
Net Change: \$ 1,400.00

**JUSTIFICATION.** This Change Order No. 1 is for the Removal and replacement of the first floor mop sink p trap which was plugged with a hard solid object resembling concrete, and includes all labor, materials, and equipment for a complete installation. There will be no change in construction contract time for this change order no. 2.

Contract price including previous Change Orders	\$ 136,500.00	Contract time including previous Change Orders	270 Calendar Days
Net increase/decrease resulting from this Change Order	\$ 1,400.00	Net increase/decrease resulting from this Change Order	00 Calendar Days
Current contract price including this Change Order	\$137,900.00	Current contract time including this Change Order	270 Calendar Days

Accepted by:  
  
Ricardo Aguilar, President  
A Plus Plumbing Contractor, Inc.

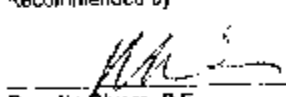
11/5/2014  
Date

Recommended by:  
  
Mario Jasso Sr., AIA, President  
Architects Plus, Inc.

11/6/14  
Date

Recommended by:  
  
Roberto R. Ramirez, Jr., P.E.  
Project Engineer

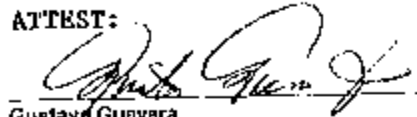
11/5/14  
Date

Recommended by:  
  
Rogelio Rivera, P.E.  
City Engineer

11/6/14  
Date

Approved by:  
  
Carlos Villarreal  
City Manager

11/6/14  
Date

ATTEST:  
  
Gustavo Guvera  
City Secretary

11-7-14  
Date

Funding is available on account no. 402-4323-535-4011.

# CITY OF LAREDO CONSTRUCTION CHANGE ORDER

PROJECT: South Laredo Library Facility (Plumbing Package)

CHANGE ORDER: NO. 3

CONTRACTOR: A Plus Plumbing Contractor, Inc.  
524 Olympia Bay  
Laredo, Texas 78041  
Office # (956) 237-7810, Fax # (956) 725-1688

DATE: 3/20/2015

You are hereby requested to comply with the following changes from the contract plans and specifications. This document shall become an Amendment to the Contract and all provisions of the Contract shall apply thereto.

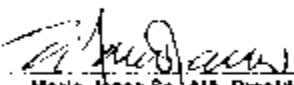
ITEM NO.	DESCRIPTION OF CHANGES	QUANTITY	UNIT	UNIT PRICE	CONTRACT PRICE INCREASE	CONTRACT PRICE DECREASE
1	<b>PLUMBING IMPROVEMENTS</b> Delete - Removal and replacement of the Fire Alarm Power Supply by others due to water damage & corrosion. A leak occurred at the second floor mop sink and caused damage to the power supply located below in the first floor, and includes all labor, materials, and equipment for a complete installation.	1	LS	\$ (980.00)		\$ (980.00)
<b>TOTAL PLUMBING IMPROVEMENTS</b>					\$ -	\$ (980.00)
<b>TOTAL</b>					\$ -	\$ (980.00)

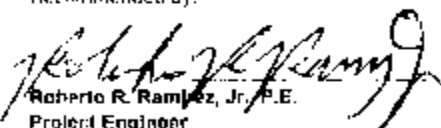
Original Contract Amount	\$ 135,000.00	Total Increase:	\$ -
		Total Decrease:	\$ (980.00)
		Net Change:	\$ (980.00)

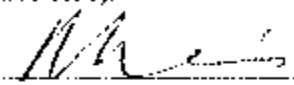
**JUSTIFICATION:** This Change Order No. 3 is for the removal and replacement of the Fire Alarm Power Supply by others due to water damage & corrosion. A leak occurred at the second floor mop sink and caused damage to the power supply located below in the first floor, and had to be replaced, and includes all labor, materials, and equipment for a complete installation.

Contract price including previous Change Orders	\$ 137,801.00	Contract time including previous Change Orders	270 Calendar Days
Net increase/decrease resulting from this Change Order No. 3	\$ (980.00)	Net increase/decrease resulting from this Change Order	00 Calendar Days
Current contract price including this Change Order No. 3	\$136,821.00	Current contract time including this Change Order	270 Calendar Days

Accepted by:   
Ricardo Aguilar, President  
A Plus Plumbing Contractor, Inc.  
Date: \_\_\_\_\_

Recommended by:   
Mario Jasso Sr., AIA, President  
Architects Plus, Inc.  
Date: 3/25/15

Recommended by:   
Roberto R. Ramirez, Jr., P.E.  
Project Engineer  
Date: 3/31/15

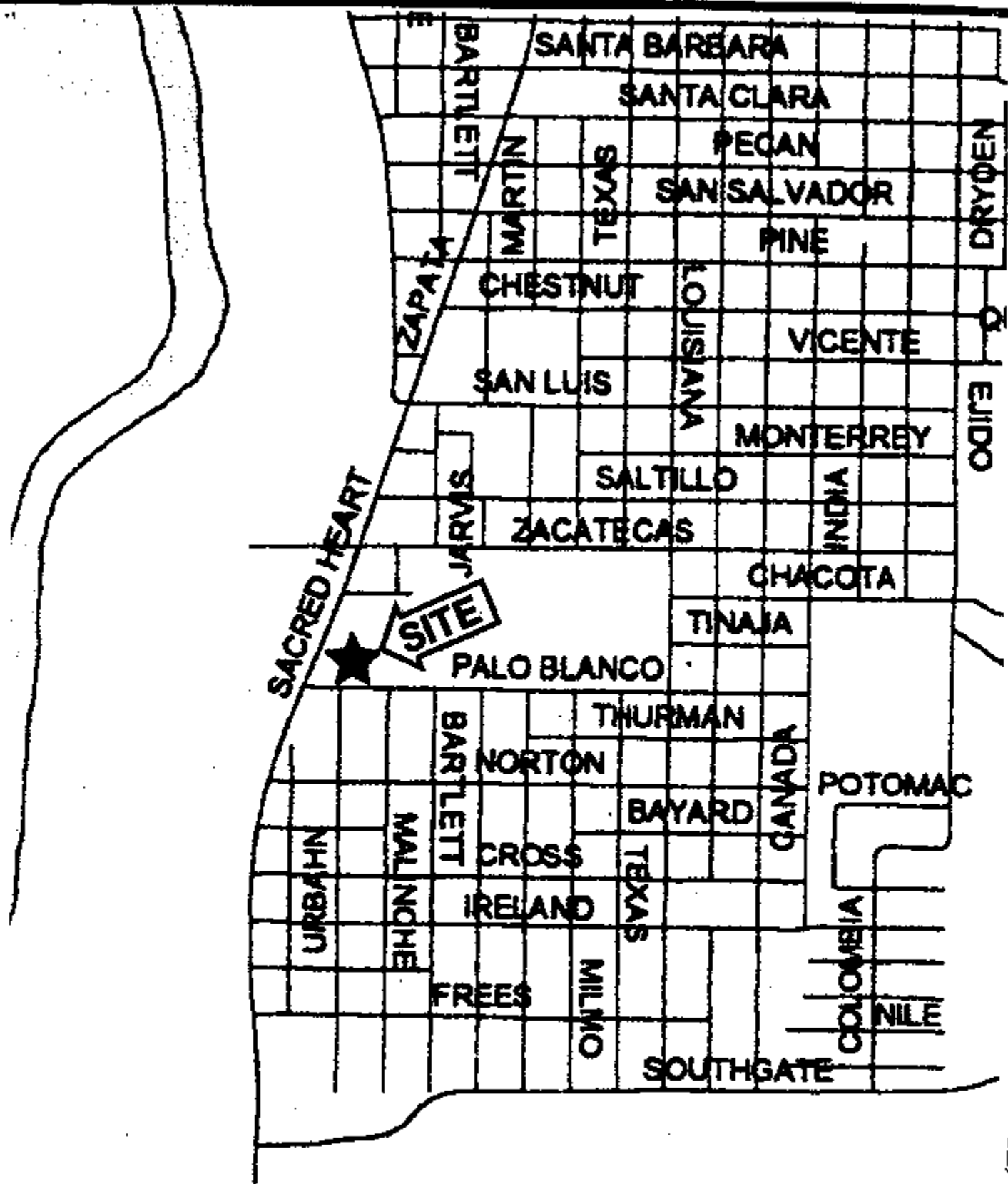
Recommended by:   
Rogelio Rivera, P.E.  
City Engineer  
Date: 3/31/15

Attest by: \_\_\_\_\_  
Date: \_\_\_\_\_  
Jesus Olivares,  
City Manager

Approved by: \_\_\_\_\_  
Date: \_\_\_\_\_  
Gustavo Guovara  
City Secretary

Funding is available in the Capital Improvement Fund.  
Account No. 402-4311-535-4043.





CONSIDERATION FOR APPROVAL OF THE SOUTH LAREDO LIBRARY FACILITY (PLUMBING PACKAGE) AS COMPLETE, RATIFICATION OF CHANGE ORDER No.1, CHANGE ORDER 2, CHANGE ORDER NO. 3, RELEASE OF RETAINAGE AND APPROVAL OF FINAL PAYMENT



City Council Meeting  
April 20, 2015

**CITY OF LAREDO**  
**ENGINEERING DEPARTMENT**  
1210 KILGORE ST. P.O. BOX 579 PH. 781-7146 FAX 781-7146

AGENDA ITEM

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Rogelio Rivera, P.E., City Engineer

**SUBJECT**

Consideration for approval of the South Laredo Library Facility (Elevator Package) as complete, approval of change order No. 1, a decrease of \$5,399.50 for the balance of quantities actually constructed in place, release of retainage and approval of final payment in the amount of \$10,259.05 to ThyssenKrupp Elevator Corporation, Frisco, Texas. Final construction contract amount is \$102,590.50. Funding is available in the Capital Improvement Fund.

**PREVIOUS COUNCIL ACTION**

On June 3, 2013, City Council awarded a construction contract to ThyssenKrupp Elevator Corporation, Frisco, Texas, in the amount of \$107,990.00 for the South Laredo Library Facility (Elevator Package).

**BACKGROUND**

The original project consisted of the HVAC Package for the South Laredo Library Facility – including all labor, equipment, installation, for two (2) hydraulic passenger elevators in existing elevator shafts, fabrication, delivery, and all related accessories as per plans and specifications.

Plans and specifications were prepared by Architects Plus, Inc., Laredo, Texas.

Original construction contract amount (Approved by City Council on June 3, 2013)	\$107,990.00
This change order no. 1	(\$5,399.50)
Final construction contract amount	\$102,590.50

The project was completed within the contract time allotted.

**COMMITTEE RECOMMENDATION**

N/A.

**STAFF RECOMMENDATION**

Approval of Motion.

**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Yes  
**Source of Funds:** Capital Improvement Fund  
**Account #:** 402-4311-535-4043  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the Capital Improvement Fund.  
Account No. 402-4311-535-4043

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**Attachments**

Change Order No. 1

Approval of S. Laredo Library Facility (Elevator Package)

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Agenda Item: 04/20/15

**CITY OF LAREDO  
CONSTRUCTION CHANGE ORDER**

PROJECT: South Laredo Library

CHANGE ORDER: NO. 1

CONTRACTOR: ThyssenKrupp Elevator Corporation  
2801 Network Blvd. Suite # 700  
Frisco, Texas 75034

DATE: 12/10/2014

You are hereby requested to comply with the following changes from the contract plans and specifications.  
This document shall become an Amendment to the Contract and all provisions of the Contract shall apply thereto.

ITEM NO.	DESCRIPTION OF CHANGES	QUANTITY	UNIT	UNIT PRICE	CONTRACT PRICE INCREASE	CONTRACT PRICE DECREASE
1	ELEVATOR IMPROVEMENTS Delete the Contingency Allowance from the ThyssenKrupp Elevator Package Contract.	-1	LS	\$ 5,399.50		\$ (5,399.50)
	Total Elevator Improvements				\$ -	\$ (5,399.50)
	TOTAL				\$ -	\$ (5,399.50)
Original Contract Amount		\$	107,990.00	Total Increase:	\$ -	
				Total Decrease:	\$ (5,399.50)	
				Net Change:	\$ (5,399.50)	

JUSTIFICATION: This Change Order No. 1 is for the deletion of the Contingency Allowance from the construction contract for the ThyssenKrupp Elevator Package.  
No calendar days will be added nor deleted to the construction contract time for this change order no. 1.

Contract price including previous Change Orders	\$ 107,990.00	Contract time including previous Change Orders	270 Calendar Days
Net increase/decrease resulting from this Change Order	\$ (5,399.50)	Net increase/decrease resulting from this Change Order	00 Calendar Days
Current contract price including this Change Order	\$102,590.50	Current contract time including this Change Order	270 Calendar Days

Accepted by: [Signature] 12/11/14 Date  
Lisa Parker, Billing Coordinator  
ThyssenKrupp Elevator Corporation

Recommended by: [Signature] 12/18/14 Date  
Mario Jasso, AIA, President  
Architects Plus, Inc.

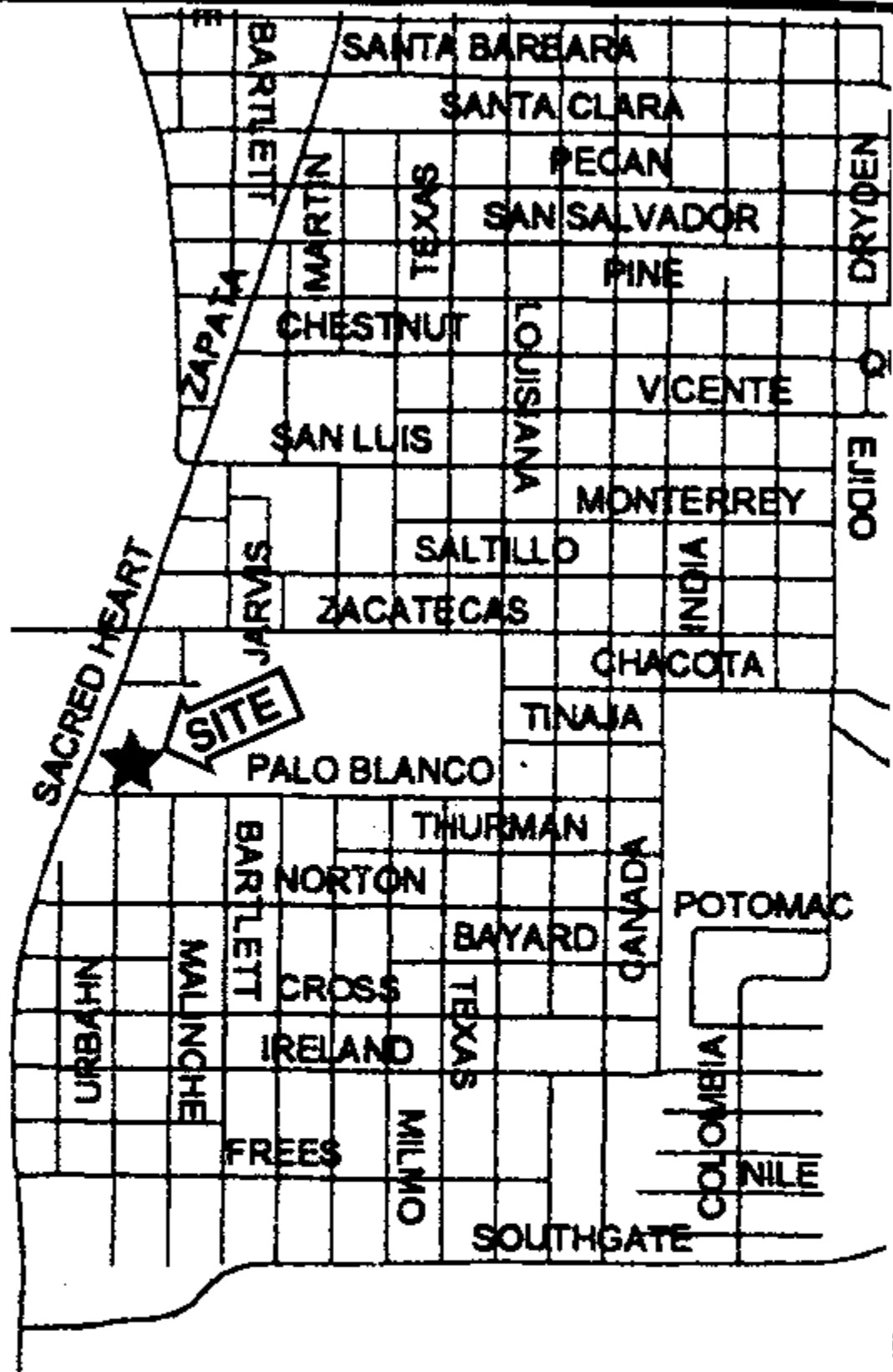
Recommended by: [Signature] 12/18/14 Date  
Roberto R. Ramirez, Jr., P.E.  
Project Engineer

Recommended by: [Signature] 12/18/14 Date  
Rogelio Rivera, P.E.  
City Engineer

Attest by: \_\_\_\_\_ Date  
Jesus Olivares  
City Manager

Approved by: \_\_\_\_\_ Date  
Gustavo Guevara  
City Secretary

Funding is available in the Capital Improvement Fund.  
Account No. 402-4311-535-4043.



CONSIDERATION FOR APPROVAL OF THE SOUTH LAREDO LIBRARY FACILITY  
 (ELEVATOR PACKAGE) AS COMPLETE, APPROVAL OF CHANGE ORDER No.1,  
 RELEASE OF RETAINAGE AND APPROVAL OF FINAL PAYMENT

City Council Meeting  
 April 20, 2015

**CITY OF LAREDO**  
**ENGINEERING DEPARTMENT**  
 1140 HANCOCK ST. P.O. BOX 528 L.A. 781-244 FAX 2101 791-2496

AGENDA ITEM

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Rogelio Rivera, P.E., City Engineer; Claudia San Miguel, El Metro General Manager

**SUBJECT**

Consideration for approval to award a professional services contract to Seca Engineering, L.L.C., Laredo, Texas, in an amount not to exceed \$68,750.00 for design and preparation of plans and specifications for Repairs/Reconstruction and/or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street. Design work is to be done on a fast track basis. Funding is available in the Grant No.TX-05-0055-01.

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

Scope of services include, but are not limited to:  
Conduct a thorough inspection of the concrete parking areas, the fueling areas, the storm drains and the operations building area to determine the extent of deterioration of the concrete slabs and the expansion joints and make an assessment of the repairs work warranted. Report findings to owner and upon concurrence of the final scope of work, design and prepare plans and specifications for the project. Assist the owner in the bidding process, provide limited construction supervision, approve material submittals and invoices and assist in project close-out  
Design work is to be done on a fast track basis.

**COMMITTEE RECOMMENDATION**

N/A.

**STAFF RECOMMENDATION**

Approval of Motion.

**Fiscal Impact**

<b>Fiscal Year:</b>	2015
<b>Budgeted Y/N?:</b>	Yes
<b>Source of Funds:</b>	Grant# TX-05-0055-01

**Account #:** 518-5181-563-5512

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the Grant# TX-05-0055-01.

Account No. 518-5181-563-5512

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**Attachments**

Professional Services Contract

Site Plan

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## PROFESSIONAL SERVICES CONTRACT

STATE OF TEXAS

Agenda Item: April 20, 2015

COUNTY OF WEBB

CITY OF LAREDO

### **Contract to Provide Surveys, Design, and Preparation of Plans and Specifications and Cost Estimates**

**PROJECT NAME: Repairs/Reconstruction and or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street**

This Contract made and entered into in Laredo, Webb County, Texas, between the City of Laredo, a Municipal Corporation in the State of Texas, hereinafter termed "CITY", and

**Seca Engineering, L.L.C.  
1701 Jacaman Rd., Suite 11  
Laredo, Texas 78041  
Phone: (956)753-3014  
Fax: (956)753-3017**

hereinafter termed "CONSULTANT," a professional firm duly licensed and practicing under the laws of the State of Texas, said Contract being executed by the CITY pursuant to the City Charter and Ordinances and Resolutions of the City Council and by said CONSULTANT for professional services hereinafter set forth in connection with the above designated project for the City of Laredo.

I. The CONSULTANT shall NOT commence work on this proposed Project until he has been thoroughly briefed on the scope of this Project and has been notified in writing to proceed.

The CONSULTANT, in consideration for the compensation herein provided, shall render the professional services contract necessary for the development of the Project to final completion, per **Attachment "B"** Production Schedule including designs, reports, and special and general conditions or instructions, as acceptable to the CITY, or its duly authorized representative, subject to all other provisions of this Contract.

The CONSULTANT shall be represented by a registered professional licensed to practice in the State of Texas at any review meetings where specifically requested by the CITY, which may include but not limited to scope of services meetings, staff review meetings, and meetings for acceptance of the project, and for permits subject to the approval of municipal, State, and federal agencies, where applicable. All Plans submitted for review shall bear the seal of a registered professional, as required.

#### **II. Basic Services:**

The CONSULTANT shall perform his obligations and Basic Services necessary for the development of the project as described, but not limited to, in **Attachment "A," Scope of Services**. The Scope of Services provides a description of all tasks required to perform the project and is based on the understanding of the CITY's desires and objectives for this project.



### III. Personnel:

The CONSULTANT represents that it has, or will secure at its own expense, all personnel required to perform the services for which it is responsible under this contract. Such personnel will not be employees of the CITY.

### IV. Period of Performance:

**Contract time is to be on a fast track basis. (Attachment "B)**

If upon review of the work, corrections, modifications and/or alterations are required of the CONSULTANT, these items shall be completed by the CONSULTANT before the work is approved. However, the CITY shall authorize extensions of the time should there be delays due to reasons beyond the control of the CONSULTANT. Such time extensions shall be equivalent to the amounts of delays incurred. Review time by the CITY will not be charged against CONSULTANT's contract time.

In the performance of the various phases of this contract the CONSULTANT shall contact the various utility coordinators for request of the most current available utility records; and the CITY and other governmental entities for particular or peculiar problems which may arise.

The CONSULTANT shall not be liable or responsible for any delays due to strikes, riots, acts of God, national emergency, acts of the public enemy, governmental restrictions, laws, or regulations, or any other causes beyond the CONSULTANT's reasonable control. Within thirty (30) days from the occurrence of any event for which time for performance by CONSULTANT should be significantly extended under this provision, CONSULTANT may give written notice thereof to the CITY stating the reason for such extension and the actual or estimated time thereof.

This contract shall remain in force for a period which may reasonably be required for the completion of the project, including any extra work and required extensions thereto, unless discontinued as provided for elsewhere in this contract.

**The CONSULTANT shall furnish upon completion of the work herein described in the "Scope of Services" twenty (20) sets and twenty (20) CD's of the plans and specifications of the project for distribution by the City of Laredo.**

### V. Compensation and Payment:

The CITY shall pay CONSULTANT for the performance of services as out-lined in this Contract, a fee computed on the basis of an hourly billing rate for all of the CONSULTANT's personnel engaged on the work, plus reimbursable expenses. The hourly billing rates shall be in accordance with billing schedule in **Exhibit L**. Reimbursable expenses shall include costs for travel, subsistence, telephone, reproduction of reports and exhibits, computer time charges, and miscellaneous expenses directly related to the project.

An amount of **sixty-eight thousand seven hundred fifty dollars and no cents (\$68,750.00)** will not be exceeded without written authorization by the CITY. Said fee will include payroll costs and direct non-labor expenses. **See Attachment "C" for compensation.**

Monthly billings on duly certified work, which is work certified for payment to employer and principles, and expense evidenced by invoices for work performed during the preceding four week accounting period will be submitted to the CITY during the course of the project.

Compensation for additional services which may be required of the Consultant shall be paid as a lump sum amount agreed to through re-negotiation if the Scope of Services described in the original contract is changed. See Attachment "D" Compensation for Additional Professional Services.

Once a month, the CONSULTANT shall submit to the CITY a Partial Request for Payment filled out and signed by the CONSULTANT covering the work completed as of the date of the Partial Request for Payment, and accompanied by such supporting documentation as is required by the Contract documents. The Partial Request for payment shall not exceed 90% of the total amount certified for payment. CITY shall retain 10% of the amount of each partial payment until final completion each phase of work covered under his contract. Therefore, final payment shall be 10% of the total construction phase amount, or \$3,000 whichever is greater, and which payment is to be made by the CITY to the CONSULTANT upon submission of all completion of project documentation, and one set of "As-Built" reproducible, acceptance of the project and Form Letter for Engineering Completion Report.

#### **VI. Additional Services:**

All work performed by CONSULTANT, which is either described in this paragraph or not included in the "Scope of Services" shall constitute additional services. These shall include:

- a. Travel and subsistence to points other than CONSULTANT's or CITY offices and project site.
- b. Copies of final reports, studies, drawings and other data in excess of sets required in Basic services.
- c. Other services not otherwise included in this contract or not customarily furnished in accordance with generally accepted engineering practice.

**THE CONSULTANT SHALL NOT PERFORM ANY WORK WHICH CONSTITUTES ADDITIONAL SERVICES UNTIL IT HAS RECEIVED WRITTEN AUTHORIZATION FROM THE CITY.**

#### **VII. Termination and/or Suspension of Work:**

##### **A. Right of Either Party to Terminate:**

This Contract may be terminated by either party for substantial failure by the other party to perform (through no fault of the terminating party) in accordance with the terms of this Contract. The terminating party must issue a signed, written notice of termination (citing this paragraph) to the other party which shall take effect on the tenth day following receipt of said notice, provided the other party has not cured the substantial failure to perform.

**B. Right of CITY to Terminate:**

The City of Laredo reserves the right to terminate this Contract for reasons other than substantial failure by the CONSULTANT to perform by issuing a signed, written notice of termination (citing this paragraph) which shall take effect on the twentieth day following receipt of said notice or, after receipt of said notice and upon the scheduled completion date of the performance phase in which the CONSULTANT is then currently working, whichever effective termination date occurs first.

**C. Right of CITY to Suspend Giving Rise to Right of CONSULTANT to Terminate:**

The City of Laredo reserves the right to suspend this Contract at the end of any Phase for any reason by issuing a signed, written notice of suspension (citing this paragraph) which shall take effect on the tenth day following receipt of said notice by the CONSULTANT. The suspension notice will outline the reasons for the suspension and the anticipated duration of the suspension but will in no way guarantee the total number of days suspended. Equitable adjustments to the terms of the contract will be addressed in the event the duration of the suspension exceeds ninety (90) days.

The CONSULTANT is hereby given the right to terminate this Agreement in the event that the City suspends this Contract. CONSULTANT may exercise this right to terminate by issuing a signed, written notice of termination (citing this paragraph) to the CITY at any time after the effective suspension date. This termination shall be effective immediately upon receipt of said notice by the CITY.

**D. Procedures CONSULTANT to follow upon receipt of Notice of Termination if issued by the CITY:**

Upon receipt of a notice of termination and prior to the effective date of the termination, the CONSULTANT shall, unless the notice otherwise directs, immediately begin the phase-out and discontinue all services in connection with the performance of this Contract and shall proceed to promptly cancel all existing orders and contracts insofar as such orders and contracts are chargeable to this Contract. Within thirty (30) days after receipt of the notice of termination, the CONSULTANT shall submit a statement, showing in detail the services performed under this Contract prior to the effective date of termination.

Copies of all completed or partially completed specifications and reproducible of all completed or partially completed design and plans prepared under this Contract prior to the effective date of termination shall be delivered to the CITY as a pre-condition to final payment. These documents shall be subject to the restrictions and conditions set forth in VI above.

Upon the above conditions having been met, the CITY shall pay within thirty (30) days of the receipt of the CONSULTANT's invoice that proportion of the prescribed fee which the services actually performed under this Contract bear to the total services called for under this Contract less previous payments of the fee.

Failure by the CONSULTANT to comply with the submittal of the statement and documents as required above shall constitute a waiver by the CONSULTANT of any and all rights or claims to collect monies that CONSULTANT may rightfully be entitled to for services performed under this Contract.

E. Procedures CONSULTANT to follow upon receipt of Notice of Suspension if issued by the CITY:

1. Upon receipt of a notice of suspension and prior to the effective date of the suspension, the CONSULTANT shall, unless the notice otherwise directs, immediately begin to phase-out and discontinue all services in connection with the performance of this Contract and shall proceed to promptly cancel all existing orders and contract insofar as such orders and contracts are chargeable to this Contract.

CONSULTANT shall prepare a statement showing in detail the services performed under this Contract prior to the effective date of suspension.

Copies of all completed or partially completed designs, plans and specifications prepared under this Contract prior to the effective date of suspension shall be prepared for possible delivery to the CITY but shall be retained by the CONSULTANT until such time as CONSULTANT may exercise the right to terminate.

During the period of suspension, CONSULTANT shall have the option to at any time submit the above referenced statement to the City for prompt payment of that proportion of the prescribed fee which the services actually performed under this Contract bear to the total services called for under this Contract, less previous payments of the fee.

2. In the event that CONSULTANT exercises his right to terminate at any time after the effective suspension date, within thirty (30) days after receipt by the CITY of CONSULTANT's notice of termination, CONSULTANT shall submit (if it has not previously done so) the above referenced statement showing in detail the services performed under this Contract prior to the effective date of suspension.

Additionally, the above referenced copies of documents shall be delivered to the CITY as a pre-condition to final payment.

Upon the above condition being met, the CITY shall promptly pay the CONSULTANT that proportion of the prescribed fee which the services actually performed under this Contract bear to the total services called for under this Contract, less previous payments of the fee.

Failure by the CONSULTANT to comply with the submittal of the statement and documents as required above shall constitute a waiver by the CONSULTANT of any and all rights or claims to collect monies that CONSULTANT may rightfully be entitled to for services performed under this Contract.

#### **VIII. CONSULTANT's Insurance and Warranty:**

Insurance: The CONSULTANT shall procure and maintain insurance for protection from claims and workman's compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom.

The CONSULTANT warrants that he has not employed or retained any company or person other than a bona fide employee working solely for the CONSULTANT to solicit or secure this contract, and that he has not for the purpose of soliciting or securing this contract paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach of this warranty, the City shall have the right to terminate this contract under the provisions of VII above.

#### **IX. Changes in Scope of Services:**

The CITY, may, from time to time, request changes in the approved plans and Scope of Services to be performed by the CONSULTANT hereunder and if such changes are agreed to by the CONSULTANT, they shall be included as written amendments to this contract.

#### **X. Subletting or Assigning of Contract:**

The "CITY" does not allow, permit, negotiate, authorize nor approve any assignment of contract proceeds between the "CITY", the "CONSULTANT", and/or with a bank, lending institution or any type of financial institution either before, during or after a contract award.

The "CITY" agrees to pay the "CONSULTANT" for specified services as stated in the agreed contract.

The "CITY" does not agree to pay any additional party either jointly or separately for the contract.

#### **XI. CONSULTANT's Responsibility & Liability:**

Acceptance and approval of the final plans by the CITY shall not constitute nor be deemed a release of the responsibility and liability of the Consultant for the accuracy and competency of its designs, working drawings, specifications, or other documents and work performed under this contract. No approval or acceptance by or in behalf of the CITY shall be deemed to be an assumption of such responsibility by the CITY for any defect, error, or omission in the said designs, working drawings, specifications or other documents as prepared by the CONSULTANT.

The CONSULTANT further agrees to perform any re-designs, required as a result of the CONSULTANT's development of the designs, plans, specifications, or documents which are a result of CONSULTANT's negligence.

Re-designs required or occasioned after completion and acceptance by CITY of the Design Phase, for the convenience of the CITY shall be paid for as provided and prescribed hereinafter under Additional Services of the CONSULTANT.

**XII. Indemnification:**

CONSULTANT shall and does hereby agree to indemnify and hold harmless the CITY from any and all damages, loss or liability of any kind, whatsoever, by reason of injury to third person occasioned by any negligent act, error, or omission of CONSULTANT, its officers, agents, employees, or other persons for whom CONSULTANT is legally liable, in rendering or failing to render professional services with regard to the performance of this Contract. The CONSULTANT will at own cost and expense defend and protect the CITY against any and all such claims and demands. The CONSULTANT's liability to the CITY under this provision shall in no event exceed the amount of the total compensation received by the CONSULTANT for services hereunder.

**XIII. Severability:**

If for any reason, any one or more paragraphs of this contract are held invalid, such judgment shall not affect, impair, or invalidate the remaining paragraphs of the contract but be confined in its operations the specific section, sentences, clauses, or parts of this contract held invalid and invalidity of any section, sentence, clause or parts of this contract in any one or more instance, shall not affect or prejudice in any way the validity of this contract in any other instance.

**XIV. Interest of CONSULTANT:**

The CONSULTANT agrees that it has no interests, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this contract.

**XV. Owner of Documents:**

All documents including the original drawings, estimates, specifications, field notes and data will remain the property of the CONSULTANT as instruments of service. However, it is to be understood that the CITY shall have free access to all such information with the right to make and retain copies of drawings and all other documents including field notes and data. Any re-use without specific written verification or adaptation by CONSULTANT will be at CITY's sole risk and without liability or legal exposure to CONSULTANT. Any such verification or adaptation may entitle CONSULTANT to further compensation at rates to be agreed upon by the CITY and CONSULTANT.

**XVI. Equal Employment Opportunity/Minority Business Enterprise:**

The CONSULTANT agrees not to engage in employment practices which have the effect of discriminating against any employee or applicant for employment and will take affirmative steps to ensure that applicants and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, handicap, or political belief or affiliation. Specifically, the CONSULTANT agrees to abide by all applicable provisions of the Non-discrimination Clause as

contained in the City of Laredo's current Affirmation Action Plan on file in the City Secretary's Office. In the event non-compliance occurs, the CONSULTANT, upon written notifications by the CITY will commence compliance procedures within thirty (30) days.

**XVII. Political Interests in this Contract:**

No employee of the CITY shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; provided, however, that this provision shall not be constructed to extend to this contract if made with a corporation for its general benefit.

**XVIII.** CONSULTANT represents that the services under this Agreement shall be performed in a manner consistent with that level of care and skill ordinarily exercised by other professional CONSULTANT under similar circumstances at the time the services are performed. No other representations to CITY express or implied, and no warranties or guarantees are included or intended in the Agreement, or in any report, opinion, document or otherwise.

CONSULTANT shall be responsible to CITY for CONSULTANT services and the services of its subcontractors. CONSULTANT shall not be responsible for the acts or omissions of other parties engaged by CITY. CONSULTANT shall have no responsibility for construction means, methods, sequences, techniques or health and safety precautions and programs of the Construction Contractor(s), including construction site safety, all of which shall remain the sole responsibility of the Construction Contractor(s).

**XIX.** CONSULTANT will review information provided by the construction contractor that is incorporated in record drawings or other record documents. CONSULTANT or authorized representative will verify with the contractor the information presented in field mark-ups for accuracy, completeness and compliance with CONSULTANT designed plans and specifications before producing final as built information.

**XX.** CONSULTANT opinion of probable project costs represents the CONSULTANT's best judgment as an entity familiar with the construction industry. CONSULTANT does not warrant or represent that bids or negotiated prices will not vary from CONSULTANT's opinion of probable project costs.

**XXI.** CITY grants to CONSULTANT, and, if the project site is not owned by CITY, warrants that permission has been granted for, a right of entry from time to time by CONSULTANT, its employees, agents and subcontractors, upon the project site for the purpose of providing the Services. CITY recognizes that the use of investigative equipment and practices may unavoidable alter the existing site conditions and affect the environment in the area being studied, despite the use of reasonable care.

**XXII. Consequential Damages:**

Neither party shall be liable to the other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such damages are caused by breach of contract, willfull misconduct, negligent act or omission, or other wrongful act of either of them.

**XXIII. Entire Contract:**

This Contract represents the entire and integrated Contract between the CITY and the CONSULTANT and supersedes all prior negotiations, representations, or Contracts, either oral or written. This Contract may be amended only by written instrument signed by both the CITY and CONSULTANT.

IN WITNESS WHEREOF, the City of Laredo has lawfully caused these presents to be executed by the hand of the City Manager of said CITY, and the corporate seal of said CITY to be hereunto affixed and this instrument to be attested by the City Secretary, and this CONSULTANT, acting by the hand of (Typed Name) \_\_\_\_\_  
Thereunto authorized (Title) \_\_\_\_\_  
does now sign, execute and deliver this document.

DONE AT LAREDO, TEXAS, on this \_\_\_ day of \_\_\_ 2015.

\_\_\_\_\_  
ATTEST:

CONSULTANT

\_\_\_\_\_

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name and Title  
Company's Name

ATTEST:

CITY OF LAREDO

\_\_\_\_\_  
GUSTAVO GUEVARA, JR.,  
City Secretary  
Date: \_\_\_\_\_

\_\_\_\_\_  
Jesus Olivares, City Manager  
Date: \_\_\_\_\_



**ATTACHMENT "A"**  
**SCOPE OF SERVICES**

**Project: Repairs/Reconstruction and or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street**

Consulting Engineering Services to include Design, Surveys & Preparation of final plans Specifications for the project and shall include but not limited to the following:

- A. Preliminary Phase:
  1. Coordinate all work with each utility company and identify major conflicts.
  2. Perform all necessary surveys within street right-of-way and where necessary site topography requested in the design of the project.
  3. Consider in the design and include in the drawings, drainage, water, sanitary sewer and related improvements necessary to complete the project.
  4. Plan and coordinate foundation investigation, soil borings, and other tests required for design of the project.
  5. The Consultant shall prepare and furnish six (6) sets of reports and four (4) sets of preliminary plans and specifications and related cost estimates. Separately, the Consultant shall furnish the utility companies sets of the necessary drawings during the coordination of the project.
  6. Comply with the Americans with Disabilities Act (ADA) Requirements.
- B. Design Project.

Upon the City approving the preliminary plans, the Consultant shall proceed in preparing final construction plans, specifications, and contract documents.

  1. Drawings to include but not be limited to the following:
    - a. Title sheet
    - b. Location site plan
    - c. Plan sheets which includes hydrological data in subsurface investigation if required for design
    - d. Plan and profile sheets on scale 1" = 50' horizontal 1" = 5' vertical for paving and related storm drainage, water and sewer improvements.
    - e. Basis of estimates sheets (Plan quantities)
    - f. Construction staking: set required stakes and preparation of cut sheets for all proposed construction.
  2. Submit twenty (20) sets of plans and specifications and contract documents and twenty (20) CD's.
  3. Evaluate bids received and submit recommendations, prepare bid tabulation. Assist in the preparation of formal construction contract document.
- C. Construction Phase: Perform basic services during the construction of the project. Construction observation, reviewing, and approving shop drawings and contractor's estimates. Conduct in company with the City a final inspection of the project for conformance with the design of the project and compliance with plans and specifications and approve, in writing, final payment to the contractor. Provide one set of reproducible record drawings. (As-Built) in Mylars and in digital forma and submit Form Letter for Engineering Completion Report.

March 31, 2015

Mr. Rogelio Rivera, PE, City Engineer  
Attn. Alejandro Labrada, Engineering Associate II  
City of Laredo - Engineering Dept.  
1110 Houston Street  
Laredo, Texas 78040

**RE: Proposal to Provide Professional Engineering and Surveying Services to design and prepare plans and specifications for the El Metro Operations and Maintenance Facility – 401 Scott Street Repair/Reconstruction and/or Replacement of Concrete Slabs and Construction Joints.**

Dear Mr. Rivera:

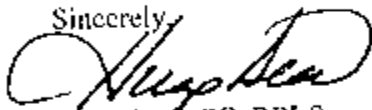
We are in receipt of your letter dated February 24, 2015, informing of our selection to assist the City on above referenced project. We want to thank the City of Laredo for the opportunity to be of service. We are eager to commence the project and are pleased to submit this proposal. We have visited the site and are proposing to accomplish this work in accordance with the requirements of the City of Laredo Professional Services Agreement. A scope of services for this work is attached and will be performed for the lump sum amount shown below:

**Professional Engineering and Surveying Services Fee**                      **TOTAL \$ 68,750.00**  
*Refer to Scope of Basic Services on Page 2*

**NOTE: Any application, review, public administrative, etc. fees are not included in this proposal and shall remain the responsibility of the client.**

We will proceed with this work upon authorization from the City after a Professional Services Agreement is signed and returned to our office. Once again thank you for your trust and the opportunity to be of service. Should you have any questions, please call.

Sincerely,



Hugo Sosa, PE, RPLS  
President

PART I

SCOPE OF BASIC SERVICES

*Professional Engineering and Surveying Services:*

1. *Inspection and necessary subsurface exploration and testing of the concrete parking areas, the fueling areas, the storm drains and the operations building area to determine extent of deterioration of slabs and joint and make an assessment of repair work warranted.*
2. *Prepare a Report with findings and recommendations to the owner.*
3. *Upon concurrence of final scope of work, conduct Limited Topographic Surveys, Design and Prepare plans and specifications for the project and a Preliminary Engineer's Opinion of Probable Cost*
4. *Utility Coordination Committee, coordination with City, State, and Federal Agencies, as applicable.*
5. *Prepare and submit 20 sets of plans and specifications, unless instructed otherwise, to bid the project. Assist the City in the Bidding Process.*
6. *Provide limited supervision during the construction of the project, review Contractor's submittals and invoices, and attend preliminary and final inspections to close-out project.*
7. *Assist the City in closing-out the project, provide "Plan of Record" in reproducible paper and in digital format (PDF).*

**TIMELINE SCHEDULE PER TASK**

Preliminary Design

Limited Topographic Surveys, 4.5 weeks after issuance of Notice  
Subsurface Exploration, Testing and Report to Proceed  
Preliminary Design Plans - 50% complete, and  
Preliminary Engineer's Opinion of Probable Cost  
Preliminary Utility Coordination\*\*\*

Final Design

Pre-Final Design – 90% Complete 4.5 weeks after review of  
Continue Utility Coordination and Adjustments\*\*\* Preliminary Plans

Final Plans and Specifications for Bidding Process 3 weeks after review of 90%  
Final Utility Coordination, Continue with complete plans  
Adjustments\*\*\*

Assist in the Bidding Process, Evaluation of Bids, City's Timeline  
and award of Contract

Limited Construction Supervision Contract Time: 150 working days

Assist in Project Close-out and City Acceptance of the Project City's Timeline

**NOTE:** Timeline Scheduling after award/execution of contract and notice to proceed.

**\*\*\* Utility Coordination and Adjustments will occurred during design and construction.**

## PART 2

### ADDITIONAL SERVICES

1. Preparation of applications and supporting documents, or meetings, for governmental approval, grants, loans, and advances in connection with the Project; review and evaluation of the effect on the design requirements of the Project of any such statements and documents prepared by others.
2. Revising previously accepted studies, reports, design documents, or contract documents when such revisions are due to causes beyond Consultant's control.
3. Providing documents for alternate bids requested by the CLIENT.
4. Investigations involving detailed consideration of operations, maintenance and overhead expenses.
5. Providing Value Engineering.
6. Preparation of feasibility studies not required in the base contract.
7. Additional copies of more than ten (10) copies of Plans and Specifications.
8. Cash flow and economic evaluations, rate schedules and appraisals.
9. Audits or inventories required in connection with construction performed by the City.
10. Additional services during construction made necessary by (a) work damage by fire or other cause during construction, (b) a significant amount of defective or neglected work of contractor(s), (c) acceleration of the progress schedule required by the CLIENT involving services beyond normal working hours, (d) default by contractor(s) and (e) extended time during construction.
11. Preparation of operating and maintenance manuals.
12. Additional or extensive assistance after initial start-up in the utilization of any equipment or system (such as post initial start-up testing, adjusting, and balancing).
13. Training personnel for operation and maintenance.
14. Tree Surveys.
15. Design of a Detention Basin.
16. Design and Plans Specifications for Water or Sewage Treatment Facilities.
17. Project Performance Services after the completion of the Construction Phase, such as inspections during any guarantee period, and reporting observed discrepancies under guarantee called for in any contract for the Project.
18. Offsite Utility Design.
19. Design of electric or gas facilities.
20. Actual performance of test borings and other soil or foundation investigations and related analysis.
21. Detailed mill, shop and/or laboratory inspection of materials or equipment.
22. Providing renderings or models.
23. Providing Flood Plain Analysis or Preparation of and submittal of Flood Plain revisions to FEMA.
24. Resident Observation Services provided during the building of the project.
25. Providing Contract Documents due to use of more than one prime Contractor.
26. Services resulting from significant changes in the general scope, extent or character of the Project or its design including, but not limited to changes in size, complexity, CLIENT's schedule, character of construction or method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or documents, or are due to any other causes beyond ENGINEER's control.
27. Assistance in connection with bids protests, rebidding or renegotiating contracts for construction, materials, equipment or services.
28. Preparing to serve or serving as a consultant, defendant, or witness for any litigation, arbitration or other legal or administrative proceeding involving the Project.
29. Services in making revisions to Drawings and Specifications to provide record drawings occasioned

by the acceptance of owner-approved Change Orders during construction; and services after the award of each contract in evaluating and determining the acceptability of substitutions proposed by Contractor.

30. Services involving time for detailed analysis of billing history to justify payment of invoices, which are past due more than 30 days.
31. Services involved in compiling data, attending court, paying Attorney's Fees, or attending meetings to defend a lawsuit, which does not prove negligence on the part of the Engineer.
32. Services resulting from significant delays, changes or price increases occurring as a direct or indirect result of material, equipment or energy shortages.
33. Preparation of all documents dealing with 404 permits, highway permits, and railroad agreements.
34. Testimony by Principals at a rate of \$200.00 per hour.
35. Preparation or review of environmental assessments and impact statements.
36. Review and evaluation of the effect on design requirements of the Project of any assessments, statements, or documents prepared by others.
37. Assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.
38. Detailed measurements and surveys for exploration for utilities, if required.
39. Evaluating an unreasonable or extensive number of claims submitted by Contractor(s) or others in connection with the work.
40. Additional observation visits occasioned by partial acceptance and/or beneficial occupancy of the project.
41. Preparation of documents for easements, zoning, purchasing land, or defining boundary lines.
42. Detailed quantity surveys of materials, equipment and labor during or after construction phase.
43. Services involving out-of-town travel.
44. The completion date of construction contract being extended more than 30 days beyond the original contract completion time as adjusted for change orders, field alterations and other construction contract allowances.
45. All field surveys with the exception of Boundary and Lot Staking.
46. Studies or reports involving On-Site or Off-Site Drainage.
47. Default by the Contractor(s).
48. Preparation of Plans and Specification for Off-Site Utilities.
49. Preparation of TCEQ Water Pollution Abatement Plan.

**PART 3**

**COMPENSATION FOR BASIC SERVICES**

*Professional Civil Engineering Services Fee of \$ 68,750.00 to be disbursed per percentages as shown below and these percentages can be partially invoiced as assignments within the Tasks are completed.*

**Task I** **30% of fee**  
Limited Topographic Surveys,  
Preliminary Design Plans and Specifications - 50% complete, and  
Preliminary Engineer's Opinion of Probable Cost,  
Preliminary Utility Coordination\*\*\*

**Task II** **50% of fee**  
Final Design  
    Pre-Final Design – 90% Complete  
    Final Plans and Specifications for Bidding Process  
    Final Utility Coordination\*\*\*  
Assisting in Bidding Process, Evaluation of Bids, and award of Contract

**Task III** **20% of fee**  
Limited Construction Supervision,  
Assisting in Project Close-out and City Acceptance of the Project,  
"Plan of Record" reproducible paper and digital

**\*\*\* Utility Coordination and Adjustments will occurred during design and construction.**

## PART 4

### SCHEDULE OF HOURLY RATES

October 1, 2014

#### HOURLY RATES FOR EACH CLASSIFICATION

#### SERVICES - REGULAR RATES

Survey Helper	\$ 65.00 Per Hour
Instrument Man	\$ 85.00 Per Hour
Party Chief	\$ 95.00 Per Hour
GPS Survey (2-man crew)	\$ 175.00 Per Hour
Word Processor	\$ 55.00 Per Hour
Technical Writer	\$ 80.00 Per Hour
Plot Processor	\$ 95.00 Per Hour
Computer Technician	\$ 110.00 Per Hour
Senior Engineering Technician	\$ 120.00 Per Hour
Registered Professional	\$ 175.00 Per Hour
Principal	\$ 195.00 Per Hour

Overtime work when requested, charged at 1.5 times above rates.

#### EXPENSES

Vehicles assigned to projects will be charged at \$0.45 per mile. All other identifiable costs incurred will be charged at cost plus fifteen percent (15%). Examples include: subsistence pay; fares of public carriers; communications; special supplies and/or disposal equipment, tolls and parking; special drafting stenographic or printing supplies (including outside printing of photographs, photostats, blueprints, etc.); fees and insurance; permits and licenses; shipping charges; computer rentals, programming, and consultants.

#### REPRODUCTION COSTS

##### IN-HOUSE REPRODUCTION COSTS ARE AS FOLLOWS:

8 1/2 x 11	\$ 0.20 Per Copy
8 1/2 x 14	\$ 0.23 Per Copy
11 x 17	\$ 0.30 Per Copy
18 x 24 Blue-line	\$ 3.50 Per Copy
24 x 36 Blue-line	\$ 5.00 Per Copy
18 x 24 Sepia	\$ 12.00 Per Copy
24 x 36 Sepia	\$ 23.00 Per Copy

NOTE: All Rates are Subject to Annual Change.

All Land Surveying Projects will have Sales Tax added onto rates shown.

**ATTACHMENT "B"  
PRODUCTION SCHEDULE**

**Project:** Repairs/Reconstruction and or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street

The CONSULTANT agrees to complete the various phases of work under this contract in accordance with the schedule set forth as follows:

**1. PRELIMINARY PHASE REPORT:**

**PHASE A: (40% OF 50%):**

The CONSULTANT shall commence work upon written authorization from the CITY to proceed with this phase of work to provide a feasibility report, and agrees to complete all work required in:

\_\_\_\_\_ CALENDAR DAYS

**PHASE B: (60% of 50%)**

The CONSULTANT shall commence work upon written authorization from the CITY to proceed with this phase of work to provide a preliminary design and plans and specifications, and agrees to complete all work required in

\_\_\_\_\_ CALENDAR Days

**2. DESIGN PHASE: (50%)**

The CONSULTANT shall commence work upon written authorization from the CITY to proceed with this phase of work to provide final design and plans and specifications with bid documents and cost estimate, and agrees to complete all work required in;

\_\_\_\_\_ CALENDAR DAYS

The total calendar days authorized for this Agreement from the date of authorization by the CITY to proceed is: (1) (2) \_\_\_\_\_

Not included within the calendar days for completion shall be the number days expiring from the date of submittal to the CITY of the review documents to the date the review is completed and comments returned to the CONSULTANT.

**3. CONSTRUCTION PHASE:**

**The Consultant shall provide a construction contract schedule and include in bid documents.**



**ATTACHMENT "C"**  
**COMPENSATION FOR PROFESSIONAL SERVICES RELATED**  
**TO BASIC CONTRACT**

**Project:**                    **Repairs/Reconstruction and or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street**

1. For the purpose of establishing portion of the basic fee for separate phases, the following percentage allocations of fee shall apply:

PHASE:	PERCENT OF TOTAL FEE
Preliminary phase A & B	30%
Design Phase	50%
Construction Phase	20%

**Method of Payment:**

Payment shall be made to the Consultant based upon the several phases as described heretofore and in accordance with the following:

- a. Preliminary Phase A & B - the total amount due the Consultant under the Preliminary Phase shall be payable after approval and acceptance of this Phase by the City.
  - b. Design Phase - the total amount due to the Consultant under the Design Development Phase shall be payable after approval and acceptance of this Phase by the City.
  - c. Construction Phase - payment for the Construction Phase will be made in monthly installments for this Phase in proportion to the construction work completed by the construction contractor. The final payment to be made by the City to the Consultant
2. The Consultant may upon written authorization from the City Engineer, request partial payments for work performed for the various phases upon the furnishing of satisfactory evidence and breakdown of actual time spent in the partial completion of the work.
3. The Consultant shall be compensated on the basis described in Section V for basic services included in this Agreement. For additional services, compensation shall be negotiated in accordance with Attachment "D."
4. The final payment to be made by the City to the Consultant will be payable upon submission of the "Plan of Record" plans.

**ATTACHMENT "D"**  
**COMPENSATION FOR ADDITIONAL PROFESSIONAL SERVICES**

**Project:**                    **Repairs/Reconstruction and or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street**

The fee described in Section V of this contract for this project shall provide compensation to the Consultant for all services called for under this Agreement to be performed by him or under his direction except the services as set forth below. These additional services and the compensation to be paid by the City to the Consultant for their performance when authorized in writing by the City Engineer are set forth as follows:

1. Assistance to the City as an expert witness in any litigation with third parties, arising from the development or construction of the project including the preparation of engineering data and reports. The Basis of Compensation for the following Additional Services shall be:
  - A. Negotiated hourly rate for testimony of principles.
  - B. Salary cost times a multiplier of 2.5 for services other than testimony of principles.
  - C. Reimbursement for non-labor expense and subcontract expense at invoice cost plus a 10% service charge. The basis of compensation for the following additional services shall be based on an amount renegotiated (fixed fee) through an agreement with the City.
2. Restaking all destroyed hubs and checking alignment of existing hubs. Elevations of all hubs shall be re-established. Restaking shall be done as required, and a cut sheet based on such restake shall be prepared.
3. Preparation of all applications and supporting documents for governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.
4. Revising previously accepted studies, reports, design documents, or Contract Documents when such revisions are due to causes beyond Consultant's control.

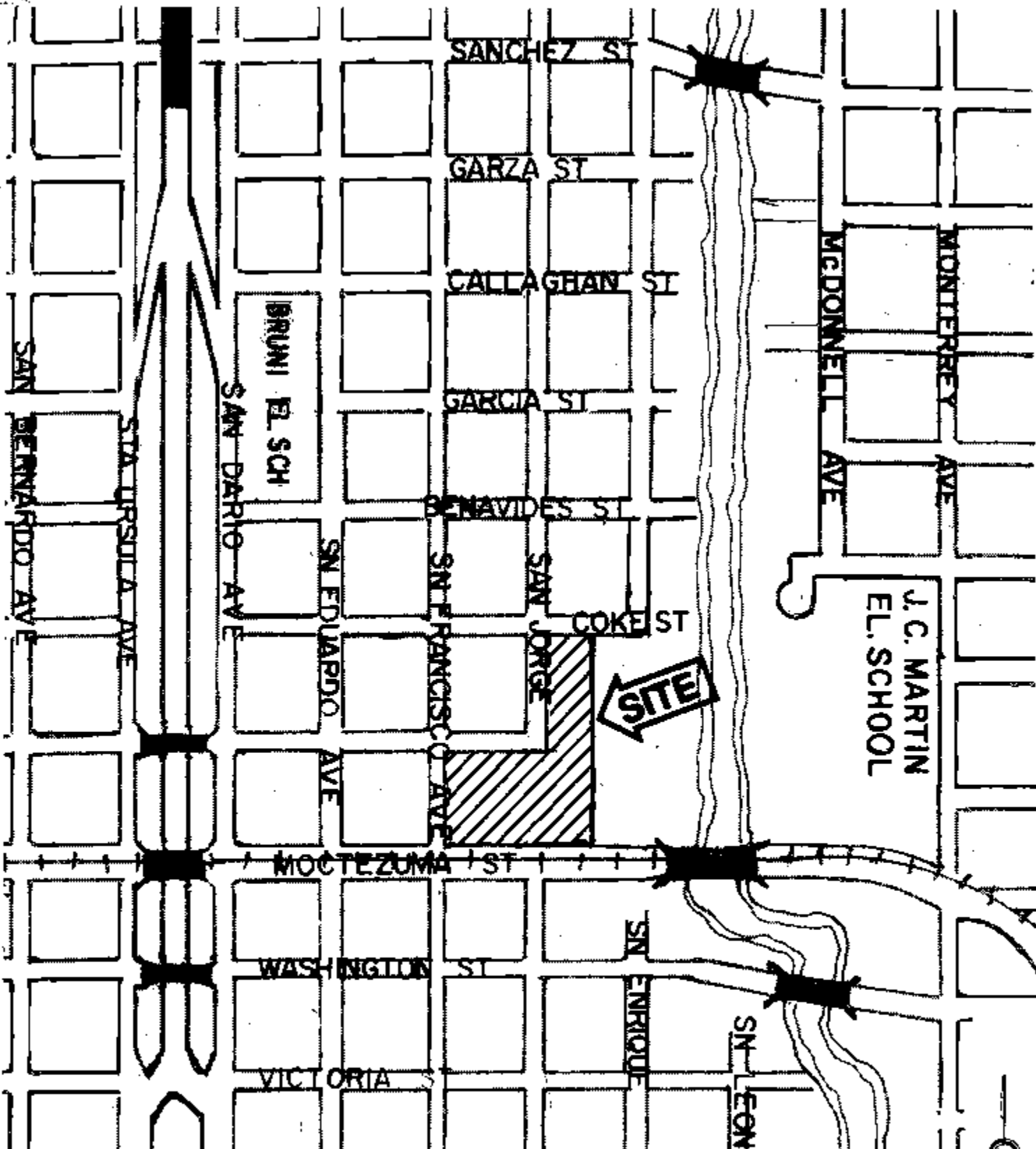
**ATTACHMENT "D" CONTINUED**  
**COMPENSATION FOR ADDITIONAL PROFESSIONAL SERVICES**

5. Preparing documents for alternate bids requested by the City.
6. Investigations involving detailed consideration of operations, maintenance and overhead expenses.
7. Providing value engineering during the course of design.
8. Preparation of feasibility studies not required in the base contract.
9. Cash flow and economic evaluations, rate schedules and appraisals.
10. Detailed quantity surveys of material, equipment and labor.
11. Audits or inventories required in connection with construction performed by the City.
12. Services after the award of each contract in evaluating substitutions not specified in an " or equal" proposed by the Contractor(s) as authorized by the City.
13. Making revisions to Drawings and Specifications occasioned by substitutions.
14. Services during out-of-town travel required of Consultant.
15. Additional services during construction made necessary by
  - (1) work damaged by fire or other cause during construction,
  - (2) a significant amount of defective or neglected work of contractor(s),
  - (3) acceleration of the progress schedule required by the City involving services beyond normal working hours, and (4) default by contractor(s).
16. Preparation of operating and maintenance manuals.
17. Additional or extensive assistance after initial start-up in the utilization of any equipment or system (such as post initial startup testing, adjusting and balancing).
18. Training personnel for operation and maintenance
19. Services after the completion of the Construction Phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantee called for in any contract for the Project.
20. Actual performance of test borings and other soil or foundation investigations and related analysis.
21. Detailed mill, shop and/or laboratory inspection of materials or equipment.
22. Additional copies of reports, drawings, and specifications over the number specified in the base contract.
23. Providing renderings or models for City use.
24. Project aerial mapping.
25. Surveying services other than those required for the successful completion of the design of the project.

**EXHIBIT "F"**  
**HOURLY RATE**

**Project:**                    **Repairs/Reconstruction and or Replacement of Concrete Slabs and Construction Joints at El Metro Operations and Maintenance Facility – 401 Scott Street**

<u>Position</u>	<u>Hourly Rate</u>
Principal	\$ _____
Registered Engineer	\$ _____
Design Engineer	\$ _____
Planner	\$ _____
Registered Surveyor	\$ _____
Senior Draftsman	\$ _____
Draftsman	\$ _____
Engineering Technician	\$ _____
Design Technician	\$ _____
Secretary	\$ _____
Administrative Assistant	\$ _____
Field Party (2-man)	\$ _____
Field Party (3-man)	\$ _____
Field Party (4-man)	\$ _____
Project Representative	\$ _____
Project Coordinator	\$ _____



CONSIDERATION FOR APPROVAL TO AWARD A PROFESSIONAL SERVICES CONTRACT FOR DESIGN AND PREPARATION OF PLANS AND SPECIFICATIONS FOR REPAIRS/RECONSTRUCTION AND OR REPLACEMENT OF CONCRETE SLABS AND CONSTRUCTION JOINTS AT EL METRO OPERATIONS AND MAINTENANCE FACILITY - 401 SCOTT ST.

City Council Meeting  
April 20, 2015

**CITY OF LAREDO**  
ENGINEERING DEPARTMENT  
1102 WASHINGTON ST. P.O. BOX 370 PH. 381-2244 FAX (381) 211-2245

AGENDA ITEM

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Cynthia Collazo, Deputy City Manager

**Staff Source:** Steve Landin, Fire Chief

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**SUBJECT**

Authorizing the City Manager to grant multiple Public Fireworks Display Permits for special events at the Uni-Trade Stadium Lemurs Baseball Games during the 2015 Season. The technician for the display will be Magic in the Sky, LLC.

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

The Laredo Lemurs will be having multiple celebrations with a Fireworks Display Show at the Uni-Trade Stadium (Laredo Lemurs Ballpark). The Laredo Lemurs contracted Magic in the Sky, LLC for the fireworks public displays. The Laredo Fire Department reviewed the application and has agreed to grant their request for a permit. A Public Display of Fireworks Permit was also requested from the Texas State Fire Marshall's Office.

**COMMITTEE RECOMMENDATION**

That City Council approve this Motion.

**STAFF RECOMMENDATION**

Staff recommends that this Motion be passed.

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**Fiscal Impact**

**Fiscal Year:** 2015

**Budgeted Y/N?:** N

**Source of Funds:** N/A

**Account #:** N/A

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

NO FINANCIAL IMPACT.

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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Horacio De Leon, Assistant City Manager

**Initiated By:** MPO

**Staff Source:** Nathan Bratton, Planning Director

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**SUBJECT**

Authorizing and advancing additional funding to the Laredo Urban Transportation Study - Metropolitan Planning Organization (LUTS - MPO) for contract amendment No.3 with Kimley-Horn and Associates, Inc., in the amount of \$21,500.00, which increases the contract fee from \$56,700.00 to \$78,200.00, for additional services related to the development of the Railroad Quiet Zone Study Update. Said sums are 100% reimbursable from federal funds supplied to the M.P.O. as per the fiscal agreement between the City and the M.P.O. Funding is available in the General Fund - Planning MPO Grant.

**PREVIOUS COUNCIL ACTION**

On September 16, 2013, the City Council authorized and advanced funding to the Laredo Urban Transportation Study Metropolitan Planning Organization (L.U.T.S., M.P.O.), in the amount not to exceed \$48,600.00 in payment of Kimley-Horn and Associates, Inc. for consulting services related to the development of the Railroad Quiet Zone Study Update. On June 16th, 2014, Council approved increasing the funds to be advanced by \$8,100 from 48,600 to 56,700 for additional services.

**BACKGROUND**

The MPO routinely enters into consulting agreements to satisfy state and federal requirements. The City and the MPO have entered into a fiscal agency agreement which provides for financial services for the MPO and for advance funding of contract and other MPO expenses, all of which are 100% reimbursable from the MPO's federal funding allocation.

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Approve

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**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** Grant  
**Account #:** 101-2112-513-5526  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in Consultant Fees (101-2112-513-5526). All expenditures are 100% reimbursable by the MPO.

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**Attachments**

RR QZ contract and amends

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Railroad Quiet Zone Study Update 2013

**Amendment 3**

To The Contract Between  
Laredo Urban Transportation Study  
Metropolitan Planning Organization  
And  
Kimley-Horn and Associates, Inc.

The original contract, dated August 20<sup>th</sup>, 2013, by and between the Laredo Urban Transportation Study, Metropolitan Planning Organization, and Kimley-Horn and Associates, Inc., is hereby amended in the following respects:

All amendments up to and including Amendment 2.

**Paragraph 1:** *Preamble paragraph number 9 is amended to read as follows:*

WHEREAS, Kimley-Horn and Associates, Inc. is a professional corporation, incorporated in North Carolina whose local place of business is ~~10415 Morado Circle, Bldg. I, Ste. 300, Austin, TX 78759~~ 10814 Jollyville Road, Avallon IV, Suite 300, Austin, TX 78759;

**Paragraph 2:** *ARTICLE III – COMPENSATION paragraph number 1 is amended to read as follows:*

**ARTICLE III- COMPENSATION:**

The L.U.T.S. shall pay up to [~~48,600~~] **78,200** as compensation for the services to be performed under this contract. In the event of a change in the scope of services, additional complexity or a different character of work from that originally anticipated and authorized by the L.U.T.S., the amount may be revised only by written agreement of the parties.

**Paragraph 3:** *ATTACHMENT A -SCOPE OF SERVICES – TASK 5 – PRESENTATIONS – paragraphs 1 through 5 are amended as follows:*

**SCOPE OF SERVICES – TASK 5 – PRESENTATIONS**

**The Consultant will develop and present materials for use in the Public Involvement process for this project. These materials will include a presentation of the FRA Quiet Zone requirements, exhibits showing existing railroad grade crossing locations, diagnostic team findings, and alternatives for quiet zone implementation. Presentation exhibits and meeting notices are to be in both English and Spanish.**

The Consultant will present the final report to public agencies as requested. The Client will be responsible for meeting logistics (i.e. providing meeting space, advertising the meeting, notifying attendees, etc.) It is assumed that the following presentations will be required:

**Shareholder presentation and workshop. – Shareholders will include other city departments and agencies as determined by LUTS staff.**

**Public Meeting - Develop a notice of public meeting and advertise such notice for two subsequent weekends in the Saturday edition of the local newspaper. One public meeting will be held. Document and summarize input from the public meeting.**

Railroad Quiet Zone Study Update 2013

**Amendment 3**

To The Contract Between  
Laredo Urban Transportation Study  
Metropolitan Planning Organization  
And  
Kimley-Horn and Associates, Inc.

Draft Report – LUTS Technical Committee and LUTS Policy Board, to be scheduled on the same day.

Final Report - LUTS Technical Committee and LUTS Policy Board, to be scheduled on the same day.

For budgeting purposes, it is assumed that a total of ~~two (2)~~ **four (4)** days will be required for the presentation process.

Additional meetings will be paid for as Additional Services.

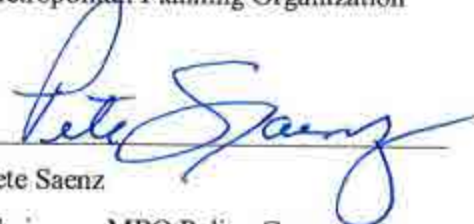
Deliverables and Meetings: - **Three Six** presentations (including shareholder and public meetings).

**Paragraph 4:** The parties agree that the foregoing amendments shall be hereinafter considered a part of the contract referred to above and incorporated by reference therein for all purposes. The amendments shall be subject to any and all other provisions of the contract, with the exception of the parts or provisions of the contract which have been modified by this amendment.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment 3 on the dates set forth below.

Laredo Urban Transportation Study  
Metropolitan Planning Organization

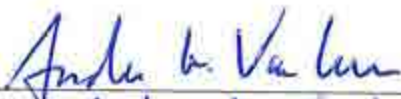
Kimley-Horn and Associates, Inc.



Pete Saenz

Chairman, MPO Policy Committee

Date: 01/30/15

  
By: Andrew W. Van Leeuwen  
Title: SR Vice President  
Date: 2/9/2015



Kimley-Horn  
and Associates, Inc.

Project Workplan Budget

General Project Information	
Client:	City of Laredo
Project:	Citywide Quiet Zone Study
KHA No.	
PM:	Brian VDW

Budget Summary	
Date:	01/29/15

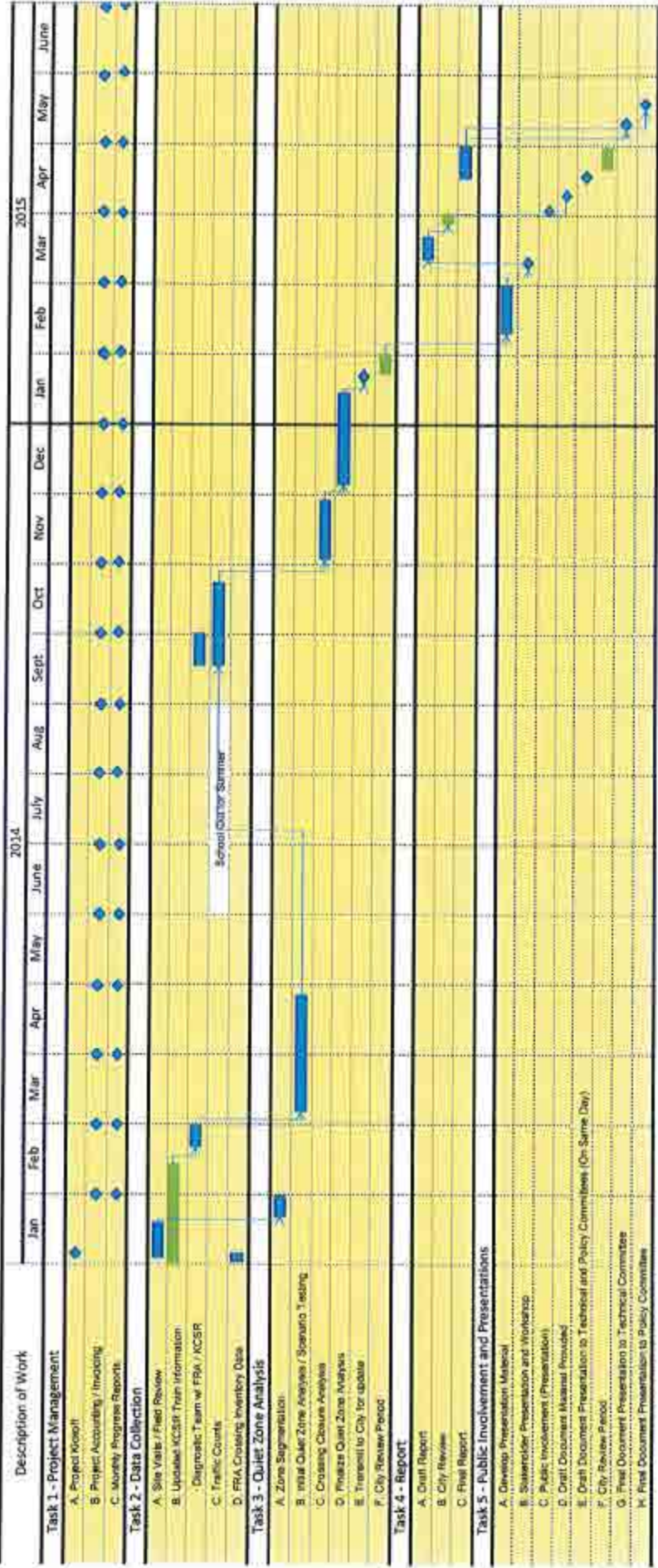
Task Budget Summary					
No.	Task Name	Hours	Labor	Expenses	Subtotal
1	Project Management	42	\$ 7,100	\$ -	\$ 7,100
2	Data Collection	65	\$ 10,800	\$ 1,900	\$ 12,700
3	Quiet Zone Analysis	117	\$ 14,800	\$ -	\$ 14,800
4	Report	42	\$ 5,300	\$ 400	\$ 5,700
5	Presentations	171	\$ 27,600	\$ 2,800	\$ 30,400
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
777	Contingency		\$ -		
TOTALS:		437	\$ 65,600	\$ 5,100	\$ 70,700

Subconsultant Summary				
Task No.	Task Name	Cost	Multiplier	Subtotal
2	AC Group - Traffic Counts	\$ 2,000	1.15	\$ 2,300
2	Additional Counts	\$ 4,500	1.15	\$ 5,200
		\$ -	1.15	\$ -
		\$ -	1.15	\$ -
		\$ -	1.15	\$ -
TOTALS:		\$ 6,500		\$ 7,500

Project Budget Summary	
Labor:	\$ 65,600
Expenses:	\$ 12,600
TOTAL:	\$ 78,200



Railroad Quiet Zone Study Updated Schedule  
Laredo, Texas



KEY: █ Kimley-Horn Task █ Review By Others

Amendment 2  
To The Contract Between  
Laredo Urban Transportation Study  
Metropolitan Planning Organization  
And  
Kimley-Horn and Associates, Inc.

The original contract, dated August 20<sup>th</sup>, 2013, by and between the Laredo Urban Transportation Study, Metropolitan Planning Organization, and Kimley-Horn and Associates, Inc., is hereby amended in the following respects:

**Paragraph 1:** *ARTICLE I – CONTRACT PERIOD* – paragraph 1 is amended to read as follows:

Upon execution of this contract, Consultant shall not proceed with the scope of work outlined under Article II until authorized in writing by the Transportation Planning Director of the L.U.T.S. to proceed as provided in Article XXV - Notice To Proceed. This contract shall terminate at the close of business on ~~[September 30, 2014]~~ March 31, 2015 unless extended by a written supplemental agreement duly executed by the parties prior to the date of termination, as provided in Article XXVII - Supplemental Agreements, or otherwise terminated as provided by Article XIV - Termination. Any work performed or costs incurred after the date of termination shall be ineligible for reimbursement.

**Paragraph 2:** *ARTICLE III – COMPENSATION* paragraph number 1 is amended to read as follows:

**ARTICLE III- COMPENSATION:**

The L.U.T.S. shall pay up to ~~[48,600]~~ 56,700 as compensation for the services to be performed under this contract. In the event of a change in the scope of services, additional complexity or a different character of work from that originally anticipated and authorized by the L.U.T.S., the amount may be revised only by written agreement of the parties.

**Paragraph 3:** *ATTACHMENT A -SCOPE OF SERVICES – TASK 2 – DATA COLLECTION* – paragraphs 1 and 2 are amended as follows:

**SCOPE OF SERVICES – TASK 2 – DATA COLLECTION**

The Consultant will conduct field review of the ~~[26]~~ 32 at-grade KCSR railroad crossings to determine the potential for various improvements to reduce the Quiet Zone Risk Index at each.

In addition, daily traffic volumes will be conducted at up to ~~[10]~~ 32 crossings. This data will be used during the analysis phase to determine the impacts of diverted trips that would result from potential crossing closures, if needed.

**Paragraph 4:** *ATTACHMENT A -SCOPE OF SERVICES – TASK3.3 – Crossing Closure Analysis* – paragraphs 1 is amended as follows:

**SCOPE OF SERVICES – TASK 3.3 – Crossing Closure Analysis**

For potential crossing closures, daily traffic counts will be conducted on the crossing road and the nearest parallel crossing. Diverted trips will be analyzed to determine if the closure will result in

Amendment 2  
To The Contract Between  
Laredo Urban Transportation Study  
Metropolitan Planning Organization  
And  
Kimley-Horn and Associates, Inc.


unacceptable operating levels of service. As noted in Task 2, traffic counts at up to ~~10~~ 32 locations are budgeted. Additional counts will be considered as additional services and billed on a time and material basis.

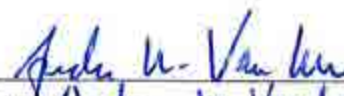
**Paragraph 5:** The parties agree that the foregoing amendments shall be hereinafter considered a part of the contract referred to above and incorporated by reference therein for all purposes. The amendments shall be subject to any and all other provisions of the contract, with the exception of the parts or provisions of the contract which have been modified by this amendment.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment 2 on the dates set forth below.

Laredo Urban Transportation Study  
Metropolitan Planning Organization

Kimley-Horn and Associates, Inc.

  
\_\_\_\_\_  
Raul G. Salinas  
Chairman, MPO Policy Committee  
Date: 05/29/14

  
\_\_\_\_\_  
By: Andrew W. Van Leeuwen  
Title: SR Vice President  
Date: 6/5/2014





Kimley-Horn  
and Associates, Inc.

Project Workplan Budget

General Project Information	
Client:	City of Laredo
Project:	Citywide Quiet Zone Study
KHA No.	
PM:	Brian VDW

Budget Summary	
Date:	3/14/14

Task Budget Summary					
No.	Task Name	Hours	Labor	Expenses	Subtotal
1	Project Management	42	\$ 7,100	\$ -	\$ 7,100
2	Data Collection	65	\$ 10,800	\$ 1,900	\$ 12,700
3	Quiet Zone Analysis	117	\$ 14,800	\$ -	\$ 14,800
4	Report	42	\$ 5,300	\$ 400	\$ 5,700
5	Presentations	48	\$ 8,300	\$ 600	\$ 8,900
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
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			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
777	Contingency		\$ -		
TOTALS:		294	\$ 46,300	\$ 2,900	\$ 49,200

Subconsultant Summary				
Task No.	Task Name	Cost	Multiplier	Subtotal
2	AC Group - Traffic Counts	\$ 2,000	1.15	\$ 2,300
2	Additional Counts	\$ 4,500	1.15	\$ 5,200
		\$ -	1.15	\$ -
		\$ -	1.15	\$ -
		\$ -	1.15	\$ -
TOTALS:		\$ 6,500		\$ 7,500

Project Budget Summary	
Labor:	\$ 46,300
Expenses:	\$ 10,400
TOTAL:	\$ 56,700

Amendment 1  
To The Contract Between  
Laredo Urban Transportation Study  
Metropolitan Planning Organization  
And  
Kimley-Horn and Associates, Inc.

The original contract, dated August 20<sup>th</sup>, 2013, by and between the Laredo Urban Transportation Study, Metropolitan Planning Organization, and Kimley-Horn and Associates, Inc., is hereby amended in the following respects:

**Paragraph 1:** *Preamble paragraph number 9 is amended to read as follows:*

**WHEREAS**, Kimley-Horn and Associates, Inc. is a professional corporation, incorporated in ~~[Texas]~~ North Carolina whose local place of business is 10415 Morado Circle, Bldg., Ste. 300, Austin, TX, 78759;

**Paragraph 2:** *Article VII- INDEMNIFICATION: is amended to read as follows:*

**ARTICLE VII- INDEMNIFICATION:**

Consultant shall save and hold harmless the L.U.T.S., the City of Laredo, the County of Webb, the Texas Department of Transportation, and the U.S. Department of Transportation from all claims and liability due to the activities of itself, its agents or employees, performed under this contract and which re caused by or result from negligent error, omission, or act of Consultant or of any person employed by Consultant. Consultant shall also save harmless the L.U.T.S., the City of Laredo, the County of Webb, the Texas Department of Transportation, and the U.S. Department of Transportation from any and all expense, including but not limited to, reasonable attorney fees which may be incurred in litigation or otherwise resisting said claim or liabilities which may be imposed as a result of the negligent activities of Consultant, its agents or employees.

**Paragraph 3:** The parties agree that the foregoing amendments shall be hereinafter considered a part of the contract referred to above and incorporated by reference therein for all purposes. The amendments shall be subject to any and all other provisions of the contract, with the exception of the parts or provisions of the contract which have been modified by this amendment.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment 1 on the dates set forth below.

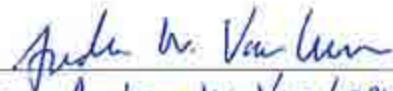
Laredo Urban Transportation Study  
Metropolitan Planning Organization

Kimley-Horn and Associates, Inc.

  
Raul G. Salinas

Chairman, MPO Policy Committee

Date: 11/26/13

  
By: Andrew W. Van Leeuwen

Title: SR Vice President

Date: 12-13-2013

Amendment 1  
Laredo Urban Transportation Study (MPO)  
Kimley-Horn and Associates, Inc.





# Laredo Urban Transportation Study

Metropolitan Planning Organization

August 23, 2012

Mr. Brian Van De Walle  
Kimley-Horn and Associates, Inc.  
10415 Morado Circle  
Building 1, Suite 300  
Austin TX 78759

Re: Railroad Quiet Zone Study Update

In accordance with the consulting contract for the above-mentioned project, you are hereby notified to commence work upon receipt of this notice. Attached are three partially executed contracts. Please sign and return two fully executed copies for our files.

Please fill out the blank spaces below and return to our office.



Nathan Bratton  
MPO Director

The above NOTICE TO PROCEED is hereby acknowledged by

B. Kimley-Horn & Associates on this the 26<sup>th</sup> day of September 2013.

  
Authorized Signature

Name: Brian D. Van De Walle (type)

Title: Associate

**STATE OF TEXAS §  
COUNTY OF WEBB §**

**KNOW ALL MEN BY THESE PRESENTS**

This contract is made, entered and executed between the **LAREDO URBAN TRANSPORTATION STUDY (LUTS)**, which is the designated Metropolitan Planning Organization (MPO) for the City of Laredo Metropolitan urbanized area, and a portion of Webb County, hereinafter called the MPO, and **KIMLEY-HORN AND ASSOCIATES, INC.** hereinafter called the Consultant, **For Professional Services in the development off the RAILROAD QUIET ZONE STUDY UPDATE.**

**WITNESSETH**

**WHEREAS**, pursuant to provisions of 23 USC 134, the Governor of the State of Texas has designated the MPO to be the single-focus planning organization for the City of Laredo Metropolitan urbanized area, and a portion of Webb County, and has executed an agreement to effectuate the designation; and,

**WHEREAS**, pursuant to the Governor's designation and in compliance with applicable federal, state, and local laws, regulations, and ordinances, the MPO has developed and maintains a current Unified Planning Work Program which outlines work tasks and estimated expenditures; and,

**WHEREAS**, the current Unified Planning Work Program has been approved by the State of Texas, acting by and through the Texas Department of Transportation, and the U.S. Department of Transportation, acting by and through the Federal Highway Administration; and,

**WHEREAS**, the current Unified Planning Work Program authorizes the MPO to engage a consultant to develop the Railroad Quiet Zone Study Update for the Laredo Metropolitan Area, and the Consultant has proposed a plan to complete the task, and the MPO has accepted the proposal; and,

**WHEREAS**, the Policy Committee of the L.U.T.S. includes the Mayor of the City of Laredo, three members of the Laredo City Council, the County Judge of Webb County, two county commissioners, the State Representatives (ex-officio) and State Senator (ex-officio), the Laredo District Administrator of the Texas Department of Transportation ("TxDOT") and the Deputy District Engineer of TxDOT; and,

**WHEREAS**, the City of Laredo acts as the fiscal agent for the L.U.T.S.; and,

**WHEREAS**, the City of Laredo ("City"), is a municipal corporation chartered under the laws of the State of Texas, with its principal place of business located at 1110 Houston Street, Laredo, Texas; and,

**WHEREAS**, the Railroad Quiet Zone Study Update is approved in the 2013 Unified Planning Work Program pursuant to the requirements of Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP 21); and,



**WHEREAS**, Kimley-Horn and Associates, Inc. is a professional corporation, incorporated in Texas whose local place of business is 10415 Morado Circle, Bldg., Ste. 300; Austin, TX, 78759 and,

**WHEREAS**, the Consultant was found to be the best qualified to perform the services requested under the Request for Proposal for the development of a the Railroad Quiet Zone Study Update for the Laredo metropolitan area;

**NOW THEREFORE**, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, the MPO and the Consultant do mutually agree as follows.

#### **ARTICLE I- CONTRACT PERIOD**

Upon execution of this contract, Consultant shall not proceed with the scope of work outlined under Article II until authorized in writing by the Transportation Planning Director of the L.U.T.S. to proceed as provided in Article XXV - Notice To Proceed. This contract shall terminate at the close of business on September 30, 2014 unless extended by a written supplemental agreement duly executed by the parties prior to the date of termination, as provided in Article XXVII - Supplemental Agreements, or otherwise terminated as provided by Article XIV - Termination. Any work performed or costs incurred after the date of termination shall be ineligible for reimbursement.

Consultant shall notify the Transportation Planning Director of the L.U.T.S. in writing as soon as possible if it determines, or reasonably anticipates, that the work under this contract cannot be completed before the termination date, and the Transportation Planning Director of the L.U.T.S. may, at his sole discretion, extend the contract period by timely supplemental agreement as provided in Article XXVII - Supplemental Agreements. Consultant shall allow adequate time for review and approval of the request for time extension by the L.U.T.S. prior to the expiration of this contract.

#### **ARTICLE II- RESPONSIBILITIES OF THE PARTIES**

Consultant shall perform those services for fulfillment of the contract identified in *Attachment A - Scope of Services*, attached hereto, incorporated by reference, and made a part hereof for all purposes. The Work Schedule incorporated in Attachment A shall contain a complete schedule so that Consultant's Scope of Services under this contract can be accomplished within the specified time and contract cost. The Work Schedule shall provide a specific work sequence and review times by the L.U.T.S. and Consultant of the work performed. If the review time shall take longer than shown on the work schedule, through no fault of Consultant, additional time may be authorized by the L.U.T.S. under a supplemental agreement if so requested upon timely written request from Consultant and approved in writing by the Transportation Planning Director of the L.U.T.S.

### **ARTICLE III- COMPENSATION**

The L.U.T.S. shall pay up to \$48,600 as compensation for the services to be performed under this contract. In the event of a change in the scope of services, additional complexity or a different character of work from that originally anticipated and authorized by the L.U.T.S., the amount may be revised only by written agreement of the parties.

Consultant shall prepare and submit to the Transportation Planning Director of the L.U.T.S. progress reports in sufficient detail to support the progress of the work and in support of invoice(s) precedent to requesting payment for services rendered. Satisfactory progress of work shall be maintained as a condition of payment.

Payments to Consultant for services rendered will be made while work is in progress. Consultant will prepare and submit to the Transportation Planning Director of the L.U.T.S., no more frequently than once per month, a progress report stating the percent completion of the work accomplished during the billing period and to date, and one original and one copy of an invoice. The submittal shall also include a project assessment report. Payment of the lump sum fee will be in proportion to the percentage completion of work tasks identified in Attachment A. Upon receipt and approval of each complete statement, the L.U.T.S. shall make a good faith effort to pay within 30 working days.

The L.U.T.S. shall reserve the right to withhold payment pending verification of satisfactory work performed. Consultant shall be required to submit adequate proof that the task was completed. Payment of costs incurred is further governed by cost principles outlined in the Federal Acquisition Regulation, 48 CFR, Chapter 1, Part 31, Subpart 31.2, Contracts with Commercial Organizations.

The progress report shall show the total amount earned to the date of submission and the amount due and payable as of the date of the current statement. Final payment of any money due shall be made to Consultant once satisfactory completion of all services and obligations covered in this contract, including acceptance of work by the Transportation Planning Director of the L.U.T.S., except as provided below. The release of any retainage does not relieve Consultant of the responsibility for correcting any errors and/or omissions resulting from its negligence.

### **ARTICLE IV- CONTRACT AMENDMENTS**

Significant changes in the terms and conditions of this contract can be made only by written amendment executed by the parties hereto prior to the changes being made. Any such amendment must be approved by the Transportation Planning Director of the L.U.T.S.

### **ARTICLE V- ADDITIONAL WORK**

If Consultant is of the opinion that any work it has been directed to perform is beyond the scope of this agreement and constitutes extra work, it shall promptly notify the Transportation Planning Director of the L.U.T.S. in writing. In the event that the Transportation Planning Director of the L.U.T.S. finds that such work does constitute additional work and will exceed the maximum amount specified in Article III, the L.U.T.S. shall so advise the Consultant and a written supplemental agreement may be executed between the parties as provided in Article XXVII-

Supplemental Agreements. Consultant shall not perform any additional work or incur any additional costs prior to the signing, by both parties, of a supplemental agreement. The L.U.T.S. shall not be responsible for the actions of Consultant or any costs incurred by Consultant relating to additional work not directly associated with the performance authorized in this contract, or as amended.

#### **ARTICLE VI- CHANGES IN WORK**

If the L.U.T.S. finds it necessary to request changes to previously satisfactorily completed work or parts thereof which involve changes to the original scope of services or character of work under the contract, Consultant shall make such revisions if requested and as directed by the Transportation Planning Director of the L.U.T.S. This will be considered additional work and paid for as specified in Article V - Additional Work.

Consultant shall make such revisions to the work authorized in this contract, which have been completed as are necessary to correct errors appearing therein, when required to do so by the L.U.T.S. No additional compensation shall be paid for this work.

#### **ARTICLE VII- INDEMNIFICATION**

Consultant shall save and hold harmless the L.U.T.S., the City of Laredo, the County of Webb, the Texas Department of Transportation, and the U.S. Department of Transportation from all claims and liability due to the activities of itself, its agents or employees, performed under this contract and which are caused by or result from negligent error, omission, or act of Consultant or of any person employed by Consultant. Consultant shall also save harmless the L.U.T.S., the City of Laredo, the County of Webb, the Texas Department of Transportation, and the U.S. Department of Transportation from any and all expense, including but not limited to, reasonable attorney fees which may be incurred in litigation or otherwise resisting said claim or liabilities which may be imposed as a result of the activities of Consultant, its agents or employees.

#### **ARTICLE VIII- INSPECTION OF WORK**

The L.U.T.S., the Texas Department of Transportation, and the U.S. Department of Transportation and any authorized representatives, shall have the right at all reasonable times to review or otherwise evaluate the work performed or being performed hereunder and the premises in which it is being performed. If any review or evaluation is made on the premises of Consultant or a subcontractor, Consultant shall provide and require its subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the representatives of the L.U.T.S., the Texas Department of Transportation, or the U.S. Department of Transportation.

#### **ARTICLE IX- DISPUTES**

The Consultant shall be responsible for the settlement of all contractual and administrative issues arising out of procurements entered into in support of contract work. The MPO shall act as referee in all disputes regarding non - procurement issues, and the MPO's decision shall be final and binding.



### **ARTICLE X- NONCOLLUSION**

Consultant warrants that it has not employed or retained any company or persons other than a bona fide employee working solely for Consultant, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warranty, the L.U.T.S. shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or compensation, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gifts, or contingent fee.

### **ARTICLE XI- REPORTING**

Consultant shall from time to time during the progress of the work, confer with the L.U.T.S. Consultant shall prepare and present such information as may be pertinent and necessary, or as may be requested by the Transportation Planning Director of the L.U.T.S., in order to evaluate the features of the work.

Upon the request of the Transportation Planning Director of the L.U.T.S. or Consultant, conferences shall be provided at the offices of the L.U.T.S., or at any other locations designated by the Transportation Planning Director of the L.U.T.S. These conferences shall also include evaluation of the services and work of Consultant when requested by the L.U.T.S. All work performed pursuant to the contract is subject to review by the Laredo District Office of the Texas Department of Transportation and the U.S. Department of Transportation.

Consultant shall promptly advise the Transportation Planning Director of the L.U.T.S. in writing of events that have significant impact upon the progress of work, including but not limited to:

(1) Problems, delays, or adverse conditions which will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods; this disclosure will be accompanied by statement of the action taken or contemplated;

(2) Favorable developments or events which enable work schedule goals to be completed sooner than anticipated or scheduled.

All notices to either party by the other required under this contract shall be personally delivered or mailed to such party as follows:

#### **BY CERTIFIED MAIL OR HAND DELIVERY**

Nathan Bratton  
Transportation Planning Director  
P.O. Box 579  
Laredo, Texas 78042-0579

Brian Van De Walle  
10415 Morado Circle,  
Bldg. 1, Suite 300  
Austin, TX 78759

### **ARTICLE XII- RECORDS**

The L.U.T.S., the City of Laredo, the Texas Department of Transportation, and the U.S. Department of Transportation shall have the right to examine the books and records of

Consultant for the purpose of checking the amount of work performed at the time of contract termination. Consultant shall maintain all books, records, documents, papers, accounting records and other evidence pertaining to costs incurred for a period of four years from the date of final contract payment or until pending litigation has been fully and completely resolved, whichever occurs last. Records pertinent to this contract shall be made available for inspection during normal business hours to the authorized representatives of the L.U.T.S., the City of Laredo Finance Department, the Texas Department of Transportation, U.S. Department of Transportation, and the Comptroller General.

#### **ARTICLE XIII- SUBCONTRACTS**

Consultant shall not assign, subcontract, or transfer any portion of the work under this contract without the prior written approval of the Transportation Planning Director of the L.U.T.S., which approval shall not be unreasonably withheld. All sums due and payable under this contract shall be made to the order of Consultant and to no other. All subcontracts shall include the provisions required in this contract and shall be approved as to form, in writing, by the Transportation Planning Director of the L.U.T.S. prior to work being performed under the subcontract. No subcontract relieves Consultant of responsibilities for performance under this contract.

#### **ARTICLE XIV- TERMINATION**

The contract may be terminated before the stated termination date by any of the following conditions:

- (1) By mutual agreement and consent, in writing, of both parties.
- (2) In writing, by the Transportation Planning Director of the L.U.T.S. as a consequence of Consultant's failure to perform the services set forth herein.
- (3) By either party, upon the failure of the other party to fulfill its obligations as set forth herein with proper notice given.
- (4) Upon thirty (30) days written notice to Consultant.
- (5) By satisfactory completion of all services and obligations described herein.

Should the L.U.T.S. terminate this contract as herein provided, no fees other than fees due and payable at the time of termination shall be paid to Consultant. Compensation for work at termination will be based on the percentage of work completed at that time. The value of work charged during the time after notice of termination is received shall not exceed the value of the work performed in the preceding thirty-day period.

If Consultant defaults in the performance of this contract or if the L.U.T.S. terminates this contract for fault on the part of Consultant, consideration will be given to the actual costs incurred by Consultant in performing the work up to the date of default. This includes the amount of work that was satisfactorily completed, the value of the work that is usable, the cost of securing a substitute consultant for completion of the work, and other factors affecting the value of the work performed at the time of default.

The termination of this contract and the payment of an amount in settlement as prescribed above shall extinguish all rights, duties, and obligations of the L.U.T.S. and Consultant, except the obligations set forth in Article XVI - Compliance With Laws of this agreement. If the termination of this contract is due to the failure of Consultant to fulfill its contract obligations,

the L.U.T.S. staff may complete the work. In such case, Consultant shall be liable for any additional cost occasioned by such failure.

#### **ARTICLE XV- REMEDIES**

Any violation of contract terms or breach of contract by Consultant shall be grounds for termination of the contract and any increased cost arising from the default of Consultant shall be paid solely by Consultant.

This agreement shall not be considered as specifying the exclusive remedy for any default, but all remedies existing at law and in equity may be availed of by either party and shall be cumulative.

#### **ARTICLE XVI- COMPLIANCE WITH LAWS**

Consultant shall comply with all applicable Federal, State and local laws, statutes, codes, ordinances, rules and regulations, and orders and decrees of any court or administrative body or tribunal in any manner affecting the performance of this contract, including without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, Consultant shall furnish in writing satisfactory proof of its compliance therewith.

#### **ARTICLE XVII- SUCCESSORS AND ASSIGNS**

The L.U.T.S. and the Consultant each binds itself, its successors, executors, assigns and administrators to each other party of this agreement and to the successors, executors, assigns and administrators of such other party in respect to all covenants of this contract. Neither the L.U.T.S. nor the Consultant shall assign, sublet, or transfer its interest in this contract without written consent of the other.

#### **ARTICLE XVIII- OWNERSHIP OF DOCUMENTS**

All data, basic sketches, charts, calculations, plans, specifications, and other documents created, or collected under the terms of this contract are the exclusive property of the L.U.T.S. and shall be furnished to the Transportation Planning Director of the L.U.T.S. upon request. All documents prepared by Consultant and all documents furnished by Consultant shall be delivered to the Transportation Planning Director of the L.U.T.S. upon completion or termination of this contract. Consultant, at its own expense, may retain copies of such documents or any other data that it has furnished to the L.U.T.S. under this contract. The release of any information shall be in conformance with the Texas Open Records Act.

#### **ARTICLE XIX- SIGNATORY WARRANTY**

The undersigned signatory for the Consultant hereby represents and warrants that he is an officer of the organization for which he has executed this contract and that he has full and complete authority to enter into this contract on behalf of his firm. The above-stated representations and warranties are made for the purpose of inducing the L.U.T.S. to enter into this contract.



## **ARTICLE XX- CONSULTANT RESOURCES**

Consultant shall furnish and maintain, at its own expense, quarters for the performance of all services, and adequate and sufficient personnel and equipment to perform the services required. All employees of Consultant shall have such knowledge and experience as will enable them to perform the duties assigned to them.

Any employee of Consultant who, in the opinion of the Transportation Planning Director of the L.U.T.S. is incompetent, or whose conduct becomes detrimental to the work shall immediately be removed from association with the project when so instructed in writing. Consultant certifies that it presently has adequate qualified personnel in its employment for performance of the services required under this contract, or will be able to obtain such personnel from sources other than the L.U.T.S.

Any change in the Project Manager shall be requested in writing and approved in writing by the Transportation Planning Director of the L.U.T.S.

## **ARTICLE XXI- EQUAL EMPLOYMENT OPPORTUNITY**

The Consultant agrees to comply with Executive Order 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in Department of Labor Regulations (41 CFR 60).

## **ARTICLE XXII- NONDISCRIMINATION**

During the performance of this contract, the Consultant, its assigns and successors in interest, agrees as follows:

1. *Compliance with Regulations:* The Consultant shall comply with the regulations relative to nondiscrimination in federally-assisted programs of the U.S. Department of Transportation, Title 49, Code of Federal Regulations, Part 21 and Title 23, Code of Federal Regulations, Part 710.405(b), as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. *Nondiscrimination:* The Consultant, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 and Part 710.405(b) of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. *Solicitations for Subcontracts, Including Procurements of Materials and Equipment:* In all solicitations either by competitive bidding or negotiation made by the Consultant for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Consultant of the Consultant's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, sex, or national origin.

4. *Information and Reports:* The Consultant shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by

the L.U.T.S., the Texas Department of Transportation or the U.S. Department of Transportation to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of the Consultant is in the exclusive possession of another who fails or refuses to furnish this information, the Consultant shall so certify to the L.U.T.S., the Texas Department of Transportation or the U.S. Department of Transportation as appropriate, and shall set forth what efforts it has made to obtain the information.

5. *Sanctions for Noncompliance:* In the event of the Consultant's noncompliance with the nondiscrimination provisions of this contract, the Texas Department of Transportation shall impose such contract sanctions as it or the U.S. Department of Transportation may determine to be appropriate, including but not limited to:

- a. Withholding of payments to the Consultant under the contract until the Consultant complies, and/or,
- b. Cancellation, termination, or suspension of the contract in whole or in part.

6. *Incorporation of Provisions:* The Consultant shall include the provisions of paragraphs 1 through 6 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Consultant shall take such action with respect to any subcontract or procurement as the L.U.T.S. may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a Consultant becomes involved in, or is threatened with litigation with a subcontractor or supplier as a result of such direction, the Consultant may request the L.U.T.S. to enter into such litigation to protect the interests of the L.U.T.S.; in addition, the Consultant may request the United States to enter into such litigation to protect the interests of the United States.

#### **ARTICLE XXIII- MINORITY BUSINESS ENTERPRISES**

It is the policy of the U.S. Department of Transportation that Minority Business Enterprises as defined in 49 CFR 23, Subpart A, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds. Consequently the Minority Business Enterprise requirements of 49 CFR 23, exclusive of Subpart D, apply to this contract as follows:

The Consultant agrees to insure that Minority Business Enterprises as defined in 49 CFR 23, Subpart A, have the maximum opportunity in the performance of contracts and subcontracts financed in whole or in part with Federal funds. In this regard, the Consultant shall take all necessary and reasonable steps in accordance with 49 CFR 23, exclusive of Subpart D, to insure that Minority Business Enterprises have the maximum opportunity to compete for and perform contracts.

The Consultant and any subcontractor shall not discriminate on the basis of race, color, sex, or national origin in the award and performance of contracts funded in whole or in part with Federal funds.

These requirements shall be physically included in any subcontract. Failure to carry out the requirements set forth above shall constitute a breach of contract and, after the notification of the L.U.T.S., may result in termination of the contract by the L.U.T.S. or other such remedy as the L.U.T.S. deems appropriate.

#### **ARTICLE XXIV- DELINQUENT TAX CERTIFICATION**

Pursuant to Article 2.45 of the Business Corporation Act, Texas Civil Statutes, which prohibits the State from awarding a contract to a corporation that is delinquent in paying taxes under Chapter 171, Tax Code, the Consultant hereby certifies that it is not delinquent in its Texas franchise tax payments, or that it is exempt from or not subject to such tax. A false statement concerning the corporation's franchise tax status shall constitute grounds for cancellation of the contract at the sole option of the Transportation Planning Director of the L.U.T.S.

#### **ARTICLE XXV- NOTICE TO PROCEED**

The Transportation Planning Director of the L.U.T.S. will issue a written authorization to proceed with the work identified in the scope of services. The L.U.T.S. shall not be responsible for actions by Consultant or any costs incurred by Consultant relating to additional work not included in Attachment A - Scope of Services.

#### **ARTICLE XXVI- SUSPENSION**

Should the L.U.T.S. desire to suspend the work, but not terminate the contract, this may be done by giving thirty (30) days verbal notification followed by written confirmation from the Transportation Planning Director of the L.U.T.S. to that effect. The thirty-day notice may be waived in writing by both parties. The work may be reinstated and resumed in full force and effect within sixty (60) days of receipt of written notice from the Transportation Planning Director of the L.U.T.S. to resume work. The sixty-day notice may be waived by both parties in writing. If the L.U.T.S. suspends the work, the contract period as determined in Article I- Contract Period is not affected and the contract will terminate on the date specified unless the contract is amended.

The L.U.T.S. assumes no liability for work performed or costs incurred prior to the date of the notice to proceed authorized by the L.U.T.S. to begin work, during periods when work is suspended, or subject to contract completion date.

#### **ARTICLE XXVII- SUPPLEMENTAL AGREEMENTS**

The terms of this contract may be modified by supplemental agreement if the L.U.T.S. determines that there has been a significant change in the:

- (1) Scope, complexity, character of the service to be performed; or
- (2) The duration of work.

Additional compensation, if appropriate, shall be identified in writing as provided in Article III- Compensation, and the supplemental agreement shall state what, if any, additional compensation shall be provided. The Transportation Planning Director of the L.U.T.S. shall issue a notice to proceed for work authorized under the supplementary agreement in accordance with the provisions of Article XXV- Notice to Proceed. Any supplemental agreement must be executed in writing by both parties within the contract period specified in Article I - Contract Period.

It is distinctly understood and agreed that no claim for extra work done or materials furnished shall be made by Consultant until full execution of the supplemental agreement and authorization

to proceed is granted. The L.U.T.S. reserves the right to withhold payment pending verification of satisfactory work performed in accordance with Article III-Compensation of this agreement.

#### **ARTICLE XXVIII- SUBMISSION OF REPORTS**

All applicable study reports shall be submitted in preliminary form for approval before a final report is issued. The comments of the Transportation Planning Director of the L.U.T.S. shall be noted and addressed in the final report.

#### **ARTICLE XXIX- INSURANCE**

Consultant shall furnish a properly completed Certificate of Insurance, in a form approved by the fiscal agent of the L.U.T.S. prior to beginning work under this contract and shall maintain such insurance through the contract period.

#### **ARTICLE XXX- GRATUITIES**

No member of the L.U.T.S. shall accept any benefits, gifts or favors from any person doing business with the L.U.T.S. under this contract, nor shall any person doing business with or who may reasonably do business with the L.U.T.S. under this contract make an offer of benefits, gifts, or favors to L.U.T.S. personnel or staff.

#### **ARTICLE XXXI- DEBARMENT, SUSPENSION AND DISCIPLINARY ACTION**

By execution of this agreement, Consultant warrants that it has not been disbarred, suspended, or subject to disciplinary action which would affect its ability to perform the services contracted. It further warrants that it is in compliance with regulations relating to Equal Employment Opportunity and Civil Rights Regulations.

#### **ARTICLE XXXII- PATENT AND COPYRIGHT**

The L.U.T.S., the Texas Department of Transportation, and the U.S. Department of Transportation shall have the non-exclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize the use by others any reports developed by Consultant for governmental purposes.

#### **ARTICLE XXXIII- SEVERABILITY**

In the event any one or more of the provisions contained in this contract shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.

#### **ARTICLE XXXIV- PRIOR CONTRACT SUPERSEDED**

This contract constitutes the sole and only agreement between the parties hereto and supersedes any prior understandings or written or oral contract between the parties respecting the subject matter defined herein.

#### **ARTICLE XXXV- FORCE MAJEURE**

Neither party to this agreement shall be required to perform any term, condition, or covenant in this agreement so long as performance is delayed or prevented by force majeure, which shall



mean acts of God, strikes, lockouts, material or labor restrictions by a governmental authority, civil riots, floods, and any other cause not reasonably within the control of either party to this agreement and which by the exercise of due diligence such party is unable, wholly or in part, to prevent or overcome. If by reason of force majeure either party is prevented from full performance of its obligations under this agreement, written notice shall be provided to the other party within three days.

**ARTICLE XXXVI- APPLICABLE LAW**

This agreement shall be construed under, and in accordance with, the laws of the State of Texas as amended from time to time, and all obligations of the parties created by this agreement are performable in Webb County, Texas.

**IN WITNESS WHEREOF**, the Laredo Urban Transportation Study acting by and through its Chairman as authorized by the Policy Committee, and Kimley-Horn and Associates, Inc. have executed this agreement in duplicate originals, each of equal dignity.

**EXECUTED** this the 20th day of AUGUST, 2013.

  
Raul G. Salinas Chairman  
Policy Committee

  
Principal-in-Charge  
Kimley-Horn and Associates, Inc.

  
Print Name

**ATTACHMENT A**  
Scope of Services  
Railroad Quiet Zone Study Update

The Laredo Urban Transportation Study (LUTS) desires to update the Railroad Quiet Zone Study developed in 2006. There are currently 84 at-grade railroad crossings on two railroads, the Union Pacific Railroad (UPRR) and Kansas City Southern Railroad (KCSR), within the City Limits of Laredo, Texas. Of these, 21 are located on a spur line operated by UPRR which are the subject of a separate quiet zone project. The City of Laredo has decided to limit the scope of this study to the 26 crossings located on the KCSR line.

Throughout this scope of services, the terms City and LUTS refers to the Laredo Urban Transportation Study and the term Consultant refers to Kimley-Horn and Associates, Inc.

Project tasks (outlined in the following Scope of Services) consist of:

1. Project Administration;
2. Data Collection
3. Quiet Zone Analysis
4. Report
5. Presentations

A detailed description of each Task and deliverables is provided below.

**Task 1 – Project Administration**

Project administration spans the duration of the project- This task involves the monitoring and coordination of services to be provided to the Laredo Urban Transportation Study (LUTS) to achieve timely and efficient completion of the project. Included in this task are the project kick-off meeting, project control and management, maintenance of project records and files, reporting requirements, and project meetings.

***Subtask 1.1 - Kick-off Meeting***

Upon notice-to-proceed, the Consultant will meet once with the LUTS to begin the exchange of data to be provided to the Consultant. Also during this meeting, reporting requirements as they relate to invoicing and project status will be reviewed and agreed upon. It is assumed that the kick-off meeting will have an approximate duration of two hours and will be held at the LUTS offices.

***Subtask 1.2 - Project Control and Management***

The Consultant will be responsible for the day-to-day activities of managing the project, which is assumed to have a seven month duration, as shown in the attached project schedule. Specific activities include Sub-Consultant coordination; review, verification, and approval of Sub-Consultant(s) services; and ongoing reassessments of contract and schedule adherence

***Subtask 1.3 - Project Records and Files***

The Consultant will develop a project filing system, both for data in hard copy format and for electronic data. This filing system, which will be maintained in the Consultant's offices for the life of the project, will be designed to assure that files can be easily located and retrieved at all times. This filing system will also assure that electronic files are frequently backed up, with duplicate copies stored at a secure, off-site location.

***Subtask 1.4 - Status Reports and Invoicing***

Monthly progress reports will be prepared and submitted to the LUTS. The report will address technical progress, contract progress, and management-related topics. Monthly invoicing will be part of the status report package.

***Subtask 1.5 - Project Status and Review Meetings***

In addition to the reporting requirements outlined in Subtask 1.4, project status meetings with the LUTS will help the Consultant maintain schedule and contract adherence. It is assumed that up to two specifically called project status meetings will occur over the course of the project.

**Deliverables and Meetings:**

- One (1) Project kick-off meeting with Consultant and LUTS Staff
- Project Status and Review Meetings (up to 2 – by conference call)
- Project Schedule
- Project Meeting Minutes
- Monthly Status Reports and invoicing

**Task 2 – Data Collection**

The Consultant will conduct field review of the 26 at-grade KCSR railroad crossings to determine the potential for various improvements to reduce the Quiet Zone Risk Index at each.

In addition, daily traffic volumes will be conducted at up to 10 crossings. This data will be used during the analysis phase to determine the impacts of diverted trips that would result from potential crossing closures, if needed.

The Consultant will download FRA inventory data from the online FRA Calculator for comparison to the results of the field review.

The Consultant will obtain updated train volume and speed tables from UPRR and KCSR.

**Deliverables and Meetings:** - Summary of potential improvements to be considered at each crossing.

**Task 3 – Quiet Zone Analysis**

***Subtask 3.1 – Initial Zone Segmentation***

Starting with the existing Railroad Quiet Zone Study, Kimley-Horn will determine the segmentation of the various rail lines into separate Quiet Zones for analysis.

***Subtask 3.2 – Quiet Zone Analysis***

Using the FRA Calculator, quiet zone scenarios will be established for initial analysis. Data from the field review and railroads will be used to test various improvement scenarios at each crossing to determine the resultant reduction in crossing risk when train horns are no longer sounded. Crossing closures will be considered for minor roadways if other, less intrusive, improvements do not reduce the average risk of each zone below the National Risk With Horns Index.

***Subtask 3.3 – Crossing Closure Analysis***

For potential crossing closures, daily traffic counts will be conducted on the crossing road and the nearest parallel crossing. Diverted trips will be analyzed to determine if the closure will result in unacceptable operating levels of service. As noted in Task 2, traffic counts at up to 10 locations are budgeted. Additional counts will be considered as additional services and billed on a time and material basis.

#### ***Subtask 3.4 – Opinions of Probable Cost***

For recommended improvements, the Consultant will develop opinions of probable cost that include the anticipated capital construction costs, planning and engineering costs. The Consultant will include a determination of the anticipated transportation user benefits and benefit/cost ratio for each of the potential projects.

Because the Consultant does not control the cost of labor, materials, equipment or services furnished by others, methods of determining prices, or competitive bidding or market conditions, any opinions rendered as to costs, including but not limited to opinions as to the costs of construction and materials, shall be made on the basis of its experience and represent its judgment as an experienced and qualified professional, familiar with the industry. The Consultant cannot and does not guarantee that proposals, bids or actual costs will not vary from its opinions of cost.

Deliverables and Meetings:

- Summary of scenario analysis results.
- Summary of impacts of crossing closures.
- Opinion of probable cost for recommended improvements.

#### **Task 4 – Report**

##### ***Subtask 4.1 – Draft Report***

The Consultant will prepare a draft final document that compiles all of the findings of the previous study steps. Fifteen (15) copies of this report will be distributed to the LUTS Technical Committee for review and comment. A copy of the report will be provided in electronic format, including all maps and data tables, in the format specified. A presentation will be made to the LUTS Technical Committee to outline study findings and solicit comments for inclusion in the final report.

##### ***Subtask 4.2 – Final Report***

One set of review comments will be addressed and a final document will be prepared. Twenty (20) copies of this report will be provided, along with 25 CDs with updated electronic files. All sets will be printed on 8 1/2" x 11" paper and bound. Exhibits that require larger paper will be folded and referenced in the text.

Deliverables and Meetings:

- Five (5) copies of the Draft Report
- Twenty copies of the Final Report
- Electronic copy of the final report, in PDF format

#### **Task 5.0 - Presentations**

The Consultant will present the final report to public agencies as requested. The Client will be responsible for meeting logistics (i.e. providing meeting space, advertising the meeting, notifying attendees, etc.) It is assumed that the following presentations will be required:

Draft Report – LUTS Technical Committee

Final Report - LUTS Technical Committee and LUTS Policy Board, to be scheduled on the same day.

For budgeting purposes, it is assumed that a total of two (2) days will be required for the presentation process. Additional meetings will be paid for as Additional Services.

Deliverables and Meetings: - Three presentations





Kimley-Horn  
and Associates, Inc.

Project Workplan Budget

**General Project Information**

Client: **City of Laredo**  
 Project: **Citywide Quiet Zone Study**  
 KHA No.  
 PM: **Brian VDW**

**Budget Summary**

Date: **8/7/13**

**Task Budget Summary**

No.	Task Name	Hours	Labor	Expenses	Subtotal
1	Project Management	42	\$ 7,100	\$ -	\$ 7,100
2	Data Collection	59	\$ 9,800	\$ 1,900	\$ 11,700
3	Quiet Zone Analysis	103	\$ 12,900	\$ -	\$ 12,900
4	Report	42	\$ 5,300	\$ 400	\$ 5,700
5	Presentations	48	\$ 8,300	\$ 600	\$ 8,900
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
			\$ -	\$ -	
777	Contingency		\$ -		
TOTALS:		294	\$ 41,200	\$ 2,900	\$ 46,300

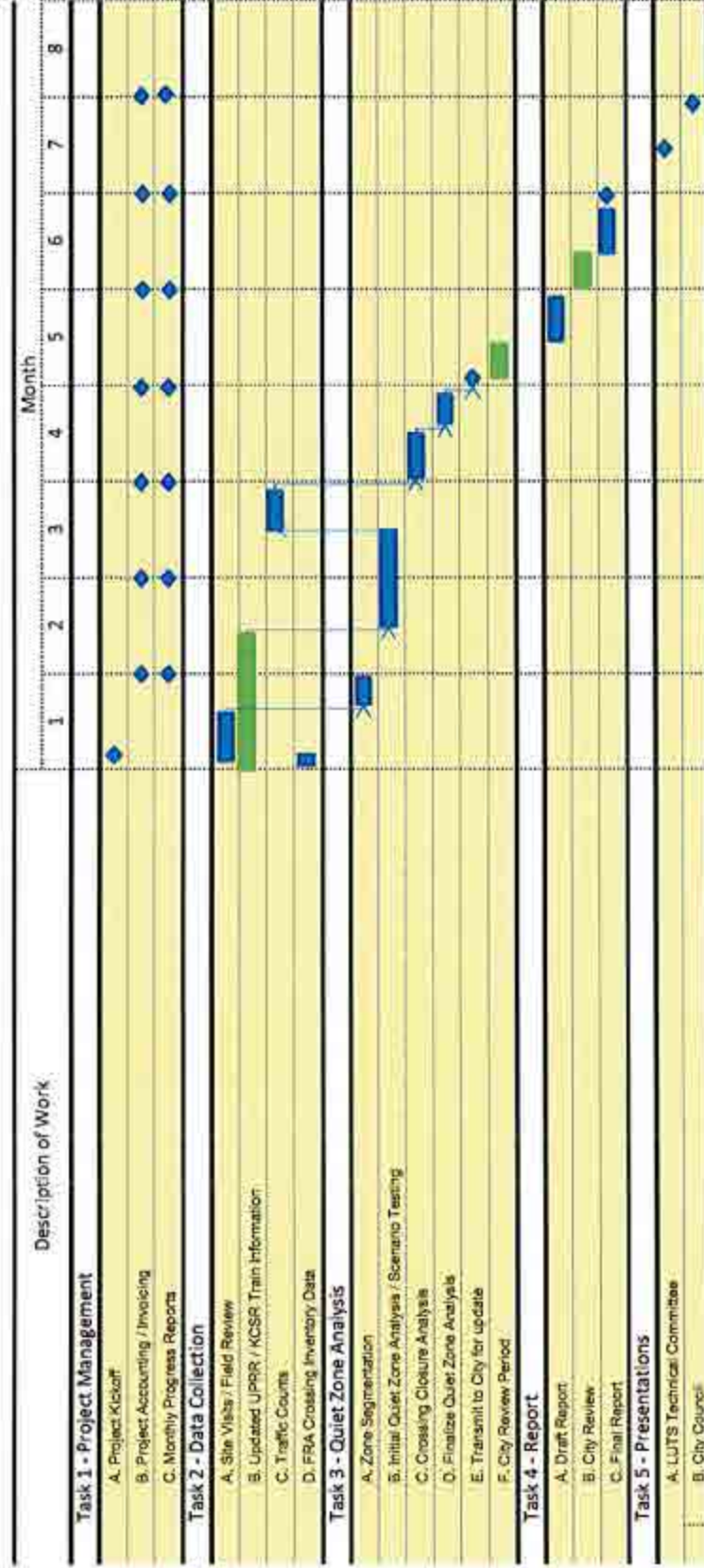
**Subconsultant Summary**

Task No.	Task Name	Cost	Multiplier	Subtotal
2	AC Group - Traffic Counts	\$ 2,000	1.15	\$ 2,300
		\$ -	1.15	\$ -
		\$ -	1.15	\$ -
		\$ -	1.15	\$ -
		\$ -	1.15	\$ -
TOTALS:		\$ 2,000		\$ 2,300

**Project Budget Summary**

Labor:	\$ 46,300
Expenses:	\$ 2,300
<b>TOTAL:</b>	<b>\$ 48,600</b>

Railroad Quiet Zone Study Update Schedule  
Laredo, Texas



KEY: ■ Kimley-Horn Task ■ Review By Others

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Tomas M. Rodriguez, Jr., P.E., Utilities Director

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**SUBJECT**

Authorizing the City Manager to award a professional engineering services contract in the amount of \$175,115.00 to Premier Civil Engineering, LLC., Laredo, Texas for engineering and surveying services for the Waterline Replacement Project along Laredo Street, San Dario Avenue, Esperanza Drive and Arkansas Avenue to include identification of critical issues and problem areas, general topographic survey, utility coordination, cost estimates, construction documents, bidding and construction management. Funding is available in the 2012 Water Revenue Bond.

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

Provide professional engineering and surveying services for a Water Line Replacement Project to include identification of Critical Issues & Problem Areas. Services include Engineering Design, Plans and Specifications, Design Surveying, Utility Coordination, Cost Estimates, Construction Documents, Bidding, Construction Management and “as-built” survey plans. The project is located along Laredo Street, San Dario Avenue, Esperanza Drive and Arkansas Avenue for approximate 20.5 City blocks.

**COMMITTEE RECOMMENDATION**

Finance and Operations Committee

**STAFF RECOMMENDATION**

Approve Motion

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**Fiscal Impact**

<b>Fiscal Year:</b>	2015
<b>Budgeted Y/N?:</b>	Y
<b>Source of Funds:</b>	Water Revenue Bond
<b>Account #:</b>	557-4194-538-0359

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the 2012 Water Revenue Bond.

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**Attachments**

Premier Eng Proposal

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April 7, 2015

Mr. Tomas M. Rodriguez, PE  
Utilities Dept. Director  
City of Laredo  
5816 Daugherty  
Laredo, Texas 78041

**Proposal for  
Professional Engineering/Surveying Services  
for the Water Line Replacement Project along Laredo Street, San Dario Avenue,  
Esperanza Drive, & Arkansas Avenue (20.5 Blocks)**

In response to your Request for Proposal, we are pleased to submit the following fee proposal. The request is to provide Professional Engineering/Surveying services for the above referenced project.

SCOPE OF SERVICES

Provide professional engineering and surveying services for the Water Line Replacement Project along Laredo Street, San Dario Avenue, Esperanza Drive, & Arkansas Avenue to include identification of Critical Issues & Problem Areas, General Topographic Survey, Utility Coordination, Cost Estimates, Construction Documents, Bidding, and Construction Management.

**Task 1.0 - Preliminary Engineering Assessment (\$36,390.00)**

- 1.1 - Collect and review available data, record drawings, and inspection reports (20.5 Blocks).
- 1.2 - Conduct site visit to determine current conditions and probable issues.
- 1.3 - Utility Coordination Meetings.
- 1.4 - Identification of potential utility conflicts.
- 1.5 - TxDot & Kansas City Southern Coordination Meetings

**Task 2.0 - Engineering Design, Plans and Specifications (\$59,360.00)**

- 2.1 - Prepare Plan and Profile Sheets (20.5 Blocks).
- 2.2 - Prepare Detail Sheets.
- 2.3 - Prepare Traffic Control Plan.
- 2.4 - Prepare Specifications.
- 2.5 - Prepare OPCC (Opinions of Probable Construction Cost).
- 2.6 - Submit plans for review & Finalize plans.
- 2.7 - TxDot Design Coordination

**Task 3.0 - Design Surveying (\$42,715.00)**

- 3.1 - Field Survey and existing utility locations, and Storm Drainage Systems. (20.5 Blocks)



- 3.2 - Establish Primary Control Points and Bench Marks.
- 3.3 - Preparation of the topographic survey 1 foot contours, and utilities, as required.

**Task 4.0 – Construction Management (\$36,650.00)**

- 4.1 – Bid Advertisement, Award of Bid, & Notice to Proceed
- 4.2 - Attend project meetings & inspections
- 4.3 - Coordinate with City Utilities' Inspector
- 4.4 - Coordinate with assigned testing lab during construction
- 4.5 - As Built Survey and Plans
- 4.6 – TxDot Permit Coordination

TERMINATION OF SERVICES

In connection with the services to be provided to you by PREMIER ENGINEERING & SURVEYING we agree that you may cancel or indefinitely suspend further work or terminate this agreement, or any portion of it, upon written notice to PREMIER ENGINEERING & SURVEYING, with the understanding that immediately upon receipt of such notice all work being performed under this proposal, or any portion of it, shall cease. PREMIER ENGINEERING & SURVEYING shall provide an invoice for all work completed and shall be compensated in accordance with the terms of this proposal for all work accomplished by us prior to the receipt of such notice.

ACCEPTANCE

We are pleased to have the opportunity to resubmit this proposal for a lump sum of \$ 175,115.00 and look forward to working with you on this project. If you have any questions about any of the items contained in this proposal, I would be please to discuss them with you at your convenience. If you are in agreement with the content of this proposal, please add your signature to a copy and return it to our office.

Sincerely,  
PREMIER CIVIL ENGINEERING, LLC

FOR:   
Eduardo J. Gutierrez, P.E., R.P.L.S.  
General Manager

Date: 4/7/15

This proposal is accepted by:

By: \_\_\_\_\_  
Mr. Tomas M. Rodriguez, Jr., P.E.  
Utilities Department Director  
City of Laredo

Date: \_\_\_\_\_

# City of Laredo

## Water Line Replacement Project - April 7, 2015

ITEM NO.	PROJECT TASKS	PRINCIPAL ENGR (\$250/HR)	REGISTERED ENGR (\$180/HR)	DESIGN ENGR (\$100/HR)	SURVEY CREW (\$175/HR)	ADMIN. (\$60/HR)	TOTAL COST
1	Collect and review available data, record drawings, and inspection reports	4.0	20.0	30.0		4.0	
	Conduct site visit to determine current conditions and probable issues	4.0	20.0	30.0		4.0	
	Utility Coordination Meetings	8.0	20.0	30.0		1.0	
	Identification of potential utility conflicts	3.0	20.0	30.0		4.0	
	TxDot & Kansas City Southern Coordination Meetings	8.0	10.0	6.0		1.0	
	<b>Total Hours</b>	<b>27.0</b>	<b>90.0</b>	<b>126.0</b>	<b>0.0</b>	<b>14.0</b>	
	<b>Total Costs</b>	<b>6,750.0</b>	<b>16,200.0</b>	<b>12,600.0</b>	<b>0.0</b>	<b>840.0</b>	<b>\$36,390.00</b>
2	Prepare Plan and Profile Sheets	10.0	25.0	40.0		1.0	
	Prepare Detail Sheets	10.0	25.0	40.0		1.0	
	Prepare Traffic Control Plan	10.0	20.0	40.0		1.0	
	Prepare Specifications	10.0	20.0	40.0		1.0	
	Prepare OPCC (Opinions of Probable Construction Cost)	10.0	20.0	30.0		1.0	
	Submit plans for review & Finalize plans	4.0	4.0	8.0		4.0	
	TxDot Design Coordination	4.0	12.0	16.0		4.0	
<b>Total Hours</b>	<b>58.0</b>	<b>125.0</b>	<b>214.0</b>	<b>0.0</b>	<b>13.0</b>		
	<b>Total Costs</b>	<b>14,500.0</b>	<b>22,680.0</b>	<b>21,400.0</b>	<b>0.0</b>	<b>780.0</b>	<b>\$59,360.00</b>
3	Field Survey and existing utility locations, and Storm Drainage Systems		8.0	16.0	120.0		
	Establish Primary Control Points and Bench Marks			12.0	65.0		
	Preparation of the topographic survey 1 foot contours, and utilities, as required		10.0	40.0		5.0	
<b>Total Hours</b>	<b>0.0</b>	<b>18.0</b>	<b>68.0</b>	<b>185.0</b>	<b>5.0</b>		
	<b>Total Costs</b>	<b>0.0</b>	<b>3,240.0</b>	<b>6,800.0</b>	<b>32,375.0</b>	<b>300.0</b>	<b>\$42,715.00</b>
4	Bid Advertisement, Award of Bid, & Notice to Proceed	2.5	5.0	5.0			
	Attend project meetings & inspections	2.5	5.0	5.0			
	Coordinate with City Utilities Inspector		10.0				
	Coordinate with assigned testing lab during construction		8.0	20.0		5.0	
	As Built Survey and Plans			35.0	80.0	5.0	
	TxDot Permit Coordination	8.0	12.0	16.0	20.0		
<b>Total Hours</b>	<b>13.0</b>	<b>40.0</b>	<b>81.0</b>	<b>100.0</b>	<b>10.0</b>		
	<b>Total Costs</b>	<b>3,250.0</b>	<b>7,200.0</b>	<b>8,100.0</b>	<b>17,500.0</b>	<b>600.0</b>	<b>\$36,650.00</b>
<b>Total</b>							<b>\$175,115.00</b>

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Tomas M. Rodriguez, Jr., P.E., Utilities Director

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**SUBJECT**

Authorizing the City Manager to award a professional engineering services contract in the amount of \$174,900.00 to Crane Engineering Corp., Laredo, Texas for engineering and surveying services for the Galveston Street Water Main Replacement Project to include utility coordination, preliminary design, topographic survey, develop construction plans and construction phase services. Funding is available in the 2012 Water Revenue Bond.

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

Request for Qualifications were solicited. Crane Engineering proposes to provide engineering design and perform construction phase services for the replacement of approximately 6,500 linear feet of existing water mains with 8-inch PVC water mains at various locations along Galveston Street as summarized below:

Galveston from Cedar to Milmo, Galveston from Arkansas to New York and Galveston from India to Smith. The specific tasks anticipated to be required for completion of the project are Utility Coordination meetings, preliminary design, develop construction documents, construction phase services and an allowance of \$3,750 for utility potholes and survey (as approved by the City).

**COMMITTEE RECOMMENDATION**

Finance and Operations Committees

**STAFF RECOMMENDATION**

Approve Motion

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**Fiscal Impact**

<b>Fiscal Year:</b>	2015
<b>Budgeted Y/N?:</b>	Y
<b>Source of Funds:</b>	2012 Water Revenue Bonds



**Account #:** 557-4194-538-0359

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the 2012 Water Revenue Bond.

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**Attachments**

Crane Eng Proposal

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April 7, 2015

Mr. Tomas M. Rodriguez, Jr. PE  
Utilities Director  
City of Laredo Utilities Department  
5816 Daugherty Street  
Laredo, Texas 78041

**Re: Galveston Street Waterline Improvements**

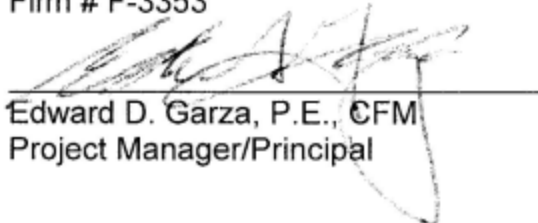
Mr. Rodriguez,

Please find attached for your review the proposed scope of work and fee for the Galveston Street Waterline Improvements project.

If you have any questions, please feel free to contact us. We greatly appreciate this opportunity to work with you and your staff on this capital improvements project.

Sincerely,

**CRANE ENGINEERING CORP.**  
Firm # F-3353



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Edward D. Garza, P.E., CFM  
Project Manager/Principal



**Exhibit A – Scope of Services  
To be provided by Engineer**

**Galveston Street Water Main Replacement**

Crane Engineering proposes to provide engineering design and perform construction phase services for the replacement of approximately 6,500 linear feet of existing water mains with 8-inch PVC water mains at various locations along Galveston Street as summarized below:

- Galveston from Cedar to Milmo
- Galveston from Arkansas to New York
- Galveston from India to Smith

The specific tasks anticipated to be required for completion of the project are described in greater detail as follows:

**Task 1 – Utility Coordination Meetings**

- Attend City of Laredo Utility Coordination Meetings;
- Introduce the project to the UCC. Request redlines showing the approximate location of existing utilities;
- Obtain redlines from Committee and use these to prepare Existing Utility Layout;
- Submit preliminary Existing Utility Layouts and obtain comments from Committee and/or Utility Owners;
- Submit final utility layouts and concurrence or comments from Committee.

**Task 2 – Preliminary Design**

- Perform initial walkthrough and assessment of each segment of the project;
- Prepare technical memorandum, including the preferred preliminary alignments, a plan view schematic utilizing available aerial imagery, and preliminary construction cost estimates.

Upon approval of the preliminary project alignments, topographic survey and detailed design will begin.

**Task 3 – Topographic Survey**

- CEC will use GPS/RTK procedures, and traditional ground survey procedures, as appropriate, to efficiently and effectively provide the mapping and design survey services detailed below

### 1) Project Survey Control

- Establish permanent primary survey control sufficient to control the topographic and planimetric survey and serve as the basis of the construction control for the proposed Waterline replacement project.
  - Establish primary survey control at intervals appropriate for this work effort. Control will generally be set within the public road right of way, but beyond the curbline to minimize destroyed or compromised control prior to construction activities beginning.
  - Use the Texas Coordinate System of 1983, Texas South Zone (no. 4205), North American Datum of 1983.
  - Use classic survey methods and procedures in areas where GPS/RTK is not appropriate.
  - Elevation will be based on North American Vertical Datum of 1988 (vertical datum) derived from the multiple independent GPS sessions and checked to any recovered City of Laredo control monuments.
  - Complete a differential level loop to refine the GPS derived vertical values.
  - All coordinates will be published in adjusted surface values.

### 2) Electronic Base Map

- Prepare a base map of the proposed route including the following:
  - Depict apparent or approximate street and alley right of way lines based on physical evidence recovered in the field.
  - Depict intersecting streets with approximate street right of way lines.

### 3) Design Survey

- Prepare the design survey of the proposed waterline replacement project including the following:
  - Map the planimetrics of the site, depicted on the plan and includes observable improvements such as signs, poles, paving, gutters, curbs, driveways, sidewalks, buildings, handicap ramps, fences, storm sewer systems, sanitary sewer systems, etc.
  - Mapping will extend to the existing location of the water meter for the property.
  - Mapping will extend a maximum of fifty feet (50') along any intersecting streets and alleys beyond the curb return. The mapping will extend from right of way to right of way or to an impediment such as fence lines, face of buildings, etc.
  - Map location of the existing trees with a caliper of more than four inches (4") within the project limits.
  - Generate one (1) foot contours. Information will be utilized to develop proposed water line profiles in the plan and profile drawings.
  - Place a DIG-TESS call and survey the horizontal location of utilities as marked by DIG-TESS.
  - Illustrate to the extent possible, location, size, and direction of flow of wastewater systems and storm drainage systems.

- Acquire top of structure (rim, grate) and invert elevations of wastewater system and storm drainage system. City will provide access to bolted or locked structures.
  - Locate fire hydrants, water meters, water valves, and water valve top of nut elevations.
  - Map the horizontal and vertical locations of potholes/boreholes (dug by others) after completion.
  - The information for all points (horizontal and vertical) will be captured and compiled in an automated system and converted into a topographic survey plan.
- **Deliverables**
    - CVS Point file
    - 2D Auto Cad files, DWG Format
    - Existing Features Plan (topo)
  - **As-Built Survey**
    - Locate and map the as-constructed horizontal location of the water main, water valves, water meters, air release valves, and fire hydrant locations.
    - The water main and fittings will be located based on GPS points provided by the Utilities Department Inspector.
    - Map the horizontal and vertical location. Fittings and vertical data will be based on legible contractor redlines and GPS points provided by the Utilities Department Inspector.
- 4) Assumptions**
- **Client Responsibilities**
    - The Client will notify CEC in writing immediately of any changes, omissions, revisions, or disputes arising out of the professional services rendered.
    - The Client will provide a name of the contact person on-site prior to start of fieldwork.
    - The Client will provide CEC unrestricted access to the site and notification to parties now in possession of the property.
    - The Client will provide basis for the project datum (horizontal and vertical) on which to base the project, if different from as noted above.
    - The Client, its representatives and consultants will provide access to all relevant existing data concerning the project, including prior surveys, design plans, etc in their possession.
    - The Client will provide CAD standards, including cell libraries, level lists, resource library, etc., if specific CAD standards are not acceptable.
    - This is not a boundary retracement survey of the properties.
  - **Clarifications**
    - CEC assumes no responsibility for errors and/or omissions that may exist in the supplied data or related design plans provided by the Client or other third parties.

- Underground utilities as depicted on the design survey are not guaranteed as to accuracy or completeness.
- **Exclusions**
  - Identification of easements is not included.
  - A Boundary and/or Right of Way Survey are not included in this Scope.
  - Subsurface Utility Engineering (SUE) is not included in this Scope.
  - Preparation of any Zoning or Platting documents is not included in this Scope.
  - Attendance at P&Z, City Council meetings and/or other meetings are not included in this Scope.
  - A complete tree inventory/survey is not included in this Scope.
  - A wetlands survey is not included in this Scope.
  - Preparation of parcel plats and descriptions for property transfer and/or easements is not included in this Scope.

#### **Task 4 – Develop Construction Documents**

- Prepare 30% plans, anticipated to consist of a proposed alignment and survey basemap.
- After addressing all comments on the 30% plan submittal, 60% plan/profile sheets will be prepared. These will show proposed water service replacement and water mains and existing utilities in plan and profile view and will include required construction notes and callouts. Ground elevations along the centerline of the pipe will be shown at 50-foot stations and any significant breaks in grade. Construction plans include permanent benchmarks and survey control points.
- After addressing all comments on the 60% plan submittal, 90% plans will be prepared and submitted. The 90% submittal will include cover sheet with location map, general notes, quantity summary, and a traffic control typical detail sheet. Contract documents, construction specifications, and bid item descriptions will also be prepared and submitted for review.
- After the final review, signed and sealed (15) hard copies and (20) CDs with final contract documents will be submitted.
- CEC will attend and conduct the pre-bid meeting.
- CEC will also assist the City in reviewing bid tabulations.

#### **Task 5 – Construction Phase Services**

- Attend and conduct the pre-construction meeting.
- Review contractor submittals. Provide comments, recommend and approve submittals.
- Perform construction staking.
- Assist the City with RFIs, Field Changes, Change Orders, etc.
- Attend and conduct monthly construction meetings.
- Assist the City in reviewing, recommending, and approving contractor pay requests.

- Perform bimonthly site visits and as necessary to track progress and work with Inspector to resolve conflicts during construction.
- Perform As-Built survey of all water and air release valves, fire hydrants, and meter boxes. Water line and fitting locations will be based on GPS coordinates provided by the Utilities Inspector.
- Produce As-Built drawings and electronic files. Fitting locations will be based on legible redline drawings provided by the Contractor and Utilities Inspector, valve and meter boxes will be based on As-Built survey.

**Task 6 – Utility Potholes & Survey (\$3,750 Allowance)**

- CEC will determine the locations at which potholes are needed and potholes will be performed as necessary and approved by the City of Laredo.
- Up to the allowance amount of \$3,750 and as approved by City, potholes will be performed.
- After the potholes are completed, their location will be tied by CEC survey crews.

**Services Not Included In This Scope**

- Geotechnical investigation
- Environmental investigation or assessments
- Wastewater design
- Hydraulic modeling



## **Exhibit B – Project Schedule and Deliverables**

### **Galveston Street Water Main Replacement**

#### **Project Schedule (to be completed within or before the estimated time frame):**

- Preliminary Design TM and Schematic, Topographic Survey – 6 weeks
- 30% Design – 3 months
- 60% Design – 2 months
- 90% Design – 1 month
- Final Submittal – 1 month

#### **Deliverables to be provided are summarized below:**

##### **Utility Coordination**

- Preliminary existing utility layouts (11 x 17 copies at 1" = 100')
- Final existing utility layouts (11 x 17 copies at 1" = 100')

##### **Preliminary Design**

- Technical Memorandum summarizing preliminary preferred alignments and preliminary cost estimate and including schematic (aerial plan view)

##### **Construction Documents**

- 30% plans, three (3) full size (24" x 36") paper copies at 1" = 40'
- 60% plan/profile sheets, three (3) full size paper copies at 1" = 40'
- 90% construction documents, three (3) paper copies
- Final plans and specifications, full size paper copies (15) and CDs (20)

##### **Construction Phase Services**

- Signed and sealed As-Built plans, one (1) mylar copy and electronic files

##### **Utility Potholes**

- To be performed as necessary and directed by the City.





Position Personnel Title	Principal	Project Manager	Project Engineer	CADD	Survey Crew	Admin	Project Expenses
Hourly Wage Rates (as defined below)	Hours	Hours	Hours	Hours	Hours	Hours	Hours
Task to be performed/Phase Description	Hours	Hours	Hours	Hours	Hours	Hours	Total Hours
Respond to RFIs		8	20			4	32
Attend Pre-Bid Meeting		2	2			2	6
Prepare Meeting Minutes			4			4	8
Attend Pre-Construction Meeting		2	2			2	6
Prepare Meeting Minutes			4			4	8
Take, Submit Pre-Construction Photos		2	8			4	14
Assist with Bid Tabulations		8	12			16	36
<b>Total Hours</b>	32	133	467	388	88	177	1285
<b>Sub Total Fee Proposal (Lump Sum)</b>	\$ 5,920.00	\$ 21,280.00	\$ 51,370.00	\$ 23,280.00	\$ 11,000.00	\$ 8,850.00	
<b>Total Basic Services Fee</b>							\$ 121,700.00

Construction Services							
Task 5: Construction Phase Services (6 months of construction)							
Attend Pre-Construction Meeting		2	2			2	6
Prepare Meeting Minutes		1	4			4	9
Respond to RFIs		16	36			18	70
Review Contractor Submittals		8	28			8	44
Perform Construction Staking & Cutsheets			36		70		106
Attend Monthly Construction Meetings (assuming 6 months)		8	12			12	32
Perform bimonthly construction site visits (assuming 6 months)		12	12			8	32
Review Contractor Pay Requests		4	12			16	32
As-Built Survey					56		56
Produce As-Built Drawings			16	56		8	80
<b>Total Hours</b>	0	51	158	56	126	76	467
<b>Sub Total</b>	\$ -	\$ 8,160.00	\$ 17,380.00	\$ 3,360.00	\$ 15,750.00	\$ 3,800.00	
<b>Total Construction Services Fee</b>							\$ 48,450.00

Project Expenses & Allowances							
Task 6: Pothole Allowance							
Crane Expenses (copies)							\$ 1,000.00
<b>Total Fee Proposal (Lump Sum)</b>							\$ 174,900.00

\* Hourly wage rate is defined as an employee's hourly rate plus labor overhead (including fringe benefits), general and administrative (indirect) expenses, profit and escalation (if applicable.)

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Tomas M. Rodriguez, Jr., P.E., Utilities Director

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**SUBJECT**

Authorizing the City Manager to award a professional engineering services contract in the amount of \$174,600.00 to Mejia Engineering Company, Laredo, Texas for engineering and surveying services for the Waterline Replacement for Lane Street from Stone Avenue to Smith Avenue to include Preliminary Engineering Assessment, Preliminary Engineering Design, Plans and Specifications, Final Engineering Design, Traffic Control Plan, Construction Management, Project Close-out, Survey Control and Right-of-Way Survey. Funding is available in the 2012 Water Revenue Bond.

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

Request for Qualifications were solicited. Mejia Engineering Company will provide engineering and surveying services for the Waterline Replacement for Lane Street from Stone Avenue to Smith Avenue to include Preliminary Engineering Assessment, Preliminary Engineering Design, Plans and Specifications, Final Engineering Design, Traffic Control Plan, Construction Management, Project Close-out, Survey Control and Right-of-Way Survey.

**COMMITTEE RECOMMENDATION**

Finance and Operations Committees

**STAFF RECOMMENDATION**

Approve Motion

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**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** 2012 Water Revenue Bonds  
**Account #:** 557-4194-538-0359  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the 2012 Water Revenue Bond account number 557-4194-538-0359.

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**Attachments**

Mejia Eng Proposal

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April 07, 2015

Mr. Tomás M. Rodríguez, Jr., P.E., Director Utilities Department  
City of Laredo, Texas  
5816 Daugherty Ave.  
Laredo, TX 78041

**PROPOSAL FOR ENGINEERING / SURVEYING SERVICES  
FOR  
WATER LINES REPLACEMENT FOR LANE STREET FROM  
STONE AVENUE TO SMITH AVENUE**

In response to your Request Proposal, we are pleased to submit the following fee proposal. We propose to provide Civil Engineering / Professional Surveying Services for the above referenced project.

**SCOPE OF SERVICES**

Provide professional engineering and surveying services for designing the construction plans and specifications and construction management for the **Replacement of Water Lines** for Lane Street from Stone Avenue to Smith Avenue.

**PROFESSIONAL ENGINEERING DESIGN SERVICES AS FOLLOWS:**

**Preliminary Engineering Assessment**

1. Obtain available record files and As Built drawings for the existing water lines, sanitary sewers, storm sewers, gas lines, electrical lines and fiber optic lines.
2. Conduct site observations to analyze the service area.
3. Coordinate internal correspondence of observations and perceptions that could improve the quality of the finished product.
4. Determine water flow calculations

**Preliminary Engineering Design, Plan and Specifications**

1. Prepare Preliminary Plan and Profile, Details Sheets and Specifications.
2. Coordinate with the Utility Coordination Committee

3. Incorporate recommendations to connect with the existing water lines.
4. Incorporate recommendations to connect the existing house water service line to the new service tap, as necessary.
5. Provide a Design Schedule
6. Provide a Construction Schedule
7. Provide an Estimated Construction Cost
8. Submit the Preliminary Construction Plans and Specifications for review.

#### **Final Engineering Design**

1. Complete final design for Construction Plans and Profile, Detail Sheets and Specifications.
2. Submit Final Construction Plans and Specifications for review.
3. Submit a Final Construction Schedule
4. Submit a Final Construction Cost Estimate

#### **Traffic Control Plan**

1. Including TxDOT permits (if applicable)

#### **Construction Management**

1. Attend pre-bid and pre-construction meetings with contractors.
2. Review and tabulate contractor's bids.
3. Make recommendation to City Utilities Department based on bid tabulation.
4. Coordinate project between general contractor and City Utilities Department
5. Review monthly contractor invoices.
6. Review and make recommendations on materials specs submittals.
7. Attend project meetings.
8. Coordinate with City Utilities Inspector.
9. Coordinate with assigned testing lab during construction.

#### **Project Close-out**

1. Provide Engineer's Completion Report.
2. Provide Project Close-out Documentation

**PROPOSE PROFESSIONAL ENGINEERING DESIGN SERVICES FEE FOR ONE HUNDRED TWENTY FOUR THOUSAND SIX HUNDRED DOLLARS AND NO CENTS (\$124,600.00).**

## **SURVEYING SERVICES AS FOLLOWS:**

### **Survey Control**

1. Establish Street Centerline Horizontal and Vertical Control Datum (X, Y, and Z coordinates) Benchmarks.
2. Collect the field survey data (X, Y, and Z coordinates) for utility pothole locations.
3. Collect the field survey data soil boring locations.
4. Provide the Construction Staking for the new water lines.

### **Right-of-Way Survey**

1. Collect the field survey data (X, Y, and Z coordinates) for the Topographic Survey and the Existing Improvements within the Right of Way.
2. Collect the field survey data of the new construction improvements for the AS Built Drawings.

**PROPOSED SURVEYING SERVICES FEE FOR FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00)**

**NOT INCLUDED IN THIS PROPOSAL ARE PROFESSIONAL ENGINEERING DESIGN SERVICES FOR THE SANITARY SEWER MAIN LINES.**

If you have any questions, please call or email our office.

Sincerely,



Carlos V. Mejia, P.E.  
President

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Tomas M. Rodriguez Jr., P. E. Utilities Director

**SUBJECT**

Awarding a construction contract to QROMEX Construction Inc., Granite Shoals, Texas in the amount of \$2,324,219.50 for the 24" EPC Water Main - Jefferson WTP to Bridge I. The project consists of approximately 8000 linear feet of 24" PVC water mains, boring & casing 620 linear feet in steel casing with related valves, appurtenances and incidentals. The contract time is two hundred ten (210) working days. Funding is available in the 2014 Water System Revenue Bond.

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

The proposed 24" PVC water mains will increase water pressure and volume for Fire Protection and Domestic use to the EPC Project Area. The contractor is responsible for providing all labor, machinery, materials and incidentals in order to install bid items.

Bids for the project were received on March 26, 2015 and opened on March 27, 2015 at 10:00 a.m. at the City Secretary's Office as follow:

CONTRACTOR	BASE BID	ALTERNATIVE BID ITEMS	TOTAL
QROMEX CONSTRUCTION	\$2,223,033.50	\$101,186.00	\$2,324,219.50
SPIESS CONSTRUCTION	\$3,079,728.00	\$153,498.00	\$3,233,226.00
REIM CONSTRUCTION INC	\$3,004,384.45	\$86,271.25	\$3,233,226.00
S. J. LOUIS CONSTRUCTION	\$3,155,262.95	\$169,248.25	\$3,324,511.20

The bids and bid bonds were checked and found to be in order, consultant and staff recommend awarding the construction contract to QROMEX CONSTRUCTION INC.

**COMMITTEE RECOMMENDATION**



Finance Committee  
Operations Committee

**STAFF RECOMMENDATION**

Approve Motion

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**Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** 2014 Water Sys. Rev. Bo  
**Account #:** 557-4191-538-0359  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the 2014 Water System Revenue Bond Acct #  
557-4191-538-0359

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**Attachments**

EPC 24" Water Main

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April 3, 2015

Mr. Tomas M. Rodriguez, Jr., P.E., Director  
City of Laredo Water Utilities Department  
5816 Daugherty  
Laredo, Texas 78041

Ref: **24" EPC Water Main – Jefferson WTP to Bridge I  
Contract Award Recommendation**


Mr. Rodriguez,

Attached please find the Bid Tabulation Sheet for bids received by the City Secretary that were opened March 27, 2015 for the above referenced project. Four (4) bids were received. QRO MEX Construction Co. Inc. submitted the low Base Bid and Additive Alternate Bid in the amount of \$2,223,033.50 and \$101,186.00, respectively, for the low Total Bid of \$2,324,219.50.

QRO MEX Construction Co. Inc. has successfully completed similar water main projects for the City of Laredo in the past. We recommend the contract be awarded to QRO MEX Construction Co., 2801 Prairie Creek Road, Granite Shoals, Texas, 78654 for the total amount of \$2,324,219.50.

Please call us if you have any questions.

Sincerely,

  
Wayne Nance, PE, RPLS

Encl.

## CITY OF LAREDO - UTILITY DEPARTMENT

**PROJECT: 24" EPC WATER MAIN - JEFFERSON WTP to BRIDGE I**

Bid Opening: March 27, 2015 10:00 a.m.

**BID TABULATION**

Qro-Mex Construction Co., Inc. 2801 Prairie Creek Road Granite Shoals, TX 78654 830-598-2268 830-596-2601	REIM Construction, Inc. 9612 Stewart Rd. Mission, TX 78573 956-580-2675 956-580-4032
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ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
<b>BASE BID</b>							
104.1	6" PVC, C-900, DR-14 Class 305 Water Main (Restrained)	20	LF	\$ 31.00	\$ 620.00	\$ 80.00	\$ 1,600.00
104.2	8" PVC, C-900, DR-14 Class 305 Water Main (Restrained)	50	LF	\$ 47.00	\$ 2,350.00	\$ 93.50	\$ 4,675.00
104.3	12" PVC, C-900, DR-14 Class 305 Water Main (Restrained)	20	LF	\$ 58.00	\$ 1,160.00	\$ 115.00	\$ 2,300.00
104.4	24" PVC, C-905, DR-18 Class 235 Water Main	7,404	LF	\$ 110.00	\$ 814,440.00	\$ 175.00	\$ 1,295,700.00
104.5	24" PVC, C-905, DR-18 Class 235 Water Main (Restrained)	385	LF	\$ 164.00	\$ 63,140.00	\$ 236.00	\$ 90,860.00
106	24" Ductile Iron, AWWA CL 350, MJ, Water Main (Restrained)	210	LF	\$ 233.00	\$ 48,930.00	\$ 244.00	\$ 51,240.00
108	24" Butterfly Valve w/ Box & Cover (Restrained)	9	EA	\$ 9,898.00	\$ 89,082.00	\$ 8,100.00	\$ 72,900.00
110.1	8" Gate Valve w/ Box & Cover (Restrained)	4	EA	\$ 1,900.00	\$ 7,600.00	\$ 1,850.00	\$ 7,400.00
110.2	12" Gate Valve w/ Box & Cover (Restrained)	1	EA	\$ 3,041.00	\$ 3,041.00	\$ 3,280.00	\$ 3,280.00
112.1	Fire Hydrants, Complete	5	EA	\$ 9,849.00	\$ 49,245.00	\$ 8,740.00	\$ 43,700.00
112.2	Flushing Fire Hydrants, Complete	4	EA	\$ 12,546.00	\$ 50,184.00	\$ 10,100.00	\$ 40,400.00
115	Repair Water Service Connection (All sizes)	30	Ea	\$ 50.00	\$ 1,500.00	\$ 1,290.00	\$ 38,700.00
116.1	Interconnection to Exist. Water Main (6")	1	EA	\$ 1,500.00	\$ 1,500.00	\$ 2,610.00	\$ 2,610.00
116.2	Interconnection to Exist. Water Main (8")	2	EA	\$ 2,500.00	\$ 5,000.00	\$ 2,860.00	\$ 5,720.00
116.3	Interconnection to Exist. Water Main (12")	1	EA	\$ 3,500.00	\$ 3,500.00	\$ 3,330.00	\$ 3,330.00
116.4	Interconnection to Exist. Water Main (24")	2	EA	\$ 6,000.00	\$ 12,000.00	\$ 6,940.00	\$ 13,880.00
120	Concrete Encasement, Cradles, and Saddles	20	CY	\$ 140.00	\$ 2,800.00	\$ 301.00	\$ 6,020.00
126.1	Bore & Case 24" PVC in 36" Steel Casing (Under Sewers)	300	LF	\$ 540.00	\$ 162,000.00	\$ 1,150.00	\$ 345,000.00
126.2	Bore & Case 24" PVC in 36" Steel Casing (UPRR)	237	LF	\$ 570.00	\$ 135,090.00	\$ 746.00	\$ 176,802.00
126.3	Bore & Case 24" PVC in 36" Steel Casing (KCSR)	80	LF	\$ 570.00	\$ 45,600.00	\$ 746.00	\$ 59,680.00
126.4	Railroad Construction Administration (KCSR)	1	LS	\$ 14,000.00	\$ 14,000.00	\$ 40,700.00	\$ 40,700.00
130	Ductile Iron Mechanical Joint Fittings (Restrained)	6.24	TON	\$ 16,000.00	\$ 99,840.00	\$ 20,400.00	\$ 127,296.00
134	Cement Stabilized, Flowable Backfill	300	CY	\$ 120.00	\$ 36,000.00	\$ 104.45	\$ 31,335.00
136	Cement Stabilized Caliche Backfill	880	CY	\$ 80.00	\$ 70,400.00	\$ 65.65	\$ 57,772.00
138	2" Air Release/Vacuum Valves w/Vault	3	EA	\$ 6,000.00	\$ 18,000.00	\$ 5,260.00	\$ 15,780.00
206	Repair Sanitary Sewer Service Connection	35	Ea	\$ 1,200.00	\$ 42,000.00	\$ 1,740.00	\$ 60,900.00
305	Repair Clay Storm Sewers	4	Ea	\$ 1,200.00	\$ 4,800.00	\$ 2,350.00	\$ 9,400.00
430	Remove & Replace Existing Concrete Sidewalks & Driveways	500	SF	\$ 9.50	\$ 4,750.00	\$ 6.75	\$ 3,375.00
520	5" Type "B" Hot Mix Asphalt Base	5,900	SY	\$ 44.00	\$ 259,600.00	\$ 39.25	\$ 231,575.00
522	Sawcut, Remove & Replace 2" Type "D" Hot Mix Asphalt Pavement	150	SY	\$ 18.00	\$ 2,700.00	\$ 17.25	\$ 2,587.50
602.1	Filter Fabric (Silt) Fence	100	LF	\$ 3.00	\$ 300.00	\$ 2.85	\$ 285.00
602.2	Stabilized Construction Entrance	1	EA	\$ 2,000.00	\$ 2,000.00	\$ 1,380.00	\$ 1,380.00
602.3	Rock Filter Dams (Type 3)	50	LF	\$ 45.00	\$ 2,250.00	\$ 34.50	\$ 1,725.00
602.4	Rock Berms (Type 4)	100	LF	\$ 45.00	\$ 4,500.00	\$ 34.50	\$ 3,450.00
602.5	Curb Inlet Gravel Filters & Gravel Filter Bags	800	LF	\$ 6.00	\$ 4,800.00	\$ 14.75	\$ 11,800.00
712	Traffic Control & Barricade	1	LS	\$ 30,000.00	\$ 30,000.00	\$ 18,600.00	\$ 18,600.00
802	Sheeting & Bracing (Trench Excavation Protection)	8,089	LF	\$ 3.50	\$ 28,311.50	\$ 2.55	\$ 20,626.95
999	Construction Contingency Allowance	1	LS	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
<b>SUBTOTAL - BASE BID</b>					<b>\$ 2,223,033.50</b>	<b>\$ 3,004,384.45</b>	

**ADDITIVE ALTERNATE BID**

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
104.6	16" PVC, C-905, DR-18 Class 235 Water Main	825	LF	\$ 80.00	\$ 66,000.00	\$ 67.50	\$ 55,687.50
108.1	16" Butterfly Valve w/ Box & Cover (Restrained)	1	EA	\$ 6,000.00	\$ 6,000.00	\$ 3,900.00	\$ 3,900.00
116.5	Interconnection to Exist. Water Main (16")	1	EA	\$ 4,000.00	\$ 4,000.00	\$ 3,360.00	\$ 3,360.00
116.6	Interconnection to Exist. Water Main (18")	1	EA	\$ 6,000.00	\$ 6,000.00	\$ 6,210.00	\$ 6,210.00
130.1	Ductile Iron Mechanical Joint Fittings (Restrained)	0.48	TON	\$ 10,000.00	\$ 4,800.00	\$ 11,500.00	\$ 5,520.00
602.6	Stabilized Construction Entrance	1	EA	\$ 2,000.00	\$ 2,000.00	\$ 1,280.00	\$ 1,280.00
602.7	Rock Berms (Type 4)	40	LF	\$ 45.00	\$ 1,800.00	\$ 32.00	\$ 1,280.00
608	Hydromulch Seeding	1	AC	\$ 3,111.00	\$ 3,111.00	\$ 3,170.00	\$ 3,170.00
712.1	Traffic Control & Barricade	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 4,770.00	\$ 4,770.00
802.1	Sheeting & Bracing (Trench Excavation Protection)	825	LF	\$ 3.00	\$ 2,475.00	\$ 3.75	\$ 3,093.75
<b>SUBTOTAL - ADDITIVE ALTERNATE BID</b>					<b>\$ 101,186.00</b>	<b>\$ 88,271.25</b>	

**BASE BID + ADDITIVE ALTERNATE, TOTAL****\$ 2,324,219.50****\$ 3,092,655.70****TOTAL BID WRITTEN ON BID PROPOSAL****\$2,324,219.50****\$3,092,655.70**

## CITY OF LAREDO - UTILITY DEPARTMENT

**PROJECT: 24" EPC WATER MAIN - JEFFERSON WTP to BRIDGE I**

Bid Opening: March 27, 2015 10:00 a.m.

**BID TABULATION**

Spieß Construction Co., Inc. PO Box 2849 Santa Maria, CA 93457 805-937-5859 805-934-4432	S.J. Louis Construction of TX, LTD 10151 Gulfdale, Suite 111 San Antonio, TX 78216 210-340-9998 210-340-9997
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ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
<b>BASE BID</b>							
104.1	6" PVC, C-900, DR-14 Class 305 Water Main (Restrained)	20	LF	\$ 50.00	\$ 1,000.00	\$ 23.00	\$ 460.00
104.2	8" PVC, C-900, DR-14 Class 305 Water Main (Restrained)	50	LF	\$ 60.00	\$ 3,000.00	\$ 31.00	\$ 1,550.00
104.3	12" PVC, C-900, DR-14 Class 305 Water Main (Restrained)	20	LF	\$ 80.00	\$ 1,600.00	\$ 63.00	\$ 1,260.00
104.4	24" PVC, C-905, DR-18 Class 235 Water Main	7,404	LF	\$ 180.00	\$ 1,332,720.00	\$ 230.00	\$ 1,702,920.00
104.5	24" PVC, C-905, DR-18 Class 235 Water Main (Restrained)	385	LF	\$ 220.00	\$ 84,700.00	\$ 338.00	\$ 130,130.00
106	24" Ductile Iron, AWWA CL 350, MJ, Water Main (Restrained)	210	LF	\$ 330.00	\$ 69,300.00	\$ 368.00	\$ 77,280.00
108	24" Butterfly Valve w/ Box & Cover (Restrained)	9	EA	\$ 8,000.00	\$ 72,000.00	\$ 8,200.00	\$ 73,800.00
110.1	8" Gate Valve w/ Box & Cover (Restrained)	4	EA	\$ 2,000.00	\$ 8,000.00	\$ 3,500.00	\$ 14,000.00
110.2	12" Gate Valve w/ Box & Cover (Restrained)	1	EA	\$ 3,000.00	\$ 3,000.00	\$ 4,400.00	\$ 4,400.00
112.1	Fire Hydrants, Complete	5	EA	\$ 9,000.00	\$ 45,000.00	\$ 9,100.00	\$ 45,500.00
112.2	Flushing Fire Hydrants, Complete	4	EA	\$ 10,000.00	\$ 40,000.00	\$ 9,900.00	\$ 39,600.00
115	Repair Water Service Connection (All sizes)	30	Ea	\$ 500.00	\$ 15,000.00	\$ 882.00	\$ 26,460.00
116.1	Interconnection to Exist. Water Main (6")	1	EA	\$ 8,000.00	\$ 8,000.00	\$ 4,200.00	\$ 4,200.00
116.2	Interconnection to Exist. Water Main (8")	2	EA	\$ 8,000.00	\$ 16,000.00	\$ 4,400.00	\$ 8,800.00
116.3	Interconnection to Exist. Water Main (12")	1	EA	\$ 10,000.00	\$ 10,000.00	\$ 4,900.00	\$ 4,900.00
116.4	Interconnection to Exist. Water Main (24")	2	EA	\$ 12,000.00	\$ 24,000.00	\$ 12,200.00	\$ 24,400.00
120	Concrete Encasement, Cradles, and Saddles	20	CY	\$ 100.00	\$ 2,000.00	\$ 100.00	\$ 2,000.00
126.1	Bore & Case 24" PVC in 36" Steel Casing (Under Sewers)	300	LF	\$ 1,000.00	\$ 300,000.00	\$ 593.00	\$ 177,900.00
126.2	Bore & Case 24" PVC in 36" Steel Casing (UPRR)	237	LF	\$ 1,500.00	\$ 355,500.00	\$ 620.00	\$ 146,940.00
126.3	Bore & Case 24" PVC in 36" Steel Casing (KCSR)	80	LF	\$ 1,000.00	\$ 80,000.00	\$ 642.00	\$ 51,360.00
126.4	Railroad Construction Administration (KCSR)	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 33,400.00	\$ 33,400.00
130	Ductile Iron Mechanical Joint Fittings (Restrained)	6.24	TON	\$ 12,000.00	\$ 74,880.00	\$ 0.01	\$ 0.06
134	Cement Stabilized, Flowable Backfill	300	CY	\$ 100.00	\$ 30,000.00	\$ 77.00	\$ 23,100.00
136	Cement Stabilized Caliche Backfill	880	CY	\$ 80.00	\$ 70,400.00	\$ 68.00	\$ 59,840.00
138	2" Air Release/Vacuum Valves w/Vault	3	EA	\$ 4,000.00	\$ 12,000.00	\$ 4,800.00	\$ 14,400.00
206	Repair Sanitary Sewer Service Connection	35	Ea	\$ 500.00	\$ 17,500.00	\$ 1,333.00	\$ 46,655.00
305	Repair Clay Storm Sewers	4	Ea	\$ 500.00	\$ 2,000.00	\$ 2,113.00	\$ 8,452.00
430	Remove & Replace Existing Concrete Sidewalks & Driveways	500	SF	\$ 10.00	\$ 5,000.00	\$ 15.00	\$ 7,500.00
520	5" Type "B" Hot Mix Asphalt Base	5,900	SY	\$ 35.00	\$ 206,500.00	\$ 42.00	\$ 247,800.00
522	Sawcut, Remove & Replace 2" Type "D" Hot Mix Asphalt Pavement	150	SY	\$ 25.00	\$ 3,750.00	\$ 26.50	\$ 3,975.00
602.1	Filter Fabric (Silt) Fence	100	LF	\$ 2.00	\$ 200.00	\$ 7.00	\$ 700.00
602.2	Stabilized Construction Entrance	1	EA	\$ 500.00	\$ 500.00	\$ 5,000.00	\$ 5,000.00
602.3	Rock Filter Dams (Type 3)	50	LF	\$ 10.00	\$ 500.00	\$ 78.00	\$ 3,900.00
602.4	Rock Berms (Type 4)	100	LF	\$ 15.00	\$ 1,500.00	\$ 78.00	\$ 7,800.00
602.5	Curb Inlet Gravel Filters & Gravel Filter Bags	800	LF	\$ 10.00	\$ 8,000.00	\$ 6.00	\$ 4,800.00
712	Traffic Control & Barricade	1	LS	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
802	Sheeting & Bracing (Trench Excavation Protection)	8,089	LF	\$ 2.00	\$ 16,178.00	\$ 0.01	\$ 80.89
999	Construction Contingency Allowance	1	LS	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
<b>SUBTOTAL - BASE BID</b>					<b>\$ 3,079,728.00</b>	<b>\$ 3,155,262.95</b>	

**ADDITIVE ALTERNATE BID**

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
104.6	16" PVC, C-905, DR-18 Class 235 Water Main	825	LF	\$ 140.00	\$ 115,500.00	\$ 154.00	\$ 127,050.00
108.1	16" Butterfly Valve w/ Box & Cover (Restrained)	1	EA	\$ 4,000.00	\$ 4,000.00	\$ 5,500.00	\$ 5,500.00
116.5	Interconnection to Exist. Water Main (16")	1	EA	\$ 10,000.00	\$ 10,000.00	\$ 5,250.00	\$ 5,250.00
116.6	Interconnection to Exist. Water Main (18")	1	EA	\$ 10,000.00	\$ 10,000.00	\$ 13,200.00	\$ 13,200.00
130.1	Ductile Iron Mechanical Joint Fittings (Restrained)	0.48	TON	\$ 5,100.00	\$ 2,448.00	\$ 6,500.00	\$ 3,120.00
602.6	Stabilized Construction Entrance	1	EA	\$ 500.00	\$ 500.00	\$ 5,000.00	\$ 5,000.00
602.7	Rock Berms (Type 4)	40	LF	\$ 10.00	\$ 400.00	\$ 78.00	\$ 3,120.00
608	Hydromulch Seeding	1	AC	\$ 4,000.00	\$ 4,000.00	\$ 5,000.00	\$ 5,000.00
712.1	Traffic Control & Barricade	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 2,000.00	\$ 2,000.00
802.1	Sheeting & Bracing (Trench Excavation Protection)	825	LF	\$ 2.00	\$ 1,650.00	\$ 0.01	\$ 8.25
<b>SUBTOTAL - ADDITIVE ALTERNATE BID</b>					<b>\$ 153,498.00</b>	<b>\$ 169,248.25</b>	

<b>BASE BID + ADDITIVE ALTERNATE, TOTAL</b>	<b>\$ 3,233,226.00</b>	<b>\$ 3,324,511.20</b>
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<b>TOTAL BID WRITTEN ON BID PROPOSAL</b>	<b>\$3,233,226.00</b>	<b>\$3,324,511.20</b>
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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Tomas M. Rodriguez, Jr., P.E., Utilities Director

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**SUBJECT**

Authorizing the City Manager to approve change order No. 5, in the amount of \$61,479.57 to the construction contract with Mountain Cascade of Texas LLC, Mansfield, Texas for the 60 inch Transmission Main Project. This change order is for additional costs associated with sandblasting, priming and painting Pressure Reducing Valve Station and Blow-off piping, additional 21 LF of 42" steel pipe, additional CMU Fence at El Pico Water Treatment Plant, installation of a longer spool piece for the Air Release Valve vent and installation of a bend due to a skew at 16" connection point. The contract time will be increased by one hundred seventeen (117) working days. The new contract amount is \$15,788,596.71. Funding is available in the 2012 Revenue Bond.

**PREVIOUS COUNCIL ACTION**

On April 1, 2013 City Council awarded a construction contract to Mountain Cascade of Texas, LLC, for the construction of the 60-inch Water Transmission Main Project. On October 7, 2013 City Council approved a zero amount change order No. 1, which added sixty (60) additional working days to the contract time. On February 3, 2014 City Council approved change order No. 2 in the amount of \$41,165.36 and fifteen (15) additional working days to the contract time. On June 16, 2014 City Council approved change order No. 3 in the amount of \$123,804.00 and thirty five (35) additional working days to the contract time. Change order No. 4 was approved by City Council on October 6, 2014 in the amount of \$84,034.78 and additional fourteen (14) working days to the contract time.

**BACKGROUND**

Change order No. 1 Mountain Cascade of Texas has been given a change in work directive to begin installing the 60" Transmission Main on Phase II (Cantu Trust Property). This directive was to coordinate efforts between both Contractors for El Pico WTP and The 60" Transmission Main Project regarding improvements along Vidal Cantu Road at the intersection of FM 1472 (Mines Rd.). As a result this will delay the completion of Phase I (Killam Property) and the Contractor is requesting an additional sixty (60) working day to compensate for a change in their critical path for the project.

Change order No. 2 includes installing a filter fabric, additional surveying costs, and approving alternate detail for a decrease in cost. The contract time is increased by fifteen (15) working days.

Change order No. 3 consists of three (3) items, which includes installing Test Station #33 following Termination Detail 'A (SIM)' for the gas line crossing, additional costs associated with installing an additional 60" Butterfly Valve to isolate the Surge Control Facility piping, and approving revised bedding detail. The contract time will be increased by thirty five (35) working days.

Change order No. 4 consists of four (4) items, which includes installing 1" Air Release Valves at the three Pressure Reducing Stations connecting to the existing 16" main, additional costs associated with remobilizing surveyor to stake centerline of pipe and pad for the Surge Control Facility, installing bypass pipeline at Pressure Reducing Station No. 3 near the Green Subdivision and additional costs associated with 24,475 LF of 4-strand easement fence. The contract time is increased by fourteen (14) working days, with a new contract time of three hundred seventy nine (379) working days

This change order is for additional costs associated with sandblasting, priming and painting Pressure Reducing Valve Station and Blow-off piping, additional 21 LF of 42" steel pipe, additional CMU Fence at El Pico Water Treatment Plant, installation of a longer spool piece for the Air Release Valve vent and installation of a bend due to a skew at 16" connection point. The contract time will be increased by one hundred seventeen (117) working days. The new contract amount is \$15,788,596.71.

	Contract Amount	Contract Time (Working Days)
Original	\$15,478,113.00	255
Change Order No. 1	\$0.00	60
Change Order No. 2	\$41,165.36	15
Change Order No. 3	\$123,804.00	35
Change Order No. 4	\$84,034.78	14
Change Order No. 5	\$61,479.57	117
<b>TOTAL</b>	<b>\$15,788,596.71</b>	<b>496</b>

### COMMITTEE RECOMMENDATION

Finance and Operations Committees

### STAFF RECOMMENDATION

Approve Motion

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### Fiscal Impact

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** Revenue Bond  
**Account #:** 557-4194-538-0375

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

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**Attachments**

Change Order 5 for 60" Water Transmission Main

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# Change Order Form

No. 005

Date of Issuance: March 17<sup>th</sup>, 2015      Effective Date: April \_\_ 2015

Project: **60-INCH TRANSMISSION MAIN**

Owner: **CITY OF LAREDO**

Contractor: **MOUNTAIN CASCADE OF TEXAS, LLC**

Owner and Contractor agree to make the following changes in the Contract Documents:

**Description:**

5A – Costs associated with sandblasting, priming and painting Pressure Reducing Station and Blow-off piping. \$37,163.80

5B – Costs associated with installing an additional 21 LF of 42" steel pipe. \$10,600.00

5C – Costs associated with installing additional CMU Fence at El Pico Water Treatment Plant due to conflict with 60" Butterfly Valve. \$8,555.00

5D – Costs associated with installing a longer spool piece for the ARV vent piping at STA 49+95. Vent pipe installed to be above 100-year flood zone elevation. \$310.58

5E – Costs associated with removing sleeve at bypass pipeline 16" connection and installing a bend due to skew at connection point. \$6,930.19

5F – Request for time extension to May 8, 2015. \$0

**Reason for Change Order:**

See above. Additional documentation attached to further substantiate request for cost reimbursement.

CHANGE IN CONTRACT PRICE:

Original Contract Price

\$ 15,478,113.00

Net Increase (Decrease) from previous Change Orders  
No. 1 to 4 :

\$249,004.14

Contract Price prior to this Change Order:

\$15,727,117.14

Net Increase (decrease) of this Change Order:

\$61,479.57

CHANGE IN CONTRACT TIMES:

Original Contract Times:

Substantial Completion: 3/12/2014  
Ready for final payment: 6/16/2014  
(days or dates)

Net change from previous Change Orders  
No. 1 to No. 4:

Substantial Completion: 166 Working Days  
Ready for final payment: 114 Working Days  
(days)

Contract Times prior to this Change Order:

Substantial Completion: 11/17/2014  
Ready for final payment: 11/17/2014  
(days or dates)

Net Increase (decrease) this Change Order:

Substantial Completion: 114 Working Days  
Ready for final payment: 114 Working Days  
(days)



(City of Laredo, Texas)  
(60-Inch Transmission Main)  
(B&V Job No. 164538)





Contract Price with all approved Change Orders:

\$15,788,596.71

Contract Times with all approved Change Orders:

Substantial Completion:	<u>5/6//2015</u>
Ready for final payment:	<u>5/6/2015</u>
	(days or dates)



APPROVED:

By: \_\_\_\_\_  
Tonias M. Rodriguez, Jr., P.E.  
Director of Utilities

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Jesus Olivares  
City Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Raul Casso  
City Attorney

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Gustavo Guenara, Jr.  
City Secretary

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Black & Veatch (Authorized Signature)

Date: 4/8/2015

ACCEPTED:

By: \_\_\_\_\_  
Contractor (Authorized Signature)

Date: 4/8/2015

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Tomas M. Rodriguez, Jr., P.E., Utilities Director

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**SUBJECT**

Authorizing the approval of Amendment No. 4 to Black & Veatch Corporation associated with Civil Engineering Consultants Corporation dba Jeff Puig Engineering in the amount of \$58,500.00 for additional services for construction engineering for the 60-Inch Water Transmission Main Project from El Pico Ranch on Mines Road to IH 35. The revised contract amount is \$1,562,550.00. Funding is available in the 2012 Water Revenue Bond and 2013 Water Revenue Bond.

**PREVIOUS COUNCIL ACTION**

On February 2nd, 2009 City Council authorized a professional services contract in the sum of \$1,225,000 to Black & Veatch Corporation associated with Civil Engineering Consultants Corporation dba Jeff Puig Engineering for the design, bidding, and construction services of the 60-Inch Water Transmission Main. On July 18, 2011 City Council authorized amendment No. 1 for additional design and construction plans and specifications of the Mines Road Tunnel Design, Miscellaneous Survey and Additional Construction Phase Services. On February 6, 2012 City Council approved Amendment No. 2 for additional design and construction plans and specifications for hydropneumatic tanks, 45 MGD pumping capacity, and Construction Phase Services. On June 16, 2014 City Council approved Amendment No. 3 for additional services for construction engineering.

**BACKGROUND**

The Basic Services in this contract are for five phases, namely, Feasibility Study, Preliminary Design, Design Plans and Specifications, Bid Phase Services and Construction Phase Services. The feasibility study phase is to consist of establishing the preferred alignment, evaluate environmental and other factors that shall impact the design, and to select a recommended alignment.

Amendment No. 1 is to provide engineering and surveying services for the Mines Road Tunnel Design, Pressure Reducing Valve design, TxDOT permit, tie-in connection with the existing 16-inch water line along Mines Road, Miscellaneous Survey and Construction Phase Services for the tunnel under Mines Road.

Amendment No. 2 is to prepare design documents for hydropneumatic tanks, 45 mgd pumping capacity as sized in the Hydraulic Analysis Memorandum prepared by Black & Veatch dated September, 2011. Including but not limited to construction documents for

the compressed air system, connection to existing nearby electrical and Supervisory Control and Data Acquisition (SCADA). Surveyor to work with contractor to field verify horizontal and vertical alignment of the pipeline and appurtenances.

Amendment No. 3 is to provide additional services due to time extension for design phase, review construction schedule, monthly pay applications, monthly progress meetings, shop drawings, interpret construction contracts documents and change order review.

This Amendment No. 4 is to provide additional services due to time extension for additional Construction Phase Services

Original Contract Amount \$ 1,225,000.00  
Amendment #1 \$ 43,300.00  
Amendment #2 \$ 114,050.00  
Amendment #3 \$ 121,700.00  
Amendment #4 \$ 58,500.00

Total \$ 1,562,550.00

### **COMMITTEE RECOMMENDATION**

Finance and Operations Committee.

### **STAFF RECOMMENDATION**

Approve Motion

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#### **Fiscal Impact**

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** 2012 Water Revenue Bond  
**Account #:** 557-4194-538-0375  
**Change Order: Exceeds 25% Y/N:**

#### **FINANCIAL IMPACT:**

Funding available in the 2012 Water Revenue Bond and 2013 Water Revenue Bond acct #557-4194-538-0375 (\$17,023) and 557-4195-538-0375 (\$41,477).

**Fiscal Year:** 2015  
**Budgeted Y/N?:** Y  
**Source of Funds:** 2013 Water Revenue Bond  
**Account #:** 557-4195-538-0375  
**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding available in the 2012 Water Revenue Bond and 2013 Water Revenue Bond acct #557-4194-538-0375 (\$17,023) and 557-4195-538-0375 Funding available in the 2012 Water Revenue Bond and 2013 Water Revenue Bond acct #557-4194-538-0375 (\$17,023) and 557-4195-538-0375 (\$41,477). (\$41,477).

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**Attachments**

Amendment 4 for Black and Veatch

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**AMENDMENT NO. 4  
TO  
60-INCH WATER TRANSMISSION MAIN**

**TIME EXTENSION AND ADDITIONAL WORK FOR DESIGN AND  
CONSTRUCTION PHASE SERVICES**

**SCOPE OF SERVICES**

Engineer shall perform project administration and technical services during the design, bid and construction phases of the project. The basic services are outlined in the original contract and previous amendments. The estimate of additional services assumes that the project shall reach Substantial and Final Completion no later than April 30, 2015. The additional services performed by Engineer shall include the following indicated within this amendment:

1. Provide ongoing project support for extended administration during design phase for a period of four (4) additional months. Includes extended engineering analysis, progress meetings, project interactions, billing, and project correspondence.
2. Review and comment on the Contractor's updated construction schedule and advise Owner as to its acceptability through the end of construction.
3. Review and process the Contractor's monthly payment requests, and forward to Owner if deemed appropriate. Engineer's review shall be for the purpose of making a full independent mathematical check of the Contractor's payment request. Owner's Resident Engineer shall be responsible for verifying the quantities of work which are the basis of the payment requests. At least four (4) additional payment applications are anticipated for review, with one (1) being for project closeout and completion.
4. Make monthly visits to the construction site to attend progress meetings, observe progress of the work and consult with Owner and the Contractor concerning problems and/or progress of the work. Assist Owner with SCADA programming and communication systems for integration with the El Pico WTP. Approximately four (4) additional site visits are anticipated, with one (1) being for the final walkthrough.
5. Review drawings and other data submitted by the Contractor as required by the construction contract documents. Engineer's review shall be for general conformity to the construction contract documents and shall not relieve the Contractor of any of his contractual responsibilities.
6. Interpret construction contract documents when requested by Owner or the Contractor and respond to any Requests for Information submitted by the Contractor.

**AMENDMENT NO. 4  
TO  
60-INCH WATER TRANSMISSION MAIN**


**TIME EXTENSION AND ADDITIONAL WORK FOR DESIGN AND  
CONSTRUCTION PHASE SERVICES**

7. Review Contractor's documentation and administer the processing of change orders, including applications for extension of Contract Time. Evaluate the cost and scheduling aspects of all change orders and, where necessary, negotiate with the Contractor to obtain a fair price for the work.

**COMPENSATION**

Amount of Payment: This fee is for services rendered under Amendment No. 4 – Time Extension for Additional Construction Phase Services. Compensation for the following tasks shall be a total lump sum of \$58,500:

Method of Payment: Method of payment shall be in accordance with Attachment B of the Prime Agreement dated March 16, 2009.

 4/8/2015

Joe R. Aillet, P.E.  
Engineer

Date

\_\_\_\_\_  
Tomas M. Rodriguez, Jr., P.E. Date  
Utilities Director

\_\_\_\_\_  
Raul Casso  
City Attorney

Date

\_\_\_\_\_  
Jesus Olivares Date  
City Manager

\_\_\_\_\_  
Gustavo Guevara Date  
City Secretary

**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Raul Casso, City Attorney

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**SUBJECT**

Discussion with possible action for the Mayor to appoint three (3) Council Members to serve on the Board of Directors of the Laredo Development Foundation. Term of service is one (1) year unless otherwise indicated.

**PREVIOUS COUNCIL ACTION**

N/A

**BACKGROUND**

At its last regularly scheduled meeting on April 6, 2015, where a renewed business relationship with the Laredo Development Foundation was entertained, Council made it clear that it wanted representation on the LDF board consisting of three (3) council members. Representatives of the LDF present at the meeting advised that they would have to make appropriate changes to their governing documents.

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Approval of this Staff Report.

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**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Raul Casso, City Attorney

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**SUBJECT**

Discussion with possible action to approve the City Manager's employment contract. At a past City Council Meeting, Council directed staff to prepare an employment contract for the new City Manager to include a salary identical with that of the former City Manager, including appropriate benefits. Yearly salary set at \$249,202.32 including car and phone allowance as part of salary.

**PREVIOUS COUNCIL ACTION**

At a prior meeting, City Manager, Jesus Olivares appointed. Staff directed to set salary to that of the former City Manager including benefits. Yearly salary set at \$249,202.32.

**BACKGROUND**

None

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Approval of this Staff Report.

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**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the City Manager division in General Fund.

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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Raul Casso, City Attorney

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**SUBJECT**

Request for Executive Session pursuant to Texas Government Code Section 551.074 to deliberate the duties and contractual terms of the City Manager and return to open session for possible action regarding the City Manager's employment contract, and any matters related thereto.

**PREVIOUS COUNCIL ACTION**

None

**BACKGROUND**

None

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

City Council directed staff to prepare the City Manager's contract to reflect terms similar to those of the prior City Manager. contract presented accordingly.

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**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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**City Council-Regular**

**Meeting Date:** 04/20/2015

**Initiated By:** Jesus Olivares, City Manager

**Staff Source:** Raul Casso, City Attorney

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**SUBJECT**

Request for Executive Session pursuant to Texas Government Code Section 551.071(1)(a) to consult with attorney on pending litigation: Cause No. 2015CVQ001077-D3; Laredo Merchants Association v. City of Laredo; in the 341st Judicial District Court, Webb County, Texas; and return to open session for possible action.

**VENDOR INFORMATION FOR COMMITTEE AGENDA**

None.

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

City of Laredo was served March 31, 2015 with copy of Citation Plaintiff's Original Petition and Application for Temporary Restraining Order. As yet, the Court has not issued the Temporary Restraining Order to stop Ordinance 2014-O-064 from taking effect on April 30, 2015. A hearing on Plaintiff's TRO was heard on April 10. The Court set hearing on Temporary Injunction April 20, 2015 at 9 a.m.

The ordinance in question, namely, the "plastic bag" ordinance, has a long history. The lawsuit questions the constitutional legality of the ordinance as well as the City's intent vis-à-vis statutory prohibitions against passing such ordinances for solid waste management purposes.

**COMMITTEE RECOMMENDATION**

None.

**STAFF RECOMMENDATION**

None.

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