



CITY OF LAREDO

LAREDO INTERNATIONAL AIRPORT

July 23, 2019

Customer ID#: 87754

Webb County Head Start Program
P.O. Box 2397
Laredo, Texas 78044

Certified Mail Receipt No.
7018 1130 0001 8942 3923

Ref: Annual Consumer Price Index (CPI) Adjustment

This letter is to inform you that in accordance with the Lease agreement the approximate 1.0128 acres tract of land located at 4704 Naranjo Street at the Laredo International Airport is due for an annual rent adjustment according to the Consumer Price Index (CPI) effective August 1, 2019.

The adjustment is calculated as follows:

\$2,566.22	Monthly Rental (08/01/18 to 07/31/19)
X 2.40%	CPI Rate
<u>+ \$61.59</u>	CPI Adjustment
<u>\$2,627.81</u>	Monthly Rental (08/01/19 to 07/31/20)

We look forward to continuing our association with your organization. If you require any additional information please call Dora I. Hernandez at (956) 795-2000 or via email at dhernandez@ci.laredo.tx.us.

Sincerely,

Elsy D. Borgstedte
Assistant Airport Director

CC: File

NOTE: This agreement is subject to Federal Aviation Administration (FAA) and City Council approval, and also constitutes a public document under the Texas Open Records Act, being subject to public inspection at any time hereafter.

STATE OF TEXAS §

COUNTY OF WEBB §

This agreement made and entered into by and between THE CITY OF LAREDO, a municipal corporation (hereinafter called "LESSOR"), and Webb County (hereinafter called "LESSEE").

W I T N E S S E T H

WHEREAS, the LESSOR currently owns and operates the land premises known as the Laredo International Airport (hereinafter called the "Airport"), located in Laredo, Webb County, Texas, and;

WHEREAS, the LESSOR deems it advantageous to itself and to its operation of the Airport area to lease to LESSEE certain rights, privileges and uses herein as necessary to conduct its business as hereinafter set forth;

NOW, THEREFORE, LESSOR and LESSEE for and in consideration of the covenants and mutual agreements hereinafter contained, do hereby covenant and agree as follows:

**ARTICLE I
PREMISES, TERMS, AND PRIVILEGES**

DEFINITIONS:

"Laredo International Airport" or "Airport": That certain area administered by LESSOR pursuant to Indenture from the United States of America to the City of Laredo, dated February 21, 1975, and consisting of all the area bounded by Saunders Avenue to the South, McPherson Avenue to the West, Lake Casa Blanca to the East and undeveloped land to the North, and being more particularly described in that certain Deed of Indenture filed in Volume 478 at page 471 of the Deed of Records of Webb County, Texas.

"LESSOR": The City of Laredo, by and through its duly constituted agent, the Airport Manager, shall be considered the LESSOR for all purposes of this lease.

1.01 LEASED AREA:

The LESSOR does hereby lease a tract of land of approximately 1.0128 acres, located at 4704 Naranjo Street, as described by a metes and bounds description, Laredo, Webb County, Texas situated on property described as Block No. 33, of the subdivision plat of Laredo Airport according to the map or plat thereof recorded in Volume 5, Page 1, plat records of Webb County, Texas. The property on which the building is situated is more particularly described and depicted on "Exhibit A", attached hereto and incorporated herein, all hereinafter referred to as the leased area, all within the Laredo International Airport, and LESSEE hereby leases the said leased area from LESSOR.

1.02 TERM OF LEASEHOLD, OPTION TO RENEW, MANNER OF EXERCISE RIGHT, NOTICE REQUIREMENTS:

A. This lease is to be for a term of five (5) years commencing on August 1, 2012, and ending on July 31, 2017. However, it is agreed by the parties that the lease may be terminated by either party upon giving a one-hundred eighty (180) day written notice from the party terminating to the other.

B. At its sole discretion, the LESSEE shall have the right and option to extend this Lease for an additional term of five (5) years ending on July 31, 2022. The option to extend the term of this Lease must be exercised in writing delivered to and received by the LESSOR at least one hundred eighty (180) days before the end of the previous term.

1.03 RENTAL OBLIGATION:

Subject to annual review for rent escalation pursuant to Section 1.04 herein, LESSEE herein agrees to pay to LESSOR monthly, in advance, the sum of Two Thousand Three Hundred and Fifty Four Dollars Seventeen Cents (\$2,354.17) base rent for each month, during the initial term of this lease and any extension thereto.

Monthly rentals shall be paid in advance on or before the first (1st) day of each month, the first of such monthly rental payments (or proportionate part thereof, should the lease be effective on a day other than the first day of the month) being due on the effective date of this lease.

The basic rent and such additional charges as accrued shall be paid by the first (1st) day of each month without notice, demand, counterclaim, setoff, deduction or defense, and without abatement, suspension, deferment or diminution or reduction by reason thereof, and, except as otherwise provided in this agreement, the obligations and liabilities of the LESSEE shall not be affected by any circumstances or occurrences, including but not limited to:

- (a) Any damages to or destruction of the premises or any part thereof;

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(1.0128 ACRES OF LAND AT 4704 NARANJO STREET)

(b) Any restriction or prevention of or interference with any use of the leased property or any part thereof;

(c) Any claim LESSEE has or might have against LESSOR;

(d) Notice of termination of leasehold, whether by LESSOR or LESSEE.

1.04 RENTAL ESCALATION:

Without waiving other rental escalation provisions in this contract, monthly rentals shall be adjusted annually by an amount which is equivalent to the percent change in the Consumer Price Index (CPI) from the preceding calendar year's average, specifically defined as the Consumer Price Index (U. S. Average, All Urban Consumers, All Items) 1982-84 = 100 Base as compiled by the Bureau of Labor Statistics. This means that at the anniversary date of August 1, 2013, and annually thereafter, the rent will be adjusted according to the percent change in the CPI as of that date from that of the preceding calendar year (January-December).

Example:

1. First Anniversary: $\text{Base rent} \times \text{CPI} = \text{adjustment} + \text{base rent} = \text{rent for second year.}$
2. Second Anniversary: $\text{Second year's rent} \times \text{CPI} = \text{adjustment} + \text{second year's rent}$
= rent for third year... etc., annually until lease expiration or any extension thereto.

1.05 LATE CHARGE:

Should LESSEE fail to pay when due any installment of rental, or any other sum payable to the LESSOR under the terms of this Lease, then interest at the maximum legal rate then payable by LESSEE in the State of Texas shall accrue from and after the date on which any such sum shall be due and payable, and such interest shall be paid by LESSEE to LESSOR at the time of payment of the sum upon which such interest shall have accrued and acceptance of such late payment and late fee shall not be a waiver of any of the provisions or rights provided by this contract.

1.06 UTILITIES:

LESSEE 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 lease, including any connection fees.

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1.07 TAXES:

Upon receipt of written notice of any taxes, impositions, and surcharges upon the premises or proportionate share thereof, LESSEE agrees to pay and discharge promptly, before delinquency, any and all such taxes, impositions and surcharges imposed by taxing agencies against the leasehold premises and any personal property, tools, equipment, furniture, fixtures, and inventory belonging to LESSEE and placed on the premises.

1.08 USE AND USE CONFLICT:

The leased area herein leased is to be used and occupied for the purpose of day care center facilities and related activity and no other use of the leased area are permitted.

Neither the leased premises nor any portion thereof shall be sublet, nor shall this lease or any interest therein be assigned, hypothecated or mortgaged by LESSEE, and any attempted assignment, subletting, hypothecation or mortgaging of this lease shall be of no force or effect, and shall confer no rights upon any assignee, sublessee, mortgagee or pledgee, but shall constitute a material breach of this contract by LESSEE.

In the event that LESSEE shall become incompetent, bankrupt or insolvent, or be dissolved, or should a guardian, trustee or receiver be appointed to administer LESSEE'S business or affairs, neither this lease nor any interest herein shall become an asset of the guardian, trustee or receiver, and this lease shall immediately terminate and end.

1.09 LESSOR'S WARRANTY OF QUIET ENJOYMENT:

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

1.10 WARRANTY TITLE:

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

**ARTICLE II
INDEMNITY, REPAIRS, ALTERATIONS AND INSURANCE**

2.01 INDEMNITY AND NONCLAIM:

LESSEE hereby declares itself fully familiar with the physical condition of the leased premises and declares that said premises were in good condition when possession of same was accepted.

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To the extent permitted by the laws and Constitution of the State of Texas, and specifically Article XI, Section 7 of the Texas Constitution, and with the mutual understanding that LESSEE is a political subdivision of the State of Texas and that an indemnity obligation cannot be paid from current revenues and that no order, resolution, tax nor interest and sinking fund has been set, adopted or established for payment of this indemnity obligation, and without expanding LESSEE'S liability beyond the statutory limits of the Texas Tort Claims Act or under existing law, and furthermore, without waiving LESSEE'S immunity beyond the scope of that allowed by the Texas Tort Claims Act or existing law, shall indemnify and hold harmless LESSOR and LESSOR'S officers, agents, employees, and assigns from all suits, actions, or other claims of any character brought from or on account of injury to a person or property arising from LESSEE'S own acts of negligence in carrying out its obligations under this agreement.

LESSEE for itself, its agents, employees, and servants, successors, and assigns promises to hold harmless and indemnify LESSOR from and against any and all claims by or on behalf of any person, whether legal or equitable, including governmental bodies, arising from the conduct or management of or from any work or thing done and from any conditions of the leased premises or other structures, sidewalks, driveways, or parking areas and facilities on the leased premises or any street, curb, or sidewalk adjoining thereon, and from all costs, attorney's fees, witness fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon; except any and all actions or proceedings arising out of the sole negligence or willful act of LESSOR, its employees, agents, or representatives from which LESSOR shall indemnify and hold LESSEE harmless; and in the event that any action or proceeding brought against the LESSOR by reason of such claim, the LESSEE upon notice from the LESSOR covenants to resist and defend such actions or proceedings.

LESSEE agrees for itself, its agents, servants, employees, and invitees, successors and assigns that it will not bring suit against the LESSOR or assign any cause of action resulting from accident, fire, noise, or disturbance from the operation, maintenance, accident, crash, or crash landing of any airplane in the Laredo International Airport area or in the vicinity of the Laredo International Airport, or during any operation of aircraft over the premises, except any such cause of action arising out of the negligence or willful act of LESSOR, its employees, agents, or representatives.

LESSEE also holds LESSOR blameless for any damage to or destruction of LESSEE'S property located on leased premises, including that caused by natural occurrence, or any other cause whatsoever, unless caused by LESSOR'S employees, agents, or representatives, while said employees, agents or representatives are acting in the course or scope of their duties for the LESSOR.

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2.02 INSURANCE:

(a) Contents: Insurance on the contents of the leased area is the sole responsibility of the LESSEE.

(b) Insurance and limits

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30 day written notice of cancellation, material change, non-renewal is required on all certificates	Bodily Injury and Property Damage Per occurrence - aggregate
Commercial General Liability including:	\$1,000,000 Combined Single Limit
1. Commercial Form	
2. Premises – Operations	
3. Products/ Completed Operations	
4. Contractual Liability	
5. Broad Form Property Damage	
6. Independent Contractors	
Business Auto Liability - owned, non-owned or rented to include	\$1,000,000 Combined single Limit
Worker's Compensation Employers' Liability	Which Complies with the Texas Workers' Compensation Act and Section II of this Exhibit \$500,000/ \$500,000/ \$500,000
Property Insurance	Concessionaire will be responsible for any and all damage to equipment used regardless if owned, rented, leased or borrowed.

(c.) The City shall be named as an additional insured with a waiver of subrogation on all lines of coverage in favor of the certificate holder.

ARTICLE III
DEFAULT, HOLDING OVER AND ABANDONMENT

3.01 LESSEE'S DEFAULT:

It is covenanted and agreed to by both parties that in the event that:

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(1) LESSEE should fail to timely pay the full amount of rent and fees provided for herein; or

(2) LESSEE defaults in the performance of any of the covenants, conditions, or agreements provided for herein to be kept and performed by LESSEE, including, but not limited to the provisions for carrying Public Liability Insurance; or

(3) LESSEE permits the leased premises to be used for any unauthorized or unlawful business or purpose; or

(4) LESSEE assigns or subleases or otherwise transfers this lease; or

(5) LESSEE files a voluntary petition of bankruptcy to make a general assignment for the benefit of creditors; or

(6) LESSEE abandons the premises or leaves the premises vacant or unoccupied for thirty (30) consecutive days;

Then, and in any event, the LESSOR may, at its option and without waiving any other rights that LESSOR has under this contract, at any time after such default, give notice of this specific default or failure of performance and demand immediate correction of such default or failure of performance by the LESSEE. In the event that LESSEE fails to remedy the default or to correct the failure of performance within thirty (30) days after service of such written notice, the LESSOR shall have the right to:

(a) Terminate the lease and re-enter the leased premises and remove all persons and any and all personal property therefrom and LESSEE hereby agrees to surrender the premises to LESSOR, without waiving LESSOR'S right to past and future rents due hereunder. In such event, LESSOR may re-let the premises to other LESSEES for the remainder of the term of this lease, and LESSEE shall be liable for any loss to LESSOR incurred in such re-letting for the terms of this lease, including but not limited to, rent, attorney's fees, if any; and/or

(b) Remedy the default and deduct the expenses incurred in remedying such default from the security deposit held by LESSOR pursuant to the terms of this lease.

Notwithstanding any provision as to notice in this lease contained, if in the LESSOR'S reasonable judgment the continuation of any default by the LESSEE for the full period of the notice otherwise provided for herein will Jeopardize the leased area or the rights of LESSOR, the LESSOR may, without notice, elect to perform those acts in respect to which LESSEE is in default, at LESSEE'S sole cost and expense, and LESSEE shall thereupon reimburse the LESSOR within ten (10) days of written request by LESSOR to LESSEE for such reimbursement. Failure of the LESSEE to reimburse in

these circumstances shall mean that the LESSOR has the immediate right to terminate this lease.

3.02 RIGHTS ON DEFAULT:

LESSOR shall have a statutory LESSOR'S lien on all merchandise, goods, chattels, implements, fixtures, tools, furniture, machinery and any other personal property which LESSEE 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 LESSEE.

LESSOR IS HEREBY GRANTED AN EXPRESS CONTRACTUAL LESSOR'S LIEN ON THE ABOVE GOODS, ALL OR ANY EXEMPTION BEING HEREBY WAIVED BY LESSEE, BUT WITHOUT LIMITING LESSEE'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 LESSOR, at its option, to take whatever lawful action reasonably necessary to protect LESSOR'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 public or private auction for rent due, without waiving LESSOR'S right to the total rent due.

3.03 ATTORNEY'S FEES:

In case LESSEE defaults in the performance of any of the terms, covenants, agreements or conditions contained in this lease and LESSOR places the enforcement of the terms of this lease, or any part thereof, or the collection of any rent due, or to become due hereunder, or recovery or possession of leased premises, in the hands of an attorney, or files suit upon same, LESSEE agrees to pay LESSOR reasonable attorney's fees and payment of same shall be secured in a like manner as herein provided as to lien for rent.

3.04 HOLDING OVER:

Staying over past the term of this lease will constitute the LESSEE, upon acceptance of rental payment by LESSOR, a month-to-month tenant, at a revised rental rate of one and one half (1.5) times the rate prior to holding over. All CPI rental adjustments occurring during such hold over tenancy shall be in effect based on the revised rental rate.

3.05 ABANDONMENT:

If the leased area is abandoned or vacated by LESSEE, for a period exceeding thirty (30) calendar days, LESSOR shall advertise and re-let the premises for the remainder of the term of this lease. Notwithstanding any other provision herein, if rent

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received including charges, does not equal rent and charges agreed to herein by LESSEE, LESSEE shall remain liable and herein agrees to pay and satisfy all deficiencies and all reasonable expenses incurred in reletting and repair of any damages.

3.06 LESSOR'S REPRESENTATION AND WAIVER:

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

The waiver by LESSOR to LESSEE of performance of any provision of this agreement shall not amount to a future waiver of strict performance of such provision or any other provision of this agreement. Any waiver of this lease agreement shall be in writing and approved by the LESSOR.

3.07 ANTI-DISCRIMINATION CLAUSES MANDATED BY FEDERAL GOVERNMENT:

(a) TITLE VI OF THE CIVIL RIGHTS ACT OF 1964: The LESSEE for itself, its agents, servants, employees, successors and assigns, as a part of the consideration hereof, does hereby covenant and agrees to a covenant running with the land that:

1. No person on the grounds of race, color or national origin shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

2. That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination;

3. That the LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended;

4. That in the event of breach of any of the preceding non-discrimination covenants, LESSOR shall have the right to take such action, anything to the contrary herein notwithstanding as the United States may direct to enforce this nondiscrimination covenant.

(b) That the LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) That in the event of breach of any of the preceding nondiscrimination covenants, City of Laredo shall have the right to terminate the license, lease, permit, etc., and hold the same as if said lease had never been made and issued.

**ARTICLE IV
MISCELLANEOUS**

4.01 NON-EXCLUSIVE USE:

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

4.02 TRAILERS, ABANDONED VEHICLES EXPRESSLY PROHIBITED:

Towed vehicles, or motor vehicles not currently licensed and actively used are not to be permitted onto the premises or any common parking area within the Laredo International Airport. Under this provision, vehicles, RV trailers, travel homes, and mobile homes, wrecked or abandoned vehicles, must be removed at LESSEE'S expense, and failure to do so will constitute a breach of this lease.

4.03 CAPTIONS:

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

4.04 CONSTRUED PURSUANT TO TEXAS LAW:

This agreement shall be construed under and in accordance with the laws of the State of Texas, and performed in Webb County, Texas.

4.05 RE-ENTRY:

No re-entry, repossession, operations, or reletting of the premises or of fixtures and equipment shall be construed as an election by LESSOR to terminate this lease unless a written notice of such intention to terminate is given by LESSOR to LESSEE and notwithstanding any such operation or reletting without terminating this lease, LESSOR may at any time thereafter elect to terminate this lease.

4.06 BINDING AGREEMENT:

Subject to the provisions herein, all agreements, terms, obligations, covenants, and conditions of this lease shall be binding upon and inure to the benefit of the parties hereto and their respective employees, agents, servants, legal representatives, successors, and assigns unless otherwise prohibited or otherwise noted in this instrument.

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4.07 NOTICES:

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

Webb County
P. O. Box 2397
Laredo, Texas 78044

and to LESSOR: Office of the Airport Manager
Laredo International Airport
5210 Bob Bullock Loop
Laredo, TX 78041

4.08 COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS:

Further, LESSEE will keep and maintain the leased area in a clean and healthful condition and comply with the laws, ordinances, orders, rules and regulations (State, Federal, Municipal and other agencies or bodies having any jurisdiction hereof) with reference to use, conditions, or occupancy of the leased area.

4.09 OUTSIDE STORAGE PROHIBITED:

Storage of vehicles, equipment, supplies, or any other items outside of the leased building(s) is prohibited, unless the storage area is fenced and approved by the LESSOR.

4.10 FIRE CLAUSE:

Should the leased area be destroyed by fire or casualty to the extent that it is no longer reasonably appropriate for LESSEE'S use and occupancy of said premises, LESSEE shall have the option of cancelling this lease upon written notice to LESSOR within thirty (30) days of the date the premises are rendered untenable or restoring said leased area in a reasonable, sufficient, and timely manner at LESSEE'S sole cost and expense, in which case this lease shall continue in accordance with all of its terms and conditions. Failure of LESSEE to give notice of cancellation within said thirty (30) day period shall mean that the LESSEE exercises its option to continue the lease in force and effect. Rental during the period that the premises are being restored hereunder shall be abated.

4.11 PREMISES:

In addition to LESSEE'S obligations to maintain the leased area herein leased, LESSEE agrees to maintain in a safe, clean, well-kept and orderly condition the premises surrounding said leased area, as shown on the attached exhibit to include the right-of-way areas up to the street curb. It is agreed in this connection that the LESSEE shall keep said premises free from litter or other unsightly trash, or refuse, will keep the grass cut, the weeds controlled, will water the lawn and trees when needed and will maintain the outside of the leased area and premises in a neat and orderly fashion.

LESSOR reserves the right to maintain or have maintained the grounds associated with the lease agreement for environmental and/or public health reasons. LESSEE agrees to promptly reimburse the Airport for all expenses incurred in the maintenance of the grounds, within ten (10) days of receipt of statement. Failure to do so will constitute breach of contract and LESSEE will be in default of the lease agreement.

4.12 GARBAGE STORAGE AND DISPOSAL:

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

4.13 SUBORDINATION OF LEASE:

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

It is expressly understood and agreed that this lease is subject to and subordinate to and controlled by provisions, stipulations, covenants and agreements contained in those certain contracts, agreements, resolutions and actions of the City of Laredo, Texas, constituting agreements between the City and United States of America and its agents including but not limited, to the Federal Aviation Administration (FAA) and all regulations now and hereafter imposed upon the City and that the LESSOR shall not be liable to LESSEE on account of any of the foregoing matters and all of such contracts, agreements, resolutions and regulations are incorporated herein by reference, and if any provision of this lease is determined to be a variance with same, such provision is unilaterally reformable at LESSOR'S option.

The parties agree that as of the date of execution of this contract there exists no provisions, stipulations, covenants, or agreements which would prohibit LESSEE from

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using the leased premises for the purpose set forth in Paragraph 1.08; titled "Use and Use Conflict" in this agreement.

4.14 NATIONAL EMERGENCY:

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

4.15 AIRPORT HAZARD:

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

4.16 NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION:

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

4.17 AERIAL APPROACHES:

LESSOR reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of the LESSOR, would limit the usefulness of the Airport or constitute a hazard to aircraft.

4.18 TIME OF ESSENCE:

Time is of the essence in this agreement.

4.19 PROVISIONS:

Any provision in this Lease which proves to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and the remainder of this Lease shall remain in full force and effect.

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4.20 LEASED AREA LEASED "AS IS":

Leased area is leased AS IS and there is no expressed or implied warranty on the condition or suitability of the land.

4.21 SURRENDER:

Under termination of this Lease, either by lapse of time or otherwise, LESSEE shall peaceably surrender the leased area in good condition and repair, except for ordinary wear and tear, damage by act of God or other casualty beyond LESSEE'S control, or by fire or other casualty covered by Standard extended coverage insurance. LESSEE shall remove LESSEE'S trade fixtures upon such termination and repair all damages to the leased area caused by such removal. Any landscaping shall become the property of LESSOR upon termination of this lease.

4.22 AGREEMENT:

This Agreement consists of Article I through IV, Exhibit A-1 and Exhibit A-2. It constitutes the entire Agreement of the parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by the LESSOR and LESSEE. LESSEE agrees that no representations or grant of rights or privileges shall be binding upon the LESSOR unless expressed in writing in this Agreement.

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(1.0128 ACRES OF LAND AT 4704 NARANJO STREET)

EXECUTED ON THIS 4th DAY OF September, 2012.

CITY OF LAREDO
a municipal corporation

BY: [Signature]
CARLOS R. VILLARREAL
CITY MANAGER

ATTEST:

[Signature]
GUSTAVO GUEVARA, JR.
CITY SECRETARY

APPROVED AS TO FORM:
RAUL CASSO
CITY ATTORNEY

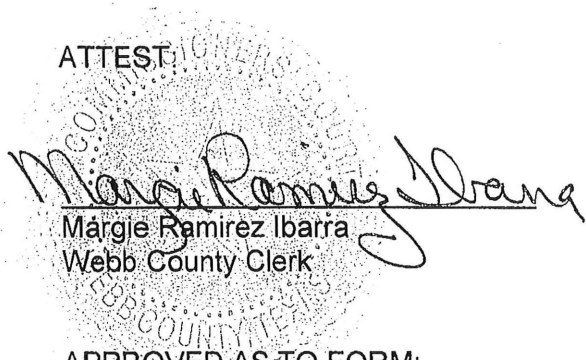
BY: [Signature]
DOANH "ZONE" T. NGUYEN
ASSISTANT CITY ATTORNEY



LESSEE: WEBB COUNTY

BY: [Signature]
DANNY VALDEZ
WEBB COUNTY JUDGE

ATTEST

A circular seal for Webb County, Texas, is partially visible in the background. It contains the text "WEBB COUNTY TEXAS" around the perimeter and "COMMISSIONERS" at the top. Overlaid on the seal is a handwritten signature in cursive that reads "Marge Ramirez Ibarra".
Marge Ramirez Ibarra
Marge Ramirez Ibarra
Webb County Clerk

APPROVED AS TO FORM:

CLC FOR

Anna Laura Cavazos Ramirez
Webb County Attorney

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