

NOTE: This agreement is subject to 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 FREIGHTSOL LLC.(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 "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 Director, shall be considered the LESSOR for all purposes of this lease.

"PREMISES": Includes the property and building subject to the lease.

“STRUCTURE” or “STRUCTURAL”: Includes, but is not limited to, the foundation, load bearing walls, joists, rafters, load bearing surfaces, water pipes, drainage pipes, and air conditioning ducts.

1.01 **LEASED AREA:**

The LESSOR does hereby lease approximately 157.36 square feet of office space, Suite #130 in Federal Inspection Station (FIS) building located at 4719 Maher Avenue, Laredo, Webb County, Texas situated on property described as Block No. 1 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:**

This lease is to be for a term of three (3) years commencing on June 1st, 2024 and ending on May 31st, 2027. Either party may terminate the contract at any time during its term without cause by giving not less than ninety (90) calendar days' prior written notice, to the other party, of the intention to terminate the contract and the specific termination date.

1.03 **OPTION TO EXTEND:**

LESSEE is hereby granted an option to extend this lease for one (3) year term until May 31st, 2030, with the option to be exercised by letter in writing delivered to and received by the LESSOR at its Airport Director's Office, at least ninety (90) days before the end of the previous term.

1.04 **RENTAL OBLIGATION:**

Subject to annual review for rent escalation pursuant to Section 1.05 herein, LESSEE herein agrees to pay to LESSOR monthly, in advance, the sum of Eight Hundred Dollars (\$800.00) 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;
- (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.

1.05 **RENTAL ESCALATION:**

Without waiving other rental escalation provisions in this contract, monthly rentals shall be adjusted annually during the primary and extension periods 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, 2025, and annually thereafter, the rent will be adjusted according to the percent change in the CPI as 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: $\text{Second year's rent} \times \text{CPI} = \text{adjustment} + \text{second year's rent} = \text{rent for third year...etc., annually until lease expiration or any extension thereto.}$

1.07 **UTILITIES:**

LESSOR 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.

1.08 **TAXES:**

LESSEE agrees to pay and discharge promptly, before delinquency, any and all taxes, impositions and government charges of any kind whatsoever that may be lawfully assessed against the LESSEE or the LESSOR, with respect to the leased premises or any improvement, personal property, tools, equipment, furniture, fixtures or inventory thereon, during the term of this Lease including any extensions or option periods granted thereto and LESSEE agrees to pay for all the costs and expenses of contesting any such taxes.

The LESSEE in good faith may contest any tax or governmental charge by means provided by law; provided that the LESSEE may not permit such tax or governmental charge to remain unpaid during the period of such contest and any appeal therefrom unless, in the opinion of counsel satisfactory to LESSOR, such action will not adversely affect any right or interest of the LESSOR.

1.09 **USE AND USE CONFLICT:**

The leased area is to be used and occupied solely for the purpose of aviation related services, office work pertaining to aviation, and no other use of the leased area is 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.

1.10 **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.

1.11 **NET LEASE:**

Notwithstanding any expenditures related to the acts or omissions of LESSOR, or LESSOR'S agents, employees, licensees, contractors, or invitees, LESSOR shall not be required to make any expenditures of any kind in connection with this Lease or to make any repairs or improvements to the Premises. The parties agree that this is a net Lease intended to assure LESSOR the rent served on an absolute net basis. In addition to the rent served above, LESSEE shall pay to the parties entitled thereto all taxes, assessments, insurance premiums, maintenance charges, and any other charges, costs and expenses against the Premises which may be contemplated under any provisions of this Lease.

1.12 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.

1.13 WARRANTY OF TITLE:

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

ARTICLE II

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 the improvements, fixtures and equipment leased herein, and declares that said premises were in good condition when possession of same was accepted and that there were no latent defects in the facilities as those facilities are deemed vital to the use of the premises for their intended commercial purpose.

LESSEE for itself, its agents, employees, 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 buildings 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, 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.

2.02 LESSEE'S DUTY TO REPAIR:

LESSEE shall, throughout the term of this lease, take good care of the leased area and the fixtures and appurtenances therein and at its sole cost and expense make all repairs, whereby structural or non-structural, thereto as and when needed to preserve them in good working order and condition. In this regard, LESSEE is responsible for the maintenance and repair at LESSEE'S sole cost and expense of all windows and doors of established leasehold, light fixtures, plumbing fixtures, , painting of interior and exterior walls when needed, floor covering and other non-structural repairs. As well as structural repairs including the floors, ceiling and interior walls. Necessary modifications to the demised premises to comply with the Americans with Disabilities Act will be the responsibility of the LESSEE.

Damage or injury to the premises, fixtures, appurtenances whether requiring structural or non-structural repairs, caused by or resulting from carelessness, omission, neglect or improper conduct of LESSEE, its servants, employees, or licensees, shall be repaired promptly by LESSEE at LESSEE'S sole cost and expense, to the satisfaction of LESSOR.

2.03 ALTERATIONS:

LESSEE is granted the right to make alterations to the leased area other than structural alterations or repairs at LESSEE'S sole cost and expense subject to the following terms and conditions.

(a) LESSEE must first obtain the written consent of LESSOR. LESSOR reserves the right to reject any proposed extension, repair or alteration, any particular contractor or each and every subcontractor, or the complete project.

(b) Ultimate title to an alteration properly consented to by LESSOR will rest with LESSOR immediately upon completion and will remain in LESSOR'S possession at termination of LESSEE'S tenancy.

(c) Trade fixtures, movable furniture, and other service equipment of LESSEE peculiar to LESSEE'S business are not to be included in alterations, and must be removed by LESSEE, upon termination of lease, provided LESSEE is not in default of lease obligations.

LESSOR reserves the right to demand that LESSEE restore the premises to reasonably the same condition and state as the premises were found prior to making such alterations, in a manner acceptable to LESSOR, and to demand that LESSEE pay all costs of such restoration upon termination of lease.

LESSEE further agrees that any damages as may be caused by the installation or removal of trade fixtures discussed in condition (c), will bind LESSEE to repair said damage expeditiously at LESSEE'S sole expense upon written notice by LESSOR.

LESSOR maintains and reserves the right to make alterations and remodeling changes, provided said work does not unduly or unreasonably interfere with LESSEE'S day-to-day operations and business.

2.04 **INSURANCE:**

LESSEE shall furnish the City with original copies of valid insurance policies herein required upon execution of the contract and shall maintain said policies in full force and effect at all times during the term of this contract.

1. 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, Coverage must be amended to provide for an each-project aggregate limit of insurance. An alternative would be to have separate limits for all lines of General Liability coverage for each project.
2. Commercial Automobile Liability 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.

3. Any Subcontractor(s) hired by the Lessee shall maintain insurance coverage equal to that required of the Lessee. It is the responsibility of the Lessee to assure compliance with this provision. The City of Laredo accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.
4. A Comprehensive General Liability insurance form may be used in lieu of a Commercial General Liability insurance form. In this event, coverage must be written on an occurrence basis, at limits of \$1,000,000 each-occurrence, combined single limit, and coverage must include a broad form Comprehensive General Liability Endorsement.
5. With reference to the foregoing insurance requirement, Contractor shall specifically endorse applicable insurance policies as follows:
 - a. The City of Laredo shall be named as an additional insured with respect to General Liability and Automobile Liability.
 - b. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions.
 - c. A waiver of subrogation in favor of the City of Laredo shall be contained in the Workers compensation, and all liability policies.
 - d. 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.
 - e. All insurance policies shall be endorsed to the effect that The City of Laredo will receive at least sixty- (60) days' notice prior to cancellation or non-renewal of the insurance.
 - f. 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.
 - g. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
 - h. Contractor may maintain reasonable and customary deductibles, subject to approval by The City of Laredo.
 - i. Insurance must be purchased from insurers that are financially acceptable to the City of Laredo. Insurer must be rated A- or greater by

AM Best Rating with an admitted carrier licensed by the Texas Department of Insurance.

6. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing and warranting the following:
 - a. Sets forth all endorsements and insurance coverage's according to requirements and instructions contained herein.
 - b. Shall specifically set forth the notice-of-cancellation or termination provisions to The City of Laredo.
7. Upon request, Contractor shall furnish The City of Laredo with certified copies of all insurance policies.
8. LESSOR 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 reasonably necessary by LESSOR and consistent with the terms and conditions of this Lease, provided, however, that the LESSOR may only exercise its right under the foregoing upon six (6) months' notice to LESSEE and any such change must be in line with requirements at comparable facilities at comparable airports and, in any event, not more burdensome than applicable to comparable tenants at the Airport.

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:

- (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 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 prospective 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 lien 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 due.

3.04 HOLDING OVER:

Staying over past the term of this lease will constitute the LESSEE, as a month-to-month tenant. The rental rate and CPI rental adjustments shall remain occurring until a new rental agreement is established. All other terms and conditions set forth in this agreement shall remain until a new rental agreement is executed.

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 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 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 subjected 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 nondiscrimination 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, the LESSOR 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 **NON-EXCLUSIVE USE OF PARKING AREA:**

LESSEE, its employees, agents, clients, and guests shall have reasonable use of designated parking areas immediately adjacent to the leased premises and within the Laredo International Airport, subject to the rights of LESSOR to change such designation and to impose reasonable rules and regulations for such areas.

4.07 **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.

4.08 **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:

Freightsol LLC.
12115 Doc Adams
Laredo, TX 78045
Attn: Robert G. Garza

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

4.09 **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.

4.10 **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.

4.11 **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.

4.12 **AREA SURROUNDING BUILDING:**

In addition to LESSEE'S obligations to maintain the building herein leased, LESSEE agrees to maintain in a safe, clean, well-kept and orderly condition the immediate area surrounding said building to include the right-of-way areas up to the street curb. It is agreed in this connection that the LESSEE shall keep said area 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 building and said area in a neat and orderly fashion.

LESSOR reserves the right to maintain or have maintained the building(s) and/or grounds associated with the lease agreement for environmental and/or public health reasons. LESSEE agrees to promptly reimburse LESSOR for all expenses incurred in the maintenance of building(s) and/or 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.

4.13 **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.

4.14 **IMPROVEMENTS VESTED IN LESSOR:**

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

4.15 **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 using the leased premises for the purpose set forth in Paragraph 1.08, entitled "Use and Use Conflict" in this agreement.

4.16 **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 or 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.

4.17 **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.

4.18 **NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION:**

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

4.19 **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.

4.20 **SUBSTANTIAL IMPROVEMENTS OR DEMOLITION BY LESSOR:**

If LESSOR contemplates making substantial improvements or demolishing the demised premises LESSOR retains the right to exercise its sole discretion in this regard. If LESSOR makes substantial improvements to the demised premises, LESSEE has the option to terminate the lease agreement by giving the required notice or continuing with the lease agreement provided that the rent obligation shall be amended to what the fair market appraised rental is determined to be by LESSOR'S appraiser after improvements to the demised premises are partially or fully complete. Building is leased as is and there is no expressed or implied warranty on the condition or suitability of the building.

If LESSOR demolishes building, this contract will be void and no further obligation will exist between LESSEE and LESSOR.

4.21 **TIME OF ESSENCE:**

Time is of the essence in this agreement.

4.22 **PREMISES LEASED "AS IS":**

Premises are leased **AS IS** and there is no expressed or implied warranty on the condition or suitability of the building.

4.23 **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.

4.24 **AIRPORT SECURITY**

LESSEE covenants and agrees that it will at all times maintain the integrity of the Airport Security Plan and TSR Part 1542, as amended from time to time. Should LESSEE, through a negligent act of its own, allow access to the Security Identification Display Area to an unauthorized person or persons, and LESSOR should be cited a civil penalty for LESSEE'S breach of security, LESSEE agrees to reimburse LESSOR for any monetary civil penalty which may be imposed upon LESSOR by the Transportation Security Administration.

4.25 **AGREEMENT:**

This Agreement consists of Article I through IV and Exhibit A. It constitutes the entire Agreement of the parties on the subject matter hereof and may not be changed,

modified, discharged, or extended except by written instrument duly executed by the LESSOR and LESSEE. LESSEE agrees that no representations or grant of rights or privileges shall be binding upon the LESSOR unless expressed in writing in this Agreement.

EXECUTED ON THIS ____ DAY OF _____, 2024.

CITY OF LAREDO
a municipal corporation

By: _____
JOSEPH NEEB
CITY MANAGER

ATTEST:

MARIO MALDONADO, JR
CITY SECRETARY

APPROVED AS TO FORM:

BY: _____
DOANH "ZONE" T. NGUYEN
CITY ATTORNEY

FREIGHTSOL, LLC.

BY: _____
ROBERT G. GARZA
PRESIDENT & CEO