

AN ORDINANCE 2006 - 0 1 - 2 6 - 0 1 2 7

AUTHORIZING THE EXECUTION OF A JOINT USE AGREEMENT BETWEEN SAN ANTONIO WATER SYSTEM ("SAWS") AND THE CITY OF SAN ANTONIO OF 5.23 ACRES LOCATED AT STINSON MUNICIPAL AIRPORT FOR THE PURPOSE OF ALLOWING SAWS TO CONSTRUCT, OPERATE, AND MAINTAIN THE SIX MILE CREEK SEWER LINE, AS WELL AS THE GROUT AND ABANDON-IN-PLACE, SAWS' EXISTING SANITARY SEWER LINE WHICH CURRENTLY TRAVERSES THE STINSON MUNICIPAL AIRPORT AIRFIELD.

WHEREAS, SAWS has proposed to construct a portion of the Six Mile Creek Sewer Replacement Project within the property of Stinson Municipal Airport, and has submitted plans to the City to, grout and abandon-in-place SAWS' existing sanitary sewer line, which currently traverses Stinson's airfield, to construct, operate and maintain a portion of the Six Mile Creek Sewer Line along the western boundary of the Airport Property; and

WHEREAS, the City has approved the submitted plans for the Six Mile Creek Sewer Replacement Project, SAWS Job No. 02-4504 prepared by CDS/Muery Services dated July 2005 and, the approved plans do not conflict with or interfere with the Airport's current use of the Property; and

WHEREAS, the City and SAWS desire to enter into an agreement for joint-use of the Property for the purpose of allowing SAWS to construct, maintain, inspect, operate, remove, rehabilitate, add, replace and repair the Six Mile Creek Sewer Line, and grout and abandon SAWS' existing sanitary sewer line; and

WHEREAS, SAWS has agreed, by and through its Board, to pay a one time Privilege Fee in the amount of ONE HUNDRED SEVEN THOUSAND AND 00/100 DOLLARS (\$107,000.00) at the signing of this document; and

WHEREAS, such fee is reasonable consideration for the non-exclusive privileges, uses and rights granted in the Joint Use Agreement and is based on the fair market commercial ground use value of the Property; and

WHEREAS, it is necessary to authorize the execution of the attached Joint Use Agreement for use of the property in the manner described therein; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is authorized to execute the Joint Use Agreement with the San Antonio Water System, which is attached hereto as Attachment 1 for use of the property described therein at Stinson Municipal Airport.

SECTION 2. The one time privilege fee of \$107,000.00 is to be deposited in Fund 51001000, "Airport Operations," Internal Order 233000000014, "Stinson Municipal Airport", General Ledger 4405415, "Stinson Ground Rental Non-Aviation", when received from the San Antonio Water System.

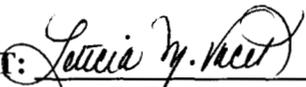
SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall be effective on and after the tenth (10th) day after passage.

PASSED AND APPROVED this 26th day of January, 2006.



M A Y O R
PHIL HARDBERGER

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney

Exhibit 1

JOINT USE AGREEMENT

This Agreement is entered into on this the ____ day of December, 2005, between the City of San Antonio (the "City") and the San Antonio Water System, ("SAWS") an agency of the City of San Antonio responsible for, among other things, the replacement, construction, operation and maintenance of the SIX MILE CREEK Sewer Line.

WHEREAS, the City owns the following described real property which comprises part of the Stinson Municipal Airport, ("Airport") and which is managed by the City's Aviation Department, to wit:

5.230 acres (227,823 sq. ft.) tract of land in the Manuel Leal Survey No. 30, New City Block 7464, and being a portion of those tracts of land conveyed to the City of San Antonio by deeds of record in Volume 145, Page 278 and Volume 154, Page 25 of the Deed Records of Bexar County, Texas, part of which has been platted as NCB 7646, Lot 2, Block 3, Stinson Municipal Airport Unit 2, a plat of record Volume 9554, Page 26 of the Plat Records of Bexar County, Texas, being more particularly described on **Exhibit "A"**. ("Property")

WHEREAS, SAWS has proposed construction of a portion of the Six Mile Creek Sewer Replacement Project within the Property, and has submitted plans to the City to excavate within, construct, maintain, inspect, operate, remove, rehabilitate, add, replace and repair the Six Mile Creek Sewer Line below the surface of said Property as illustrated in **Exhibit "B"**.

WHEREAS, the City has approved the submitted plans for the Six Mile Creek Sewer Replacement Project, SAWS Job No. 02-4504 prepared by CDS/Muery Services dated July 2005 (the "Approved Plans") and, the Approved Plans do not conflict with or interfere with the Airport's current use of the Property; and

WHEREAS, SAWS has also proposed grouting and abandoning in place, in accordance with the requirements of Texas Commission on Environmental Quality ("TCEQ"), its existing sanitary sewer line which currently traverses the Airport Property and one of the Airport's runways and is located as indicated on the attached **Exhibit "C"**.

WHEREAS, the City and SAWS desire to enter into an agreement for joint-use the Property for the purpose of allowing SAWS to construct, maintain, inspect, operate, remove, rehabilitate, add, replace and repair the Six Mile Creek Sewer Line, as well as the grout and abandon, in accordance with the requirements of Texas Commission on Environmental Quality ("TCEQ"), SAWS' existing sanitary sewer line; and,

WHEREAS, The proposed Six Mile Creek Sewer Line will run along the western boundary of two City-owned, Airport-controlled, properties one of which is platted and one of which is not. The platted property is currently encumbered by a Blanket Airport Utility Easement, which is noted on Plat No. 0101781, Stinson Municipal Airport Unit 2, Volume 9554, Page 26 of the Plat Records of Bexar County, Texas ("Blanket Easement") and the note on the Plat ("Plat Note") reads as follows:

THE CITY OF SAN ANTONIO DEPARTMENT OF AVIATION HEREBY DEDICATES TO THE SAN ANTONIO WATER SYSTEM, CITY PUBLIC SERVICE, SOUTHWESTERN BELL, TIME WARNER CABLE, AND OTHER FRANCHISED UTILITIES A BLANKET EASEMENT TO HAVE THEIR FACILITIES ON THE AIRPORT PROPERTY IN THEIR CURRENT LOCATIONS OR AT OTHER LOCATIONS APPROVED BY THE DEPARTMENT OF AVIATION. IF THE DEPARTMENT OF AVIATION OR ONE OF ITS TENANTS NEEDS TO HAVE ANY OF THESE FACILITIES RELOCATED, THE COST OF SUCH RELOCATIONS SHALL BE BORNE BY THE DEPARTMENT OF AVIATION OR THE TENANT REQUIRING RELOCATION. IF ANY UTILITY WANTS TO INSTALL, REPLACE UPGRADE OR OTHERWISE MODIFY ITS CURRENT FACILITIES ON THE AIRPORT PROPERTY THE COST FOR THIS WORK SHALL BE BORNE BY THE UTILITY DESIRING SUCH IMPROVEMENTS.

WHEREAS, the Director of the Aviation Department has determined that:

1. the proposed joint use of the Property by SAWS, in accordance with the Approved Plans and the terms and provisions of this Agreement, will not adversely impact Stinson Municipal Airport, nor will it preclude the Airport's future use of the Property for Aviation purposes, as provided in this Agreement; and

2. the land to be used for the Six Mile Creek Sewer Replacement Project would produce no more than minimal rent for Airport; and

3. a one time Privilege Fee in the amount of ONE HUNDRED SEVEN THOUSAND AND 00/100 DOLLARS (\$107,000.00) ("Fee"), payable by SAWS to the City, at the signing of this document, is reasonable consideration for the non-exclusive privileges, uses and rights granted herein, and that such Fee is based on the fair market commercial ground use value of the Property. Except for the Fee, which has been approved by SAWS Board of Trustees, all of SAWS payment obligations under this Agreement are subject to the appropriation of funds therefor by the SAWS Board of Trustees; and

4. SAWS non-exclusive use in response to community needs is appropriate, and City has retained all current and future rights to use the Property for Aviation uses in accordance with this Agreement; and

5. SAWS has designed the Six Mile Creek Sewer Replacement Project to minimize the impact on the Stinson Field Airport Property, and by abandoning the existing aging sewer line transecting the Airport, and replacing said aging sewer line with a new line along the perimeter of the Airport Property the risk of line failure in a critical area will be minimized; **NOW THEREFORE,**

ARTICLE I.

1.0 In consideration of the mutual promises and covenants herein and the payment of the Fee Aviation hereby grants to SAWS the general, non-exclusive privileges, uses and rights in connection with the Property, subject to the terms, conditions and covenants herein set forth. SAWS acknowledges that Aviation may only provide access to and use of Aviation's property in the manner and to the extent that it is granted herein. SAWS shall be required to acquire any additional rights outside of this Agreement. The Fee constitutes full and final payment for SAWS use of the Property as permitted herein.

1.1 Aviation acknowledges and agrees that SAWS would not undertake the relocation of the existing line if SAWS did not believe that the lines would be able to remain in the location shown on the Approved Plans for the useful life of the lines. Accordingly the parties have agreed that, the rights created under this Agreement are, except as specifically limited herein, perpetual and continue until they are expressly released, abandoned or terminated in writing in accordance with the terms of this Agreement.

ARTICLE II.

2.1 Upon execution of this Agreement by both Parties, SAWS shall have the following joint-use rights with regard to the Property and no others:

ARTICLE III.

3.0 SAWS shall have the following obligations in connection with the Property:

3.0.1 SAWS shall, at its sole cost and expense, obtain any required permits prior to construction and within applicable time limits for any improvements made by SAWS to the Property. SAWS agrees that additional improvements not included in the Approved Plans shall not be made without the express prior written approval of the Airport Director, which shall not be unreasonably withheld, conditioned or delayed.

3.0.2 SAWS shall make reasonable efforts to avoid damage to or interference with the Airport's use of its right of ways. SAWS shall maintain any improvements made by SAWS on the Property in a good state of repair, excepting ordinary wear and tear and obsolescence in spite of repair, and SAWS shall repair any damage to the paving or other improved surfaces on the Property caused by SAWS in connection with construction of the Project. In addition, SAWS shall promptly backfill and compact any trenches made by it, on the Property, and repair any damage it does to Property or the roads. On completion of construction and installation, SAWS shall generally restore the Property to the condition they were in prior to construction of this Project.

3.0.3 SAWS shall be responsible for repair of all utility services lines upon the Property, including, but not limited to, water and gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers, all to the extent damaged by SAWS during construction.

3.0.4 SAWS shall keep and maintain all vehicles and equipment operated by SAWS on the Airport in safe condition, good repair and insured, as required by this Agreement;

3.0.5 SAWS shall provide and use during construction, suitable covered metal receptacles for all garbage, trash and other refuse; assure that boxes, cartons, barrels or similar items are not piled in an unsightly, unsafe manner, on or about the Property; provide a complete and proper arrangement, satisfactory to the Aviation Director, for the adequate sanitary handling and disposal away from the Airport, of all trash, garbage and refuse caused as a result of SAWS construction.

3.0.6 SAWS will ensure that prior to the commencement of the project the contractor completing the project will have insurance coverage set forth on **Exhibit "D"** attached hereto, which is hereby approved by the City of San Antonio Aviation Department.

3.0.7 SAWS shall not construct any outside lights, or any fuel storage facilities, upon the Property without the express written approval of the Aviation Director.

3.0.8 SAWS agrees to comply promptly with all laws, ordinances, orders and regulations affecting the Property, including, but not limited to, those related to its cleanliness, safety, operation, airspace restrictions, use and business operations. SAWS shall comply with all Federal and State regulations concerning its operation on the Airport and shall be responsible for any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or the State of Texas, by reason of SAWS' failure to comply with the terms of this Provision, the Federal Commitments set out below, or with any other terms set forth in this Agreement.

2.1.1 Approval is hereby granted to SAWS to abandon in place, or at its option remove, its existing sanitary sewer line which currently traverses the Airport Property, and from which flow will be directed to the new line. If SAWS elects to abandon the line in place, SAWS, at SAWS sole expense, shall grout the abandoned line, in accordance with the requirements of Texas Commission on Environmental Quality ("TCEQ") as set forth in the Approved Plans. If SAWS elects to remove all or any part of such line, such removal shall be at its sole expense. The approval provided in this Section shall be sufficient to satisfy the requirement for Aviation's approval required in the Blanket Easement covering the portion of the Property that is platted.

2.1.2 The right, in accordance with the Approved Plans, to excavate, install, construct, and use such sanitary sewer pipelines and appurtenances thereto, and the right to maintain, inspect, operate, remove, rehabilitate, add, replace and repair the SAWS facilities on the Property, in compliance with this Agreement, as SAWS shall determine is necessary to the construction and operation of the SAWS facilities on the Property.

2.1.3 The right of reasonable and necessary pedestrian and vehicular ingress and egress to the new Six Mile Creek Sanitary Sewer Line site, over and across Airport property adjoining or above the SAWS facilities on the Property. The right to use as much of the surface of the Property adjacent to the pipeline trench as may be reasonably necessary for SAWS to construct, install, maintain, inspect, operate, remove, rehabilitate, add, replace and repair the contemplated new Six Mile Creek Sanitary Sewer Line. Said right shall be subject to such ordinances, rules and regulations as now, or may hereafter, apply at the Airport.

2.1.4 The right of reasonable and necessary pedestrian and vehicular ingress and egress, over and across adjoining property of the Airport to the location of the existing sewer line, and right to use as much of the surface of the Property adjacent to the existing sewer line as may be reasonably necessary for SAWS to provide grouting, or at SAWS election, removal of the existing lines as contemplated by this Agreement. Said right shall be subject to such ordinances, rules and regulations as now, or may hereafter, apply at the Airport.

2.1.5 The right to erect and use construction equipment at the site of the Six Mile Creek Sanitary Sewer Line. Notwithstanding the foregoing, SAWS shall not construct nor permit to stand above ground level on said Property any building, structure, poles, construction equipment or other objects, manmade or natural, to a height in excess of Federal Aviation Regulation (FAR) Part 77 surfaces, based upon current runways or future runways which may be constructed, except as authorized in advance by the Airport Director, and erected in compliance with such Part 77 procedures as required by the Airport Director.

2.1.6 The right to use the Property for such other Aviation related purposes as approved, in writing, by the Aviation Director, prior to commencement of such use.

2.1.7 This Agreement shall continue in effect in perpetuity, from month to month, in accordance with its terms, until it is terminated or amended as provided herein.

3.0.9 SAWS shall comply with all rules, regulations, statutes, orders, directives or other mandates of the United States or State of Texas, regarding Airport security requirements or measures, shall comply with all current and future mandates of the Federal Aviation Administration for background investigations of its personnel; and shall be responsible for any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or State of Texas, by reason of SAWS' failure to comply with any applicable security provision and/or requirement for compliance set forth herein.

3.0.10 SAWS shall pay or cause to be paid, any and all charges for utilities used in connection with the Project throughout the term of, or any extension of, this Agreement, including, but not limited to, any connection fees and any and all additional costs related to utility connection, metering, maintenance, repair and usage connected to the Project.

3.1 Compliance with Federal Commitments. SAWS will ensure that its use of the Property shall at all times comply with the terms of Aviation's pre-existing commitments to the Federal Government that are set forth in Sections a. through f., below ("Aviation Commitments").

a. SAWS shall maintain full compliance with the self-sustaining assurance of 49 USC 47107 (a).

b. SAWS shall not engage in any illegal diversion of Airport revenues as established by 49 USC §47107 (l). The Aviation Department shall maintain a schedule of charges for use of facilities and services at the Airport and prohibit the diversion of airport revenues through direct or indirect payments, other than payments reflecting the value of services and facilities provided to the Airport.

c. SAWS shall cooperate as necessary, to the extent related to this Agreement, in submitting the required annual public report of airport financial operations to the Secretary of Transportation, such report shall specifically report all services and property provided to other units of government at San Antonio International Airport, Stinson Municipal Airport and the report shall include the use of the Property subject to this Agreement.

d. In accordance with the self-sustaining requirements of assurance (13) of 49 USC §47107 (a), SAWS shall be bound by the requirement that Aviation charge SAWS a fair market commercial rate for its activities and use of facilities on the Airport, it being agreed by Aviation that the Fee constitutes a negotiated fair market commercial rate for SAWS' activities and use of facilities on the Airport.

e. SAWS shall not use Airport property simply as a source of inexpensive land for the City's general governmental purposes.

f. SAWS' use of the Property shall be in accordance with the terms and provisions of this Agreement, which the City has determined will not adversely impact the Airport. SAWS' use of the Property shall not preclude future airport use of the Property, as provided in Section 4.2 below.

3.2 In the event that SAWS shall breach any of the Aviation Commitments, SAWS shall be required to either cure such breach within the period prescribed by the FAA or pay any damages that the City may suffer as a result of such breach, including but not limited to fines, penalties, interest and reimbursement of grant funding.

3.3 City represents that SAWS' use of the Property for the construction, operation, inspection, maintenance, repair, removal, addition, rehabilitation and/or replacement of the SAWS utilities in accordance with the Approved Plans and in accordance with this Agreement is, in its opinion, in compliance with the Aviation Commitments.

ARTICLE IV.

4.0 Termination, Relocation of Lines, and Responsibility for Damage to Improvements.

4.1. Termination by SAWS. SAWS may terminate this Agreement with thirty (30) days written notice to Aviation, provided that within a reasonable period prescribed by Aviation, SAWS, in SAWS' discretion, removes, or remediates in strict compliance with TCEQ guidelines, all pipelines placed on the Property under this Agreement, at its sole expense.

4.2 Superior Right to Use by City for Aviation Purposes. City has reserved and retains all current and future right to use the Property for necessary Aviation purposes. Notwithstanding the foregoing, in the event that the City's necessary use conflicts with that of SAWS, City agrees to provide SAWS notice and to take remedial measures as outlined in this Section, to avoid adverse effect on SAWS' non-exclusive use of the Property. It is agreed that SAWS' Approved Plans do not interfere with the City's current use of the Property for Aviation purposes.

4.2.1 Aviation Use Conflicting with SAWS. If in the future, SAWS' use of the Property is compromised by Aviation's plans to construct buildings, hangars or other similar structures on the surface Property above the completed SAWS sanitary sewer line, and relocation of SAWS' pipelines or other improvements becomes necessary, the City agrees to consult with SAWS regarding such use, and provide copies of the City's conceptual plans for the use or improvements to SAWS as soon as practicable, and in any event, prior to the final approval of such plans. Following notification by City, SAWS shall, within a reasonable period, protect or relocate the affected pipeline and/or appurtenances, to another location mutually agreed on by both City and SAWS. City agrees in the event of such necessity, to pay all costs, fees and expenses associated with the protection or relocation of SAWS existing facilities pursuant to this Section, including land acquisition, if such purchase is deemed reasonably necessary to protect or relocate the lines.

4.2.2 Roadway Construction Over Lines. City retains all rights to enter and construct Airport improvements (e.g. roadways, parking lots, runways, taxiways and associated lighting) upon said Property or make a change in elevation or grade of the Property; however, in order to avoid adverse impact on SAWS' ability to install, construct, maintain, inspect, operate, remove, rehabilitate, add, replace and repair SAWS utility facilities on the Property, City agrees to notify SAWS of its intention to construct such improvements, consult with SAWS regarding such improvements, and provide to SAWS copies of the City's conceptual plans for the improvements, as soon as practicable, and in any event, prior to the final approval of such plans. To the extent such Aviation improvements, are subsequently damaged by SAWS in its repair, replacement, inspection, upgrade, modification, removal, rehabilitation, addition, replacement or maintenance activities in connection with Six Mile Creek Sewer Line, such improvement will be restored to the same or better condition that it was found on

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

On this ____ day of _____, 2005, before me appeared, **Sheryl Sculley**, to me personally known, who being by me duly sworn, did say that she is the duly authorized City Manager of the City of San Antonio and said **Sheryl Sculley** acknowledged said instrument to be the free act and deed of said City of San Antonio, San Antonio, Bexar County, Texas.

Notary Public, State of Texas

| APPROVED AS TO FORM:
|

City Attorney

Attorney for SAWS

the date the SAWS activities which caused the damage began. The cost of such repair/restoration shall be borne by SAWS.

ARTICLE V.

5.0 Airport Remedies and Enforcement. In the event SAWS fails or neglects to perform or observe any of the terms, conditions, covenants, or obligations or guarantees of this Agreement, or violation by SAWS of any rule, regulation or law to which SAWS is bound or shall be bound under the terms of this Agreement, and SAWS fails to cure such violation, failure or default, within a reasonable period prescribed by Aviation, which shall be not less than thirty (30) days in any event, the City may, as its sole and exclusive remedy, immediately seek enforcement of the Agreement in the form of damages which the City may suffer as a result of such breach, including but not limited to cost of repair or remediation, fines, penalties, interest and reimbursement of grant funding, and/or, in appropriate situations, seek specific performance of its obligations or an injunction of SAWS offending behavior. City may only move to terminate this Agreement and demand removal or remediation in place of SAWS infrastructure after exhaustion of all other available remedies as set out in this Article.

ARTICLE VI.

6.0 Incorporation of Standard Provisions. The Standard Provisions and Covenants set forth in **Exhibit "E"**, attached hereto, are incorporated herein and made a part hereof by reference.

EXECUTED on this the ___ day of _____, 2005.

CITY OF SAN ANTONIO

SAN ANTONIO WATER SYSTEM

By: _____
Sheryl Sculley, City Manager

By: _____
**David E. Chardavoine, President and
Chief Executive Officer**

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

On this ___ day of _____, 2005, before me appeared, **David E. Chardavoine**, to me personally known, who being by me duly sworn, did say that he is the duly authorized President and Chief Executive Officer of the San Antonio Water System, and said **David E. Chardavoine** acknowledged said instrument to be the free act and deed of said San Antonio Water System, San Antonio, Bexar County, Texas.

Notary Public, State of Texas

EXHIBIT E

STANDARD PROVISIONS (With Changes Made in Joint Use Agreement Dated _____) STINSON MUNICIPAL AIRPORT

PROVISION 1 ADJUSTMENT IN RENTAL RATES [INTENTIONALLY DELETED]

PROVISION 2 ADDITIONAL FEES AND CHARGES [INTENTIONALLY DELETED]

PROVISION 3 PRIVILEGES AND CONDITIONS

3.1 [INTENTIONALLY DELETED]

3.2 [INTENTIONALLY DELETED - See 3.08, 3.09 and 6.1(c)]

3.3 Aviation reserves the right to enter the Property at any reasonable time for the purpose of inspecting same or verifying that fire, safety, sanitation regulations and other provisions contained in this Agreement are being adhered to by SAWS.

PROVISION 4 ACCEPTANCE AND CONDITION OF PREMISES

4.1 SAWS has had full opportunity to examine the Property. Except for environmental matters not caused by or reasonably discoverable by SAWS prior to the commencement of this Agreement, SAWS' commencement of construction on the Property shall be conclusive evidence of SAWS' acceptance thereof in an "AS IS" condition, and SAWS hereby accepts same in its present condition as suitable for the purpose for which it was intended.

4.2 SAWS agrees that no representations respecting the condition of the Property and no promises to improve same, either before or after the execution hereof, have been made by Aviation or its agents to SAWS, unless contained herein or made a part hereof by specific reference.

PROVISION 5 CONSTRUCTION BY SAWS

5.1 [INTENTIONALLY DELETED]

5.2 [INTENTIONALLY DELETED]

5.3 [INTENTIONALLY DELETED]

5.4 Further, prior to the commencement of construction, SAWS shall procure any and all additional approvals of the plans and specifications for its buildings and improvements required by any federal, state or municipal authorities, agencies, officers and departments having jurisdiction thereof and shall obtain any and all requisite building or construction licenses, permits or approvals. Construction shall comply with applicable building code requirements and

with applicable regulations promulgated by any federal, state or municipal agency or department having jurisdiction thereof. SAWS specifically agrees that it shall be responsible for any and all claims, causes of action or liabilities, whether actual or potential, associated with any construction undertaken by SAWS hereunder.

5.5 The cost of any renovations, construction, alterations or improvements made for its own or public utility purposes, upon the Property, shall be borne and paid for solely by SAWS. Except as may be otherwise set forth herein, Aviation has no financial or other obligation of any kind under this Agreement, other than the grant to SAWS of right of joint use of the Property, which is the subject hereof, for the term and consideration hereinbefore set forth.

5.6 Upon completion of all renovations, construction, alterations or improvements, a conformed set of "as built" plans shall be provided by SAWS to the Aviation Director.

5.7 It is expressly understood and agreed that any improvements and access thereto constructed by SAWS on the Property shall be performed in such a manner that shall not cause flowage of surface drainage onto adjacent tracts or interrupt flow to the storm drainage system.

PROVISION 6
LIENS PROHIBITED

6.1 SAWS shall not suffer or permit any mechanics' or other liens to be filed against the fee of the Property, or any buildings or improvements thereon, by reason of any work, labor, services or materials supplied, or claimed to have been supplied, to SAWS.

6.2 [INTENTIONALLY DELETED]

PROVISION 7
MAINTENANCE AND REPAIR
[INTENTIONALLY DELETED]

PROVISION 8
TITLE

8.1 It is expressly understood and agreed that any and all items of personal property owned, placed or maintained by SAWS on the Property during the term hereof shall be and remain SAWS' property. [LAST TWO SENTENCES DELETED]

8.2 All foundations, buildings, alterations, additions or improvements (hereinafter "Improvements") made upon the Property by SAWS are and shall be the property of SAWS.

8.3 [INTENTIONALLY DELETED]

8.4 [INTENTIONALLY DELETED]

PROVISION 9
ENVIRONMENTAL COMPLIANCE

9.1 [INTENTIONALLY DELETED]

9.2 [INTENTIONALLY DELETED]

9.3 SAWS shall, in conducting any activity or business on the Property, including environmental response or remedial activities, comply with all environmental laws, including, but not limited to, those regarding the generation, storage, use, transportation and disposal of solid wastes, hazardous materials, toxic chemicals, special wastes or other contaminants, and all laws, regulations and notice requirements pertaining to releases or threatened releases of hazardous materials, toxic chemicals, special wastes or other contaminants into the environment. SAWS shall not cause the releases, or permit its employees, agents, permittees, contractors, subcontractors or others in SAWS control, supervision, or employment, to release (whether by way of uncapping, pouring, spilling, spraying, spreading, attaching or otherwise), into or onto the Property or any other location upon or above the Airport (including the air, ground and ground water there under and the sewer and storm water drainage systems thereon), any quantity of hazardous substances (as defined or established from time to time by applicable local, state, or federal law and including, among other things, hazardous waste and any other substances that have been or may in the future be determined to be toxic, hazardous or unsafe). To the extent any such release may exceed quantities or volumes permitted by applicable federal, Texas or local law, SAWS shall immediately notify the Aviation Director, TCEQ, and Local Emergency Planning Committee, as may be required under the federal Emergency Planning and Community Right To Know Act. The SAWS, or any occupant of Property, shall be responsible for compliance with said Act, in the event of any such release.

9.4 SAWS shall remedy any release or threatened release, caused by its operations at the Airport, as described above and, whether resulting from such release or otherwise, remove any hazardous materials, special wastes and any other environmental contamination caused by SAWS on, under or upon the Property, as may be required by a governmental or regulatory agency responsible for enforcing environmental laws and regulations. Such work shall be performed, at SAWS' sole expense, after SAWS submits to Aviation a written plan for completing such work. Aviation shall have the right to review and inspect all such work at any time, using consultants and representatives of its choice, at Aviation's sole cost and expense. Specific cleanup levels for any environmental remedial work shall be designed to meet all of the applicable environmental laws and regulations, to the satisfaction of the appropriate government or regulatory agency responsible for enforcing environmental laws and regulations.

9.5 With the exception of environmental matters not caused by, or reasonably discoverable by SAWS prior to the commencement of this Agreement, SAWS agrees to be responsible for all reasonable losses, claims, liability, damages, injunctive relief, injuries to person, property or natural resources, costs, expenses, enforcement actions, actions or causes of action, fines and penalties, arising as a result of action or inaction of SAWS, its employees, agents or contractors, in connection with the release, threatened release or presence of any hazardous material, contaminants, or toxic chemicals at, on, under, over or upon the Property and Airport, whether or not foreseeable, regardless of the source or timing of occurrence, release, threatened release, presence or discovery of same. The foregoing includes, without limitation, all reasonable costs at law or in equity for removal, clean-up, remediation and disposal of any kind, as well as all reasonable costs associated with determining whether the Airport is in compliance, and causing the Airport to be in compliance with, all applicable environmental laws and regulations and all reasonable costs associated with claims for damages to persons, property or natural resources.

9.6 In addition to any other rights of access herein regarding the Property, Aviation shall, upon reasonable notice, have access thereto in order to inspect and confirm that the SAWS is using same in accordance with all applicable environmental laws and regulations.

9.7 SAWS, at Aviation's request, shall make available for inspection and copying, upon reasonable notice and at reasonable times, any or all of the non-privileged documents and materials SAWS has prepared pursuant to any environmental law or regulation, which may be retained by Aviation or submitted to any governmental regulatory agency; provided, such documents and materials relate to environmental regulatory compliance and pertain to the Airport or the Premises. If any environmental law or regulation requires SAWS to file any notice or report of a release or threatened release of regulated materials on, under or about the Property or the Airport, SAWS shall promptly submit such notice or report to the appropriate governmental agency and simultaneously provide a copy of such report or notice to Aviation. In the event that any written allegation, claim, demand, action or notice is made against SAWS regarding SAWS' failure or alleged failure to comply with any environmental law or regulation, SAWS, as soon as practicable, shall notify Aviation in writing and provide same with copies of any such written allegations, claims, demands, notices or actions so made.

9.8 The parties to this Agreement, including the persons who may enjoy a future right of occupation through SAWS, acknowledge a right and a duty in Aviation, exercised by the Aviation Director, to review safety and potential environmental impacts of any proposed operation, business, maintenance or other activity of the SAWS. To this end, said Director shall have authority to disapprove an activity of the SAWS, on the basis of a risk assessment. The parties understand that Airport premises are not intended for use involving refining, processing, manufacturing, maintenance, overhaul, or similar heavy industrial activities entailing use, storage, manufacture, or transport of critical volumes of regulated or hazardous materials or toxic chemicals. For purposes of this Agreement, "critical volumes" are those which, in the discretion and judgment of the Aviation Director, pose or may pose an unreasonable risk to Airport property, its occupants, employees or the traveling public. Discretion and judgment are reserved to the Aviation Director due to the fact that combinations and proximity of such materials are synergistic. The Aviation Director's decision in this regard is final.

PROVISION 10
SIGNS

SAWS shall neither erect signs nor distribute advertising matter upon Airport Premises, without the prior written consent of the Aviation Director. Such consent will not be unreasonably withheld or delayed.

PROVISION 11
REGULATIONS

SAWS' officers, agents, employees and servants shall obey all rules and regulations promulgated by Aviation, its authorized agents in charge of the Airport, or other lawful authority, to insure the safe and orderly conduct of operations and traffic thereon.

PROVISION 12
QUALITY OF SERVICES
[INTENTIONALLY DELETED]

PROVISION 13
TIME OF EMERGENCY

During time of war or national emergency, Aviation shall have the right to lease the landing area or any part thereof to the United States for government use, and, if such

Agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with those of the Government, shall be suspended.

PROVISION 14
SUBORDINATION OF AGREEMENT

This Agreement shall be subordinate to the provisions of any existing or future agreement between Aviation and the United States regarding 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. Should the effect of such agreement with the United States be to take any of the Property, or substantially alter or destroy the commercial value of the rights and interest granted herein, Aviation shall not be held liable therefore, but, in such event, SAWS may cancel this Agreement upon ten (10) days' written notice to Aviation. Notwithstanding the foregoing, Aviation agrees that, in the event it becomes aware of any such proposed or pending agreement or taking, Aviation shall utilize its best efforts to (i) give the maximum possible notice thereof to SAWS; and (ii) cooperate with SAWS to mitigate the impact of such agreement or taking or other government action upon SAWS, including, but not limited to, reasonably assisting SAWS in securing alternate premises and minimizing any disruption of or interference with SAWS' business.

PROVISION 15
LANDLORD'S LIEN
[INTENTIONALLY DELETED]

PROVISION 16
SECURITY

16.1 SAWS shall comply with all rules, regulations, statutes, orders, directives or other mandates of the United States or State of Texas, regarding Airport security requirements or measures.

16.2 [INTENTIONALLY DELETED]

16.3 SAWS shall be responsible for any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or State of Texas, by reason of SAWS' failure to comply with any applicable security provision and/or requirement for compliance set forth herein.

PROVISION 17
DEFAULT AND REMEDIES
[INTENTIONALLY DELETED]

PROVISION 18
HOLDING OVER
[INTENTIONALLY DELETED]

PROVISION 19
ASSIGNMENT AND SUBLET
[INTENTIONALLY DELETED]

PROVISION 20
FIRE AND OTHER DAMAGE
[INTENTIONALLY DELETED]

PROVISION 21
LAWS AND ORDINANCES

SAWS agrees to comply promptly with all laws, ordinances, orders and regulations affecting the Property, including, but not limited to, those related to its cleanliness, safety, operation, use and business operations. SAWS shall comply with all Federal and State regulations concerning its operation on the Airport and shall be responsible for any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or the State of Texas, by reason of SAWS' failure to comply with the terms of this Provision or with any other terms set forth in this Agreement.

PROVISION 22
TAXES AND LICENSES
[INTENTIONALLY DELETED]

PROVISION 23
NONDISCRIMINATION & AFFIRMATIVE ACTION REGULATIONS

23.1 Any discrimination by SAWS, agents or employees, based on race, color, creed, sex, age, religion, national origin or handicap, in employment practices, use of or admission to the Property, is prohibited.

23.2 SAWS for itself, its heirs, representatives, successors and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained or otherwise operated on the Property, for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, SAWS shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

23.3 SAWS for itself, its representatives, successors and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person, on the grounds of race, color, creed, sex, age, religion, national origin or handicap, shall be excluded from participation 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, creed, sex, age, religion, national origin or handicap shall be excluded from participation, denied the benefits of, or otherwise be subjected to discrimination; and (3) that SAWS shall use the Property 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.

23.4 SAWS assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall, on the grounds of race, color, creed, sex, age, religion, national origin or handicap, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. SAWS assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. SAWS assures that it will require that its covered

sub-organizations provide assurances to SAWS that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

23.5 [INTENTIONALLY DELETED]

23.6 With respect to its operations on the Property SAWS shall conform to Aviation's Small and/or Minority Business Enterprises Program. SAWS shall comply with the Good Faith Efforts requirements thereof, furnishing to Aviation such documentation as it shall require to verify same.

23.7 With respect to its operations on the Property, SAWS shall comply with Aviation's Nondiscrimination Clause, including the development and use of an Affirmative Action plan for equal employment opportunity. If requested by Aviation, this plan shall be submitted annually and monitored through an annual status report, reflecting the prior year's activity. Quarterly affirmative action status reports shall also be provided, upon Aviation's request. Any and all provisions of this Agreement pertaining to SAWS shall apply as well to any Minority Business utilized by SAWS in its operations hereunder.

PROVISION 24
WAGES

SAWS shall pay at least the minimum wage, as required by Federal and State statutes and City ordinances, to employees of its operations hereunder.

PROVISION 25
ATTORNEYS' FEES
[INTENTIONALLY DELETED]

PROVISION 26
SEVERABILITY

If any clause or Provision of this Agreement is illegal, invalid or unenforceable under present or future laws, it is the parties' intention that the remainder hereof not be affected. In lieu of each clause or provision that is illegal, invalid or unenforceable, the parties intend that there be added, as a part of this Agreement, a clause or Provision, as similar in terms to such illegal, invalid or unenforceable clause or Provision, as may be possible, yet be legal, valid and enforceable.

PROVISION 27
AMENDMENT

This Agreement, together with its authorizing ordinance, constitutes the entire agreement between the parties. No amendment, modification or alteration of the terms of this Agreement shall be binding, unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

PROVISION 28
NOTICES

Notices to Aviation shall be deemed sufficient if in writing and sent, registered or certified mail, postage prepaid, addressed to City Clerk, P. O. Box 839966, San Antonio, Texas 78283-3966 and to Aviation Director, City of San Antonio, Department of Aviation, 9800 Airport Boulevard, San Antonio, Texas 78216, and to such other address as may be designated, in writing, by the Aviation Director from time to time. Notices to SAWS shall be deemed sufficient

if in writing and sent, registered or certified mail, postage prepaid, addressed to SAWS at the address shown herein. Either party to this Agreement may change its address by giving notice of such change as herein provided.

PROVISION 29
RELATIONSHIP OF PARTIES
[INTENTIONALLY DELETED]

PROVISION 30
CUMULATIVE REMEDIES
NO WAIVER - NO ORAL CHANGE

The specific remedies of the parties under this Agreement are cumulative and do not exclude any other remedies to which they may be lawfully entitled, in the event of a breach or threatened breach hereof. The failure of either party ever to insist upon the strict performance of any covenant of this Agreement, or to exercise any option herein contained, shall not be construed as its future waiver or relinquishment thereof. Aviation's receipt of a rent payment, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach. Further, no waiver, change, modification or discharge by either party of any provision of this Agreement shall be deemed to have been made or be effective, unless in writing and signed by the party to be charged. In addition to other remedies herein, the parties shall be entitled to an injunction restraining the violation, or attempted violation, of any of the covenants, conditions or Provisions hereof, or to a decree compelling performance of same; subject, however, to other Provisions herein.

PROVISION 31
ENTIRE AGREEMENT

This Agreement comprises the final and entire agreement, including all terms and conditions thereof, between the parties hereto, and supersedes all other agreements, oral or otherwise, regarding the subject matter hereof, none of which shall hereafter be deemed to exist or to bind the parties hereto. The parties intend that neither shall be bound by any term, condition or representation not herein written.

PROVISION 32
CONFLICT OF INTEREST
[INTENTIONALLY DELETED]

PROVISION 33
PARTIES BOUND

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, as permitted hereby.

PROVISION 34
TEXAS LAW TO APPLY

All obligations under this Agreement are performable in Bexar County, Texas, and shall be construed pursuant to the laws of the State of Texas, except where state law shall be preempted by any rules, laws or regulations of the United States.

PROVISION 35
APPROVALS BY AVIATION

Whenever this Agreement calls for approval by Aviation, such approval shall be evidenced, in writing, by either the Aviation Director or the City Manager of the City of San Antonio or his designee.

PROVISION 36
GENDER

Words of either gender used in this Agreement shall be held and construed to include the other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

PROVISION 37
CAPTIONS

The captions of the provisions contained herein are for convenience in reference and are not intended to define, extend or limit the scope of any provision of this Agreement.

CDS/MUERY SERVICES
Engineering & Surveying

Parcel No.: SAWS-8328
Project Name: Six Mile Creek Sewer
Replacement Project
Project No.: 02-4504

FIELD NOTES
FOR
5.230 ACRES (227,823 SQ. FT.)

BEING a 5.230 acre (227,823 sq. ft.) tract of land located in the Manuel Leal Survey No. 30, New City Block 7464 and being a portion of those tracts of land conveyed to City of San Antonio by deeds of record in Vol. 145, Pg. 278 and Vol. 154, Pg. 25 of the Deed Records of Bexar County, Texas, part of which has been platted as NCB 7646, Lot 2, Block 3, Stinson Municipal Airport Unit 2, a plat of record Vol. 9554, Pg. 26 of the Plat Records of Bexar County, Texas, said 5.230 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found in the east line of Roosevelt Avenue (120' R.O.W.), same being the west line of said City of San Antonio tracts and said Lot 2, for the westernmost, northwest corner hereof;

THENCE, along the curving north line of said Lot 2, along a curve to the right having a radius of 15.00 feet, a central angle of $83^{\circ}14'20''$, an arc distance of 21.79 feet, and a chord which bears $N41^{\circ}06'16''E$, a distance of 19.92 feet to a 1/2 inch iron rod found for the northernmost, northwest corner hereof;

THENCE, $N82^{\circ}30'13''E$, along the north line of said Lot 2, same being the south line of 97th Street, a distance of 138.95 feet to a calculated point for the northeast corner hereof; and from which a 1/2 inch iron rod found for an angle point of said Lot 2, same being the southeast corner of said 97th Street and Buto Street, bears $N82^{\circ}30'13''E$, a distance of 328.22 feet;

THENCE, leaving the south line of 97th Street, over and across said City of San Antonio tracts, and said Lot 2, the following ten courses and distances:

1. $S07^{\circ}29'47''E$, a distance of 40.00 feet to a calculated point for an angle point hereof;

Parcel No.: SAWS-8328
Project Name: Six Mile Creek Sewer
Replacement Project
Project No.: 02-4504

2. S82°30'13"W, a distance of 50.00 feet to a calculated point for an angle point hereof;
3. S31°41'37"W, a distance of 93.00 feet to a calculated point for an angle point hereof;
4. S09°17'02"W, a distance of 85.00 feet to a calculated point for an angle point hereof;
5. S00°18'11"E, a distance of 1333.00 feet to a calculated point for an angle point hereof;
6. S01°34'29"E, a distance of 1025.00 feet to a calculated point for an angle point hereof;
7. S05°22'07"E, a distance of 95.00 feet to a calculated point for an angle point hereof;
8. S44°34'02"E, a distance of 92.00 feet to a calculated point for an angle point hereof;
9. N89°40'52"E, a distance of 1306.00 feet to a calculated point for an angle point hereof;
10. S36°10'55"E, a distance of 77.74 feet to a calculated point set in the south line of said City of San Antonio tracts, same being the north line of Ashley Road (R.O.W. Varies), for the southeast corner hereof;

THENCE, S89°40'52"W, along the south line of said City of San Antonio tracts, same being the north line of Ashley Road, a distance of 1373.85 feet to a TXDOT type 1 monument found for an angle point in the intersection of Roosevelt Avenue and Ashley Road, same being the southernmost, southwest corner hereof;

THENCE, N47°00'22"W, along the southwest line of said City of San Antonio tracts, same being the northeast line of the intersection of Roosevelt Avenue and Ashley Road, a distance of 146.28 feet to a TXDOT type 1 monument found for an angle point in the intersection of Roosevelt Avenue and Ashley Road, same being the westernmost, southwest corner hereof;

Parcel No.: SAWS-8328
Project Name: Six Mile Creek Sewer
Replacement Project
Project No.: 02-4504

THENCE, along the curving west line of said City of San Antonio tracts, same being the curving east line of Roosevelt Avenue, along a curve to the right having a radius of 5669.58 feet, a central angle of 03°09'27", an arc distance of 312.44 feet, and a chord which bears N02°03'48"W, a distance of 312.42 feet to a calculated point for an angle point hereof;

THENCE, N00°18'11"W, a distance of 2344.97 feet to the POINT OF BEGINNING, containing an area of 5.230 acres (227,823 sq. ft.) of land, more or less, within these metes and bounds.

The bearing basis for this survey is Grid North, Texas State Plane Coordinate System, South Central Zone, NAD 1983.

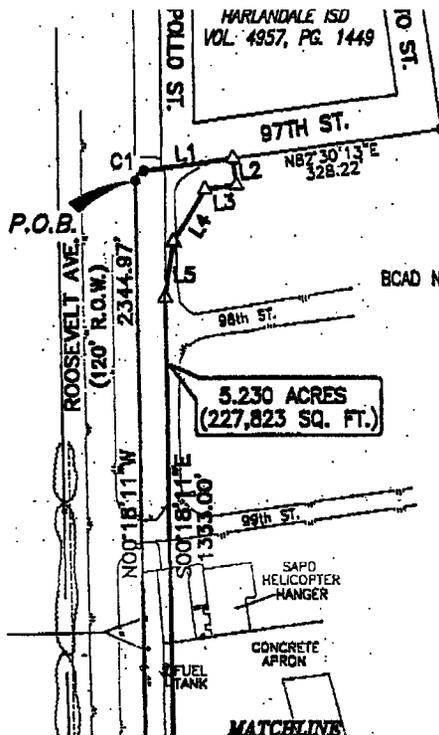
I, Paul T. Ross, a Registered Professional Land Surveyor, do hereby certify that the above field notes and the drawing which accompanies it, were prepared using information obtained by an on-the-ground survey made under my direction and supervision.

Paul T. Ross 14 Jan 05
Paul T. Ross Date
Registered Professional Land Surveyor
Texas Registration No. 5158



NO.	BEARING	DISTANCE
L1	N82°30'13"E	138.95'
L2	S07°29'47"E	40.00'
L3	S82°30'13"W	50.00'
L4	S31°41'57"W	93.00'
L5	S08°17'02"W	85.00'

NO.	RADIUS	DELTA	ARC	CHORD BRG	CHORD
C1	15.00'	83°14'20"	21.79'	N41°06'16"E	19.92'



BCAD NO. 07484-003-0020
 CITY OF SAN ANTONIO
 VOL 145, PG. 278
 VOL 154, PG. 25
 NCB 7464
 LOT 2 BLOCK 3
 STINSON MUNICIPAL
 AIRPORT UNIT 2
 VOL 9554, PG.26

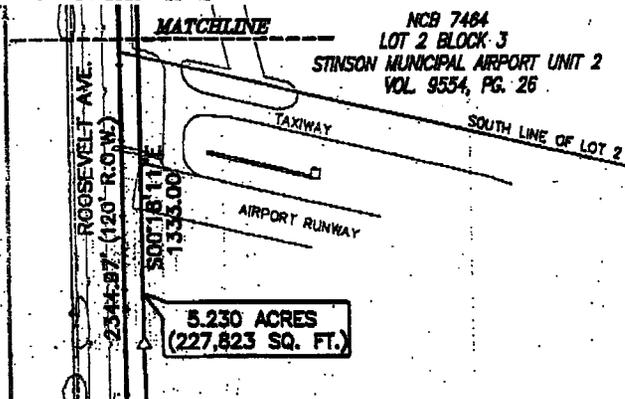
LEGEND

- 1/2" IRON ROD FOUND (UNLESS OTHERWISE NOTED)
- △ 1/2" IRON ROD W/PLASTIC CAP STAMPED "CDS/MUERY-SA, TX" SET
- P.O.B. POINT OF BEGINNING

JAN-24-2005 13:46

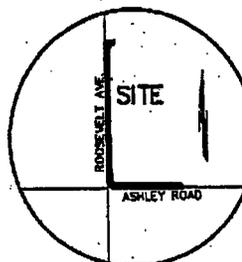
- NOTES**
1. BEARING PLANE C
 2. FIELDNOT TO ACCO

CDS
 Engin
 3411 MAGIC DR.



NCB 7484
 LOT 2 BLOCK 3
 STINSON MUNICIPAL AIRPORT UNIT 2
 VOL 9554, PG. 26

PARCEL NO.: SAWS-8328
 PROJECT NAME: SIX MILE CREEK REPLACEMENT P
 PROJECT NO.: 02-4504



VICINITY MAP
 (NOT TO SCALE)

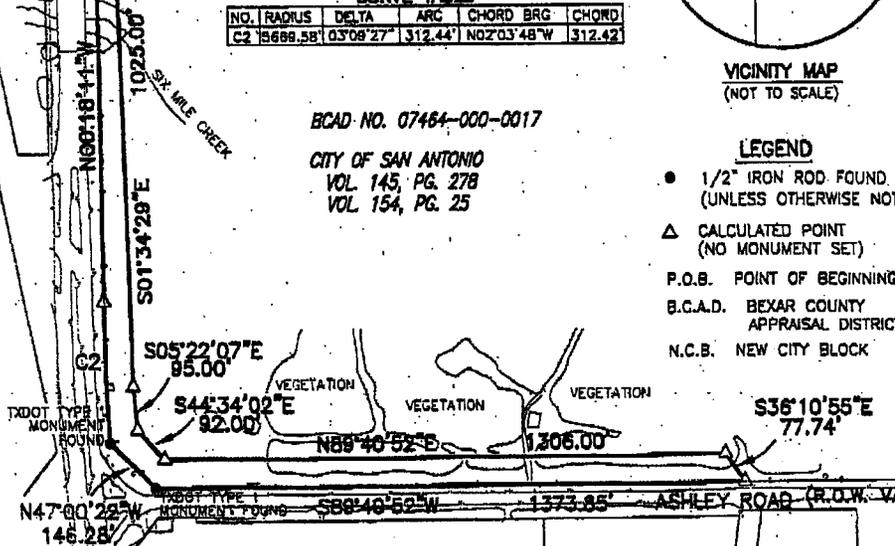
NO.	RADIUS	DELTA	ARC	CHORD BRG	CHORD
C2	15688.58'	03°08'27"	312.44'	N02°03'48"W	312.42'

BCAD NO. 07464-000-0017

CITY OF SAN ANTONIO
 VOL 145, PG. 278
 VOL 154, PG. 25

LEGEND

- 1/2" IRON ROD FOUND (UNLESS OTHERWISE NOT)
- △ CALCULATED POINT (NO MONUMENT SET)
- P.O.B. POINT OF BEGINNING
- B.C.A.D. BEXAR COUNTY APPRAISAL DISTRICT
- N.C.B. NEW CITY BLOCK



LOT 13
 L.A. ROBINSON SUBDIVISION
 VOL 4700, PG. 186

ROCK OF REVELATION
 CHURCH, INC.
 VOL 9400 PG. 2354

AUGUSTINE
 JACK CUDE
 VOL 6199.

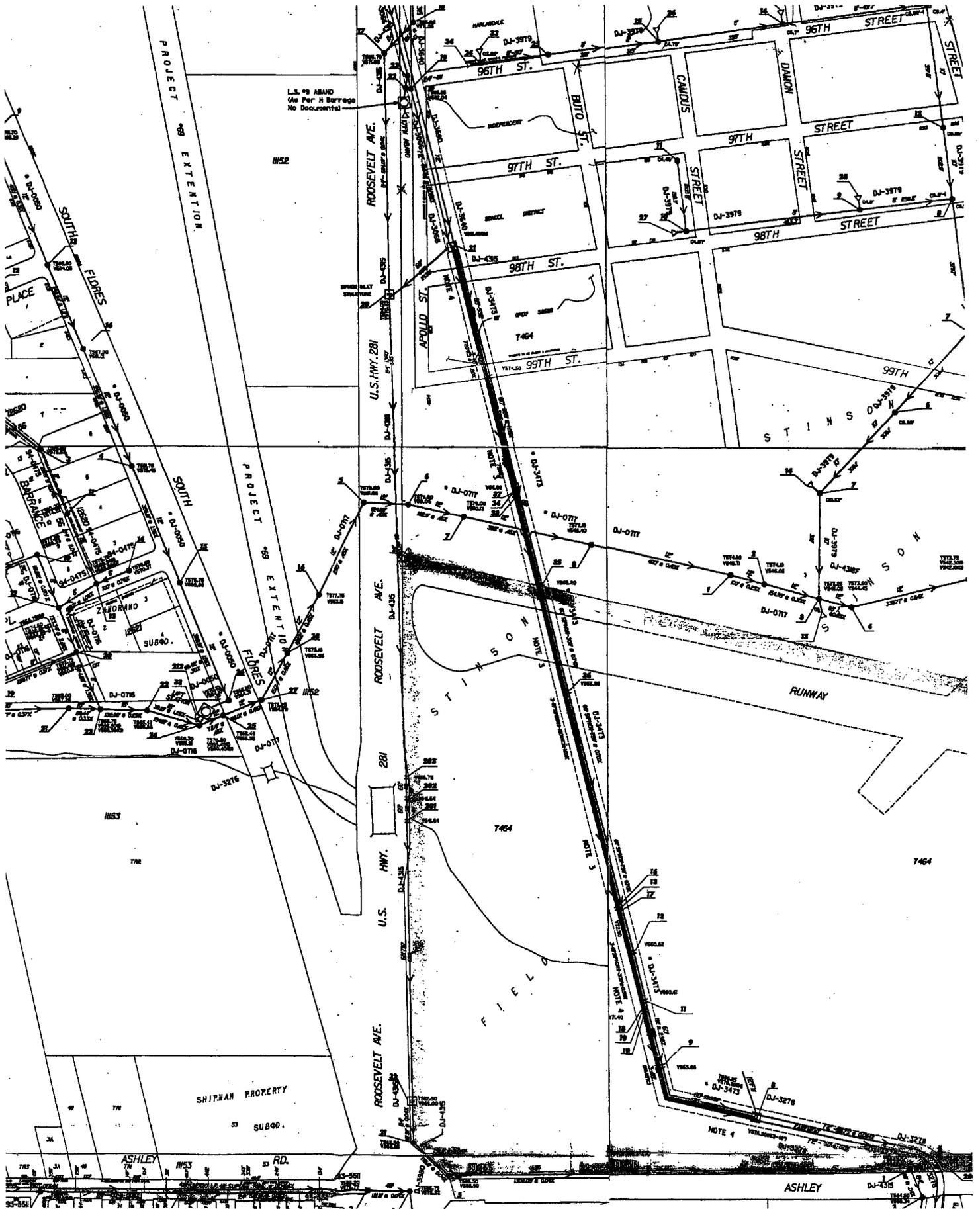


EXHIBIT C

EXHIBIT D

INSURANCE

6.1 Prior to occupancy of the PROPERTY and the conduct of any business thereupon, Lessee shall furnish original Certificates of Insurance to CITY, which shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage's, limits, and termination provisions shown thereon, and which shall furnish and contain all required information referenced or indicated thereon. CITY shall have no duty to perform under this JOINT USE AGREEMENT until such certificates shall have been delivered to the CITY, and no officer or employee shall have authority to waive this requirement.

6.2 CITY reserves the right to review the insurance requirements of this section during the effective period of the JOINT USE AGREEMENT and any extension or renewal hereof and to modify insurance coverage's and their limits when deemed necessary and prudent by the CITY's Risk Manager based upon changes in statutory law or court decisions, but in no instance will CITY allow modification whereupon CITY may incur increased risk.

6.3 SAWS's financial integrity is of interest to CITY, therefore, subject to SAWS's right to maintain reasonable deductibles in such amounts as are approved by CITY, SAWS shall obtain and maintain in full force and effect for the duration of the JOINT USE AGREEMENT, and any extension hereof, at SAWS's sole expense, insurance coverage written by companies authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company and/or otherwise acceptable to CITY, in the following types and amounts:

<u>Type</u>	<u>Amount</u>
(1) Worker's Compensation & Employer's Liability	Statutory \$1,000,000/\$1,000,000/\$1,000,000
(2) Commercial General Liability	Combined Single Limit for Bodily Injury and Property Damage of \$5,000,000.00 per occurrence or its equivalent with an aggregate of not less than \$5,000,000.00
Endorsements to include coverage for the following:	
(A) Premise/Operations	
(B) Independent Contractors	*As applicable
(C) Personal Injury	*As applicable
(D) Contractual Liability	
(E) Broad Form Property Damage	
(F) Products/ Completed Operations	
(3) Property Insurance for physical damage to the Lessee's improvements and betterments to the leased property	Replacement Cost Coverage or Eighty percent (80%) of Actual Cash Value Coverage
(4) Business Automobile Liability (any auto)	Combined Single Limit for Bodily Injury and Property Damage of \$5,000,000.00 per occurrence or its equivalent.

6.4 CITY shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by CITY, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by CITY, SAWS shall exercise reasonable efforts to accomplish such changes in policy coverage's, and shall pay the cost thereof.