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**AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT**

NO. 28333
Filed with the Secretary of State
Date Filed: 7/29/06
Janice K. Brewer
Secretary of State

By: [Signature]

This Amended and Restated Intergovernmental Agreement (Agreement) is made and entered into pursuant to Arizona Revised Statutes Section 11-951 et. seq. as of the 22nd day of May, 2006 by and between the WILLIAMS GATEWAY AIRPORT AUTHORITY, a municipal corporation (the "Authority") the TOWN OF GILBERT, a municipal corporation, as a member of the Airport Authority ("Gilbert"), the CITY OF MESA, a municipal corporation, as a member of the Authority and individually with respect to Section 5 of this Agreement ("Mesa"), the TOWN OF QUEEN CREEK, a municipal corporation, as a member of the Authority ("Queen Creek"), the GILA RIVER INDIAN COMMUNITY as a member of the Authority, (the "Community"), and the CITY OF PHOENIX, a municipal corporation, as a member of the Authority ("Phoenix"), recite, consent and agree as provided herein.

Recitals.

A. Gilbert, Mesa and Queen Creek established the Airport Authority pursuant to the Joint Powers Airport Authority Agreement dated May 19, 1994, recorded on May 19, 1994, as Instrument No. 94-0400695, official records of Maricopa County, Arizona (the Joint Powers Airport Authority Agreement). The First Amendment to the Joint Powers Airport Authority Agreement was signed on May 19, 1995 to include the Community as a member of the Authority.

B. The Authority was established pursuant to Arizona Revised Statutes, Title 28, Chapter 25, Article 8 (previously found in Arizona Revised Statutes, Section 2-351 et. seq.) ("Airport Authority Act") for the purposes of acquiring, developing and operating an airport and related facilities located on a portion of the property formerly known as the Williams Air Force Base.

C. The Airport Authority owns and operates Williams Gateway Airport.

D. The City of Phoenix owns and operates Phoenix Sky Harbor International Airport.

E. The Airport Authority, Gilbert, Mesa, Queen Creek, Community and Phoenix are committed to meeting the long-term aviation capacity needs of the metropolitan area.

F. The Airport Authority has invited Phoenix to become a member of the Airport Authority.

G. Phoenix intends to become a meaningful proprietor, along with the other members of the Airport Authority, which are also meaningful proprietors of the Airport Authority, by participating as a member of the Airport Authority.

H. Mesa, Gilbert, Queen Creek, and the Community have invested over \$45 million in the operation, maintenance and development of Williams Gateway Airport, including over \$10 million in capital investment since 1993.

I. The Airport Authority is interested in adding a strong financial partner committed to aviation, to help fund large capital items such as passenger terminals, parking garages, and roadway systems which are not eligible to be funded by Airport Improvement Program (AIP) grants or Passenger Facility Charges.

J. Williams Gateway Airport's existing runways and aviation support systems are available for immediate service.

K. Phoenix Sky Harbor International Airport and Williams Gateway Airport, are the only existing or planned commercial service airports in the metropolitan area capable of handling large passenger and cargo aircraft.

L. The growing population and expanding aviation community will require additional aviation services in the future that could be met if Williams Gateway Airport achieves its potential to handle passenger and cargo customers.

M. Phoenix is interested in Williams Gateway Airport being developed to complement the passenger and cargo capabilities of Phoenix Sky Harbor International Airport.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged by all the parties hereto, the parties hereto agree as follows:

Agreement

Section 1. Purpose and Goals.

1.1 The Williams Gateway Airport Authority, Mesa, Gilbert, Queen Creek, the Community and Phoenix agree to work together to establish a system of commercial service airports to serve the long-term aviation needs of the Valley.

1.2 Phoenix agrees to invest \$5 million in the Williams Gateway Airport Authority capital fund in fiscal year 2006-2007. This amount is approximately 50 percent of the capital contributions of the current members of the Williams Gateway Airport Authority since 1993. Phoenix may make additional capital investments if funds are available.

1.3 It is the intent of the Williams Gateway Airport Authority to use the initial \$5 million investment by the City of Phoenix to match Federal Aviation Administration

(FAA) grant funds to the maximum extent possible. If the Williams Gateway Airport Authority is unable to attract FAA grants sufficient to use the entire \$5 million as local match, the Board may, through the normal budget process, allocate the unused portion to local non-grant capital projects.

1.4 Representatives of Phoenix will accompany other representatives of the Airport Authority in meetings with the FAA in an effort to secure from the FAA a commitment to fund up to \$200 million in capital projects with AIP grants, in accordance with the Airport Master Plan, the Airport Layout Plan, and the Airport Capital Improvements Program.

1.5 In fiscal year 2006-2007, Phoenix will contribute up to \$1.3 million as their share of the annual operating investment for Williams Gateway Airport. This investment will evidence Phoenix's meaningful participation in the Airport Authority, the proprietor of Williams Gateway Airport.

1.6 Williams Gateway Airport and Phoenix Sky Harbor International Airport will work together to meet the long-term commercial service and cargo needs of the metropolitan community. Phoenix officials will work with the other members of the Airport Authority to encourage commercial passenger service and cargo airlines to use Williams Gateway Airport, in order to use the existing aviation capacity to its full potential.

1.7 It is not the intention of the parties to restrict the marketing or service of either Williams Gateway Airport or Phoenix Sky Harbor International Airport. It is the intention of the Airport Authority to market Williams Gateway Airport as a domestic passenger service airport primarily serving airlines catering to point-to-point markets or serving domestic hub airports. It is the intention of Phoenix to Market Phoenix Sky Harbor International Airport as an international passenger service airport and primary passenger hub airport.

1.8 It is the intention of the Airport Authority to market Williams Gateway Airport as an international cargo airport serving Arizona and neighboring states and as a domestic cargo airport serving the East Valley. It is the intention of Phoenix to market Phoenix Sky Harbor International Airport as the location for overnight package air cargo and passenger belly freight to domestic and international markets.

1.9 The Airport Authority and Phoenix will jointly develop an aviation marketing program to promote Williams Gateway Airport and Phoenix Sky Harbor International Airport to domestic and international airlines.

1.10 Phoenix Sky Harbor International Airport will continue to make available to Williams Gateway Airport technical assistance in areas such as finance, the environment, marketing, facilities management, and operations.

1.11 Phoenix and the Airport Authority will work together in areas of common interest regarding state and federal legislation, including funding of aviation facilities and services.

Section 2. Development of Authority's Budget.

2.1 Phoenix will commit to a \$1.3 million annual operating investment for Fiscal Years 2007-2011. Each Party shall contribute funds for the operation and capital budgets as approved by the Authority's Board of Directors pursuant to Sections 8 and 9 of the Amended and Revised Joint Powers Airport Authority Agreement.

Section 3. Development of Base Property.

3.1 The Parties acknowledge that the Governor's Office for the State of Arizona has formulated an economic reuse plan for the development and use of all of the property within the Base Property. The Governor's economic reuse plan, as may be amended from time to time, shall be referred to hereinafter as the "Governor's Plan." It is the intent of the Authority and the Community, in conjunction with the Williams education consortium and other owners of property at Williams, to adopt development standards, design guidelines, restrictions, covenants and conditions for all or part of the Base Property consistent with the Governor's Plan. The Parties intend to negotiate in good faith to prepare and submit to Mesa a specific plan for the Airport Facility and Community Property pursuant to Arizona Revised Statutes § 9-461.08 in order to further delineate the permitted land uses and infrastructure requirements for new development.

Section 4. Property Owner's Association.

4.1 It is the intent of the Authority and the Community, in conjunction with the Williams education consortium and other owners of property at Williams, to participate in a property owner's association for the private regulation of development with respect to the Base Property. The Parties agree to participate in such an association with respect to each Party's portion of the Base Property.

Section 5. Golf Course and Wastewater Treatment Plant.

5.1 Mesa, the Authority and its members agree to support the finding of the Record of Decision that the Golf Course will be offered first to the Community for negotiated sale and the Community agrees to support Mesa's request for conveyance of the existing wastewater treatment plant located on the Base Property (the "Wastewater Treatment Plant"). The Community agrees to operate and maintain the Golf Course as a public golf course, in substantially the same manner, condition and configuration as currently operated and used. Specifically, the Community agrees to accept effluent from the current Wastewater Treatment Plant until the Wastewater Treatment Plant is decommissioned by Mesa. Mesa agrees to operate and maintain the Wastewater Treatment Plant in substantially the same manner, condition, and configuration as currently operated. The Community and Mesa agree to negotiate in good faith to establish an equitable rate regarding the sale of the effluent from the wastewater treatment plant for use in maintaining and operating the Golf Course.

Section 6. Archaeological Issues.

6.1 It is Authority's intent to negotiate in good faith a separate agreement with the Community regarding archaeological issues that complies with federal and state law, including, but not limited to, Section 10E of the National Historic Preservation Act and the Programmatic Agreement Among The United States Air Force, the Arizona State Historic Preservation Officer and the Advisory Council on Historic Preservation Concerning Disposal of Williams Air Force Base, Mesa, Arizona, February 1995.

To the extent allowed by federal and state law, the Authority acknowledges that the Community has rights to and ownership of all Native American data and artifacts recovered on property owned or controlled by the Authority. "A partial listing of Native American data and artifacts which might be recovered on property at Williams AFB includes, but is not limited to: whole or fragmentary tools, implements, containers, weapons, weapon projectiles, clothing, ornaments, containers, pottery, and other ceramics, basketry, cordage, weavings, coins, bullets, bottles, and other glassware, flaked stone, ground stone, pecked stone, worked bone, metal wood hide, feathers, and pigments." Further, to the extent allowed by federal and state law and Authority procurement requirements, and to the extent it meets the requirements of the Programmatic Agreement, the Authority that the Community may provide all Data Recovery Plans, data recovery, and mitigation required in association with the development on the Airport Facility.

Section 7. Gambling.

7.1 The Parties agree that they will comply with federal and state laws as such laws pertain to the establishment of gambling facilities, activities, events, or services, and that they will not operate or permit to be operated any such prohibited gambling facility, activities, events, or services on or in connection with any or all of the Base Property.

Section 8. Governing Law: Jurisdiction.

8.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona. The court with the original jurisdiction for causes of action arising under this Agreement is the United States District Court for the State of Arizona. The Community agrees to, and does hereby waive its sovereign immunity from the jurisdiction of the United States District Court for the State of Arizona in any action arising under this Agreement brought by or against the Community. The Community further agrees to accept and be bound by, thereby waiving its sovereign immunity from, a judgment or order which is final (because either the time for appeal thereof has expired or the judgment or order is issued by a court or other entity having final appellate jurisdiction over the matter is not subject to collateral attack) by any such court or any court or entity having appellate jurisdiction over any such court in any such action. The Community waives its sovereign immunity to the enforcement of any such final judgment against it without limitation. The Community hereby designates the Community's Governor as the appropriate party for the purposes of service of process.

If the United States District Court for the State of Arizona finds that it does not have jurisdiction in any action arising under this Agreement brought by or against the Community, then the Parties agree that the action shall be adjudicated through arbitration in the State of Arizona as follows:

i.) the parties shall attempt to agree upon one arbitrator with expertise on the subject matter of the dispute;

ii.) if the parties are unable to agree on an arbitrator, each party shall select an arbitrator within ten (10) days of the commencement of the arbitration and the two (2) arbitrators shall mutually appoint a third arbitrator within twenty (20) days of their appointment. If the two (2) arbitrators are unable to agree on the appointment of a third arbitrator within twenty (20) days, the third arbitrator shall be appointed by the American Arbitration Association; and

iii.) the arbitrator(s) shall confer with the parties immediately after appointment to determine an arbitration schedule including whether and to what extent discovery is required. The arbitrator(s) may set the matter for an evidentiary hearing or oral argument, or may dispose of the dispute based upon written submissions only. The decision of the majority of the arbitrator(s) shall be final, binding, and unappealable. Such decision shall be enforceable in United States District Court for the State of Arizona. The cost of arbitration shall be borne equally by the parties. The parties shall bear their own costs and attorney's fees associated with their participation in the arbitration unless the decision of the arbitrator shall specify otherwise.

Section 9. Incorporation of Recitals.

9.1 All of the recitals set forth above are hereby incorporated into this Agreement by this reference and made a part hereof.

Section 10. Attorneys' Fees.

10.1 If any action is brought to enforce this Agreement or to recover damages or equitable relief for a breach of this Agreement, the prevailing party shall be entitled to recover costs and attorneys' fees incurred in such action.

Section 11. Entire Agreement.

11.1 There are no oral agreements between the Authority and the Community with respect to those matters and transactions that are the subject of this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understands, written or oral, if any, between the Authority and the Community with respect to those matters and transactions that are the subject of this Agreement.

Section 12. Severability.

12.1 If any provision of this Agreement shall be determined to be void by a court of competent jurisdiction, then such determine shall not affect any other provision of this Agreement and all such other provisions shall remain in force and effect.

Section 13. Termination of Airport Authority.

13.1. This Amended and Restated Intergovernmental Agreement shall remain in full force and effect unless modified or terminated by written agreement of a majority of the members of the Airport Authority. This Agreement shall also be deemed terminated should all parties hereto have exercised their right to withdraw from the Airport Authority in accordance with Section 10 of the Amended and Restated Joint Powers Airport Authority Agreement.

13.2. Notwithstanding the right to withdraw set forth in Section 10 of the Amended and Restated Joint Powers Airport Authority Agreement, each party hereto agrees to remain a member of the Airport Authority and to be bound by this Intergovernmental Agreement for at least one year after the Effective Date.

13.3. Unless otherwise agreed to by a majority of the members of the Airport Authority, upon termination of this Agreement:

13.3.1 If one member agrees to assume ownership of the Airport Facilities and agrees to assume the financial obligations of all members, then the Airport Authority shall transfer title of the Airport Facilities to such member.

13.3.2 If no member agrees to assume ownership of the Airport Facilities and the financial obligations of all members, and if the State of Arizona agrees to assume such ownership and financial obligations, then the Airport Facilities shall be transferred to the State of Arizona.

13.3.3 If the State of Arizona refuses to assume ownership of the Airport Facilities, then the Airport Facilities shall revert to the United States of America.

Section 14. Term.

14.1 This Amended and Restated Intergovernmental Agreement shall remain in full force and effect until a date that is ninety-nine (99) years after the Effective Date unless modified or terminated by written agreement of all parties hereto.

Section 15. Notices.

15.1 All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail as follows:

Town of Gilbert
50 East Civic Center Drive
Gilbert, Arizona 85296
Attention: Town Manager

City of Mesa
55 North Center Street
Box 1466
Mesa, Arizona 85211-1466
Attention: City Manager

Town of Queen Creek
22350 South Ellsworth Road
Queen Creek, Arizona 85242-0650
Attention: Town Administrator

Gila River Indian Community
Administrative Offices
P.O. Box 97
Sacaton, Arizona 85247
Attention: Lieutenant Governor

City of Phoenix
3400 E. Sky Harbor Blvd.
Suite 3300
Phoenix, Arizona 85034-4405
Attention: Aviation Director

Section 16. Cancellation.

16.1 This Agreement may be canceled pursuant to Arizona Revised Statutes, Section 38-511.

Section 17. Approving Action.

17.1 Copies of appropriate action by ordinance, resolution or otherwise authorizing the respective parties to enter into this Agreement are attached hereto as Exhibit A.

Section 18. Federal Aviation Administration.

18.1 The parties recognize that contributions by Phoenix will be obtained from its Aviation Department. Those contributions are subject to review by the Federal Aviation Administration. Nothing herein requires Phoenix to contribute funding contrary to the Federal Aviation Administration's policies and procedures.

Section 19. Bond Ordinances.

19.1 Notwithstanding any of the provisions in this Agreement, Phoenix is not assuming any obligation in connection with this Agreement that will have priority over or parity with any bond issued by Phoenix.

Section 20. Audit Records.

20.1 The parties, the Federal Aviation Administration, the Comptroller of the United States, or any duly authorized representative reserves the right, at reasonable times, to audit and/or copy the Airport Authority's books and records directly pertinent to this Agreement. Nothing herein requires the Airport Authority to create or maintain any records that the Airport Authority does not maintain in the ordinary course of business or pursuant to a provision of law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Attest:

By Catherine Lopez

TOWN OF GILBERT

By [Signature]
Its Mayor

Attest:

By Ronda Cooke
Deputy

CITY OF MESA

By Keno Hawker
Its City Manager Mayor

Attest:

By Jennifer Robinson

TOWN OF QUEEN CREEK

By Wendy Feldman-Kerr
Its Mayor

Attest:

By Gretchen Hawkins

WILLIAMS GATEWAY AIRPORT
AUTHORITY, a Municipal Corporation

By Wendy Feldman-Kerr
Its Chairman

Attest:

By Janice J. Stewart

GILA RIVER INDIAN COMMUNITY

By Jennifer Allison-Ray
Its Governor

Attest:

By Mario Ramirez
CITY CLERK

CITY OF PHOENIX

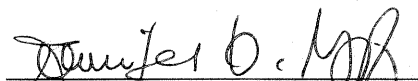
By [Signature] Aviation Director
for Its City Manager



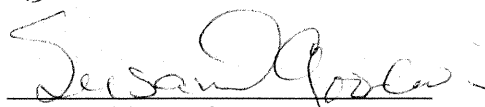
DETERMINATION OF LEGAL COUNSEL

The foregoing Amended and Restated Intergovernmental Agreement has been reviewed by the undersigned attorneys who have determined that it is in proper form and within the power and authority granted under the applicable laws of each party.

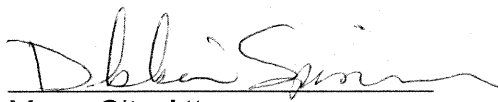
6/7/06
Date


Gila River Indian Community
Attorney

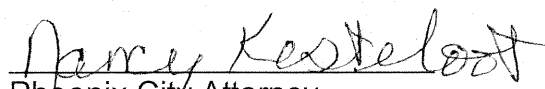
6/8/06
Date


Gilbert Town Attorney

6/9/06
Date


Mesa City Attorney

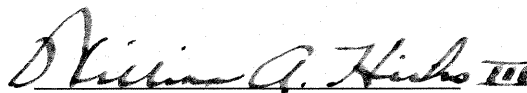
6/14/06
Date

ACTING 
Phoenix City Attorney

6/5/06
Date


Queen Creek Town Attorney

6/9/06
Date


Williams Gateway Airport
Authority, Attorney