

RESOLUTION NO. 03-2005

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF BENSON, ARIZONA, AGREEING TO SUPPORT AMERICAN INFRASTRUCTURE MANAGEMENT, L.L.C., (A.I.M.) IN THEIR PROPOSAL TO OWN, OPERATE AND MAINTAIN UTILITY SERVICES ON THE FORT HUACHUCA MILITARY INSTALLATION AND AUTHORIZATION FOR NEGOTIATION OF AN ADMINISTRATIVE AGREEMENT.

WHEREAS, the City of Benson, Arizona is in near proximity to Fort Huachuca and desires to provide utility management support to AIM in its proposal to operate utility systems at Fort Huachuca; and,

WHEREAS, the City of Benson has the technical expertise, manpower and other resources to provide shared management services and emergency on call backup services to Fort Huachuca; and,

WHEREAS, American Infrastructure Management has the technical expertise, knowledge, and experience of operating utility services at military installations and the financial capability to own, operate and maintain utility services at Fort Huachuca; and,

WHEREAS, the City of Benson is guaranteed that they will not have any financial obligation in the preparation of the proposal or any financial obligation regarding the estimated \$65 million dollar capital improvement plan; and,

WHEREAS, AIM will provide the manpower and other costs associated with the proposal and provide their knowledge and experience in obtaining the \$65 million dollar bonds, including bond counsel and underwriting information necessary to borrow the money; and,

WHEREAS, the City of Benson and AIM will assemble a plan for each of their roles in providing Operation and Maintenance to Fort Huachuca with each being reimbursed for their direct cost while operating this system; and,

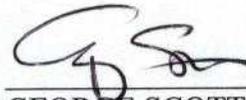
WHEREAS, the City of Benson and AIM will propose administrative and general overhead costs that will be shared on an agreed upon basis determined by each party's respective role; and,

WHEREAS, the City of Benson and AIM will propose a fee above all costs (profit) which shall be shared on an agreed basis determined by each party's respective role; and,

WHEREAS, AIM will design and manage the capital improvement plan at Fort Huachuca in its entirety.

BE IT NOW HEREBY RESOLVED, that the City of Benson, Arizona has agreed to support AIM in its Fort Huachuca privatization proposal and further, hereby agrees to propose partnership with AIM regarding the administrative and general overhead management support services in operation of the utility services at the Ft. Huachuca Military installation, subject to negotiations and subsequent Council approval of an agreement specifying the terms thereto and determining each party's respective roles and responsibility.

PASSED AS ADOPTED BY THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA, this 24th day of January, 2005.



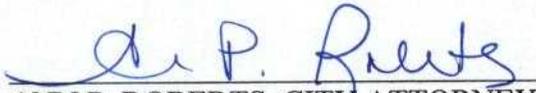
GEORGE SCOTT, MAYOR

ATTEST:



VICKI L. VIVIAN, DEPUTY CITY CLERK

APPROVED AS TO FORM:



ANN P. ROBERTS, CITY ATTORNEY