SPRINGDALE AIRPORT COMMISSION
AGENDA
City Council Chambers
CITY ADMINISTRATION BUILDING
THURSDAY OCTOBER 17TH, 2019
1:00 p.m.

1. Call to Order - Chairman Neil Johnson
2. Roll Call
3. Approval of Minutes – September 19, 2019  Pg’s 2-7
4. Comments from Audience:
   The Airport Commission will hear brief comments (5 minutes or less) from citizens during this period on agenda issues and non-agenda issues. No action will be taken today on non-agenda issues. All comments will be taken under advisement.
5. Update from Summit Aviation – Daniel Hughes, Mgr.
   • Update on Delinquent Hangers – Deputy City Attorney Sarah Sparkman  Pg’s 8-9
   • Current Hanger Lease Agreement Penalties  Pg's 10-13
7. Airport Activity Report (operations, fuel sales, revenues & expenditures) – Wyman Morgan, Dir. of Admin & Financial Services  Pg 14
8. Garver Update – Adam White
   • Update on Apron Parking Project
   • Capital Improvement Plan
9. Old Business
10. Comments from Commissioners
11. Adjourn

HAPPY HALLOWEEN

*If you are unable to attend, please call -- 750-8560. Thank You!
SPRINGDALE AIRPORT COMMISSION
MINUTES
September 19, 2019

The regular meeting of the Springdale Airport Commission was on Thursday, September 19th, 2019, in the City Council Chambers located in the City Administration Building.

Chairman Neil Johnson called the meeting to order at 1:00 p.m.

Roll call was answered by:

  Neil Johnson  
  Greg Collier  
  Andrew Barker  
  Joel Gardner  
  Steve Smith   Absent  
  Bill Schoonover  
  Greg Willoughby   Absent

City staff present:

  James Smith, Airport Manager  
  Bill Timmerman, Airport Supervisor  
  Wyman Morgan, Administration & Financial Services Director  
  Rose Lawrence, Administrative Assistant, Mayor’s Office

APPROVAL of MINUTES

Commissioner Gardner made a motion to approve the August 15th, 2019 minutes as presented; Commissioner Collier made the second.

Chairman Johnson called for a voice vote, hearing no nays, ruled the motion passed.

COMMENTS FROM AUDIENCE

Cal Minor, General Manager asked permission to change the operating hours from 7am to 4:30pm, in the last 5 days they've been staying over till about 7:30pm and have noticed a trend change in the sales. Between the hours of 7-11am that accounts for about 11% of total revenue, which he calls the breakfast hours. Lunch is the largest sales for them... anything after 4-7pm he calls dinner hours and they've only had the dinner hours open for about 5 days and that accounts for over 20% of total revenue since they've opened. They would like to adjust their hours to be open from 10am – 8pm as opposed to 7am – 4:30pm in the interest of good business.

**Airport Commissioner Gardner made a motion to add this request to the Airport Commission agenda today as the next item on the agenda for discussion; Commissioner Barker made the second.

Chairman Johnson called for a voice vote, hearing no nays, ruled the motion passed (discussion continued below on agenda item).

Bill Rogers with the Springdale Chamber of Commerce personally invited each Commissioner to the upcoming Morning Brew that is being put on at the McDonald's Corporate Headquarters on Thursday, September 26th from 8:30am – 9:30am. Hope you can all attend it will be a fun networking time. Bill also personally invited everyone to the Chicken, Peeling and Politicking taking place at Shiloh Square on Thursday, October 3rd from 4:30pm-6:30pm.
ITEM ADDED: REQUEST TO CHANGE RESTAURANT HOURS by Cal Minor, Gen. Mgr. for the Airport Albatross Bar & Grill Restaurant.

Cal Minor, General Manager of the airport restaurant Albatross Bar and Grill continued discussion on his request for permission from the Airport Commission to change the hours of business they have posted from 7a.m. – 4:30p.m. to 10a.m. – 8p.m at the restaurant. His beginning comments are in the section above listed "Comments from the Audience" before it was added to the agenda.

Commissioner Schoonover asked how much advertising has been done and has any portion directed toward the morning breakfast crowd.

Cal Minor stated they are using a couple social media platforms: Facebook and Instagram as well as using google. They are also in touch a cumulous radio network as they are putting together a packet for them for the future but have nothing to do with their past sales. There entire menu is listed on all social medias they are involved in. The plan is to build the clientele and then reopen the breakfast hours as early as needed.

Chairman Johnson asked what model indicates this is a good idea? How do you build a breakfast clientele if you don’t have it open for breakfast?

Cal Minor replied that on the weekend they have people come in for the brunch menu that is different from the Monday – Friday. What they are seeing is people tend to not show up until 10am... the people that tend to come in for breakfast don’t show up till 10-10:30.

Chairman Johnson said that when they were open before the breakfast time was the largest draw and he hates to see them not have a breakfast but will go with the rest on this.

Commissioner Collier said you are basing this on 3-4 weeks you have been open and you’ve not advertised breakfast yet?

Cal Minor said they have advertised their full menu between breakfast and lunch and the largest response they’ve received has been for lunch and when they extended the hours into the evening they extended the menu into the dinner hours and has done about 20% of their revenue within 5 day of their being open. It is showing to be more profitable to be open in the evening then breakfast right now.

**Commissioner Gardner made a motion to modify the agreement to allow 10am-8pm from current business hours of 7am-4:30pm, with the knowledge that he can expand either on both ends within 3 hours without returning to Airport Commission for permission but all reductions has to appear before the Airport Commission at least 2 weeks before he wishes to cut his hours at a regular meeting of the Commission; Commissioner Barker made the second.

The Vote:
Yes: Barker, Gardner
No: Collier, Schoonover
Abstain: Johnson

Chairman Johnson recognized the vote of 2-3 showing the motion failed.

Chairman Johnson remarked that 2-3 weeks is not long enough to test the business hours, continue as you are doing and come back at a later date when you have more documentation on how it's going. We need to get the word out about the restaurant being open to help with customers.
*Commissioner Gardner made a motion that allows him to if he chooses to operate minimum of 7am-7pm and allows him to add anything above that and he can make decision about it; Commissioner Collier made the second.

The Vote:
Yes: Barker, Gardner, Schoonover, Johnson, Collier
No:

Chairman Johnson recognized the vote of 5-0 and ruled the motion passed.

Commissioner Barker stated that asking someone to lose money for 1 hour isn’t in the best interest of the Commission.

**SUMMIT AVIATION UPDATE by Daniel Hughes, Mgr.**

Daniel Hughes, Manager for Summit Aviation stated that it's great to see that people are coming to see about food, they have somewhere to go now. Also if you want to develop more posts on Facebook pertaining to certain meals, Daniel can share it to Summit Aviation page as well and hope to see more traffic due to this, he said they have hundreds following their page.

Daniel reported fuel sales from July to August, the numbers were down 2.4% overall. We still had quite a bit of traffic going through and the rental cars were actually higher then accepted. They are a Hirtz preferred and have given us 2 courteous cars along with the Durango which makes 3 courtesy cars. Having this option has made our customers very happy.

They are Shell contract and all fuel comes from Titan Aviation working with Shell, and they do a yearly inspection on all equipment. They showed up and surprised them last week. This year when we had our audit it went very well and they were very satisfied with the airport and the fuel operations. They liked what they saw at the fuel farm and had a few things that needed addressed.

There is a differential pressure gauge and on each filter, av gas and jet fuel and are inoperative. He is requesting 2 new differential pressure gauges for these two. He can install them as they are super easy to do if the city can get them ordered or he will try to find them to order. Also the Jet A storage tank B does not appear to be equipped with a fire valve or outlet valve that is a fusible devise that will close automatically in case of fire. They recommend getting in compliance with the fire valve. The audit went really well and 3rd party is satisfied with the way everything is looking.

Chairman Johnson mentioned to Daniel that he was discussing are maintenance items and should be referred to the Airport Manager and if needed then he would bring them to the Commission. All of these items need to be addressed thru the week with the manager. Daniel will get with James and Bill to discuss the maintenance issues….

Daniel discussed the Fly-Inn that is going to be held on Saturday, October 5th and if there is a rain out it will be Saturday, October 12th from 9am-5pm; Albatross Bar & Grill will be cooking up sandwiches and sides for them, which will be a $5 lunchbox and Daniel has the donation of chicken from Cameron McHaa with ARH and Summit will be providing the sides and the grill will be cooking it for us. They are looking for more aircraft to come in and they are also encouraging anyone with classic cars to show up on the ramp. Har-Ber High School Aviation Club kids are officially going to volunteer for us by watching the perimeter for them and listen and visit with people to get information on their careers, etc. He is open to any ideas for advertising to the public; please just get in touch with him.
AIRPORT OPERATIONS REPORT by James Smith, Airport Mgr. Bill Timmerman, Airport Supt.

James reported that Bill is calling on all the late renters. On the AWOS and Tower maintenance, Ron out of Missouri took this over when Larry retired and apparently his health is failing. James got an email from Johnny with a list of four people that could take over the AWOS maintenance. He is in the process of reaching out to those four to see who has the best price for maintenance of the AWOS. He still has to find someone to take over the tower as well, but at this moment Larry stepped in to get back in compliance as ground frequency went out.

James mentioned that Sarah from City Attorney’s office was unable to be at the meeting to present her update on delinquent renters but she did send an email on this issue to address to the Commission. She said she was working on our people that are 60 day late or greater.

Commissioner Schoonover stated that these names are repetitive time after time and it costs us money to chase this money, he would like know if it’s fair to the 40 or so people we have on our waiting list?

Chairman stated that we have been very fair and we should revisit our rules that we have set out in place and make modifications and adjustments. Could we get the information back by the next meeting with the idea of making some adjustments and getting the word out there?

Wyman Morgan recommended they consider policy changes like if they appear on delinquent list 3 times in the last 12 months they get evicted.

Commissioner Collier asked if we are collecting those additional fees when they are delinquent.

Chairman suggested that we bring this information back next month for the Commission to take a good look at it and what we want to do.

AIRPORT ACTIVITY REPORT by Wyman Morgan, Director of Admin. & Financial Services

Wyman reported all 3 of the houses on Emma Avenue have been torn down. The terminal roof is finished and we are closing out the grant. We have approximately $8 or $9,000 leftover money from the terminal renovation project. Our cash is down to $29,000 but we have the grant portion of the roof project that hasn't come in yet, therefore, the amount should go back up some.

Wyman spoke with ADA and they told him that every airport in Arkansas has a waiting list of people wanting hangers.

Chairman Johnson asked if we had any vacant hangers and the answer was no, so he then asked if it was time to start thinking about building another one.

Daniel mentioned at Summit Aviation they have 4-5 calls a week looking for hanger space, the calls that are coming in are small businesses and private owners.

ARKANSAS GENERAL AVIATION ASSOCIATION (ARGAA) - Robbie Wills

Robbie Wills mentioned that they found Attorney General’s Opinion from 2001 that says as long as the city receives something in return for whatever is paid then it’s allowable and legal to join. He checked first with his City Attorney in Conway since they were the first airport to join about this. He then met with Mayor Sprouse, Wyman and City Attorney Ernest Cate to make sure they were giving all the information to them about what they were doing, how they do it, and the value to the airport. They even ran it by the Arkansas Municipal League to make sure they were ok with it as well. Ernest Cate and
Robbie Wills wrote an agreement so everyone would understand and see what they were getting if they agree to become a member of this organization. In Section 1 of this agreement outlines the things we do for our members and it's basically anything you need done in support of your capital or operating costs and the duties as assigned by the airport. This means whatever you need help with that you feel like our association and members of this association can help with that's what they will do. Hangers are the number 1 issue of every airport that they talk to in the state. Therefore, it is their number 1 issue to address with the State of Arkansas. The ADA would love to fund more projects if they had more money.

They have every legislature that is a pilot a member of this organization and are working currently on trying to put together a package for the 2021 session that will get more money put into the system. Where they fit into this is they are taking input from their members on what else needs to be in the package.

Wyman mentioned the City Attorney did review the Attorney General's more recent opinions and agreed if the Airport Commission wished to join this association they could.

Chairman Johnson stated he does not see the need to join this association, it isn't the money, we have a good team without it.

Commissioner Barker stated that he will abstain from the vote as he is a member of this organization, but he will say how beneficial he has been for his company.

Robbie Wills stated that if the Commission does not feel, after one year, that they have got $750.00 worth of value out of the Association he will write a check to refund the amount.

**Commissioner Gardner made a motion to join the Arkansas General Aviation Association (ARGAA); Commissioner Schoonover made the second.

The Vote:
Yes: Collier, Gardner, Schoonover
No: Johnson
Abstain: Barker

Chairman Johnson recognized the vote of 3-2 and ruled the motion passed.

**GARVER UPDATE - by Adam White**

Update on Apron Parking Area Project: this is one of the state grants this year and is 90/10 grant. They had a pre-construction meeting last week the plan was to start construction Monday of next week but the forecast doesn't look great so they are going to go ahead and do some minor electrical items next week then plan to start the following Monday with the digging out of pavement and earth then begin putting in the base. Contract time is a month/30 days so hopefully around the end of October they will be finishing this up then applying for reimbursement to the State.

At the ADA meeting this week, revenues are back down again. We had 2 good months this year and thought this was the turning point then it came right back down. So timing is everything, you got your grants in those two months but it's been a long time since they've seen a t-hanger come in that list, money is tight for hangers.
They are still working with FAA on the final runway survey so we still have a grant reimbursement coming back on this.

Next month is CIP time to talk through the Airport's 5 year capital improvement's plan.

**OLD BUSINESS:**

None

**COMMISSION COMMENTS:**

Commissioner Gardner asked in the hope we could actually build hangers, would we lease land to a private organization?

Chairman stated we do this all the time.

Wyman mentioned we have three building sites that are available right now and people are looking at them and considering the options and we have land available for a hanger.

*Business concluded and meeting adjourned at 2:02 p.m.*

__________________________
Neil Johnson, CHAIRMAN

__________________________
Rose Lawrence, RECORDING SECRETARY

__________________________
DATE OF APPROVAL
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### NEW HANGAR LEASE

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| 1527    | 702    | DAVIS, SCOTT - #702    | 902.00 | 150.00      | 256.00           | 160.00            | 160.00           | 166.00           |
| 1527    | 510    | DAVIS, SCOTT - #510    | 891.50 | 196.00      | 294.00           | 196.00            | 196.00           | 9.60             |
| 1694    | 008    | BRAIN, JAMES - #008    | 155.00 | 155.00      |                  |                   |                  |                  |
| 1708    | 705    | DUGGAR AVIATION - #705 |        |             |                  |                   |                  |                  |
| 1708    | 707    | DUGGAR AVIATION - #707 |        |             |                  |                   |                  |                  |
| 1810    | 607    | FOGG, BRITT - #607     | 209.00 | 209.00      |                  |                   |                  |                  |
| 1819    | 808    | ROSE, JONATHAN - #808  | 202.00 |             |                  |                   |                  |                  |
| 1856    | 1206   | CRAWFORD, SHANE - #1206|       | 276.00      | 276.00           |                   |                  |                  |
| 1858    | 202    | FISHER, VINCENT - #202 |       |             |                  |                   |                  |                  |
| 1861    | 1307   | DUHAIME, BILL - #1307  | 722.00 | 170.00      | 255.00           | 187.00            | 170.00           |                  |
| 1862    | 1308   | DUHAIME, BILL - #1308  | 400.20 | 87.00       | 130.50           | 95.70             | 87.00            |                  |
| 1902    | 708    | MORRIS, BRANDON - #708 | 411.60 | 196.00      | 215.60           |                  |                  |                  |
| 1951    | 306    | DOWELL, TOM - #306    | 419.10 | 127.00      | 165.10           | 127.00            |                  |                  |
| 1976    | 107    | ROSENTHAL, HENRY - #107| 74.00  | 74.00       |                  |                   |                  |                  |
| 2003    | 710    | MORRIS, BRANDON - #710 | 216.30 | 103.00      | 113.30           |                  |                  |                  |
| 2021    | 808    | ROSE, JONATHAN - #808  |        |             |                  |                   |                  |                  |
| 2022    | 810    | ROSE, JONATHAN - #810  | 103.00 | 103.00      |                  |                   |                  |                  |
| 2046    | 410    | HUTCHINSON, RANDY - #410|      | 17.50       | 17.50            |                   |                  |                  |
|         |        |                         | 5,540.60 | 1,976.50 | 1,584.00 | 868.70 | 716.00 | 395.40 |
|         |        |                         | 100.00% | 35.67%     | 28.59%           | 15.68%            | 12.92%           | 7.14%            |

### TOTAL DUE

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LEASE AGREEMENT

This Agreement is made and entered into by and between the City of Springdale, Arkansas, a municipal corporation, hereinafter called "Lessor," and ________________, hereinafter called "Lessee."

WHEREAS, Lessor has expended substantial sums of money for the construction of airplane hangar facilities and is desirous of leasing said facilities to private parties subject to the control of the City; and

WHEREAS, Lessee is desirous of utilizing the City's modern and convenient airplane parking and storage facilities.

The parties, therefore, have mutually agreed and consented to the following terms and conditions of this Lease Agreement:

WITNESSETH:

1. Leased Premises. Lessor agrees to lease and Lessee agrees to pay rent and occupy Hangar No. __________ located at the Springdale Municipal Airport.

2. Rental. Lessee agrees to pay a monthly rental fee of $ __________, to be paid by the 5th of each month and to be paid directly to the Springdale City Clerk/Treasurer. Lessor and Lessee also agree to prorate rents for use of the above described premises during partial months.

3. Late Charges.

   (a) Lessee agrees to pay 10% of the monthly rental payment as a late charge for any monthly payment, or any part thereof, which is not paid within ten (10) days of the above-stated due date.

   (b) The late charge shall increase to 20% of the monthly rental payment in the event Lessee fails to pay the monthly rental payment in full for two (2) consecutive months.

   (c) The late charge shall increase to 30% of the monthly rental payment in the event Lessee fails to pay the monthly rental payment in full for three (3) consecutive months.

   (d) It is hereby agreed that these are reasonable penalties to cover additional administrative costs associated with additional delays and the imposition of additional bookkeeping requirements.

4. Returned Checks. Lessee agrees to pay a fee of $25.00 for each returned check given to the Lessor for payment of rent and/or late charges.

5. Term. The parties agree that the initial term of this lease shall be for a period of one year from the date of __________. The parties further agree that upon the completion of the initial term this lease shall continue on a month to month basis until the Lessor or the Lessee provides the other with a thirty (30) day written notice of intention to terminate this lease.

6. Automatic Termination. This Lease shall automatically terminate in the event Lessee fails to pay the monthly rental payment in full for three (3) consecutive months and Lessee has not presented a payment plan to the Springdale Airport Commission and received an extension from the Springdale Airport Commission.
7. **Right to Alter Rent.** Lessee agrees that Lessor shall have the right to change the rent as conditions may necessitate but that the power of Lessor to alter the rent may not be exercised unless written notice at least three (3) months prior to said increase is given to Lessee.

8. **Insurance on Lessee’s Property.** Lessee shall be solely responsible for maintaining insurance on lessee’s property stored in the Lessor’s hangar.

9. **Application of Laws.** Lessee agrees to abide by all City of Springdale Ordinances, FAA regulations, and state statutes applicable to its use of the airport and the hangar facilities herein described and acknowledges that any violation of said Ordinances and/or regulations or statutes shall constitute an immediate forfeiture of Lessee’s right to continue to occupy the premises.

10. **Lessor’s Right to Inspect.** Lessor retains the right to inspect the premises at any and all reasonable times in order to assure that Lessee is in compliance with City Ordinances, FAA regulations and state statutes and that the premises are maintained in a clean and orderly fashion. Lessee agrees that failure to keep the premises in a reasonably clean condition shall constitute a material breach of this agreement.

11. **Subletting, Assignment or Conveyance of Lease.** Lessee may not sublet the premises in whole or in part of assign or transfer this lease, or any interest therein, without the prior written consent of Lessor. Any such assignment without Lessor’s consent shall be void and shall, at the option of Lessor, terminate this lease.

12. **Limitations on Use of Premises.**

   (a) Lessee agrees that it shall use the premises only for the storage of airplanes and materials and equipment necessarily related to the operation of said airplanes and that no other vehicles, equipment or supplies shall be stored on the premises unless expressly agreed to by Lessor. Lessee further agrees not to store any flammable material on the premises or in any way endanger or violate the provisions of Lessor’s property damage insurance policy or the requirement of the same. Any such violation shall constitute a material breach of this agreement.

   (b) Lessee further agrees that it shall only be permitted to engage in minor maintenance on the airplanes stored in the building and shall not permit any person, be it Lessee, its agents or assigns, invitees, or licensees to engage in any major overhaul or other major mechanical repairs of the Lessee’s stored aircraft or any other aircraft within the leased premises.

   (c) Lessee agrees that no aircraft engines shall be fueled, started or operated inside the leased premises and that the violation of this agreement by Lessee, its agents or assigns, licensees or invitees, shall constitute a material breach and automatically terminate Lessee’s rights to the premises herein.

   (d) Lessee agrees that no locks will be placed on doors of the hangar except those authorized by or furnished by Lessor, or its duly authorized representative. Any locks placed on hangar doors in contravention hereof may be removed by Lessor without prior notice to Lessee and shall be deemed to constitute a material breach of this agreement.

   (e) No improvements shall be made to the leased premises by Lessee unless Lessee has first obtained written authorization therefore from Lessor. Any improvements authorized by Lessor and made by Lessee shall be deemed to be fixtures and shall thus become part of the leased premises belonging to Lessor upon Lessee’s termination, whether voluntary or involuntary, of this lease.

13. **Indemnification.** Lessee agrees that it shall indemnify Lessor and hold Lessor harmless from any and all claims, duty, liability or suit which may be brought against Lessor as a result of accident, damage, or injury to persons or personal property which, caused by: Lessee, employee, agent, representative, licensee or invitee of Lessee, occurs on the leased premises. Lessee further acknowledges that it shall in no way hold
Lessor responsible for any theft or damage to the premises or the contents therein and that Lessee shall be responsible for obtaining adequate insurance protection against such theft or damage to personal property stored on the leased premises.

14. **Default.** Lessee shall be in default under the provisions of this lease agreement upon the happening of any of the following events or conditions:

(a) Failure to pay the rentals provided herein at the times, in the amounts and in the manner set forth or within thirty days after the date the same become due;

(b) Failure to keep or perform any of the covenants on the part of the Lessee herein to be kept or performed;

(c) Should the Lessee become insolvent, or become bankrupt, either voluntary or involuntary, or make any assignment for the benefit of creditors, or if a receiver be appointed for the benefit of Lessee’s creditors, or if a receiver be appointed for Lessee to take charge of and manage Lessee’s affairs, or if any levy of execution against the Lessee remains unsatisfied for a period of ten days from and after the levy of the same.

15. **Entire Agreement; Modification.** It is understood and agreed that all understandings and agreements heretofore existing between the parties are merged into this agreement, which alone fully and completely expresses the contract. This agreement is entered into after full investigation, neither party relying upon any statement or representation not embodied herein made by the other. This agreement may not be changed or terminated orally.

16. **Time of Essence; Binding Agreement.** It is understood and agreed that time is of the essence in this agreement, and that the agreement shall be binding upon the heirs, personal representatives, successors, attorneys and assigns of the parties.

17. **Governing Law.** This agreement shall be governed by and construed according to the laws of the State of Arkansas.

IN WITNESS WHEREOF, the parties have set their hands and seals this _______ day of __________________, 20 _______.

CITY OF SPRINGDALE, Lessor

BY: __________________________________________

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

Lessee

Address:____________________________________

Telephone:_______________________________
ACKNOWLEDGMENT

STATE OF ARKANSAS )
) ss.
COUNTY OF WASHINGTON)

BE IT REMEMBERED that on this day came before me, the undersigned, a Notary Public within and for the State and County aforesaid, duly commissioned and acting, ________________________, to me well known as the person who signed the foregoing Lease Agreement, and stated that he had executed the same for the consideration and purposes therein mentioned and set forth.

WITNESS my hand and seal as Notary Public this ______ day of ______________________, 20__.

__________________________________________
Notary Public

My Commission Expires:
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