



Bentonville Municipal Airport
Advisory Board Meeting
Thursday, May 2, 2019 – 1:00 pm
Community Development Building
305 SW “A” Street
Bentonville, AR 72712

MINUTES

Present at the meeting: Dr. Richard Ham, Chairman, Rick Simmons, Vice-Chairman, Chris Faulhaber, Secretary, Mike Frost, Lisa Kelley, Octavio Sanchez, Ex Officio, Charles Chadwick, Airport Manager, Beverly Shepherd, Administrative Assistant, Phillip Johnson, Executive Director - Summit Aviation, Chad Cox, Adam White, Garver, Will Gunselman, and Mary Jordan, Reporter.

Chairman Ham called the meeting to order and the Pledge of Allegiance given.

Chairman Ham issued a welcome to the Airport Advisory Board to new member Lisa Kelley. Ms. Kelley is an attorney practicing in Bentonville.

Old Business

1. Approval of Minutes from April 10, 2019, Meeting

Mike Frost made a motion to approve the minutes of the April 10, 2019, meeting. Chris Faulhaber seconded the motion. Motion carried.

2. Sub-Committee Report:

a. Geese Problem Update

Chad Cox appeared before the Committee to tell them about a recent development that has come up, in that he, Mr. Chadwick, Dennis Birge, Will Gunselman, met with a man named Jordan Jones. Mr. Jones has a falconry, tactical program in which we might be interested. He lives in Cave Springs. He gave us his presentation, which included some different ideas regarding our geese problem, which would yield results in a quicker period than what we have been looking at thus far. The group were impressed with him and asked him to put together his thoughts about the options we have here at the airport, his recommendations, and costs associated with those recommendations. Then Mr. Chadwick and Dennis Birge will talk with the City attorney and

City Staff and see if they had any issues with any of his tactics. Then we were going to look for a private grant of some sort to get this done. Mr. Chadwick was very impressed with Mr. Jordan's processes, delivery, and professionalism. He said that he thought it was something the Board needs to hear. He would like to get Mr. Jordan's recommendations first, have Chad looking for some sort of private grant, and then bring it to the Board for consideration. The Board agreed with this without a formal motion.

New Business

1. City of Bentonville, *Charles Chadwick, Airport Manager*

Mr. Chadwick presented the proposed Land Lease Agreement regarding the old Parnell hangars, which are enclosed T-hangars. They have been at the airport a very long time and have deteriorated over time. There are still some a few airplanes housed there. Mr. Chadwick is looking for the Board to approve the proposal, have Dr. Ham sign off on, and, to send on to City Council. Mr. Eldon Blackaby and Mr. Kurt Blackaby, who appeared at the meeting today, comprise the Lessee, BBT Investments, LLC. Mr. Chadwick was very positive about this agreement, and went through all of the special details of it, which include, but not limited to, demolition of the hangars, the terms of the lease, and proper maintenance and inspection. Specifically in this lease, the Lessees have a 35 year lease with two (2) five (5)-year options. *A copy of the Lease Agreement is attached hereto, and made a part of these minutes.* Rick Simmons made a Motion to accept the Land Lease Agreement as it as written, and that the board is notified of any changes to it. Chris Faulhaber seconded the motion. Motion carried.

Mr. Chadwick mentioned that he had received notice on Friday evening, via text, that Brad Elliott was no longer with Summit Aviation as their Fixed Base Operator, Manager. Phillip Johnson has taken over as Executive Director of Summit Aviation. He also works with FlyOZ, so he has coupled his duties.

Mr. Chadwick reported that Dennis Birge is not here today. He had something to come up at the last minute that he had to take care of. He asked Mr. Chadwick to let the Board know.

Mr. Chadwick also reported that he is working on a West Side Hangar Lease, but still working on getting a dirt berm removed before that can happen. It will come into place just south of where Dave Powell's hangar is now. Mike Bender is going through the bid process to get the dirt removed, and Dennis Birge told Mr. Chadwick that we are about 4 to 6 weeks out before we could start moving dirt because of the way the bid process has to go.

2. Engineering and Construction, *Adam White, Garver Engineers*

Adam White appeared before the Board. He provided a handout with updates on the current projects. *Attached hereto, and made a part of these minutes, is a handout Mr. White provided to the board updating the current ongoing projects with the airport.*

3. Summit Aviation/FBO – Phillip Johnson, *Summit Aviation*

Phillip Johnson appeared before the board with a brief report from Summit Aviation. He is just 4 days into being the replacement of Brad Elliott, who is no longer with Summit. Chairman Ham asked how many people signed up to go to Oshkosh. Phillip said they are still accruing them, but as of last night, they had 43 people that came and attended the meeting. They will be working to get more people there. Mr. Chadwick said that just Phillip started his new job; Phillip called him and asked if he could meet with he and Dennis Birge. They did meet and Mr. Chadwick reported a good meeting. They talked about the old terminal building or old FBO building during the meeting. It is city owned, but leased by Summit. Mr. Chadwick reported that most likely he would move his office to the old terminal building, and represent the City there in that fashion. The City would also like to have a full time city maintenance person there from 8 am to 5 pm to take care of maintenance needs out there, so that the FBO can focus on doing their job, rather than maintenance, as well. They are working towards budgeting that maintenance position out there. It is a work in progress. He hopes to come back to the board fairly soon for approval to take a portion of that building to house his office and a full-time maintenance person from the City.

4. Turf Runway Update – *Dave Powell*

Dave Powell was not present at the meeting, as he was in Mexico, so Chip Gibbons filled in for him. He said that the board had asked that Tailwind look for liability insurance. He reported that they are in the process, but do not have any information at present as to the cost. He said that Tailwind Foundation is not in favor of doing this, and will still look into insurance, but he said that Tailwind is in no way indicating that they will do this. There are still questions about who will do what out at the Turf Runway. Mr. Chadwick said there is still work to do on this issue. Procedures need to be outlined and in a better, more readable form, and then publish them on the City website. Chuck also indicated that he thinks Dave Powell needs to be involved in these discussions.

Chairman Ham and Mr. Chadwick both talked about liability and risk, and the differences. Mr. Chadwick suggested a round-table discussion, with Chris Faulhaber being in charge of it. Chris has been good at handling these documents. Chairman Ham asked Chris to handle this and he said he would. He suggested a couple of meetings and talk over concerns and procedures.

Adam is going to check into another document regarding air space approval, and get back to the board. Chairman Ham wants to get moving on all this. Mr. Chadwick would like the board to schedule a meeting and use Beverly Shepherd as a center point on that. Board members do not need to be communicating via text or email about something that you may later vote on. Use Beverly as a point of contact if you want to schedule something and she can contact everyone to check their schedules, and we can get rolling on that. Chad Cox asked if we should not rely on the FAA regarding our liability issues and see if they can help us understand them.

Chairman Ham said they have a grass strip in Pocahontas or Paragould, and we might get some good information from them. He will try to contact Doris, an attorney there about this. Mr.

Chadwick said he did not mind contacting Kathy Franklin with the FAA about this, also. Chip said that Huntsville had a grass runway, as well.

5. Tailwind Foundation Update – Dave Powell

Chip Gibbons reported that their Summer Social is on the second Thursday of the month, and the board is invited. It is a Mexican theme.

Chairman Ham reported that he found out that the data for the Airport Economic Impact Status came in. He will send the information to Mr. Chadwick. He said that the Department of Aeronautics said they would come and give us the brief, or whatever we want, and he would ask that the City Council get that brief also. It talks about the economic impact that the airport has on the community, and what it costs, etc. He said Jerry Knight would come and give us that report. He will check and see if we can get them to come next month. He feels it would be very useful.

Other Business

1. Schedule May, 2019, AAB Meeting
(Proposed Meeting Day: Thursday, June 6, 2019, at 1:00 pm)

2. Adjournment

Lisa Kelley made a motion to adjourn and Rick Simmons seconded the motion. Motion carried at 1:26:23 pm.

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Project Task	Runway Rehabilitation									
	East Taxiway Extension (North)									
Project Task	Runway 18 Turnaround & Access Tunnel									
	Game Composites Hangar Facility									
Project Task	Flight Center Parking Expansion									
	Summit Aviation Hangar Facility									
Project Task	PAPI Construction									
	East Taxiway Extension (South)									
Site Investigations										
Conceptual Meeting w/ City										
Preliminary Design			6/10/2019							
Preliminary Design Review			6/19/2019			5/8/2019				
Final Design			7/1/2019							
Final Design Review			7/9/2019							
Bidding			N/A	N/A	N/A	N/A				
Grant Award			N/A	N/A	N/A	N/A				
Construction Contract			N/A	N/A	N/A	N/A				
Preconstruction	6/6/2019	7/31/2019	7/31/2019			5/15/2019				
Construction Start	6/9/2019	8/15/2019	8/15/2019			5/30/2019				
Construction Complete	6/12/2019	9/26/2019	9/26/2019			6/29/2019				
Grant Closeout	6/31/2019	N/A	N/A			N/A				



BENTONVILLE MUNICIPAL AIRPORT
LAND LEASE AGREEMENT

THIS LEASE AGREEMENT entered into this 15th day of May, 2019; with an effective date of July 1, 2019 the City of Bentonville, hereinafter referred to as "Lessor," and BBT INVESTMENTS, LLC, an Arkansas Limited Liability Corporation, hereinafter referred to as "Lessee."

WHEREAS, the Lessor does intend to lease certain real property consisting of approximately 16,000 square feet identified as:

See Legal Description attached as Exhibit A or as may be reflected in an appropriate Addendum.

NOW, THEREFORE, the Parties hereto agree as follows:

1. **LEASEHOLD.** The Lessor does hereby grant, demise and lease unto Lessee certain premises as set out in the attached **Exhibit A** (the Leased Premises) situated in Benton County, Arkansas, within the boundaries of the Bentonville Municipal Airport, said property being described more particularly as the "footprint" described on **Exhibit A** under a portion of a Building to be constructed on the Leased Premises and property adjacent to the Leased Premises owned by Lessee (Lessee Property). The Leased Premises is defined as the real property described on **Exhibit A** located underneath and including the hangar buildings located thereon, which Lessee proposes to erect.

1.1 **ADDENDUM FOR CLARIFYING LEGAL DESCRIPTION AND CORRECTED SQUARE FOOTAGE.** The parties hereto acknowledge as of the execution of this Lease Agreement that a specific meets and bounds legal description has not been obtained. The parties understand and recognize the general area which will be utilized to build the hangars. However, they further recognize that there is a high likelihood that this Lease Agreement shall need to be modified by an Addendum for the purpose of clarifying the legal description and corrected square footage of the Leased Premises. In that regard, the parties hereto agree that any Addendum for the purpose of clarifying the legal description and corrected square footage of the Leased Premises, may be done by written agreement between the Lessee and by the Mayor and attested to by the City Clerk on behalf of the Lessor, without bringing said Addendum before the City Council for additional approval.

2. **TERMS AND CONDITIONS.** Lessee agrees to comply with and abide by all terms and conditions set forth in this original Agreement of Lease.

3. **TERM.**

3.1 This lease's term is for an initial term of thirty-five (35) years beginning on the 1st day of July, 2019, and ending at Midnight, June 30, 2054, unless sooner terminated as herein provided. Lessee shall also have two (2) consecutive five (5) year options to and extend the Lease. Lessee shall comply with the terms set forth in paragraph 3.2 hereafter to be entitled to exercise the extension.

3.2 **TERMS CONCERNING OPTIONS TO EXTEND.** Lessee shall be entitled to extend this Lease Agreement pursuant to paragraph 3.1 above upon compliance with the following terms and conditions:

3.2.1 a) Lessee's compliance with all terms and conditions set forth in this Land Lease Agreement;

b) Lessee shall provide Lessor with written notice of Lessee's intent to exercise said option(s) at least six (6) months, but no greater than twelve (12) months prior to the expiration of the initial thirty-five (35) year term and each subsequent option period thereafter.

c) BUILDING MATERIALS AND METHODS.

Lessee agrees to use high quality materials in the construction of the hangar buildings and the improvements therein, including but not limited to a minimum of 26 gauge metal sheeting for roof and walls. Additionally, the hangar buildings will be insulated with four-inch vinyl reinforced insulation. The hangar doors on the larger hangar will be an aircraft quality, bottom rolling hangar door with motorized assistance. To protect the long-term integrity of the building, the hangar door will be properly weather-stripped to protect against rain, snow, sand, birds and other animals. The hangar door on the smaller hangar will be horizontally bi-fold door with electric motor assist with cables and/or straps. To protect the long-term integrity of the building, the hangar door will be properly weather-stripped to protect against rain, snow, sand, birds and other animals.

Lessee shall install in both hangars, R-panel style liner panels along the bottom 6-foot of the interior of all exterior walls. This addition will help protect against insulation deterioration and damage, allowing for longer life of the product.

The larger hangar will have a conference room and restroom. All materials for those rooms will be of high quality standard building materials and with the highest quality of craftsmanship. The smaller hangar will have a full bathroom with shower and probable conference room. Both hangars will have polished concrete or epoxy coating for the flooring materials.

The exterior of the hangars will include landscaping and parking on the street side.

d) MAINTENANCE UPKEEP AND INSPECTION.

For the first 10 years of the life of the hangars, on at least a bi-annual basis, the Lessee shall perform a complete and thorough building inspection and needed repair, including, but not limited to the roof, the exterior walls, doors, hangar floor, interior improvements and all mechanical fixtures such as HVAC, heater, water heater, door motors and door hardware, with appropriate check lists and repair list for review by Lessor at Lessor's request. For the remaining years of the life of the hangars, said inspection and repair shall be on at least an annual basis, with all other requirements set forth in this paragraph applying.

4. LEASE PAYMENT. Lessee shall pay to the City of Bentonville the annual rental based on the square foot of total leased ground space. The rate charged per foot shall be \$.21 per square foot. Leased ground space totals sixteen thousand square feet (subject to addendum as set forth above and as may be needed once specific plans are completed). Said rental is to be paid in advance in yearly installments on the 1st business day of each year. If the initial calendar year of the lease is less than 12 months the Lessee will pay a pro-rata payment to cover the first partial year at the time of signing this lease. For each subsequent year during the initial term, or any extension thereof, the rent shall be increased annually in accordance with changes in the Consumer Price Index (CPI) published each April as compared to the previous April, provided, however, that no single annual increase shall exceed two percent (2%). The Consumer Price Index refers to the Consumer Price Index for all urban consumers (CPI-U), U.S. City Average All Items Index.

4.1 TAXES. Lessee shall pay all ad valorem taxes and assessments upon the Leased Premises and upon all personal property located upon the Leased Premises, which are assessed during the lease term. Lessee acknowledges that it is anticipated that the ad valorem taxes and assessments will come in the name of the City of Bentonville, or some City entity such as the Bentonville Municipal Airport. That from time to time the Leased Property and improvements thereon may be reassessed and the taxes and special assessments associated with the Lease Property may increase or decreased accordingly. The Lessee is aware that certain procedures/laws/ordinances are in place whereby the taxpayer may appeal an assessment or reassessment. Lessee understands and agrees that the Lessor is under no duty to give notice to Lessee

of such action nor to protect Lessee in anyway associated with such assessment or reassessment, that the burden is fully on the Lessee to make itself aware of all matters associated therewith and to protect itself as may be necessary from time to time. Accordingly, Lessee shall have the right to contest by appropriate proceedings the amount or validity of any tax or assessment which Lessee is obligated to pay in accordance with the provisions hereof.

4.2 ASSIGNMENTS & SUB-LEASES. This agreement, in whole or any part thereof may not be assigned or transferred by Lessee unless such action receives prior approval by the Lessor, which such approval cannot be unreasonably withheld.

5. INSURANCE. Lessee shall obtain & maintain property insurance coverage for the repair or replacement of the leasehold, the Building and any adjacent improvements. The City of Bentonville will be listed as an additional insured on the policy and as a "Loss Payee" as its interest may appear on the policy, giving consideration of Lessor's residual interest in any and all improvements thereon, with any proceeds received by Lessor to be utilized as provided in paragraph 10.1. The Lessee will provide proof of this insurance upon request and keep the policy in effect during the term of the lease. Lessee acknowledges that it is the Lessee's sole responsibility to maintain insurance on any personal property if desired.

6. USE OF THE LEASED PREMISES.

6.1 The development and/or use of any Leased Premises located within the current or future boundaries of the Bentonville Municipal Airport shall be consistent with the most recent Airport Master Plan and Airport Minimum Standards and any future amendments or additions thereto, if any. Lessee agrees that all uses of the Leased Premises must be approved by the Lessor and shall be predominantly for aviation use. All future structure additions shall be subject to prior approval by Lessor. In the event that Lessee uses the property for purposes other than the purposes stated above, then Lessee shall be deemed to be in default of this agreement.

6.2 The Lessee, within four (4) months of the date of execution of this Lease Agreement by Lessor ("Effective Date"), shall submit to City Staff or the Airport Advisory Board a conceptual plan with elevations of the proposed building project. Said conceptual plan shall include a minimum of two hangar buildings, one shall be in the approximate size of 11,250 square feet +/- 10%, and the other shall be in 3,600-4,200 square feet +/- 10%. Additionally, Lessee agrees to construct and improve that portion of the Airport property located between the proposed hangar buildings and the west border of Airport Road. Said improvements shall include sufficient paved parking as may be required by the City of Bentonville planning department or otherwise sufficient to provide adequate parking to the hangar facilities to be built thereon. No later than six (6) months from the Effective Date, the Lessee shall submit conceptual plans of sufficient nature as is required by the City of Bentonville planning department.

No later than twelve (12) months from the Effective Date, the Lessee shall commence the demolition process and within sixty (60) days thereafter begin the site preparation and construction of the required hangar buildings as set forth herein. Lessee further agrees to use due diligence to complete the construction on all phases of the improvements thereon.

6.3 Demolition. The parties agree that there presently exists, on the Leased Property, certain city owned enclosed t-hangers (commonly referred to as the "Parnell Hangars"). Lessee agrees that all costs and expense associated with the demolition and removal of the debris from said t-hangers shall be the responsibility of the Lessee. So as to allow the Lessor sufficient time to give notice to the tenants of the "Parnell Hangars", Lessee shall give Lessor no less than sixty (60) days notice as to when Lessee plans to begin the demolition of the "Parnell Hangars". Lessee shall provide, at its expense, to Lessor a surety bond by its corporate officers in an amount of not less than One Hundred Thousand Dollars (\$100,000.00) to guarantee and indemnify the Lessor for loss of the "Parnell Hangars" in the event said hangars are demolished and the Lessee thereafter fails to build the two (2) hangars as required hereinabove. Until the "Parnell Hangars" are demolished, the Lessor is entitled to receive all rent payments on the t-hangers as they become due/paid from the tenants of said t-hangers without discount nor payment to Lessee herein. Following the removal of the tenants of the "Parnell Hangars", if Lessee fails to timely demolish the

"Parnell Hangars", the Lessee shall pay to the Lessor an additional monthly sum of Six Hundred Dollars (\$600) representing an agreed upon liquidated amount of loss of rental income that would otherwise be enjoyed by the Lessor, until such time as the hangars are re-rented, the Lessor having the burden of due diligence to re-rent the hangars.

6.4 Activity on Leased Premises. Lessee agrees not to conduct or permit to be conducted any activity on the Leased Premises which would interfere with or be a hazard to flight of aircraft either to or from the Airport, or interfere with the ground movement of aircraft at the Airport, or interfere with air navigation and communication facilities serving the Airport. Lessee agrees that no structure will be erected or natural objects created on the Leased Premises which would constitute a hazard to air navigation.

6.5 Mechanic's or Materialmen's Liens. The Lessee agrees that during the Term of this Lease no mechanic's or materialmen's liens affecting the Leased Premises or any improvements thereon shall be suffered to arise, and that in the event any such lien does arise, the Lessee shall promptly discharge or bond over same, and if default in the payment thereof shall continue for forty-five (45) days after receipt of written notice of such lien and demand for its discharge or the posting of a bond given to the Lessor by Lessee, then the Lessor shall have the right and privilege, at its option, to pay the same, and the amount so paid, including expenses, shall at the option of the Lessor be additional rental due from the Lessee at the next succeeding rental payment with interest thereon at the rate of eight percent (8%) per annum from the date on which such payment was made; provided, however, that if the Lessee denies the validity or amount of any asserted mechanic's or materialmen's lien on the Leased Premises or any improvement thereon, the Lessee, at its expense, shall have a reasonable opportunity to contest such validity by appropriate legal proceedings and Lessor shall assist Lessee in prosecuting such contest, including but not limited to, providing necessary information, including necessary documents, and permitting Lessee to contest in the name of Lessor if required by any existing or hereinafter enacted law, regulation or procedure. It is agreed by the parties hereto that as between the parties hereto, in the event of such contest the Lessee shall be responsible for all litigation costs including court fees and costs, attorney fees, discovery costs, travel costs, and any and all other costs whatsoever, with Lessee holding Lessor harmless thereon.

6.6 THIS SECTION INTENTIONALLY LEFT BLANK.

6.7 UTILITIES. Lessee shall be responsible for utilities to the leasehold. Initial utility service to the Leased Premises will be the responsibility of the Lessee and negotiations for terms of utility provision are a matter between the lessee and each individual service provider including the City of Bentonville. Lessee shall pay all initial tie-in costs and all monthly ongoing fees for such utilities.

6.8 REPAIRS, MAINTENANCE AND APPEARANCE.

- (a) Except as otherwise provided in this Lease, Lessee shall at all times during the term of this lease agreement, at Lessee's expense, keep and maintain in good repair and safe condition the Leased Premises and its equipment and appurtenances, both inside and outside, structural and non-structural, extraordinary and ordinary, whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise. When used herein, the term "repairs" shall include all necessary replacements, renewals, alterations, additions and betterment's. Lessee will at all times keep the leasehold free and clean of all trash, refuse and any unsightly conditions or fire hazards.
- (b) The necessity for and adequacy of repairs to the Leased Premises, pursuant to subparagraph (a) hereof, shall be measured by the standard which is appropriate for improvements of similar construction and also shall meet the requirements and standards set out and promulgated by the City of Bentonville through its Airport Advisory Board and other governmental agency or entity pursuant to the primary lease referred to above.
- (c) Lessee agrees to reimburse Lessor for all sums and expenses incurred in the repairs or maintenance required or caused to be made pursuant to the regulations and rules of the governing authority mentioned in subparagraph (b) above as a result of failure by Lessee to maintain or repair the Leased Premises as required.

- (d) Section 6.8 shall be in addition to and be deemed to be interpreted in such a manner along with Section 3.2.1.d, so as to be in the best interest of the Lessor. Said requirements and actions so required are substantial reasons to allow for the

6.9 ALTERATIONS AND IMPROVEMENTS. Lessee shall be entitled to make alterations, additions and improvements to the Leased Premises necessary and desirable for the operation of the Leased Premises. Lessee shall not be entitled to make any significant or material alterations, additions or changes to the exterior of the Leased Premises without Lessor's prior written consent. Lessee acknowledges and agrees that all such alterations, additions and improvements, shall become the property of the City of Bentonville, Arkansas, upon the expiration and/or termination of the lease agreement, subject to the provisions of Paragraph 9, the DEFAULT paragraph below.

7. **WAIVER.** The waiving of any one or more breaches of the terms or provisions contained herein by the Lessor or Bentonville Airport Advisory Board shall not be deemed a waiver of any other breaches of the terms of provisions.

8. **TIME OF THE ESSENCE.** It is understood that time is of the essence of this lease agreement.

9. **DEFAULT.** In the event the Lessee defaults under the terms of the agreement, this lease may be terminated by the Bentonville City Council pursuant to the following:

9.1 Lessor shall give written notice by certified mail, return receipt requested, of default simultaneously to Lessee as well as any assignee, any mortgagee or beneficiary of Lessee's leasehold interest in the Leased Premises and improvements thereon who are known to the Lessor.

9.2 No default shall be deemed to exist unless Lessee fails to cure said default within thirty (30) days after receipt of written notice thereof, provided, however, that if Lessee fails to cure same within said thirty (30) days, the mortgagee or beneficiary of Lessee's said leasehold interest shall have an additional twenty (20) days after the end of said thirty (30) days period within which to cure same. As to any curing of a default (other than payment of rent) which would reasonably require a greater period of time for curing than is provided for above, if the Lessee shall, within the time stipulated, commence such curing and diligently pursue same, then, the above time period shall be extended to allow Lessee reasonable opportunity to do so.

9.3 Lessee shall have the right to contest, in good faith, the existence of any default alleged to have occurred or alleged to exist, and in the event Lessee so elects, the time period for curing any such alleged default shall be extended until thirty (30) days after a final judgment has been entered in a court having jurisdiction over such contest.

9.4 Following the period for curing or contesting a default provided above, the Bentonville City Council may give written notice by certified mail, return receipt requested, of Lessor's exercise of its right to declare this lease forfeited, terminated, null, and void. Upon such notice, subject to the provisions of paragraph 9.5 below, Lessee agrees to vacate the Leased Premises immediately and to forfeit any and all claims, rights, and property interest in this lease agreement, the Leased Premises property and all improvements thereon. Should it become necessary for Lessor to resort to judicial process to enforce the terms of this agreement, or reclaim possession of the Leased Premises, Lessee agrees to pay a reasonable attorney's fee, court costs and any and all costs of litigation including but not limited to costs of depositions, exhibits, witness fees and all other reasonable expenses incurred by the Lessor.

9.5 Unless mutually agreed otherwise, in the event of a termination of this lease pursuant to a default (or other events described in the lease) Lessee shall comply as follows: Lessee shall relinquish the Leased Premises and improvements thereon to Lessor such that Lessor shall become the owner of the entire Building and Lessee's Property.

10. **REVERSION.** It is covenanted and agreed that all of Lessee's right, title and interest in any buildings and improvements remaining on the Leased Premises at the expiration of the Term of this Lease or termination of this Lease, as set forth herein, shall at such time be and become the property of Lessor. Until such expiration or termination of this Lease, all right, title and interest in any buildings and improvements on the Leased Premises shall reside in Lessee; provided, however, that during the Term of this Lease for purposes of Paragraphs 5, 10.1, 11 and condemnation awards, Lessor shall be deemed to have at the applicable time an undivided residual interest in the fair market value of any buildings and improvements on the Leased Premises equal to the sum of one-forty-fifth (1/45) of the fair market value for each year of the Term of the Lease, but this provision shall in no way affect Lessee's or any mortgagee's rights to receive any proceeds or other consideration on the sale, sublease or other transfer of the Leased Premises .

10.1 **Use of Insurance Proceeds.** In the event of damage or destruction to the Leased Premises or improvements thereon by fire or other insured casualty or otherwise, proceeds from such insurance, subject to the prior rights of mortgagees and/or other security holders, if any, shall be used toward restoring the Leased Premises and improvements thereto, but if Lessee does not rebuild in the event of substantial damage or destruction, to pay the Lessor sufficient sums as to make Lessor whole pursuant to the Lessor's undivided accrued residual interest in the fair market value of any buildings and/or improvements so damaged or destructed. unless Lessor and Lessee mutually agree to some other use or distribution of the proceeds.

11. **TERMINATION OF USE.** In the event that the Bentonville Airport facility and property are no longer used for aviation purposes, the City of Bentonville or its assigns may purchase the remaining leasehold interest from Lessee at fair market value or as may otherwise be agreed upon by the parties at that time.

12. **MORTGAGING OF LEASEHOLD.** Lessee is hereby given the absolute right without the Lessor's consent to mortgage its interest in the Leased Premises, provided that no such mortgage shall extend to or affect the fee, the reversionary interest, or the estate of Lessor in and to the land and improvements erected thereon.

12.1 **Notification.** Upon the execution and recordation of any such leasehold mortgage or deed of trust, the Lessor shall be notified in writing by Lessee that such leasehold mortgage or deed of trust has been so given and executed by the Lessee, and Lessor shall also be furnished with the address to which Lessee desires copies of notices to be mailed; and Lessor hereby agrees that it will thereafter mail to such assignee of this Lease, guarantor of any indebtedness secured by this Lease, mortgagee or beneficiary under a leasehold mortgage or deed of trust or other security agreement, a duplicate copy of any and all notices in writing which the Lessor may from time to time give to or serve upon the Lessee under and pursuant to the terms and provisions of this Lease.

13. **GOVERNMENTAL REQUIREMENTS GENERALLY.** Lessee shall comply with all governmental requirements applicable to Lessee's use and operation of the Leased Premises. Further Lessor and Lessee agree that this Lease is made subject to, all rules and requirements of the FAA. Lessee agrees to observe and obey any and all reasonable uniformly applied rules and regulations adopted by Lessor with respect to use of the Airport, and all applicable federal, state and local governmental rules, regulations, advisory circulars and opinions.

14. **INDEMNITY.** Lessor shall not be liable for any personal injury to the Lessee or to its officers, agents, employees, invitees, licensees or to any other occupant of any part of the Leased Premises, or for any damage to any property of Lessee or of any other occupant of any part of the Leased Premises, irrespective of how such injury or damage may be caused, whether from action of the elements or occupants of adjacent properties. In the event an action, claim or suit is commenced against Lessor as a result of any such personal injury or damage occurring on the Leased Premises, Lessee agrees to hold Lessor harmless from any liability or responsibility therefor, including attorney's fees and all litigation costs of the action.

15. **NOTICES.** Whenever by the terms of this Lease, notice shall or may be given either to the Lessor or to the Lessee, such notice shall be in writing and shall be sent by United States registered or certified mail, return receipt requested, with adequate prepaid postage.

If intended for the Lessor, addressed to:

City of Bentonville, Attn: Mayor
117 West Central
Bentonville, AR 72712

With a Copy To:

City of Bentonville, Attn: Staff Attorney
117 West Central
Bentonville, AR 72712

If intended for the Lessee, addressed to:

Kurt Blackaby
2802 East Battlefield Blvd.
Bentonville, AR 72712

Or to such address or addresses as may from time to time hereafter be designated by like notice from either party to the other. The time of giving of such notice when sent by U.S. mail shall be deemed to be the time when the same is received or delivery refused as shown by the return receipt.

16. **GRAMMATICAL USAGE.** Whenever used herein: The singular number shall include the plural, the plural the singular, and any gender all genders in any place in which the context so requires.

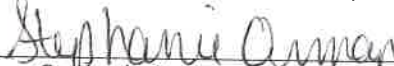
17. **ENTIRE AGREEMENT.** Unless modified or supplemented in writing and signed by the party or parties to be charged, this lease constitutes the entire agreement between the parties. Except as aforesaid, any other understandings, agreements or negotiations are deemed merged herein and shall be interpreted in accordance with the law of the State of Arkansas.

18. **JURISDICTION AND VENUE.** Jurisdiction and Venue for any and all litigation concerning this lease agreement shall be Benton County, Arkansas.

WITNESS the execution hereof, by the parties hereto, in any number of counterpart copies each of which counterpart copies shall be deemed as an original for all purposes, as of the effective day and year first above written.

LESSOR: CITY OF BENTONVILLE,

By:


Stephanie Orman, Mayor

ATTEST:


Linda Spence, City Clerk

APPROVED:

BENTONVILLE AIRPORT ADVISORY BOARD

By:


Chairman, Richard Ham

LESSEE:

Signature:

Printed Name: Eldon Blackaby

Title:

Manager

Signature:

Printed Name: Kurt Blackaby

Title:

Manager

ACKNOWLEDGMENT

State of Arkansas)
) ss.
County of Benton)

On this day before me, a Notary Public, duly commissioned, qualified and acting within and for the County and State aforesaid, personally appeared the within named Eldon Blackaby, to me well known, who acknowledged himself to be the Manager of BBT INVESTMENTS, LLC, the Lessee in the above and foregoing Lease Agreement, and that he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of said limited liability company by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 29 day of April, 2019.

Sarah McKinney
Notary Public

My Commission Expires:

9-28-27

ACKNOWLEDGMENT

State of Arkansas)
) ss.
County of Benton)



On this day before me, a Notary Public, duly commissioned, qualified and acting within and for the County and State aforesaid, personally appeared the within named Kurt Blackaby, to me well known, who acknowledged himself to be the Manager of BBT INVESTMENTS, LLC, the Lessee in the above and foregoing Lease Agreement, and that he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of said limited liability company by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 29 day of April, 2019.

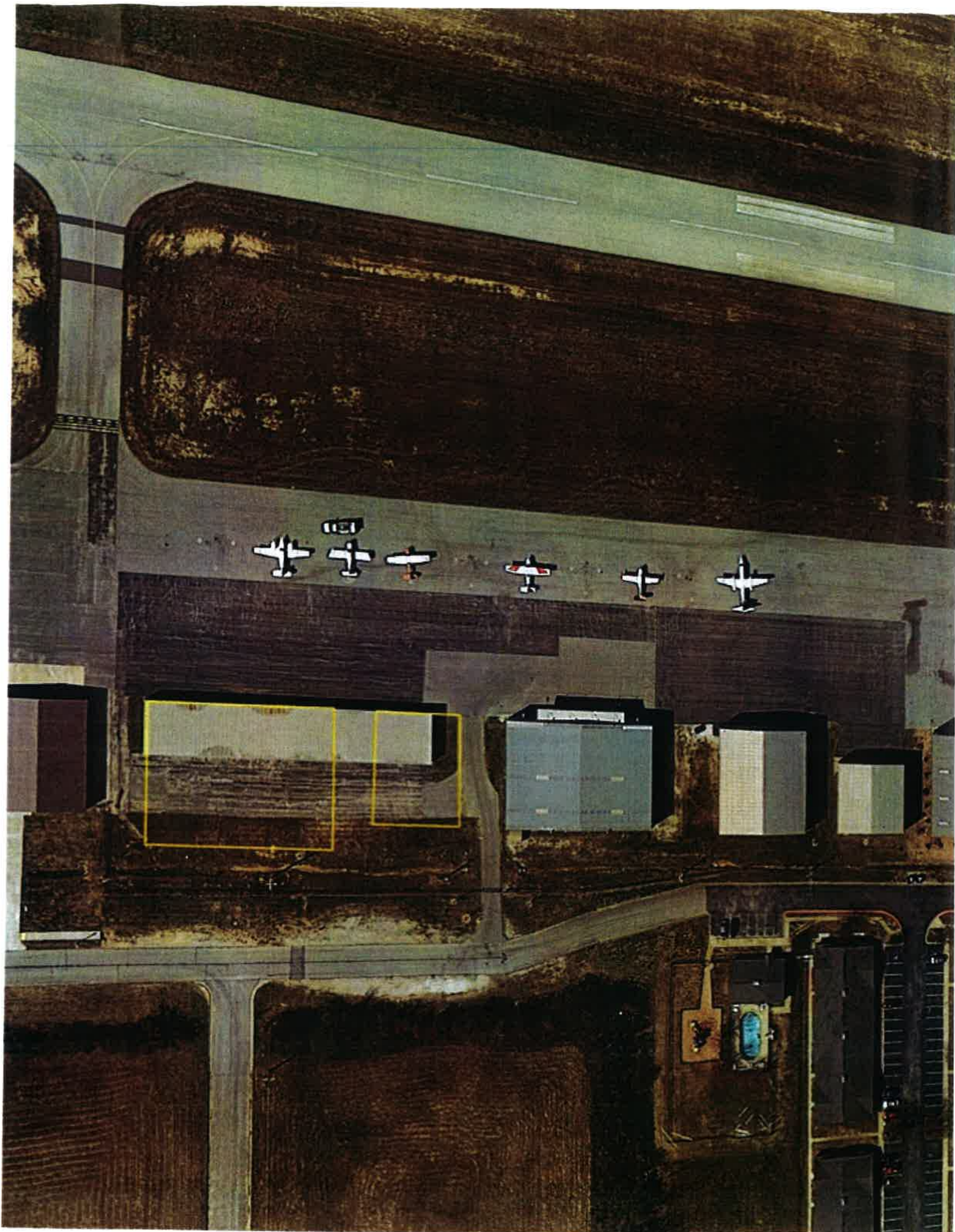
Sarah McKinney
Notary Public

My Commission Expires:

9-28-27



EXHIBIT A



AIRPORT ADVISORY BOARD ATTENDANCE LIST

DATE: 05-02-19

NAME	PRESENT	ABSENT
Richard Ham - Chairman	✓	
Rick Simmons - Vice-Chair	✓	
Chris Faulhaber - Secretary	✓	
Mike Frost - Member	✓	
Octavio Sanchez (Ex-Officio Member)		
Lisa Kelley - Member	✓	
Charles Chadwick – Airport Manager	✓	
Beverly Shepherd, Administrative Asst.	✓	
Dennis Birge - COB		
Ellen Norvell - COB		
Travis Matlock - COB		
Brad Elliott - Summit	✓	
Chad Cox	✓	
Adam White - Garver	✓	
Will Grunselmann	✓	
Mary Jordan - Reporter		

Phillip
Johnson