

City Council Agenda Items
 and
 Contracts, Leases or Agreements

11/8/2012

City Council Meeting Date
 Agenda Items Only

Ray M. Boudreaux

Aviation

Transportation

Submitted By

Division

Department

Action Required:

Action Required: A Resolution to:

- 1) Approve a construction Contract with Pick-It Construction Inc, Contact: Nathan Ogden, 10024 N Campbell Rd, Fayetteville, AR 72701, 479-283-2329, nathan@pickitconstruction.com. Contingent upon grant award.
- 2) Correct a transposition error made to the Res. 95-12 amount of Task Order No.9 with McClelland Consulting Engineers.
- 3) Approve the application and acceptance of an 80/20 grant from the Arkansas Department of Aeronautics (ADA).
- 4) Approve a Budget Adjustment authorizing Airport fund matching expense and recognizing the state grant revenue contingent upon approval of the grant by ADA.

300,000 REVENUE

\$ 348,211.00

Cost of this request

\$ 32,504.00

Category / Project Budget

Executive Hangar Office Addition

Program Category / Project Name

VARIOUS

Account Number

\$ 32,504.00

Funds Used to Date

Airport Capital Exp

Program / Project Category Name

12011 1

Project Number

\$ -

Remaining Balance

Airport

Fund Name

Budgeted Item

Budget Adjustment Attached

Ray M. Boudreaux
 Department Director

10-18-12
 Date

Previous Ordinance or Resolution # 95-12

John Skelly
 City Attorney

10-22-12
 Date

Original Contract Date:

Original Contract Number:

Paul A. Boehm
 Finance and Internal Services Director

10-23-2012
 Date

Received in City Clerk's Office
 10-19-12 P03:02 RCVD

Don McLean
 Chief of Staff

10-23-12
 Date

Received in Mayor's Office

ENTERED
 10/22/12
 PJK

Richard J. Jank
 Mayor

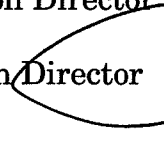
10/24/12
 Date

Comments:



AVIATION DIVISION
FAYETTEVILLE EXECUTIVE AIRPORT • DRAKE FIELD

CITY COUNCIL AGENDA MEMO/STAFF CONTRACT REVIEW MEMO

TO: Mayor Jordan
THRU: Chief of Staff
THRU: Staff/Contract Review Committee
THRU: Terry Gulley, Transportation Director
FROM: Ray M. Boudreaux, Aviation Director 
DATE: October 16, 2012

SUBJECT: Authority to apply for and receive Arkansas Aeronautics Commission Grant, for improvements to 4580 S. School, an aircraft hangar at Drake Field, Amend Res. No. 95-12 to correct a transposition error to the Task Order No. 9 total, and to award the contract for the work to PickIt Construction, the Low Bidder. Approval of a budget adjustment. Signature of the Mayor.

RECOMMENDATION: Approve application and receipt of an Arkansas Aeronautics Commission Grant for improvements to the Hangar leased to NFlight Technology at Drake Field, Amend Res. 95-12 to correct an inadvertent error in the dollar amount of the Task Order No. 9 submitted on the item, award of the contract to PickIt Construction, the qualified low bidder and approval of a Budget Adjustment. Signature of the Mayor on the grant application.

BACKGROUND: The City Council approved design and bidding services under Task Order Number 9 with McClelland Consulting Engineers via Resolution 95-12. The project has been designed and the bids were received October 11 with the low bidder PickIt Construction of Greenland. The Department of Aeronautics has requested the application although there are limited funds available due to reduced revenues to the Department. Chances are good that the grant application will be approved at the November 14 meeting of the Commission although not assured. In order to be considered at the November meeting, the application must be filed with the Arkansas Department of Aeronautics by the end of October. We will submit an application to be placed on the November agenda. Should the Council not approve the application, it will be withdrawn prior to the Commission meeting November

14, 2012. There was no Aeronautics Commission meeting in October nor is there a meeting in December. The bids are only good for 60 days necessitating the application to be filed with the Department by the end of October. This project will make improvements to the Hangar of approximately 3000SF of office and production space inside the Hangar. NFlight designs and sells camera systems for aircraft and conducts research and development for like systems for aircraft. The project has been on hold awaiting the Arkansas Department of Aeronautics receipt of funding. Funding is provided from sales taxes on the sale of aviation fuel and equipment and has been less than previous years due to the downturn in the economy. This application is for 80% of the project cost.

Total project including the design, engineering and project oversight is \$380,715.00 with \$80,715.00 to be funded as the local match from the Airport. We will bill the tenant NFlight Technology \$38,250.00 for the total cost of the fire suppression system to be installed with the project. This will reduce the total amount of airport funding to \$42,465.00 from the Airport fund balance. We anticipate additional savings through value engineering prior to contract award, thereby further reducing the Airport fund's portion of the project cost.

The project will not be pursued until grant funding is awarded from Arkansas Aeronautics Commission. Should the grant application not be approved by the Aeronautics Commission in November, the project must be re-advertised and new bids received. With City Council approval, we will leave the application with the Aeronautics Commission and re-bid the project once approved for funding. Arkansas Aeronautics Department requires that applications be based on bids.

| | |
|--|--------------|
| <u>BUDGET IMPACT:</u> Total project | \$380,715.00 |
| Aeronautics Commission Grant | \$300,000.00 |
| NFlight Technology (Sprinkler) | \$38,250.00 |
| Airport use of Funds Match | \$42,465.00 |

Attachments: Staff Review
Aeronautics Grant Application (2)
Budget Adjustment
Bid Tab
Contract for construction with PickIt Construction (4 originals)
Resolution 95-12 (approve Task Order #9)

RESOLUTION NO. _____

A RESOLUTION AWARDED BID #12-72 AND AUTHORIZING A CONTRACT WITH PICK-IT CONSTRUCTION, INC. IN THE TOTAL AMOUNT OF \$343,900.00 FOR THE CONSTRUCTION OF IMPROVEMENTS TO AN AIRCRAFT HANGAR AT DRAKE FIELD CONTINGENT UPON A GRANT AWARD, AMENDING RESOLUTION NO. 95-12 TO CORRECT A TRANSPOSITION ERROR REGARDING TASK ORDER NO. 9 TO THE CONTRACT WITH MCCLELLAND CONSULTING ENGINEERS RELATED TO THIS PROJECT, APPROVING APPLICATION FOR AND ACCEPTANCE OF AN 80/20 MATCHING GRANT FROM THE ARKANSAS DEPARTMENT OF AERONAUTICS TO PROVIDE FUNDING FOR THIS PROJECT, AND APPROVING A BUDGET ADJUSTMENT AUTHORIZING AIRPORT FUND MATCHING EXPENSE AND RECOGNIZING GRANT REVENUE, CONTINGENT UPON APPROVAL OF THE GRANT APPLICATION AND RECEIPT OF GRANT FUNDS

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby awards Bid #12-72 and authorizes a contract with Pick-It Construction, Inc. in the total amount of \$343,900.00 for the construction of improvements to an aircraft hangar at Drake Field, contingent upon a grant award.

Section 2. That the City Council of the City of Fayetteville, Arkansas hereby amends Resolution No. 95-12 by striking all references therein to \$32,504.00 and replacing them with \$36,500.00.

Section 3. That the City Council of the City of Fayetteville, Arkansas hereby approves application for and acceptance of an 80/20 matching grant from the Arkansas Department of Aeronautics to provide funding for this project.

Section 4. That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached to this Resolution as Exhibit "A", authorizing airport fund matching expense and recognizing grant revenue, contingent upon approval of the grant application and receipt of grant funds.

PASSED and APPROVED this 8th day of November, 2012.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

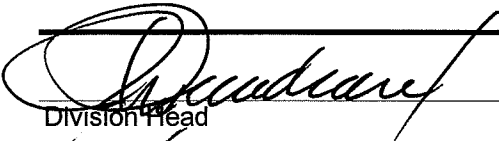


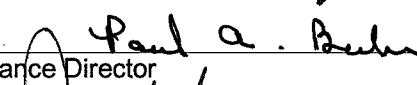
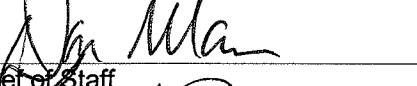

**City of Fayetteville, Arkansas
Budget Adjustment Form**

A. 9 V12.0724
Bid #12-72 Pick-It Construction
Page 6 of 22

| | | | |
|----------------------------|---|----------------------------------|--------------------------|
| Budget Year 2012 | Division: Aviation Department: Transportation Services | Request Date 11/8/2012 | Adjustment Number |
|----------------------------|---|----------------------------------|--------------------------|

BUDGET ADJUSTMENT DESCRIPTION / JUSTIFICATION

To increase the project budget, recognize grant revenue from the Arkansas Department of Aeronautics and use a portion of the Airport's reserves in order to construct offices and storage area inside the large hangar at 4580 S School Ave, for the purpose of improving the building to accommodate the needs of an aviation-related business expansion. The business has entered into a long-term lease of the building contingent upon the improvements. The lease will provide \$36,000 in annual revenue to the Airport.

| | | |
|--|---------------------------|--|
|  Division Head | <u>10/19/12</u> Date | Prepared By: <u>James Nicholson</u> <i>jnicholson</i> |
|  Budget Director | <u>10/23/12</u> Date | Reference: _____ |
|  Department Director | <u>10-19-12</u> Date | Budget & Research Use Only |
|  Finance Director | <u>10-23-2012</u> Date | Type: A B C D E P |
|  Chief of Staff | <u>10-23-12</u> Date | General Ledger Date _____ |
|  Mayor | <u>11/24/12</u> Date | Posted to General Ledger Initial _____ Date _____ |
| | | Checked / Verified Initial _____ Date _____ |

| Account Name | Account Number | | TOTAL BUDGET ADJUSTMENT | | Project.Sub Number |
|-----------------------|-------------------|----|-------------------------|---------|--------------------|
| | | | 348,211 | 348,211 | |
| | | | Increase / (Decrease) | | |
| | | | Expense | Revenue | |
| State grants | 5550.0955.6805.00 | RE | - | 300,000 | 12011 . 1 |
| Use of fund balance | 5550.0955.4999.99 | RE | | 48,211 | . |
| Public notification | 5550.3960.5301.00 | EX | 315 | | 12011 . 1 |
| Professional services | 5550.3960.5314.00 | EX | 3,996 | | 12011 . 1 |
| Building costs | 5550.3960.5804.00 | EX | 343,900 | | 12011 . 1 |
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State Airport Aid Application – Page 1

The City/County of Fayetteville, herein called "Sponsor", hereby makes application to the Arkansas Department of Aeronautics for State funds pursuant to Act 733 of 1977, for the purpose of aiding in financing a project for the development of a municipal airport located in the city of Fayetteville Arkansas, Washington county.

Date of Request: 8/27/12

Name of Airport: Fayetteville Executive Airport, Drake Field, KFYV

Name and address of City/County Commission sponsoring request:

City of Fayetteville
113 West Mountain
Fayetteville AR 72701

Phone Number: 479-575-8330
 Fax Number: 479-575-8257

Person to Contact about project:

Ray M Boudreaux, Director Aviation
4500 S School Ave Ste F
Fayetteville AR 72701

Phone Number: 479-718-7642
 Cell Number: 479-601-3520
 Fax Number: 479-718-7646

Name and address of Engineering Firm (if applicable):

McClelland Consulting Engineers Inc
PO Box 1229
1810 N College Ave
Fayetteville AR 72703

Contact Person: R. Wayne Jones, P.E.

Phone/Fax Number: 479-443-2377

Describe the work to be accomplished:

Construct approximately 3000 sq ft office and 1000 sq ft upper storage area in the executive hangar located at 4580 S School Ave. The improvements will accomodate the expansion plans of a new aviation business.

State and Local Project Costs:
 Please indicate:

- 50-50% Match
- 80-20% Match
- 90-10% Match
- 100%

Total Cost of Project 380,715
 Local Share/Funds 80,715
 Local Share/In-Kind _____
 State Share 300,000

Federal AIP Projects:

AIP Number: _____

- 95-5% Match

Total Cost of Project: _____
 Federal Share: _____
 State Share: _____
 Local Share: _____

State Airport Aid Application – Page 2

Provide the information listed below as it applies to your project:

Funding:

Source of Funds: AR Dept Aeronautics, City of Fayetteville, and Lessee's Contribution

Source of In-Kind Services: Not applicable

Estimated starting date of project: December 1, 2012

Estimated completion date of project: April 30, 2013

Project will be for: New Airport Existing Airport

Is land to be leased or purchased? Not applicable

Description of land and cost per acre: _____

Provide the Federal AIP Grant Number (if applicable): _____

State Legislators for your area:

State Senator: Sue Madison - District 7

State Representative: Uvalde Lindsey - District 88

State Airport Aid Application – Page 3

The sponsor agrees to furnish the Arkansas Department of Aeronautics a copy of the legal instrument affecting use of the property for an airport. In application for a new landing site or expansion of existing facility, the FAA Form 7480-1, *Notice of Landing Area Proposal*, must be approved by the FAA before review for grant can be made by the State. Applications for hangar construction or renovation funds must include a signed lease agreement. This agreement must be in compliance with all FAA grant assurances. The application must be based on bids and include a calculated return on investment.

No land, hangars, or buildings purchased with State Grant funds may be sold or disposed of without State Aeronautics Commission prior approval. All requests for sale or disposal of property will be considered on an individual case basis. No hangar (funded by a grant from the Department of Aeronautics) shall be used for non-aviation purposes without State Aeronautics Commission prior approval. All requests for non-aviation use will be considered on a case-by-case basis. Failure to receive prior approval from A.D.A. concerning land and/or building use could result in the commission requesting grant refund from the Sponsor. Additionally, all hgr/building grant applications must include proof of insurance coverage.

No airport accepting State Grant funding may issue an Exclusive Rights lease.

All applications for navigational aids (such as NDB or ILS) must have FAA site approval before a state grant can be approved.

All Grant applications involving Federal Airport Improvement Program (AIP) funding must be accompanied by the approved FAA grant agreement with grant number assigned.

If this project is approved by the Arkansas Department of Aeronautics, and is accepted by the sponsor, it is agreed that all developments and construction shall meet standard FAA construction practices as outlined in the specifications of this agreement. Runways, Taxiways, Parking Ramps, etc. shall have a base and a thickness that will accommodate the weight of aircraft expected to operate at this airport.

All grant applicants (City and/or County) are totally responsible for compliance with all Federal, State, County, and City laws, Statutes, Ordinances, Rules, Regulations, and Executive Orders concerning contracts and purchases for which this grant is approved and issued.

It is understood and agreed that the sponsor shall start this project immediately upon award of grant. It is also agreed that this project shall be completed within one year from the date of acceptance of this grant by the Arkansas Department of Aeronautics. Applications for extension will be entertained if circumstances beyond the sponsor's control occur. Amendment requests are to be made only under extraordinary circumstances.

Funds will be disbursed according to Department procedures and final inspection of completed project (See payment instruction page). Payment of grant funds are contingent upon the Department's annual appropriation.

IN WITNESS WHEREOF, the sponsor has caused this Application for State Airport Aid to be duly executed in its name, this _____ day of _____, 2012 .

City of Fayetteville

Name of Sponsor

Authorized Signature

Lioneld Jordan, Mayor

Title

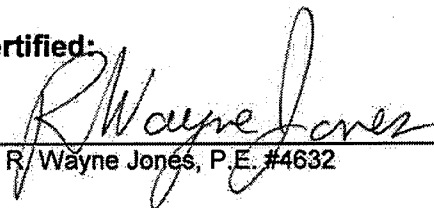
**BID TABULATION
 HANGAR "A" OFFICE RENOVATION
 FAYETTEVILLE MUNICIPAL AIRPORT
 CITY OF FAYETTEVILLE
 OCTOBER 12, 2012; 11:00 am**

MCE PROJECT FY122126

BID No. 12-72

| CONTRACTOR / LICENSE # | TOTAL BID | FIRE SPRINKLER PROTECTION SYSTEM | TRENCH EXCAVATION & SAFETY SYSTEM |
|--|--------------|----------------------------------|-----------------------------------|
| Pick-It Constuction , Inc. #0140461212 | \$343,900.00 | \$38,250.00 | \$500.00 |
| Benchmark Construction #0033500413 | \$374,200.00 | \$32,516.00 | \$200.00 |
| Western Millwright Services, Inc. #005980413 | \$467,254.00 | \$58,445.00 | \$100.00 |
| Broadway Contracting, LLC #1201140313 | \$535,456.00 | \$32,516.00 | \$1,000.00 |
| | | | |

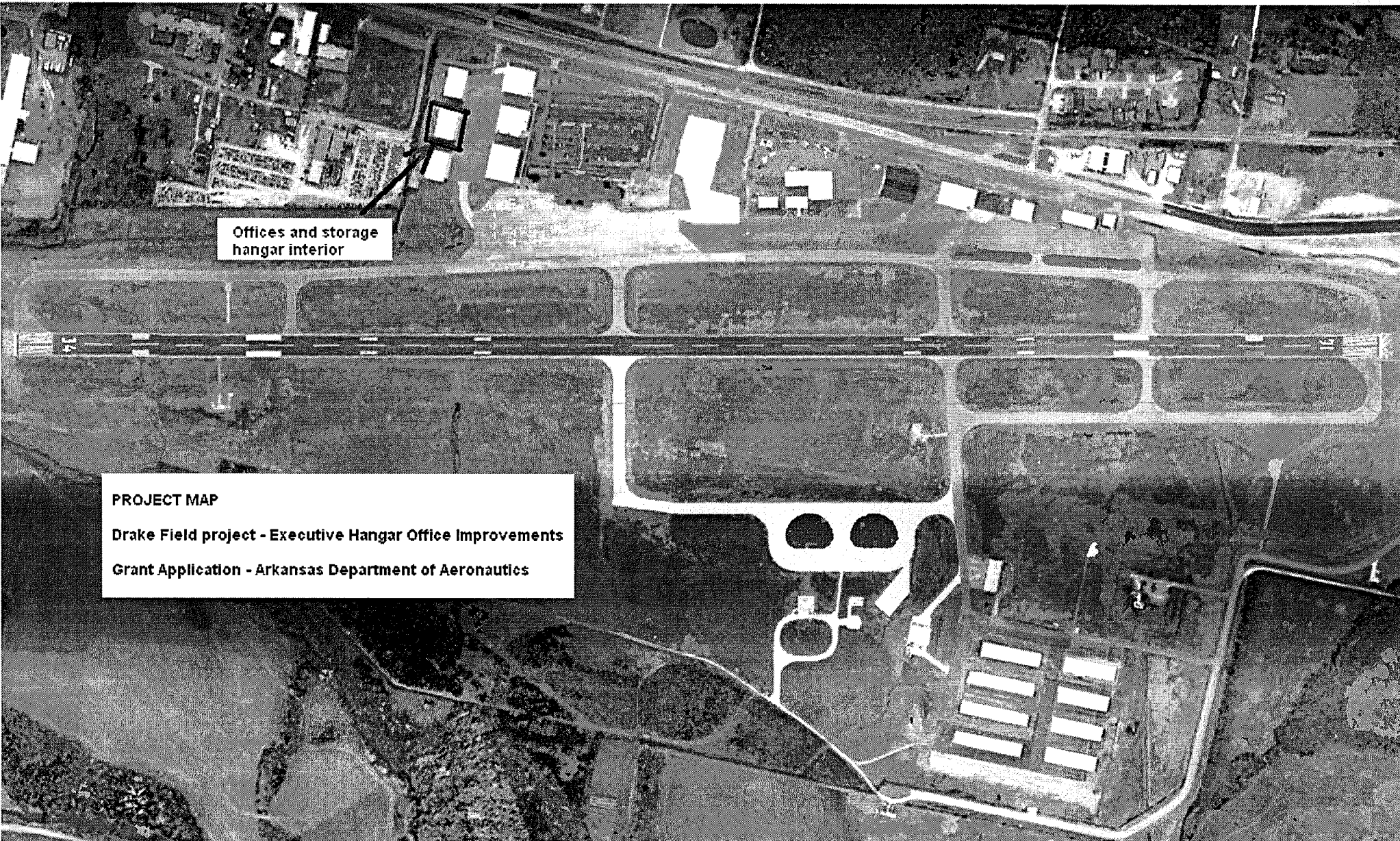
Certified:



R. Wayne Jones, P.E. #4632

10-12-12

Date



Offices and storage
hangar interior

PROJECT MAP
Drake Field project - Executive Hangar Office Improvements
Grant Application - Arkansas Department of Aeronautics

TERMINAL BUILDING LEASE AGREEMENT

LESSEE NAME: NFlight Technology LLC, Attn: Patrick Carter

Billing Address: _____ Home Ph: 479-684-8346
4500 S. School, Ste. N Work Ph: 866-901-8516
Fayetteville, AR 72701 Cell Ph: 479-684-8346

Home: 116 N. Brewer Ct., Fayetteville, AR 72701

Email: Patrick@nflightcam.com Emergency Contact: Matt Lynn

Social Security Number: 436-57-5875 Emergency Ph: 541-486-7250

Tax I.D. Number: N/A Date of Birth: 7 June 1984

This Lease is executed this 1st day of July, 2012, by and between the City of Fayetteville, 113 W. Mountain Street, Fayetteville, Arkansas 72701, hereinafter called the City, and NFlight Technology LLC, Attn: Patrick Carter, 4500 S. School, Suite N, Fayetteville, AR 72701, phone 866-901-8516 or 479-684-8346 hereinafter called NFlight Technology.

1. **Leased Premises.** The City leases to NFlight Technology, and NFlight Technology leases from the City, a corporate hangar located at 4580 S. School Avenue, Fayetteville, Arkansas, at Fayetteville Executive Airport – Drake Field, as reflected on Exhibit "A" attached hereto and make a part hereof. Leased Premise shall be for NFlight Technology's exclusive use.

2. **Lease Term.** Subject to earlier termination as hereinafter provided, the initial term of this Agreement shall be for a period of Ten (10) Years, beginning on July 1, 2012 and the Lease may be extended for two renewal options of ten (10) years each.

Rent will increase in accordance with the following procedure: With the increase in the CPI, plus 1% (see formula at Attachment 1), rent will increase at each two (2) year interval. At least sixty (60) days prior to the scheduled termination date, the City shall give NFlight Technology written notice of the monthly rent payable for the first two years of the extended renewal; at least thirty (30) days prior to the term expiration date, NFlight Technology shall give the City written notice if NFlight Technology exercises this option to extend. Rent for the extended renewal options will increase with the CPI, plus 1%, at each two year interval.

3. **Rental Fees.** During the term of this lease, NFlight Technology agrees to pay the City for the use of the hangar the sum of \$3,000.00 per month for one year, contingent on the Airport receiving an 80/20 Arkansas Department of Aeronautics grant to construct a two-story office facility within the hangar. The rent of \$3,000.00 per month will begin with the completion of the two-story office within the hangar in design agreeable to the parties. Occupancy Date for the \$3,000.00 rental amount will be filled in on the Lease at office project completion time: _____.

Expected completion date is the spring of 2013.

(Occupancy Date: month-day-year)

All subsequent monthly lease payments shall be due and payable in advance on or before the first day of each calendar month thereafter.

In addition to any remedy available to it hereunder, the City may impose as additional rent a delinquency charge on all overdue payments, at the maximum rate allowed by law

4. **Temporary Occupancy and Rent Provisions.** NFlight Technology shall have temporary rent provisions until the office addition in the hangar has been completed. NFlight Technology shall temporarily lease the hangar for \$1,200.00 per month, and also lease an office/kitchen area in the terminal building for \$1,000.00 per month with rent beginning as of July 1, 2012.

NFlight Technology will cease rental of the terminal building location when the office project in the hangar has been completed, and at that time the rent on the hangar will increase to \$3,000.00.

5. **Utilities, Maintenance and Janitorial Services.**

A. **By the City:** The City shall be responsible only for major maintenance of the existing equipment, i.e. replacement of heating unit and other equipment in place in the facility which includes, roof, hangar door motors, exterior walls, exterior plumbing, paved ramp and paved parking lot. The City agrees that if the roof or any part of the exterior walls or plumbing of said hangar thereof shall become defective or damaged at any time during the term due to ordinary wear and tear and not due to negligence of NFlight Technology, or NFlight Technology's agents or invites, upon notice from NFlight Technology, the City will immediately cause repairs to be made and restore the defective portions to good condition. If the damage is so extensive as to render the aircraft hangar at the airport untenable, the rent payable hereunder shall be proportionally paid up to the time of such damage and shall thenceforth cease until such time as the premises shall be fully restored. If the demised premises are completely destroyed, the City may reconstruct the hangar at the City's own cost and the rent payable hereunder shall be adjusted as set forth, above, or the City may, at its option, cancel this Agreement, such cancellation to be effective as of the date the hangar was destroyed, and the rent adjusted asset forth above. Routine maintenance of the hangar doors shall remain the responsibility of the City NFlight Technology shall not make any alterations

to the controls of the hangar doors without prior approval of Airport Administration.

The City will pay for water, sewer, light, heat, and air for the temporary use of the leased area in the terminal building.

The City shall maintain and keep in good repair so much of the Airport premises as are not under the exclusive control of NFlight Technology.

The City shall not be responsible for, or pay for any expense which might arise due to, the installation and / or removal of equipment used in NFlight Technology's business operation or signs.

B. By NFlight Technology : NFlight Technology shall provide for and supply at its expense all janitor service with respect to the hangar, and shall pay for all utilities serving the hangar, including, but not limited to heat, light, gas, electricity, and water, sewer and trash removal. NFlight Technology shall provide for any data or telephone utilities for the Leased area in the terminal building. NFlight Technology shall maintain Leased Premises in a clean, orderly, and attractive condition: not allow the accumulation of rubbish, trash, or other waste material on the Lease Premises and provide for and supply all janitorial service for their exclusive use area. NFlight Technology shall place any materials or trash in trash receptacles. Written approval from the Airport Director must be obtained prior to any improvements or additions to any part of the Leased Premises, or the installation of any attachment to the building (i.e. antennas, tower or signs). Any signs installed shall meet all of the City's Sign Regulations, and furthermore, any sign erected on, or attached, to the Lease Premises must have the prior written approval of the Airport Director.

NFlight Technology shall, at the termination, surrender or forfeiture of this lease, return said premises in the same or better condition the premises were at the beginning of the lease, normal wear and tear excepted.

6. **Hazardous Substances.** NFlight Technology shall not cause or permit any Hazardous Substance to be used, stored, on or in the Lease Premises without first obtaining the City's written consent. If Hazardous Substances are used, stored, generated or disposed of on, or in the Leased Premises, or in any Airport Drainage system or if the Airport property becomes contaminated in any manner due to NFlight Technology's actions, NFlight Technology shall indemnify and Hold Harmless the Airport from any and all claims, damages, fines, judgements, penalties, costs, liabilities, or losses including, without limitation and decrease in value of the Leased Premises, damages caused by loss or restriction of rentable, or usable space, as a part of the Leased Premises arising during or after the term hereof and arising as a result of that contamination by NFlight Technology, NFlight Technolgy's agents, employees, and invitees. This indemnification includes, without limitation, and all cost incurred because of any investigation of the Airport, or any

cleanup, removal, or restoration mandated by a federal, state, local agency or political subdivision.

6. Insurance.

A. NFlight Technology shall maintain in force during the Term and any extended term, public liability and property damage insurance in comprehensive form as reasonably may be required by the City and outlined in the Airport' Minimum Standards. The insurance shall be issued by an insurer licensed to do business in the State of Arkansas.

Concurrent with the execution of this Agreement, NFlight Technology shall provide proof of insurance coverage by providing a Certificate of Leasee's Insurance coverage, a copy of the declarations page on the insurance policy, and a copy of all endorsements. The Certificates of Insurance, or endorsements attached thereto, shall provide that; (a) insurance coverage shall not be canceled, changed in coverage, or reduced in limits without at least thirty (30) days prior written notice to the City; (b) the City and the Airport and their trustees, agents officers, servants, and employees are named as Additional Insured; (c) the policy shall be considered primary as regard to any other insurance coverage the City may possess, including and self-insured retention or deductible the City may have, and any other insurance coverage the City may possess shall be considered excess insurance only; (d) the limits of liability required therein are on an occurrence basis.

NFlight Technology agrees to indemnify, protect, defend and Hold Completely Harmless, the City and their trustees from and against all liability, losses, suits, claim judgements, fines or demands arising from injury or death of any person or damage to any property, including all reasonable cost for investigation and defense thereof (including attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Lease, provided, however, that NFlight Technology shall not be liable for any injury, damage or loss occasioned by the negligence of the City or its agents or employees; and provided further, that each party shall give prompt and timely notice of any claim made or suit instituted which in any way directly, or indirectly, affects, or might affect, either party, and each party shall have the right to compromise and defend the same to the extent of its own interest. This clause shall not be construed to waive that tort immunity as set forth under Arkansas Law.

B. Workman's Compensation Insurance, as required by Arkansas Law.

C. Insurance on the contents within the Lease Premises at all times during the term hereof, in amounts approved by the Airport Director.

8. Use of Airport. NFlight Technology is granted the use, in common with other Airport terminal tenants, of the Airport terminal building and grounds together with all facilities, equipment, improvements, and services which have been or may hereafter be

provided. NFlight Technology agrees to observe and obey the City's Ordinances and Regulations with respect to use of the Demised Premises and Airport; provided, however, such Ordinances and Regulations shall be consistent with safety and with all City, county, State, and federal ordinances, rules and regulations. NFlight Technology agrees to abide by the rulings of the Federal Aviation Administration with respect to the use of the Leased Premises. "*The Minimum Standards for Fayetteville Executive Airport, Drake Field*" herein referred to as Airport's Minimum Standards at the Fayetteville Executive Airport are made part of this lease by reference as if included word for word.

NFlight Technology will obtain and keep in force all certifications, permits and licenses required for the operation of NFlight Technology's business operation. NFlight Technology further agrees not to store any flammable material on the premises or in any way endanger or violate the provision of Fayetteville's property insurance policy or the requirements of same. Such violations shall constitute a material breach of this lease. Upon termination of the Lease NFlight Technology will leave all premises used in the same or better conditions as existed at the initiation of the Lease.

NFlight Technology shall not start or operate aircraft engines within the aircraft hangar leased hereby and shall not allow such operations by any other person.

9. Rights of Ingress and Egress. NFlight Technology shall have full and free right of ingress to and egress from the Leased Premises for NFlight Technology, its employees, customers, guests, and other invitees except as reserved below. Such rights shall also extend to persons or organizations supplying materials or furnishing services to NFlight Technology. The City reserves the right to close any means of ingress and egress, so long as other reasonable means of ingress and egress to the Leased Premises are available to NFlight Technology. The City may enter the Leased Premises at any reasonable time for any purpose necessary or incidental to the performance of City's obligations hereunder.

NFlight Technology shall take reasonable measures to insure that the conduct of their business does not adversely affect their neighbors or the common areas of the building. Excessive or objectionable noise, odors, or light fixtures shall not be allowed to escape from the premises.

10. Events of Default. The following shall be event of default under the lease, and include and one or more of the following:

A. Non-payment of the rental amount.

B. If NFlight Technology transfers, subleases or assigns, either voluntarily or by operation of law, any portion of its interest in this Lease without prior approval of the City.

C. NFlight Technology voluntarily abandons, deserts, or vacates the Leased Premises.

D. NFlight Technology shall fail to comply with insurance requirements.

11. **Termination.**

A. The City, or NFlight Technology, may terminate this lease at any time by giving the other party thirty (30) days written notice of termination.

B. On the expiration or other termination of this lease, NFlight Technology's right to use the Leased Premises shall cease, and NFlight Technology shall vacate the premises without unreasonable delay. All property installed, erected, or placed by NFlight Technology in, on, or about the premises leased hereunder shall be deemed to be personalty and shall remain the property of NFlight Technology. NFlight Technology shall have the right at any time during the term of this lease, or any renewal or extension thereof, and for an additional period of fourteen (14) days after the expiration of other termination of this Lease, to remove any or all of such property, subject, however to NFlight Technology's obligation to repair all damage, if any, resulting from such removal. Any and all property not removed by NFlight Technology prior to the expiration of the aforesaid fourteen (14) day period shall thereupon become a part of the premises on which it is located and title hereto shall thereupon vest in the City, or the City may require removal and restoration by NFlight Technology.

12. **Assigning, Subletting and Encumbering.** NFlight Technology shall not sublet the Leased Premises, not permit other persons to occupy the Leased Premises, not grant any license or concession for any part of the Leased Premises, or assign its rights under this Lease without the written consent of The City. No such subletting or assignment shall release NFlight Technology from its obligations to pay the rental set forth herein.

13. **Mailing and Notice.** Any notice or consent required by this Lease shall be sufficient if sent by Certified Mail, return receipt required, postage paid, to the following address:

CITY OF FAYETTEVILLE

Airport Administration Office
4500 S. School Ave., Suite F
Fayetteville, AR 72701
Phone 479-718-7642

NFLIGHT TECHNOLOGY LLC

NFlight Technology LLC
Attn: Patrick Carter
860 Highway 62 E., Ste. #1
Mountain Home, AR 72653
Phone: 866-901-8516

14. **Nondiscrimination.** NFlight Technology agrees that it will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons. NFlight Technology will assure compliance with all regulations in regard to Non-discrimination and Affirmative Action. NFlight Technology acknowledges that it is the policy of the Airport that it shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of all Airport contracts.

This agreement shall be construed under the laws of the State of Arkansas.

All the covenants, conditions, and provisions under this agreement shall extend to and bind the legal representative, successors, and assigns of the respective parties hereof.

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

The PK has received a copy of the Airport's Minimum Standards.
(tenant's initials)

THE CITY OF FAYETTEVILLE:

By: Lionel Jordan 7/13/12
Lionel Jordan, Mayor Date

ATTEST:

By: Sondra E. Smith 7/13/12
Sondra Smith, City Clerk and Treasurer Date

NFLIGHT TECHNOLOGY LLC

By: Patrick Carter 10 July 2012
Patrick Carter Date

Title: President

ATTEST:

By: _____
Date



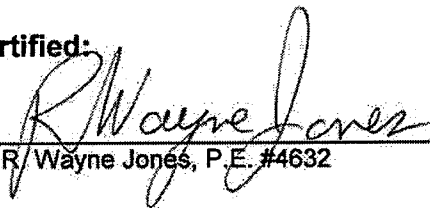
**BID TABULATION
 HANGAR "A" OFFICE RENOVATION
 FAYETTEVILLE MUNICIPAL AIRPORT
 CITY OF FAYETTEVILLE
 OCTOBER 12, 2012; 11:00 am**

MCE PROJECT FY122126

BID No. 12-72

| CONTRACTOR / LICENSE # | TOTAL BID | FIRE SPRINKLER PROTECTION SYSTEM | TRENCH EXCAVATION & SAFETY SYSTEM |
|--|--------------|--|---|
| Pick-It Constuction , Inc. #0140461212 | \$343,900.00 | \$38,250.00 | \$500.00 |
| Benchmark Construction #0033500413 | \$374,200.00 | \$32,516.00 | \$200.00 |
| Western Millwright Services, Inc. #005980413 | \$467,254.00 | \$58,445.00 | \$100.00 |
| Broadway Contracting, LLC #1201140313 | \$535,456.00 | \$32,516.00 | \$1,000.00 |
| | | | |

Certified:



R. Wayne Jones, P.E. #4632

10-12-12

Date

CONTRACT

Reference Bid: 12-72, Construction – Drake Field

Contractor:

Term: Specific Project Only – No Revolving Terms

OCT 18 2012

AIRPORT

This contract executed this ___ day of November, 2012, between the City of Fayetteville, Arkansas, and Pick-It Construction, Inc. In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Pick-It Construction, Inc at its own cost and expense shall furnish all labor, materials, supplies, machinery, equipment, tools, supervision, bonds, insurance, tax permits, and all other accessories and services necessary to complete items bid per Bid 12-72 as stated in Pick-It Construction, Inc bid proposal, and in accordance with specifications attached hereto and made a part hereof under Bid 12-72.
2. The City of Fayetteville shall pay Pick-It Construction, Inc for work as described in Bid 12-72, not to exceed \$343,900, based on Pick-It Construction, Inc submitted bid. Payments will be made after approval and acceptance of work, and submission of detailed invoice. Payments will be made within a maximum 30 days after acceptance of invoice. Pick-It Construction, Inc agrees to make detailed invoicing related documentation available to the City.
3. The Contract documents which comprise this contract between the City of Fayetteville and Pick-It Construction, Inc consist of this Contract and the following documents attached hereto, and made a part hereof:
 - A. Bid form identified as Invitation to Bid 12-72 with the specifications and conditions typed thereon.
 - B. Pick-It Construction, Inc bid proposal, including allowances materials, labor, and overhead.
 - C. The Notice to Prospective Bidders and the Bid Tabulation.
4. These Contract documents constitute the entire agreement between the City of Fayetteville and Pick-It Construction, Inc and may be modified only by a duly executed written instrument signed by the City of Fayetteville and Pick-It Construction, Inc.
5. Pick-It Construction, Inc shall not assign its duties under the terms of this agreement.
6. Pick-It Construction, Inc agrees to hold the City of Fayetteville harmless and indemnify the City of Fayetteville, against any and all claims for property damage, personal injury or death, arising from performance of this contract. This clause shall not in any form or manner be construed to waive that tort immunity set forth under Arkansas Law.
7. Pick-It Construction, Inc shall furnish a certificate of insurance addressed to the City of Fayetteville, showing that he carries the following insurance which shall be maintained throughout the term of the Contract. Any work sublet, the contractor shall require the subcontractor similarly to provide worker's compensation insurance. In case any employee engaged in work on the project under this contract is not protected under Worker's Compensation Insurance, Pick-It Construction, Inc shall provide and shall cause each Subcontractor to provide adequate employer's liability insurance for the protection of such of his employees as are not otherwise protected.

Workmen's Compensation

Statutory Amount

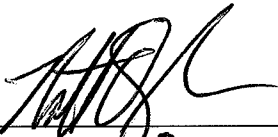
Comprehensive General &
Automobile Insurance

| | |
|---------------------------|--|
| Bodily Injury Liability | \$500,000 for each person injured. \$1,000,000 for each accident. |
| Property Damage Liability | \$1,000,000 aggregate. |

The premiums for all insurance and the bond required herein shall be paid by **Pick-It Construction, Inc.**

8. **Pick-It Construction, Inc** shall furnish proof of licensure as required by all federal, state, and local agencies.
9. This contract may be terminated without penalty by the City of Fayetteville or **Pick-It Construction, Inc** with 30 days written notice.
10. **Freedom of Information Act:** City of Fayetteville contracts and documents prepared while performing city contractual work are subject to the Arkansas Freedom of Information Act. If a Freedom of Information Act request is presented to the City of Fayetteville, the contractor will do everything possible to provide the documents in a prompt and timely manner as prescribed in the Arkansas Freedom of Information Act (A.C.A. 25-19-101 et. Seq.). Only legally authorized photo coping costs pursuant to the FOIA may be assessed for this compliance.
11. **Changes in Scope or Price:** Changes, modifications, or amendments in scope, price or fees to this contract shall not be allowed without a prior formal contract amendment approved by the Mayor and the City Council **in advance** of the change in scope, cost or fees.

CITY OF FAYETTEVILLE, ARKANSAS

By: 

NATHAN OGDEN, PRESIDENT

LIONELD JORDAN, Mayor

Pick-It Construction, Inc
Printed Contractor Name & Title

ATTEST:

ATTEST:



Company Secretary

Sondra Smith, City Clerk

10024 N. Campbell Rd.
Business Address

Date Signed: _____

Fayetteville, AR 72701
City, State & Zip Code

Date Signed: 10-18-12

RESOLUTION NO. _____

A RESOLUTION TO APPROVE TASK ORDER NO. 9 WITH MCCLELLAND CONSULTING ENGINEERS, INC. IN THE AMOUNT OF \$32,504.00 FOR PLANS AND SPECIFICATIONS, CONSTRUCTION ADMINISTRATION AND RECORD DRAWINGS OF THE EXECUTIVE HANGAR OFFICE ADDITION PROJECT AND TO APPROVE A BUDGET ADJUSTMENT OF \$32,504.00

correct Total is \$36,500.00

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves Task Order No. 9 with McClelland Consulting Engineers, Inc. in the amount of \$32,504.00 for plans and specifications, construction administration and record drawings of the Executive Hangar Office Addition Project and approves a budget adjustment of \$32,504.00.

PASSED and APPROVED this 15th day of May 2012.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer