



# GULF SHORES AIRPORT AUTHORITY

## Letter of Intent

**July 19, 2022**

Mr. Scott Fuller  
 City of Gulf Shores Airport Authority  
 P. O. Box 919  
 Gulf Shores, AL 36542

**RE: Gulf Shores International Airport - Jack Edwards Field**

Dear Mr. Fuller:

Big Baby, LLC (“Lessee”) would like to submit the following “Letter of Intent” to lease a portion of the Gulf Shores International Airport.

**Premises:**

Unimproved Land:	<b>25,600</b>

Exhibit “A” shall further delineate the proposed premises.

The lease area shall include ramp area used for the premises, parking area if required, and an appropriate amount of landscape area if required.

Lessee shall be responsible to provide the Authority with a Survey of the proposed premises subject to approval by the Authority as to the size and location at their sole discretion. Said survey shall include staking of the property and a legal description to be attached to the lease.

**Term:**

**[40]** Years

**Rental Rate:**

Property Type	Size	Cost per square Foot / YR	Yearly Cost
Unimproved land	[160 x 160]	[\$0.28]	\$7,168
<b>TOTALS</b>	<b>[25,600]</b>		<b>\$7,168</b>

The base rental rate shall be increased regularly by the increase in the CPI index.

**Fees:**

All commercial uses shall be subject to the published rates and fees established for each use at **Jack Edwards National**. No Tenant shall operate a commercial use on the airport without a permit and payment of the applicable fee.

**Type of Lease:**

All leases are NET-NET-NET, which require the Lessee to pay for the cost of maintenance, repairs, utilities, janitorial, trash services, taxes and insurance. Other items of expense will be outlined in the lease document.

**Insurance Requirements:**

1. Real Property – 100% of the replacement value of the building.
2. Builders All-Risk - In the amount of the cost of the project
3. Comprehensive General Liability - \$1,000,000 each occurrence \$5,000,000 general aggregate
4. Workers Compensation – As required by Law
5. Hangars keeper – In the amount of the full value of the airplanes to be stored in the premises.
6. Auto Liability – \$1,000,000
7. Rental Insurance – Against loss of rental due to fire or other perils for 1 years rent.

**Uses:**

The premises shall be used for the following;

1. The storage, maintenance and repair of Lessee's owned aircraft.

**Lease Commencement:**

The Lease shall commence on **October 1, 2022**

**Security Deposit:**

Upon execution of the Lease, Lessee shall pay a security deposit equal to dollar amount equal to at least one months rent.

**Oversight Fee**

Lessee shall pay to Authority a fee equal to 0.75% of the hard construction cost for Authority's Legal, engineering, project supervision costs of the project.

**Prepaid Rent:**

Upon execution of this lease, Lessee shall prepay the first month's rent.

**Lessee Improvements:**

Lessee shall be responsible for the following improvements to the premises, which shall be included in the Lease as Exhibit B:

1. **Hangar building of 10,000 sf; 100 x 100**
2. Lessee shall provide to Authority a complete description of the proposed improvements, building

specifications, plan, and construction cost breakdown before signature of the lease.

3. All offsite costs and improvements, including the bringing of utilities to the site shall be the responsibility of the Lessee.
4. Lessee shall pay for, at their sole cost and expense any work that is required off site by Lessee or Authority resulting from their development.

### **Development**

Lessee shall develop the premises in accordance with the following:

1. **Aircraft storage facility of a minimum size of 11,000 sf.**

Lessee shall have **180 days** days from the effective date of the Lease to begin construction of the project. In the event that the project is not started within that time period, Lessee shall pay to Authority a penalty equal to 20% of the base rent, payable per month, until the project is started.

Lessee shall have **540 days** days from the effective date of the Lease to complete construction of the project. In the event that the project is not completed (defined as the Certificate of Occupancy) within that time period, Lessee shall pay to Authority a penalty equal to 50% of the base rent payable per month until the project is completed.

In the event the project is not completed within **720** from the effective date of the Lease, Authority will have the option to a) cancel the Lease, or b) require the Lessee to pay as additional rent an amount equal to 100% of the base rent payable.

### **Guarantee**

If the Lessee does not sign the Lease as an individual, and Authority does not approve Lessee's financial information, it will require a Personal Guarantees with the Lease.

### **Financials**

Lessee to supply the following information if required:

- 1) Completed Lease Application and Credit forms.
- 2) Personal or Corporate financial statement

### **Remarks:**

The Lease is subject to the following

- 1) Determination the proposed development plans will not violate any FAA rules, regulations, grants, or the building restriction lines.
- 2) Approval by the Authority in their sole discretion
- 3) The approval and execution of the lease document by all parties

This Proposal is an outline of the major lease points only and is not a binding legal agreement to lease. Neither party shall have any legal obligation nor liability to the other with respect to the matters set forth in this Proposal until a lease is executed by both parties and approved by the Authority. This offer shall be valid only for a period of thirty (30) days from signature after which it shall be null and void.

This Letter of Intent shall expire **August 30, 2017**. Please respond in writing to the undersigned by that time.

AGREED AND ACCEPTED

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*Gulf Shores Airport Authority*

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**LESSEE**

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**CITY OF GULF SHORES AIRPORT AUTHORITY**

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

cc: Airport Authority Board