



Gulf Shores Airport Authority
Jack Edwards National Airport
3190 Airport Dr. Gulf Shores, AL 36542

Letter of Intent

Date: February 24, 2021

Mr. Scott Fuller
City of Gulf Shores Airport Authority
P. O. Box 919
Gulf Shores, AL 36547

RE: Jack Edwards National Airport

Dear Mr. Fuller:

Alabama Skyway, LLC (an Alabama Limited Liability Corporation) would like to submit the following "Letter of Intent" to lease a portion of the Jack Edwards National Airport.

Premises:

Unimproved Land:	0.52 acres
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Exhibit "A" shall further delineate the proposed premises. **[Exhibit A, attached exhibit]**.

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

Term:

40 Years 0 Months

Rental Rate:

Property Type	Size	Cost per square Foot / YR	Yearly Cost
Unimproved land	22,651 sf	\$0.28	\$6,342.34
TOTALS	22,651sf		\$6,342.34

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. Hangars keeper – In the amount of the full value of the airplanes to be stored in the premises.
5. Auto Liability – \$1,000,000
6. Environmental Liability

Uses:

The premises shall be used for the following.

1. Non-commercial use – Aircraft Storage

Lease Commencement:

The Lease shall commence on **April 1, 2021**

Security Deposit:

Upon execution of the Lease, Lessee shall pay a security deposit equal to **\$6,500.00**. **Said security deposit to be used as payment of the oversight fee and the balance if any as prepaid rent.**

Oversight Fee

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

Authority Improvements:

Authority shall be responsible for providing to Lessee the following improvements at its sole cost and expense:

1. **None**

Lessee Improvements:

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

1. **90 x 90 (8,100 sf) Aircraft Storage Hangar.**
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. **Design and construct an 8,100-sf hangar facility.**

Lessee shall have **180** 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 **360** days from the effective date of the Lease to complete construction of the project. In the event that the project is not completed with the project (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 **18 months** 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 appropriate governing

authority. This offer shall be valid until the expiration date below, after which it shall be null and void.

This Letter of Intent shall expire **April 30, 2021**. Please respond in writing to the undersigned by that time.

AGREED AND ACCEPTED
LESSEE

By  _____ **Donald S. Ryals**

Title _____ **Manager**

Date _____ **February 24, 2021**

AGREED AND ACCEPTED
CITY OF GULF SHORES AIRPORT AUTHORITY

By _____

Title _____

Date _____

cc: Airport Authority