



3190 Airport Dr. Gulf Shores, AL 36542

Letter of Intent

Date _____

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:

_____ would like to submit the following "Letter of Intent" to lease a portion of the Jack Edwards National Airport.

Premises:

Unimproved Land:	[Number of Acres or Square Feet]
Improved Land:	[Number of Acres or Square Feet]
Office Area:	[Number of Square Feet]
Hangar Area:	[Number of Square Feet]
Tie Downs:	[number of tie downs subject to mo to mo lease]
Other Area:	[describe other lease area]

Exhibit "A" shall further delineate the proposed premises. **[Attach a site plan showing the property].**

The lease are 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:

_____ Years _____ Months

Rental Rate:

Property Type	Size	Cost per square Foot / YR	Yearly Cost
Unimproved land	[Size]	[price]	[yearly cost]
Improved land	[Size]	[price]	[yearly cost]
Office Area	[Size]	[price]	[yearly cost]
Hangar Area	[Size]	[price]	[yearly cost]
Tie Down	[amount]	[price]	[yearly cost]
Other area	[Size]	[price]	[yearly cost]
TOTALS	[SIZE]		[YEARLY COST]

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:

[Depending on the type of operation requested, the Lessee shall be required to carry one or more of the following types of insurance listed below. Delete those that are not appropriate]

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.
8. Environmental Liability

Uses:

The premises shall be used for the following;

[Describe the intended uses of the leasehold. Be specific. Examples are]

1. The subleasing of hangar spaces for the storage of aircraft;
2. Aircraft charter operations;
3. Sales, repair and service of avionics and avionic assemblies;

4. Maintenance, repair, overhaul, and modification of aircraft and related parts and equipment;
5. Flight operations including ground and flight school training and instruction;
6. Aircraft rental and use;
7. New and used aircraft sales;
8. Sale of aircraft parts, components, accessories and allied equipment;
9. Sale of Pilot supplies and accessories;
10. Aircraft management;

Lease Commencement:

The Lease shall commence on [_____].

Security Deposit:

Upon execution of the Lease, Lessee shall pay a security deposit equal to [_____]

Prepaid Rent:

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

Oversight Fee

[Development deals only. Delete if not applicable]

Lessee shall pay to Lessor a fee equal to 1.5% of the hard construction cost for Lessors supervision of the project.

Lessor Improvements:

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

1. **[Describe any improvements required by the Lessee]**

Lessee Improvements:

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

1. **[Describe improvements]**
2. Lessee shall provide to Lessor 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 Lessor resulting from their development.

Development

Lessee shall develop the premises in accordance with the following:

1. **[If this is a new development, briefly describe the Lessee's proposed development plan for the**

property]

Lessee shall have [] 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 Lessor a penalty equal to 20% of the base rent, payable per month, until the project is started.

Lessee shall have [] 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 Lessor 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 **[months]** from the effective date of the Lease [negotiate a 6-month to one-year time period from the end of estimated construction], Lessor 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.

Parking:

Lessee shall provide as part of their leasehold **[amount]** spaces for parking and **[amount]** spaces for Handicap Parking in compliance with local regulation and building requirements.

Guarantee

If the Lessee does not sign the Lease as an individual, and Lessor 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. (will be waived for GAC)
- 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 only for a period of ten (10) days from signature after which it shall be null and void.

This Letter of Intent shall expire **[date] 2015**. Please respond in writing to the undersigned by that time.

AGREED AND ACCEPTED

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Gulf Shores Airport Authority

LESSEE

By _____

Title _____

Date _____

CITY OF GULF SHORES AIRPORT AUTHORITY

By _____

Title _____

Date _____

cc: Airport Authority