

RESOLUTION NO. R2022-54

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING TWO LETTERS OF INTENT TO GROUND LEASE PROPERTY AT THE BURNET MUNICIPAL AIRPORT.

Whereas, A. B. Walters, on behalf of Airy Mount Properties, LLC., has offered to enter into a Letter of Intent to ground lease 1.14 +/- acres located at the north end of the Burnet Municipal Airport runway; and 0.972 +/- acres located at the south end of the Burnet Municipal Airport runway; and

Whereas, the Letter of Intent authorizes the City Manager to begin negotiations of the terms and conditions of ground leases for a term up to forty-years; and

Whereas, any ground lease negotiated by the City Manager would require Council approval before becoming binding on the City; and

Whereas, should the parties not come to an agreement as to the terms and conditions of the ground leases before the expiration of the term of the Letter of Intent, or any extension thereof, neither party shall have any further obligation to the other under the Letter of Intent.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. That the recitals to this Resolution are incorporated herein for all purposes.

Section two. Approval. The Letters of Intent attached hereto are hereby approved.

Section three. Authorization. The Mayor is hereby authorized to execute instruments in substantial form as the attachment and execute such ancillary documents and takes such related actions reasonably necessary to facilitate the intent of this Resolution.

Section four. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

Section five. Effective Date. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.

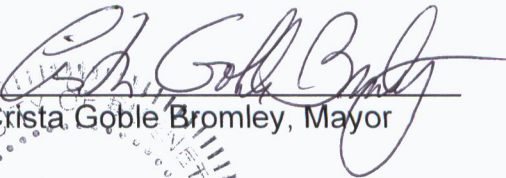
PASSED AND APPROVED this the 14th day of June, 2022.

CITY OF BURNET, TEXAS


ATTEST:



Kelly Dix, City Secretary



Crista Goble Bromley, Mayor



The seal of the City of Burnet, Texas, is circular with a five-pointed star in the center. The words "CITY OF BURNET, TEXAS" are written around the perimeter of the seal.

**Airy Mount Properties,
LLC
PO Box 1669
Burnet, Texas 78611**

June 8, 2022

Crista Goble Bromley, Mayor City of Burnet Texas
1001 Buchanan Drive, Suite 4
Burnet, Texas 78611

RE: LETTER OF INTENT

The Honorable Crista Goble Bromley Mayor, City of Burnet, Texas:

This letter will serve as a Letter of Intent ("LOI") for a ground lease of a Parcel, or ground leases of two Parcels, located at the Burnet Municipal Airport by and between Airy Mount Properties, LLC, or assign ("Tenant") and the City of Burnet, Texas ("Landlord").

The following expresses our understanding with respect to the matters described herein, but, unless provided otherwise herein, it is expressly understood that this Letter of Intent does not constitute a complete statement of the terms of the ground lease.

1. **Term (Due Diligence Period).** This LOI shall have a term of ninety days from the date of execution by the Mayor.
2. **Ground Lease.** During the Term, Landlord and Tenant shall negotiate in good faith the terms and conditions of a written ground lease, or ground leases, on which Tenant shall be authorized and required to construct an aircraft hangar or hangars.
 - a. Within Term, the parties hereto shall negotiate in good faith the terms and conditions of a ground lease(s) for the Parcel(s) described herein. The parties agree the term of such lease shall not be less than twenty (20) years nor more than forty (40) years, and any structure constructed on the leased premises shall become the property of the City of Burnet at the expiration of the ground lease.
 - b. During the Term of this LOI, the parties shall negotiate in good faith the rentals and any other airport fees and other lease provisions that are mutually agreeable and typical of other ground leases at the

Burnet Municipal Airport.

- c. In the event that the parties cannot agree to such terms before the expiration of the Term, either party may terminate this LOI and in such case neither party shall have any further obligation to the other.
3. **Earnest Money.** Tenant shall pay to the City of Burnet a fully refundable earnest money fee of \$500.00 for the Landlord to hold the Parcels for ninety (90) days or until the ground lease is executed, whichever first occurs.
 4. **Parcel.** The Parcels subject to this LOI are as follows:
 - a. 1.14 +/- acres located at the north end of the Burnet Municipal Airport runway.
 - b. 0.972 +/- acres located at the south end of the Burnet Municipal Airport runway.
- Note:** The parcels have not been surveyed. However, location and dimension approximations are reflected on **Exhibit "A"** attached hereto.
5. **Environmental Study.** Landlord shall provide to Tenant a copy of any environmental study conducted at the Burnet Municipal Airport, in any exists.
 6. **Broker's Commission.** Neither Landlord nor Tenant shall be represented by a broker for which a commission is paid based on the ground lease or otherwise.
 7. **Landlord's Representations.** Landlord agrees as follows: (i) no other third party has any contractual or other rights related to the Parcels; (ii) Landlord shall not market the Parcels for lease or sale to any other third party during the Due Diligence Period; (iii) at the end of the Due Diligence Period this LOI may be extend in writing by the parties for an additional ninety (90) days or this LOI shall automatically expire.

Upon execution of this LOI, it shall be binding on the parties during the Term or the execution of the ground lease(s), for one or both of the Parcels, whichever first occurs. Notwithstanding the forgoing, in the event the Term of this LOI expires without the execution of a ground lease for one, or ground leases for both, of the Parcels neither party hereto shall have any liability arising under this LOI as to the other party.

Sincerely,

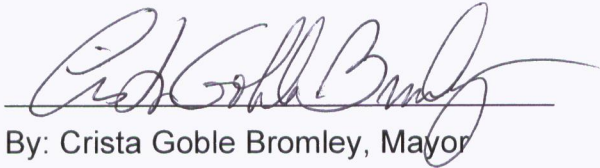
Airy Mount Properties, LLC

By: Alushield Investments, LLC

By: A.B. Walters, Member Manager

Accepted:

City of Burnet, Texas



By: Crista Goble Bromley, Mayor

Date: June 14, 2022

**Airy Mount Properties, LLC
PO Box 1669
Burnet, Texas 78611**

June 8, 2022

Crista Goble Bromley, Mayor City of Burnet Texas
1001 Buchanan Drive, Suite 4
Burnet, Texas 78611

RE: LETTER OF INTENT

The Honorable Crista Goble Bromley Mayor, City of Burnet, Texas:

This letter will serve as a Letter of Intent ("LOI") for a ground lease of a Parcel, or ground leases of two Parcels, located at the Burnet Municipal Airport by and between Airy Mount Properties, LLC, or assign ("Tenant") and the City of Burnet, Texas ("Landlord").

The following expresses our understanding with respect to the matters described herein, but, unless provided otherwise herein, it is expressly understood that this Letter of Intent does not constitute a complete statement of the terms of the ground lease.

1. **Term (Due Diligence Period).** This LOC shall have a term of ninety days from the date of execution by the Mayor.
2. **Ground Lease.** During the Term, Landlord and Tenant shall negotiate in good faith the terms and conditions of a written ground lease, or ground leases, on which Tenant shall be authorized and required to construct an aircraft hangar or hangars.
 - a. Within Term, the parties hereto shall negotiate in good faith the terms and conditions of a ground lease(s) for the Parcel(s) described herein. The parties agree the term of such lease shall not be less than twenty (20) years nor more than forty (40) years, and any structure constructed on the leased premises shall become the property of the City of Burnet at the expiration of the ground lease.
 - b. During the Term of this LOC, the parties shall negotiate in good faith the rentals and any other airport fees and other lease provisions that are mutually agreeable and typical of other ground leases at the Burnet Municipal Airport.
 - c. In the event that the parties cannot agree to such terms before the expiration of the Term, either party may terminate this LOC and in such case neither party shall have any further obligation to the other.
3. **Earnest Money.** Tenant shall pay to the City of Burnet a fully refundable earnest money fee of \$500.00 for the Landlord to hold the Parcels for ninety (90) days or until the ground lease is executed, whichever first occurs.
4. **Parcel.** The Parcels subject to this LOI are as follows:

- a. 1.14 +/- acres located at the north end of the Burnet Municipal Airport runway.
- b. 0.972 +/- acres located at the south end of the Burnet Municipal Airport runway.

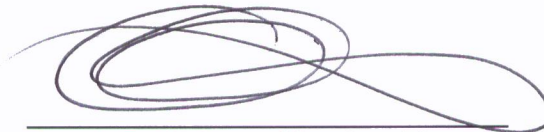
Note: The parcels have not been surveyed. However, location and dimension approximations are reflected on **Exhibit "A"** attached hereto.

- 5. **Environmental Study.** Landlord shall provide to Tenant a copy of any environmental study conducted at the Burnet Municipal Airport, in any exists.
- 6. **Broker's Commission.** Neither Landlord nor Tenant shall be represented by a broker for which a commission is paid based on the ground lease or otherwise.
- 7. **Landlord's Representations.** Landlord agrees as follows: (i) no other third party has any contractual or other rights related to the Parcels; (ii) Landlord shall not market the Parcels for lease or sale to any other third party during the Due Diligence Period; (iii) at the end of the Due Diligence Period this LOI may be extend in writing by the parties for an additional ninety (90) days or this LOI shall automatically expire.

Upon execution of this LOI, it shall be binding on the parties during the Term or the execution of the ground lease(s), for one or both of the Parcels, whichever first occurs. Notwithstanding the forgoing, in the event the Term of this LOC expires without the execution of a ground lease for one, or ground leases for both, of the Parcels neither party hereto shall have any liability arising under this LOI as to the other party.

Sincerely,

Airy Mount Properties, LLC
By: Alushield Investments, LLC



By: A.B. Walters, Member Manager

Accepted:

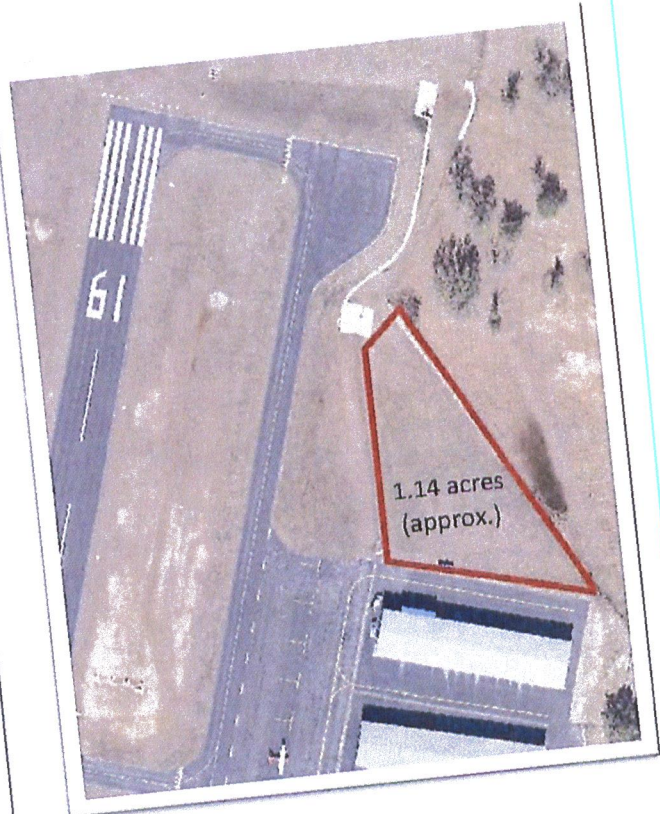
City of Burnet, Texas

By: Crista Goble Bromley, Mayor

Date: June 14, 2022

Exhibit A

Burnet Municipal Airport (BMQ) Available Ground Leases



7/21/2021