AGENDA
Board of Trustees Regular Meeting
Thursday, March 14, 2024 | 9:00 AM
Reno-Tahoe International Airport, Reno, NV
Administrative Offices, Second Floor

Notice of Public Meeting
Meetings are open to the public and notice is given pursuant to NRS 241.020.

This meeting will be livestreamed and may be viewed by the public at the following link:
Watch on Zoom: https://us02web.zoom.us/j/86947182835
Listen by Phone: Dial 1-669-900-6833 and enter the Webinar ID: 869 4718 2835

Accommodations
Members of the public who require special accommodations or assistance at the meeting are requested to notify the Clerk by email at lkolacek@renoairport.com or by phone at (775) 328-6402. Translated materials and translation services are available upon request at no charge.

Public Comment
Anyone wishing to make public comment may do so in person at the Board meeting, or by emailing comments to lkolacek@renoairport.com. Comments received **prior to 4:00 p.m. on the day before the meeting** will be given to the Board for review and included with the minutes of this meeting. To make a public comment during the Zoom meeting, please make sure your computer or device has a working microphone. Use the "Chat" feature to submit a request to speak. When the time comes to make public comments, you will be invited to speak. Public comment is **limited to three (3) minutes** per person. No action may be taken on a matter raised under general public comment.

Posting
This agenda has been posted at the following locations:
1. RTAA Admin Offices, 2001 E. Plumb
2. www.renoairport.com 3. https://notice.nv.gov/

Supporting Materials
Supporting documentation for this agenda is available at www.renoairport.com, and will be available for review at the Board meeting. Please contact the Board Clerk at lkolacek@renoairport.com, or (775) 328-6402 for further information.

1. INTRODUCTORY ITEMS

1.1 Pledge of Allegiance
1.2 Roll Call

2. PUBLIC COMMENT

3. APPROVAL OF AGENDA (For Possible Action)

4. APPROVAL OF MINUTES

4.1 February 8, 2024, Board of Trustees meeting

5. PRESIDENT/CEO REPORT

6. BOARD MEMBER REPORTS AND UPDATES

7. RECOGNITIONS AND ITEMS OF SPECIAL INTEREST

None.

8. CONSENT ITEMS (All consent items may be approved together with a single motion, be taken out of order, and/or be heard and discussed individually.)

None.

9. INFORMATION / POSSIBLE ACTION ITEMS

9.1 Downtown Reno Partnership Update

9.2 Air Service Development Marketing Strategy Update

9.3 Board Memo No. 03/2024-07 *(For Possible Action)*: Review, discussion and potential approval authorizing the President/CEO to negotiate final terms and execute on behalf of the Reno-Tahoe Airport Authority a 50-year Phase II Ground Lease for a 100-acre site at the Reno-Stead Airport, as outlined in the Exclusive Master Development Agreement, with DP RTA Stead Ph 2, LLC for a minimum contract value of $43,128,000

9.4 Board Memo No. 03/2024-08 *(For Possible Action)*: Review, discussion and potential approval authorizing the President/CEO to execute an 18-mo contract extension of the professional services agreement for insurance brokerage services with Arthur J. Gallagher Risk Management Services, LLC in the amount of $67,500

9.5 Board Memo No. 03/2024-09 *(For Possible Action)*: Review, discussion and possible approval authorizing the President/CEO to initiate Phase III of a development proposal by Conrac Solutions, LLC, finalize terms, and execute on behalf of the Reno-Tahoe Airport Authority a thirty (30)-year ground lease with RNO Conrac, LLC for a minimum contract value of $21,130,560, to finalize design of and construct a Ground Transportation Center with a proposed not-to-exceed project cost of approximately $299 million, with an estimated additional $76 million in finance costs, transaction costs, and other funding requirements pursuant to the proposal submitted by Conrac Solutions, LLC, as authorized by Nevada Revised Statutes 338.161 through 338.168 at the Reno-Tahoe International Airport.

9.6 Board Memo No. 03/2024-10 *(For Possible Action)*: Review, discussion and possible approval authorizing transfer of future collection, administration functions, of the Customer Facility Charges into an account held by a third-party collateral agent for the purposes of funding the construction and operation of the Ground Transportation Center at the Reno-Tahoe International Airport, and authorization of the transfer of an estimated amount of $15,724,406 or the then current value of the Customer Facility Charge fund less the reserved amount for prior Board approved expenses ($4,117,389) upon financial close per Board Memo No: 03/2024-09.

9.7 Board Memo No. 03/2024-11 *(For Possible Action)*: Review, discussion and possible approval authorizing the President/CEO to negotiate final terms and execute on behalf of the Reno-Tahoe Airport Authority Amendments for the Restated and Amended Nonexclusive Vehicle Rental Concession Leases and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases at Reno-Tahoe International Airport with Avis Budget Car Rental, LLC d/b/a Avis and Budget; DTG Operations, Inc. d/b/a Dollar Rent A Car and Thrifty Car Rental; Enterprise Leasing Company-West, LLC d/b/a Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental; The Hertz Corporation; and Payless Car Rental, Inc. to extend the term through the earlier of June 30, 2029, or the opening of the Consolidated Rental Car Facility, for a maximum of a six-year extension, with an estimated six (6) year minimum contract value of $65,000,000.

9.8 Board Memo No. 03/2024-12 *(For Possible Action)*: Review, discussion and possible approval to adopt Resolution No. 565 amending Resolution No. 563, Increasing the Customer Facility Charge (CFC) Rate to $9.80 effective July 1, 2024 and authorization for the President/CEO to set future CFC Rate increases in accordance with the terms of the Ground Lease between the Reno-Tahoe Airport Authority and RNO Conrac, LLC.

10. TRUSTEE COMMENTS AND REQUESTS

11. UPCOMING RTAA MEETINGS

DATE	MEETING
03/28/2024	**HQ Design Board Workshop**
04/09/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
04/11/2024	Board of Trustees Regular Meeting
04/23/2024	**Annual Budget Workshop**
05/21/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting

05/23/2024	Board of Trustees Regular Meeting
06/11/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
06/13/2024	Board of Trustees Regular Meeting

12. PUBLIC COMMENT

13. ADJOURNMENT

--DRAFT--

MINUTES
Board of Trustees Regular Meeting
Thursday, February 8, 2024 | 9:00 AM
Reno-Stead Airport
4895 Texas Ave., Reno, NV

1. INTRODUCTORY ITEMS

Chair Chaplin called the meeting to order at 9:00 a.m. Trustee Jay led the Pledge of Allegiance.

Roll was taken by the Clerk of the Board. A quorum was present.

TRUSTEES PRESENT: Shaun Carey, Carol Chaplin, Jennifer Cunningham, Richard Jay, Joel Grace, Kitty Jung, Art Sperber, Cortney Young

TRUSTEES ABSENT: Adam Kramer

2. PUBLIC COMMENT

None.

3. APPROVAL OF AGENDA

Motion: Move to approve the agenda as presented
Moved by: Kitty Jung
Seconded by: Richard Jay
Absent: Adam Kramer
Vote: Motion passed

4. APPROVAL OF MINUTES

4.1 January 11, 2024, Board of Trustees meeting

Chair Chaplin asked if there were any corrections to the January 11, 2024, Minutes. Hearing none, the Minutes were approved as presented.

5. PRESIDENT/CEO REPORT

CEO Griffin recapped the Sunday, February 4, snow event and updated the Board on seasonal flights that will be resuming. He also gave an update on the Ticketing Hall project which is moving forward as scheduled.

6. BOARD MEMBER REPORTS AND UPDATES

Trustee Cunningham gave an update on the Arts program, specifically the installation of the Ticketing Hall art project. Trustee Jay updated the Board on the RSCVA's search of a new CEO.

7. RECOGNITIONS AND ITEMS OF SPECIAL INTEREST

None.

8. CONSENT ITEMS FOR CONSOLIDATED BOARD ACTION

Motion: Move to approve item 8.1
Moved by: Richard Jay
Seconded by: Art Sperber
Absent: Adam Kramer
Vote: Motion passed

8.1 **Board Memo No. 02/2024-05:** Request for authorization to negotiate final terms and execute a new 10-year Airport Joint Use Agreement between the Nevada Air National Guard and the Reno-Tahoe Airport Authority for a contract value of $783,301 *(for possible action)*

9. INFORMATION / POSSIBLE ACTION ITEMS

9.1 **Board Memo No. 02/2024-06:** Authorization for the President/CEO to execute Amendment #3 to the Professional Services Agreement for Design Services for the Ticketing Hall Expansion Project at Reno-Tahoe International Airport, with RS&H Nevada, Inc., in the amount of $49,250, increasing the total contract amount to $2,373,816 *(for possible action)*

This item was first heard by the Planning & Construction Committee on February 6, 2024. A presentation was requested by the Board which was given by Amanda Twitchell, Sr. Project Manager. After discussion, the Board took the following action:

Motion: Move to authorize the President/CEO to execute Amendment #3 to the Professional Services Agreement for Design Services for the Ticketing Hall Expansion Project at Reno-Tahoe International Airport, with RS&H Nevada, Inc., in the amount of $49,250, increasing the total contract amount to $2,373,816

Moved by: Art Sperber
Seconded by: Joel Grace
Vote: Motion passed unanimously

9.2 Fire Department Update

Cris Jensen, Chief Operations & Public Safety Officer, updated the Board on recent activities related to the Reno-Tahoe Airport Fire Department which included a discussion of the potential to outsource some or all of the fire service at the RTAA.

10. TRUSTEE COMMENTS AND REQUESTS

11. UPCOMING RTAA MEETINGS

DATE	MEETING
02/15/2024	Board of Trustees Workshop
03/12/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
03/14/2024	Board of Trustees Regular Meeting
04/9/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
04/11/2024	Board of Trustees Regular Meeting
05/21/2024	Finance & Business Development Committee Meeting Planning & Construction Committee Meeting
05/23/2024	Board of Trustees Regular Meeting

12. PUBLIC COMMENT

None.

13. ADJOURNMENT

The meeting was adjourned at 9:57 a.m.

President/CEO Report

To: All Board Members
From: Daren Griffin, President/CEO
Date: March 2024

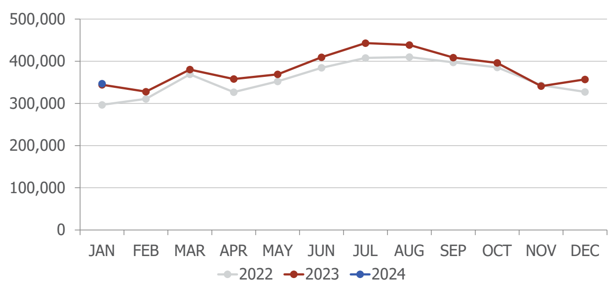
AIR SERVICE DEVELOPMENT

Airline Familiarization Tour
The Airline Business Familiarization (FAM) Tour, held last month, was very successful. Alaska, Delta, and Southwest Airlines were represented. They attended a tour of the Tahoe-Reno Industrial Center, the Economic Development Authority of Western Nevada's annual State of the Industry event, and a business reception that included many local corporate partners, such as Tesla, Panasonic, Charles River, and *its* Logistics. Additionally, the airport's tourism partners, including the Reno-Sparks Convention and Visitors Authority, shared their time to discuss recent investments in local properties and the continuing efforts to grow tourism and conventions in the region. The airline representatives were impressed with the growth of the Reno-Tahoe area and felt that their time here was productive and insightful. Their post-event message back to corporate was the "importance of airline partnerships like RNO". The next Airport Authority FAM Tour is scheduled for mid-July and will be built around the American Century Celebrity Golf Tournament.

Mead & Hunt Air Service Conference
Staff attended the Mead & Hunt Air Service Development Conference in Scottsdale, AZ, during the last week of February. Staff held pre-arranged one-on-one meetings with 12 airlines, incumbent and potential new airlines, during the conference. The focus of discussion was to increase flights to existing routes and begin non-stop flights to new destinations. Staff also shared information on the Reno-Tahoe corporate travel recovery, as well as the growing and immerging industries, and local investment in the region.

JANUARY 2024 RNO Passengers
Reno-Tahoe International Airport (RNO) served 346,845 passengers in January 2024, an increase of 0.7% versus the same period last year. In January 2024, RNO was served by 12 airlines to 22 non-stop destinations. The total seat capacity increased 0.5% and flights increased 0.9% when compared to January 2023.

JSX offers non-stop flights from RNO to Orange County and Burbank using a 30-seat Embraer 135/145 aircraft. JSX operates out of Stellar Aviation, a private Fixed Base Operator, located at 485 South Rock Blvd. In January 2024, Sun Country offered only charter flights at RNO.



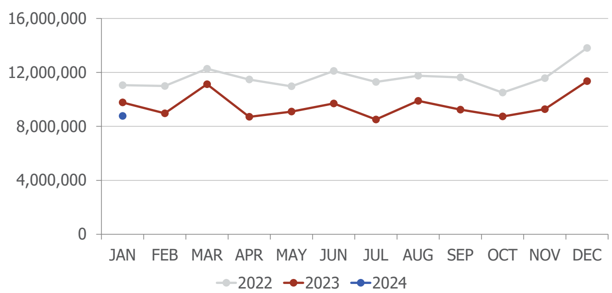
Total Passengers Jan-24					
	Passengers 2022	Passengers 2023	% Diff.	Passengers 2024	YOY % Diff.
JAN	296,641	344,268	16.1%	346,845	0.7%
FEB	310,738	327,934	5.5%		
MAR	368,946	380,363	3.1%		
1st QTR	**976,325**	**1,052,565**	**7.8%**		
APR	326,787	357,924	9.5%		
MAY	352,255	368,930	4.7%		
JUN	384,429	409,467	6.5%		
2nd QTR	**1,063,471**	**1,136,321**	**6.9%**	**0**	
JUL	407,867	442,942	8.6%		
AUG	409,942	438,621	7.0%		
SEP	397,404	408,732	2.9%		
3rd QTR	**1,215,213**	**1,290,295**	**6.2%**	**0**	
OCT	385,466	396,147	2.8%		
NOV	343,130	341,084	-0.6%		
DEC	327,353	356,972	9.0%		
4th QTR	**1,055,949**	**1,094,203**	**3.6%**	**0**	
TOTAL	**4,310,958**	**4,573,384**	6.1%		

March 2024 RNO Flight Schedule

Destination	Airlines	Total Departures	Details
Burbank	Southwest	16	Daily 1-6, then Tue, Wed, Sat
Chicago-O'Hare	United	27	Flights on 2,3. Daily 7-31. No flights on Mon
Dallas-Love	Southwest	9	Twice weekly. Sat, Sun
Dallas/Fort Worth	American	116	Four daily. Three on Tue, Wed
Denver	Southwest	85	Three daily. Twice on Sat, Sun
	United	111	Three to four daily
Guadalajara	Volaris	21	Five weekly flights, Mon - Fri
Houston-Intercontinental	United	7	Twice weekly from Mar 9. Sat, Sun
Las Vegas	Southwest	295	11 daily Mon-Fri. 6-9 on weekends
	Spirit	88	Three daily. Twice daily 1-5
Long Beach	Southwest	66	Twice daily. Three on Sun
Los Angeles	Delta	93	Three daily
	JetBlue	31	Daily
	Southwest	32	Daily
	Sun Country	2	Daily 8 and 16
	United	53	Twice daily. Once on weekends
Minneapolis/St. Paul	Sun Country	1	Once on Mar 1
New York-JFK	JetBlue	31	Daily
Oakland	Southwest	52	Twice daily. Once on weekends
Ontario	New Pacific	9	Twice weekly. Thu, Sun
Phoenix	American	130	Four daily. Five daily 1-4 and Sun
	Southwest	68	Twice daily. Three on Tue, Wed
Portland	Alaska	56	Twice daily. Once on 2,5,6,9,12,13
Salt Lake City	Delta	93	Three daily
San Diego	Southwest	84	Three daily. Twice on Sat and 1,4,5,6
San Francisco	United	125	Four daily
San Jose	Southwest	31	Daily
Seattle	Alaska	101	Two to four daily
	Multiple airlines		
3.1.2024			

JANUARY 2024 RNO Cargo Volume

RNO handled 8,769,205 pounds of air cargo in January 2024, a decrease of 10.2% when compared to January 2023.



Total Cargo Volume in Pounds
Jan-24

	2022	2022	% Diff.	2023		YOY % Diff.
	Cargo in Pounds			Pounds	Metric Tons	
JAN	11,052,383	9,768,668	-11.6%	8,769,205	3,977	-10.2%
FEB	10,991,076	8,963,956	-18.4%			
MAR	12,265,793	11,124,124	-9.3%			
1st QTR	**34,309,252**	**29,856,748**	**-13.0%**			
APR	11,470,613	8,704,717	-24.1%			
MAY	10,966,757	9,094,192	-17.1%			
JUN	12,105,721	9,694,997	-19.9%			
2nd QTR	**34,543,091**	**27,493,906**	**-20.4%**	**0**		
JUL	11,289,066	8,508,207	-24.6%			
AUG	11,751,228	9,888,463	-15.9%			
SEP	11,624,360	9,237,788	-20.5%			
3rd QTR	**34,664,654**	**27,634,458**	**-20.3%**	**0**		
OCT	10,502,407	8,731,063	-16.9%			
NOV	11,569,577	9,273,796	-19.8%			
DEC	13,806,179	11,347,689	-17.8%			
4th QTR	**35,878,163**	**29,352,548**	**-18.2%**	**0**		
TOTAL	**139,395,160**	**114,337,660**	**-18.0%**			

ECONOMIC DEVELOPMENT

Properties

GTC Project

Conrac Solutions is making progress on the key deliverables required by RTAA to bring the GTC project forward to the Board for consideration of moving to Phase III – Project Delivery and Construction. However, pricing and CFC rates were higher than previously anticipated. Staff is working with the RACs and Conrac Solutions to determine if there is a path forward or if this project is now priced out of viability. It is anticipated that the project will be brought to the March Board meeting for an update with the information staff is able to gather over the next couple of weeks which should determine the direction this project will take.

RTS Land Development

Dermody Properties Development

Grading work continues on the Phase I site with building construction anticipated to begin March 2024, weather permitting.

A Fourth Amendment to Exclusive Master Development Agreement and a Fourth Amendment to the Phase I Ground Lease will be executed to grant access and maintenance rights over Moya Boulevard and Army Aviation Drive to Dermody.

The Phase II ground lease will be presented to the Board at the March 2024 Board meeting for possible approval. Dermody has met the established milestones to move forward to Phase II. If the item is approved, the next milestone would be to submit for NEPA determination within 6-months of lease execution.

RNO Land Development

Stellar Aviation

Stellar Aviation received the Certificate of Occupancy for their FBO building and initial hangar at the end of February 2024. Stellar is anticipating a grand-opening event in April that they will coordinate with Staff. Stellar is now focusing on the construction of their second hangar to complete their Phase I project.

OPERATIONS & PUBLIC SAFETY

Department	Event	01/2024	01/2023	01/2022
Joint Actions	Aircraft Alerts: ARFF, Ops, Police, Aircom Medicals: ARFF, Ops, Police, Aircom	2 32	3 40	3 7
Operations	Inspections Wildlife Incidents	139 3	109 4	64 4
Police	TSA Checkpoint Incidents Case Numbers Requested	9 22	14	22
Security	Alarm Responses Inspections: Vehicle, Delivery, Employee Badge Actions	64 1187 882	114 1043 921	223 1072 716
ARFF	Inspections: Fuelers/Facilities	0/0	3/0	8/97
Landside	Public Parking – Total Revenue Public Parking – Total Transactions Public Parking – Average $ Per Transaction Shuttle & Bus Trips Through GT Transportation Network Company Trips Taxi Trips Through GT	$1,372,091.00 36,679 $37.41 9,012 28,409 4,330	$1,365,782.60 37,307 $36.61 8,841 14,006 5,450	$943,460.00 32,184 $29.31 8,345 10,299 4,805

PLANNING & INFRASTRUCTURE

These items are addressed in the Monthly Project Status Report which has been posted in conjunction with the March 12, 2024, Planning & Construction Committee meeting. Click HERE to view the Planning & Construction agenda.

PEOPLE, CULTURE AND EQUITY

Time frame: 2/01/2024 through 2/29/2024	
Open Positions	6
New Starts	3
Resignations/Terminations*	5
Promotions	3
**Termination refers to an employee leaving under any circumstances, good or bad.*	

People Operations participated in the annual UNR Spring Career Fair and spoke with several students about the benefits of working at the RTAA. We heard over and over again from students in Finance, Cyber Security, and Public Health that a career at the airport was not on their radars before, and now it will be.

Dale Carnegie classes open to the community are being held at the Firehouse through April 2nd.

People Operations staff coordinated a graveyard shift "watch party" so those employees could view a video recording of the January Town Hall meetings. Members of the Executive Team attended to answer questions and eat pizza with the attendees.

Culture Club launched a winter bowling league for employees. Held at the Grand Sierra Resort, the league is an excellent teambuilding activity with over 40 employees from across the organization participating.

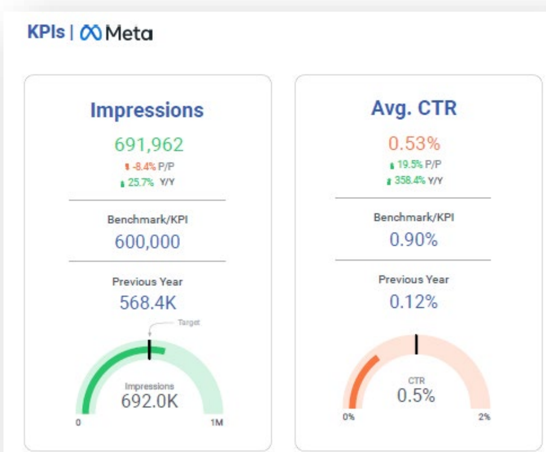
MARKETING & PUBLIC AFFAIRS

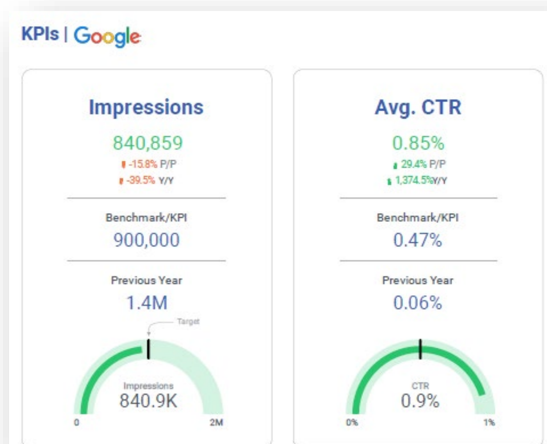
Marketing

The team continues to focus paid advertising on air service support and has paused ads about construction. Current advertising is online/digital and promotes nonstop flights to two major regions (Pacific Northwest and the Bay Area). The team is working with RTAA's agency of record to refresh campaign creative to align with Air Service Development's focus destinations. These campaigns continue to complement in-house work (newsletter, social media, etc.)

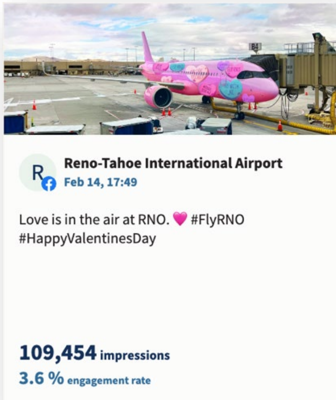
Notable metrics from Jan. 16 – Feb. 15 include (*note: campaign metrics will be reported mid-month going forward*):

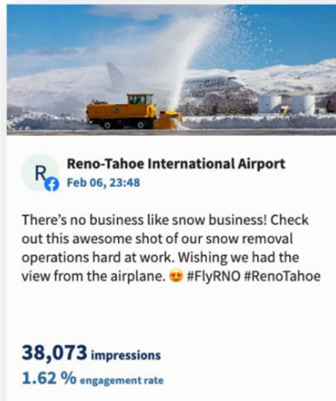
- **Paid Campaigns:** Construction campaigns were paused in order to focus on air service development. The decreased ad spend (which is temporary and will ramp back up once the above-mentioned new creative is ready) resulted in fewer impressions for both Google and Meta ads. Click-through rate (CTR) increased by 29% on Google Ads and 20% on Meta ads. We expect continued improvements in these metrics with a focus on the high-performing air service ads and refreshed creative.

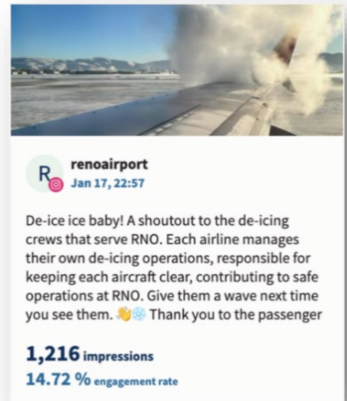




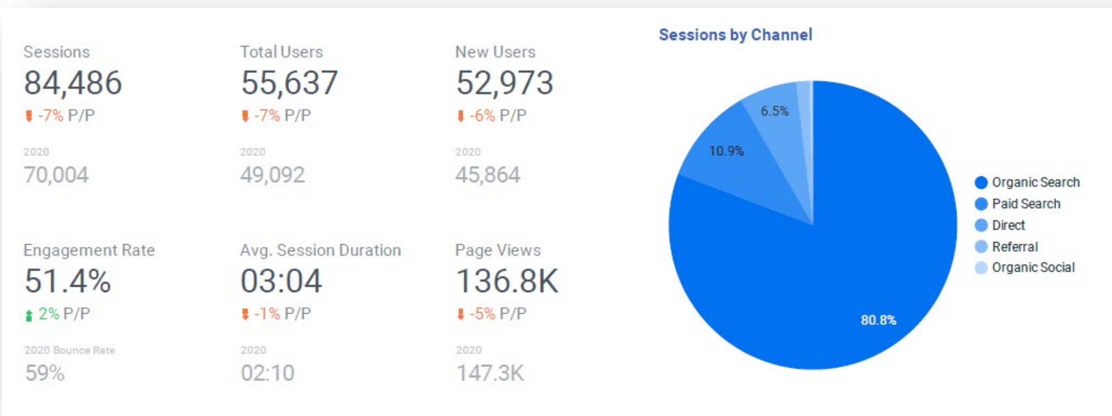
- **Organic Social Media:** During the period, we saw increased growth across all platforms. Overall, there was a 327% increase in shares which led to a 430% increase in average reach per post. Content performance also resulted in a 16% increase in net audience growth across Instagram, Facebook and X (Twitter). This growth can be attributed to users who were drawn to RNO's Valentine's Day post, nonstop updates and snow removal/de-icing activities that brought feel-good emotions to followers.







- **Website:** We saw a decrease in overall traffic period-to-period. This can be attributed to a seasonal change in passenger travel which would affect website users (especially compared to last period containing travel associated with the Christmas and New Years holidays).



- **Newsletter:** We continue to see a strong open rate of 59%, a 6% increase compared to the previous month (benchmark open rate 38%). The March newsletter strongly featured returning air service and the majority of readers clicked the link to learn more about spring things to do in New York, showing continued interest in nonstop flight options. To maintain this traction, the team will continue to promote upcoming air service initiatives and unique things to do in these destinations.

Media and Public Outreach

The team issued a media alert following the news of the RTAA receiving a $7 million ATP federal grant award and facilitated a media opportunity. Additionally, the team actively engaged in media inquiries and interviews, addressing topics such as national rideshare strikes and the recent snowstorm.

Government Affairs

It appears as though Congress will pass another short-term continuing resolution rather than face government shut down, giving themselves only another two weeks to come to final consensus on the entire budget. The House proposed to extend FAA authorization until May 8th while the House and Senate resolve differences in their long-term FAA reauthorization that was originally slated to be done in July of 2023. All this to say that any measurable progress on both budget and policy priorities in Congress is few and far between, but it is reasonable to expect that both the FY24 budget and FAA reauthorization will be finalized before April.

Staff is visiting Washington D.C. March 12-15 to attend the AAAE/ACI-NA Legislative Policy Conference and will meet with the Nevada delegation, Federal Aviation Administration leadership and other airports to discuss RTAA priorities including grant and earmark requests.

CEO Griffin and staff hosted Nevada Senator Skip Daly for a briefing on RTAA initiatives and a tour of the Ticketing Hall construction. Senator Daly represents Senate District 13, which geographically includes RNO. He is also a member of the Legislative Commission, and the Joint Standing Interim Committee on Growth and Infrastructure.

Additionally, staff coordinated a meeting with Nevada Treasurer Zach Conine and his team to discuss any synergies between the RTAA as it relates to financing MoreRNO and the State Infrastructure Bank that was recently established in Nevada law.

Art

The RTAA's first public art commission, *Repeated Refrains*, is now on display in the ticketing hall. Artist Dixie Friend Gay spent a week working graveyard hours directing the installation. She hired local contractor Artisan Wallcovering, LLC. to assist. A big thank you to several RTAA teams who supported this endeavor including Properties, Operations, Planning & Engineering, Materials Management, Facilities & Maintenance, as well as McCarthy Building Companies and our airline partners. All helped to ensure a smooth install.

Staff works behind the scenes to support and partner with numerous local civic and non-profit organizations. Recently, Interim Chief Commercial Officer Aurora Ritter participated in the Education Alliance's Principal for a Day program at Pine Middle School. Pine is located in Ward 3, like us, and has struggled mightily over the years, most recently with chronic absenteeism and the lack of a Parent Teacher Organization.

Upcoming events sponsored by the RTAA include the Nevada Aviation Association Conference, Pathways to Aviation Women in Aviation event, Chamber Leadership Reno+Sparks class, and the RSCVA's Mountain Travel Symposium.

Board Memorandum

NO.: 03/2024-07

In Preparation for the Regular Board Meeting on March 14, 2024

Subject: Authorization for the President/CEO to negotiate final terms and execute on behalf of the Reno-Tahoe Airport Authority a 50-year Phase II Ground Lease for a 100-acre site at the Reno-Stead Airport, as outlined in the Exclusive Master Development Agreement, with DP RTA Stead Ph 2, LLC for a minimum contract value of $43,128,000

STAFF RECOMMENDATION

Staff recommends that the Board approve the motion presented below.

BACKGROUND

The purpose of this action is to execute a 50-year Phase II Ground Lease (Lease) with DP RTA Stead Ph 2, LLC (Dermody) for the purpose of advancing to Phase II of the planned development of a minimum of 1,700 acres at the Reno-Stead Airport (RTS).

In March 2014 the Reno-Tahoe Airport Authority (RTAA) issued a Request for Qualifications (RFQ) for a master development partner in an effort to improve utilization of vacant land at RTS and attract aeronautical and non-aeronautical companies. The RFQ process was in support of Resolution No. 504 setting forth policy adopted by the Board in May 2011. As a matter of policy, the RTAA recognized the economic value of development at RTS. Dermody was selected as the master developer for the RTS.

On December 8, 2016, the Board authorized the President/CEO to negotiate final terms and execute an Exclusive Master Development Agreement (MDA) and a 50-year Phase I Ground Lease (P1GL) with DP RTA Stead PH 1, LLC. The effective date for the MDA is December 8, 2016, and March 1, 2017, for the P1GL.

Subsequently, between December 2019 and June 2023, several amendments to the MDA were brought forward and approved. These included: a first amendment to the MDA for the purpose of extending the Construction Completion Date of the Project Site Entrance; a second amendment for the purpose of updating term extensions, concept plans, addition of performance milestones, development phases and ground lease terms; and a third amendment for the purpose of updating the option payment and adding performance milestone requirements.

The MDA and subsequent amendments provide the framework for the phased development of available land at RTS.

DISCUSSION

With construction on Phase I under way, Dermody has advised that it is prepared to move forward with Phase II of its development plan. The proposed Phase II leasehold would be roughly 100-acres (north of the Phase I site). Proposed site plans (Exhibit B) show a potential of four (4) additional buildings compromising 1.6M square feet.

The Third Amendment to the MDA (described above) memorialized certain requirements of Dermody in order to advance to development of subsequent phases. Those requirements are as follows; 120 days in advance of each subsequent phase deadline:

- Complete a survey of record for the next phase; and
- Initiate due diligence for the next phase; and
- Provide RTAA with written assurance of ability to obtain financing for next phase.

The RTAA received a letter dated October 26, 2023, from Holland & Hart LLP on behalf of Dermody (Exhibit A), indicating their intention to move forward with the Phase II Ground Lease and documented completion of the pre-phase commencement date deliverables.

In summary, the key business terms for the Lease are as follows:

- Approximate Acreage – 100 (as shown in Exhibit C)
- Condition of Property – "As-Is"
- Lease Term – 50 years
- Lease Commencement – March 1, 2024
- Base Land Rent – $74,875 per month or $898,500 per year monthly (based on appraisal dated December 21, 2023).
- Rent Commencement – upon first Certificate of Occupancy or by March 1, 2026, whichever is earlier.
- Rent Rate Adjustment – Adjusted each two-year anniversary of the Rent Commencement date based on factors related to the Consumer Price Index for All Urban Consumers U.S. City Average, All Items (CPI-U) and an appraisal every 15 years by a mutually selected appraiser with a five percent (5%) cap, but will never be less than the rent in effect at that time
- Security Deposit – $224,625 (equal to three (3) months' rent)

The Phase I Ground Lease allocated up to thirty-five (35) acre feet of water rights for use in connection with the development under the Phase I Ground Lease. RTAA agreed to allocate for Dermody's use any unused portion of the Phase I water rights. The unused portion is approximately twenty-one (21) acre feet and the RTAA will retain ownership of the water rights.

The proposed Phase II Ground Lease includes a performance milestone requiring Dermody to properly submit and apply for its approval of the Federal Aviation Administration (FAA) Environmental Review, within six (6) months of the Commencement Date. A requirement of the Third Amendment to the MDA is that Dermody must complete improvements for each phase within 24 months of receipt of formal environmental process determination from the FAA for that phase.

This action is in support of the RTAA's Financial Stewardship Strategic Priority, as identified in the RTAA FY 2024-2028 Strategic Plan.

FISCAL IMPACT

The ground rent rate established by the appraisal dated December 21, 2023, is $0.206 per square foot per year and the total Premise is 100 acres resulting in initial revenue of $74,875 per month or $898,500 per year. The proposed Ground Lease would generate approximately $43 million in gross revenue over a 50-year term, not including Rent Rate Adjustments. The following is a breakdown of the estimated revenue:

Fiscal Year	Estimated Ground Rent Revenue	
FY 2023-24	$	-
FY 2024-25	$	-
FY 2025-26	$	299,500
FY 2026-73	$	42,229,500
FY 2073-74	$	599,000
Total	**$**	**43,128,000**

In addition to the fiscal impact stated above, the RTAA has secured a Landlord Participation Right. In the event of a sale of a building to any person other than an approved affiliate, the RTAA has a right of participation in the building's net sale proceeds. The participation shall be equal to the amount that is 33% of the net sale proceeds in excess of Dermody's internal rate of return (20%).

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

"Move to authorize the President/CEO to negotiate final terms and execute on behalf of the Reno-Tahoe Airport Authority a 50-year Phase II Ground Lease for a 100-acre site at the Reno-Stead Airport, as outlined in the Exclusive Master Development Agreement, with DP RTA Stead Ph 2, LLC for a minimum contract value of $43,128,00.00."

Holland & Hart

Douglas C. Flowers
Partner
Phone: (775) 327-3050
Fax: (775) 786-6179
dflowers@hollandhart.com

October 26, 2023

Via Electronic Mail, iwhitlock@renoairport.com

Ian Whitlock
Chief Legal Officer
Reno Tahoe Airport Authority
2001 E. Plumb Lane
Reno, Nevada 89502

Re: Pre-Phase Commencement Date deliverables for Phase II Ground Lease as required by that certain Master Development Agreement between Reno-Tahoe Airport Authority, a quasi-municipal corporation existing under the laws of the state of Nevada ("**RTAA**") and DP RTA Stead, LLC, a Delaware limited liability company ("**DP Stead**") dated December 8, 2016 (as previously amended, the "**MDA**")

Dear Ian:

In connection with DP Stead's intention to move forward with the Phase II Ground Lease I am pleased to provide the RTAA with the following on behalf of my client, DP Stead[1]:

- The enclosed survey describing the Project Site to be included in Phase II;
- This written confirmation that DP Stead has commenced due diligence on Phase II (see, by way of support, the enclosed letter from Vince Griffith with Reno Engineering Corporation confirming review of utility service plans for Phase II); and
- This written assurance that DP Stead has the ability to obtain financing for the Improvements, including all Infrastructure Improvements, anticipated for Phase II (see, by way of support, the enclosed letter from Dan Corfee with Preferred Capital Advisors confirming DP Stead's ability to access current capital markets).

My understanding is that the RTAA (through its skilled counsel Tom Luria) will undertake preparation of the initial draft of the Phase II Ground Lease. If I can be of any help with that work please let me know and I will be happy to assist.

Best Regards,

Douglas C. Flowers
for Holland & Hart LLP

cc: client

[1] Please note that all capitalized terms used but not defined herein have the meanings ascribed thereto in the MDA.

TITLE EXCEPTIONS

THE FOLLOWING REFERENCED ITEM NUMBERS WERE OBTAINED FROM SCHEDULE B, PART II, EXCEPTIONS OF AN ALTA COMMITMENT FOR TITLE INSURANCE ISSUED BY FIRST AMERICAN TITLE INSURANCE COMPANY, FILE NO. NCS-1125811-ONT1, REVISION NO. 1, WITH A COMMITMENT DATE OF SEPTEMBER 01, 2023. ALL DOCUMENTS REFERENCED BELOW ARE A PART OF THE OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA, UNLESS OTHERWISE INDICATED.

ITEM NO.'S 1-13: NOT PLOTTABLE/NOT APPLICABLE.

ITEM NO. 14: RESERVATIONS AND PROVISIONS AS CONTAINED IN PATENT FROM THE UNITED STATES OF AMERICA, RECORDED AUGUST 3, 1907, IN BOOK B, PAGE 151 OF PATENT RECORDS, AS INSTRUMENT NO. 2522.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PORTIONS OF PARCELS 1 & 2]

ITEM NO. 15: RESERVATIONS AND PROVISIONS AS CONTAINED IN THE PATENT FROM THE STATE OF NEVADA, RECORDED AUGUST 4, 1917, IN BOOK E, PAGE 197 OF PATENT RECORDS, AS INSTRUMENT NO. N/A.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PORTIONS OF PARCELS 1 & 2]

ITEM NO. 16: COVENANTS, CONDITIONS, AND RESTRICTIONS IN A INSTRUMENT RECORDED JULY 11, 1967, IN BOOK 284, PAGE 59 AS INSTRUMENT NO. 91699 OF OFFICIAL RECORDS.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS A PORTIONS OF PARCELS 1 & 2; DESCRIPTION DOES NOT CLOSE]
THE LAST MENTIONED ITEM WAS RE-RECORDED SEPTEMBER 12, 1967 IN BOOK 275, PAGE 715 AS INSTRUMENT NO. 98741 OF OFFICIAL RECORDS.
[NOT PLOTTABLE; AFFECTS A PORTION OF PARCELS 1 & 2]
THE LAST MENTIONED ITEM WAS RE-RECORDED NOVEMBER 14, 1968 IN BOOK 355, PAGE 177 AS INSTRUMENT NO. 129823 OF OFFICIAL RECORDS.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PORTIONS OF PARCELS 1 & 2; AFFECTS SOUTHERLY PORTION OF 100 ACRE PARCEL]

(17) ITEM NO. 17: THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED ACCESS AGREEMENT, EXECUTED BY AND BETWEEN THE CITY OF RENO, NEVADA, A MUNICIPAL CORPORATION AND WILLIAM P. LEAR, AN INDIVIDUAL, RECORDED SEPTEMBER 29, 1971 IN BOOK NO. 579, PAGE 267 AS INSTRUMENT NO. 220410 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTIONS OF PARCELS 1 & 2 & 100 ACRE PARCEL]

(18) ITEM NO. 18: THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED AMENDATORY AND CORRECTIVE UTILITY EASEMENT, EXECUTED BY AND BETWEEN THE CITY OF RENO, NEVADA, A MUNICIPAL CORPORATION AND WILLIAM LEAR AND MOYA OLSEN LEAR, HUSBAND AND WIFE, RECORDED FEBRUARY 21, 1975 IN BOOK NO. 875, PAGE 228 AS INSTRUMENT NO. 355900 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTION OF PARCEL 1 & 100 ACRE PARCEL]

(19) ITEM NO. 19: AN EASEMENT FOR THE USE OF A WATER TANK AND THE MAIN WATERLINE EXTENDING THEREFROM AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 14, 1981 IN 1682, PAGE 482 AS INSTRUMENT NO. 763806 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTION OF PARCEL 2]

(20) ITEM NO. 20: AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED MAY 23, 1983 IN BOOK NO. 1870, PAGE 315 AS INSTRUMENT NO. 856751 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTION OF PARCEL 1 & 100 ACRE PARCEL]

(21) ITEM NO. 21: AN EASEMENT FOR WATER LINES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED FEBRUARY 10, 1986 IN BOOK NO. 2291, PAGE 582 AS INSTRUMENT NO. 1051561 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTION OF PARCELS 1 & 2 & 100 ACRE PARCEL]

(22) ITEM NO. 22: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON PARCEL MAP NO. 2141. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PORTION OF PARCEL 2]

(23) ITEM NO. 23: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON RECORD OF SURVEY MAP NO. 3533. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PORTION OF PARCEL 2]

(24) ITEM NO. 24: AN EASEMENT FOR UNDERGROUND ELECTRIC DISTRIBUTION AND COMMUNICATION AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED SEPTEMBER 02, 1998 IN BOOK NO. 5373, PAGE 325 AS INSTRUMENT NO. 2249543 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTION OF PARCEL 1]

(25) ITEM NO. 25: AN EASEMENT FOR GAS DISTRIBUTION AND COMMUNICATION AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED DECEMBER 08, 1998 IN BOOK NO. 5490, PAGE 844 AS INSTRUMENT NO. 2283052 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTION OF PARCEL 2 AND THE 100 ACRE PARCEL]

ITEM NO. 26: AN EASEMENT FOR RIGHT-OF-ENTRY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED MARCH 07, 2001 IN BOOK N/A AS INSTRUMENT NO. 2530694 OF OFFICIAL RECORDS.
[AFFECTS PARCELS 1 & 2 & THE 100 ACRE PARCEL; BLANKET IN NATURE, NOT PLOTTABLE]

(27) ITEM NO. 27: COVENANTS, CONDITIONS,EASEMENTS AND RESTRICTIONS IN A GRANT, BARGAIN AND SALE DEED RECORDED MAY 02, 2003, IN BOOK N/A AS INSTRUMENT NO. 2847971 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTION OF PARCELS 1 & 2 & 100 ACRE PARCEL]

(28) ITEM NO. 28: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON RECORD OF SURVEY MAP NO. 4657. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PORTION OF PARCEL 2]

(29) ITEM NO. 29: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 24, 2008 IN BOOK N/A AS INSTRUMENT NO. 3699639 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PORTIONS OF PARCELS 1 & 2]

(30) ITEM NO. 30: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON PARCEL MAP NO. 5018 REFERENCED IN THE LEGAL DESCRIPTION CONTAINED HEREIN. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PARCELS 1 & 2 & 100 ACRE PARCEL; PER NOTE NO. 4, NEW PUBLIC UTILITY EASEMENTS ARE GRANTED UPON DEVELOPMENT REQUIRING NEW OR EXPANDED UTILITY SERVICES, AND PER NOTE NO. 7, IF AN EXISTING EASEMENT DOES NOT ALREADY EXIST, NEW EASEMENTS ARE GRANTED OVER EXISTING SERVICES]

ITEM NO. 31: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON SURVEY MAP NO. 5650. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[NONE PLOTTABLE; DOES NOT AFFECT PARCELS]

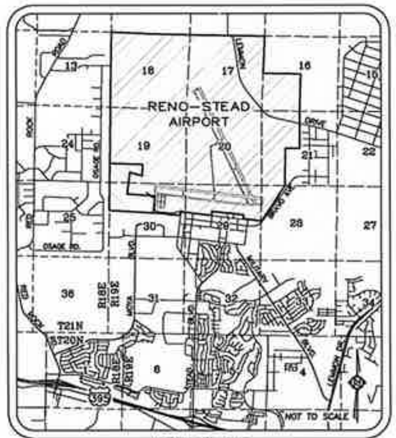
ITEM NO. 32: THE FACT, AS DISCLOSED BY THAT CERTAIN DOCUMENT OR DOCUMENTS RECORDED DECEMBER 10, 2019 AS INSTRUMENT NO. 4981088 OF OFFICIAL RECORDS, THAT SOME VIOLATION OF ENVIRONMENTAL PROTECTION LAWS MAY HAVE OCCURRED WHICH MAY AFFECT THE LAND.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PARCELS 1 & 2, DOES NOT AFFECT 100 ACRE PARCEL]

THE FOLLOWING MATTERS AFFECT PARCEL 2:

ITEM NO. 33: THIS ITEM HAS BEEN INTENTIONALLY DELETED.

ITEM NO. 34: RESERVATIONS AND PROVISIONS AS CONTAINED IN THE PATENT FROM THE STATE OF NEVADA, RECORDED SEPTEMBER 22, 1892, IN BOOK A, PAGE 459 OF PATENTS, AS INSTRUMENT NO. N/A.
[NOT PLOTTABLE, BLANKET IN NATURE; AFFECTS PARCEL 2]

ITEM NO. 35: RESERVATIONS AND PROVISIONS AS CONTAINED IN PATENT FROM THE UNITED STATES OF AMERICA, RECORDED AUGUST 03, 1907, IN BOOK B, PAGE 151 OF PATENTS, AS INSTRUMENT NO. 2522.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PORTIONS OF PARCELS 1 & 2]



VICINITY MAP

TITLE EXCEPTIONS CONTINUED

ITEM NO. 36: RESERVATIONS AND PROVISIONS AS CONTAINED IN THE PATENT FROM THE STATE OF NEVADA, RECORDED AUGUST 08, 1917, IN BOOK E, PAGE 194 OF PATENTS, AS INSTRUMENT NO. 8802.
[NOT PLOTTABLE, BLANKET IN NATURE, AFFECTS PARCEL 2]

ITEM NO. 37: RESERVATIONS AND PROVISIONS AS CONTAINED IN THE PATENT FROM THE STATE OF NEVADA, RECORDED AUGUST 08, 1917, IN BOOK E, PAGE 195 OF PATENTS, AS INSTRUMENT NO. 8804.
[BLANKET IN NATURE NOT PLOTTABLE; AFFECTS PARCEL 2]

ITEM NO. 38: COVENANTS, CONDITIONS, AND RESTRICTIONS IN A QUITCLAIM DEED RECORDED JULY 11, 1967, IN BOOK 284, PAGE 59 AS INSTRUMENT NO. 91699 OF OFFICIAL RECORDS.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS A PORTIONS OF PARCELS 1 & 2; DESCRIPTION DOES NOT CLOSE]
A DOCUMENT DECLARING MODIFICATIONS THEREOF RECORDED NOVEMBER 14, 1968 IN BOOK NO. 355, PAGE 177 AS INSTRUMENT NO. 129823 OF OFFICIAL RECORDS.
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PORTIONS OF PARCELS 1 & 2; AFFECTS SOUTHERLY PORTION OF 100 ACRE PARCEL]

(39) ITEM NO. 39: COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS IN A DEED RECORDED MARCH 06, 1968, IN BOOK 308, PAGE 247 AS INSTRUMENT NO. 110126 OF OFFICIAL RECORDS.
[PLOTTED NORTH INDUSTRIAL AREA; AFFECTS PARCEL 2 AND 100 ACRE PARCEL]

ITEM NO. 40: AN EASEMENT FOR ELECTRICAL DISTRIBUTION FACILITIES AND WATER MAINS AND DISTRIBUTION FACILITIES AND INCIDENTAL PURPOSES, RECORDED FEBRUARY 28, 1969 IN BOOK NO. 373, PAGE 391 AS INSTRUMENT NO. 137403 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND.
[NOT PLOTTABLE; DOES NOT AFFECT PARCELS]

(41) ITEM NO. 41: AN EASEMENT FOR UNDERGROUND CONDUITS, PIPES, MANHOLES, WIRES, CABLES AND FIXTURES AND INCIDENTAL PURPOSES, RECORDED SEPTEMBER 02, 1969 IN BOOK NO. 410, PAGE 1 AS INSTRUMENT NO. 152681 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(42) ITEM NO. 42: THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED ACCESS AGREEMENT, EXECUTED BY AND BETWEEN THE CITY OF RENO, NEVADA, A MUNICIPAL CORPORATION AND WILLIAM P. LEAR, AN INDIVIDUAL, RECORDED SEPTEMBER 29, 1971 IN BOOK NO. 579, PAGE 267 AS INSTRUMENT NO. 220410 OF OFFICIAL RECORDS.
AN ASSIGNMENT RECORDED MAY 10, 1991 IN BOOK 3256, PAGE 836 AS INSTRUMENT NO. 1478605, WHEREBY, FOR VALUE RECEIVED., MOYA OLSEN LEAR, AS EXECUTRIX OF THE ESTATE OF WILLIAM P. LEAR ASSIGNS ALL OF THE INTEREST OF WILLIAM P. LEAR, AN INDIVIDUAL, TO THE EXTENT OF HER RIGHT, TITLE AND INTEREST AS EXECUTRIX, IN AND TO THOSE CERTAIN ACCESS RIGHTS CREATED BY AN AGREEMENT ENTITLED "ACCESS AGREEMENT RENO/STEAD AIRPORT - LEAR" DATED SEPTEMBER 27, 1971, AND RECORDED SEPTEMBER 29, 1971 IN BOOK 579, PAGE 267 AS INSTRUMENT NO. 220410, TO THE AIRPORT AUTHORITY OF WASHOE COUNTY.
[PLOTTED; AFFECTS PARCELS 1, 2, & 3, AND 100 ACRE PARCEL]

ITEM NO. 43: COVENANTS, CONDITIONS, AND RESTRICTIONS IN A INSTRUMENT RECORDED DECEMBER 06, 1972, IN BOOK 691, PAGE 234 AS INSTRUMENT NO. 287998 OF OFFICIAL RECORDS.
[NOT PLOTTABLE, BLANKET IN NATURE; DOES NOT AFFECT PARCELS]

(44) ITEM NO. 44: THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT RECORDED JANUARY 10, 1975 IN BOOK NO. 868, PAGE 482 AS INSTRUMENT NO. 353199 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PARCEL 2 AND THE 100 ACRE PARCEL]

(45) ITEM NO. 45: THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT RECORDED JANUARY 10, 1975 IN BOOK NO. 868, PAGE 487 AS INSTRUMENT NO. 352200 OF OFFICIAL RECORDS.
[PLOTTED NORTH INDUSTRIAL AREA; AFFECTS PARCEL 2 AND 100 ACRE PARCEL]

(46) ITEM NO. 46: THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED AMENDATORY AND CORRECTIVE UTILITY EASEMENT, EXECUTED BY AND BETWEEN THE CITY OF RENO, NEVADA, A MUNICIPAL CORPORATION AND WILLIAM LEAR AND MOYA OLSEN LEAR, HUSBAND AND WIFE, RECORDED FEBRUARY 21, 1975 IN BOOK NO. 875, PAGE 228 AS INSTRUMENT NO. 355900 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PARCEL 1]

(47) ITEM NO. 47: AN UNRECORDED LEASE DATED APRIL 25, 1977, EXECUTED BY THE CITY OF RENO, A POLITICAL SUBDIVISION OF THE STATE OF NEVADA AS LESSOR AND NEVADA MILITARY DEPARTMENT, STATE OF NEVADA AS LESSEE, AS DISCLOSED BY A LEASE RECORDED MAY 04, 1977 IN BOOK NO. 1076, PAGE 433 AS INSTRUMENT NO. 462863 AND RECORDED MAY 10, 1977 IN BOOK 1080, PAGE 205 AS INSTRUMENT NO. 463873, BOTH OF OFFICIAL RECORDS.
A DOCUMENT DECLARING MODIFICATIONS THEREOF RECORDED DECEMBER 01, 1978 IN BOOK NO. 1335, PAGE 932 AS INSTRUMENT NO. 574274 OF OFFICIAL RECORDS.
DEFECTS, LIENS, ENCUMBRANCES OR OTHER MATTERS AFFECTING THE LEASEHOLD ESTATE, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS ARE NOT SHOWN HEREIN.
[PLOTTED; AFFECTS PARCEL 2]

(TITLE EXCEPTIONS CONTINUED ON PAGE 2)

LEGAL DESCRIPTION

(PER TITLE REPORT AS SHOWN ON NOTE #1)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF WASHOE, STATE OF NEVADA, AND DESCRIBED AS FOLLOWS:

PARCEL 1:

PORTIONS OF SECTIONS 7,8,16,17,18,19,20,21,28,29 & 30 TOWNSHIP 21 NORTH, RANGE 19 EAST, M.D.M WASHOE COUNTY DESCRIBED AS FOLLOWS :

PARCEL 4 OF PARCEL MAP 5018 FOR RENO-TAHOE AIRPORT AUTHORITY RECORDED AS FILE NO. 3829772 IN THE OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA ON DECEMBER 14, 2009.

PARCEL 2:

PORTIONS OF SECTIONS 7,8,16,17,18,19,20,21,28,29 & 30 TOWNSHIP 21 NORTH, RANGE 19 EAST, M.D.M WASHOE COUNTY DESCRIBED AS FOLLOWS :

PARCEL 2 OF PARCEL MAP NO. 5018 FOR RENO-TAHOE AIRPORT AUTHORITY RECORDED AS FILE NO. 3829772 IN THE OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA ON DECEMBER 14, 2009.

PARCEL 3:

A PERPETUAL RIGHT OF ACCESS GRANTED BY THE CITY OF RENO, NEVADA, A MUNICIPAL CORPORATION, IN AN INSTRUMENT ENTITLED ACCESS AGREEMENT DATED SEPTEMBER 27, 1971, RECORDED SEPTEMBER 29, 1971, IN BOOK 579, PAGE 267, DOCUMENT NO. 220410, OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA.

NOTES

1. THE SUBJECT PARCEL IS REFERENCED BY AN ALTA COMMITMENT FOR TITLE INSURANCE ISSUED BY FIRST AMERICAN TITLE INSURANCE COMPANY, FILE NO. NCS-1125811-ONT1, REVISION NO. 1, WITH A COMMITMENT DATE OF SEPTEMBER 01, 2023.
2. (TABLE A ITEM 2) SUBJECT PARCEL IS ADDRESSED AS 4895 TEXAS AVENUE, (APN: 086-850-03) AND 13005 MOYA BOULEVARD, RENO, NV 89506 (APN: 086-240-11).
3. (TABLE A ITEM 3) SUBJECT PROPERTY IS LOCATED WITHIN AN AREA HAVING A ZONE DESIGNATION OF ZONE X (UNSHADED) BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT, LOCATED WITHIN FLOOD INSURANCE RATE MAP NO. 32031C2825H, WITH AN EFFECTIVE DATE OF JUNE 18, 2013, RATE MAP NO. 32031C2836G, WITH AN EFFECTIVE DATE OF MARCH 16, 2009, AND RATE MAP NO. 32031C2850G, WITH AN EFFECTIVE DATE OF MARCH 16, 2009, FOR COMMUNITY NUMBER 320019 IN THE CITY OF RENO, WASHOE COUNTY, STATE OF NEVADA, WHICH IS THE CURRENT FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH SAID PROPERTY IS SITUATED.
4. (TABLE A ITEM 4) LAND AREA OF TITLE REPORT PARCEL 1: 3,319.84± ACRES; TITLE REPORT PARCEL 2: 218.48± ACRES; FOR A TOTAL OF 3538.32± ACRES. THE SUBJECT 100 ACRE PARCEL IS 97.55± ACRES, AS INTERPRETED FROM EXHIBIT PROVIDED.
5. (TABLE A ITEM 8) SUBSTANTIAL FEATURES ARE SHOWN FOR THE 100 ACRE PROPOSED PARCEL ON PAGE 5.
6. (TABLE A ITEM 13) NAMES OF ADJACENT PARCEL OWNERS AND THEIR RESPECTIVE ASSESSOR'S PARCEL NUMBERS ARE SHOWN ON PAGES 3, 4, AND 5 OF THIS SURVEY.
7. (TABLE A ITEM 16) SUBJECT PROPERTY HAS NO OBSERVED EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS AT THE TIME OF THIS SURVEY.
8. (TABLE A ITEM 17) THERE ARE PROPOSED CHANGES TO THE STREET RIGHT OF WAY LINES FOR MOYA BLVD. TO EXTEND NORTH INTO THE SUBJECT PARCELS. THERE IS CURRENTLY NO OBSERVED EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS.
9. (TABLE A ITEM 18) NO PLOTTABLE OFFSITE EASEMENTS.
10. (TABLE A ITEM 19) THE SURVEYOR HAS A PROFESSIONAL LIABILITY INSURANCE POLICY. A COPY IS AVAILABLE UPON REQUEST.
11. THE SUBJECT FOR THIS ALTA/NSPS SURVEY IS THE PROPOSED 100 ACRE SITE ON THE WEST SIDES OF TITLE REPORT PARCELS 1 AND 2. PER TABLE A ITEM NO. 8, SUBSTANTIAL FEATURES ARE ONLY SHOWN WITHIN THE PROPOSED SITE. BOUNDARY AND EASEMENT LOCATIONS ARE SHOWN FOR PARCELS 1, 2, AND 3.
12. OBSERVATIONS: BOUNDARY LINE ADJUSTMENT DEED DOCUMENT NO. 3323995 AND SUPPORTING RECORD OF SURVEY MAP NO. 4657 ADJUST SIX PARCELS INTO THREE PARCELS. THERE ALSO APPEARS TO BE NO RECORDED ABANDONMENT FOR THE EASEMENTS CREATED BY OR SHOWN ON PARCEL MAP NO.'S 282, 2141, AND 3589. EASEMENTS REMAINING ARE SHOWN ON DETAIL "A", PAGE 3 OF THIS SURVEY; THERE APPEARS TO BE NO DOCUMENTED EASEMENT OF RECORD FOR ARMY AVIATION DRIVE.

OWNER:

RENO-TAHOE AIRPORT AUTHORITY
A QUASI-MUNICIPAL CORPORATION (FORMERLY THE AIRPORT AUTHORITY OF WASHOE COUNTY)

SURVEY CERTIFICATION

DERMODY PROPERTIES; RENO-TAHOE AIRPORT AUTHORITY, A QUASI-MUNICIPAL CORPORATION (FORMERLY THE AIRPORT AUTHORITY OF WASHOE COUNTY), ITS SUCCESSORS AND ASSIGNS; AND FIRST AMERICAN TITLE INSURANCE COMPANY:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2021 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 2, 3, 4, 8, 13, 16, 17, 18, AND 19 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON SEPTEMBER 27, 2023.

DATE OF MAP: OCTOBER 10, 2023
REVISED: OCTOBER 23, 2023

JAMES D. BAILEY, JR.
NEVADA PLS 18368

JAMES D. BAILEY JR.
10/23/2023

NO.	REVISIONS	DATE	BY
#1	UPDATED PROPOSED 100 ACRE PARCEL	10/23/2023	JDB

Meridian Surveying & Mapping, Inc.
Land Construction and Boundary Surveys

DATE: OCTOBER 10, 2023
SCALE: AS SHOWN
DRAWN BY: TDM
CHECKED BY: JDB

ALTA/NSPS LAND TITLE SURVEY
FOR
RENO AIR LOGISTICS - PHASE II
RENO WASHOE COUNTY NEVADA

SHEET 1 OF 5
ALTA/NSPS SURVEY (DER23117)

TITLE EXCEPTIONS CONTINUED FROM PAGE 1

ITEM NO. 48: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED JULY 18, 1979 IN BOOK NO. 1409, PAGE 805 AS INSTRUMENT NO. 618063 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[NOT PLOTTABLE, NO DEFINITE LEGAL DESCRIPTION; AFFECTS PARCEL 1]

(49) ITEM NO. 49: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED AUGUST 21, 1979 IN BOOK NO. 1421, PAGE 20 AS INSTRUMENT NO. 624629 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND.
[PLOTTED; AFFECTS PARCEL 2]

(50) ITEM NO. 50: AN EASEMENT FOR PIPELINES FOR TRANSPORTATION OF WATER AND INCIDENTAL PURPOSES, RECORDED MARCH 14, 1980 IN BOOK NO. 1485, PAGE 219 AS INSTRUMENT NO. 662212 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND.
[PLOTTED; AFFECTS PARCEL 2]

(51) ITEM NO. 51: AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED JUNE 17, 1981 IN BOOK NO. 1641, PAGE 959 AS INSTRUMENT NO. 744008 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND.
[PLOTTED; AFFECTS PARCEL 2]

(52) ITEM NO. 52: AN EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED OCTOBER 14, 1981 IN BOOK NO. 1682, PAGE 469 AS INSTRUMENT NO. 763803 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND.
[PLOTTED; AFFECTS PARCEL 2]

(53) ITEM NO. 53: AN EASEMENT FOR THE USE OF A WATER TANK AND THE MAIN WATERLINE EXTENDING THEREFROM AND INCIDENTAL PURPOSES, RECORDED OCTOBER 14, 1981 IN BOOK NO. 1682, PAGE 482 AS INSTRUMENT NO. 763806 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(54) ITEM NO. 54: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED DECEMBER 14, 1981 IN BOOK NO. 1700, PAGE 140 AS INSTRUMENT NO. 772718 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(55) ITEM NO. 55: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED JANUARY 11, 1983 IN BOOK NO. 1821, PAGE 828 AS INSTRUMENT NO. 832786 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(56) ITEM NO. 56: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED MARCH 14, 1983 IN BOOK NO. 1842, PAGE 744 AS INSTRUMENT NO. 843198 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(57) ITEM NO. 57: AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED MAY 25, 1983 IN BOOK NO. 1870, PAGE 313 AS INSTRUMENT NO. 858750 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 1, 2, & 100 ACRE PARCEL]

(58) ITEM NO. 58: AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED MAY 25, 1983 IN BOOK NO. 1870, PAGE 315 AS INSTRUMENT NO. 858751 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 1, 2, & 100 ACRE PARCEL]

(59) ITEM NO. 59: COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS IN A GRANT OF EASEMENT RECORDED FEBRUARY 10, 1986, IN BOOK 2291, PAGE 582 AS INSTRUMENT NO. 1051561 OF OFFICIAL RECORDS.
A DOCUMENT ENTITLED "EASEMENT QUITCLAIM", RECORDED JUNE 18, 1999, IN BOOK 5723, PAGE 805 AS INSTRUMENT NO. 2352260 OF OFFICIAL RECORDS.
A DOCUMENT ENTITLED "GRANT, BARGAIN AND SALE DEED", RECORDED MAY 02, 2003, IN BOOK N/A AS INSTRUMENT NO. 2847971 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PARCEL 1, 2, & 100 ACRE PARCEL]

(60) ITEM NO. 60: AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED MAY 21, 1986 IN BOOK NO. 2341, PAGE 193 AS INSTRUMENT NO. 1072955 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(61) ITEM NO. 61: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED JUNE 24, 1986 IN BOOK NO. 2356, PAGE 470 AS INSTRUMENT NO. 1080266 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2 & 100 ACRE PARCEL]

(62) ITEM NO. 62: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED OCTOBER 06, 1986 IN BOOK NO. 2418, PAGE 791 AS INSTRUMENT NO. 1106056 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2 & 100 ACRE PARCEL]

(63) ITEM NO. 63: AN EASEMENT FOR UNDERGROUND WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED JANUARY 20, 1987 IN BOOK NO. 2481, PAGE 595 AS INSTRUMENT NO. 1133562 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(64) ITEM NO. 64: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON PARCEL MAP NO. 2141. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED: AFFECTS PARCEL 2]

(65) ITEM NO. 65: AN EASEMENT FOR EITHER OR BOTH POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 29, 1988 IN BOOK NO. 2832, PAGE 764 AS INSTRUMENT NO. 1289572 OF OFFICIAL RECORDS.
AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

ITEM NO. 66: AN EASEMENT FOR RIGHT-OF-ENTRY AND INCIDENTAL PURPOSES, RECORDED JUNE 10, 1993 IN BOOK NO. 3761, PAGE 892 AS INSTRUMENT NO. 1681469 OF OFFICIAL RECORDS.
AFFECTS: A PORTION OF THE LAND
[NOT PLOTTABLE, MISSING EXHIBIT, EASEMENT WITHIN THE OLD APN 086-240-09 APPROXIMATES 'AREA "A" OF ROS 831; AFFECTS PARCELS 1, 2, AND 100 ACRE PARCEL]

(67) ITEM NO. 67: AN EASEMENT FOR GAS DISTRIBUTION AND COMMUNICATION AND INCIDENTAL PURPOSES, RECORDED DECEMBER 08, 1998 IN BOOK NO. 5490, PAGE 838 AS INSTRUMENT NO. 2283050 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(68) ITEM NO. 68: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED DECEMBER 08, 1998 IN BOOK NO. 5490, PAGE 844 AS INSTRUMENT NO. 2283052 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 1 & 100 ACRE PARCEL]

(69) ITEM NO. 69: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON SURVEY MAP NO. 3533. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PORTION OF PARCEL 2]

(70) ITEM NO. 70: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON PARCEL MAP NO. 3589. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PARCEL 2]

(71) ITEM NO. 71: AN EASEMENT FOR UNDERGROUND ELECTRIC DISTRIBUTION AND INCIDENTAL PURPOSES, RECORDED JANUARY 10, 2000 IN BOOK NO. N/A AS INSTRUMENT NO. 2413180 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

ITEM NO. 72: A DOCUMENT ENTITLED "NOTICE OF ENTRY OF CONSENT DECREE", RECORDED FEBRUARY 18, 2000, IN BOOK N/A AS INSTRUMENT NO. 2423828 OF OFFICIAL RECORDS.
[NOT PLOTTABLE, BLANKET IN NATURE; AFFECTS PARCELS 1, 2, AND THE 100 ACRE PARCEL]

TITLE EXCEPTIONS CONTINUED

ITEM NO. 73: AN EASEMENT FOR RIGHT-OF-ENTRY AND INCIDENTAL PURPOSES, RECORDED MARCH 07, 2001 IN BOOK NO. N/A AS INSTRUMENT NO. 2530694 OF OFFICIAL RECORDS. AFFECTS: A PORTION OF THE LAND
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PARCELS 1 & 2 & THE 100 ACRE PARCEL]

(74) ITEM NO. 74: COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS IN A GRANT OF EASEMENT FOR ACCESS RECORDED APRIL 16, 2001, IN BOOK N/A AS INSTRUMENT NO. 2543384 OF OFFICIAL RECORDS.
A DOCUMENT ENTITLED "GRANT, BARGAIN AND SALE DEED AND BILL OF SALE", RECORDED FEBRUARY 28, 2002, IN BOOK N/A AS INSTRUMENT NO. 2656740 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PARCEL 2 & 100 ACRE PARCEL]

(75) ITEM NO. 75: COVENANTS, CONDITIONS, AND RESTRICTIONS IN THE DOCUMENT RECORDED MAY 02, 2003 IN BOOK NO. N/A AS INSTRUMENT NO. 2847971 OF OFFICIAL RECORDS, BUT DELETING ANY COVENANT, CONDITION OR RESTRICTION INDICATING A PREFERENCE, LIMITATION OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN, TO THE EXTENT SUCH COVENANTS, CONDITIONS OR RESTRICTIONS VIOLATE TITLE
42, SECTION 3604(C), OF UNITED STATES CODES.
[PLOTTED; AFFECTS PORTION OF PARCELS 1 & 2 & 100 ACRE PARCEL]

(76) ITEM NO. 76: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED OCTOBER 24, 2008 IN BOOK NO. N/A AS INSTRUMENT NO. 3699639 OF OFFICIAL RECORDS.
AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PORTIONS OF PARCELS 1 & 2]

(77) ITEM NO. 77: AN EASEMENT FOR TEMPORARY CONSTRUCTION AND INCIDENTAL PURPOSES, RECORDED DECEMBER 29, 2008 IN BOOK NO. N/A AS INSTRUMENT NO. 3715548 OF OFFICIAL RECORDS.
AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

(78) ITEM NO. 78: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED DECEMBER 29, 2008 IN BOOK NO. N/A AS INSTRUMENT NO. 3715549 OF OFFICIAL RECORDS.
AFFECTS: A PORTION OF THE LAND
A DOCUMENT DECLARING MODIFICATIONS THEREOF RECORDED FEBRUARY 11, 2009 IN BOOK NO. N/A AS INSTRUMENT NO. 3728795 OF OFFICIAL RECORDS.
[PLOTTED; AFFECTS PARCEL 2]

(79) ITEM NO. 79: AN EASEMENT FOR FIBER OPTIC CABLE AND INCIDENTAL PURPOSES, RECORDED AUGUST 22, 2011 IN BOOK NO. N/A AS INSTRUMENT NO. 4033193 OF OFFICIAL RECORDS.
AFFECTS: A PORTION OF THE LAND
[PLOTTED; AFFECTS PARCEL 2]

ITEM NO. 80: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED APRIL 19, 2013 IN BOOK NO. N/A AS INSTRUMENT NO. 4228066 OF OFFICIAL RECORDS.
AFFECTS: A PORTION OF THE LAND
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PARCEL 1 & THE 100 ACRE PARCEL]

(81) ITEM NO. 81: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON PARCEL MAP NO. 5018 REFERENCED IN THE LEGAL DESCRIPTION CONTAINED HEREIN. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PARCELS 1 & 2 & 100 ACRE PARCEL; PER NOTE NO. 4, NEW PUBLIC UTILITY EASEMENTS ARE GRANTED UPON DEVELOPMENT REQUIRING NEW OR EXPANDED UTILITY SERVICES, AND PER NOTE NO. 7, IF AN EXISTING EASEMENT DOES NOT ALREADY EXIST, NEW EASEMENTS ARE GRANTED OVER EXISTING SERVICES]

ITEM NO. 82: AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED DECEMBER 28, 2018 AS INSTRUMENT NO. 4877206 OF OFFICIAL RECORDS.
[NOT PLOTTABLE, PRECISE LOCATION OF EASEMENT CANNOT BE ASCERTAINED AS DESCRIBED AND SHOWN; AFFECTS PARCEL 2]

(83) ITEM NO. 83: TERMS AND PROVISIONS OF AN UNRECORDED LEASE DATED NOVEMBER 20, 2019, BY AND BETWEEN RENO- TAHOE AIRPORT AUTHORITY AS LESSOR AND ALPHA AIR, A NEVADA LIMITED LIABILITY COMPANY AS LESSEE, AS DISCLOSED BY A MEMORANDUM OF GROUND LEASE RECORDED JANUARY 03, 2020 AS INSTRUMENT NO. 4988491 OF OFFICIAL RECORDS.
DEFECTS, LIENS, ENCUMBRANCES OR OTHER MATTERS AFFECTING THE LEASEHOLD ESTATE, WHETHER OR NOT SHOWN BY THE PUBLIC RECORDS ARE NOT SHOWN HEREIN.
[PLOTTED; AFFECTS PARCEL 2]

(84) ITEM NO. 84: EASEMENTS, DEDICATIONS, RESERVATIONS, PROVISIONS, RELINQUISHMENTS, RECITALS, CERTIFICATES, AND ANY OTHER MATTERS AS PROVIDED FOR OR DELINEATED ON RECORD OF SURVEY MAP NO. 6179. REFERENCE IS HEREBY MADE TO SAID PLAT FOR PARTICULARS.
[PLOTTED; AFFECTS PARCEL 2]

ITEM NO. 85: NOTICE OF THE VIOLATION OR ENFORCEMENT OF A LAW, ORDINANCE, PERMIT, OR GOVERNMENTAL REGULATION RELATING TO ENVIRONMENTAL PROTECTION AS DISCLOSED BY THE FOLLOWING DOCUMENT ENTITLED ENVIRONMENTAL COVENANT, RECORDED DECEMBER 10, 2019 AS INSTRUMENT NO. 4981088 OF OFFICIAL RECORDS. (AFFECTS ALL PARCELS)
[BLANKET IN NATURE, NOT PLOTTABLE; AFFECTS PARCELS 1 & 2, DOES NOT AFFECT 100 ACRE PARCEL]

THE FOLLOWING MATTERS AFFECT ALL PARCELS:

ITEM NO. 86: ANY FACTS, RIGHTS, INTERESTS OR CLAIMS WHICH WOULD BE DISCLOSED BY A CORRECT ALTA/NSPS SURVEY.

ITEM NO. 87: RIGHTS OF PARTIES IN POSSESSION.

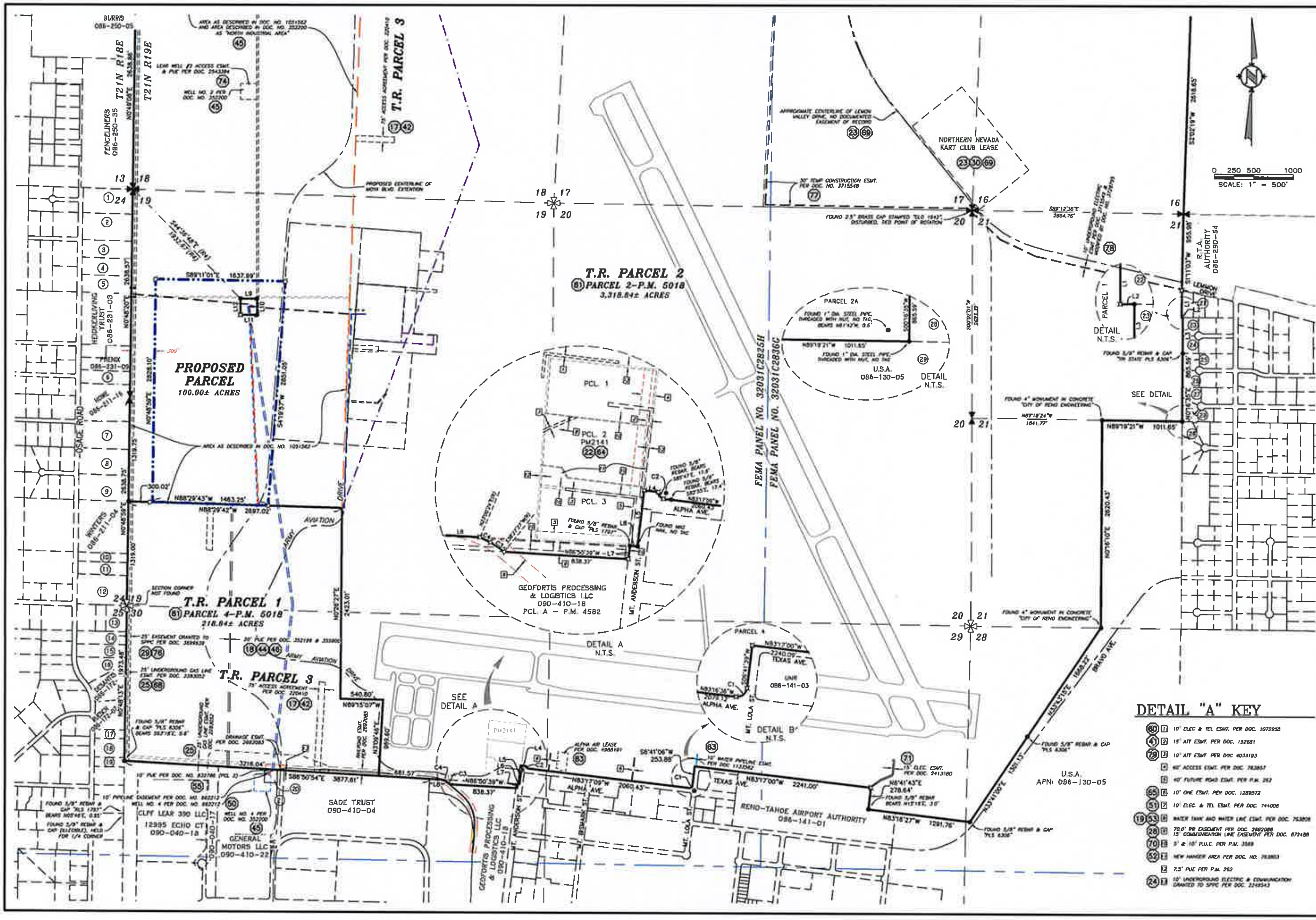
No.	REVISIONS	DATE	BY
#1	Updated proposed 100 acre parcel	11/27/2023	JDB

Meridian Surveying & Mapping, Inc.
Land, Construction and Boundary Surveys

DATE: OCTOBER 10, 2023
SCALE: AS SHOWN
DRAWN BY: TDM
CHECKED BY: JDB

ALTA/NSPS LAND TITLE SURVEY
FOR
RENO AIR LOGISTICS – PHASE II
RENO WASHOE COUNTY NEVADA

SHEET 2 OF 5
ALTA/NSPS SURVEY (DER23117)



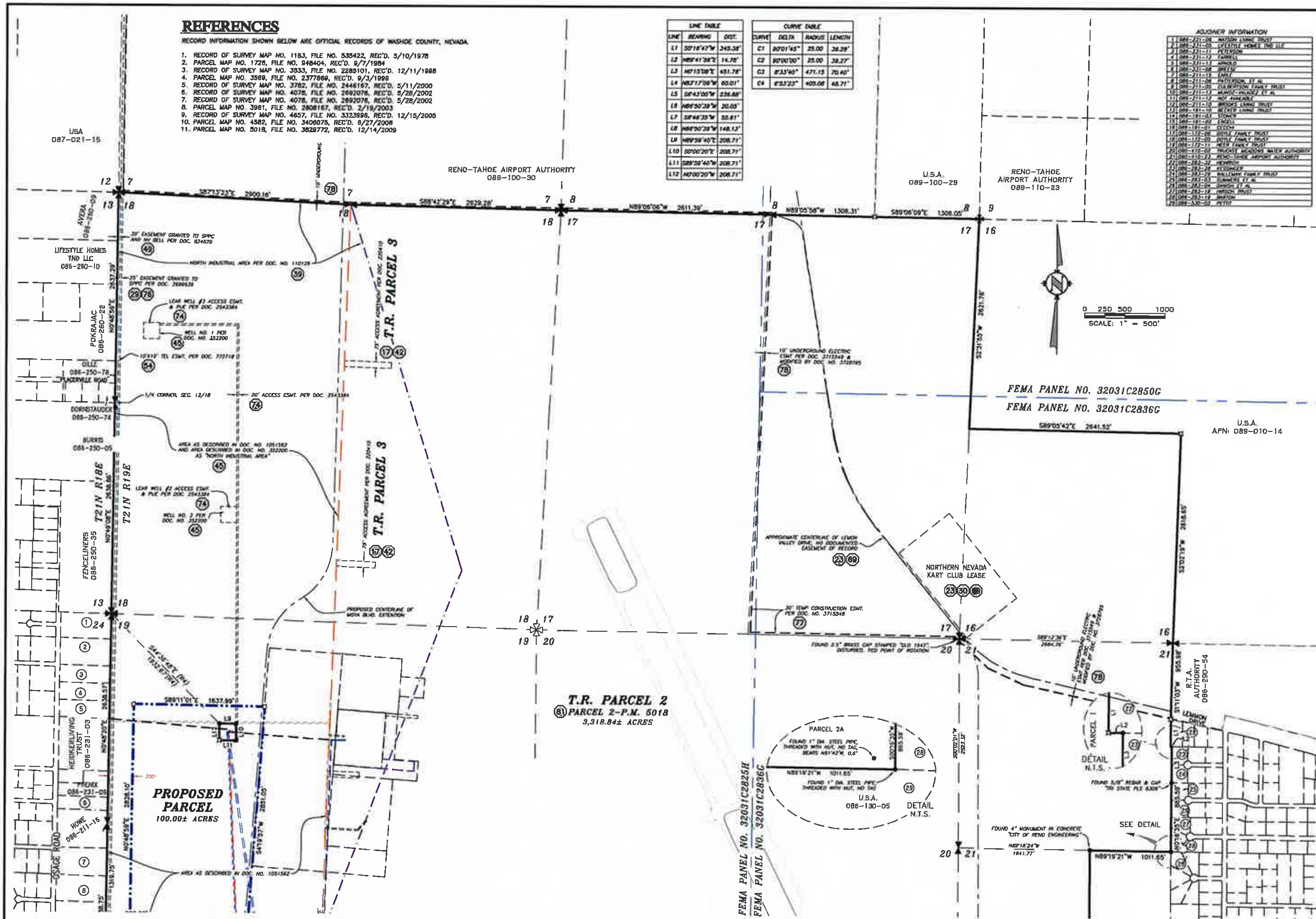
ALTA/NSPS LAND TITLE SURVEY
FOR
RENO AIR LOGISTICS – PHASE II
RENO WASHOE COUNTY NEVADA

Meridian Surveying & Mapping, Inc.
Land Construction and Boundary Surveys

DATE: OCTOBER 10, 2023
SCALE: AS SHOWN
DRAWN BY: TDM
CHECKED BY: JDB

No.	REVISIONS	DATE	BY
#1	Updated proposed 100 acre parcel	10/13/2023	JDB

SHEET 3 OF 5
ALTA/NSPS SURVEY (00823117)



REFERENCES

RECORD INFORMATION SHOWN BELOW ARE OFFICIAL RECORDS OF WASHOE COUNTY, NEVADA.

1. RECORD OF SURVEY MAP NO. 1163, FILE NO. 535422, REC'D. 5/10/1978
2. PARCEL MAP NO. 1726, FILE NO. 948404, REC'D. 9/7/1984
3. RECORD OF SURVEY MAP NO. 3533, FILE NO. 2285101, REC'D. 12/11/1998
4. PARCEL MAP NO. 3569, FILE NO. 2377869, REC'D. 9/3/1999
5. RECORD OF SURVEY MAP NO. 3782, FILE NO. 2446157, REC'D. 5/11/2000
6. RECORD OF SURVEY MAP NO. 4078, FILE NO. 2692076, REC'D. 5/28/2002
7. RECORD OF SURVEY MAP NO. 4078, FILE NO. 2692076, REC'D. 5/28/2002
8. PARCEL MAP NO. 3981, FILE NO. 2808167, REC'D. 2/19/2003
9. RECORD OF SURVEY MAP NO. 4657, FILE NO. 3323996, REC'D. 12/15/2005
10. PARCEL MAP NO. 4582, FILE NO. 3406075, REC'D. 6/27/2006
11. PARCEL MAP NO. 5018, FILE NO. 3829772, REC'D. 12/14/2009

LINE TABLE

LINE	BEARING	DIST.
L1	S0°18'47"W	245.38'
L2	N89°41'38"E	14.78'
L3	N0°15'09"E	451.78'
L4	N83°17'09"W	60.01'
L5	S6°43'00"W	236.88'
L6	N86°50'38"W	20.05'
L7	S8°46'35"W	55.61'
L8	N86°50'38"W	148.13'
L9	N89°59'40"E	206.71'
L10	S0°00'20"E	206.71'
L11	S89°59'40"W	206.71'
L12	N0°00'20"W	206.71'

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	90°01'45"	25.00	39.28'
C2	90°00'00"	25.00	39.27'
C3	8°33'40"	471.15	70.40'
C4	6°53'23"	405.08	48.71'

ADJOINER INFORMATION

1	[illegible]	WATSON LIVING TRUST
2	[illegible]	LIFESTYLE HOMES TND LLC
3	[illegible]	PETERSON
4	[illegible]	FARRELL
5	[illegible]	ARNOLD
6	[illegible]	[illegible]
7	[illegible]	EARLE
8	[illegible]	PATTERSON, ET AL
9	[illegible]	CULBERTSON FAMILY TRUST
10	[illegible]	[illegible] ET AL
11	[illegible]	NOT AVAILABLE
12	[illegible]	BROOKS LIVING TRUST
13	[illegible]	[illegible] LIVING TRUST
14	[illegible]	STONER
15	[illegible]	[illegible]
16	[illegible]	CECCHI
17	[illegible]	DOYLE FAMILY TRUST
18	[illegible]	DOYLE FAMILY TRUST
19	[illegible]	[illegible] FAMILY TRUST
20	[illegible]	TRUCKEE MEADOWS WATER AUTHORITY
21	[illegible]	RENO-TAHOE AIRPORT AUTHORITY
22	[illegible]	[illegible]
23	[illegible]	KESSINGER
24	[illegible]	[illegible] FAMILY TRUST
25	[illegible]	SUMMERS, ET AL
26	[illegible]	[illegible] ET AL
27	[illegible]	[illegible] TRUST
28	[illegible]	BARTON
29	[illegible]	PETTIT

No.	REVISIONS	DATE	BY
1	Updated proposed 100 acre parcel	10/27/2023	JDB

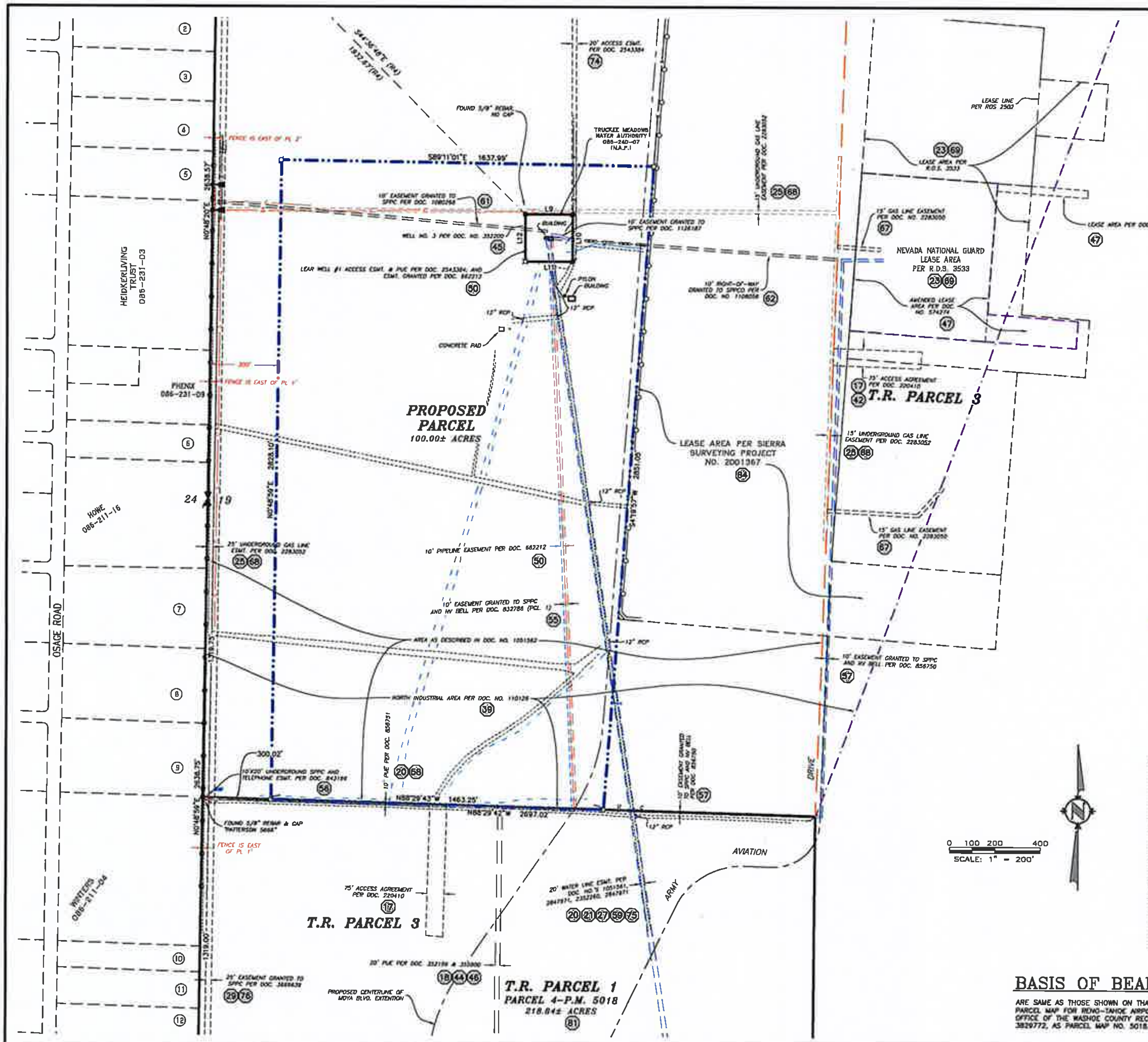
Meridian Surveying & Mapping, Inc.
Land Construction and Boundary Surveys

DATE: OCTOBER 10, 2023
SCALE: AS SHOWN
DRAWN BY: TDM
CHECKED BY: JDB

ALTA/NSPS LAND TITLE SURVEY
FOR
RENO AIR LOGISTICS – PHASE II
RENO WASHOE COUNTY NEVADA

SHEET 4 OF 5

ALTA/NSPS SURVEY
(DER23117)



LINE TABLE		
LINE	BEARING	DIST.
L1	S0°18'47"W	345.38'
L2	N88°41'56"E	14.78'
L3	N0°15'08"E	451.78'
L4	N63°17'09"W	60.01'
L5	S6°43'00"W	238.88'
L6	N88°50'39"W	20.05'
L7	S6°48'35"W	55.61'
L8	N88°50'39"W	148.13'
L9	N89°59'40"E	208.71'
L10	S0°00'20"E	208.71'
L11	S89°59'40"W	208.71'
L12	N0°00'20"W	208.71'

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	90°01'45"	25.00	39.28'
C2	90°00'00"	25.00	39.27'
C3	8°33'40"	471.15	70.40'
C4	6°53'23"	405.08	48.71'

LEGEND

- PROPERTY CORNER ANGLE POINT, NOTHING FOUND
- SET 4" ORANGE CONE AT PROPOSED PROPERTY ANGLE POINTS
- FOUND 5/8" REBAR & CAP "PLS 15224"
- FOUND PROPERTY CORNER AS NOTED
- FND. SECTION CORNER
- (11) PLOTTED TITLE REPORT EXCEPTION
- ELECTRIC MANHOLE
- ELECTRIC BOX
- UTILITY POLE & GUY ANCHOR
- COMMUNICATIONS VAULT
- GAS VALVE
- WATER VALVE
- (R) RADIAL
- PL PROPERTY LINE
- P.U.E. PUBLIC UTILITY EASEMENT
- ESMT. EASEMENT
- AAWC AIRPORT AUTHORITY OF WASHOE COUNTY
- T.R. TITLE REPORT
- N.A.P. NOT A PART (OF THIS SURVEY)
- SUBJECT BOUNDARY LINE
- PROPOSED BOUNDARY LINE
- BOUNDARY PER DOC. NO. 1051562
- ADJACENT PARCEL LINE
- USA MARKING - ELECTRIC LINE (UNDERGROUND)
- USA MARKING - COMMUNICATION LINE (UNDERGROUND)
- STORM DRAIN LINE
- GASLINE LINE
- WATER LINE
- BUILDING FOUNDATION
- 6" CHAIN LINK FENCE
- (WOOD OR BARBED WIRE) FENCE
- FLOW LINE DITCH
- DIRT ROAD

ADJOINER INFORMATION

1	086-231-06	WATSON LIVING TRUST
2	086-231-05	LIFESTYLE HOMES TND LLC
3	086-211-11	PETERSON
4	086-211-12	FARRELL
5	086-211-13	ARNOLD
6	[illegible]	[illegible]
7	[illegible]	[illegible]
8	[illegible]	PATTERSON ET AL
9	[illegible]	CULBERTSON FAMILY TRUST
10	[illegible]	MUNOZ-VALADEZ ET AL
11	[illegible]	NOT AVAILABLE
12	[illegible]	BROOKS LIVING TRUST
13	[illegible]	BECKER LIVING TRUST
14	[illegible]	STONER
15	[illegible]	[illegible]
16	[illegible]	[illegible]
17	[illegible]	DOYLE FAMILY TRUST
18	[illegible]	DOYLE FAMILY TRUST
19	[illegible]	NEER FAMILY TRUST
20	[illegible]	TRUCKEE MEADOWS WATER AUTHORITY
21	[illegible]	RENO-TAHOE AIRPORT AUTHORITY
22	[illegible]	[illegible]
23	[illegible]	[illegible]
24	[illegible]	WALLEMAN FAMILY TRUST
25	[illegible]	SUMMERS ET AL
26	[illegible]	DANISH ET AL
27	[illegible]	HIRSCH TRUST
28	[illegible]	BARTON
29	[illegible]	PETTIT

BASIS OF BEARINGS

ARE SAME AS THOSE SHOWN ON THAT "A MERGER AND RESUBDIVISION PARCEL MAP FOR RENO-TAHOE AIRPORT AUTHORITY", RECORDED IN THE OFFICE OF THE WASHOE COUNTY RECORDERS, DECEMBER 14, 2009, DOC. NO. 3829772, AS PARCEL MAP NO. 5018.

ALTA/NSPS LAND TITLE SURVEY FOR

RENO AIR LOGISTICS – PHASE II

RENO WASHOE COUNTY NEVADA

Meridian Surveying & Mapping, Inc.
Land Construction and Boundary Surveys

DATE: OCTOBER 10, 2023
SCALE: AS SHOWN
DRAWN BY: TDM
CHECKED BY: JDB

No.	REVISIONS	DATE	BY
#1	Updated proposed 100 acre parcel	10/23/2023	JDB

ALTA/NSPS SURVEY (DER23117)

REC

RENO ENGINEERING A Development Services Company

Monday, October 23rd, 2023

DERMODY PROPERTIES:
Attn: Pearce. Dermody
5500 Equity Avenue ▪ Reno, NV 89502
Phone: (775) 858.8080
Email: PDermody@dermody.com

MEMORANDUM

Dear Mr. Pearce Dermody,

Per your request, we have researched the utility service to the Phase Two portion along Moya Boulevard.

All utilities including water, sewer, gas, telephone and electricity will be extended within future Moya Boulevard, to serve Phase Two.

Sincerely,

Vincent Griffith, P.E.
President
Reno Engineering Corporation

PREFERRED CAPITAL ADVISORS

Phone (916) 669-4690 ▪ Fax (916) 669-4694 ▪ 555 Capitol Mall, Suite 995 ▪ Sacramento, CA 95814

October 25, 2023

To whom it may concern,

My name is Dan Corfee, I am the President of Preferred Capital Advisors, a Sacramento based debt and equity advisory firm founded in 2002.

Our firm serves as an exclusive capital advisor for Dermody Properties. We have completed over 150 debt and equity placements for Dermody over the last 15 years totaling in excess of $2.5B of volume. We have been asked to provide an assurance of Dermody's ability to obtain appropriate financing for the future completion of Phase II of the Reno AirLogistics Park located at the Reno-Stead Airport.

Based on Dermody Properties' reputational strength, depth of financing relationships and current financial capacity, we do not foresee any probable impediments to Dermody's ability to perform on the proposed improvements within customary industry timelines.

If anyone would like to contact me in regard to discussing the above, I can be reached directly at (916) 715-7496.

Thank You,

Daniel A. Corfee

Daniel A. Corfee
Preferred Capital Advisors

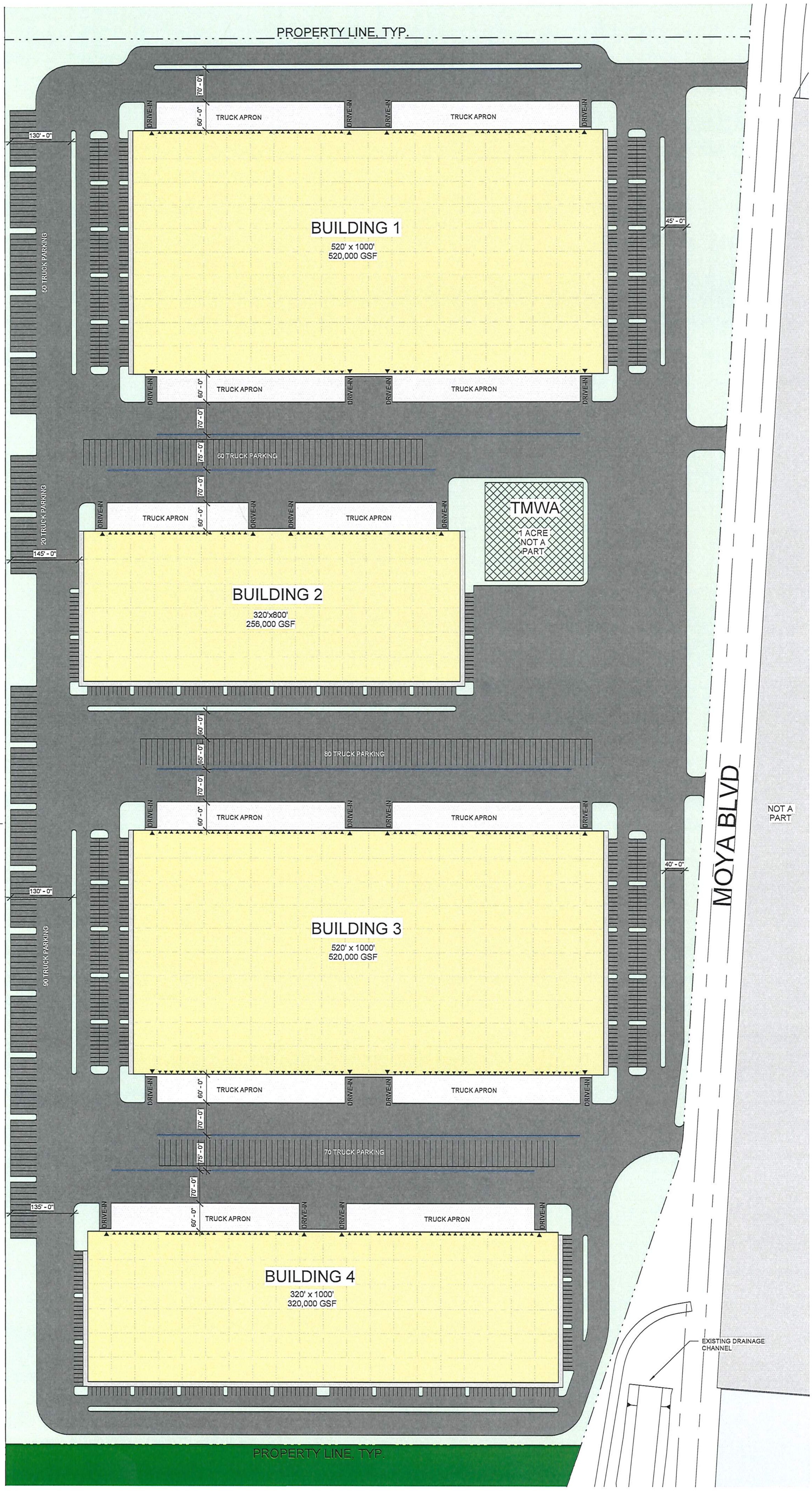
A1002

DERMODY PROPERTIES

DP Reno AirLogistics Park Phase II

OVERALL PHASE II | RENO STEAD AIRPORT | 8-11-2023

unitedconstruction
5300 Mill Street
Reno, Nevada 89502
T 775.858.8090
F 775.856.5375



PARK PLAN

SITE DATA SUMMARY:

APN:	086-850-03, 086-240-11
JURISDICTION:	CITY OF RENO, RTAA
ZONING:	MA
OCCUPANCY:	S-1, F1, B
CONSTRUCTION TYPE:	III-B
TOTAL PARK ACREAGE:	+/- 100 AC (GROSS) (4,356,000 SF)

PROPOSED BUILDING AREA	
BUILDING 1:	520,000 SF (GROSS)
BUILDING 2:	256,000 SF (GROSS)
BUILDING 3:	520,000 SF (GROSS)
BUILDING 4:	320,000 SF (GROSS)
TOTAL BUILDING AREA	1,616,000 SF (GROSS)
F.A.R.:	37.1%

PARKING:

BUILDING 1	
OFFICE 26,000 SF(@ 5% SF):	65 SPACES REQ'D
WAREHOUSE 494,000 SF:	150 SPACES REQ'D
TOTAL PARKING REQ'D	215 SPACES REQ'D
ACCESSIBLE SPACES REQUIRED	7 SPACES REQ'D
PARKING PROVIDED BUILDING 1:	300 SPACES
TRAILER SPACES PROVIDED:	80 SPACES
BUILDING 2	
OFFICE 12,800 SF(@ 5% SF):	32 SPACES REQ'D
WAREHOUSE 243,200 SF:	74 SPACES REQ'D
TOTAL PARKING REQ'D	106 SPACES REQ'D
ACCESSIBLE SPACES REQUIRED:	5 SPACES REQ'D
PARKING PROVIDED BUILDING 2:	120 SPACES
TRAILER SPACES PROVIDED:	50 SPACES
BUILDING 3	
OFFICE 26,000 SF(@ 5% SF):	65 SPACES REQ'D
WAREHOUSE 494,000 SF:	150 SPACES REQ'D
TOTAL PARKING REQ'D	215 SPACES REQ'D
ACCESSIBLE SPACES REQUIRED	7 SPACES REQ'D
PARKING PROVIDED BUILDING 3:	300 SPACES
TRAILER SPACES PROVIDED:	150 SPACES
BUILDING 4	
OFFICE 16,000 SF(@ 5% SF):	40 SPACES REQ'D
WAREHOUSE 304,000 SF:	93 SPACES REQ'D
TOTAL PARKING REQ'D	133 SPACES REQ'D
ACCESSIBLE SPACES REQUIRED	5 SPACES REQ'D
PARKING PROVIDED BUILDING 4:	160 SPACES
TRAILER SPACES PROVIDED:	90 SPACES

CITY OF RENO PARKING REQUIREMENTS

WAREHOUSE:	1 SPACE / 3,300 SF
OFFICE:	1 SPACE / 400 SF

A1003

DERMODY PROPERTIES

DP Reno AirLogistics Park Phase II

PHASE II STUDY PLAN_v3 | RENO STEAD AIRPORT | 8-11-2023

unitedconstruction

5300 Mill Street
Reno, Nevada 89502

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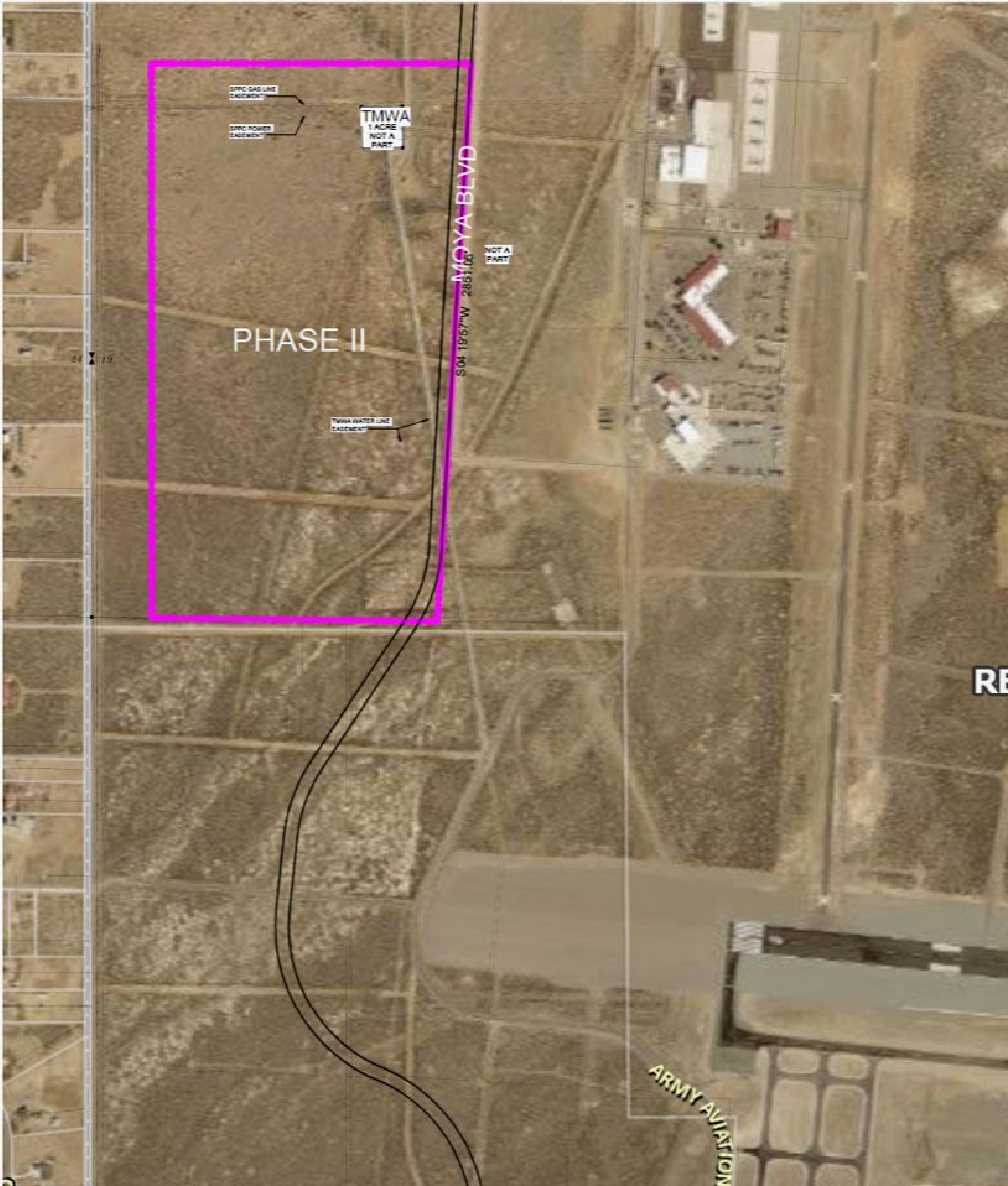
F 775.856.5375



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S04°19'57"W 2851.00'
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PHASE II
24
19
ARMY AVIATION

Board Memorandum

NO.: 03/2024-08

In Preparation for the Regular Board Meeting on March 14, 2024

Subject: Authorization for the President/CEO to execute an 18-month contract extension of the professional services agreement for insurance brokerage services with Arthur J. Gallagher Risk Management Services, LLC in the amount of $67,500

STAFF RECOMMENDATION

Staff recommends the Board of Trustees authorize the President/CEO to execute an 18-month contract extension of the Professional Services Agreement (PSA) for insurance brokerage services with Arthur J. Gallagher (AJG) Risk Management Services, LLC, in the amount of $67,500.

BACKGROUND

The purpose of this action is to execute an 18-month extension of the PSA with Arthur J. Gallagher (AJG) Risk Management Services, LLC, to provide insurance brokerage services to Reno-Tahoe Airport Authority (RTAA) through December 31,2024.

The RTAA's initial five-year agreement with AGJ was approved by the Board of Trustees in January 2013 after a comprehensive Request for Proposals (RFP) process. On October 11, 2018, the Board approved a five-year extension through June 30,2023, to include marketing and placement of insurance coverage for FY 2023-24. AJG is headquartered in Itasca, Illinois. The work is expected to be performed by the staff based in Las Vegas, NV and Aliso Viejo, CA, augmented by company subject matter experts in other locations as necessary.

Insurance brokerage services are an integral part of the RTAA's risk management program. The licensed broker of record provides a broad range of services including the following: (1) analysis of risk exposure; (2) marketing and selection of adequate insurance coverage; (3) assistance with claim administration; and (4) advice and expertise on all property, airport, and aviation risk management areas.

The types of insurance purchased by RTAA include the following:

- Workers Compensation
- Property
- Inland Marine (Mobile Equipment)
- Airport Operations Liability
- Automobile Liability
- Emergency Medical Technician (EMT) Professional Liability
- Law Enforcement Professional Liability

- Crime
- Cyber Security
- Public Officials and Employment Practice Liability

DISCUSSION

Throughout the collaboration with RTAA, AJG provided excellent customer service, including the evaluation of the RTAA's changing risk profile, review of insurance provisions of various business agreements, and extensive marketing and competitive placement of insurance coverage.

Under the proposed amendment, AJG has agreed to the same fee structure as expiring (FY 2023-24). The PSA includes the marketing and placement of insurance coverage for FY 2024-25, and other brokerage services through December 31, 2024.

Staff will issue a Request for Proposal (RFP) in the first quarter of the next fiscal year and bring a recommendation to the Board for a new PSA effective January 1, 2025. This allows a reset of future brokerage agreements where the incumbent continues to provide support to RTAA for six months after the placement of insurance coverage.

FISCAL IMPACT

The proposed cost of the PSA amendment is $67,500, same as the fees paid for FY 2023-24. The brokerage fee consists of $45,000 for liability and property insurance, and $22,500 for workers' compensation.

COMMITTEE COORDINATION

This item is scheduled to be presented at the March12, 2024, Finance and Business Development Committee Meeting.

PROPOSED MOTION

"It is hereby moved that the Board of Trustees authorizes President/CEO to award the 18-month contract extension to the Professional Services Agreement for insurance brokerage services with Arthur J. Gallagher Risk Management Services LLC, in the amount of $67,500, and authorizes the President/CEO, or his designee to sign."

Board Memorandum

03/2024-09

In Preparation for the Regular Board Meeting on December 14, 2023

Subject: Authorization for the President/CEO to initiate Phase III of a development proposal by Conrac Solutions, LLC, finalize terms, and execute on behalf of the Reno-Tahoe Airport Authority a thirty (30)-year ground lease with RNO Conrac, LLC for a minimum contract value of $21,130,560, to finalize design of and construct a Ground Transportation Center with a proposed not-to-exceed project cost of approximately $299 million, with an estimated additional $76 million in finance costs, transaction costs, and other funding requirements pursuant to the proposal submitted by Conrac Solutions, LLC, as authorized by Nevada Revised Statutes 338.161 through 338.168 at the Reno-Tahoe International Airport.

STAFF RECOMMENDATION

Staff recommends that the Board approve the motion presented below.

BACKGROUND

This is the first of four motions relating to the proposed new Ground Transporation Center (GTC) at the Reno-Tahoe International Airport (RNO). In summary, Staff is proposing that the Board consider the following four actions:

1. Authorize the President/CEO to execute a 30-year ground lease with RNO Conrac LLC, and initiate Phase III of the Ground Transportation Center Project (Project);
2. Authorize the transfer of future collection functions of the rental car Customer Facility Charge (CFC) into an account to be held and administered by a third-party collateral agent for the purposes of funding construction of the Project, and authorization for transfer of an estimated $15,724,406 of CFCs into the account;
3. Authorize the President/CEO to negotiate final terms and execute Amendments to both the Restated and Amended Nonexclusive Vehicle Rental Concession Leases and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases with the on-airport rental car operators;
4. Adopt Resolution No. 565, amending Resolution No. 563, Increasing the CFC Rate to $9.80 per transaction day, effective July 1, 2024

Parties Involved

The four motions staff are bringing before the Board through this Board meeting involve a variety of parties. The motions will use the following terminology to describe these parties. First, there are the rental car companies currently operating "on-airport" at RNO: Hertz Corporation, Avis Budget Car Rental, LLC, and Enterprise Leasing Company-West, LLC. These companies operate a number of different brands each and are collectively referred to as "the RACs". When discussing the future requirements for rental car companies to operate on-airport, “the RACs” may also include additional rental car companies that the Reno-Tahoe Airport Authority (RTAA) will permit to operate on-airport in the future.

The next party is Conrac Solutions, LLC, the company the RACs initially chose to privately develop a Consolidated Rental Car Facility (ConRAC) at RNO through a tenant improvement process. Conrac Solutions is a national firm specializing in operating ConRACs and privately developing on-airport ConRACs. Conrac Solutions includes a family of companies including Conrac Solutions Project Delivery LLC (CSPD), Conrac Solutions Operators LLC (CS Operators), and Conrac Solutions Capital LLC (CS Capital). Conrac Solutions established RNO Conrac, LLC (the SPE) as a single purpose entity for developing the ConRAC at RNO. Conrac Solutions will manage the SPE with the proposed equity investors, including Meridiam and Conrac Solutions, having 100% ownership. The SPE will be the tenant under the Ground Lease. The memos before the Board today will generally refer to the various entities under the Conrac Solutions family of companies as “Conrac Solutions” as opposed to the distinct entity that may be responsible for each task or action. The proposed motions, however, will refer to the specific Conrac Solutions entity that will be subject to the motion.

Lastly, there is Meridiam Infrastructure North America Corp. (Meridiam), a division of Meridiam SAS, a global investor and asset manager based in Paris, France and specializing in developing, financing and managing long-term public infrastructure projects. Founded in 2005, Meridiam invests in public infrastructure, with $20 Billion in assets under long-term management in Europe, North America, and Africa. In 2023, Meridiam acquired Conrac Solutions. Meridiam is the proposed equity investor in the GTC Project and the majority member of the SPE.

As an indication of their commitment to transaction, the SPE and Meridiam prepared a signed Letter of Intent (LOI) on November 9, 2023. The LOI affirmed several of the major deal points and a good-faith agreement to finalize the Master Lease. The LOI is attached as Exhibit A.

GTC Project History and Tenant Improvement Approach

In October 2016, the RTAA commenced a master planning process for RNO. A key finding of the RNO Master Plan process was a need for additional public parking, as well as a need for additional space to support growth of rental car operations. The preferred alternative in the RNO Master Plan, adopted by the RTAA Board of Trustees at its December 2017 meeting, recommends the construction of a ConRAC to address these issues.

On September 25, 2018, the RACs submitted a letter to the RTAA (a) stating their preference for private delivery of a ConRAC as a tenant improvement, (b) advising of their selection of Conrac Solutions to represent their interests in exploring ConRAC feasibility and development and (c) requesting an Exclusive Option to Ground Lease and Develop Real Estate for the ConRAC site identified in the RNO Master Plan.

The RTAA and the RACs spent roughly four and a half years working toward delivery of the ConRAC as a tenant improvement. The background on that process is included in Exhibit B. In May of 2022, at the request of the RACs, the RTAA and Conrac Solutions began to incorporate a ground transportation center into the design of the ConRAC. Because of this request, and as part of the MoreRNO campaign, the RTAA has branded the combined ConRAC and ground transportation center development as "the GTC". The overall effort to develop the GTC is hereafter referred to as "the Project".

Reconsideration of Tenant Improvement Approach

In the spring of 2023, in consideration of factors such as cost escalation, significant projected equity returns, lack of optionality, and the suggestion that the RTAA financially contribute to the Project, RTAA staff and RTAA consultants began to rethink the tenant improvement approach to developing the Project. Reconsideration of the tenant improvement approach ultimately led to RTAA staff presenting four motions to the Board at the June 30, 2023 meeting:

1. Authorize the President/CEO to negotiate final terms on the Project's financing and development within the framework of the Proposed Term Sheet dated June 9, 2023;
2. Approve the use of additional CFCs to fund expert assistance through the final stages of negotiation and design;
3. Approve raising the CFC rate from \$6.50 to \$9.00 per transaction day, effective September 1st, 2023, to support the maintenance of existing rental car facilities and future development of new facilities; and
4. Authorize the President/CEO to terminate Project negotiations and the public-private partnership (P3) model if the President/CEO concludes in his judgment that negotiations cannot be successfully concluded in time for the Board's consideration on November 7, 2023.

Following the Board's approval of the four motions, RTAA staff began the process of finalizing negotiations for the Project with the goals and objectives presented to the Board at the June 30, 2023, meeting and set forth in full in Exhibit B.
After months of further negotiation, RTAA Staff and Conrac Solutions reached terms on a deal structure that would allow a public-private partnership (P3) delivery model for the GTC consistent with Nevada law and meet the goals and objectives of all parties to this Project. Specifically, the modified deal structure is successful in generating a lower CFC over the term of the Ground Lease than would be accomplished with alternative deal structures originally contemplated while remaining in compliance with applicable State law requirements. Additionally, it allows the RTAA to receive fair returns for its financial contributions but limits exposure to various construction and future rental car activity related risks.

With the deal structure in place, the parties needed to reach agreement on the final costs and financial terms, including the CFC levels, which as detailed below, are driven largely by the cost of construction. As of December 2023, Conrac Solutions represented the cost of construction to be approximately \$289 million, and presented a financial proposal which would result in a CFC level and overall deal that was acceptable to the RACs, Conrac Solutions, Meridiam, and the RTAA Staff.

RTAA Staff initially planned to bring this item forward at the Board's December 14, 2023 Meeting. As the date neared, Conrac Solutions was unable to secure a lump sum proposal from a contractor acceptable to Meridiam, and it became clear that the construction costs would increase due to a requirement to add a joint venture partner to the originally selected construction contractor.

Without certainty around the Project costs for the Board to consider, President/CEO Griffin was forced to cancel the December 2023 Board Meeting.

On December 15, 2023, the RTAA sent Conrac Solutions a letter outlining the reasons why the RTAA had to cancel the December 2023 Board Meeting and outlining the conditions to be satisfied that RTAA Staff would need to feel comfortable before presenting this item for Board consideration. A copy of the letter is attached to Exhibit B as Attachment D. RTAA Staff have continued to negotiate in good-faith with Conrac Solutions since.

In February 2024, Conrac Solutions informed the RTAA it had obtained a guaranteed maximum price proposal for construction with a firm acceptable to Meridiam of approximately $307 million. Conrac Solutions then presented the RTAA with a financial proposal which RTAA Staff reviewed thoroughly and considered in good faith. RTAA Staff expressed concerns with the proposal to Conrac Solutions, primarily that the February 2024 proposal represented an escalation of costs and a resulting CFC at higher short-term levels than what Conrac Solutions had proposed as of December 2023. RTAA Staff requested Conrac Solutions revise their financial proposal to address these concerns.

Conrac Solutions subsequently provided the RTAA with a revised financial proposal which attempts to address the concerns expressed by RTAA Staff. That proposal has been further refined for the benefit of RTAA through work by RTAA Staff, its financing team, Conrac Solution, and their financing team. The final result is an agreement by which the debt lender accepts a slightly lower debt service coverage requirement, and the equity partners a slightly lower return on their investment, that ultimately reduces the required CFC across the term of the deal. Additionally, certain contingencies previously included in the total funded amount that were for the protection of the RTAA will be taken out and replaced by a mechanism that will allow for a one-time increase in the CFC of up to $0.50 to make the RTAA whole for any amount spent on those contingency categories up to $9 million.

That final financial proposal, through the new deal structure described above, is now before the Board for consideration.

DISCUSSION

Deal Structure

The RTAA and the SPE will enter into a thirty (30)-year ground lease (Ground Lease) under which the SPE will pay fair market value rent for the Project site (depicted in Image 1). A summary of the Ground Lease terms is included as Exhibit C. The Ground Lease will require the SPE to cause construction of the GTC. Conrac Solutions has selected Q&D Construction and Webcor, as joint venture partners, as the design-build contractor. Conrac Solutions represents the cost of the design-build construction, including project soft costs, contingencies, and project management base fee to total approximately $299 million, in additional to approximately $X million in finance costs (see Chart 1 below). Finance costs include Transaction Costs, Financing Costs, and Construction Reserve.

Chart 1 – RNO ConRAC Phase 3 Development Cost

		Budget
Design Build Cost	**$**	**272,080,000**
Reserves and Contingencies		14,479,180
Project Soft Costs not in DBJV		3,832,500
Project Management Fees		8,500,000
Total Project Costs	**$**	**298,891,680**
Costs of Financing	$	9,160,744
Development Fee		5,000,000
Total Bank Loan Costs		14,313,287
Total Financing and Transaction Costs	**$**	**28,474,031**
Construction Reserve	$	8,018,875
Bank Interest Accreted		39,543,228
Other Funding Requirements	**$**	**47,562,103**
Total Funded by CFC	**$**	**374,927,814**

*Source: Figures provided by CS Capital and Goldman Sachs; compiled by PFM Financial Advisors, March 8, 2024

A mix of debt and equity will fund development of the Project. Additionally, the RTAA is holding approximately $19,841,795.81 (as of January 31, 2024) in previously collected CFCs. Upon financial close, and subject to the Board's approval of Board Item 10, the RTAA will transfer all but $4,117,389 of the CFCs to a bank serving as a collateral agent to be held in a special account for the benefit of the Project, with a security interest in the account being granted to the SPE and to the lender of the debt. A portion of the already collected CFCs will help fund construction of the Project, along with debt and equity. Following the assignment of the CFCs pursuant to the Ground Lease and the agreements between the RTAA and the RACs, the RTAA will set the CFC at a prescribed rate that will increase over time (the process is outlined below) and mandate that all RACs operating on-airport collect and remit CFCs to the collateral agent. CFCs collected during construction will be applied to pay costs of construction. CFCs collected after construction is complete will be applied to repay debt, pay the equity provider (the SPE) a return on its investment and repay the RTAA's mandatory and, if made, optional payments.

Debt will be in the form of a proposed initial bank loan of approximately $192.5 million with an approximately seven (7) year term. Debt represents approximately 66.5% of the Project financing. Conrac Solutions represents that RNO ConRAC, LLC will likely refinance the initial bank loan with Private-Placement Debt with an Extraordinary Call. There is an allowance for an increase in the amount borrowed by up to ten percent (10%) if additional funds are needed to complete construction.

Conrac Solutions proposes for the equity investors, Meridiam and Conrac Solutions, to contribute approximately $97 million to the Project, which represents approximately 33.5% of the Project financing. Equity will receive a base return not to exceed eleven-point nine percent (11.9%) as well as an opportunity to receive excess CFCs if the number of transaction days outperforms the Base Case scenario upon which the financial model for the Project is based. The financial model is explained in greater detail below.

Financial Model and CFC Rate Setting

RTAA and Conrac Solutions' financial advisors have developed a financial model, based on transaction day forecasts, to help determine how to set the CFC rate throughout the term of the Ground Lease. A "transaction day" is each day that a rental car is rented to a customer, and a CFC is charged to that customer for each transaction day. A nationally recognized consultant, Unison Consulting, has provided a base case analysis of projected transaction days, along with sensitivity analyses to permit modeling under various conditions. The rate covenant on the debt requires a debt service coverage ratio, or the ratio of CFCs to debt service payments for any period, of no less than 1.15x.

The financial model establishes a "Base Case" expectation for the financial performance of the GTC over the entire term based upon a conservative forecast for transaction days. The financial model reflects the flow of funds and other terms established in the Ground Lease.

The CFC rates throughout the term are set based on this transaction day forecast to provide ample debt service coverage and targeted to achieve an 11.9% return for the equity investors, an estimated annualized return of 8.25% to the RTAA for its mandatory payment of $16 million and, if made, an estimated annualized return of 8.92% on the optional payment of up to $34 million, and adequately fund all reserves and required maintenance of the GTC.

The CFC is currently set at nine dollars ($9.00) per transaction day. Staff is presenting a separate board action at this meeting to update the Master Fee Resolution to increase the CFC to nine dollars and eighty cents ($9.80) per transaction day effective July 1, 2024, and then to increase the CFC regularly as provided in the Ground Lease. The Ground Lease will obligate the RTAA to increase the CFC by one dollar and twenty cents ($1.20) on July 1st, 2025, and thereafter, the RTAA will adjust the CFC based on the terms of the Ground Lease to achieve required debt service coverage ratios and potentially reimburse RTAA expenditures for project contingencies, until it reaches a projected maximum of seventeen dollars and seventy-five cents ($17.75) per transaction day. However, if the RTAA makes the Optional Payment as described below, there will be a reduction in the CFC of up to $0.50 per transaction day each year.

/ / /

Projected CFC Rate by Year

Transaction Years	CFC Rate ($) (no Optional Payment)	CFC Rate ($) (no RTAA contingencies expenditures)
2024	9.80	9.80
2025 - 2027	11.00	11.00
2028 - 2030	13.00	12.50
2031 - 2033	14.00	13.50
2034 - 2036	15.00	14.50
2037 - 2040	16.00	15.50
2040 - 2042	17.00	16.50
2043 - 2058	17.75	17.25

Additionally, to help ensure that CFC collections meet the rate covenant, the RTAA will be obligated to increase the CFC rate up to the greater of two dollars ($2.00) or twenty percent (20%) of the then-current CFC rate if the budget prepared by Conrac Solutions shows a transaction day forecast that will fall short of providing a 1.15x debt service coverage ratio.

The Ground Lease also provides for mechanisms to reduce the CFC. First, as described above if the RTAA makes the Optional Payment of up to $34 million, there will be a one-time reduction in the CFC of up to fifty cents ($0.50) per transaction day based on the amount of the payment. Second, if CFC collections are greater than anticipated in the financial model, then a portion of the excess CFC Revenues will be used to reduce the CFC in future years following repayment of the RTAA's mandatory milestone payment of $16 million. The remaining fifty percent (50%) of such excess would be paid to the SPE.

As mentioned above, upon Board approval of the recommended motion below, the RTAA will execute the Ground Lease, and thereafter the RTAA will remain obligated during the term of the Ground Lease to set the CFC in the manner described above. There will be no further Board approval of CFC Rate changes.

Conditions for Financial Close

Within ninety (90) days of execution of the Ground Lease, Conrac Solutions will need to achieve financial close. The conditions for financial close include: a) RTAA execution of the amendments to the RAC agreements for the period leading up to completion of the ConRAC; b) Conrac Solutions entering into subleases with each RAC for the RAC's operations at the ConRAC, when completed for at least 95% of the rentable space in the ConRAC; c) all conditions to Financial Close being met and all conditions precedent to initial funding of the loan(s) for the Project being satisfied or waived by the lender(s); d) provision by Conrac Solutions of the financial model along with a debt drawdown schedule, all approved by RTAA; e) provision by Conrac Solutions of the Credit Enhancement (letter of credit); f) provision of copies of all equity documentation, approved by RTAA; g) Conrac Solutions executing a design and construction contract with the selected contractor; h) provision of construction payment and performance bonds for the Project; i) proof of all necessary governmental approvals for the Project having been received; j) required proof of insurance; k) delivery of a legal opinion by RTAA's outside counsel that the Ground Lease is a legal, valid and binding obligation of RTAA; l) delivery of customary legal opinions from Conrac Solutions'/SPE's counsel; m) delivery of an acceptable title report; n) Conrac Solutions shall have opened the CFC revenue account, the rent account, the construction account, the renewal and replacement fund, the debt service reserve fund and the loss proceeds account; o) delivery of one or more control account agreements by RTAA and SPE; p) filing of all necessary UCC-1 financing statements; q) provision by Conrac Solutions of an environmental management plan acceptable to RTAA accounting for remediation of all known hazardous materials; and r) payment by the SPE to the RTAA of $1.8 million.

Mandatory and Optional Payments

Within sixty (60) days of substantial completion of the Project, the Ground Lease will require the RTAA to make a mandatory payment of $16 million to the SPE. This payment will help keep the CFC at a lower rate and grants RTAA select rights over actions of the SPE, including the incurrence of additional debt other than as approved in the Ground Lease, allowing RTAA to require bidding of the O&M contract every five (5) years, giving RTAA approval over most contracts in excess of $250,000, and the ability of RTAA to veto settlements of litigation with parties other than the RTAA if they would adversely affect funds available for rental payments to RTAA. Following the Mandatory Payment, the RTAA will be entitled to receive a portion of the CFC revenues generated during the term of the Ground Lease to ensure the RTAA is repaid with a reasonable return on its contribution. Fifty percent (50%) of the RTAA's return on the Mandatory Payment will be based upon forecasted CFC revenues as outlined in the Financial Model, remaining after debt service, will be senior to any payments to the SPE and, if not made, will continue to accrue ("roll over") on a senior basis. The remaining fifty percent (50%) will be based upon actual CFC collections and will be paid on a parity with returns to the SPE from CFCs remaining after payment debt service and RTAA's senior return on the Mandatory Payment.

The Optional Payment is a subsequent event occurring within three (3) years following the Date of Beneficial Occupancy. At that point in time the RTAA will have an option to make an additional payment of up to $34 million. Depending on the amount of the Optional Payment made by the RTAA, the RTAA will receive a proportionally greater share of the actual CFCs collected after payments of debt service and, as mentioned before, there will be a reduction in the CFC rate going forward.

Risks to Authority

Staff have worked diligently to negotiate a deal structure that transfers the majority of risks to Meridiam and Conrac Solutions, especially risks related to the construction and delivery of the Project. However, the RTAA will bear some risks, including to the Mandatory Payment of $16 million described above, to make the Project financeable and to accommodate the Project's financial structure, which is primarily paid from CFC's collected, and to maintain a reasonable CFC rate that is not expected to deter car rental transactions.

Conrac Solutions has conducted environmental due diligence on the Project site, which uncovered levels of existing contamination. Conrac Solutions will be responsible for remediating the known contamination. The RTAA will be responsible for the costs of remediating unknown contamination. The RTAA will also be responsible for increases in construction costs, subject to mitigation requirements, if the RTAA prevents access to the Project site or causes delays. However, the RTAA will be repaid for up to $9 million of such costs, plus interest, through a one-time increase in the CFC.

Compliance with NRS 338.161-338.168

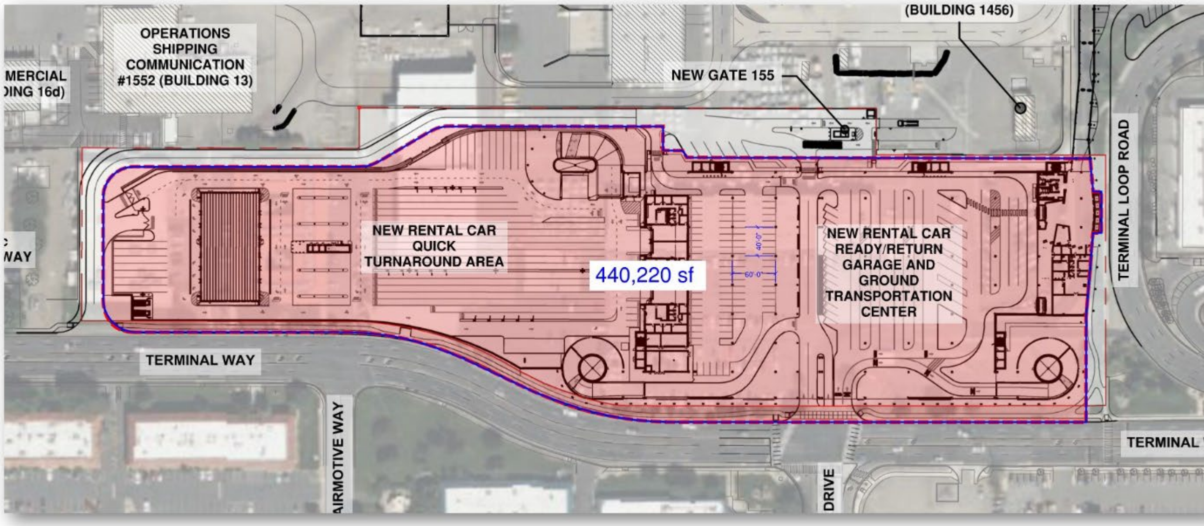
The proposed GTC transaction described in this Board Memorandum has been reviewed by both RTAA counsel and outside counsel (Fennemore). For reasons detailed in the legal memorandum attached as Exhibit D, counsel have concluded that the proposed transaction complies with NRS 338.161-338.168, and applicable requirements of the Nevada constitution. The record before the Board fully supports a determination that Conrac Solutions' proposal to finance and construct the GTC and the overall GTC transaction meet all the required statutory criteria and that the GTC will serve a public purpose. Statutory compliance includes the RTAA requiring Conrac Solutions to pay a fee of $1.8 million to cover costs of negotiating, processing, reviewing, and evaluating its proposal to finance and construct the GTC.

FISCAL IMPACT

The proposed GTC transaction represents a significant revenue opportunity for the RTAA. The RTAA will receive ground rent payments during the term of the Ground Lease and larger rental car facilities will allow the RACs to generate more rentals, which in turn is expected to result in increased concession revenues to the RTAA.

The leased premises under the Ground Lease is approximately 440,220 rentable square feet of land (depicted in Image 1, below). In October 2023, a licensed local commercial real estate company experienced in the valuation of land in the airport submarket appraised market land rent of the leased premises at $1.60 per square foot per year. The anticipated starting annual rent for the leased premises is $704,352. The annual rent will be adjusted annually by CPI, and at the 15th year of the term, the rent will be adjusted to fair market value by appraisal. Annual rent does not include the fair market value of improvements or construction work on the premises. The projected minimum ground rent over the 30-year term is $21,130,560.

Image 1 – Ground Lease Square Footage



The construction of this facility requires the demolition of the following existing facilities:

1. 1500 Terminal Way (airfield tenants relocating)
2. Two (2) RTAA-occupied buildings (no fiscal impact)
    a. Storage
    b. Landside snow removal
3. 1280 Terminal Way (non-airfield tenants-not relocating)
4. 1250 Terminal Way (airfield tenant relocating)

The existing airfield tenants in the 1500 Terminal Way, 1250 Terminal Way, and RTAA-occupied buildings will be relocated into new buildings to be built by Conrac Solutions as part of the Project. The rent rate for these tenants in the new buildings will be based on appraisal of the buildings. RTAA staff estimate that the per square foot rental rate for the relocated tenants will increase with this process. The average current rent rate is $12.60 per square foot per annum with 4,422 square feet under rent.

The non-aeronautical office building at 1280 Terminal Way will not be replaced. The net operating income for the building in FY2022 was $50,000. Therefore, the negative fiscal impact will be the loss of this revenue stream to the RTAA.

The RTAA will be compensated $1.8 million for the costs incurred during the negotiation and design processes and will receive $150,000 annually in exchange for administration functions related to the CFC. Additionally, as explained in the *Mandatory and Optional Payment* section above, the RTAA's mandatory contribution of $16 million will provide an estimated annualized return of 8.25% or if the RTAA makes the optional payment of up to $34 million, an estimated annualized return of 8.92%.

Finally, the RACs believe that significant latent demand exists in the RNO market which is not currently satisfied due to the constraints of the existing facilities. RACs have estimated the revenue generated by their percentage concession fees will increase when the new facilities come online.

COMMITTEE COORDINATION
None

PROPOSED MOTION

"Move to authorize President/CEO to initiate Phase III of a development proposal by Conrac Solutions, LLC, finalize terms, and execute on behalf of the Reno-Tahoe Airport Authority a thirty (30)-year ground lease with RNO Conrac, LLC for a minimum contract value of $21,130,560, to finalize design of and construct a Ground Transportation Center with a proposed not-to-exceed construction cost of approximately $299 million with an estimated additional $76 million in finance costs, transaction costs, and other funding requirements pursuant to the proposal submitted by Conrac Solutions, LLC, as authorized by Nevada Revised Statutes 338.161 through 338.168 at the Reno-Tahoe International Airport."

Reno-Tahoe Airport Authority ("**Airport Authority**")
2001 E. Plumb Lane
Reno, N.V.
89502

Consolidated Rental Car Facility (ConRAC) Letter of Intent

Dear Ladies and Gentlemen:

We are pleased to provide you with this letter of intent (this "Letter of Intent"), which sets forth the understanding under which RNO ConRAC, LLC ("**CS**") and Meridiam Infrastructure North America Corp. ("**Meridiam**") will be willing to transact with the Reno-Tahoe Airport Authority ("Airport Authority", together with CS and Meridiam, the "**Parties**" and each a "**Party**"), with respect to the terms proposed Master Lease (the "**Master Lease**) for the ConRAC (described in more detail in the Master Lease).

Negotiations between the Parties on the terms and conditions of the Master Lease have reached an advanced stage and the parties acknowledge that, with the exceptions of the items set forth below, the principal terms have been negotiated as set forth in the latest Master Lease dated September 9, 2023 (the "Draft Master Lease"). It is now in the best interests of the Parties to set forth in this Letter of Intent the key economic terms to be incorporated into the Master Lease. Unless otherwise specified, capitalized terms in this Letter of Intent follow the Draft Master Lease.

1. **<u>Indicative Terms</u>**

Maximum Price	■ Not to exceed $290m
Initial CFC	■ $9.80 CFC
CFC Escalator	■ CFC rate to be adjusted $1.20 in 2026 and $1.00 every third year following that until the end of the lease subject to a cap of $16.75 (excluding any adjustment arising from the Fallback Escalator).
Fallback Escalator	■ CFC Escalator to be additionally adjusted based on amount invested by Airport Authority above the Minimum Investment Amount (defined below) ■ Fallback Escalator will be set at Financial Close to equalize equity returns across potential Airport Authority contribution amounts in the Base Case Financial Model ■ The Fallback Escalator is currently expected to be $0.50.
Equity Return	■ 12.00% equity return in the Base Case Financial Model
Debt/Equity Ratio	■ Equity to be at least 20% of the total financed capital provided to the Project.
Rating	■ Investment grade rating.
Rate Covenant	■ Airport Authority is obligated to adjust the CFC rate mandated for collection by the Rent-A-Car companies each year to achieve minimum 1.15x DSCR on forecast basis, subject to a per-adjustment cap equal to the greater of $2 or 20% of then-current CFC
Investment Amount	■ Airport Authority to be obligated under Master Lease to invest at least $16 million (the "Minimum Investment Amount") but not more than $50 million within defined period after Joint-Use Facility Substantial Completion
Additional Rent	■ The Additional Rent will have two components: 1. **"Fixed Additional Rent"** to be payable based on fixed quarterly payments set based on a percent of cashflows projected in the Base Case Financial

	Model, adjusted to deliver a targeted internal rate of return against $8 million of the Minimum Investment Amount, which shall be paid out of the Distribution Account subordinate to debt but senior to Variable Additional Rent (as set forth below) and equity distributions. Current model results indicate a targeted internal rate of return of 8.00-9.00%. In any period where cashflows are insufficient to pay Fixed Additional Rent (e.g., due to the distribution test), the unpaid amount together with any prior unpaid amounts will carry over to the next period until it can ultimately be paid from cash available for distribution to equity. 2. **"Variable Additional Rent"** to be payable based on two fixed percents multipled against actual cash available for quarterly equity distributions. The percents for Variable Additional Rent payments will be based on (i) the percent that produces a targeted internal rate of return against $8 million of the Minimum Investment Amount and (ii) the percent per $1 million of amount contributed by Airport Authority above the Minimum Investment Amount that produces a separate targeted rate of return, in both cases as set forth in the Base Case Financial Model. Current model results indicate a targeted internal rate of return of 8.00-9.00% and 9.00-10.00%, respectively.
No Landlord Equity Interest	■ Reflecting the revised approach to Additional Rent above, the Lease and LLC Agreement for RNO ConRAC, LLC will be revised to remove direct equity interest in the Project by the Airport Authority ■ The Lease will be revised to reflect mutually agreeable Reserved Rights for the Airport Authority as Landlord as agreed by the Parties
Exempt Refinancing	■ As defined in the Draft Master Lease, with the sole modification that the existing requirement to include a minimum 10-year par call will be revised to reflect a requirement to include an "Extraordinary Redemption Provision" at par for Landlord Termination for Convenience
Refinancing Gain Share	■ As defined in the Draft Master Lease, with the sole modification that the percent of gains eligible for sharing (either upfront or over time) will be adjusted based on the amount Airport Authority actually contributed over the Minimum Investment Amount (i.e., $0 to $34 million) — $34mm: No Gain Share — $15mm: 25% Gain Share — $0: 50% Gain Share
Revenue Sharing	■ Revenue Sharing: As defined in the Draft Master Lease, 50% of incremental cash resulting from transaction-days above that in the Base Case Financial Model available for distribution to equity and to pay Additional Rent from the Distribution Account shall be paid to the RTAA until the full repayment of the Minimum Investment Amount from the associated Fixed and Variable Additional Rent payments noted above. Following repayment of the Minimum Investment Amount, 50% of incremental cash resulting from transaction-days above that in the Base Case Financial Model available for distribution to equity and to pay Additional Rent from the Distribution Account shall be applied to reduce the CFC and the escalator as per the formula set forth in the Draft Master Lease.

2. **Not A Binding Obligation / Good Faith Negotiations**

   a. This Letter of Intent is for the express use of the RTAA for presentation to its board and is purely confidential. The Letter of Intent is not legally binding on any of the Parties and does not constitute an offer to purchase any securities or make any investment pursuant to the terms hereof. No Party shall have any obligation or any liability whatsoever with respect to the proposed Master Lease or any related agreements until and unless the Master Lease is executed by the Parties. The final terms and conditions of the Master Lease are subject to the approval of all Parties' boards and/or investment committees.

   b. The Parties agree to negotiate in good faith as long as necessary in an attempt to agree to the final terms and conditions and any other remaining open items and drafting points within the Master Lease and any other definitive documentation necessary for the execution and delivery of the Master Lease following the terms set forth in this Letter of Intent.

3. **Governing Law.**

   This Letter of Intent (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of the State of Nevada.

Very truly yours,

RNO ConRAC, LLC *by its manager CS Capital, LLC*

By: ______________________

Name: Daniel Pine

Title: Managing Principal

Meridiam Infrastructure North America Corp.

By: ______________________

Name: Nick Phillips

Title: Authorized Representative

Exhibit B

Project Chronology: Ground Transportation Center

RNO Master Plan Process Commencement
October 2016 - The Reno Tahoe Airport Authority ("RTAA") commenced a master planning process for the Reno-Tahoe International Airport ("RNO"). A key finding of the RNO Master Plan process was a need for additional public parking, as well as a need for additional space to support growth of rental car operations. The preferred alternative in the RNO Master Plan, adopted by the RTAA Board of Trustees at its December 2017 meeting, recommended the construction of a Consolidated Rental Car Facility ("CONRAC" or "ConRAC") to address these issues.

Option Agreement Requested from RACs
September 25, 2018 - The Hertz Corporation, Avis Budget Car Rental, LLC and Enterprise Leasing Company-West, LLC (collectively the "RACs") submitted a letter to the RTAA (a) stating their preference for private delivery of a CONRAC as a tenant improvement, (b) advising of their selection of Conrac Solutions, LLC ("Conrac Solutions") to represent their interests in exploring CONRAC feasibility and development and (c) requesting an Exclusive Option to Ground Lease and Develop Real Estate for the CONRAC site identified in the RNO Master Plan.

Board Authorization of Option Agreement
February 14, 2019 - The Board authorized the President/CEO to enter into an Option Agreement ("Option") with the RACs as Optionee to begin a multi-phased process funded by Customer Facility Charges ("CFCs") with the end goal of constructing a CONRAC. The Option contemplated three phases: Phase 1 – Feasibility Work ("Phase 1"); Phase 2 – Design, Development and Pricing ("Phase 2"), and Phase 3 – Project Delivery ("Phase 3"). The Option allows the RTAA to terminate the Option during the process if the RTAA elects not to proceed from Phase 1 to Phase 2, from Phase 2 to Phase 3, or if there is a breach of the Option. Upon RTAA approval to advance to Phase 2, the Option required the RACs to assign the Option to Conrac Solutions which was done on May 20, 2020.

Phase 1 allowed the RACs, through their consultant, Conrac Solutions, to identify a feasible project scope and concept. Phase 1 identified the components of a CONRAC at a level of detail that could be tested and fully-priced during Phase 2. Specific deliverables associated with Phase 1 were: conceptual CONRAC drawings, a preliminary project budget, a conceptual operations plan, Ground Lease/Sublease/Concession Lease term sheet, a plan of finance including multiple scenarios modeled at various CFC levels, a preliminary project schedule, identification of delivery team, and a proposal to complete Phase 2.

Phase 1: Preliminary Feasibility Work Presentation to Board
June 14, 2019 - Conrac Solutions presented to the Board the Preliminary Phase 1 Study findings, including the preliminary project budget, proposed building sites at the current Quick Turnaround Area ("QTA") location, and the additional location identified in the Board-adopted RNO Master Plan. At this time, Conrac Solutions estimated the total project cost to be approximately $190 million with an initial CFC rate ranging from $6.36 to $7.12 per transaction day.

Phase 1.1 – Additional Research Request
October 10, 2019 - The Board requested additional research by Conrac Solutions and suggested the RTAA independently validate the outcomes from Phase 1, including validation of assumptions and costs, and

public safety impacts. This additional work, referred to as Phase 1.1, resulted in a redesign of the loop road and a new preferred site.

Phase 2: Initial Approval

March 12, 2020 - The Board approved the RACs proceeding to Phase 2 of the Option as well as the use of \$9,670,000.00 in collected CFCs to fund Phase 2, including advancing the design from 10% to 60% completion and the development of a financing plan. The project estimate at that juncture for all three phases, including design, construction, project soft costs, project contingencies and fees totaled \$162.4 million.

Pause for Independent Evaluation and Landside Study

October 22, 2020 - The RTAA issued a notice to Conrac Solutions to pause design and development at 100% schematic drawings for the CONRAC and enabling projects, and not to proceed until directed by the RTAA to do so. The RTAA desired the pause to have time to validate various project assumptions and to ensure the project considered issues impacting safety, customer service, and operations. This decision was also within the context of experiencing significant impacts from the COVID-19 pandemic and the uncertainty of the financial feasibility under those circumstances.

Board Workshop

January 14, 2021 - RTAA Staff and Conrac Solutions conducted a Board Workshop to review schematic drawings, the CFC balance, rental car business demand, and an updated estimated budget. At this time, Conrac Solutions estimated the total project cost to be approximately \$207 million with an initial CFC rate ranging from \$6.52 to \$7.43 per transaction day. On a parallel track, the RTAA determined that a comprehensive assessment of all landside improvements and site considerations should be developed.

Landside Study

February 11, 2021 - The Board approved a contract with InterVISTAS Consulting, Inc. (InterVISTAS) to conduct a Landside Operations Planning Study ("Landside Study") to bring forward a recommended landside development plan for review and adoption by the Board. The Landside Study was broad in scope and had several significant outcomes.

December 9, 2021 - The Board approved a comprehensive landside development plan for a variety of improvements, including a CONRAC project, after several Workshops and Meetings in which the Landside Study was reviewed and refined.

Phase 2 Recommencement

December 22, 2021 - The RTAA issued a notice to Conrac Solutions to re-engage with Phase 2 upon completion of the new landside development plan. The project resumed and on April 14, 2022, staff presented the project in the new location at 10% overall design to the RTAA Finance Committee.

May 19, 2022 - the Board approved an expansion in the scope of the project to include the new CONRAC and a GTC to accommodate all ground transportation operations at RNO. After the scope of the project was expanded, the facility was more commonly referred to as a Ground Transportation Center ("GTC").

January 23, 2023 - RTAA staff met with the RACs and Conrac Solutions to discuss design and updated estimated costs. At this time, Conrac Solutions estimated the total project cost to be approximately \$293 million with an initial CFC rate ranging from \$8.00 to \$9.00 per transaction day. The dramatic increase in estimated costs was the result of a variety of factors including increases to the cost of labor in the local market, increases in the cost of construction materials due to demand and inflation, addition of contaminated soil management costs, and change in the site and scope of the Project to include a GTC and several unanticipated enabling projects.

March 7, 2023 - RTAA staff presented an update on project cost to the Planning and Construction Committee, including alternatives through value engineering to reduce the project cost. Alternatives to reduce costs included an elimination of the customer service building portion of the GTC and a change to the design for the walkway from the RNO Terminal to the GTC, from fully enclosed to open air.

Reconsideration of Private Equity Development Approach

March 25, 2023 - Conrac Solutions submitted a Project financing proforma to the RTAA forecasting all financial inflows and outflows over the next thirty (30) plus years, including annual escalation of the CFC through the 30-year term.

April 18, 2023 - following careful review and consideration of the financing proforma, and in consideration of such factors as cost escalation, significant projected equity returns, lack of optionality and the suggestion that RTAA contribute financially to the project, the RTAA sent Conrac Solutions a notice of intended decision not to proceed with Phase 3 of the project. As required in the Option, the notice set forth the reasons for the RTAA's decision, and invited Conrac Solutions to propose modifications and explanations to address the RTAA's reasonable concerns. A copy of the notice is included as Attachment A.

The RTAA financial team began to examine more economical and less complex financing alternatives to the Conrac Solutions tenant improvement P3 proposal, including a conventional public bond funding approach. This alternative approach, however, in light of the higher project cost reaching nearly $300 million, would be a significant challenge for RTAA to execute and may impact future bonding capacity for other RTAA projects, including the Concourse Redevelopment Project, and the new Headquarters/Public Safety Facility.

April 21, 2023 - Conrac Solutions sent the RTAA correspondence in which CONRAC Solutions attempted to address the RTAA's concerns with Conrac Solutions' proposal to advance the Project to Phase 3. In the RTAA's opinion, the responses failed to provide meaningful modifications or explanations that addressed the RTAA's concerns. A copy of the correspondence is included as Attachment B.

April 28, 2023 - The RTAA sent Conrac Solutions correspondence explaining Conrac Solutions' April 21, 2023, correspondence offered insufficient detail to address the RTAA's concerns. The RTAA continued to encourage Conrac Solutions to provide modifications to its proposal that effectively addressed the RTAA's concerns and indicated that RTAA was prepared to meet with Conrac Solutions to discuss modifications or explanations to the Conrac Solutions proposal. A copy of the correspondence is included as Attachment C.

April 29, 2023 – June 9, 2023 - RTAA staff and consultants negotiated with Conrac Solutions and the RACs to develop mutually acceptable terms for the development and operation of a new CONRAC at RNO, culminating in the term sheet presented to the RTAA Board on June 30, 2023.

June 30, 2023, the Board heard and approved four motions presented by staff in consideration of the project:

1. Authorize the President/CEO to negotiate final terms on the Project's financing and development within the framework of the Proposed Term Sheet dated June 9, 2023;

2. Approve the use of additional CFCs to fund expert assistance through the final stages of negotiation and design;
3. Approve raising the CFC rate from the current \$6.50 to \$9.00 per transaction day, effective September 1st, 2023, to support the maintenance of existing rental car facilities and future development of new facilities;
4. Authorize the President/CEO to terminate Project negotiations and the P3 model if the President/CEO concludes in his judgment that negotiations cannot be successfully concluded in time for the Board's consideration on November 7, 2023;

A term sheet was included in the Board packet for the June 30, 2023 meeting, outlining the goals and objectives for a deal with Conrac Solutions for the construction of the GTC facility. The goals and objectives were as follows:

- Successfully implement public-private partnership ("P3") financing of the GTC in a way that benefits the RTAA, the public, the RACs, and Conrac Solutions and is viable to lenders and the equity investors
- Minimize the initial CFC and the CFC escalator
- Enable the RTAA to buy out some or all of the equity participation at its election on pre-arranged terms
- Reduce the cost of debt, both the initial funding and over the long-term with an attractive security package for lenders
- Allow Conrac Solutions to take responsibility for developing and delivering the Project
- Allocate risks to the appropriate parties at the appropriate times and allow RTAA to accept some transaction day risk when it is better situated to do so
- Maintain some flexibility for the future; allow termination for convenience on economically reasonable terms and conditions
- Reasonably compensate all parties with some performance incentives to encourage efficient and optimal Project delivery
- Create business, operating, and financial structures that work well together during an initial phase with the ability to realign over a longer-term
- Meaningful participation from the RACs that supports and strengthens the credit
- Comply with applicable law, including NRS 338.161 through 338.168 (Alternative Methods of Authorization and associated procurement requirements)
- Design facility with sufficient flexibility to accommodate periodic space reallocation and new entrants
- Assure that the GTC compliments and is compatible with any statewide or regional transportation plans and improvement programs
- Assure that the GTC is of sufficient long-term quality to provide value to the public for the expected lifespan of the GTC facilities

Upon June 30, 2023, Board approval, RTAA staff and their legal and financial consultant team, together with the Conrac Solutions team and RAC representatives set out to refine the structure of the deal to accomplish the previously stated goals and objectives.

December 8, 2023 - Conrac Solutions was unable to produce all of the Phase 2 deliverables, and advised the RTAA of last minute changes to construction cost estimates; therefore, the RTAA canceled the December 14, 2023, Board Meeting and sent a notice to Conrac Solutions with a delivery deadline for Phase 2 deliverables prior to the March 2024 Board meeting. Failure to comply with this deadline would result in termination of the P3 Project. Conrac Solutions was provided time to address the RTAA's requirements. A copy of the notice is included as Attachment D.

February 26, 2024 - Conrac Solutions submitted a new lump sum cost proposal, CFC Rate Chart and bank loan term sheet. The lump sum cost proposal and CFC rates exceeded the comfort level of the RTAA and RACs and calls with the RACs were scheduled to ensure that RTAA heard their position on the recent changes. RTAA staff requested additional information from Conrac Solutions to better understand the difference between what was to be proposed to the Board in December and their February proposal. On February 29, 2024 RTAA gave Conrac Solutions a deadline of noon on March 4, 2024 to revise the proposal and CFC rates to better align with their December proposal.

March 4, 2024 – Conrac Solutions provided an updated proposal. Attachment E.

Reno-Tahoe International Airport | Reno-Stead Airport
775.328.6400 | PO Box 12490 | Reno NV 89510-2490

Reno-Tahoe Airport Authority

April 18, 2023

Mike Minerva
Conrac Solutions
981 Powell Ave SW, Ste 125
Renton, WA 98057

Dear Mr. Minerva,

I would like to begin by thanking you and the Conrac Solutions {CS) team for the hard work you have put into this project, and the spirit of cooperation you have brought to the table. After serious consideration, we are providing this letter to initiate the procedure called for in our Option Agreement to not move forward with Phase Ill of your proposal.

RNO Conrac, LLC ("RNO Conrac"), an affiliate of CS, is the assignee to, collectively, the Hertz Corporation ("Hertz"), Avis-Budget Rental, LLC ("Avis"), and Enterprise Leasing Company-West, LLC ("Enterprise") pursuant to an Agreement for Assignment and Assumption of Option Agreement effective May 26, 2020 (the "Assignment Agreement") among Hertz, Avis, Enterprise (collectively, the "RACs") and RNO Conrac, as approved by the Reno-Tahoe Airport Authority ("RTAA" or the "Authority") which assigned the rights of the RACs under the Agreement for Exclusive Option to Lease and Develop Real Estate at Reno-Tahoe International Airport effective March 12, 2019 (the "Option Agreement") among the RACs and the Authority, to RNO Conrac. Capitalized terms not otherwise defined in this letter have the meanings set forth in the Option Agreement.

The Option Agreement describes the discrete phasing of the Project, from analysis of feasibility, through design, to construction. Pursuant to the Option Agreement, the RTAA reserved the right not to advance the Project and establishes clear exit points. Section 1.3.5 of the Option Agreement provides, in part:

> "The Authority reserves the right, in its sole discretion, to not approve advancement from Feasibility Deliverables to Design Development and Pricing, or from Pricing Documents to Project Delivery, provided that the Authority shall first articulate to Optionee its reasonable basis for that intended decision and afford Optionee not less than thirty (30) days to address such reasonable basis with proposed modifications or explanations, which modifications or explanations the Authority will give reasonable considerations before making its final decision."

Furthermore, the Option Agreement provides that the ultimate decision to advance from Pricing Documents to Project Delivery (construction) remains subject to the approval of the Authority's Board of Trustees.

In recent weeks, RTAA has had an opportunity to review CS's financing pro forma, and to engage its own financial advisor. The Authority has examined a public finance approach, at a high level, as a point of comparison with CS's private equity financing model. The RTAA recognizes that, since 2020, there have been substantial adverse changes in construction and financing costs. As a result, the financing arrangements proposed in 2020 may not be viable in today's circumstances or the terms and amounts may have changed substantially.

Our specific concerns with the current state of the CS proposal include the following:

The proposed transaction differs materially from what was presented to, and approved by, the RTAA Board of Trustees in March, 2020. Examples of the divergence include:

- The project was to be entirely financed by CFCs with no exposure to the RTAA. At present, CS and/or the RACs appear to be looking to the RTAA to contribute approximately $35 million to the project in the form of cash, rent abatement, or other mechanisms.
    - In particular, Exhibit A to the Option Agreement provided that "All remediation to be paid for by CFCs."
    - Exhibit A to the Option Agreement provided that tenant relocation to be paid for by CFCs.
    - The Preliminary CFC Estimate ranged from starting rates of $6.37 to $8.29.
    - CS and the RACs have required the Authority fund elements of the Project that were to be included in and funded by the Project.
    - The form of Ground Lease CS represents as being necessary to obtain financing requires the Authority to accept substantial liabilities not originally discussed or contemplated in the terms presented to the Board.

Other aspects of the transaction also appear not to be in the best interest of the RTAA, the RACs, and the public that the RTAA serves.

- Overall, the CS private equity finance model appears to require about twice the revenue that a public finance model might require, over a longer ground lease term. The CS proposal would collect and expend approximately $1.5 billion of CFCs over the term.

- CS has proposed no revenue sharing mechanism that offers a realistic possibility of return to the Authority or RACs. Likewise, CS has proposed no acceptable mechanism for the sharing of gains from refinancing.
- The CFC will be subject to escalation at an unacceptably high rate and escalation is projected to continue for the 35-year lease term to a CFC of over $27.00 per Transaction Day. The public finance model would increase to approximately $15.00 per Transaction Days and could be reduced in later years upon debt refinancing and prepayment.
- There is no optionality to restructure debt, refinance debt or retire bonds early with surplus CFCs for cost savings or other purposes.
- Diverts the CFC revenue stream and surplus CFC collections that otherwise would be or could be used to fund major maintenance, capital improvements, or utilized as a rental car operating expense credit on rental car facilities outside the Conrac footprint.
- The proposed CS private equity funding plan implicates RTAA general revenues as the ultimate funding source to address major maintenance and capital improvements for approximately 15 acres of paved property including 4 rental car structures.

By contrast, a public finance model appears to offer several important advantages:

- A debt structure common to commercial airports for Conracs and more akin to the form and suitability of debt instruments for a public agency.
- A financial model that reduces the overall revenue required by about half, particularly if debt is refinanced or paid early.
- The ability at the RTAA's discretion to determine the debt structure, utilization of funding of reserves, inclusion of bond insurance, and other aspects of the debt not under its control in the private equity model.
- Potential for use of qualified tax-exempt debt for portions of the Project at lower rates than commercial borrowing rates.
- CFC revenue in excess of debt requirements will be available for a range of potential additional uses. These include early retirement of debt, funding unforeseen additional Conrac facility requirements, revenue sharing, O&M coverage, and funding for RAC assets located outside the Conrac.
- While the initial set-point for the CFC may be higher than in the private equity model, the average CFC over the relevant term (30-35 years) could be significantly lower. Further, the RTAA would have the ability to adjust the CFC level, in consultation with the RACs (within the constraints set by the debt instruments), with the possibility of future reductions.

Reno-Tahoe Airport Authority

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For the foregoing reasons, the Authority intends not to proceed to the next phase contemplated by the Option Agreement. We invite Conrac Solutions to address these reasonable concerns with proposed modifications or explanations. Provided we receive a response by May 18, 2023, the RTAA will give the CS response reasonable consideration before making any final decision.

Sincerely,

Daren A. Griffin, A.A.E.
President/CEO
Reno-Tahoe Airport Authority

Cc: John Steiner Hain, Esq.
Stephen A. Blum, Hertz Corporation
Jackie Agan, Hertz Corporation
Robert Bouta, Avis-Budget Rental, LLC
Aaron Schwarzkopf, Avis-Budget Rental, LLC
Vincent A. LaBella, Enterprise Leasing Company-West, LLC
Robert Hunsinger, Enterprise Leasing Company-West, LLC

Exhibit B Attachment B

April 21, 2023

Mr. Daren Griffin, A.A.E., President/CEO
Reno-Tahoe Airport Authority
PO Box 12490
Reno, NV 89510-2490

Dear Daren,

We acknowledge receipt of your letter of April 18, 2023, notifying us that the RTAA is initiating the procedure under the Option Agreement to not proceed to Phase 3 of the Project. We were surprised when we heard that you intended to initiate that process, since we believe the parties had made substantial progress in negotiations of the Master Lease, narrowing the open issues to a few items, where it appeared to us there was room to compromise. In addition, CS had not yet been given the opportunity to make a financial proposal on revenue share and refinancing gain share, or to submit a final budget for the Project. Prior to hearing that you intended to send the letter, we were operating under the assumption that the RTAA was preparing a Landlord's proposal for us to consider to resolve remaining differences on funding and repayment sources, including for remediation of the contaminated soil that was discovered on the RTAA site.

Nevertheless, we remain committed to finding solutions to the concerns raised in your letter, and appreciate your adherence to the Option Agreement's provision that provides us an opportunity to submit modifications and explanations for the RTAA to consider before making a final decision regarding proceeding to Phase 3. We attempt in this letter to be responsive to each of the concerns raised. (Defined terms in this letter follow the Option Agreement and your letter of April 18, 2023.)

Taking the concerns expressed in the April 18, 2023 letter in order:

The proposed transaction differs materially from what was presented to, and approved by, the RTAA's Board of Trustees in March 2020.

In fact, the thesis behind the proposed transaction – developing, financing, operating and maintaining the Project entirely with private equity and debt finance, with all material business and technical risks of the Project borne by the developers – remains unchanged. The RTAA and the RACs will have no exposure for repaying debt or absorbing financial losses for cost overruns for construction, major maintenance, or rental car demand below forecasts. The RACs prefer this deal structure, as it insulates them from the obligations and liabilities they would have to take on in a public finance structure.

It is also worth pointing out that the March 2020 board approval was based on a different Project site, a much smaller scope and a more benign inflation scenario than exists today. This higher inflation environment has increased construction costs and raised the cost of borrowing for projects of all types across the country. Indeed, the parties recognized some of these changed circumstances and entered into an amendment to the Option Agreement in August 2022 which, among other things, modified the provisions relating to responsibility for site conditions (which were still unknown at that time), tenant relocation, and a site that increased from approximately

12 acres to 23 acres, as well as caveats around final overall cost given these changes. In the eight months since the amendment was signed, the local contractor estimates that these enabling projects total over $30 million for replacement (not just demolition) of buildings 12 and 13, a pedestrian walkway and the GTC.

At present, CS and/or the RACs appear to be looking to the RTAA to contribute $35 million to the Project in the form of cash, rent abatement or other mechanism.

CS has never demanded any funded financial contribution from the RTAA to Project costs, let alone a demand for $35 million in funding. To respond to the RACs' request that the RTAA contribute to the Project to cover some of the known environmental, GTC, and shared walkway costs, CS did suggest a mechanism to fund an undetermined contribution amount toward the cost of contaminated soil remediation on site or Project components with private equity and debt, using rent abatement under the Master Lease to repay those amounts.

We have also suggested that the RTAA be entitled to a revenue share and a refinancing gain share to offset the impact of the rent abatement and to allow the RTAA to participate in the financial upside of the Project.

This proposal was made in the context of overall concerns expressed to us from the RACs and the RTAA over the amount of the CFC. Increasing the budget to cover the costs of soil remediation will increase the CFC to above $9. CS welcomes further exploration of cost savings, scope reductions, and CFC levels, as well as any other strategies to cover or mitigate costs, particularly the cost of soil remediation. As you and I have discussed, our finance team and advisors wish to engage with their counterparts immediately to reach a negotiated resolution to these concerns.

With regard to the cost increase associated with soil remediation, the RTAA had originally indicated to CS that excess soil could be disposed of at Reno Stead Airport, which we understand to have been common practice for excess soil from projects at RNO. The RTAA's withdrawal of soil disposal at Stead has created a $12+ million increase in Project costs.

The form of Ground Lease [that] CS represents as being necessary to obtain financing requires the Authority to accept substantial liabilities not originally discussed or contemplated by or presented to the Board.

We are genuinely confused by this statement. Apart from allocating responsibility for the cost of remediating known contaminated soil (which we address above), there are no open issues under the Lease of which we are aware that create substantial liability for the RTAA. The open issues relate to extensions of time (not compensation by the RTAA) for delay events, and compensation only in the event of a deliberate act of the RTAA that delay construction. We are highly confident that we will be able to negotiate final Lease terms that satisfy both parties.

Overall the private equity model appears to require about twice the revenue that a public finance model would require, over a longer ground lease term. The CS proposal would collect and expend approximately $1.5 billion over the Lease term.

This statement does not capture the entire relative economics between the approaches. Given the time value of money, it is necessary to discount the overall cash received to a net present value over the term of the ground lease. Moreover, the statement assumes that transaction days perform exactly to forecast (vs. possibly much lower revenues if activity is lower—*e.g.*, in the event of another pandemic, recession, or other such event), a risk which the private sector takes on only under the private equity model. The statement also makes assumptions about a public finance solution that are incomplete and inaccurate, which we address below.

[The private equity model] [d]iverts the CFC revenue stream and surplus CFC collection that would otherwise be used to fund major maintenance, capital improvements or utilized as a rental car operating cost credit on rental car facilities outside of the Conrac footprint.

Under the CS model, the CFC will, in fact, pay for the major maintenance of the entire joint-use facility for the entire term of the ground lease (with any cost overruns for major maintenance borne by the investors in the Project) through a repair and replacement fund that is built into the plan of finance. We understand from the RACs that they place considerable value in covering repair and replacement costs in this fashion, which also includes the first loss equity cushion provided by private equity, to a public finance model with a speculative benefit from other possible uses of CFCs in the future. As noted above, we are happy to work with the RTAA staff to define a revenue sharing and gain share regime that allows the RTAA to participate via incremental revenues from upside performance.

Please also note that CS has never refused to include tenant relocation in the Project and asked only for an estimate of any costs so that it be included in the plan of finance.

The proposed CS private equity plan implicates RTAA general revenues as the ultimate funding source to address major maintenance and capital improvements for approximately 15 acres of paved property and 4 rental car structures.

This statement ignores the fact that the RACs are paying ground and building rent on these sites, which can be readily modified as of July 1, 2023, when existing leases expire, to fully cover these costs.

The Public Finance Alternative

We are struggling with the logic of stating a preference for a public finance solution for the Project, given our understanding of the RTAA's and the RACs' priorities. If a $9 CFC is considered high, how can a $15 starting CFC be better? Rental car customers in the early years will be subsidizing rental car users far into the future by paying a much higher CFC in real terms, indeed, to our knowledge the highest in the US by far. Most importantly, however, are the following considerations that your letter does not mention:

- The prevailing market convention for public CFC-backed airport special facilities bonds is to include (1) a rate covenant requiring adjustment of CFCs to ensure adequate revenues to pay debt service, (2) a high debt service coverage ratio against forecast revenues, requiring relatively higher initial CFC rates, and (3) contingent rent backstops from the RACs to satisfy the rate covenant if CFC collections are insufficient. The private finance approach avoids each of these requirements, a major reason why the RACs strongly prefer the private equity solution to a public finance solution.

- Going to a public finance model would not eliminate the need to remediate the contaminated soil on site. The costs will still need to be funded from some source, and bond investors will insist that any residual risk around soil contamination—e.g., cost overruns or, discovery of other contaminated soil during construction—be backstopped by the RTAA or by the RACs.

- Cost overrun risk for construction and major maintenance will need to be backstopped by the RACs through contingent rent or by the RTAA via increases to CFC rates and/or issuance of ‘completion bonds’ for the Project.

- Bringing a public bond to market will still take several months and will necessitate considerable staff-time to manage, while in the meantime construction prices continue to increase against a backdrop of interest rate volatility.

- A public bond, even if it has no direct pledge by the RTAA beyond CFC revenues, includes an implicit RTAA “moral obligation” to protect bondholders. While delinquencies for the CFC bonds would be unlikely to directly impact RTAA’s GARB ratings, it could nevertheless impact agency assessments of management strength as well as create headwinds engaging with investors. The private model, with non-recourse debt undertaken by a private entity, insulates RTAA from these concerns.

- As noted, our previous understanding with both the RACs and RTAA was that a predefined CFC rate and scheduled escalator was preferred over a rate covenant that introduces possible volatility in future CFC rates. To the extent this is no longer true, then we would request an opportunity to explore a CFC subject to adjustment under a rate covenant as a potential value driver for the private equity model, just as we assume it must be implicitly factored into RTAA’s public finance analysis.

This letter attempts to clear up some misapprehensions that have crept into our negotiations. We are committed to working through the RTAA’s concerns to ensure that they are all addressed. I look forward to having CS engage with your finance team as soon as possible to reach a negotiated resolution to these concerns.

Sincerely,

Michael J. Minerva
CEO
Conrac Solutions

cc: Ian Whitlock, RTAA
Bob Bouta, Avis Budget Group
Aaron Schwarzkopf, Avis Budget Group
Robert Hunsinger, Enterprise Holdings
Vincent LaBella, Enterprise Leasing Company-West
Jackie Agan, The Hertz Corporation
Joshua Blum, The Hertz Corporation

Reno-Tahoe International Airport | Reno-Stead Airport
775.328.6400 | PO Box 12490 | Reno NV 89510-2490

Reno-Tahoe Airport Authority

April 28, 2023

Mike Minerva
Conrac Solutions
981 Powell Ave SW, Ste 125
Renton, WA 98057

Dear Mr. Minerva,

Thank you for your April 21, 2023, response to our notice of intended decision not to proceed under the rental car facility Option Agreement.

The Conrac Solutions proposal for advancing to the next phase consists, among other things, of your plan of finance, pro forma, the redlined responses to our ground lease drafts (together with associated issues lists), and positions taken in meetings over the last few months. The Option Agreement calls for us to give reasonable consideration to whatever "modifications or explanations" to this proposal that you want to offer.

Your April 21 letter opens the door on modifications but provides little detail. The bulk of the letter is devoted to criticizing a public financing approach and does very little to address our concerns. We are aware and recognize that any plan of finance has its own set of complications. At this juncture the Authority is more interested in viable alternatives that address our concerns. On some matters it appears we may be at an impasse. For example, while it may be correct that CS has never "demanded" any financial contribution from the Authority, your letter appears to confirm that this is indeed a prerequisite. (A loan from CS, to be funded through rent abatement or some other mechanism, is not a solution.)

With respect to environmental review and remediation, it is probably not productive to argue the matter in detail, but we are convinced the change in facility location did not increase overall environmental costs. In fact, it likely reduced them. Briefly, the original proposal site occupied the area of highest known contamination, and the roadway component would have required demolition and construction in areas that may be similarly contaminated. The original proposal would have triggered a lengthy and expensive NEPA process. The disposition of contaminated soil is driven by state and federal law, and the inability to put materials at Stead is not simply a matter of RTAA preference. Finally, bear in mind that the removal of contaminated soils is not an RTAA obligation at this time, but is solely a consequence of construction.

We encourage CS to provide modifications to its proposal that effectively address the concerns set forth in the April 18, 2023 notice, rather than focusing on criticism of a public financing approach. It would be helpful for us to hear your thoughts on the following:

- Our April 18, 2023 notice lays out specific concerns with the proposed private equity plan of finance, and we invite your description of how you intend to address them. The focus should not be opinions regarding public bond alternatives. However, to the extent that CS wants to incorporate aspects of a public financing, or to replicate some of the positive features of that alternative in its proposal, we would be willing to consider those ideas. We believe that the current CS proposal is unnecessarily costly.
- Specific proposals for revenue sharing and refinance gain sharing. These should be shown in the pro forma with specific outputs to illustrate the amounts these two proposals generate, based upon a stated set of assumptions.
- Modifications that would allow RTAA the option of taking out CS or its successor before the end of the term, with an explanation of terms and conditions.
- The term of 35 years and a 3% annual CFC escalator are not agreed-upon terms. Can CS provide different approaches that may better align with the Authority's goals?
- How can the CFC be maintained within reasonable bounds, based on national models, while providing sufficient funding for the necessary elements of the Project?
- How will CS finance all aspects of the Project without a contribution from RTAA and with charges to the RACs that are acceptable to them?

We are prepared to meet as early as next week virtually to discuss any modifications or explanations to the CS proposal that you wish to propose, with a view toward considering details of your best and final offer.

Sincerely,

Daren A. Griffin, A.A.E.
President/CEO
Reno-Tahoe Airport Authority

Cc: John Steiner Hain, Esq.
Stephen A. Blum, Hertz Corporation
Jackie Agan, Hertz Corporation
Robert Bouta, Avis-Budget Rental, LLC
Aaron Schwarzkopf, Avis-Budget Rental, LLC
Vincent A. LaBella, Enterprise Leasing Company-West, LLC
Robert Hunsinger, Enterprise Leasing Company-West, LLC

Reno-Tahoe Airport Authority

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December 15, 2023

Mr. Michael J. Minerva
Chief Executive Officer
Conrac Solutions
981 Powell Ave. SW, Suite 125
Renton, WA 98057

Re: RNO ConRAC Project

Dear Mike:

As you are aware, I was forced to cancel the December 14, 2023 meeting of the RTAA's Board of Trustees, during which the RTAA intended to seek the Board's final approval of the RNO ConRAC Project. I had to cancel the meeting because I was told last Friday that the cost estimates for the project of $289.7 million had increased by over $10 million. Conrac Solutions has not yet secured a lump sum cost proposal from a qualified contractor to construct the Project and a variety of the other Phase 2 deliverables are not yet ready. I will not ask the Board to approve the Project until the RTAA is fully comfortable that there is a viable deal in place that is ready to immediately move toward financial close and construction. If this project is not ready to go to the Board in March 2024 for Phase III approval, the RTAA will be forced to terminate the P3 agreement and suspend this project indefinitely. We simply cannot continue to commit RTAA resources attempting to reach Phase III approval.

To be ready to go the Board in March 2024 for final approval of the Project, prior to March 1, 2024, Conrac Solutions needs to:

1. Obtain a lump sum cost proposal from a contractor that meets all qualifications required by rating agencies, lenders, or equity investors, to construct the Project as contemplated under the Ground Lease, including all Enabling Projects. The cost proposal must represent a figure that is reasonable and not padded with excess contingencies and is supported by the currently contemplated deal structure, without further contribution from the RTAA. The cost estimates provided by CS Capital on December 1, 2023 totaling $289.7 million contains $24.9 million in contingencies and reserves ON TOP of the construction-related contingencies already built into the design build estimate.

2. Have a fully-negotiated design-build contract with the qualified contractor prior to the March board meeting that will be ready for execution immediately upon Board approval.

3. Obtain an indicative investment grade rating from Fitch for the Project.

4. Outline and establish terms of the bank loan as firmly as possible and give the RTAA ample time to comment on the terms to ensure the RTAA has sufficient comfort discussing those terms with Board. If any terms are subject to change after Board approval, Conrac Solutions must clearly communicate the extent and likelihood of such change so that there are no surprises after Board approval. Furthermore, Conrac Solutions should include the RTAA and its advisors in the outreach to the prospective lenders and particularly the selected lender to further the reduce the possibility of surprise and allow us to react to any terms that are proposed that may not be favorable to the RTAA or the transaction.

5. Finalize Enabling Project design and obtain permitting so the Enabling Projects will be construction-ready if the Project advances to Phase III.

6. Accept the terms of the Ground Lease as currently contemplated, without any further modification. The RTAA believes that following our discussions at the end of last week, there is mutual agreement on all outstanding issues pertaining to the Ground Lease. This delay is not an opportunity to revisit deal points for which we've already reached agreement. The RTAA counsel will prepare a final draft that incorporates our most recent conversations, and the draft will be sent to Conrac Solutions in the coming weeks. This will be the final Ground Lease document. Conrac Solutions must accept this final draft without modification, excepting only corrections of typographical errors. The RTAA will entertain no further communications regarding modifications to the Ground Lease that fall outside these parameters.

7. Provide all outstanding Phase 2 Deliverables as set forth in the Phase 2 Proposal updated February 17, 2020, and approved by the RTAA Board of Trustees on March 12, 2020. a copy of the proposal is attached for reference. The RTAA understands that some of the Deliverables require further negotiations and work from the RTAA and the RACs, and the RTAA is committed to working in good faith to complete those items.

8. Secure the support of the RACs for the Project. The RTAA is committed to continue to work in good-faith with the RACs on any outstanding issues, including the contract to extend the current RAC agreements until ConRAC DBO and the post-DBO contract.

In addition to the foregoing, I expect that Conrac Solutions will work collaboratively with the RTAA going forward, that the RTAA will be kept informed of the status and progress of Conrac Solutions' efforts described above, both to avoid last minute surprises and to generate solutions before they become insurmountable problems. We are at a point where we must reinstill confidence in our Board members regarding this important project and we will need your help.

If Conrac Solutions is unwilling or unable to undertake any of the above listed tasks, please let me know immediately. Otherwise, please provide written confirmation of your desire to move forward with the Project subject to the conditions in this letter. Please understand that I am unwilling to negotiate on any of these points. The RTAA remains committed to this P3 effort, but time is of the essence and the ball is firmly in your court to get this deal to the finish line.

Sincerely,

Daren Griffin
President and Chief Executive Officer
Encl.

cc: Robert Hunsinger - Enterprise
Jackie Agan - Hertz
Robert Bouta – Avis Budget
Aaron Schwarzkopf – Avis Budget

RNO ConRAC – Phase 2: Design, Development and Pricing Deliverables

(Key Documents. Additional documents to be identified for Financial Close.)

	Draft Document	***Function***	***Parties[1]***
1.	Pricing Documents (design to level capable of fixed lump-sum pricing)	Project design & construction	Design-Builder/AE (CSPD project management)
2.	Lump Sum Cost Proposal (Post-Cost Reconciliation)	Firm price for design & construction (reconciled to independent estimate)	Design-Builder, CSPD, Independent expert
3.	Draft Phase 3 Project Fund Budget	Establish budget line item amounts	CSPD, CS Capital/RNO Conrac, LLC ("SPV")
4.	Phase 3 Project Delivery Schedule (component of Lump Sum Cost Proposal)	Establish construction schedule	CSPD, Design-Builder, CS Capital/SPV
5.	Phase 3 Design-Build Contract (adapted DBIA 525 & 535)	Project delivery - completion of design and construction	CSPD, CS Capital/SPV, Design-Builder
6.	Form of Phase 3 Project Delivery Agreement Addendum ("PDA")	Add Phase 3 Deliverables to PDA	CSPD, CS Capital/SPV
7.	Operation & Maintenance Contract Concept and Scope	Establish operating cost estimate	CSPD, CS Capital/SPV, CS Operators
8.	Life-Cycle Cost Analysis	Establish Renewal & Replacement Fund requirement	CSPD, CS Capital/SPV
9.	Financing Plan	Debt/Equity plan of finance based on fixed/scheduled CFC rate	CSPD, CS Capital/SPV, Financial Advisor
10.	Financial Feasibility and Transaction Day Study	Independent transaction day, CFC debt service capacity & sensitivity analysis for private financing	Feasibility Consultant (CSPD, CS Capital/SPV input)
11.	New Concession Agreement (or Amendment Provisions)	Obligation to collect and remit CFC; requirement to occupy facility	Airport, RACs, CSPD, CS Capital/SPV
12.	Master Lease & Development Agreement	Lease of land, right to receive CFCs, obligation to deliver, operate, manage and maintain facility	Airport, CS Capital/SPV, CSPD
13.	Sublease Form	Terms for RAC occupancy	RACs, CSPD, CS Capital/SPV
14.	Non-Disturbance Agreement	Terms for continued RAC occupancy in ConRAC as direct RTAA lessees if Master Lease is terminated early	RACs, RTAA
15.	Financing Documents *(key documents; not a comprehensive list)* a. Equity Contribution Agreement b. Loan Agreement c. Leasehold Mortgage d. Collateral Agency Agreement e. Indicative Rating Report (if deemed necessary) f. Finance Closing Documents (legal opinions, certifications, etc.)		(CSPD input throughout) a. CS Capital/SPV, Equity Investor(s) b. CS Capital/SPV, Lender c. CS Capital/SPV, Lender d. CS Capital/SPV, Lender, Collateral Agent e. Rating Agencies f. Various parties and counsel

[1] Primary parties tasked with producing, negotiating or to execute respective documents;
ALL DOCUMENTS SUBJECT TO RAC AND AIRPORT APPROVAL

March 4, 2024

Mr. Daren Griffin, A.A.E., President/CEO
Reno-Tahoe Airport Authority
PO Box 12490
Reno, NV 89510-2490

Dear Daren,

We at Conrac Solutions appreciate the countless hours of work logged by RTAA staff and advisors to deliver a ConRAC at RNO and we are pleased to present a proposal for the outstanding economic terms of a deal we are confident can close by the end of April and begin final design work even sooner.

Our proposal will develop a state-of-the-art Ground Transportation Center, including a consolidated rental car facility, for the RTAA without the planned expenditure of airport general revenue funds. We have secured the following project-related commitments from: (i) Meridiam to invest approximately $100 million; (ii) JP Morgan to lend approximately $200 million; and (iii) the joint venture of Webcor and Q&D Construction to build the fixed-price facility. With RTAA approval, we are ready to begin final document finalization and deal closing.

Developments Since November 2023

Following the November 9, 2023 Letter of Intent, all parties had hoped the deal would be in a position for the RTAA to obtain Board approval in December 2023. However, given Design-Build contract uncertainty, the RTAA wisely elected not to proceed with request for Board approval at the time. Subsequently, CS successfully recruited Webcor (a large, nationally recognized design-build contractor), which after months of expedited work, has reached a joint venture agreement with Q&D and finalized its business terms and pricing.

During this period, a mix of factors exerted upward and downward pressure on CFC levels. On the construction side, the joint venture of Webcor/Q&D agreed to the required open, and therefore unpriced, commercial terms during negotiations with Q&D last year, and of course, this agreement came with additional pricing ($6.4 million). Subcontractor pricing also increased by approximately 3% over the past few months. (Q&D had obtained prior price quotes in the Spring of 2023, so the 3% increase was over approximately a year.) One item remains unpriceable and has been excluded: a provision that the RTAA can, at any point during the job, require existing utilities under the ConRAC site to be relocated.

Other closing tasks, generally unrelated to final construction pricing, continued swiftly. One key milestone task was securing an indicative investment-grade rating. As a rating condition, Fitch imposed certain changes, based on assessment of transaction-day volume risk, including a requirement the debt service coverage fund build at a more aggressive pace from project start. This resulted in a steepening of the CFC curve in the early years of the project, and that change, more than any other factor, has created pressure on the deal. Other factors exerted both positive and negative influence on the CFC level, however, notably, Fitch's DSC originally resulted in CFCs in year 2028 above where we think the market will be.

Another key milestone was securing the project's lending bank, with JP Morgan selected from multiple proposals. The key reasons JP Morgan was selected were: (i) pricing including better rates than modeled at the time of the Letter of Intent; (ii) confirmation they would underwrite the entirety of approximately $200 million of debt; and (iii) required letters of credit without the need for syndication, thus greatly increasing the certainty of deal financing. We now have an agreed-upon term sheet with JP Morgan reflecting the deal set forth herein and they remain eager to proceed.

The various inputs to the CFC since last year initially resulted in levels that were unacceptable to the RTAA and the RACs, despite still being financeable. Thus, CS and its advisors have been working over the last week to bring the curve back down to a range that will be tolerable to the major stakeholders. To accomplish this, we re-engaged with both Meridiam and JP Morgan from whom we secured concessions that allowed us to reduce the DSC level and therefore the front end of the CFC curve without re-engaging with Fitch on the revised structure.

Proposal

As a result of these efforts, we have achieved a reduction in the CFC to the following levels set forth on this chart, which shows where the CFC was last week, and where we are confident in proposing it for the finalization of the transaction as set forth in the highlighted column entitled "3 MAR":

	Last (NOV23)	26 FEB	3 MAR
Equity %	27.5%	36.5%	33.0%
2024	$9.80	$9.80	$9.80
2025		11.00	11.00
2026	11.00		
2027			
2028		14.75	12.50
2029	12.00		
2030			
2031		15.75	13.50
2032	13.00		
2033			
2034		16.50	14.50
2035	14.00		
2036			
2037		17.50	15.50
2038	15.00		
2039			
2040		18.00	16.50
2041	16.00		
2042			
2043		18.00	17.25
2044-2058	16.75	18.00	17.25
Average	14.99	16.82	15.65

Notes: Assumes RTAA $34mm Optional Amount, with adjusted returns.
CFC rates can fall farther if transaction days overperform ($1.00+, starting in 2037)

The net result of the changes from the Letter of Intent to the current proposal includes moving the initial increase to $11.00 forward by one year from 2026 to 2025 and increasing the remainder of the CFC curve up to .50c (including in 2028).

As transactions of this nature remain subject to interest rate fluctuations, we have aligned all parties to be ready to commercially close as soon as practical after the March 14 board meeting so an interest rate can be locked in to ensure these levels, pending financial close. We also note the Master Lease is in nearly final form, as are the other key deal documents including the Airport's Concession Lease with the RACs.

The deal we put before you today as outlined in the proposed CFC chart and shared with the RTAA's financial advisor, is financeable, constructible, and achievable, and is ready for implementation, pending RTAA consent.

Further, while none of these items are conditions to a deal proceeding, there are other items which could further reduce CFC rates and/or costs that are exclusively within control of the RTAA, including:

(i) elimination of a required $4 million owner-directed change-order construction budget item, defined in the lease as the Relief Threshold (which in the past has been referred to as a "deductible" line item);

(ii) a 5-year extension to the lease term, which would have approximately a $.50 impact on CFC rates; and

(iii) the removal of the requirement for a tenant-held payment and performance bond of 150%, because there will already be a JV-held payment and performance bond of 100%.

Incorporation of these changes would further reduce CFC levels as follows:

	3 MAR			
	Proposed	**$5.2mm Lower Cost**	**5 Year Longer Lease Term**	**Lower Cost + Longer Term**
Equity %	33.0%	33.0%	33.0%	33.0%
2024	$9.80	$9.80	$9.80	$9.80
2025	11.00	11.00	11.00	11.00
2026				
2027				
2028	12.50	12.25	12.50	12.25
2029				
2030				
2031	13.50	13.25	13.00	13.00
2032				
2033				
2034	14.50	14.25	14.00	13.75
2035				
2036				
2037	15.50	15.25	15.00	14.50
2038				
2039				
2040	16.50	16.25	16.00	15.25

	3 MAR			
	Proposed	$5.2mm Lower Cost	5 Year Longer Lease Term	Lower Cost + Longer Term
2041				
2042				
2043	17.25	17.00		15.75
2044+	17.25	17.00	16.00	15.75
Average	15.65	15.42	15.03	14.76

Notes: Assumes RTAA $34mm Optional Amount, with adjusted returns.
CFC rates can fall farther if transaction days overperform ($1.00+, starting in 2037)

Discussion of CFC Rates

The RTAA has expressed concerns about CFC levels. The RACs are of course concerned as well. At some point, higher CFCs can depress customer demand for renting cars, and if that were to happen, the RACs would experience a decrease in revenues, which in turn would cause the RTAA to experience a decrease in RAC concession revenue, and Meridiam would face a loss in its expected rate of return or even a loss of principal amounts invested.

Some attention to the risk of lost revenues is always valid. Meridiam is not basing its investment decisions on an absence of such risk, but on an evaluation of that risk. That evaluation has led Meridiam to propose to invest $100 million in the project—an investment decision based entirely on the likelihood that enough cars are rented at RNO over the next thirty years and beyond. In the same way, Unison has concluded car-rental demand will continue at the projected rate even if these CFC levels are imposed, and JP Morgan is willing to loan $200 million at these CFC levels.

The RAC perspective likewise cannot be ignored because their business is renting cars. The effect of higher fees on RAC revenues is an issue that lies at the heart of much of their commercial decision-making. They would not casually support CFC levels like this. Several factors unique to this deal—including market dynamics, the substandard nature of their current facility arrangements, the absence of viable alternatives and the timing of this transaction (about which more below)—have led them to agree to keep moving forward.

Timeline

Assuming the RTAA obtains board approval on March 14, the deal would reach financial close and start of design and construction on the following schedule:

March 14	Board Approval
By March 31	Commercial Close
April 1	Start of Final Design Work
By April 30	Financial Close and Formal Notice to Proceed

"Commercial Close" involves locking in interest rates and executing the following primary agreements:

- Master Lease
- Design Build Contact
- Concession Leases
- Subleases

The above schedule includes the start of design work prior to financial close. That is extremely unusual and is possible only because Meridiam has agreed to take on the risk during this time period. That means Meridiam will pay the JV for work performed between April 1 and financial close.

"Financial Close" is the last step prior to the formal start of final design and construction start and involves executing the final primary documents:

- Credit Agreement with JP Morgan
- Collateral Account Agreement with JP Morgan
- Equity Letters of Credit with Meridiam

Most importantly, Financial Close is the date when the formal Notice To Proceed will be delivered to Webcor and funds for the entirety of the construction and completion of the project will become 100% legally committed to the deal. Prior to Commercial Close, the deal remains subject to movement in interest rates that would impact CFC levels. Delay itself is a risk, as it would lengthen the window of interest-rate risk and by May would start to endanger subcontractor pricing and Meridiam's commitment to take the risk of design starting April 1.

In closing, after more than five years, a deal to deliver a ConRAC for RNO is ready to go. A unique and fortuitous combination of timing and other factors has led stakeholders to agree to aggressive pricing and financing terms that will not be replicated at other airports. The RACs are engaged in their internal approval processes, and with a "green light" provided by the RTAA, this facility will be open to the Reno-Tahoe International Airport's traveling public in 2028. We look forward to working with you to get across the finish line.

Sincerely,

Michael J. Minerva

cc: Bob Bouta, Avis Budget Group
Aaron Schwarzkopf, Avis Budget Group
Josh Blum, The Hertz Corporation
Jackie Agan, The Hertz Corporation
Robert Hunsinger, Enterprise Mobility
Randy Carlton, RTAA
Aurora Ritter, RTAA
Dan Pine, CS Capital
Amy Barnes, Conrac Solutions

12.07.2023

Exhibit C – Key Terms of Joint-Use Facility Ground Lease Agreement between Authority and RNO ConRAC, LLC

The Reno Tahoe Airport Authority (Authority) has negotiated with ConRAC Solutions (CS) for a public-private partnership (P3) financing and development of a new Consolidated Rental Car Facility (ConRAC) at RNO consistent with Nevada Law. The following term sheet summarizes the key business terms agreed to by the Authority and CS in the Joint-Use Facility Ground Lease Agreement (Lease), which is proposed to be between the Authority and RNO ConRAC, LLC (Tenant). Tenant is a limited liability company (LLC) that will operate as a single purpose entity to design, construct, finance, operate and maintain a new consolidated rental car facility (ConRAC) at RNO. The Authority will make an initial payment of $16 million at DBO of the ConRAC, and have the option to make an additional payment of up to $34 million. The terms of the Lease will outline the rights the Authority has as a participant at each phase.

Term; Permitted Use; Conditions Precedent	
Term	After the execution of the Lease, Tenant has 90 days to ensure the conditions precedent in the Lease are satisfied. The Lease term commences on the date on which these conditions are met (and, therefore, Financial Close is achieved), and continues for a 30-year term from the Rent Commencement Date.
Title; End of Term	Title to the Joint-Use Facility, consisting of the ConRAC and the Ground Transportation Center (GTC), will transfer to the Authority as constructed or installed and fully on the date of beneficial occupancy (DBO). The ConRAC will be immediately leased back at DBO to the Tenant for the remaining Lease term. The GTC and the Enabling Projects being undertaken to relocate existing tenants and facilities will be and remain the Authority's property after substantial completion. The Lease also describes how the ConRAC will revert to the Authority at the expiration of the term and outlines in detail the process the parties will follow for handing back the premises and control of the facility, including meeting stated standards for upkeep and turnover condition.
Permitted Use	Tenant will construct the Joint-Use Facility and be responsible for operation and maintenance (O&M) of the Joint-Use Facility, except that the Authority will assume O&M responsibilities for the GTC after substantial completion. O&M of shared elements with be the Tenant's responsibility, with costs shared with the Authority.
No Other RAC Facilities or Operations	The Authority agrees not to construct or operate another on-Airport rental car facility or permit anyone to operate a rental car operation on the Airport that is not subject to a ConRAC Sublease.
Conditions Precedent (Financial Close Deadline)	Certain conditions precedent must be met within 90 days of the execution of the Lease, including the Authority's receipt from Tenant and acceptance of: certain other executed key agreements (*e.g.*, ConRAC

	Subleases with each rental car company (RAC) and the design and construction (D&C) Contract); evidence of insurance and issuance to the D&C Contractor payment and performance bond; executed copies of financing documents approved by the Authority and financial close on the debt and equity necessary to finance the Project; environmental remediation plans; and receipt of any comments from government entities provided a copy of the proposal pursuant to NRS 338.166(3). Tenant must also have made payment to the Authority of $1.8 million pursuant to NRS 338.166(4). The Lease may be terminated by the Authority if these conditions are not met (*i.e.*, Financial Close is not achieved).
Payments to Authority; Security	
Fixed Rent	Tenant will pay the Authority a Fixed Rent each month calculated on the basis of rent of $1.60 per square foot per year of the footprint of the land on which the Joint-Use Facility is built of approximately 440,220 square feet for an initial annual Fixed Rent of $704,352. Fixed Rent will be adjusted annually by CPI; provided, that at the 15th year of the Term, the Fixed Rent will be adjusted to fair market value by appraisal and will then again increase annually by CPI. (Fixed Rent does not include the fair market value of improvements or construction work on the premises.) Rent commences the earlier of four years after financial close or 4 months after DBO (to allow the RACs to complete fit-out).
Additional Variable Rent	In addition to Fixed Rent, Tenant shall pay the Authority Variable Rent. From and after the date that the Authority pays the $16 million payment, Tenant shall pay the Authority as Variable Rent from Customer Facility Charges (CFCs) remaining after (x) payment of debt service due with respect to Tenant Debt and (y) the required deposits to the Renewal and Replacement Fund, the percentage(s) of such remaining CFCs as shown in the Financial Close Model, half of which (the "First Variable Rent") shall be paid before any distributions to the Equity Members and to the remaining "Second Variable Rent" (as described below). If in any period CFCs received after payment of debt service and Renewal and Replacement Fund deposits are insufficient to pay the full amount of First Variable Rent then due, the unpaid portion shall be carried over to the subsequent period until it is fully paid. To the extent that the Authority pays an Optional Landlord Payment to Tenant, Tenant shall pay "Third Variable Rent". If the Authority is required to expend the Authority Contingencies, Tenant shall pay the Authority "Fourth Variable Rent". Second Variable Rent, Third Variable Rent, and Fourth Variable Rent will be payable from actual CFCs received remaining after (x) payment of debt service due with respect to Tenant Debt, (y) the required deposits to the Renewal and Replacement Fund, and (z) First Variable Rent, and on a parity with the return to the Equity Members, the percentage(s) of such remaining CFCs as shown in the Financial Model.

Additional Payments by Tenant	The Lease constitutes a "net lease" such that the Authority will receive a "net" return from the Rent free of expenses or charges for the Premises, including taxes and insurance, unless expressly provided in the Lease. Tenant is responsible for all expenses arising from the development, financing, leasing, operation and maintenance of the Premises (except for the GTC, which is the Authority's O&M responsibility after substantial completion).
Additional Payments by RACs	The RACs will also be paying, pursuant to their Concession Agreements with the Authority, CFCs collected from their customers that will be applied to pay debt service on the ConRAC, pay Additional Rent and compensate the equity investor, and percentage rent equal to ten percent (10%) of gross revenues generated at the Airport and additional rent for the counter space occupied in the baggage claim area and for the service sites located remotely to the ConRAC. RACs will also pay the Tenant's actual costs as a pass-through, including Fixed Rent and O&M expenses.
Performance Security	Tenant must provide the Authority with a payment bond or irrevocable letter of credit in the amount of 6 months' total Fixed Rent. The amount required may be increased by the Authority if Tenant fails to pay amounts due under the Lease or if Tenant's financial obligations under the Lease increase (*e.g.*, by rent rate adjustments).
Design and Construction	
Design and Construction (D&C) Work	Tenant is responsible for the D&C Work, comprised of (1) the Enabling Projects; (2) the Joint-Use Facility Work; and (3) environmental remediation in accordance with the Lease. Tenant expects to contract with a joint venture comprised of Q&D Construction LLC and Webcor (D&C Contractor) to perform the D&C Work. The cost of the D&C Work will be borne by Tenant and without cost to the Authority except for the pledge and assignment of CFCs to pay debt service as set forth in the Lease (and certain agreed-upon items like the GTC Fit Out) and required and optional payments by the Authority. The D&C Work includes needed utilities, paved vehicular parking areas, roadways, ramps and walkways, as well as replacements for buildings that must be demolished to develop the Joint Use Facility.
Construction Security	The D&C Contractor will provide payment and performance bonds to the Authority for the D&C Contract Price, with the Authority as an additional obligee if it assumes Tenant's agreement with the D&C Contractor after a Tenant default.
Authority Review and Approval of Plans and Specifications	The Authority will have the right to review and approve (or deny approval of) Tenant's Plans and Specifications or Tenant Alteration Applications or any other submittal required in connection with the D&C Work, in accordance with the parameters outlined in the Lease. Tenant may, prior to all approvals by

	the Authority required under the Lease, and at its own expense and at risk in coordination with the Authority, begin construction of certain portions of the D&C Work with partial approval from the Authority.
Warranties and Nonconforming Work	Tenant must make warranties and guarantees with respect to the design, conformance and quality of the D&C Work. For the Joint-Use Facility and the Enabling Projects, the warranty will be for 1 year from their respective date of substantial completion (Initial Warranty Period) (and for work replaced or repaired during the Initial Warranty Period, such warranty will be extended for an additional year). Tenant must secure appropriate warranties from the D&C Contractor and downstream. Nonconforming work must be removed or replaced by Tenant at Tenant's cost during the warranty period.
Substantial Completion of D&C Work	Tenant must achieve Joint-Use Facility Substantial Completion no later than 4 years after Financial Close subject to any extensions resulting from a Delay Event.
D&C Work Changes	Tenant may propose changes to the D&C Work (Tenant Changes) which will be subject to the Authority's prior approval. Tenant Changes are at Tenant's sole cost and expense.
Construction Commencement	D&C Work (including final design) must commence no later than 1 month after Financial Close. If it has not commenced, the Authority may terminate the Lease or double the Fixed Rent for a period of days equal to the delay.
Key Contracts	Tenant generally may not enter into, terminate or materially amend any contracts for the D&C Work or the O&M Work without the Authority's consent. Tenant may not use any contractor or bidder to which the Authority has a reasonable objection. Tenant's obligations with respect to entering into subcontracts related to the Lease are delineated in the Lease, including requiring subcontractors to carry applicable insurance and to include the Authority as an indemnitee in any indemnity given in such contract.
Operations and Maintenance	
Operations and Maintenance (O&M) Work	Tenant is responsible for O&M Work during the Lease term, unless explicitly stated otherwise in the Lease. The Authority may contract with Tenant to pay Tenant's O&M Contractor to maintain the GTC. Costs incurred for O&M of common areas will be allocated between the Authority and Tenant, based on the relative size of the GTC to the rest of the Joint-Use Facility. Major Maintenance in the common areas is the Tenant's responsibility and will be undertaken in accordance with the Capital Asset Management Plan. As one of the Authority's oversight rights granted upon payment of the Mandatory Landlord Payment, the Authority may direct that the O&M Agreement be terminated or rebid once every 5 years.

Major Maintenance	Tenant is responsible for Major Maintenance and will schedule and perform such in accordance with the Asset Preservation Schedule and the Capital Asset Management Plan. The Authority has step-in rights to perform Major Maintenance if Tenant fails to do so as set out in the Lease and associated schedules, at Tenant's cost.
Renewal and Replacement Fund	Tenant must establish and fund a separate controlled reserve account (Renewal and Replacement Fund) to be used for costs of Major Maintenance in accordance with the Lease. The Renewal and Replacement Fund may be funded and maintained as required by the Lenders, if established in the Financing Documents, or for the benefit of the Authority only. At minimum, Tenant must deposit CFCs annually into the Renewal and Replacement Fund, so that there are sufficient amounts in such Fund to pay estimated renewal and replacement costs as determined by an outside third party and as evidenced in the Financial Close Model.
Environmental, Indemnification and Insurance	
Environmental	The Lease contains standard environmental provisions that require Tenant to comply with environmental laws and outlines certain requirements for notice and reporting. Tenant had the opportunity to perform environmental due diligence on the Premises and the Project Site, and the Lease generally requires Tenant to assume environmental liability. Tenant must remediate, and indemnify the Authority for, known existing conditions, in compliance with environmental laws, and assume all associated costs. Tenant is not generally responsible for remediation costs associated with unknown existing conditions in, on or under the Project Site and the Premises, unless caused by Tenant's negligence. If Tenant encounters an unknown existing condition, Tenant must notify the Authority and present a remediation plan for its approval. Remediation of such unknown existing condition shall be a Delay Event for the purposes of the Lease, and the Authority is responsible for remediation costs. Tenant must perform any remediation to the compliance standards outlined in the Lease. The Lease also provides for a baseline environmental report to be delivered to the Authority after substantial completion of the project and describes how Tenant must remediate the site at the end of the Lease term.
Indemnification	The Lease generally requires that Tenant indemnify the Authority (and Authority Indemnified Parties) against all claims arising out of Tenant's performance, use or occupancy of the Premises, or acts/omissions of Tenant (and Tenant Parties) at the Airport, excepting claims that result from the Authority's gross negligence or willful misconduct. The Lease also requires that Tenant indemnify the Authority against claims related to the use of intellectual property and has specific provisions for indemnification for environmental liabilities.

	To the extent limited by applicable state law, the Authority will indemnify Tenant from claims arising out of the Authority's acts/omissions which occur during or arise out of performance of the Lease. Currently, the Authority's indemnity obligation for tort actions is limited to $200,000 per cause of action.
Insurance	Tenant must maintain the following types and minimum limits of insurance coverage: (1) Commercial General Liability, combined single limit of $10 million per occurrence and umbrella/excess liability of $5 million, including contractual liability; (2) Property Liability, for the full replacement value of the premises and improvements and equipment thereon, including rental/business interruption insurance equal to 12 months' Fixed Rent and Impositions at minimum; (3) Causes of Loss – Special Form Property Insurance, for 100% of the full insurable replacement value of Tenant's personal property on the premises; (4) Automobile Liability, covering owned, non-owned and hired automobiles for use under the Lease, of $2 million combined single limit per accident; (5) Workers' Compensation Liability, in compliance with state law; (6) Employers Liability, with limits per occurrence of $1 million per accident, $1 million per disease per employee, and $1 million disease policy limit, covering all employees and volunteers of Tenant at the Airport; (7) Course of Construction (Builder's Risk), on an "all risks" basis and for the value of the project; (8) Pollution Liability Insurance, $2 million per occurrence. Tenant must require subcontractors accessing the premises to maintain appropriate coverage
Casualty and Condemnation; Assignment, Sublease, Change of Control and Transfer	
Casualty and Condemnation	The Lease contains provisions allocating the parties' responsibilities and rights in the case of casualty or of condemnation by the Authority, and temporary, partial or full condemnation by another governmental entity.
Assignment, Sublease, Change of Control and Transfer	The Lease defines what constitutes a change in ownership or other change of control in Tenant or an assignment or transfer of Tenant's interest in the Lease, and outlines how and when it must seek the Authority's approval for such a change. Generally, except for the ConRAC Subleases or assignment of the equity owners' interest to new holders that are described in the Lease, Tenant must seek prior written consent from the Authority for any such change, assignment or transfer.
Equity Investment; Authority Payment; Financing; Authority Contingencies	
Equity Requirement	Tenant must ensure a Committed Equity Investment of approximately $100 million (or approximately 33% of the project cost) until substantial completion of the project, and Equity Members must have made the required equity contribution no later than the time shown in the Financial Close Model.

Authority Payments	Within 60 days of substantial completion of the project, the Authority must make a payment in the amount of $16 million to the Tenant (Mandatory Landlord Payment). In return the Authority will receive certain oversight rights over Tenant and a return on such payment after payment of debt service. During the first 3 years after substantial completion of the project, the Authority may choose to pay Tenant up to an additional $34 million (Optional Landlord Payment). Such payment will cause the rate of increase of the CFC to be less than otherwise. The Authority will also receive a share of the CFCs remaining after payment of debt service and other uses specified in the Lease that is commensurate with the amount paid by the Authority.
Financing	The Lease contains detailed financing provisions. Generally, it prohibits Tenant from encumbering its leasehold interest or granting any other security interest except for a leasehold mortgage to secure the financing that the Authority approves pursuant to the terms of the Lease. Tenant will enter into Financing Documents approved by the Authority in accordance with the Lease. Approved lenders have certain step-in rights under the Lease in the event of a Tenant default. In the event of a foreclosure, the Lease may only be assigned/transferred to a qualified ConRAC operator who must assume all obligations of Tenant under the Lease. The Financing Documents for any Tenant Debt must permit (but not require) the Authority to assume any or all Tenant Debt. The Lease also allows the Authority to elect to prepay all or a portion of Tenant Debt. If the Authority assumes or prepays any Tenant Debt, the Authority may elect to receive CFCs in an amount sufficient to pay the debt assumed or prepaid; to reduce the CFC per Transaction Day by up to an amount equal to the amount that was necessary to repay the debt that has been assumed or prepaid; or a combination of both.
Authority Contingencies	If the Authority is required to make any payment to remediate unknown existing conditions, or a payment for damages due to a Landlord Caused Event, up to $9 million, the Tenant shall reimburse the Authority for such payments through payment of Fourth Variable Rent.
RACs; ConRAC Subleases; Concessions Leases; CFCs	
Concession Leases and Subleases	Each RAC operating on the Airport will enter into both a ConRAC Sublease with the Tenant and a Lease and Concession Agreement (Concession Agreement) with the Authority, and these agreements with the Authority will be amended to extend the term until the opening of the ConRAC, increase rent paid for space within the parking garage until the ConRAC opens, and provide for collection of CFCs and payment

	to the Collateral Agent. The Authority may not permit other rental car concessions on the Airport except pursuant to a Concession Agreement. Prior to opening of the ConRAC, the Authority will enter into new Concession Agreements with the RACs and Tenant will enter into a ConRAC Sublease with each RAC that is a party to a valid Concession Lease with the Authority in an Authority-approved form of sublease, and the Authority may issue a request for bids and include a new RAC prior to DBO. CFCs will continue to be collected by RACs as set forth in the Concession Leases and the Lease. The Authority will also require each RAC to enter into a non-disturbance and attornment agreement (NDA) with the Authority that gives the Authority the right to assume the RAC's ConRAC Sublease if the Tenant defaults. The Authority may not adjust or amend the CFC except in accordance with the terms of the Lease and the Concession Leases.
Allocation of Space	Each ConRAC Sublease will allocate exclusive use Allocated Space within the ConRAC for the RAC and the right to use common areas within the ConRAC on a non-exclusive basis. The space will be allocated and reallocated periodically every 5 years or upon the occurrence of certain events in accordance with the principles outlined in an exhibit to the Lease.
Rent Account	Tenant will establish a separate controlled account into which the RACs will pay all Fixed Rent due to Tenant directly (Rent Account).
CFCs and CFC Revenue	CFCs collected by ConRAC Subtenants and CFCs collected by the Authority with respect to covered off-Airport RACs will be paid into the Tenant-established CFC Revenue Account and held by an independent collateral agent and used for the specific purposes set forth in the Lease. The initial CFC will be $9.80 per transaction day. On July 1, 2025, the CFC will increase to $11.00 and thereafter, increase based on the CFC schedule until a maximum of $16.75, if the full Optional Landlord Payment is made, and up to a maximum of $17.75 if the full Optional Landlord Payment is not made and the RTAA is required to expend the full $9 million in environmental and other project contingencies. The CFC Rate is subject to adjustment as needed to achieve the required debt service coverage ratio of 1.15X, as determined by Conrac Solutions' budgeted CFC collections for the upcoming year. The CFC Rate is scheduled to increase every three years. If the Authority does not make the full $34 million optional payment, the CFC increase will be up to $0.50 higher as set forth in the Financial Close Model. In addition, the Authority must adjust the CFC rate by up to the greater of $2.00 or 20% of the then-current CFC if the Annual Budget delivered by Tenant

	demonstrates that collected CFCs will be less than 115% of the amount of Tenant Debt payable in that year. CFC rates may be lowered if there are cost-savings in connection with the D&C Work or any refinancing of Tenant Debt (in which case the Authority may forego some or all of its return on its mandatory and optional payments at its sole election) or transaction days are greater than the base case and the RTAA has recovered the full amount of its Mandatory Landlord Payment. The Lease provides the order and priority in which CFC Revenue will be applied, during the construction period and after substantial completion of the project. At the outset, the Tenant will be authorized to pay professional services fees, transaction fees, the fixed fee of $4,250,000 to CS Project Delivery, LLC, lender's counsel fees, the $1,800,000 fee owed the Authority pursuant to NRS 338.166(4), and, finally, the Developer's Fee. After substantial completion, CFC Revenue is applied in the order in the Lease, including to pay the "at risk" fee due to CS Project Delivery, LLC of $4,250,000, to pay the amounts coming due on Tenant Debt, to fund the Renewal and Replacement and Debt Service reserve funds required by the Lease, to pay Tenant's income taxes, payment to the Authority of First Variable Rent, payment to the Tenant of its Base Return on the equity invested (not to exceed 11.9%) and to the Authority of Second Variable Rent and, if transaction days are greater than the "Base Case" in the Financial Close Model, the Tenant and the Authority will share the excess until the Authority has recovered the full amount of the Mandatory Landlord Payment and then 50% of such excess will be applied to reduce the CFC and the other 50% will be paid to the Tenant.
Default and Termination; Landlord Caused Events and Delay Event	
Landlord Termination for Convenience	The Authority has the right to terminate the Lease without cause at any point after the date of Total Project Substantial Completion, upon 180 days' notice to Tenant. In such case, the Authority must assume or repay all then-outstanding Tenant Debt; and pay the Equity Members the Landlord Compensation Amount (*i.e.*, the appraised FMV of Tenant's remaining interest in the premises and the Lease and further described in the Lease).
Landlord Events of Default	The Lease defines Landlord Events of Default as: monetary defaults; failure to mandate that a RAC who is party to a Concession Agreement collect and remit CFCs; or any material failure by the Authority to perform as required in the Lease. For material defaults, Tenant may terminate the Lease; in which case Tenant's sole remedy will be the Landlord Compensation Amount. For other defaults, Tenant may be able to recover damages from the Authority.

Landlord Caused Events	Landlord Caused Events are defined in detail in the Lease and limited to events or conditions that occur during the D&C Work Period and are solely due to the acts and omissions of the Authority. They include, for example, failure to provide Tenant needed rights of access; suspension of D&C Work for more than 24 hours other than for an emergency/safety or because Tenant has failed to comply with the Lease or applicable law. The Lease also spells out the process through which Tenant may claim a Landlord Caused Event and how each party may respond. Tenant may claim damages for Landlord Caused Events.
Delay Events	A Delay Event is defined in the Lease as an event or condition beyond Tenant's control that causes a material delay in Tenant's performance during the D&C Work Period or adversely affects Tenant's ability to perform the D&C Work in compliance with the reference documents. This may include a force majeure event, a Landlord Caused Event, relocation work, failure to provide access or suspension for emergency/safety reasons of the D&C Work for more than 24 hours. The Lease further limits what constitutes a Delay Event to exclude, for example, those arising from Tenant breach or negligence, changes in general economic conditions, or events/conditions of which Tenant has actual knowledge. The Lease describes how Tenant may claim a Delay Event. The burden of proving a Delay Event has occurred and its resulting impacts is Tenant's.
Changes Affecting D&C Work	Certain Authority-required changes to certain defined key documents during the D&C Work Period may be treated as a Landlord Caused Event, in which case Tenant may be entitled to an extension of time or documented costs attributable to the change.
Miscellaneous Provisions	
Federal Requirements	The Lease contains federally required provisions which the Authority, as sponsor of the Airport, must include in the Lease and require Tenant to include in all applicable subleases. The Lease also contains Airport-related provisions that, for example, reserve certain rights to the Authority and provide for Airport security.
Single Purpose Entity	Tenant represents and warrants to the Authority that it is a Single Purpose Entity (*i.e.*, an LLC created and organized for the purpose of constructing, operating and maintaining the Joint-Use Facility), and will remain one during the Lease term, and the Lease lists specific applicable restrictions on Tenant.

Reno-Tahoe Airport Authority

Interoffice Memo

DATE: March 1, 2023
TO: Aurora Ritter, Interim Chief Commercial Officer
FROM: Ian Whitlock, Chief Legal Officer
Tom Luria, Associate General Counsel
SUBJECT: Proposed GTC Transaction – Compliance with Nevada's Alternative Methods of Authorization Statutes (NRS 338.161 to 338.168) and Nevada Constitution

Introduction & Summary of Conclusions

This memorandum describes how the proposed transaction between the Reno-Tahoe Airport Authority (RTAA) and Conrac Solutions, for the construction of a new ground transportation center (GTC) at the Reno-Tahoe International Airport, complies with Nevada Law. Specifically, this memo addresses compliance with Nevada's Alternative Methods of Authorization ("AMA") statute (NRS 338.161 to 338.168). This law allows cooperation between public and private entities to develop "transportation facilities." Such arrangements are also often referred to as public-private partnerships. RTAA's outside counsel (the Fennemore law firm) has also reviewed the transaction and confirmed its compliance with both the AMA statute and relevant sections of the Nevada constitution.

In drafting this memorandum we have relied on information from several sources, including:

- Board memoranda and supporting materials from previous Board meetings, workshops, and actions on this project including, most recently, the Board's special meeting on June 6, 2023;
- the draft Board memoranda and supporting material prepared for the December 14, 2023 meeting;
- a memorandum from the Fennemore law firm dated November 27, 2023, regarding statutory and constitutional aspects of the proposed GTC transaction and subsequent communications regarding modifications to changes to Conrac Solutions financial proposal; and
- information provided to me directly by staff, including Gary Probert (Chief Infrastructure and Planning Officer) and Lissa Butterfield (Manager of Planning and Environmental Services).

As described in the staff's Board Memorandum on the proposed transaction, there are three groups of parties involved in the GTC project. First, there are the rental car companies currently operating "on-airport" at the Reno-Tahoe International Airport (RNO), together with companies that may operate on-airport in the future. These companies are collectively referred to as "the RACs". The next party is Conrac Solutions, LLC, the company the RACs initially chose to privately develop a Consolidated Rental Car Facility (ConRAC) at RNO through a tenant improvement process. Conrac Solutions includes a family of companies described in detail in the Board memoranda, but will be referred to here simply as "Conrac Solutions." Lastly, there is Meridiam, a global investor and asset manager based in Paris and specializing in developing, financing and managing long-term public infrastructure projects. In 2023, Meridiam acquired

Conrac Solutions. Conrac Solutions anticipates Meridiam will be the majority equity investor in the GTC Project.

We conclude that the proposed transaction complies with both the Nevada AMA statute and applicable requirements of the Nevada constitution. With respect to the AMA statute, the record before the Board fully supports a determination that the GTC proposal meets all the required criteria, and that the GTC will serve a public purpose.

Statutory requirements

Nevada's AMA statute contemplates a process in which a private entity makes a proposal to a public entity for the construction of transportation facilities. The proposal must address a nine-point list of factors, including detailed descriptions of the anticipated design, costs, construction methods, financing, operations, and associated risks. NRS 338.163(2)(a-i). Next, the law specifies how the public entity must respond to the proposal. To be approved, the public entity must find that the transportation facility will serve a public purpose, as determined by five criteria:

> 1. A public body may approve a request or proposal submitted pursuant to NRS 338.163 or 338.164 if the public body determines that the transportation facility serves a public purpose. In determining whether the transportation facility serves a public purpose, the public body shall consider whether:
>
> (a) There is a public need for the type of transportation facility that is proposed;
> (b) The proposed interconnections between the transportation facility and existing transportation facilities and the plans of the person submitting the request for the operation of the transportation facility are reasonable and compatible with any statewide or regional program for the improvement of transportation and with the transportation plans of any other governmental entity in the jurisdiction of which any portion of the transportation facility will be located;
> (c) The estimated cost of the transportation facility is reasonable in relation to similar transportation facilities, as determined by an analysis of the cost performed by a professional engineer who is licensed pursuant to chapter 625 of NRS;
> (d) The plans of the person submitting the request will result in the timely development or construction of, or improvement to, the transportation facility or its more efficient operation;
> (e) The plans of the person submitting the request contain any penalties for the failure of the person submitting the request to meet any deadline which results in the untimely development or construction of, or improvement to, the transportation facility or failure to meet any deadline for its more efficient operation; and
> (f) The long-term quality of the transportation facility will meet a level of performance established by the public body over a sufficient duration of time to provide value to the public. NRS 338.166(1)

In making its determination, "the public body may consider internal staff reports prepared by personnel of the public body who are familiar with the operation of similar transportation facilities or the advice of outside advisors or consultants with relevant experience." NRS 338.166(2).

The GTC proposal – compliance with NRS 338.163

The plan to design, finance, and build a GTC at the Reno-Tahoe International Airport has a long history that predates the decision to pursue a public-private partnership. As early as 2018, the RNO master planning process identified the need for a new rental car facility on the airport campus. The project was originally conceived as a tenant improvement to be built by the RACSs, under agreement with Conrac Solutions, without RTAA involvement in financing. However, as the project evolved and costs escalated, the RTAA, Conrac Solutions, and the RACs agreed to pursue a cooperative project and took steps to ensure compliance with the AMA statute.

To address the law's first procedural requirement, Conrac Solutions prepared a proposal describing the GTC project. The proposal, based in large part on pre-existing material developed during the lengthy process described in the preceding paragraph, contains information sufficient to address each of the criteria set out in NRS 338.163(2).

NRS 338.166(3) requires copies of the Proposal to be provided "to each governmental entity that has jurisdiction over an area in which any part of the transportation facility is located." The RTAA is the sole entity with jurisdiction over the site of the GTC, however, to ensure regional government partners had an opportunity to provide feedback, RTAA staff provided copies of the Proposal to and solicited comments from the City of Reno, the City of Sparks, Washoe County, Northern Nevada Health District, Washoe Regional Transportation Commission, Truckee Meadows Regional Planning Authority, and Nevada Department of Transportation.

The RTAA requested comments within thirty days. Only one response was received within that time frame, in the form of a list of questions from the City of Sparks. Staff fully addressed each of the questions by reply email. The Federal Aviation Administration (FAA) has also had oversight of the project through its role in approving changes to the Airport Layout Plan. The FAA was consulted and on June 17, 2022, and notified the RTAA that it had no jurisdiction over the project, pursuant to Section 163 of the FAA Reauthorization Act of 2018.

In compliance with NRS 338.166(4), the RTAA is charging Conrac Solutions a fee of $1,800,000.00 to cover costs of processing, reviewing, and evaluating the Proposal. In compliance with NRS 338.166(5), which requires an agreement between the public and private entities involved in an AMA project, the proposed Ground Lease will include terms that address the long-term maintenance of the GTC, a date certain for lease expiration, and a clause requiring reversion of the GTC to the RTAA, provisions for the impositions of rentals and fees by Conrac Solutions for the use of the GTC, and schedules for construction.

The proposed GTC has a "public purpose" – compliance with NRS 338.166

The record supporting this transaction amply demonstrates a finding of public purpose with respect to the five statutory criteria quoted above (NRS 338.166(1)).

The proposed interconnections between the GTC and existing transportation facilities and the plans of Conrac Solutions are reasonable and compatible with any statewide or regional program for the improvement of transportation and with the transportation plans of any other governmental entity in the jurisdiction of which any portion of the transportation facility will be located;

The RTAA completed a Landside Operations Planning Study for RNO in early 2021. The study included an analysis of all RTAA-owned land between National Guard Way, a private on-airport road south of the RNO terminal, and Vassar Street, a city street north of the terminal; an inventory of existing facilities; a re-examination of the 2018 RNO Master Plan Update landside recommendations; an analysis of a rental car facility proposals; an updated landside operations forecast; a demand analysis; an alternatives analysis; and a recommended landside development plan. In December 2021, the RTAA Board adopted a landside development plan that includes the future GTC in its proposed location, fronting Terminal Way, a City of Reno public road, approximately a block away from I-580.

Outreach during the 2021 study effort included a detailed presentation at the Regional Transportation Commission of Washoe County (RTC Washoe) Technical Advisory Committee (RTC TAC) October 7, 2021 public meeting. The RTC TAC includes planning and engineering staff from RTC Washoe (the designated Metropolitan Transportation Planning agency for the region), City of Reno (COR) (the agency that owns and maintains Terminal Way), and NDOT (the agency that owns and maintains I-580). The planning study team also conducted small group planning sessions with NDOT, RTC Washoe, and the COR during the alternatives analysis and preferred development plan phases to confirm that the RNO Landside Development Plan would be compatible with COR, NDOT, and RTC Washoe long-term plans.

The estimated cost of the GTC is reasonable in relation to similar transportation facilities, as determined by an analysis of the cost performed by a professional engineer who is licensed pursuant to chapter 625 of NRS.

Each of the parties involved in the proposed transaction has a direct incentive to carefully monitor and control construction costs. The GTC cost estimates have been continually reviewed over the course of the project by both the RTAA staff, contractors, and outside consultants to confirm that the cost is reasonable and similar to other facilities.
A joint venture between Q&D Construction, of Sparks, Nevada, and Webcor, of San Francisco, California, (together, the “Contractor”) became the construction partner with Conrac Solutions to construct the GTC project. The Contractor has been providing updated cost estimates to RTAA staff, which have been carefully reviewed. RTAA staff have experience in reviewing airport construction costs and are fully aware of local conditions that can affect such costs.

Recently, RTAA hired O’Conner Construction Management, Inc. (OCMI) to perform an independent cost estimate review of the GTC project prepared by the Contractor. OCMI has experience with facilities similar to the proposed GTC. The opinion of OCMI is that the cost of the GTC project is reasonable in relation to similar transportation facilities. RTAA staff, which include licensed Nevada engineers, have reviewed OCMI’s work and concur in their conclusions.

The plans of Conrac Solutions will result in the timely construction of the GTC.

The parties to the proposed transaction each have an incentive to see that the GTC is built on schedule and within budget. Q&D Construction was brought on as part of the Contractor joint venture to provide a local presence and local knowledge. Q&D is an experienced contractor and has done work for the RTAA on other projects in the past.

The RTAA planning and engineering team has substantial construction experience and has carefully reviewed the GTC project schedules as they have evolved, and believe the GTC project will be delivered in a timely manner. Any large construction project is subject to potential risks such as procurement/supply chain issues, rising labor rates, and shortage of laborers. The RTAA expects to work with Conrac Solutions and their partners to make sure long lead items are ordered as early as possible, and to otherwise mitigate risks and difficulties.

The proposed transaction contains penalties for Conrac Solutions' failure to meet deadlines which could result in the untimely development or construction of, or improvement to, the GTC.

The proposed master lease between RTAA and Conrac Solutions contains several provisions intended to ensure the timely construction of the GTC. Design and construction work is scheduled to begin 1 month after financial close. Substantial completion is to be achieved no later than 4 years after financial close. While delay events may extend this deadline, these events are narrowly defined. Additionally, Conrac Solutions will have a substantial ground rent obligation that commences on the earlier of four years from the effective date of the Ground Lease and four months after the date of beneficial occupancy.

The long-term quality of the GTC will meet a level of performance established by the RTAA over a sufficient duration of time to provide value to the public.

The GTC project will involve a 30-year master Ground Lease agreement under which Conrac Solutions will design, build, operate, maintain, and finance the facility. The RACs will be subtenants to Conrac Solutions. Conrac Solutions has every incentive to build and maintain a high-quality asset. Conrac Solutions is responsible for operations and maintenance during the lease term. This includes responsibility for major maintenance activities through an asset management schedule and capital asset management plan, funded by a separate controlled reserve account (Renewal and Replacement Fund). Once the term of the Ground Lease is finished, the facility will be turned over to the RTAA. The Ground Lease provides that the facility will have minimum remaining life for the building, equipment, and systems. This will provide assurance to the RTAA that the facility will provide a level of performance over a long duration of time and provide value to the public.

In addition, the opinion of outside counsel (Fennemore) confirms that the transaction is consistent with applicable provisions of the Nevada Constitution.

Conclusion

For the reasons stated above, the proposed GTC transaction complies with Nevada's AMA statute. This conclusion is amply supported by the record and has been confirmed by outside counsel (Fennemore memorandum, November 27, 2023).

Board Memorandum

03/2024-10

In Preparation for the Regular Board Meeting on March 14, 2024

Subject: Authorization for transfer of future collection, administration functions, of the Customer Facility Charges into an account held by a third-party collateral agent for the purposes of funding the construction and operation of the Ground Transportation Center at the Reno-Tahoe International Airport, and authorization of the transfer of an estimated amount of $15,724,406 or the then current value of the Customer Facility Charge fund less the reserved amount for prior Board approved expenses ($4,117,389) upon financial close per Board Memo No: 03/2024-09.

STAFF RECOMMENDATION

Staff recommends that the Board approve the motion presented below.

BACKGROUND

This is the second of four motions relating to the proposed new GTC at RNO. In summary, Staff is proposing that the Board consider the following four actions:

1. Authorize the President/CEO to execute a 30-year ground lease with RNO Conrac LLC, and initiate Phase III of the Ground Transportation Center Project (Project);
2. Authorize the transfer of future collection of the rental car CFC into an account to be held and administered by a third-party collateral agent for the purposes of funding construction of the Project, and authorization for transfer of an estimated $15,724,406 of CFCs into the account;
3. Authorize the President/CEO to negotiate final terms and execute Amendments to both the Restated and Amended Nonexclusive Vehicle Rental Concession Leases and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases with the on-airport rental car operators;
4. Adopt Resolution No. 565, amending Resolution No. 563, Increasing the CFC Rate to $9.80 per transaction day effective July 1, 2024

The GTC Project, including the ConRAC (including enabling projects is collectively referred to as the Project), will be financed primarily through CFCs collected from persons renting automobiles at RNO for each transaction day of such a rental. CFCs will be applied to pay Project costs, to pay principal and interest on debt incurred to finance the Project, and to compensate RNO Conrac, LLC, the SPE created to develop the Project, for its equity contribution. In addition, the RTAA will receive payments of CFCs as compensation for the RTAA's mandatory and, if made, optional payments. To provide security to the various parties, the Ground Lease requires the formation of several controlled accounts under which the RTAA and the RACs will pay the CFCs collected directly to a collateral agent bank for deposit into a series of controlled accounts that will be used only as provided in the Ground Lease. The lender(s) will be granted a perfected, first priority security interest in these accounts to secure the loan to the SPE. The first account is the Revenue Account, which is the account to which the RTAA will deposit the CFCs it collects from off-airport rental car companies under contract with the RTAA. The RACs will also deposit the CFCs they collect from their customers into this account.

The next account is the Construction Account, which is a separately controlled account for payment of project costs during the design and construction of the GTC. During the design and construction period, all CFCs in the Revenue Account will be transferred periodically into the Construction Account. The RTAA will deposit all the current reserve of CFCs, less certain funds for on-going maintenance as explained below, into the Construction Account upon financial close.

The RTAA, the SPE, all recognized mortgagee(s), and a Collateral Agent will be parties to a Collateral Agent Agreement for the Revenue Account and the Construction Account, and the recognized mortgagees will hold a perfected first priority security interest in the accounts. The Collateral Agent Agreement(s) will provide for a third-party bank to serve as collateral agent and control transfers of funds to ensure the CFCs are used in the above-described manner.

In addition to the Revenue Account and Construction Account, a Debt Service Reserve Account, Loss Proceeds Account, a Renewal and Replacement Fund and Handback Reserve Fund will be established. Per the terms of the Ground Lease, the RTAA will have audit rights and the right to receive withdrawal statements for all of the above-described accounts.

DISCUSSION

The RTAA currently has $19,841,795 of CFCs held in RTAA's CFC account. Through previous Board action, the RTAA committed $3,664,012 (CY 23-27) in CFCs for the maintenance and operation of the existing rental car facilities through the end of 2027, some of which has already been spent. The remaining portion of CFC funding for FY23/24 service site budgets and phase II will also be held back to ensure all outstanding invoices can be paid as per the prior Board action. Accordingly, pursuant to the Ground Lease, the RTAA will need to transfer the remaining balance of CFCs, less previously allocated CFC funds in the amount of $4,117,389 into the Construction Account. The Board's approval of this action will authorize the President/CEO to initiate the transfer.

This action is in support of the RTAA's Facilities for the Future Strategic Priorities, as identified in the RTAA FY 2024-2028 Strategic Plan.

FISCAL IMPACT

Table 1 – CFC Transfer Estimation

	Balance
Available CFC (1/31/24)	$19,841,795
Remaining CY 23 Expenses (est)	($1,062,783)
CY 24-27 QTA Expenses	($3,054,606)
Total Estimated Transfer	**$15,724,406**

COMMITTEE COORDINATION

None

PROPOSED MOTION

"Move to authorize the transfer of future collection, and administration functions, of the Customer Facility Charges into an account held by a third-party collateral agent for the purposes of funding the construction and financing of the Ground Transportation Center at the Reno-Tahoe International Airport, and authorization of the transfer of an estimated amount of $15,724,406 or the then current value of the Customer Facility Charge fund less the reserved amount for prior Board approved expenses ($4,117,389) account upon financial close per Board Memo No: 9."

Board Memorandum

03/2024-11

In Preparation for the Regular Board Meeting on March 14, 2024

Subject: Authorization for the President/CEO to negotiate final terms and execute on behalf of the Reno-Tahoe Airport Authority Amendments for the Restated and Amended Nonexclusive Vehicle Rental Concession Leases and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases at Reno-Tahoe International Airport with Avis Budget Car Rental, LLC d/b/a Avis and Budget; DTG Operations, Inc. d/b/a Dollar Rent A Car and Thrifty Car Rental; Enterprise Leasing Company-West, LLC d/b/a Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental; The Hertz Corporation; and Payless Car Rental, Inc. to extend the term through the earlier of June 30, 2029, or the opening of the Consolidated Rental Car Facility, for a maximum of a six-year extension, with an estimated six (6) year minimum contract value of $65,000,000.

STAFF RECOMMENDATION

Staff recommends approval of the Proposed Motion stated below.

BACKGROUND

This is the third of four motions relating to the proposed new GTC at RNO. In summary, staff is proposing that the Board consider the following four actions:

1. Authorize the President/CEO to execute a 30-year ground lease with RNO Conrac LLC, and initiate Phase III of the Ground Transportation Center Project (Project);
2. Authorize the transfer of future collection and administration of the rental car CFC into an account to be held and administered by a third-party collateral agent for the purposes of funding construction of the Project, and authorization for transfer of an estimated $15,724,406 of CFCs into the account;
3. Authorize the President/CEO to negotiate final terms and execute Amendments to both the Restated and Amended Nonexclusive Vehicle Rental Concession Leases and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases with the on-airport rental car operators;
4. Adopt Resolution No. 565, amending Resolution No. 563, Increasing the CFC Rate to $9.80 per transaction day, effective July 1, 2024

The purpose of this action is to authorize execution of Amendments for the Restated and Amended Nonexclusive Vehicle Rental Concession Leases (Concession Leases) and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases (Facility Leases; Leases, combined) with the current RACs to extend the term for an additional six (6) years ending on June 30, 2029 or at the opening of the ConRAC at RNO, whichever occurs earlier. The ConRAC is part of the GTC Project and is forecasted to be open for use in less than five (5) years.

The initial agreements with the RACs were entered into in 2010 after a Request for Bids and had a term of five (5) years. An extension was entered into in 2015 for three (3) years. Then, in 2018, the agreements were amended and restated with an extension for an additional five (5) years with the intent for the expiration date to coincide with the then anticipated ConRAC opening date.

The current Concession Leases require the RACs to pay the greater of ten percent (10%) of gross revenues or a Minimum Annual Guarantee (MAG). The MAG is established at eighty-five percent (85%) of ten percent (10%) of the previous year's gross revenue; however, it cannot drop below the minimum MAG established upon award of the concession agreements in 2010.

In addition, the Concession Leases define the Terminal Counter and Office premises utilized by the RACs. The annual rental rates for the Concession Leases are established by the Master Fee Resolution approved by the Board of Trustees.

The five (5) Facility Leases define additional leased premises and rent rates for the existing eight (8) RAC brands that operate on-airport at RNO:

1. Building and ground rent for the leased premises located west of the Nevada Air National Guard (NANG) and east of Terminal Way (Service/Storage Areas);
2. Facility rent for Ready/Return leased premises located on the first floor of the RTAA's public parking garage (Ready/Return); and
3. Building and ground rent for the Quick Turnaround Area (QTA) Facility.

DISCUSSION

The current Term of the Leases expired on June 30, 2023, and the RACs were placed in a holdover status until staff and Conrac Solutions could further negotiate GTC documents. Negotiations have advanced to allow for an official extension to be entered into with the RACs. This action will retroactively put the agreement in place, effective July 1, 2023, and allow for continued service for the six-year term or, if earlier, upon opening of the ConRAC for service. As outlined in the prior board actions, staff now anticipate the ConRAC to open in Spring 2028.

Amending the current Leases maintains the existing revenue stream, brings rent for the Ready/Return space to a percentage of the current parking garage pricing, revises the provisions regarding the collection and remittance of CFCs to reflect the terms of the Ground Lease with RNO Conrac, LLC, avoids disruption, and minimizes costs required to move operations while providing the RTAA with the flexibility required to design and construct the GTC.

In summary, the key business terms for the Agreement Amendments are as follows:

- Term Extension: Extended to the earlier of June 30, 2029, or ConRAC Opening
- Covers: Ready/Return, QTA, Service Sites, Terminal Counters/Offices
- Rent: Updated for current rent rates per FY24 Master Fee Resolution, and to reflect a percentage of the current parking rates for the Ready/Return areas.
- Provides for collection and remittance, and periodic increase in the rates, of CFCs as provided in the Ground Lease.

- Maintenance Obligations under Facility Lease: Updated to require RACs to fund maintenance previously covered by CFCs beyond the previously Board-approved QTA/Ready/Return contract for MVI Field Services, which had a not-to-exceed value of $3,664,012.

This action is in support of the RTAA's Facilities for the Future and Customer Experience Strategic Priorities, as identified in the RTAA FY 2024-2028 Strategic Plan.

FISCAL IMPACT

Non-airline revenue sources, such as rents collected from RAC and terminal concessionaires, are essential to the RTAA's financial stability. Amending the Leases will maintain the current methods for calculating the MAG and keep the Concession Fee of 10% of gross annual revenue. If approved, the extension of these Agreements will yield a first-year fiscal impact of $2,263,842 in rent as per Table 1, and $8,579,864 in MAG fees as per Table 2. Table 3 outlines the minimum estimated revenue for the amended Leases in the first fiscal year and provides an estimated total if all six (6) fiscal years are completed through this extension.

The estimated annual contract value of $10.8 million will derive an estimated six (6) year minimum contract value of $65 million if the GTC does not open until the end of the term of this extension.

Table 1 – Annual Rent Table (FY24)

Lessee	Ready/Return	QTA	Service Site (Ground)	Service Site Building	Terminal Counter/Office	Total
Avis/Budget	$144,336	$97,574	$197,576	$74,723	$92,265	$606,474
Enterprise	$86,136	$90,877	$303,928	$96,322	$62,264	$639,527
National/Alamo	$89,628	$91,321	$0	$0	$74,777	$255,726
Hertz	$89,628	$91,325	$166,745	$51,728	$92,717	$492,144
Dollar/Thrifty	$52,380	$86,999	$69,384	$0	$61,209	$269,971
Total Rent	**$462,108**	**$458,096**	**$737,633**	**$222,773**	**$383,232**	**$2,263,842**

Table 2 – MAG (FY24)

Lessee	MAG	FYTD 10% Concession (July – October)
Avis/Budget	$ 2,594,987	$1,314,923
Enterprise	$1,550,110	$714,511
National/Alamo	$1,619,400	$776,680
Hertz	$1,620,117	$781,743
Dollar/Thrifty	$945,250	$511,948
Payless (off-airport)	$250,000	$0
Total Rent	**$8,579,864**	**$4,099,805**

Table 3 – Types of Revenue (FY24)

	FY 2023-2024 Minimum Rent	FY 2023-2029 Minimum Rent (est)
Minimum Annual Guarantee (MAG)	$8,579,863	$51,299,178
Terminal Building Rent (Counter/Office)	$383,232	$2,299,392
Building Rent (Service Sites)	$222,773	$1,336,638
Land Rent (Service Sites)	$737,634	$4,425,804
Ready/Return Dedicated Spaces Rent	$462,108	$2,772,648
Building/Land Rent (QTA)	$458,096	$2,748,576
Total Rent	**$10,852,706**	**$64,882,236**

COMMITTEE COORDINATION

None

PROPOSED MOTION

"Move to authorize the President/CEO to negotiate final terms and execute on behalf of the Reno-Tahoe Airport Authority Amendments for the Restated and Amended Nonexclusive Vehicle Rental Concession Leases and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases at Reno-Tahoe International Airport with Avis Budget Car Rental, LLC d/b/a Avis and Budget; DTG Operations, Inc. d/b/a Dollar Rent A Car and Thrifty Car Rental; Enterprise Leasing Company-West, LLC d/b/a Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental; The Hertz Corporation; and Payless Car Rental, Inc. to extend the term through the earlier of June 30, 2029, or the opening of the Consolidated Rental Car Facility, for a maximum six-year extension, with an estimated six (6) year minimum contract value of $65,000,000."

Reno-Tahoe Airport Authority

Board Memorandum

03/2024-12

In Preparation for the Regular Board Meeting on March 14, 2024

Subject: Adoption of Resolution No. 565 amending Resolution No. 563, Increasing the Customer Facility Charge (CFC) Rate to $9.80 effective July 1, 2024 and authorization for the President/CEO to set future CFC Rate increases in accordance with the terms of the Ground Lease between the Reno-Tahoe Airport Authority and RNO Conrac, LLC.

STAFF RECOMMENDATION

Staff recommends that the Board adopt the motion stated below.

BACKGROUND

This is the fourth of four motions relating to the proposed new GTC at RNO. In summary, Staff is proposing that the Board consider the following four actions:

1. Authorize the President/CEO to execute a 30-year ground lease with RNO Conrac LLC, and initiate Phase III of the Ground Transportation Center Project (Project);
2. Authorize the transfer of future collection of the rental car CFC into an account to be held and administered by a third-party collateral agent for the purposes of funding construction of the Project, and authorization for transfer of an estimated $15,724,406 of CFCs into the account;
3. Authorize the President/CEO to negotiate final terms and execute Amendments to both the Restated and Amended Nonexclusive Vehicle Rental Concession Leases and the Restated and Amended Nonexclusive Ready/Return, Quick Turnaround Facility and Service Facility Leases with the on-airport rental car operators;
4. Adopt Resolution No. 565, amending Resolution No. 563, Increasing the CFC Rate to $9.80 per transaction day effective July 1, 2024

The Reno-Tahoe Airport Authority Act, Chapter 474, Statutes of Nevada 1977, states that RTAA may assess and collect fees, rentals, rates, and other charges. RTAA has numerous resolutions, policies, and agreements that set forth rates and fees for the various operators and customers at RNO. The purpose of the Master Fee Resolution ("Resolution") is to provide the Board, staff, and users of the RTAA one document that details the majority of rates, charges, and fees in one place for easy reference. The CFC Rate is set out in the Resolution. In the future, however, the CFC rates will be established pursuant to the terms of the Ground Lease between RTAA and RNO Conrac, LLC, and no longer be set by the Resolution.

DISCUSSION

The Resolution is updated on an annual basis to coincide with the budget process and may be amended during the fiscal year. The current resolution was adopted by the Board on June 8, 2023, increasing the CFC rate from $6.50 to $9.00 effective September 1st, 2023. Since that occurrence additional financial analysis has been performed by Conrac Solutions and RTAA consultants and it is now recommended that the CFC rate be increased to $9.80, effective July 1, 2024. The rate increase provides for adequate revenue collections during the construction period to fund the Project.

Staff is seeking approval before the May Board meeting when these rates are typically reviewed to allow the Rental Car Companies time to set the CFC rate in their system. They require a minimum of sixty (60) days' notice for rate changes.

FISCAL IMPACT

The CFC rate increase from $9.00 to $9.80 per rental car transaction day will not impact the CFC revenues for the remainder of the 2023-24 fiscal year (March through June).

COMMITTEE COORDINATION

Finance and Business Development Committee

PROPOSED MOTION

"Move to adopt Resolution No. 565 amending Resolution number 563 setting the CFC rate to $9.80 per auto rental transaction day effective July 1, 2024 and authorize the President/CEO to set future CFC Rate increases in accordance with the terms of the Ground Lease between the Reno-Tahoe Airport Authority and RNO Conrac, LLC.

RESOLUTION NO. 565

A RESOLUTION AMENDING RESOLUTION NO. 563, A MASTER FEE RESOLUTION SETTING FORTH AIRPORT RATES AND CHARGES FOR FY 2023-2024

(Note: Changes are in bold)

WHEREAS, Section 10 (10) of SB 198, Chapter 474, Statutes of Nevada 1977 provides that the Reno-Tahoe Airport Authority may charge fees, rentals, rates, and other charges:

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Reno-Tahoe Airport Authority that Resolution Number 563 is amended to set forth a list of master fees for Fiscal Year 2023-2024 for the Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS).

Rates and charges that are being changed are noted in **bold** with the previous amount in red.

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO SIGNATORY RATES AND CHARGES	
Landing Fee	$3.99 per 1,000 lbs.
Terminal Conditioned Space	$150.76 PSFPA* *Per square foot per annum
Terminal Unconditioned Space	$75.38 PSFPA
Baggage Handling System (BHS) Charge	$1.38 per bag processed through the Baggage Handling System
RNO NON-SIGNATORY RATES AND CHARGES	
Landing Fee	$4.59 per 1,000 lbs.
Terminal Conditioned Space	$150.76 PSFPA
Terminal Unconditioned Space	$75.38 PSFPA
Baggage Handling System (BHS) Charge	$1.52 per bag processed through the Baggage Handling System
Joint Use Baggage Makeup and Handling, Baggage Claim and Tug Drives	$2.45 per Enplaned and Deplaned Passenger
Ticket Counter (Each Counter/ 2 Positions)	$41.00 per ticket counter (2 positions) per enplaning operation.

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO NON-SIGNATORY RATES AND CHARGES (Continued)	
Gate Use Charge	The lesser of $2.60 per enplaning and deplaning passenger or $280.00 per turn. However, the former will only be considered upon airline request and with airline provided specific, per flight passenger totals submitted with the required monthly landing report (10 days after the end of the month).
RNO OTHER AIRLINE CHARGES	
Ramp Overnight Fee (RON)	$126.00 per day over 3 hours
Gate Overstay Penalty	$250.00 per 15-minute period exceeding initial 15 minutes after being directed to tow the aircraft.
Disposal Fees	$6,809 monthly
Customs and Border Protection Facility Use Charge	$4.50 per deplaned international passenger
Passenger Boarding Ramp Equipment Use Fee	$45.00 per enplaning or deplaning operation excluding scheduled international service.
Incentives for scheduled passenger air and air cargo carriers to increase air service to Reno	Policy guidelines for waiving certain fees including landing fees, terminal rents, or other charges as approved by the Board for a period of up to 365 days. Resolution No. 548 amending Resolution No. 544 updating Policy No. 600-007.

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO AIR CARGO LAND RENTS	
Improved Land Adjacent to Air Cargo Ramp	$1.10 PSFPA
As-Is Land in Air Cargo Area not adjacent to the Air Cargo Ramp	$0.74 PSFPA
RNO MISCELLANEOUS AVIATION SERVICES	
Fuel Flowage Fees – Reno/Tahoe International	$0.07 per gallon
Commercial Aviation Ground Handlers and Support Service Operators	6% of Gross Revenues per the Commercial Aviation Ground Handling and Support Services Operating Agreement.
RNO OTHER TERMINAL RENTS (NON-AIRLINE)	
Ticket Lobby/Office Support Space	$150.76 PSFPA
Ticket Lobby/Alcove Space	$150.76 PSFPA
Baggage Claim Ground Transportation Facility	$150.76 PSFPA
Baggage Claim Ground Transportation Vestibule Counter	$427.98 per counter per month $150.00 per counter per day
Concession Office/Storage/Support Space	$10.23 PSFPA
RNO T-HANGAR RATES	
GA East E37-E57	$463.00 per unit per month
GA East E1-E36	$614.00 per unit per month
T-Hangar Storage Space (GA East)	$0.372 per sq. ft. per month
** Per General Aviation T-Hangar Leasing Guidelines adopted on May 18, 2017, and the General Aviation Rent Study (July 23, 2019) adopted by the Board on August 8, 2019, the following will apply to all RNO T-Hangar leases: 1. All existing T-Hangar lease rental rates will be adjusted by a comparative rent analysis every five (5) years as well as an annual adjustment between each comparative rent analysis equal to the March CPI-U index, not to exceed 2%. 2. The rental rates for all T-Hangar leases with less than a one-year term and all month-to-month T-Hangar leases will be adjusted by the CPI plus an additional 10% differential.	
RNO AIRCRAFT TIE-DOWN PARKING RATES	
Aircraft Tie-Down Parking	$100.00 per aircraft tie-down position per month

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO BOX HANGAR RATES	
GA West Hangar #2 Hangar #7 Hangar #8	$0.394 per sq. ft. per month
GA West Hangar #9 Hangar #10	$0.492 per sq. ft. per month
GA West/East Aircraft Apron Parking	$0.058 per sq. ft. per month
GA East Hangar - Building B Hangar – Building E Hangar – Building F Hangar – Building G	$0.492 per sq. ft. per month
GA East and West Hangar Office	$0.617 per sq. ft. per month
RNO VEHICLE PARKING FEES	
Short Term – Garage (1st floor)	1 - 10 min Free 11 - 20 min $1.00 21 - 40 min $2.00 41 - 60 min $3.00 $3.00 Each Additional Hour or Part Thereof up to 6 hours. Between 6 hours and 24 hours the daily maximum will be charged at the Maximum Per Day $36.00
Long Term – Garage (2nd and 3rd floors)	1 - 10 min Free 11 - 20 min $1.00 21 - 40 min $2.00 41 - 60 min $3.00 $2.00 Each Additional Hour or Part Thereof Maximum Per Day $16.00

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO VEHICLE PARKING FEES (Continued)	
Long Term – Surface Lot	1 - 10 min Free 11 - 20 min $1.00 21 - 40 min $2.00 41 - 60 min $3.00 $2.00 Each Additional Hour or Part Thereof Maximum Per Day $12.00
Overflow Parking	Maximum Per Day $12.00 Will be charged per calendar day
Yellow Lot	1 - 10 min Free 11 - 20 min $1.00 21 - 40 min $2.00 41 - 60 min $3.00 $2.00 Each Additional Hour or Part Thereof Maximum Per Day $14.00
Blue Lot	1 - 10 min Free 11 - 20 min $1.00 21 - 40 min $2.00 41 - 60 min $3.00 $2.00 Each Additional Hour or Part Thereof Maximum Per Day $12.00
Oversize Vehicle Parking	Charged at the published parking rate multiplied by the number of spaces the vehicle occupies.
Lost Ticket	Minimum charge for lost ticket is $26.00
Parking Proximity Card Replacement	$25.00 for each replacement card
Non-Domiciled Flight Crew Parking Tier-1	$100.00 per month per employee
Non-Domiciled Flight Crew Parking Tier-2	$50.00 per month per employee
Tenant Employee Parking	$20.00 per month per employee

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO GROUND TRANSPORTATION FEES	
Vehicle Registration Fee	$25.00 minimum annual fee per company, $5.00 per vehicle over 5 vehicles, maximum $200.00
New /Lost/ or Replacement Transponder	$25.00 for license plate version, $15 for windshield version
Non-domicile Bus (bus with no operating permit)	$25.00 per trip
Buses (>24 seat capacity)	$5.00 per trip
Shuttles (<24 seat capacity)	$3.00 per trip
Scheduled Shuttles	$2.00 per trip (companies with a minimum 16 trips per day on a set schedule.)
Courtesy Vehicles	$3.00 per trip
Pay Limousine	$3.00 per trip
Taxi	$2.00 per trip
Transportation Network Companies	$2.00 per pick-up and $1.00 per drop- off
Ground Transportation Citation	$100.00
Commercial Vehicle Overnight Parking	$10 per space per night
RNO PARKING CITATIONS	
Unattended Vehicle	$30.00
Front Curb Loading/Unloading	$25.00
Commercial Loading/Unloading	$25.00
Parking in Crosswalk	$30.00
Curb Markings	$30.00
Failure to Obey Sign	$30.00
Accessibility Zone	$250.00
Failure to Obey Officer	$30.00
RNO OFF-AIRPORT PARKING CONCESSION	

Off-Airport Parking Operator Fee	7% of Gross Revenues
RNO AUTO RENTAL – ON AIRPORT	
Customer Facility Charge	**$9.80** ($9.00) per transaction day on each individual vehicle rental

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO AUTO RENTAL – ON AIRPORT (Continued)	
Terminal Counter Space	$150.76 PSFPA
Terminal Office Space	$150.76 PSFPA
Quick Turnaround Lot Premises and Common Area	$1.596 PSFPA
Quick Turnaround Building Rent (1/5th share)	$62,492.110 annual rent
Ready Parking and Return Parking	$97.00 Per space per month
Service Facility Building Rent	$9.963 PSFPA
Service Facility Land Rent	$0.903 PSFPA
RNO AUTO RENTAL – OFF AIRPORT	
Off Airport Rental Cars	10% of gross revenues
RNO PEER-TO-PEER CAR SHARING	
RNO Peer-to-Peer Car Sharing	10% of gross revenues plus daily long-term parking rate for any designated parking stalls
RNO AIRPORT WAREHOUSING	
Storage Unit– 12 ft. X 20 ft.	$125.00 per month*
Storage Unit– 12 ft. X 30 ft.	$150.00 per month*
Storage Unit– 12 ft. X 30 ft. with Loft	$175.00 per month* ($0.46 per sq. ft. per month*)
* Subject to promotions and discounts to increase business and lower specific vacancy rates. Month-to-month tenants are subject to individual rent increases at any time.	
Administrative Fee - new rentals (non-refundable)	$25.00 per new rental
Mailbox Rental – Small	$24.00 per quarter
Mailbox Rental – Medium	$30.00 per quarter
Mailbox Rental – Large	$35.00 per quarter
Storage Unit Lock Services – Cutting existing or providing a new lock	$25.00 per occurrence
Late Fee Charge	$25.00 if payment not received by 5th of each month
Returned Check Charge	$35.00 for all checks returned unpaid
RNO PARK TO TRAVEL	
Outside Parking	$10.00 per day $60.00 per week $95.00 per month

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO PARK TO TRAVEL (Continued)	
Enclosed Parking – 12 ft. X 20 ft.	$125.00 per month
Enclosed Parking – 12 ft. X 30 ft.	$150.00 per month
Enclosed Parking – 12 ft. X 30 ft. with Loft	$175.00 per month
Late Fee Charge	$25.00 if payment not received by 5th of each month
Returned Check Charge	$35.00 for all checks returned unpaid
Administrative Fee - new rentals (non-refundable)	$25.00 per new rental
RNO MISCELLANEOUS FEES/CHARGES	
Photo Copying	$1.25 for the first page, $0.25 for each additional page thereafter. $10.00 if sent to outside copying service plus cost of copying.
Reimbursement for services/maintenance	Based on level of personnel ranging from $65.00 to $125.00 per hour and type of equipment ranging from $40.00 to $275.00 per hour
Late Payment Service Charge	Highest rate established from time to time – currently 18% APR; minimum charge of $5.00
Security ID Badges	Initial Identification Badge $50.00, excluding Signatory Airlines; Badge renewal $25.00, including Signatory Airlines; Badge Replacement (Lost/Stolen) $50.00, including Signatory Airlines and Airport Authority employees; Unreturned badge fee $150.00 assessed to sponsoring company. CBP Seal Fee $10.00

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
RNO MISCELLANEOUS FEES/CHARGES (Continued)	
Airport Operations Area ID Badge	Initial Air Operations Area employee/tenant identification badge $25.00; AOA ID Renewal $12.50 Per annum
Tenant Fingerprinting	$75.00 Airport processing fee per employee - original
Tenant Keys and Locks	$50.00 per key $100.00 per core $360.00 per lockset
SIDA/Driver Training Session	$25.00 per employee
Conference Room Rental	For airport tenants: - $125.00 half day - $200.00 full day - Free for hiring events. For non-tenants: - $250.00 half day - $400.00 full day IT Services $75.00 flat fee
Welcome Tables	$250.00 per day $200.00 per day if multiple days booked
Copy of Police Report	$10.00 per copy, $15.00 if mailed
Copy of Electronic Files on Flash Drive	$20.00 per unit Download on flash drive.
Brookside Lot – Remote Trailer Parking/Short Term Storage (No Terminal Access)	$50.00 per day not to exceed 15 trailers.
Special Use Permit (i.e. filming, one-time use of ramp, booths on curb, etc.)	$600.00 per day for non-aviation impacts; $900.00 per day for activity that impacts aviation
*** RENO-STEAD AIRPORT (RTS)	
Landing Fees – Bureau of Land Management (BLM)	$90.00 per landing for aircraft less than or equal to 155,000 lbs.; $240.00 per landing for aircraft over 155,000 lbs.
Fuel Flowage Fees – RTS	$0.05 per gallon

FEES/RENTALS/RATES AND OTHER CHARGES	AMOUNT
*** RENO-STEAD AIRPORT (RTS) (Continued)	
Commercial Aviation Operators	3% of gross revenues
Terminal Space Rent	\$1.64 per sq. ft. per month plus \$0.21 per sq. ft. per month common area maintenance charges
Conference Room Rental	For airport tenants: - \$125.00 half day - \$200.00 full day - \$100.00 cleaning deposit For non-tenants: - \$250.00 half day - \$400.00 full day - \$100.00 cleaning deposit IT Services \$75.00 flat fee
Special Use Permit (i.e. filming, one-time use of ramp, etc.)	\$600.00 per day for non-aviation impact; \$900.00 per day for activity that impacts aviation
RTS Gate Key	\$25.00 deposit
Storage Unit- 10 ft. X 20 ft.	\$80.00 per month
Storage Unit- 20 ft. X 20 ft.	\$125.00 per month
Aircraft Tie-Down Parking – aircraft less than 12,500 lbs. of landed weight	The lesser of \$5.00 per aircraft per day or \$55.00 per aircraft per month
Aircraft Ramp Parking- transient aircraft with landed weight of 12,500 lb.	The lesser of \$10.00 per aircraft per day or \$50.00 per aircraft per week

On motion by Trustee _________, second by Trustee _________, the foregoing Resolution No. 565 was passed and adopted this 14th day of December 2023, by the following vote of the Board:

AYES: ____

NAYS: ____

ABSENT: ______________________ ABSTAIN: ______________________

____
Chair Carol Chaplin

ATTEST:

____
Secretary Adam Kramer