



Subject: Hangar 9 Best and Final Offer

Date: December 2, 2015

The Reno-Tahoe Airport Authority (RTAA) in Reno, Nevada, is issuing a Best and Final Offer (BAFO) opportunity to lease Hangar 9, located at 1880 Gentry Way, on the Reno-Tahoe International Airport, Reno, Nevada (see attached Vicinity Map). Hangar 9 is a 24,500 square foot facility with a 147' w x 27' h doorway, 3-phase power, customer landside access and parking. The RTAA will give preference to commercial aeronautical operators that demonstrate a requirement for the door height feature.

Interested parties understand that the BAFO must include the following non-negotiable terms as described in the attached term sheet:

- Rate = \$.42362 per sf per month (\$10,378.69)
- Annual rate adjustment by CPI
- Triple Net Lease

The RTAA invites interested parties to submit a BAFO no later than 4:30 p.m., January 11, 2016. The BAFO should address the following, but not be limited to:

- Proposed lease term (minimum 1-year)
- Proposed capital investment
- Proposed business plan

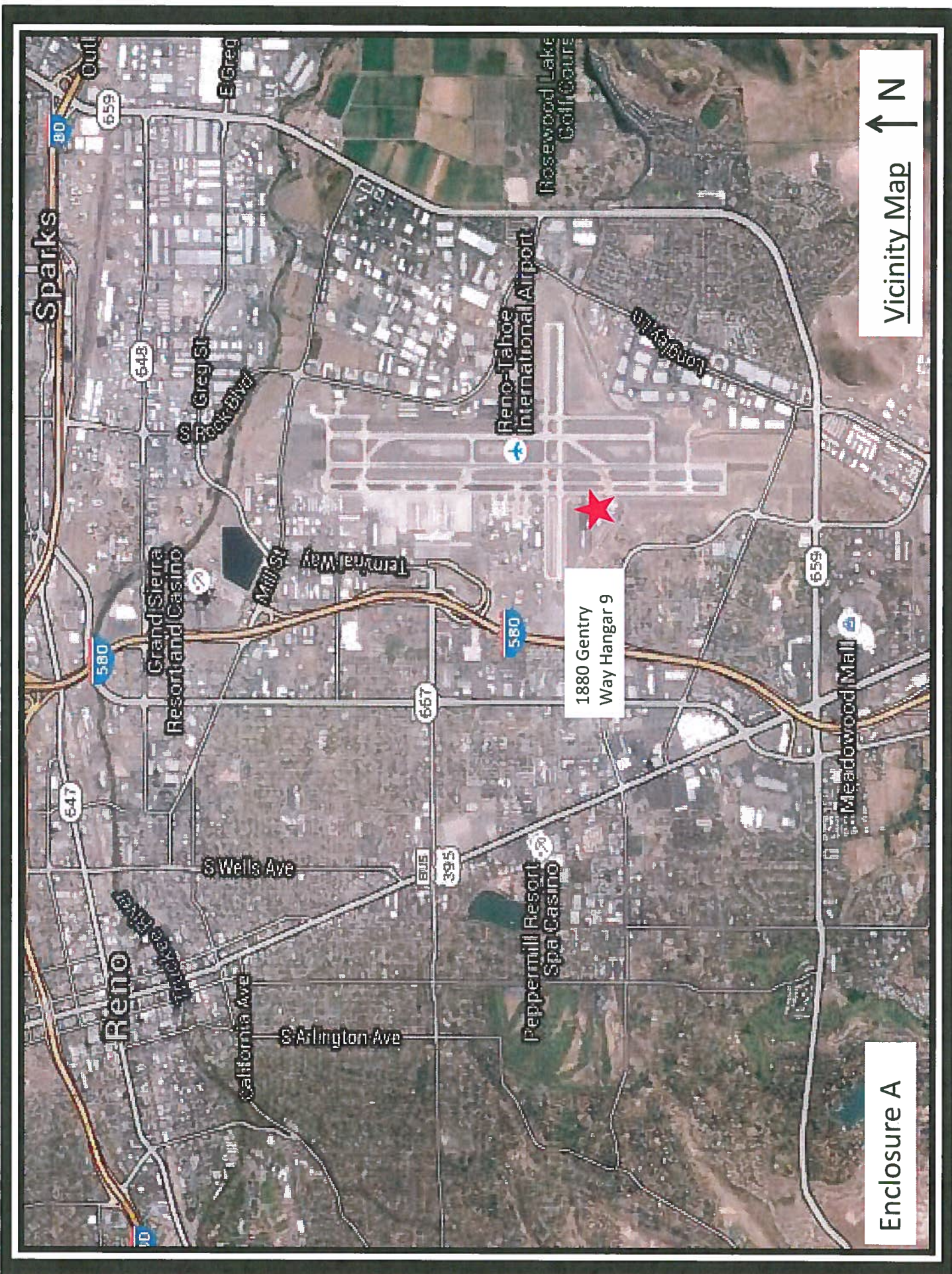
Interested parties should submit five (5) copies of the BAFO to: RTAA Attn: Ken Moen, POB 12490, Reno, NV, 89510 or hand deliver to RTAA Administration Offices located inside the main terminal at 2001 E. Plumb Lane. In order to be considered, BAFOs must be received no later than 4:30 p.m., January 11, 2016.

The best offer will be recommended to the RTAA Board of Trustees.

This solicitation is an invitation to participate in the BAFO process. It is not intended to be a binding commitment to contract, nor will the RTAA or the interested party be obligated in any manner until the RTAA Board of Trustees approves the terms of a proposal and a lease is fully executed. Accordingly, all activities in furtherance of this process, including compliance with the conditions set forth in this solicitation, are considered to be at the interested parties' sole cost and risk. The RTAA reserves the right to conduct additional discussions with all interested parties prior to and after the submission of BAFOs. Please direct any questions regarding this BAFO opportunity in writing to Ken Moen at kmoen@renoairport.com. Any other contact may be grounds for disqualification from the BAFO. **An optional tour of Hangar 9 is scheduled for December 8th at 1:00pm. Please RSVP no later than 12:00 p.m., December 7, 2015 for directions.** Thank you for your interest.

Enclosures:

- A. Vicinity Map
- B. Building Specifications
- C. Business Plan Specifications
- D. Term Sheet
- E. AB 161 Aviation Tax Abatement Overview



Vicinity Map ↑ N

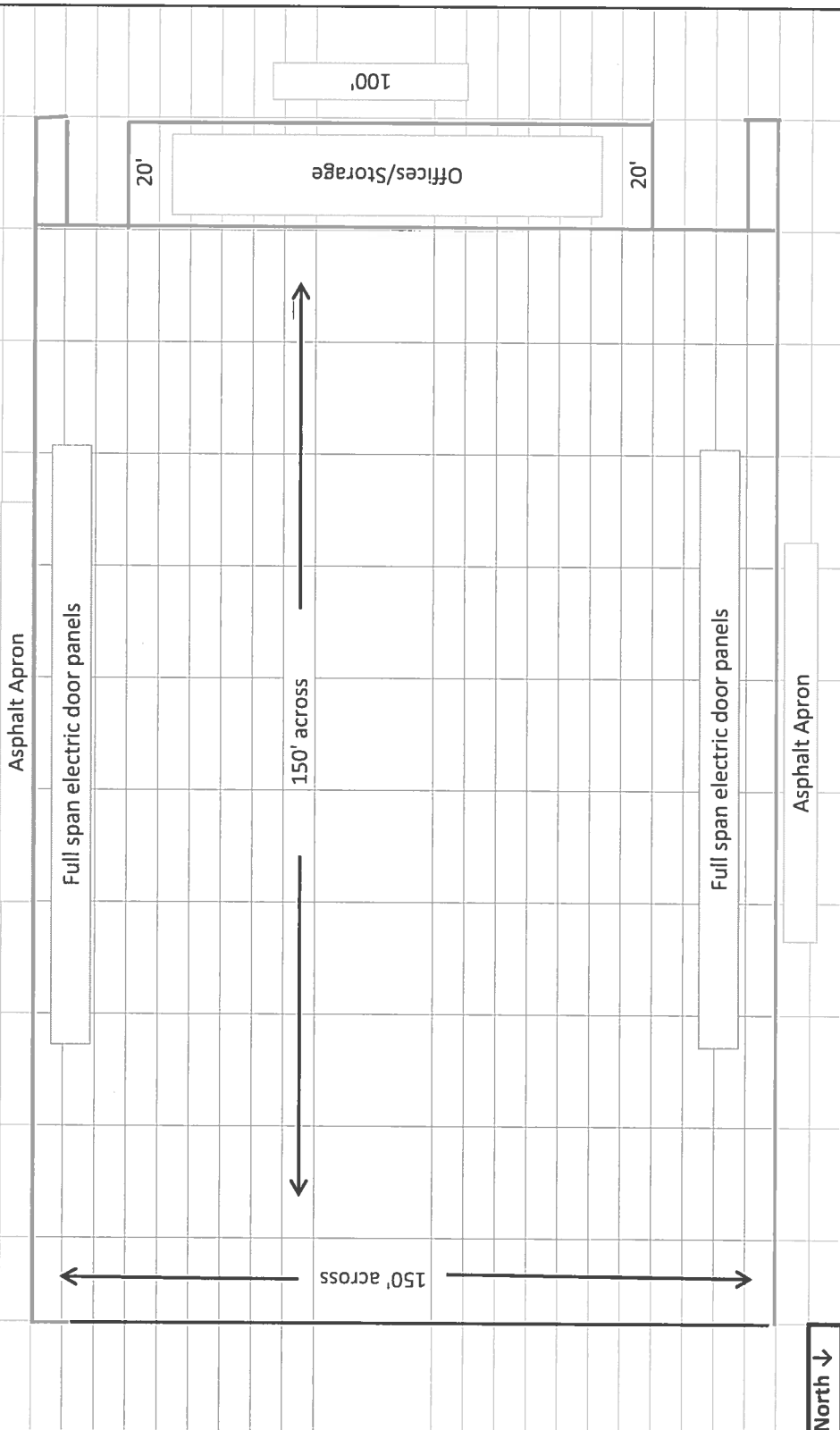
1880 Gentry Way Hangar 9

Enclosure A

ENCLOSURE B

Building 9 Storage Hangar

Year Built	1984
Gross Building Area	24,500 sf
Foundation	Concrete
Construction	Electric, Metal Sliding Doors
Roof Type	Low Pitch Gable Roof
Interior Finish	Insulated Walls and Ceiling, Sealed Concrete Floor Finish, Skylights and Fluorescent Light Fixtures, Ceiling Fans
Hangar Doors	Gas Forced Heat in Hangar and Office Space, Improved Office and Storage Areas North Door Approx. 147' w x 27' h. South Door Approx. 147' w x 25' h.



ENCLOSURE C



Reno-Tahoe Airport Authority

Minimum Requirements for a Business Plan


- A. If this is a commercial operation, provide an operation plan that addresses the primary operation(s), including Nevada and/or FAA authority under which the Interested Party will operate.
- B. Name, address, and telephone number, type of organization and the state under the laws of which it is organized.
- C. Identify the designated Resident Agent for State of Nevada.
- D. Interested Party to provide the names and addresses of all officers, directors and key management personnel of the Interested Party, briefly describing the certifications, expertise and responsibilities of each.
- E. The name, address, citizenship and principal business of each person holding five percent or more of Interested Party's total voting stock, together with the amount and percentages held, and the name, address, citizenship and principal business of any person whose account, if other than the holder, such interest is held; if any of these people are related by blood or marriage, include the relationship.
- F. If this is a commercial operation, provide a detail list of all services that will be proposed.
- G. Amount of additional land and/or facilities (hangar, apron, etc.) desired.
- H. Number of aircraft that will be stored/provided.
- I. If this is a commercial operation, provide a list of the number of persons to be employed, equipment, and special tooling to be provided.
- J. If this is a commercial operation, list the proposed hours of operation (days and hours).
- K. If this is a commercial operation, provide a cash flow projection for the first year and estimates for the succeeding four years if requesting a longer term lease.
- L. If this is a commercial operation, provide a marketing plan and strategies to attract business (advertising and incentives) as appropriate.
- M. The Interested Party shall provide financial information, as deemed necessary by the Airport Authority, in order to properly evaluate the submitted business plan and proposed lease in terms of its reasonableness, economic viability, and overall ability to support same. Financial statements and/or any other documentation appropriate to evaluate the Interested Party's present, actual financial capacity to provide proposed commercial aeronautical services. Interested Party provided documents must be able to verify the Interested Party's financial

ENCLOSURE C

standing and to release additional financial information upon request. Interested Party shall provide a current business credit report for each party owning or having a financial interest of at least 5% in the business. These other financial documents must demonstrate financial capacity to operate the proposed commercial aeronautical service.

- O. Interested Party shall provide at least three business references for which the Interested Party has professionally provided goods or services to in the preceding three years. References must have firsthand experience as a customer or supplier to the Interested Party and be able to discuss the Interested Party's capabilities in managing and operating the proposed enterprise. Interested Party needs to demonstrate the ability to carry out all of the financial and operational terms and conditions of an agreement.
- P. Interested Party will ensure that corporate officers and senior management have demonstrated good moral character and exclude those with offenses including but not limited to:
1. Convictions incident to a public or private contract or subcontract;
 2. Convictions for violations of the Organized Crime Control Act of 1970;
 3. Convictions for violation of Federal Anti-trust statutes;
 4. Convictions for embezzlement, fraud or similar crimes which are indicative of a lack of business integrity;
 5. Suspension or debarment from award of public contracts or termination of a public contract;
 6. Any conviction which prevents an Interested Party from being issued an RTIA Security Identification Display Area (SIDA) badge under 49 CFR Part 1542.207 (latest);
 7. Conviction of a Class A, B, or C felony.
- Q. Interested Party needs to demonstrate the experience necessary in substantially similar operations for a minimum of three years prior to the date proposed to commence commercial activity on the Airport. Interested Party needs to demonstrate the ability to carry out all of the financial and operational terms and conditions of a commercial operating agreement with the Airport Authority, to furnish good, prompt, efficient and courteous service on a non-prejudicial basis, adequate to meet all reasonable demands of the public.

ENCLOSURE D

	<p align="center">RENO-TAHOE AIRPORT AUTHORITY RENO-TAHOE INTERNATIONAL AIRPORT MINIMUM TERMS OF LEASE FOR HANGAR 9 1880 GENTRY WAY</p>
Premises	Hangar 9 Office and Hangar Space 24,500 square feet (sf)
Term	Minimum Term One-year Lease
Lease Rates and Charges	Building: \$0.42362 per sf per month (psfpm), \$10,378.69 per month or \$124,544 per year Ramp: \$0.049776 psfpm
Use	Preferred Tenant-Aviation Commercial Operator Optional Use – Non-Commercial Dry Aircraft Storage
Repair & Maintenance	“As is” - Lessee is responsible for maintenance and repair of Leased Premises.
Utilities, Taxes, Licenses, Assessments	Assume all utilities, taxes, licenses as appropriate
Development	N/A
Ownership of Improvements	N/A
Hazardous Materials	Per Standard RTAA Lease Terms
Assignment and Sublease	Sub-lease provision requires RTAA Approval
Insurance and Indemnification	<p>Certificates of Insurance furnished to Authority evidencing the following minimum insurance carried by Lessee:</p> <p>A. Aviation General Liability Insurance coverage provided on standard forms for Bodily Injury and Property Damage Liability with a total limit of at least \$2,000,000.00 per occurrence which shall include but not be limited to the following extensions:</p> <ol style="list-style-type: none"> 1. Aircraft Physical Damage; 2. Ground Hangarkeeper's Liability; 3. Premises and operations; 4. Contractual, including coverage for Lessee's indemnity obligations under this Lease; 5. Liability while operating mobile equipment on Airport property; 6. Property damage legal liability for property in the insured's care, custody and control, with a sublimit of \$1,000,000.00; 7. Fire Legal Liability; 8. Personal Injury; and 9. Hangarkeepers Legal Liability, if Lessee stores

ENCLOSURE D

aircraft for others, acting as a bailee.

B. Causes of Loss – Special Form Property Insurance upon property of every description and kind owned by Lessee and located in the Leased Premises, or for which Lessee is legally liable, or which constitute improvements installed by or on behalf of Lessee, including, without limitation, Lessee’s furnishings, fixtures and equipment. Such insurance shall be in an amount equal to one hundred percent (100%) of the full insurable replacement value of such property. The proceeds of such insurance shall be used for the repair and replacement of the property insured. Authority shall not be liable for any damage to Leased Premises improvements or for damage to any personal property brought onto the Leased Premises.

C. Business Auto Liability policy, (including bodily injury and property damage), covering owned, non-owned and hired automobiles for use under this Lease, with minimum limit of \$1,000,000.00 combined single limit per occurrence.

D. Workers' Compensation Insurance coverage shall be in accordance with the laws of the State of Nevada applicable to all employees.

E. Employers Liability coverage with limits per occurrence of not less than One Million and 00/100 Dollars (\$1,000,000.00) per accident, One Million and 00/100 Dollars (\$1,000,000.00) per disease per employee, and One Million and 00/100 Dollars (\$1,000,000.00) disease policy limit; Employer Liability policies shall cover all Lessee’s employees and any volunteers assigned to Lessee’s operations at Airport.

F. Insurance Requirements Are Not Limits. The foregoing requirements and any approval or waiver of said insurance by the Authority are not intended to and will not in any manner limit or qualify Lessee’s liabilities, whether imposed by applicable law or assumed pursuant to the Lease including, but not limited to, the provisions concerning indemnification as herein described in Article 8. The Authority in no way warrants that the minimum limits contained herein are sufficient to protect Lessee from liabilities that might arise out of the performance of the work under the Lease by Lessee or Lessee’s agents, representatives, employees or subcontractors, and Lessee is free to purchase such additional insurance as may be determined necessary.

All policies (primary and excess) and Certificates of Insurance provided by Lessee to Authority shall evidence the proper limits of coverage as set forth herein. Each policy shall be and shall specifically provide that the insurance afforded by such policy is primary coverage for all claims and

ENCLOSURE D

	<p>losses arising from the use, occupancy and operation of the Leased Premises and the Airport, and that any insurance carried by Authority, its Trustees, agents or employees shall be excess and non-contributing. All policies shall name, and Certificates shall show by separate endorsement, that policies name Authority, its Trustees, officers, agents and employees as additional insureds using ISO Endorsement Form CG2011 (Managers or Lessors of Premises) or similar document. Each policy shall contain an endorsement that the insurer waives its right to subrogation as described below. Authority has and hereby reserves for all purposes of this Lease the right to revise the insurance requirements set forth herein as to amounts, limitations and types of coverage, and Lessee hereby agrees to comply with such revised requirements upon notice from Authority.</p>
Security Protocol	<p>Hangar 9 has direct access to the Airport Operations Area (AOA). The Transportation Security Administration requires that individuals authorized to sign for security access badges or IDs for their employees or tenants be designated as "Authorized Signatories". To become an Authorized Signatory an individual must:</p> <ul style="list-style-type: none">•Be employed by a company sponsored by an RTAA department or employee•Be so designated on their company's Authorized Signatory Form•Undergo and pass a fingerprint based criminal history records check•Undergo and pass a OHS Security Threat Assessment•Successfully complete RNO Security Identification Display Area (SIDA) Training (if signing for SIDA badges)•On an annual basis, successfully complete interactive training course, "Authorized Signatory Training"
Miscellaneous	

ENCLOSURE E



Aviation Tax Abatement

NRS Chapter 360

Partial abatements from *Personal Property* and *Sales & Use Taxes* are available to companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales & use tax abatement reduces the applicable tax rate to 2% for a similar 20 year period, a near 75% reduction in most jurisdictions.

Note: the Sales & Use tax abatement excludes aircraft purchase.

Eligible Goods: for sales & use tax imposed on the purchase of tangible personal property used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. For personal property tax imposed on an aircraft and the personal property used to own, operate, manufacture service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft.

The Company's Responsibilities

The company makes application to the Governor's Office of Economic Development ("Office"), and if approved, executes an agreement with the Office that includes but is not limited to: (i) a commitment to maintain the business in Nevada for 5 years, (ii) a requirement to register pursuant to the laws of Nevada, and obtains all licenses and permits required by the state, county, city or town in which the business operates, and (iii) a requirement to provide a medical insurance plan approved by the Office for all employees including but not limited to the company paying at least 50% of the employee premium cost. All abatements are voidable and recoverable with interest if the business fails to comply with any terms of the agreement. Audits will be performed by the Department of Taxation after 2, 5, 8 and 10 years to ensure compliance.

Eligibility

The Office will review the following eligibility criteria:

- All companies must meet the number of full-time employee's (FTE) requirement. A new business must have 5 or more FTEs within 1 year after receiving a certificate of eligibility. An existing business must increase FTEs by 3 or 3% of existing in-state staff, whichever is greater, within 1 year after receiving a certificate of eligibility.
- In addition to the FTE requirement, all companies must meet one of the following:
 - a) New capital investment of at least \$250,000 in Nevada within 1 year after receiving certificate of eligibility;
 - b) Maintain and possess in Nevada tangible personal property having a value of not less than \$5,000,000 during the abatement period;
 - c) Average hourly wage for employees of the company shall be at or above the average statewide hourly wage; or
 - d) The company develops, refines or owns a patent or other intellectual property, or has been issued a FAA certificate pursuant to 14 CFR Part 21.

Upon approval by the Office and execution of an incentive agreement, the company will be issued a document from the Department of Taxation certifying the partial abatement for sales and use tax which can be presented to retailers and customers of the business at the time of sale. Please contact your local Regional Development Authority to apply for the aviation tax abatements.

Note: The personal property tax abatement excludes a business whose physical property is collectively valued and centrally assessed pursuant to NRS 361.320 and 361.3205 unless the business is regulated under 14 C.F.R. Part 125 or 135.

This is a summary only and may not include all program requirements. For detailed information on this abatement, please access: www.leg.state.nv.us/App/NELIS/REL/78th2015/Bill/1509/Text