

July 20, 2021

Memo to Kevin Smith

**From Rick Stephens
Soaring Way Staff Report**

TFHD Recommendation from Rick Stephens

1. Parcel 2. Three Acres.
2. Unsubordinated ground lease
3. Due diligence 4 months plus two 2 months extension to obtain all jurisdictional approvals necessary to develop the project. No compensation to TTAD for this DD period.
4. Lease Term: 30 years with two 10 year extensions.
5. Construction period: 9 months after DD contingency waived. Ground Rent commences at the end of the 9 month construction period.
6. Rent as determined by appraisal. Appraisal to be conducted after 4 months of the DD period. Rent adjusted by CPI every year. Rent adjusted every 5 years from Rent Commencement date by appraisal.
7. TTAD Option of Parcel 3.
Option payment after Rent Commencement:

Year 1	0% of appraised value
Year 2	2% of appraised value
Year 3	3% of appraised value
Year 4	4% of appraised value
Year 5	5% of appraised value
8. Parcels 1 and 4 are not included in this proposed transaction.

Truckee Rents recommendation from Rick Stephens

That TTAD negotiate an unsubordinated ground lease with Truckee Rents which would move from West River Road to Parcel 1. Truckee Rents is owned by Mountain Hardware.