

## AMENDMENT TO STS CONRAC PROJECT TERM SHEET

This Amendment to the STS ConRAC Term Sheet (“Amendment”) amends that certain STS ConRAC Project Term Sheet by and between the Charles M Schulz - Sonoma County Airport (“**Airport**”) operated by the COUNTY OF SONOMA, a political subdivision of the State of California (“**County**”), and Rent a Car companies, AUTO DISTRIBUTORS, INC. dba ACE RENT A CAR, AVIS BUDGET CAR RENTAL, LLC, and ENTERPRISE RENT A CAR OF SAN FRANCISCO, LLC (collectively known as “**RACs**”) currently operating at the Airport, and Conrac Solutions Project Delivery, LLC (“**CS Project Delivery**”), dated March 4, 2021 and fully executed as of April 9, 2021 (“**Term Sheet**”) and is effective as the date it is fully executed (“**Effective Date**”). All capitalized terms used herein shall, unless otherwise defined, have the meaning ascribed to those terms in the lease and concession agreement (as defined below).

### R E C I T A L S

WHEREAS, the County, RACs and CS Project Delivery entered into the Term Sheet in April 2021 to frame conceptual terms for a potential agreement among the parties for development of a multi-user consolidated rental car facility, including a quick turn-around facility (“**QTA**”) (including some or all of vehicle staging; washing; cleaning; vehicle maintenance; and fueling facilities) along with other rental car facility improvements yet-to-be determined (collectively a “**ConRAC**”) at the Airport (the “**Project**”); and

WHEREAS, on January 6, 2022, CS Project Delivery, on behalf of itself and the RACs, submitted to the County a final STS ConRAC Phase 1 Feasibility Report as contemplated in the Term Sheet; and

WHEREAS, the County Board of Supervisors approved the recommendation of the Airport’s manager to proceed to Phase 2 of the Project as described in the Phase 1 Feasibility Report, but on terms that differ from those originally contemplated in the Term Sheet; and

WHEREAS, the parties desire to modify the Term Sheet to reflect both the decision to proceed with Phase 2 and agreed changes to the terms for proceeding;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### A G R E E M E N T

1. The **third introductory paragraph** is hereby deleted in its entirety and replaced with the following language:

A Feasibility Phase as described in item 12 below having been accomplished, and the resulting STS Phase 1 Feasibility Report having been accepted by the County, CS Project Delivery shall be paid solely from Customer Facility Charges (“CFCs”) collected and

remitted by the RACs for services to be invoiced pursuant to the approved Phase 2 Budget in the amount of \$2,165,000 for a Design/Pricing Phase as described in item 13 below. The current balance, at the execution of this Amendment, of the CFCs collected to date is approximately \$300,000, which is less than fourteen percent (14%) of the total project cost of Phase 2. CS Project Delivery will be paid from future CFCs collected from the RACS as they become available and paid to the County. No liens, late fees, interest charges, prepayments or promissory notes shall be required by CS Project Delivery for payment of the Phase 2 project costs until paid in full from collected CFCs.

Thereafter, if Airport Manager and the RACs collectively approve to proceed to Phase 3, the County and CS Project Delivery—or STS Conrac, LLC, designated by CS Project Delivery as a special purpose DBFOM facility company formed for this purpose—intend to enter into a ground lease agreement to be negotiated during the Design/Pricing Phase of the development process providing for lease and occupancy of the Project site and final design, construction and operation of the Project, with financing secured and paid for solely from collected and remitted CFCs (all as shown in the Preliminary Project Budget referenced in item 18 below).

2. The descriptive text of **Item 3 (Transition to Daily Rate CFC)** is hereby deleted in its entirety and replaced with the following language:

To generate funds to pay the cost of feasibility analysis and preliminary planning, and thereafter, the RACs have caused the DBFOM facility company, on behalf of and in collaboration with the Airport Manager, to carry out the statutory process required under California Government Code sections 50474.3 and 50474.21 for the Airport to transition from requiring RAC collection of a per contract CFC to a daily rate CFC. The daily rate amount has been determined through the statutorily required analysis and approved by Sonoma County.

3. The descriptive text of **Item 4 (Siting and Approximate Site Area)** is hereby deleted in its entirety and replaced with the following language:

Site analysis has identified the site of the proposed ConRAC as depicted on attached **Amended Exhibit 2**.

4. The descriptive text of **Item 5 (Approximate Budget)** is hereby deleted in its entirety and replaced with the following language:

Rough order of magnitude design and construction cost range of \$16.7 million as projected in the STS Phase 1 Feasibility Report and set out in the Preliminary Project Budget attached as **Amended Exhibit 5**.

5. The descriptive text of **Item 9 (Anticipated Program)** is hereby deleted in its entirety and replaced with the following language:

Preliminary program elements per STS Phase 1 Feasibility Report:

- 4 Fueling/Cleaning Positions (2 Fuel Dispensers)
- 12,000 Gallon above-ground Fuel Tank
- 2 Automated Car Washes
- Accommodations for 2 Future Car Wash Bays
- 2 Light Maintenance Bays
- 53 Staging/Storage Spaces (Dirty and Clean)
- 1,000 square feet Administration Areas
- 200 Ready/Return Spaces

6. In **Item 10 (Key Documents)**, the words “Lease Option Agreement” are hereby replaced with “Amendment to STS ConRAC Term Sheet.”

7. The descriptive text of **Item 12 (Phase 1 – Feasibility)** is hereby deleted in its entirety and replaced with the following language:

CA Project Delivery has produced, and the County has approved, the STS Phase 1 Feasibility Report, including the following components:

- Preliminary Scope and Design
- Phase 1 Environmental
- Preliminary Project Development Budget
- Preliminary Plan of Finance
- Calculation and Recommendation of New Alternate Customer Facility Charge
- Project Term Sheet Phase 2 (in lieu of Form of Lease Option Agreement)
- Key Business Terms
- Proposal for Design Development and Pricing
- Preliminary Schedule

#### Appendices

- STS ConRAC Team Qualifications
- Kimley-Horn Phase 1 Environmental Site Assessment Summary
- Q&D Cost Estimate
- Connico Independent Cost Estimate
- Unison Transaction Day Forecast

8. The topic heading “**Conceptual Budget**” preceding Item 16 is hereby changed to “**Preliminary Budget**,” and is moved to follow the new Item 16 below.

9. **Item 16 (Phase 1 Budget)** is hereby deleted in its entirety and replaced with the following Item and language:

**16. Phase 2 Schedule**

CS Project Delivery will complete Phase 2 according to the Phase 2 Schedule shown on attached **Amended Exhibit 3**.

10. A new **Item 18 (Phase 2 Payment)** is hereby inserted after Item 17 as follows:

**18. Phase 2 Payment**

CS Project Delivery shall be entitled to monthly payment of Design/Pricing costs in accordance with Phase 2 of the Preliminary Project Budget attached as **Amended Exhibit 5**, to be paid from CFCs collected by the RACs. CS Project Delivery shall not incur financial liability to its consultants under this Term Sheet for Design/Pricing greater than the total pre-approved budget amounts for Phase 2 unless otherwise approved by the County in writing, or the Phase 2 Deliverables have been accepted and a decision has been made to move forward with Project Delivery, in which case any additional Design/Pricing costs shall be included as a component of the Phase 3 Project Budget.

11. Former **Item 18 (Preliminary Phase 3 Budget)** is hereby renumbered as **Item 19** and its descriptive text is deleted in its entirety and replaced with the following language:

The preliminary budget for Phase 3, as described in item 13 above, including soft costs and project management fees, to be 100% Paid with CFCs and CFC-backed financing, non-recourse to RACs or airport, is presented in the attached **Preliminary Project Budget** (See attached **Exhibit 5**). All amounts stated are preliminary estimates only, subject to change during Phase 2. A final project budget will become fixed upon approval by the RACs and Sonoma County to advance to Phase 3.

12. New **Items 20, 21, 22, 23** and **24** are hereby added after Item 19, as follows:

**20. Commitment to Collaboration**

CS Project Delivery will carry out the Phase 2 – Design/Pricing in an iterative process and collaborative manner that provides timely and reasonable opportunity for, and depends upon, the County’s review, comment (and in the case of Business Terms, negotiation) of iterative concepts, drawings and document drafts. The County will participate in good faith in CS Project Delivery’s iterative process in a collaborative manner, providing review and comment reasonably calculated to maximize CS Project Delivery’s opportunity to

understand and address successfully the County's requirements, desires and concerns relating to the Project.

## **21. Right to Discontinue and Effects**

Nothing in this Term Sheet prevents the County from declining to approve advancement from Phase 2 to Phase 3 Project Delivery, provided that:

21.1. The County first articulates to CS Project Delivery its good-faith basis for that intended decision and affords CS Project Delivery, not less than thirty (30) days, to respond with proposed modifications to the Project or its financing, or explanation why modification of the Project or its financing is not feasible, practical or desirable, which modifications or explanation the County will consider in good-faith before making its final decision.

21.2 No such decision to discontinue the Project shall terminate or otherwise impair the entitlement of CS Project Delivery and its consultants to payment according to the approved Phase 2 Budget for all efforts expended, third-party financial obligations incurred, and work accomplished to the date of written notice of discontinuation.

## **22. Interpretation**

This Term Sheet shall not be construed more narrowly against the Party that first drafted it nor more favorably toward the other Party, but shall be construed in balance as prepared by all Parties. Whenever used the singular shall include the plural, the plural shall include the singular. The headings in this Term Sheet are inserted for convenience only and shall not be used to define, limit or describe the scope of this Term Sheet or any of the obligations herein. Each party to this Term Sheet has had the opportunity to consult independent legal, business, tax and financial counsel in negotiating, entering into and executing this Term Sheet.

## **23. Counterparts**

This Term Sheet may be signed in one or more counterparts, each of which is deemed an original, and all of which together constitute one and the same

instrument. A facsimile or scanned digital image provided by a party of the signature of an authorized signer for that party is deemed an original for purposes of this Term Sheet.

**24. Relationship Among the RACs**

Each of the RACs is an independent competitor of each of the other RACs. Each RAC's interest under this Term Sheet is equal to, and limited to, its respective share of the Airport on-airport rental car market as measured by concession fees paid to the County. Under no circumstances shall any RAC be responsible for any cost payable with CFCs pursuant to this Term Sheet, for any act or omission of CS Project Delivery or any other RAC, nor jointly and severally liable with any other RAC for any cost, payment, or other obligation.

13. **Exhibit 2 - Phase 1 Deliverables** is hereby deleted and replaced in its entirety with the attached **Amended Exhibit 2 to Project Term Sheet: Site Drawing**.
14. **Exhibit 3 - Phase 1 and 2 Work & Cost Schedules** is hereby deleted and replaced in its entirety with the attached **Amended Exhibit 3 - Phase 2 Work Schedule**.
15. **Exhibit 5 - Conceptual Budget** is hereby deleted and replaced in its entirety with the attached **Amended Exhibit 5 - Preliminary Budget**.
16. Except to the extent of those Items and Exhibits specifically amended herein, the Term Sheet, together with exhibits, is and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to modify, invalidate or otherwise affect any provision of the Term Sheet, as amended, or any right of County or Operator arising thereunder.
17. This Amendment shall be governed by and construed under the internal laws of the State of California, and to the extent allowed by law, the parties agree that any action to enforce the terms of this Amendment or for the breach thereof shall be brought and tried in the County of Sonoma.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Effective Date stated above:

**AUTO DISTRIBUTORS, INC.  
dba ACE RENT A CAR**

**COUNTY:**

**COUNTY OF SONOMA**, a political  
subdivision of the State of California

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Steven Schneider  
Chief Executive Officer

By: \_\_\_\_\_  
Jon Stout, CAE, AAE  
Airport Manager

Date: \_\_\_\_\_

**AVIS BUDGET CAR RENTAL,  
LLC**

Date: \_\_\_\_\_

**CS  
PROJECT  
DELIVERY:**

**CONRAC SOLUTIONS PROJECT  
DELIVERY, LLC,**

By: \_\_\_\_\_  
Anne D. Morrison  
Vice President Properties & Facilities  
Authorized representative of Avis  
Budget Car Rental, LLC

By: \_\_\_\_\_  
Chris Teich  
President

Date: \_\_\_\_\_

**ENTERPRISE RENT A CAR  
OF SAN FRANCISCO, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Mike DiOrio  
Vice President/General Manager

By: \_\_\_\_\_  
Kevin Bass  
VP – General Manager

Date: \_\_\_\_\_

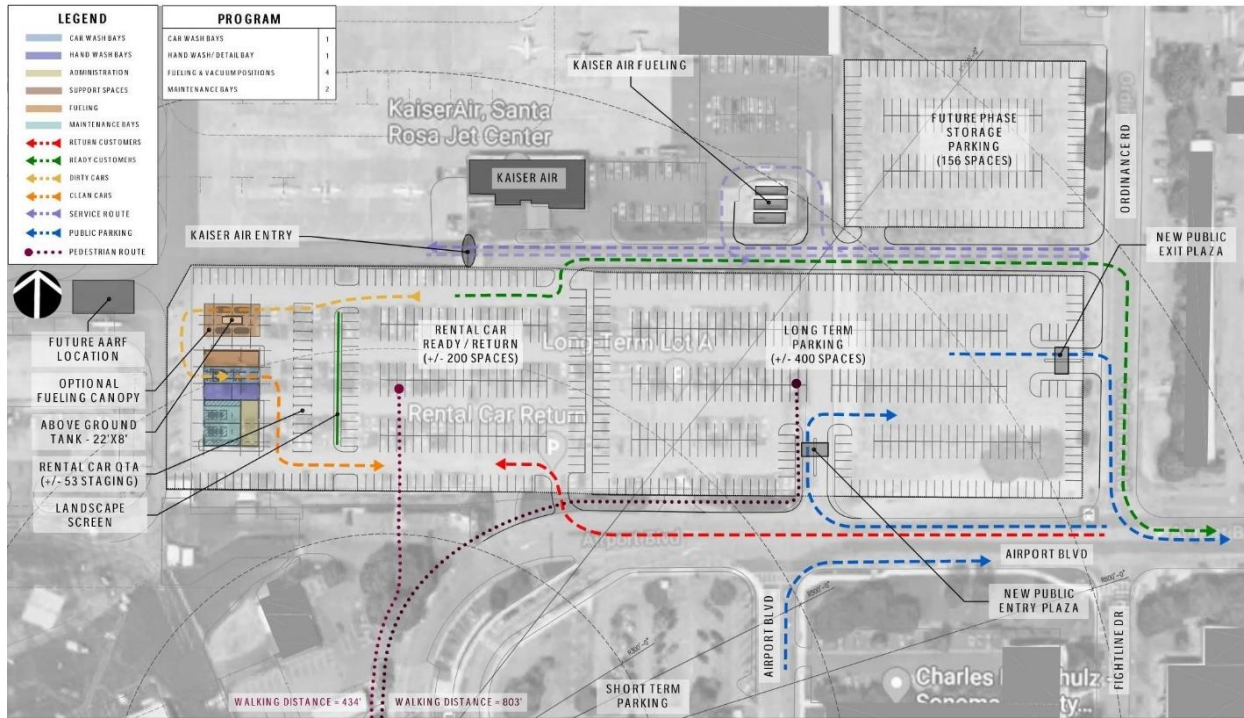
**APPROVED AS TO FORM  
FOR COUNTY:**

**CERTIFICATES OF INSURANCE  
ON FILE WITH DEPARTMENT:**

\_\_\_\_\_  
Elizabeth Coleman  
Deputy County Counsel  
Date: \_\_\_\_\_

\_\_\_\_\_  
Lori Schandel  
Airport Property Specialist  
Date: \_\_\_\_\_

## AMENDED EXHIBIT 2 SITE DRAWING





**AMENDED EXHIBIT 3  
PHASE 2 WORK SCHEDULE**

**Schedule**

<b>Sonoma County Board of Supervisors Approval for Phase 2</b>	<b>March 2022</b>
CFC Transition to Daily Rate	April 2022
30% Pricing Documents Published	July 2022
60% Pricing Documents Published	October 2022
Targeted NEPA/CEQA Submittal	TBD
Final Drafts of Legal Documents	January 2023
95% Pricing Documents Published	February 2023
D-B Drawing and Scope Review with A/E and Independent Estimator	February 2023
Final Design and Pricing	March 2023
Design Review Complete Airport & RACs	
Final Construction Pricing	
Price Proposal and Independent Estimates Complete	
Updated Total Development Budget	
FAA NEPA and California CEQA Comments Received	TBD
<b>Sonoma County Board of Supervisors Approval for Phase 3</b>	<b>August 2023</b>

# AMENDED EXHIBIT 5 STS PRELIMINARY BUDGET

## STS ROM Estimate - Option E October 21, 2021

Cost Category	<u>Phase 1</u> Feasibility	<u>Phase 2</u> Design and Pricing	<u>Phase 3<sup>1</sup></u> Construction	<u>Grand Total<sup>1</sup></u> Feasibility, Design/Pricing & Construction
<b>Design-Build</b>				
Design Build Stipulated Sum	\$150,000	\$1,485,000	\$11,570,234	\$13,205,234
Geotechnical	\$0	\$25,000	\$0	\$25,000
Construction Security Package	\$0	\$0	\$200,000	\$200,000
Construction Insurance Program	\$0	\$0	\$350,000	\$350,000
<b>Subtotal Design-Build</b>	<b>\$150,000</b>	<b>\$1,510,000</b>	<b>\$12,120,234</b>	<b>\$13,780,234</b>
<b>Project Soft Costs</b>				
Phase I Environmental	\$15,000	\$0	\$0	\$15,000
Phase II Environmental	\$0	\$85,000	\$0	\$85,000
CEQA/NEPA*	\$0	\$335,000	\$0	\$335,000
Special Inspections	\$0	\$0	\$20,000	\$20,000
Contract Negotiation and Drafting	\$5,000	\$25,000	\$5,000	\$35,000
Development Impact Fees	\$0	\$0	\$30,000	\$30,000
Land Rent During Construction	\$0	\$0	\$0	\$0
LEED Owner Commissioning	\$0	\$0	\$0	\$0
Property Taxes	\$0	\$0	\$0	\$0
3rd Party Cost Estimation Services	\$15,000	\$25,000	\$0	\$40,000
STS Conrac LLC Administration	\$5,000	\$40,000	\$5,000	\$50,000
Direct Project Management	\$0	\$50,000	\$200,000	\$250,000
Independent Transaction Day Forecast	\$25,000	\$35,000	\$0	\$60,000
CFC Transition	\$10,000	\$0	\$0	\$10,000
Reimbursables	\$5,000	\$25,000	\$19,000	\$49,000
Facility Activation	\$0	\$0	\$35,000	\$35,000
Start up Utilities	\$0	\$0	\$15,000	\$15,000
<b>Subtotal Project Soft Costs</b>	<b>\$80,000</b>	<b>\$620,000</b>	<b>\$329,000</b>	<b>\$1,029,000</b>
<b>Project Contingencies</b>				
Project Contingency (1.54%)	\$0	\$0	\$228,062	\$228,062
Soils Contingency (2.36%)	\$0	\$0	\$349,498	\$349,498
Fee - At Risk (3.0%)	\$0	\$0	\$444,277	\$444,277
<b>Subtotal Contingencies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,021,837</b>	<b>\$1,021,837</b>
<b>Project Management Fees</b>				
Base Fee, Overhead and Indirects (6.0%)	\$0	\$35,000	\$853,554	\$888,554
<b>Subtotal Fees</b>	<b>\$0</b>	<b>\$35,000</b>	<b>\$853,554</b>	<b>\$888,554</b>
<b>Total Cost</b>	<b>\$230,000</b>	<b>\$2,165,000</b>	<b>\$14,324,625</b>	<b>\$16,719,625</b>

1 - All construction costs are estimates to be confirmed during Design & Pricing phase.