

Exhibit B: No Other Reasonable Means of Financing Documents

Attachment 1: Sources & Uses Statement

- Please provide a complete Sources and Uses Statement. For construction costs, please base construction costs using the payment of Nevada prevailing wage rates. Use of redevelopment funding (\$100,000 or greater) requires the payment of Nevada prevailing wage rates. (Please refer to the Nevada Labor Commissioner, <https://labor.nv.gov/> for the most recent schedule of Nevada prevailing wage rates. Rates change annually.)

POWER SPORTS DEVELOPMENT LLC SOURCES & USES

	Uses			Sources	
	Hard Costs	Soft Costs	Total Development Costs	Construction Financing	Developer Equity
Golf Improvements	\$27,000,000	\$3,000,000	\$30,000,000	\$20,250,000	\$9,750,000
Arena	275,000,000	91,666,667	366,666,667	247,500,000	119,166,667
Arena Parking Garage	61,600,000	15,400,000	77,000,000	51,975,000	25,025,000
Practice Facility	25,000,000	8,333,333	33,333,333	22,500,000	10,833,333
Fan Zone (Retail)	7,500,000	2,500,000	10,000,000	6,750,000	3,250,000
New Hotel Tower	346,000,000	115,333,333	461,333,333	311,400,000	149,933,333
New Hotel Parking Garage	17,600,000	4,400,000	22,000,000	14,850,000	7,150,000
Total	\$759,700,000	\$240,633,333	\$1,000,333,333	\$675,225,000	\$325,108,333
<i>% of Total</i>	<i>75.9%</i>	<i>24.1%</i>	<i>100.0%</i>	<i>67.5%</i>	<i>32.5%</i>

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Attachment 2: 10-Year Operating Pro Forma

- o *Attach a 10-Year operating pro forma showing revenues, expenses, gross income, debt service, cash flow available for debt service, cash flow after debt service, cash-on-cash return on investment, and an (after-tax) internal rate of return. If the developer plans an exit (sale) of the finished project prior to the end of a ten-year term, please clearly indicate as such. Identify both the internal rate of return with the Agency participation being requested, and the internal rate of return without the Agency participation.*

POWER SPORTS DEVELOPMENT LLC PRO-FORMA (NO ABATEMENT)

	Total	Year											
		Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34	Dec-35	Dec-36
Development Costs													
Golf Improvements	\$30,000,000	\$7,500,000	\$15,000,000	\$7,500,000	--	--	--	--	--	--	--	--	--
Arena	366,666,667	91,666,667	183,333,333	91,666,667	--	--	--	--	--	--	--	--	--
Arena Parking Garage	77,000,000	19,250,000	38,500,000	19,250,000	--	--	--	--	--	--	--	--	--
Community Ice Rink	33,333,333	8,333,333	16,666,667	8,333,333	--	--	--	--	--	--	--	--	--
Fan Zone (Retail)	10,000,000	2,500,000	5,000,000	2,500,000	--	--	--	--	--	--	--	--	--
New Hotel Tower	461,333,333	--	--	--	--	--	--	--	--	115,333,333	230,666,667	115,333,333	--
New Hotel Parking Garage	22,000,000	--	--	--	--	--	--	--	--	5,500,000	11,000,000	5,500,000	--
Total	\$1,000,333,333	\$129,250,000	\$258,500,000	\$129,250,000	--	--	--	--	--	\$120,833,333	\$241,666,667	\$120,833,333	--
Construction Debt	\$675,225,000	--	\$219,725,000	\$129,250,000	--	--	--	--	--	--	\$205,416,667	\$120,833,333	--
Equity Investment	\$325,108,333	\$129,250,000	\$38,775,000	--	--	--	--	--	--	\$120,833,333	\$36,250,000	--	--
Net Operating Income Before Property Taxes													
Golf Improvements	\$53,295,531	--	--	\$2,500,000	\$5,000,000	\$5,150,000	\$5,304,500	\$5,463,635	\$5,627,544	\$5,796,370	\$5,970,261	\$6,149,369	\$6,333,850
Arena	106,591,061	--	--	5,000,000	10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741	11,940,523	12,298,739	12,667,701
Arena Parking Garage	21,318,212	--	--	1,000,000	2,000,000	2,060,000	2,121,800	2,185,454	2,251,018	2,318,548	2,388,105	2,459,748	2,533,540
Community Ice Rink	--	--	--	--	--	--	--	--	--	--	--	--	--
Fan Zone (Retail)	12,790,927	--	--	600,000	1,200,000	--	1,273,080	1,311,272	1,350,611	1,391,129	1,432,863	1,475,849	1,520,124
New Hotel Tower	70,500,000	--	--	--	--	--	--	--	--	--	--	23,500,000	47,000,000
New Hotel Parking Garage	2,250,000	--	--	--	--	--	--	--	--	--	--	750,000	1,500,000
Incremental Hotel Net Operating Income	106,591,061	--	--	5,000,000	10,000,000	10,000,000	10,609,000	10,927,270	11,255,088	11,592,741	11,940,523	12,298,739	12,667,701
Net Operating Income Before Property Taxes	\$373,336,793	--	--	\$14,100,000	\$29,200,000	\$30,046,000	\$29,917,380	\$30,814,901	\$31,739,348	\$32,691,529	\$33,672,275	\$58,932,443	\$84,222,916
Property Taxes													
Golf Improvements	\$3,546,768	--	--	\$172,935	\$352,870	\$352,787	\$359,843	\$367,040	\$374,381	\$381,868	\$389,506	\$397,296	\$405,242
Arena	36,124,494	--	--	1,761,375	3,522,750	3,593,205	3,665,069	3,738,371	3,813,138	3,889,401	3,967,189	4,046,533	4,127,463
Arena Parking Garage	8,091,887	--	--	394,548	789,096	804,878	820,976	837,395	854,143	871,226	888,650	906,423	924,552
Community Ice Rink	3,284,045	--	--	160,125	320,250	326,655	333,188	339,852	346,649	353,582	360,654	367,867	375,224
Fan Zone (Retail)	985,213	--	--	48,038	96,075	97,997	99,956	101,956	103,995	106,075	108,196	110,360	112,567
New Hotel Tower	11,169,296	--	--	--	--	--	--	--	--	--	2,216,130	4,432,260	4,520,905
New Hotel Parking Garage	568,149	--	--	--	--	--	--	--	--	--	112,728	225,456	229,965
Total Property Taxes	\$63,769,852	--	--	\$2,537,021	\$5,074,041	\$5,175,522	\$5,279,032	\$5,384,613	\$5,492,305	\$5,602,152	\$8,043,053	\$10,486,195	\$10,695,919
Property Tax Abatement	--	--	--	--	--	--	--	--	--	--	--	--	--
Debt Service	237,789,844	--	--	\$10,905,469	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$32,006,250
Sales Price	919,087,472	--	--	--	--	--	--	--	--	--	--	--	\$919,087,472
Debt Payoff	(675,225,000)	--	--	--	--	--	--	--	--	--	--	--	(675,225,000)
Net Cashflow	(\$9,468,765)	(\$129,250,000)	(\$38,775,000)	\$657,511	\$1,315,021	\$2,059,540	\$2,827,410	\$3,619,351	\$4,436,106	(\$115,554,893)	(\$32,431,715)	\$16,439,998	\$275,187,907
IRR	-0.5%												

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Exhibit B: No Other Reasonable Means of Financing Documents

POWER SPORTS DEVELOPMENT LLC PRO-FORMA (WITH ABATEMENT)

	Total	Year											
		Dec-25	Dec-26	Dec-27	Dec-28	Dec-29	Dec-30	Dec-31	Dec-32	Dec-33	Dec-34	Dec-35	Dec-36
Development Costs													
Golf Improvements	\$30,000,000	\$7,500,000	\$15,000,000	\$7,500,000	--	--	--	--	--	--	--	--	--
Arena	366,666,667	91,666,667	183,333,333	91,666,667	--	--	--	--	--	--	--	--	--
Arena Parking Garage	77,000,000	19,250,000	38,500,000	19,250,000	--	--	--	--	--	--	--	--	--
Community Ice Rink	33,333,333	8,333,333	16,666,667	8,333,333	--	--	--	--	--	--	--	--	--
Fan Zone (Retail)	10,000,000	2,500,000	5,000,000	2,500,000	--	--	--	--	--	--	--	--	--
New Hotel Tower	461,333,333	--	--	--	--	--	--	--	--	115,333,333	230,666,667	115,333,333	--
New Hotel Parking Garage	22,000,000	--	--	--	--	--	--	--	--	5,500,000	11,000,000	5,500,000	--
Total	\$1,000,333,333	\$129,250,000	\$258,500,000	\$129,250,000	--	--	--	--	--	\$120,833,333	\$241,666,667	\$120,833,333	--
Construction Debt	\$675,225,000	--	\$219,725,000	\$129,250,000	--	--	--	--	--	--	\$205,416,667	\$120,833,333	--
Equity Investment	\$325,108,333	\$129,250,000	\$38,775,000	--	--	--	--	--	--	\$120,833,333	\$36,250,000	--	--
Net Operating Income Before Property Taxes													
Golf Improvements	\$53,295,531	--	--	\$2,500,000	\$5,000,000	\$5,150,000	\$5,304,500	\$5,463,635	\$5,627,544	\$5,796,370	\$5,970,261	\$6,149,369	\$6,333,850
Arena	106,591,061	--	--	5,000,000	10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741	11,940,523	12,298,739	12,667,701
Arena Parking Garage	21,318,212	--	--	1,000,000	2,000,000	2,000,000	2,121,800	2,185,454	2,251,018	2,318,548	2,388,105	2,459,748	2,533,540
Community Ice Rink	--	--	--	--	--	--	--	--	--	--	--	--	--
Fan Zone (Retail)	12,790,927	--	--	600,000	1,200,000	--	1,273,080	1,311,272	1,350,611	1,391,129	1,432,863	1,475,849	1,520,124
New Hotel Tower	70,500,000	--	--	--	--	--	--	--	--	--	--	23,500,000	47,000,000
New Hotel Parking Garage	2,250,000	--	--	--	--	--	--	--	--	--	--	750,000	1,500,000
Incremental Hotel Net Operating Income	106,591,061	--	--	5,000,000	10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741	11,940,523	12,298,739	12,667,701
Net Operating Income Before Property Taxes	\$373,336,793	--	--	\$14,100,000	\$29,046,000	\$29,917,380	\$30,814,901	\$31,739,348	\$32,691,529	\$33,672,275	\$34,663,023	\$35,672,775	\$36,722,916
Property Taxes													
Golf Improvements	\$3,546,768	--	--	\$172,935	\$345,870	\$352,787	\$359,843	\$367,040	\$374,381	\$381,868	\$389,506	\$397,296	\$405,242
Arena	36,124,494	--	--	1,761,375	3,522,750	3,593,205	3,665,069	3,738,371	3,813,138	3,889,401	3,967,189	4,046,533	4,127,463
Arena Parking Garage	8,091,887	--	--	394,548	789,096	804,878	820,976	837,395	854,143	871,226	888,650	906,423	924,552
Community Ice Rink	3,284,045	--	--	160,125	320,250	326,655	333,188	339,852	346,649	353,582	360,654	367,867	375,224
Fan Zone (Retail)	985,213	--	--	48,038	96,075	97,997	99,956	101,956	103,995	106,075	108,196	110,360	112,567
New Hotel Tower	11,169,296	--	--	--	--	--	--	--	--	--	2,216,130	4,432,260	4,520,905
New Hotel Parking Garage	568,149	--	--	--	--	--	--	--	--	--	112,728	225,456	229,965
Total Property Taxes	\$63,769,852	--	--	\$2,537,021	\$5,074,041	\$5,175,522	\$5,279,032	\$5,384,613	\$5,492,305	\$5,602,152	\$5,713,029	\$5,824,023	\$5,935,119
Property Tax Abatement	(\$16,723,033)	--	--	(\$665,309)	(\$1,330,619)	(\$1,357,231)	(\$1,384,376)	(\$1,412,063)	(\$1,440,305)	(\$1,469,111)	(\$2,109,214)	(\$2,749,904)	(\$2,804,902)
Debt Service	237,789,844	--	--	\$10,905,469	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938	\$21,810,938
Sales Price	954,148,750	--	--	--	--	--	--	--	--	--	--	--	\$954,148,750
Debt Payoff	(675,225,000)	--	--	--	--	--	--	--	--	--	--	--	(\$675,225,000)
Net Cashflow	\$42,315,546	(\$129,250,000)	(\$38,775,000)	\$1,322,820	\$2,645,640	\$3,416,772	\$4,211,786	\$5,031,414	\$5,876,410	\$6,741,410	\$7,622,275	\$8,513,023	\$9,408,775
IRR	1.9%												

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Exhibit B: No Other Reasonable Means of Financing Documents

Attachment 3: 2 Years of Financial Statements, including Balance Sheet and Income Statement

- *Applicant should provide the most recent two years of financial statements, including a balance sheet and income statement. Indicate whether the financial statements are audited or unaudited. Applicant also should provide a list of all assets under management, and whether any assets under management have any current debt defaults or any unpaid judgments.*

Special Note: Upon request, this Attachment 3 may be provided confidentially to the Agency and returned to the Developer if necessary to protect any proprietary or confidential information of the Developer.

The arena project is being developed by Power Sports Development LLC, which is wholly owned by Alex Meruelo. This is a new entity with no prior history or financial statements set up for separate tracking of the development, insurance purposes, and also to satisfy bank requirements. For the arena development, Power Sports Development LLC will lease the land from GSR. Once the project is completed, Power Sports Development LLC will then sign an operating agreement with GSR for GSR to handle the ongoing operations.

Entities within the Meruelo family of companies are separately owned by Alex Meruelo without there being a centralized “parent” company. These companies include GSR, the Sahara in Las Vegas, seven construction companies, five media companies, two food companies, real estate entities, an AHL hockey team and other related companies. While these companies are separately owned, Meruelo Group LLC exists as a management company to oversee the operations of all related companies, but does not actually have ownership in any of the companies.

Because of this structure of the Reno development project at the GSR, we don’t currently have financial statements that we can provide specifically backing the projects. There is substantial wherewithal behind the developments though, including financial statements for GSR and for Alex Meruelo, which encompasses his ownership in all of the Meruelo companies. Being a private organization, the specific financial information is highly confidential, but has been subject to vetting and auditing by the Nevada Gaming Control Board, the Federal Deposit Insurance Corporation (FDIC), the Securities and Exchange Commission (SEC), the Federal Communications Commission, the National Hockey League and several other regulatory bodies. All of these agencies have found Mr. Meruelo to be operating in a compliant manner and is a licensee in good standing.

Exhibit B: No Other Reasonable Means of Financing Documents

Attachment 4: Developer Banking and Credit References

- *Please provide a list of current banking or credit references. If available, please provide any lender term sheets or denial letters indicating the lack of private market debt financing for the project.*

Don Schulke
Senior VP
Bank of America
5370 Kietzke Lane, 2nd Floor
Reno, NV 89511
775-325-9012

Additional references can be provided upon request.

Exhibit B: No Other Reasonable Means of Financing Documents

Attachment 5: Developer Affidavit - Financial Necessity Statement

- *Please complete the Developer Affidavit Form, with a signature and notary acknowledgment.*

Signed affidavit is forthcoming.