



## PROJECT AUTHORIZATION AGREEMENT

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- Client:** Truckee Tahoe Airport District  
10356 Truckee Airport Road  
Truckee, California 96161
- Contact:** Mr. Kevin Smith, A.A.E., General Manager  
Email Address (for notices): kevin.smith@truckeetahoeairport.com
- Consultant:** Aviation Management Consulting Group, Inc.  
9085 E. Mineral Circle, Suite 315  
Centennial, Colorado 80112
- Contact:** Jeff Kohlman, Managing Principal  
Email Address (for notices): jkohlman@amcg.aero
- Services:** Financial Allocation Analysis and FBO Fee Study
- Scope:** **Element 1 (Financial Allocation Analysis):** Aviation Management Consulting Group (AMCG) will conduct a financial allocation analysis (Analysis) on behalf of the Truckee Tahoe Airport District (District). The Analysis will consist of AMCG's collaborative review, analysis, and allocation of the District's FY 2018, FY 2019, and FY 2020 operating revenues, operating cost of goods sold, operating expenses, non-operating sources of funds, and non-operating uses of funds. Based on previous financial allocation analysis conducted by AMCG on behalf the District, AMCG estimates that the Analysis allocations will include the following **primary** and **secondary** revenue and cost centers: **Airport** (*District, Airside, Landside, Aviation Real Estate, Non-Aviation Real Estate*) and **FBO** (*Fuel, Products and Services, and Facilities*).
- Element 2 (FBO Fee Study):** AMCG will conduct an FBO fee study (Study) on behalf of the District. This Study will start with the identification of all FBO fees currently charged by the District and the methodology utilized to set and adjust these fees. In addition, AMCG will identify all FBO fees (including those not currently charged by the District) that are currently charged by FBOs at comparable resort-destination and compare these fees to those charged by the District. Finally, the Study will include AMCG recommendations on the type and level of FBO fees that should be charged by the District.
- Fees:** **Element 1 (Financial Allocation Analysis):** The Analysis will be completed for a fixed fee of \$27,500. Included in the fixed fee is two drafts and a final report of the Study.
- Element 2 (FBO Fee Study):** The Analysis will be completed for a fixed fee of \$7,500.
- Expenses:** No expense allocation is included in the Fees identified herein. The Client agrees to reimburse AMCG (at cost without mark-up) for any direct (project-related) expenses incurred by AMCG.
- Direct (project-related) expenses include air and ground transportation, lodging, subsistence, and costs for outside services (e.g., overnight or courier service, copying, printing, and document production/duplication, etc.).*
- Schedule:** Services will be completed within 4 to 6 months from receipt of notice to proceed and receipt of requested information – subject to circumstances beyond AMCG's control, which may result in delayed completion of Services without liability to AMCG.



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**Terms:** A signed Agreement will be required to commence work. Fees for services rendered (and reimbursement for expenses incurred) by AMCG will be payable on a progressive basis predicated upon the work performed and the expenses incurred by AMCG each billing period (terms net 15 with interest at 15% per annum accrued on any unpaid balance). AMCG shall for all purposes be deemed an independent contractor of Client. While AMCG typically invoices on a monthly basis, AMCG may invoice the Client on a more frequent basis in AMCG’s discretion. If any payment due and owing is not made promptly by the Client, AMCG may discontinue work. The Client agrees to pay all costs of collection including attorney’s fees and related costs/expenses and all interest incurred if payments are not made as agreed. In the event of any other dispute, the prevailing party shall be entitled to recover attorney’s fees, court costs, and related costs/expenses.

This Agreement is subject to the terms and conditions included in **Attachment A – General Terms and Conditions**. AMCG work products will be provided in hardcopy or non-editable digital formats only.

AMCG does not employ any attorneys, certified public accountants, or engineers. As such, AMCG will not directly provide any legal, tax, or engineering reviews, render any legal, tax, or engineering findings, observations, opinions, or recommendations, or provide any legal, tax, or engineering advice to the Client.

The Client understands that AMCG provides a wide range of aviation management consulting services to current and prospective owners and operators of airports and aviation businesses (and other entities) located throughout the United States and abroad. While AMCG has determined (and the Client has agreed) that no conflict of interest exists at this time (relating to the services identified in this Agreement), the Client understands that potential conflicts of interest (which cannot be anticipated at this time) may arise relating to future work (not related to the services identified in this Agreement) and if AMCG identifies a potential conflict and the conflict cannot be resolved, AMCG may not be able and would not be obligated to provide services to the Client as it relates to future work that is or may be perceived as being in conflict. In such a case, AMCG will identify and refrain from performing the services that are or may be perceived as being in conflict. All other aspects of this Agreement or any other agreement between AMCG and the Client shall not be affected.

This Agreement is subject to change (including withdrawal in part or whole) if not executed by the Client by 5:00 pm (Mountain) on March 31, 2021.

By: \_\_\_\_\_  
Jeff A. Kohlman, Managing Principal  
Aviation Management Consulting Group, Inc.

Date: 02/12/2021

**Client’s Acceptance, Agreement, and Authorization:**

*I am authorized to sign for and bind Truckee Tahoe Airport District to the terms and conditions of this Agreement.*

By: \_\_\_\_\_  
(Signature)

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

Name: \_\_\_\_\_  
(Print)

Title: \_\_\_\_\_  
(Print)

### **1. Entire Agreement**

This Agreement, together with these General Terms and Conditions and any attachments and/or written amendments hereto which may be agreed on by the Parties, constitutes the entire understanding and agreement between the Parties with respect to the Services to be provided hereunder and supersedes all previous negotiations, writings, and/or other agreements with respect to the subject matter hereof. If a proposal is attached hereto for purposes of scope and/or fee, then any additional terms or conditions contained in such proposal are void and not a part hereof.

### **2. Amendments**

This Agreement and said attachments may only be amended by a written instrument signed by an authorized representative of each of the Parties hereto.

### **3. Indemnification**

AMCG and Client each agree to indemnify and hold harmless their respective directors, officers, employees, agents, and representatives from and against all suits, actions, claims, demands, judgments, and liabilities including property damage and bodily injury or death and reasonable attorneys' fees to the extent resulting from indemnifying party's negligent acts, errors, or omissions or breach of contract relative to this Agreement.

### **4. AMCG's Liability; Remedy for Breach**

AMCG is not liable to Client, in contract or tort or otherwise, for any special, indirect, consequential, or liquidated damages including specifically, but without limitation, loss of profit or revenue, loss of capital, delay damages, loss of goodwill, claim of third parties, or similar damages. IN NO EVENT SHALL AMCG'S AGGREGATE LIABILITY FOR ALL CLAIMS EXCEED THE AMOUNTS PAID BY CLIENT TO AMCG IN THE PRECEDING 12 MONTHS.

In the event of any breach of this Agreement by AMCG with respect to the provision of Services, AMCG shall promptly correct or re-perform all such Services, which shall be the sole and exclusive remedy of Client for any such breach of this Agreement.

### **5. Governing Law and Mediation**

This Agreement, the rights and obligations of the Parties hereto, and any claims or disputes relating thereto shall be governed, interpreted, construed and enforced pursuant to the laws of the State of Colorado. No action may be brought except in the State of Colorado.

In the event of a dispute arising out of or relating to this Agreement or the Services to be rendered hereunder, the Parties agree to: (i) attempt to resolve the disputes through direct negotiations between the appropriate representatives of each party for a period of at least 60 days, (ii) if such negotiations are not fully successful, the parties agree to attempt to resolve any remaining dispute

by formal nonbinding mediation conducted in accordance with rules of the American Arbitration Association by the Judicial Arbitrator Group at their offices in Denver, Colorado, and (iii) if the dispute or any issues remain unresolved after the first two steps, either party may seek to have the dispute resolved by a court of competent jurisdiction in the State of Colorado.

In the event a dispute shall arise under or about this Agreement, the prevailing party as determined by the mediator or court (defined as the one recovering or defending more than 50% of the claim) shall be entitled to recover from the other party as part of the prevailing party's costs, its reasonable attorney's fees and court costs/mediation fees.

### **6. Termination**

This Agreement may be terminated by either Party upon a material breach by the other Party which goes uncorrected for a period of 15 days after such Party's receipt of notice thereof from the non-breach Party. In the event of termination, Client shall pay AMCG for Services completed through the effective date of termination.

### **7. Assignment**

Client may not assign, sublet, or transfer its rights and/or obligations under this Agreement without the prior express written consent of AMCG and any attempted assignment, sublet, or transfer without such consent shall be null and void.

### **8. Conflicts**

If any provision of this Agreement is found to be in conflict with another provision in this Agreement, the provision that establishes the higher or stricter standard shall prevail.

### **9. Saving Clause**

If any provision of this Agreement is held unenforceable, then such provision will be modified to reflect AMCG'S intention. All remaining provisions of this Agreement shall remain in full force and effect.

### **10. Severability**

The various terms, provisions, and covenants herein contained shall be deemed to be separable and severable, and the invalidity or unenforceability of any of them shall in no manner affect or impair the validity or enforceability of the remainder hereof.

### **11. Notice**

Any and all notices required or authorized to be given pursuant to this Agreement between the Parties will be considered as having been legally delivered if sent via hand-delivery, email, overnight courier service, or U.S. First class Certified or Registered Mail, postage prepaid, and return receipt requested to the addresses of each party identified in this Agreement. Either party may change its addresses for notices by providing written notice to the other Party as set forth in this Section.