

EMPLOYMENT AGREEMENT

THIS AGREEMENT is between Truckee Tahoe Airport District (“the District”) and Robb Etnyre (“Employee”).

This Agreement is entered into on the basis of the following facts, among others:

- A. Employee has been acting as Interim General Manager of the District, pursuant to an interim employment agreement;
- B. Employee has relevant experience within the industry;
- C. Based on Employee’s past experience and his performance in the interim role, the Board of Directors (“the Board”) of the District desires to appoint Employee as the General Manager of the District, and Employee desires to accept this appointment; and
- D. The District and Employee desire to establish specific terms and conditions relating to compensation and benefits, performance evaluations, and related matters.

BASED UPON THE FOREGOING, THE DISTRICT AND EMPLOYEE AGREE AS FOLLOWS:

1. Employee Appointed. The District appoints and employs Employee as General Manager, and Employee accepts the appointment and employment effective September 1, 2022.

2. Duties of Employee. Employee shall perform the duties established for the General Manager by State law, the General Manager job description as it may be periodically amended (a current copy of which is attached hereto as Exhibit A), the directions of the Board, or as otherwise provided by law, ordinance, or regulation.

(a) Full Energy and Skill. Employee shall faithfully, diligently, and to the best of Employee's abilities, perform all duties that may be required under this Agreement. Employee agrees that Employee has a duty of loyalty and a general fiduciary duty to the District. The District recognizes that Employee provides consulting services to other entities and expects that these services will be performed at a time and in a manner that does not conflict with or interfere with Employee’s duties as General Manager. Employee will only maintain his consulting services to other entities outside normal working hours of the District or during approved vacation time, and without using any property of the District.

(b) No Conflict. Employee shall not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with, inimical to, or which interferes with the performance of Employee’s duties.

(c) Outside Activities. In order to provide consulting services to outside entities during the District’s business hours, Employee will take personal leave (i.e. vacation time). Employee has obtained approval to take personal leave (i.e., vacation time) to

provide consulting services to outside entities during the District's business hours on the following dates in 2022: September 23 and October 21. Under no circumstances shall any outside activities create a conflict of interest between the duties of the General Manager and the interests of the District.

3. Hours of Work. Employee is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager position. Employee does not have set hours of work, as the General Manager is expected to be available at all times. It is recognized that the General Manager must devote a great deal of time to the business of the District outside of the District's customary office hours, and to that end the General Manager's schedule of work each day and week shall vary in accordance with the work required to be performed and in accordance with any specific direction provided by the Board.

4. Term. The term of this Agreement shall be from the Effective Date through December 31, 2025, unless terminated earlier by either party in accordance with the provisions set forth in Paragraph 8.

5. Performance Evaluation. The Board shall conduct performance evaluations in or about May of each year to assess Employee's performance and provide guidance and direction regarding the Board's goals and objectives which Employee shall be tasked with implementing. Nothing in this paragraph prohibits the Board from conducting additional formal performance evaluations when deemed appropriate or from providing information feedback to Employee regarding his performance.

6. Compensation.

(a) Salary. Employee shall receive an annual salary of Two Hundred Twenty Thousand Dollars (\$220,000), payable on a pro-rata basis on the District's regularly scheduled paydays in the same manner as all full time District employees, and subject to all applicable payroll taxes and withholdings.

(b) Salary Adjustments.

(i) Merit Increases. In connection with Employee's annual performance evaluation, the Board can decide, in its sole discretion, whether to award Employee any merit increase in compensation. In addition, the Board has discretion to award Employee increases in compensation at other times deemed appropriate by the Board. Employee is not guaranteed any merit-based compensation increase, even with a positive evaluation. Effective May 1, 2023, subject to and conditioned upon a fully satisfactory performance evaluation, Employee's annual salary shall be increased to Two Hundred Forty Thousand Dollars (\$240,000), which shall be payable in the same manner as set forth in subsection (a). Employee shall thereafter be considered for merit-based increases in connection with his annual performance evaluations.

(ii) Cost of Living Adjustment. Employee shall receive a cost of living increase in his annual salary each July 1st equal to the amount of the cost of living increase

granted to other District employees, provided that the cost of living increase is in compliance with and shall not exceed the maximum set forth in Government Code sections 3511.1-3511.2.

(c) Execution Bonus. In recognition of Employee's successful service as interim General Manager and the performance bonus eligibility and criteria set forth in Employee's employment agreement for interim General Manager, District shall pay Employee an execution bonus in the amount of \$22,500. This amount shall be paid, subject to all appropriate withholdings and deductions, within ten (10) calendar days of the date on which Employee signs this Agreement or the date on which the Board approves this Agreement, whichever is later. This execution bonus is not reportable to CalPERS.

(d) Performance Bonus. Annually in connection with his performance evaluation, the Board will consider Employee's eligibility for a performance bonus, in an amount not to exceed ten percent (10%) of General Manager's then applicable annual salary and based on meeting objective criteria to the extent possible. Criteria for the following year shall be set by the Board and General Manager at each performance evaluation and may include the following: (i) achievement of District strategic objectives; (ii) effective leadership of District staff; (iii) development of meaningful connections within the airport industry and surrounding community; (iv) compliance with the District's revenue and finance goals; and (v) meaningful progress on District's development opportunities. Any performance bonus paid to Employee is not reportable to CalPERS.

(e) Benefits. Provided he meets the eligibility criteria set forth in each benefit plan, Employee will be eligible for all regular health and welfare benefits that the District provides to other full-time employees of the District. Details of those benefits are provided in the District's personnel policies and/or the summary plan description(s).

(i) CalPERS: The District contracts with CalPERS to provide retirement benefits to eligible employees. The District shall pay the employer contributions required by CalPERS to fund this benefit, and Employee shall pay the employee contributions. This contribution shall be paid by Employee through payroll deductions made on a pre-tax basis.

(ii) Medical Insurance: If Employee elects coverage, the District's contribution toward health benefits shall be equal to that provided to other full-time employees of District as specified in the District's employment policies.

(iii) 457 Plan: Subject to any limitations imposed by law and by the terms of the District's plan, Employee can participate in the District's 457 plan. Employee is responsible to ensure that Employee's contribution and the District's contribution meet Internal Revenue Code Section 457 deferred compensation program requirements.

7. Leave and Other Benefits. In addition to the benefits specified in paragraph 6, Employee shall receive the following benefits.

(a) Vacation; Sick Leave. Employee shall accrue vacation leave, consistent with the other terms of the District's vacation leave policy and subject to the applicable cap on accrual, in the amount of 9.231 hours each bi-weekly pay period. During the

remainder of 2022, Employee is expected to use vacation leave on the dates specified in paragraph 2(c). Employee shall accrue sick leave in accordance with the District's policy on sick leave.

(b) Automobile. Commencing the first full month of employment, Employee shall receive a monthly vehicle allowance of Five Hundred Dollars (\$500.00) per month. The parties intend for this taxable allowance to be in lieu of reimbursement on an itemized basis for mileage, gas, maintenance of a vehicle, etc. Employee shall not be separately reimbursed for mileage driven in Employee's personal vehicle. The District anticipates transitioning its vehicle fleet to electric vehicles during the term of this Agreement. Upon such transition, Employee shall be provided a District vehicle for use in lieu of this monthly vehicle allowance. Use of such vehicle shall be subject to applicable District policies.

8. Termination of Employment.

(a) No Property Interest. Employee understands and agrees that Employee has no constitutionally-protected property or other interest in Employee's employment as General Manager. Employee understands and agrees that Employee works at the will and pleasure of the Board, and that Employee may be terminated, or asked to resign, at any time, with or without cause, by a majority vote of its members. Notice of termination shall be provided to Employee in writing.

(b) Notice Required Of Employee. Employee may voluntarily terminate employment at any time by giving not less than forty-five (45) days' notice. Upon Employee's resignation, Employee shall be paid only for wages earned through the date of separation and any accrued vacation leave.

(c) Severance Pay. If Employee is terminated as General Manager, then Employee shall be eligible to receive a cash payment equivalent to the sum of Employee's then-current monthly salary multiplied by twelve (12) (or by the remaining number of months/days in the Agreement, whichever is less). The intent of this paragraph is to abide by California Government Code section 53260. Subject to the eligibility limitations below, this cash payment will be paid on a prorated basis on the District's regular paydays over the number of months involved (the "Severance Payment Period"). Eligibility for such severance payment is expressly conditioned upon Employee's execution of (i) a waiver and release of any and all of Employee's claims against District, and (ii) a covenant not to sue as well as (iii) the Employee not commencing work (whether as an independent contractor or employee) for any District consultant ("Consultant"), which, for purposes of this Agreement, is any entity that has provided consulting services to the District at any time during Employee's employment with the District; in the event Employee commences work for a District consultant, he shall no longer be eligible for any further severance payments under this Agreement, and any payments still owing under this paragraph will cease. To ensure enforcement of this provision, Employee is required to notify the District if he accepts work with any District Consultant during the Severance Payment Period. All normal payroll taxes and withholdings as required by law shall be made with respect to any amounts paid under this paragraph. Upon termination, employee shall also be paid for any accrued, but unused, vacation leave, but not accrued sick leave.

(d) Ineligibility for Severance Under Certain Conditions. If the termination of Employee is the result of malfeasance, gross mismanagement, and/or an act or acts of moral turpitude, Employee shall not be paid any severance pay. In such an instance, Employee's sole remedy shall be a judicial action in declaratory relief to determine whether there was substantial evidence of gross mismanagement and/or an act or acts of moral turpitude. If the court determines there was not substantial evidence, Employee shall receive the severance pay provided in this subsection, but no other damages or litigation expenses.

9. Statutory Requirements. This Agreement shall be deemed to incorporate by reference the provisions of Sections 53243 *et seq.* of the Government Code, as it may be amended or renumbered.

10. Payment of Expenses of Employment. The District shall pay the following usual and customary employment expenses.

(a) The cost of any fidelity or other bonds required by law for the District.

(b) The cost to defend and indemnify Employee to the full extent of the law as provided by the California Government Claims Act (Government Code §810 *et seq.*), or otherwise. Notwithstanding the foregoing, the District's obligation to defend and indemnify Employee shall extend only to the entry of a final judgment by the trial court, and shall not extend to providing defense or indemnity in connection with an appeal of the judgment, unless otherwise specifically provided by law. The District will determine, in its sole discretion, whether to compromise and settle any such claim or suit against Employee and the amount of any settlement or judgment rendered thereon.

(c) Subject to budget approval, reasonable dues for Employee's membership in professional organizations associated with the office of General Manager. The District will allow Employee reasonable time away from the District to participate in the annual conferences of these organizations.

(d) Subject to budget approval, the cost of attending conferences or other events (i.e. out-of-town meetings, professional seminars, etc.) necessary for the proper discharge of Employee's duties. The District will not reimburse Employee for any expenses related to membership in service clubs.

11. Miscellaneous.

(a) Notices. Notices given under this Agreement shall be in writing and shall be:

- (i) served personally; or
- (ii) delivered by first-class United States mail, certified, with postage prepaid and a return receipt requested; or
- (iii) Sent by Federal Express, or some equivalent private overnight delivery service.

Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail, postage prepaid. Notices shall be directed to the addresses shown below, provided that a party may change such party's address for notice by giving written notice to the other party in accordance with this subsection.

DISTRICT:

Truckee Tahoe Airport District
Attn: Board President
10356 Truckee Airport Road
Truckee, CA 96161
(530) 587-4119

EMPLOYEE:

Robb Etnyre
Address last on file

(b) Compliance with Government Code §§53243, 53243.1, & 53243.2.
If Employee is convicted of a crime involving an abuse of his office or position, all of the following shall apply:

(i) if Employee is provided with administrative leave pay pending an investigation, Employee shall be required to fully reimburse the District for such amounts paid;

(ii) if the District pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is not generally required to pay for a criminal defense), Employee shall be required to fully reimburse the District such amounts paid; and

(iii) if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from the District shall be fully reimbursed to the District or void if not yet paid to Employee.

For this subsection, "abuse of office or position" means either (1) an abuse of public authority, including waste, fraud, and violation of the law under color of authority, or (2) a crime against public justice, including but not limited to a crime described in Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

(c) Entire Agreement/Amendment. This Agreement constitutes the entire understanding and agreement between the parties as to those matters contained in it, and supersedes any and all prior or contemporaneous agreements, representations and understandings of the parties. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties and attached hereto.

(d) Attorney's Fees. If any legal action or proceeding is brought to enforce or interpret this Agreement, the prevailing party, as determined by the court, shall be entitled to recover from the other party all reasonable costs and attorney's fees, including such fees and costs as may be incurred in enforcing any judgment or order entered in any such action.

Nothing in this subsection shall be read to prevent the parties from agreeing to some alternative method of dispute resolution. If such a method is agreed to, any final determination shall include an award of attorney's fees and costs by the presiding officer.

(e) Severability. In the event any portion of this Agreement is declared void, such portion shall be severed from this Agreement and the remaining provisions shall remain in effect, unless the result of such severance would be to substantially alter this Agreement or the obligations of the parties, in which case this Agreement shall be immediately terminated.

(f) Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the parties.

(g) Representation by Counsel. The parties acknowledge and agree that they were, or had the opportunity to be, represented individually by legal counsel with respect to the matters that are the subject of this Agreement and that they are fully advised with respect to their respective rights and obligations resulting from signing this Agreement.

(h) Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Employee and the District agree that venue for any dispute shall be in Nevada County, California.

(i) Section Headings. The headings on each of the sections and subsections of this Agreement are for the convenience of the parties only and do not limit or expand the contents of any such section or subsection.

(j) No Assignment. Employee may not assign this Agreement in whole or in part.

Dated: _____

TRUCKEE TAHOE AIRPORT DISTRICT

By _____

Kathryn Rohlf, Board President

Dated: _____

EMPLOYEE

Robb Etnyre

Approved as to Form:

Joshua Nelson, District General Counsel