

FUNDING AGREEMENT

Between

TRUCKEE TAHOE AIRPORT DISTRICT

And

FRIENDS OF THE TRUCKEE LIBRARY, INC.

And

TRUCKEE LIBRARY JOINT POWERS AUTHORITY

This Funding Agreement is made by and between the Truckee Tahoe Airport District ("TTAD"), a California Airport District, and Friends of the Truckee Library, Inc. ("FOTL"), a California nonprofit public benefit corporation, and Truckee Library Joint Powers Authority (JPA), a California Joint Powers Authority, in support of construction of the New Truckee Regional Library Project (the "New Library" or "Project"). TTAD, FOTL and JPA are collectively referred to herein as the "Parties" and individually as a "Party" with reference to the facts set forth below.

RECITALS

A. TTAD supports aviation-related projects of mutual benefit to both TTAD and the people within the TTAD boundary with public agencies and non-profits. Such outreach programs are more fully described in TTAD's policy instructions and procedures.

B. FOTL is a California nonprofit public benefit corporation providing services supporting the existing Truckee library and working to build a New Library within the boundary.

C. JPA is a California joint powers authority, which includes the Town of Truckee, Placer County, and Nevada County organized to design, construct, and maintain a new regional library to be operated as part of the Nevada County Library system.

E. On November 4, 2025, Truckee Regional Library Joint Powers Authority (JPA) voters approved Measure G, a special tax to replace Truckee's 50-year-old existing library with a modern New Library facility and emergency resource center to serve the region during wildfires and power outages, and to issue bonds up to \$25,000,000 to fund the New Library.

F. As of January 14, 2026, FOTL and the Library Core Partners (Nevada County and the Town of Truckee) have received \$26,600,000 in committed funds from Measure G and other resources, companies, or individuals to complete design and construction of the New Library.

G. On January 14, 2026, FOTL approached TTAD requesting funding for the Project, in the amount of two million dollars (\$2,000,000) toward the remaining Project estimated cost of twelve million dollars (\$12,000,000).

H. On XXXX, the TTAD Board approved funding of two million dollars (\$2,000,000) to be used towards completing the Project subject to the terms, conditions and provisions set forth in this Funding Agreement.

I. As of the Effective Date of this Agreement, FOTL and JPA have not yet entered into a separate agreement for how TTAD Funds will be transferred from FOTL to JPA, or how those funds will be managed, spent, tracked, reported, and returned if required. FOTL and JPA expect to negotiate that agreement on a timeline they mutually determine. That future agreement is referred to in this Agreement as the "FOTL-JPA Transfer Agreement." Until the FOTL-JPA Transfer Agreement is in place and TTAD Funds are transferred to and accepted by JPA, FOTL will remain responsible for holding, investing, managing, accounting for, and returning any TTAD Funds held by FOTL. JPA will be responsible only for obligations that apply directly to JPA under this Agreement and for TTAD Funds that JPA actually receives, holds, controls, directs, or spends

TERMS

NOW, THEREFORE, in consideration of the Recitals herein and the mutual promises and covenants set forth in this Funding Agreement, the Parties AGREE AS FOLLOWS:

1. Recitals. All of the above Recitals are true and correct and are incorporated into this Funding Agreement.

2. Conditions Precedent. TTAD shall disburse to FOTL two million dollars (\$2,000,000; the "TTAD Funds") only if FOTL and JPA satisfies all of the following Conditions Precedent by **December 31, 2026**:

(a) *Additional Funding.* FOTL shall provide TTAD with evidence that FOTL and/or the Core Partners (Nevada County and Town of Truckee) have secured an additional four million dollars (\$4,000,000; the "Additional Funding") since January 14 ,2026 towards the Project. Additional Funding may take the form of philanthropic commitments, pledges, grants, individual contributions from other companies, sponsors, or members of the public, or a combination thereof.

(b) *Escrow Account.* FOTL shall create a segregated escrow account solely for the TTAD Funds (the "Escrow Account"). No other funds other than the TTAD Funds are to be transferred in or out of this Escrow Account.

(c) *Investment Policy.* FOTL shall draft a formal investment policy ("Investment Policy") for the TTAD Funds which will specify the investment vehicle for the TTAD Funds. The

Parties agree to collaborate on the Investment Policy to reach a mutually beneficial investment vehicle(s) for the TTAD Funds. TTAD shall have final approval over the Investment Policy.

(d) Library JPA Minutes. FOTL must present both the Additional Funding and the Investment Policy to the Truckee Library Joint Powers Authority (the “Library JPA”). The Library JPA must formally report the accounting of funds committed of both the Additional Funding and the Investment Policy in its meeting minutes. FOTL shall then provide the Library JPA meeting minutes, with the Additional Funding and Investment Policy as attachments to TTAD.

Failure to satisfy the Conditions Precedent in this section constitutes a material breach of the Funding Agreement and is grounds for termination for cause of this Funding Agreement.

3. Transfer of Funds. If the Conditions Precedent in Section 2 of this Funding Agreement are completed to TTAD’s satisfaction, TTAD shall transfer the TTAD Funds to the Escrow Account within sixty (60) days of approval by TTAD General Manager. Transfer shall occur in the ordinary course of TTAD’s procedures.

FOTL is responsible for holding and managing the TTAD Funds while they are in the Escrow Account or otherwise held by FOTL. FOTL may transfer TTAD Funds to JPA only after FOTL and JPA enter into the FOTL-JPA Transfer Agreement, or another written agreement between them, that explains how the funds will be transferred, held, spent, tracked, and returned if required.

4. Use of Funds. JPA and FOTL shall utilize the TTAD Funds only towards one or more of the following purposes of the Project (collectively, the purposes listed below are referred herein as the “Funding Purposes”):

(a) The construction of the New Library will include multi-use technology spaces that will directly support Science, Technology, Engineering, and Mathematics Education activities (“STEM Education Activities”) in the New Library. The Parties agree that these spaces will be capable of supporting aviation-specific and other STEM-related activities. The spaces will enable workforce development, aviation career exploration, and general STEM engagement for residents within the TTAD’s boundary and areas of influence. Examples of activities that may be hosted in these spaces include, but are not limited to: flight simulator experiences; drone technology workshops; aerospace engineering exploration; and other similar STEM-focused learning opportunities.

(b) The construction of designated quiet spaces in the New Library to mitigate the noise and associated operational impacts of the aviation industry in TTAD to the local

community. The Parties agree that the New Library will have: (1) at least one reading room designated for quiet reading only; and (2) one or more spaces labeled for quiet use only (collectively, the “Quiet Spaces”). The Quiet Spaces shall be constructed with acoustic treatment such that outside noise, like noise originating from airplanes, is to be minimized to the extent possible. All Quiet Spaces will be made available to the public during the New Library’s regular business hours.

(c) The construction of community meeting spaces and/or study spaces in the New Library. The Parties agree that the New Library will include at least one community meeting space, such as a conference room, office, or other space appropriate to host community meetings. The space will be available to TTAD and other community organizations for use in public meetings, work meetings, community outreach activities, or other TTAD-related functions.

(d) Provision of emergency coordination as needed. The Parties agree that the New Library shall be designed to support use by TTAD and other local government organizations as a secondary emergency coordination space and public communication facility in the event of a regional emergency, subject to future operational agreements with appropriate emergency service providers. Using the New Library as a secondary emergency space improves overall regional emergency preparedness infrastructure, which TTAD supports.

FOTL & JPA shall not use the TTAD Funds for any other purpose unless the Parties otherwise agree to an alternate purpose in writing pursuant to the Amendment provisions of this Funding Agreement. Failure to use the TTAD Funds for the Funding Purposes constitutes a material breach of the Funding Agreement and is grounds for termination for cause of this Funding Agreement. TTAD determines that the above provisions constitute a public purpose of TTAD justifying the expenditure of TTAD funds.

5. Timely Expenditure. FOTL shall expend the TTAD Funds no later than **December 31, 2028**, for Project use consistent with the Funding Purposes. FOTL may satisfy this requirement by: (a) committing the TTAD Funds for Project use; (b) transferring the TTAD Funds to JPA under the FOTL-JPA Transfer Agreement; or (c) returning to TTAD any TTAD Funds that have not been committed or transferred for Project use.. All TTAD Funds not expended by December 31, 2028, shall be returned to TTAD. The deadline may be extended by the Parties by following the Amendment provisions of this Funding Agreement.

6. Timely Completion. JPA shall utilize the TTAD Funds no later than **December 31, 2030**. JPA shall not be responsible for utilizing, accounting for, returning, or indemnifying TTAD with respect to TTAD Funds that have not been transferred to and accepted by JPA. The deadline may be extended by the Parties by following the Amendment provisions of this Funding Agreement.

7. Return of Funds. Any TTAD Funds plus interest accrued on remaining funds not utilized by FOTL or JPA for the Project shall be returned no later than **December 31, 2031**, unless an extension for utilization is otherwise approved in writing by the Parties by following the Amendment provisions of this Funding Agreement. The Party holding or controlling the TTAD Funds at the time is responsible for returning them. If any TTAD Funds are unexpended after construction of the New Library is completed, FOTL shall return any TTAD Funds held or controlled by FOTL, and JPA shall return any TTAD Funds held or controlled by JPA, to TTAD.

8. Publicity. FOTL and JPA shall comply with all requirements and representations below for this Funding Agreement, including but not limited to:

(a) Marketing Materials. FOTL will recognize TTAD throughout its marketing and promotional materials for the New Library. A majority of all publicly distributed written materials for the New Library shall contain this statement: "This Project is

funded in part by the Truckee Tahoe Airport District and will support aviation education and noise mitigation in Nevada and Placer County."

(b) Public Recognition. FOTL and JPA shall name TTAD as a founding contributor in all communications related to the New Library. All recognition of TTAD shall be substantially similar to the recognition provided to other contributors of similar amounts.

(c) Website. FOTL shall recognize TTAD on its website.

(d) Press Releases. The Parties may collaborate on and issue joint press releases recognizing TTAD's contributions to the New Library.

(e) Signage. FOTL and JPA shall post permanent signage recognizing TTAD (as a significant donor) in a conspicuous location at or near the entrance to the New Library.

9. Financial Records. As appropriate for each organization, FOTL and JPA shall maintain organized financial records, budgets, projections, expense ledgers, copies of invoices, and other financials associated with the New Library. FOTL and JPA shall provide financial records to TTAD if requested to do so, including for auditing purposes. FOTL and JPA shall cooperate fully with any audit.

10. Reporting. FOTL shall provide TTAD with annual updates detailing the investment status of the TTAD Funds pursuant to the Investment Policy. The annual reports shall last until the New Library is fully constructed.

11. TTAD Board Presentations. FOTL agrees to provide progress reports to the TTAD Board at its meetings if the TTAD Board makes such a request. Presentations to the TTAD Board shall include, but not be limited to: an accounting of the TTAD Funds utilized to date; an accounting on the investment status of the TTAD Funds; status updates on the design and construction of the New Library; status of the use of TTAD Funds for the Funding Purposes; and updates on the general use and functions of FOTL with relation to the TTAD Funds utilized.

12. Final Project Evaluation. FOTL shall provide a final Project evaluation report no later than one year and one month after the New Library receives Certificate of Occupancy.

13. Relationship. Notwithstanding the use of the word "Partnership" in this Funding Agreement and its attachments, no dealings involving the Parties are intended to establish a partnership or other business entity relationship between the Parties.

14. No Third-Party Beneficiaries. This Funding Agreement is intended for the benefit of the Parties hereto and their successors, and not for the benefit of any third-party beneficiary, nor may any provision of this Funding Agreement be enforced by any other person other than the Parties.

15. No Authority to Bind TTAD. FOTL and JPA shall have no authority to bind TTAD to any contract, and FOTL and JPA shall not represent that it has any such authority.

16. Indemnification. FOTL and JPA are each responsible for their own actions under this Agreement. FOTL and/or JPA shall indemnify, defend, and hold TTAD and TTAD's officers, directors, employees, agents, and volunteers harmless from claims, losses, liabilities, damages, costs, expenses, and attorneys' fees to the extent they are caused by:

(a) that Party's negligence, recklessness, or willful misconduct;

(b) that Party's failure to comply with this Agreement;

(c) that Party's handling, control, direction, approval, or use of TTAD Funds; or

(d) activities that Party undertakes, directs, approves, or controls under this Agreement.

JPA is not responsible for claims, repayment, or indemnity based on FOTL's holding, investment, escrow, management, transfer, accounting, or use of TTAD Funds before those funds are transferred to and accepted by JPA, unless JPA directed, approved, controlled, or caused the issue.

FOTL is not responsible for claims, repayment, or indemnity based on JPA's holding, management, accounting, or use of TTAD Funds after those funds are transferred to and accepted by JPA, unless FOTL directed, approved, controlled, or caused the issue.

17. Complete Agreement. This Funding Agreement is the full and complete agreement of the Parties and no prior discussion, agreement, or representation, whether written or oral, may be used to define or interpret this Agreement.

18. Amendments. This Funding Agreement may be modified, amended, or cancelled only by written agreement signed by both Parties.

19. Termination for Cause. At TTAD's sole discretion, TTAD may terminate this Funding Agreement for cause if it demonstrates that:

- (a) TTAD Funds were used for a purpose other than Funding Purposes; or
- (b) JPA is unable to carry out the Funding Purposes; or
- (c) FOTL and/or JPA does not satisfy the Conditions Precedent of this Funding Agreement; or
- (d) The New Library construction does not break ground by December 31, 2030; or
- (e) The New Library construction is cancelled; or
- (f) FOTL or JPA fails to comply with a material obligation of this Funding Agreement.

Prior to terminating this Funding Agreement for cause or seeking reimbursement of funds, TTAD shall:

- (a) Meet and confer with FOTL and/or JPA (as applicable) in a good faith attempt to resolve the issue; and
- (b) Provide FOTL and/or JPA (as applicable) with written notice specifying the reason for the issue, and allow FOTL and/or JPA sixty (60) working days to cure the issue; and
- (c) If the responsible party fails to cure the issue within the specified time period, which may be extended by TTAD at its sole discretion, then TTAD must provide FOTL and/or JPA with a written notice of termination for cause; and
- (d) If the Funding Agreement is terminated for cause, the Party then holding, possessing, or controlling any unexpended TTAD Funds must return the TTAD Funds to TTAD within sixty (60) days of termination. A Party does not have to return TTAD Funds that it does not hold or control, unless the termination or repayment is required because of that Party's breach, misuse of TTAD Funds, or other actions that Party directed, approved, or controlled.

20. Effect of Termination. Upon termination or expiration of this Funding Agreement for any reason, FOTL and JPA shall immediately cease using the TTAD Funds in their respective possession, custody, or control, for any purpose not authorized herein and shall within sixty (60) days:

(a) Provide TTAD with an accounting of the TTAD Funds expended and the TTAD Funds remaining; and

(b) Return to TTAD any unexpended TTAD Funds and interest accrued on the unexpended funds then in such Party's possession, custody, or control, except as otherwise mutually agreed by the Parties in writing. Termination shall not relieve Parties of obligations that accrued prior to termination, including, but not limited to, the Indemnification obligations set forth in this Funding Agreement.

21. Notices. Formal notices between TTAD and FOTL and JPA shall be provided by mail or delivered personally to the principal offices of TTAD, FOTL, and JPA as follows:

FOTL:

TTAD:

JPA:

[Name and Address]

[Name and Address]

[Name and Address]