

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to Employment Agreement, entered into on the date signed by the parties, is made with reference to the following facts, which the parties agree to be true:

- A. Kevin Smith (hereafter "Smith") and the Truckee Tahoe Airport District, an Airport District organized and existing pursuant to the California Public Utilities Code sections 22001 and following (hereafter "TTAD") entered into an employment contract wherein Smith would, effective May 10, 2010, serve as General Manager for TTAD.
- B. Section V. B. of that contract provided that Smith would have certain described annual performance evaluations and compensation reviews, the first performance evaluation and compensation review was intended to be on or before December 1, 2010 and any subsequent compensation adjustments, if any, would be retroactive to the annual anniversary date of that Employment Agreement.
- C. That first performance evaluation and compensation review was carried out by the Board of Directors on October 28, 2010 and it was decided to not provide any salary adjustment at that time, due to the short period of time between the date of hire and the date of the performance evaluation and compensation review.
- D. The parties further agree that it is in both parties' best interests to modify the Employment Agreement so to provide that all subsequent performance evaluations and compensation reviews shall occur after the completion of TTAD's fiscal year (October 1 through September 30) and on or before December 1 of that calendar year, based on TTAD's immediately concluded fiscal year performance and that any such compensation adjustment be retroactive to the beginning of the current TTAD fiscal year; provided, however, that the performance evaluation and compensation review for TTAD fiscal year 2010-2011 shall be retroactive to May 10, 2011, the one-year anniversary date of the Employment Agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

- 1. Section V. B. of the above-referenced employment agreement shall be amended so to read in full as follows:
 - B. The District Board and General Manager shall establish performance goals for General Manager for each TTAD fiscal year. The Board shall evaluate General Manager's performance and review his compensation after the completion of TTAD's just concluded fiscal year no later than December 1 of that calendar year. Any such compensation adjustment shall be retroactive to the beginning of that current TTAD fiscal year; provided, however, that for the performance evaluation and compensation review for the TTAD fiscal year 2010-2011, any such compensation adjustment shall be retroactive to May 10, 2011. For each such evaluation and review, each individual Board member will provide an evaluation rating for the previous TTAD fiscal year. The Board shall by a majority

vote develop an appropriate salary range and merit guidelines to be utilized as part of the annual salary review. The scores of each Board member shall be averaged to determine the salary adjustment, if any. Failure to provide for an increase shall not be considered any disapproval of General Manager's services or be any reflection upon the evaluation. Any increase granted General Manager shall be set forth in a compensation resolution approved by a majority vote of the District Board, and shall not require an amendment to this Agreement to be effective.

2. This Amendment to Employment Agreement was drafted by Brent P. Collinson, attorney for District. It is the result of the mutual negotiations of the parties and shall be interpreted fairly and neutrally and not construed in favor of or against either party. Smith acknowledges his right to independent legal counsel to assist him in the negotiating and drafting of this Agreement and has decided to proceed without the benefit of independent legal counsel.
3. Except as so amended, the Employment Agreement is hereby ratified and affirmed in full.

TRUCKEE TAHOE AIRPORT DISTRICT

By: Kathleen Eagan, Board President

Date: _____

Kevin Smith, General Manager

Date: _____

Approved as to Form:

Brent P. Collinson,
Attorney for the District

Date: _____