

**SECOND AMENDMENT TO
EMPLOYMENT AGREEMENT
FOR
AIRPORT DIRECTOR**

This Second Amendment to the Employment Agreement for the Airport Director ("SECOND AMENDMENT") is made by and between the County of Orange ("COUNTY") and BARRY RONDINELLA (hereinafter "RONDINELLA"). The COUNTY and RONDINELLA shall collectively be referred to herein as the "Parties."

ARTICLE I. RECITALS

- 1.1 WHEREAS, on October 20, 2015, the Orange County Board of Supervisors ("BOARD") approved the Employment Agreement for Airport Director ("AGREEMENT");
- 1.2 WHEREAS, by Minute Order dated October 20, 2015, the BOARD authorized the County Executive Officer (hereinafter "CEO") to execute the AGREEMENT and to execute amendments to the AGREEMENT under certain conditions;
- 1.3 WHEREAS, on November 2, 2015, the AGREEMENT was executed by CEO Frank Kim and RONDINELLA for a one-year term, commencing on November 13, 2015, and ending on November 12, 2016;
- 1.4 WHEREAS, CEO Frank Kim and RONDINELLA executed the First Amendment to the AGREEMENT on November 10, 2016, to extend the term of the AGREEMENT through November 12, 2017; and
- 1.5 WHEREAS, CEO Frank Kim has determined that RONDINELLA'S performance as Airport Director has to date been satisfactory.

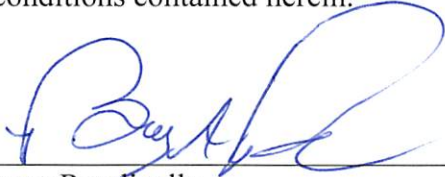
ARTICLE II. TERMS

NOW, THEREFORE, in consideration of the mutual covenants, representations, and promises set forth herein, the Parties agree as follows:

- 2.1 Except as modified in this SECOND AMENDMENT, all terms of the AGREEMENT shall remain in full force and effect; and
- 2.2 The expiration date of the AGREEMENT is hereby extended from November 12, 2017 to November 12, 2020.

ARTICLE III. ACKNOWLEDGMENT AND CONSENT

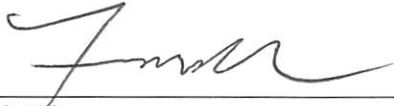
By signing below, RONDINELLA, and CEO Frank Kim on behalf of the COUNTY, acknowledge that they each have read and fully understand the terms and conditions of this SECOND AMENDMENT, and that they consent and agree to each and every term and conditions contained herein.



Barry Rondinella
Airport Director

Dated: 11/10/2017

FOR THE COUNTY OF ORANGE:



Frank Kim
County Executive Officer

Dated: 11/10/2017



JOHN WAYNE AIRPORT, ORANGE COUNTY
2017 ACCOMPLISHMENTS
October 24, 2017



Manager, Emergency Preparedness and Security

JWA combined two lower level positions (Security and Emergency Management) to create one higher level position in an effort to attract a higher caliber of professional. We filled the position in January and revamped the two programs to better position JWA for emergency incidents and preparation. As a result, we began frequent emergency management exercises which positioned JWA to provide an exceptional response to the June 30, 2017 crash of an aircraft on the 405 freeway. Responders credited the exceptional response to the communications and exercises organized by the new JWA Emergency Preparedness and Security Manager in the months prior to the crash.

Cessna 310 Crash

As referenced above, in addition to a rapid OCFA Fire Station 33 (ARFF) response to extinguish the aircraft fire, JWA staff responded to this airplane crash and participated in the Unified Command that was established by the CHP and Caltrans on the 405 Freeway Southbound lanes. JWA Operations staff was able to provide aviation expertise to the Unified Command in terms of explaining the federal jurisdictional responsibility of the FAA/NTSB, the investigative process, and eventual release of the scene. Mr. Rondinella responded to the accident scene to support staff and first responders and assisted with coordinating a press conference at the JWA Administrative offices which he participated in.

John Wayne Airport Receives J.D. Power Award

On September 21, J.D. Power announced that John Wayne Airport (JWA) was selected as the recipient of the Best Large Airport Award in the 2017 North America Airport Satisfaction Study. The Study measures overall traveler satisfaction by examining six factors (in order of importance): terminal facilities; airport accessibility; security check; baggage claim; check-in/baggage check; food, beverage and retail. When compared to last year's results, JWA significantly improved in every category, an unprecedented achievement. Providing a superior guest experience has been a primary focus at JWA for the past 23 months even during the disruptions of the \$102 million Improvement Project in Terminals A and B.

HRS Team

Changed out entire HRS Team resulting in higher efficiency/effectiveness to accomplish:

Recruitment Timeline

Implementation of streamlined 8-week model recruitment process. Creation of Recruitment Log to project anticipated vacancy fill by date and recruitment process milestones

Vacancy Rate

Reduction from 16% to 11.7% with projected rate of 7.8% by the end of October 2017

Equity Analysis Report

Implementation of Equity Analysis report to consistently evaluate salary offer options and ensure equity among similar classifications and determining if salary compaction may be present

Roadway Banners Featuring OC Parks

Many guests that travel through John Wayne Airport (JWA) aren't aware of the extensive parks local to Orange County, offering stunning views of coastal canyons, grasslands and mountain vistas. JWA worked with a professional photographer to create 12 roadway banners highlighting individual OC Parks to encourage residents and guests of Orange County to explore and discover these incredible Orange County treasures. The banners were installed on the departure (upper) level of the roadway in July and will remain on display through the end of November.

FBO Transition

JWA successfully completed the transition of Signature to ACI Jet on April 1, 2017 with no interruption of services to GA operations. This included coordinating meetings with key stakeholders, creating a transition checklist to ensure as smooth a transition as possible, and formally transferring assets on the night of March 31st.

Mystery Shop Program

This is a new program implemented at JWA targeted at raising the level of the guest experience. The program features unannounced shops by JWA personnel acting as guests to the Airport. JWA recognized Brookstone with its inaugural award for outstanding shop at our September tenant meeting.

1981 Orchard Property Rental

JWA real estate property located at this site has been vacant for 7 years. It was recently leased to the American Institute of Architecture (AIA) for market rate. AIA will remodel the site at their expense to use as AIA Offices and a Training Center for high school and trade school students who are interested in drafting and architecture as a career.

Early Call on Bond Payment

The County of Orange / John Wayne Airport issued Series 2009 Airport Revenue Bonds A&B on July 1, 2009 amounting to \$233M, to finance Airport facilities and improvements. The bonds bear two callable option dates on certain bonds: July 1, 2017 and July 1, 2019. The term bonds eligible for early redemption on July 1, 2017 bear high interest coupon rates of 5.25% and 5.75%, totaling \$41,105,000, of which \$4,785,000 were General Airport Revenue Bonds (GARB), and \$36,290,000 were Passenger Facility Charge (PFC) Term Bonds. The Airport opted to redeem part of the PFC Bonds based on available PFC funds, and full redemption of the eligible GARBs. By exercising an early redemption of \$27.2 million in callable bifurcated term bonds, the County/Airport not only achieved future interest costs savings of \$13,556,150, but also reduced future debt service requirements, and insulated the Airport from fluctuations in PFC collections due to the passenger cap and changes in enplanement levels.

Credit Ratings

JWA successfully maintained excellent credit ratings with all three rating agencies: S&P AA-, Moody's Aa3 and Fitch AA-. All three rating agencies cited the Airport's solid financial strength, strong liquidity profile, solid financial flexibility and debt service coverage, **an experienced, proactive, capable management team** that maintains conservative financial policies, and good demand profile. Challenges include limited capacity for more air passenger service, competition from surrounding airports, revenue growth, and future cost containment.

Successful Transitions of Parking/Valet and Remote Lot Shuttle Service Contractors

At midnight on April 30, 2017, responsibility for management of JWA's parking structures and valet parking services transitioned from PCI to LAZ Parking. At midnight on June 30th, 2017, responsibility for management of JWA's Courtesy and Employee shuttle services transitioned from Silverado Stages to

LAZ Parking. In both transitions, the companies worked closely with the Airport and each other after the Board awarded the contracts to LAZ. The transitions went smoothly and without incident.

Federal Aviation Administration's Southern California Metroplex Project

Prior to implementation of the Federal Aviation Administration's (FAA) Southern California Metroplex Project, and continuing to this day, the Airport has been an active partner in discussions and analysis of the Project. In early 2017, Supervisor Bartlett, along with Supervisor Spitzer and the City of Laguna Niguel, requested John Wayne Airport (JWA) participate in an organized town hall meeting addressing the growing concerns of those in South Orange County regarding the Project. After several planning meetings with the abovementioned parties, the "South County: Under The Flight Path" town hall meeting took place on May 15, 2017. JWA staff provided a thorough overview of the Airport's regulatory structure regarding operational limitations, as well as information on the Metroplex Project and community tools for researching flight track activity. Over 450 community members and elected officials attended this meeting. The FAA was asked to attend and present, but declined. The Airport's continued support throughout this process has been monumental in keeping the lines of communication open between the public, the County and the FAA.

John Wayne Airport Flight Tracker Viewer (VOLANS) Upgrade

In August 2017, John Wayne Airport (JWA) upgraded its Flight Track Viewer, powered by VOLANS. JWA's Flight Track Viewer, developed by BridgeNet International and originally launched in January 2015, is a 3D software application with a user-friendly interface making it easy for the public to view aircraft flight tracks online. One of the highlighted benefits of the upgrade includes the ability to utilize the application on mobile devices. Additionally, users are able to view flights from a pilot's perspective or a bird's eye view in near real-time or historical playback mode, as well as the aircraft's type, origin/destination, altitude, heading and flight number.

John Wayne Airport Hosts Southwest Chapter of the American Association of Airport Executives (SWAAAE) Summer Conference

Orange County Board Chairwoman Michelle Steel was the welcoming presenter at the 71st Annual SWAAAE Summer Conference at the Newport Beach Marriott Hotel and Spa on Monday, July 24. There were approximately 225 attendees, including airport directors, airport management and aviation industry professionals. John Wayne Airport (JWA) hosted the conference with events that began on Sunday evening, July 23 and continued through Wednesday morning, July 26. SWAAAE's purpose is to bring together all persons representing public use airports as well as persons interested in and working for the benefit of aviation. It is at these conferences that aviation professionals come together to discuss the issues of the day, network and learn about their field. SWAAAE membership includes 106 commercial and general aviation member airports and municipalities, primarily from California, Arizona and Nevada.