

FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (“City”), and **WJ ADVISORS LLC**, a limited liability company organized under the laws of the State of Colorado (“Consultant”) (jointly, the “Parties”).

WITNESSETH:

WHEREAS, the Parties entered into a professional services agreement for consulting services at Denver International Airport dated March 22, 2013 (the “Agreement”), and

WHEREAS, the Parties desire to amend the Agreement to extend the term, add compensation, and replace certain exhibits, as hereinafter set forth;

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the parties hereto agree as follows:

1. Paragraph 3A, “**MAXIMUM CONTRACT LIABILITY**,” of the Agreement is hereby amended to read in its entirety as follows:
 - A. Notwithstanding any other provision of this Agreement, the City’s maximum payment obligation will not exceed **Two Million Seven Hundred and Fifty Thousand Dollars and No Cents (\$2,750,000.00)** (the “Maximum Contract Amount”). The City is not obligated to execute an Agreement or any amendments for any further services performed by Consultant beyond those specifically described in or requested in accordance with *Exhibit A*. Any services performed beyond those in *Exhibit A* are performed at Consultant’s risk and without authorization under the Agreement.
2. Paragraph 4, “**TERM**,” of the Agreement is hereby amended to read in its entirety as follows:
 4. **TERM**: The term of this Agreement shall commence on the January 1, 2013 and terminate on December 31, 2016, unless terminated earlier in accordance with this Agreement.
3. **Exhibit A** of the Agreement is hereby deleted in its entirety and replaced by the attached **Exhibit A**.
4. **Exhibit B** of the Agreement is hereby deleted in its entirety and replaced by the attached **Exhibit B**.

5. Except as provided herein, all provisions, terms and conditions of the Agreement shall remain in full force and effect as if fully set forth herein.
6. This First Amendment to Agreement shall not be or become effective or binding on the City until it is fully executed by all signatories of the City and County of Denver.

Contract Control Number:

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By _____

By _____

By _____



Contract Control Number: PLANE-201206746-01

Contractor Name: WJ ADVISORS LLC

By: W. A.

Name: Warren Adams
(please print)

Title: Managing Partner
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)



EXHIBIT A

SCOPE OF WORK

Consultant shall provide professional airport system consulting services for the financial and economic management of the Airport and for the planning and development of Airport facilities.

Specifically, services to be performed by Consultant; when and as directed by the Manager of Aviation, shall include, but not be limited to the following:

- A. Development and review of the annual and mid-year calculation of airline rates, fees, and charges relating to the Denver Airport System, which may include improvement, augmentation, modification and simplification of a financial model and assumptions used to calculate such rates. This includes a detailed summary of rates, fees and charges by airline as well as in total for the Airport system.
- B. Create a manual and documentation for the rate model. Develop a user's guide incorporating the rate model operation, architecture and logic as well as provide training for airport staff on how to operate the model.
- C. Prepare a financial feasibility report regarding financing the airport's capital plan. Per requirements for the Airport Consultant's Report, Section 704B of the Airport General Bond Ordinance, prior to the issuance of additional bonds, the Consultant shall issue a report, estimating the current and next three fiscal years, Gross Revenues, Operation and Maintenance Expenses, and other amounts required to be deposited to funds and accounts in support of funding the capital projects as well as the increase in operation and maintenance expenses and the increase in rates, fees, rentals, or other charges that may result from completion of the project(s).

Based upon those estimates, the report must demonstrate that the Net revenues in each such Fiscal Year, together with any Other Available Funds are projected to be sufficient in each such fiscal year to meet the Rate Maintenance Covenant, taking into consideration the debt service requirements of any future series of bonds required to complete the improvement project(s), as estimated by bond advisors, and after giving effect to, among other things, the increase in operation and maintenance expenses and the increase in rates, fees, rentals, or other charges that may result from completion of the Project. The report must comply with the requirements as more fully outlined and described in Section 704B of the Airport General Bond Ordinance.

If this report shows the Airport System not meeting the Rate Maintenance Covenant, the Consultant shall advise the Manager of Aviation and make recommendations as to the revision to rentals, fees and charges to meet this requirement.

In conjunction with issuance of additional revenue bonds, Consultant shall prepare a financial feasibility report regarding improvement projects to be financed. The feasibility report regarding improvement projects to be financed. The feasibility report shall be in a format suitable for incorporation into the Official Statement for the sale of such bonds. Services to be provided in connection with the financial feasibility report, or periodically as requested, shall include:

1. An analysis of the economic and air traffic forecasts;
2. A review and assessment of the requirements for the projects and project cost estimates;
3. A review of airport financial operations and rate policies;
4. A review of the projection of airport revenues, expenses, net revenues and debt service coverage;

5. Coordination with the City's team of investment bankers, bond counsel, and staff in the development of the financing plan for the project, preparation of the financial feasibility study report including black-line drafts for review by the working group, and participation in presentations to the rating services and investor tours/roadshows.
 6. Create user's manual for financial model
- D. At the request of the Manager of Aviation, Consultant shall review and advise upon the capital program for the Denver Airport System for compliance with the Bond Ordinance and Airline Use and Lease Agreements.
- E. Provide support in the renegotiating of the airline use and lease agreement, which includes assisting in the development of key goals and objectives, developing discussion materials, financial analysis and summary of key results on alternative methodologies/approaches. In addition, WJ Advisors will assist in the development of individual airline costs per enplaned passenger results, provide recommendations to "Exhibit F" changes, as well as, participate in strategy and negotiating strategy sessions.
- F. Provide support in the redevelopment of the Landside Terminal (referred to as the Great Hall Program), which includes strategic oversight and assistance in reviewing proposals received such as financial models of business arrangements and financial structures, as well as, offer advice and assistance in evaluating financial impacts, identifying any implications on proposed business arrangements/financial structures on the airline use and lease agreement and during negotiations with respondents. WJ Advisors will also assist in developing key messages regarding any impacts, participated in internal meetings and provide other assistance to management, as requested.
- G. Provide advisory capacity for the Great Hall Program to lead the team's direction, monitor progress and deliver guidance to executive leadership.
- H.
- I. Consultant shall review and advise the Manager, as requested, with respected, with respect to any other matters affecting the Denver Airport System. These matters may include:
1. Performing qualitative and quantitative analyses on a variety of strategic and financial issues, as well as business issues, including but not limited to, analyses relating to the operating & capital planning budget and sensitivity and scenario analyses
 2. Assisting in airline lease negotiations
 3. Services in connection with the planning of present Airport System facilities or those to be acquired or to be developed by the City in the future.
- J. Consultant shall provide qualified persons from its staff to serve as expert witnesses in any judicial or administrative proceeding to which the City may be a party.
- K. Other requested services and special projects that have financial impact on the Airport System, as assigned by Airport management.

**EXHIBIT B
RATE SHEET FOR FINANCIAL CONSULTING SERVICES CONTRACT**

WJ Advisors LLC:

Hours Rates for Managing Partner:	Year 1	Year 2	Year 3	Year 4
Bond Feasibility Work:	\$285	\$285	\$285	\$285
Non-Bond Feasibility Work:	\$245	\$252	\$265	\$265

Rates for other classifications – years 1-4:

Staff Classification	Bond Feasibility Work		Non-Bond Feasibility Work	
	Low	High	Low	High
Associate Director	\$200	\$240	\$180	\$225
Senior Consultant Level	\$150	\$190	\$140	\$175
Consultant Level	\$115	\$145	\$105	\$130

Oliver Wyman:

Rates for other classifications – years 1-4:

Classification	Hourly Rate
Partner	\$305
Vice President	\$305
Consultant	\$175
Project Manager	\$305
Senior Specialist	\$255
Manager	\$225
Specialist	\$175
Graphics	\$95

Airmac LLC:

Rates for other classifications – year 4:

Hourly Rate for Managing Principal	\$140
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ICF International:

Rates for other classifications:

Classification	Hourly Rate
Vice President	\$350
Principal	\$300
Senior Manager	\$260
Manager	\$230
Associate/Analyst	\$200
Graphics	\$100