



December 9, 2016

CALL AND NOTICE OF A SPECIAL MEETING
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a special meeting of the Burbank-Glendale-Pasadena Airport Authority will be held Monday, December 12, 2016, at 9:00 a.m., in the Airport Skyroom of the Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505.

Terri Williams, Assistant Board Secretary
Burbank-Glendale-Pasadena Airport Authority



SPECIAL COMMISSION MEETING

AGENDA

DECEMBER 12, 2016

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Special Meeting of Monday, December 12, 2016

9:00 A.M.

NOTE TO THE PUBLIC: Prior to consideration of business items, the Authority invites comment on airport-related matters during the Public Comment period. Members of the public are requested to observe the following decorum when attending or participating in meetings of the Commission:

- Turn off cellular telephones and pagers.
- Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.
- If you desire to address the Commission during the Public Comment period, fill out a speaker request card and present it to the Commission's secretary.
- Limit public comments to five minutes, or such other period of time as may be specified by the presiding officer, and confine remarks to matters that are on the Commission's agenda for consideration or are otherwise within the subject matter jurisdiction of the Commission.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.



In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
 - a. Commission Minutes
(For Approval)

1) November 14, 2016

[See page 1]

- 2) November 28, 2016 *[See page 7]*
- b. Treasurer's Reports
 - 1) September 2016 Treasurer's Report *[See page 12]*
 - 2) August 2016 Treasurer's Report *[See page 37]*
- c. Other Transaction Agreement with the Department of Homeland Security – Transportation Security Administration *[See page 60]*
- d. Award of Contract – Month-to-Month Space Lease Between Burbank-Glendale-Pasadena Airport Authority and Airline Tech Reps, LLC, dba STS Line Maintenance *[See page 65]*
- 6. ITEMS FOR COMMISSION ACTION
 - a. Committee Assignment
- 7. ITEMS FOR COMMISSION INFORMATION
 - a. October 2016 Passenger/Cargo Statistics and Parking Information *[See page 67]*
- 8. ADJOURNMENT

COMMISSION NEWSLETTER
December 12, 2016

[Regarding agenda items]

5. CONSENT CALENDAR

(Consent Calendar items may be enacted by one motion. There will be no separate discussion on these items unless a Commissioner so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.)

- a. COMMISSION MINUTES: November 14 and 28, 2016: The draft minutes of these meetings are attached for Commission review and approval.
- b. TREASURER'S REPORTS – SEPTEMBER AND AUGUST 2016 – The Treasurer's Reports for September and August 2016 are contained in the agenda packet. At the November 28, 2016, Finance and Administration Committee meeting, the Committee voted unanimously (3–0) to recommend that the Commission note and file the reports.
- c. OTHER TRANSACTION AGREEMENT WITH THE DEPARTMENT OF HOMELAND SECURITY AND TRANSPORTATION SECURITY ADMINISTRATION – A staff report is attached. At the November 28, 2016, meeting of the Finance and Administration Committee, the Committee voted unanimously (3–0) to recommend to the Commission that it approve the modified Other Transaction Agreement with the Department of Homeland Security Transportation Security Administration, for the purposes of obtaining additional reimbursement for utility and janitorial charges associated with the use of areas for baggage screening operations at Hollywood Burbank Airport. A copy of the agreement is included in the agenda packet.
- d. AWARD OF CONTRACT – MONTH-TO-MONTH SPACE LEASE BETWEEN BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY AND AIRLINE TECH REPS, LLC dba STS LINE MAINTENANCE – A staff report is attached. At the November 28, 2016, Finance and Administration Committee meeting, Staff advised the Committee of a proposed Month-to-Month Space Lease with Airline Tech Reps, LLC, dba STS Line Maintenance, for space located in the Air Cargo Building to support aircraft and ground services equipment maintenance services to airlines operating at the Hollywood Burbank Airport.

The current service provider of these services, HAECO, will no longer be in the business of providing line maintenance services and has entered into an agreement with STS to assume operations of HAECO Line Services. In order to ensure that these essential services for daily operations of the passenger airlines are not impacted, Staff is bringing a proposed space lease with STS effective January 1, 2017, to the Commission for its consideration. A copy of the Lease is included in the Agenda packet.

6. ITEMS FOR COMMISSION ACTION

- a. COMMITTEE ASSIGNMENT - No staff report is attached. This item is being placed on the agenda to allow the President to fill the vacancy on the Finance and Administration Committee.

7. ITEMS FOR COMMISSION INFORMATION

- a. OCTOBER 2016 PASSENGER/CARGO STATISTICS AND PARKING INFORMATION: The October passenger count of 375,456 was up 9.3% compared to last year's 343,508. The total for the first ten months of the year is up 4.06% at 3,402,555 compared to 3,269,822 through October 2015. Airline aircraft operations increased 6.41% through October, while cargo volume was down slightly by 1.68% to 9.37 million pounds in October 2016, and the year-to-date total of 86.3 million pounds is down approximately 3.9%. A complete report is included in the agenda packet.

Subject to Approval

**MINUTES OF THE SPECIAL MEETING OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, NOVEMBER 14, 2016

A special meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 Hollywood Way, Burbank, California, at 9:07 a.m., by President Wiggins.

1. PLEDGE OF ALLEGIANCE

Chief of Police Skvarna led the assembly in the recitation of the Pledge of Allegiance to the Flag.

2. ROLL CALL**Present:**

Commissioners Brown, Adams, Sinanyan, Wiggins, Quintero, Madison, Tornek and Selvidge.

Absent:

Commissioner Friedman

Also Present:

Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Dan Feger, Director, Development Services; Ed Skvarna, Director of Public Safety/Chief, Airport Authority Police Department; Kathy David, Deputy Executive Director, Finance and Administration; Bob Anderson, Director, Engineering and Planning; Scott Smith, Director of Financial Services; Mike Duong, Senior Manager, Business and Compliance; Mark Hardymont, Director, Government and Environmental Affairs; Mary Tromp, Manager, Parking Revenue; and Derrick Cheng, Administrative Assistant, Public Relations Department and Government and Environmental Affairs

General Counsel: Terence R. Boga of Richards, Watson and Gershon

3. APPROVAL OF AGENDA

There were no changes to the agenda.

President Wiggins read a statement thanking the voting public for their approval and confidence in the Airport. He also thanked several Burbank City Council and staff members, community leaders and Hollywood Burbank Airport staff for their assistance and support in the passing of Measure B.

4. PUBLIC COMMENT

There were no public speakers.

5. CONSENT CALENDAR

a. Committee Reports (For Noting and Filing)

1) Operations and Development Committee

Approved minutes of the following meetings were included in the agenda packet for information purposes: October 3, 2016, Operations and Development Committee; September 19, 2016, Finance and Administration Committee; and October 3, 2016, Legal, Government and Environmental Affairs Committee

(i) October 3, 2016

2) Finance and Administration Committee

(i) September 19, 2016

3) Legal, Government and Environment Affairs Committee

(i) October 3, 2016

b. Commission Minutes (For Approval)

1) October 17, 2016

Draft minutes of the October 17, 2016, Commission meeting were included in the agenda packet for review and approval.

c. First Amendment to Lease and Concession Agreement BRICKANDMORTAR.ME, INC.

Included in the agenda packet was a proposed First Amendment to the Lease and Concession Agreement for BrickandMortar.ME, Inc., dba Up Pup N' Away, for an additional 16 square feet of space to support additional merchandise display and storage space. This proposed Amendment will increase the total space rent received by an additional \$288 annually.

d. Amendment No. 1 to Richards Watson & Gershon Legal Services Agreement

Included in the agenda packet was an Amendment No. 1 to Richards, Watson & Gershon Legal Services Agreement to designate Terence Boga as General Counsel and Laurence Wiener and Assistant General Counsel for the Authority.

MOTION

Commissioner Quintero moved approval of the Consent Calendar, seconded by Commissioner Brown.

MOTION APPROVED

The motion was approved by the following vote:

AYES: Commissioners Adams, Brown, Sinanyan, Quintero, Selvidge, Madison, Tornek and Wiggins

NOES: None

ABSENT: Commissioner Friedman

6. ITEMS FOR COMMISSION APPROVAL

a. Disadvantaged Business Enterprise Goal for Federal Fiscal Years 2017, 2018 and 2019

Staff presented to the Commission a proposed Disadvantaged Business Enterprise ("DBE") revised goal of 13% for submittal to the Federal Aviation Administration ("FAA"). The revised goal would be applicable to FAA Airport Improvement Program ("AIP") funded projects for the next three federal fiscal years effective October 1, 2016, through September 30, 2017.

Staff reported that earlier this year the Authority established the setting of race-conscious goals in its AIP-funded projects based on the results of a disparity study submitted to the FAA. However, the applicability of that goal was for the current federal fiscal year ending September 30, 2016.

Staff outlined the five-step process taken to reach the goal of 13% and noted that for the next three federal fiscal years beginning on October 1, 2016, the Authority is anticipating to undertake, subject to the award of grants, 11 projects with an estimated cumulative project cost of \$35,115,000.

At its October 17, 2016, meeting, the Legal Government and Environmental Affairs Committee unanimously voted (3-0) to recommend to the Commission that it adopt and authorize the proposed DBE revised goal of 13% for AIP-funded projects for the next three federal fiscal years to the FAA.

MOTION

Commissioner Quintero approved the motion, seconded by Commissioner Adams.

MOTION APPROVED

The motion was approved (8-0) by the following vote:

AYES: Commissioners Adams, Brown, Sinanyan, Quintero, Selvidge, Madison, Tornek and Wiggins

NOES: None

ABSENT: Commissioner Friedman

b. Swanson Rink Professional Services Agreement Recapitalization in Node 1 and Node 2 Baggage Screening Equipment

Staff presented to the Commission a recommendation for approval for the Executive Director to authorize and execute a time and materials Professional Services Agreement ("PSA") with Swanson Rink, Inc. ("Swanson Rink"), in an amount not to exceed \$10,000 to provide the bidding support services for the enhancement.

This is a cumulative project which began in 2012 when the US Department of Homeland Security Transportation Security Administration ("TSA") approached the Commission to replace four (4) CTX in-line machines for baggage inspection. This project consists of two (2) phases: Phase 1 – design and Phase 2 – bidding and construction. Phase 2 has subsequently been split into two (2) sub-phases: bidding and construction. In May 2013, the Commission approved a PSA with Swanson Rink for the design service which has been completed. In August 2016, the TSA provided a new Other Transaction Agreement for the bidding phase in the amount of \$12,100, which was executed by staff.

At the October 17, 2016, meeting of the Operations and Development Committee, it was voted unanimously (3-0) to recommend to the Commission that it approve the Executive Director to execute a time and materials PSA with Swanson Rink in the amount not to exceed \$10,000 for the bidding support services for this project.

MOTION

Commissioner Brown moved approval of the motion, seconded by Commissioner Madison.

MOTION APPROVED

The motion was approved by the following vote:

AYES: Commissioners Brown, Adams, Sinanyan, Quintero, Wiggins,

Madison, Tornek and Selvidge

NOES: None

ABSENT: Commissioner Friedman

c. Treasurer's Report

1) June 2016

At its September 19, 2016, meeting, the Finance and Administration Committee reviewed the June 2016 Treasurer's Report and voted unanimously (3-0) to accept the Treasurer's Report and recommend to the Commission that it be noted and filed.

During that meeting, Commissioner Tornek requested that several items in the Capital Program be expounded upon for clarification purposes and that certain items which highlight a positive year be emphasized.

MOTION

Commissioner Tornek moved to accept the Treasurer's Report for noting and filing, seconded by Commissioner Quintero.

MOTION APPROVED

The motion was approved (8-0) by the following vote:

AYES: Commissioners Brown, Adams, Sinanyan, Quintero, Wiggins, Madison, Tornek and Selvidge

NOES: None

ABSENT: Commissioner Friedman

7. ITEMS FOR COMMISSION DISCUSSION

a. Results of Measure B Election

Commissioners and Staff commented on the results of the passage of Measure B which approved the building of the Replacement Terminal.

8. ITEMS FOR COMMISSION INFORMATION

a. Airline Schedule Analysis

Staff presented notices from two carriers serving the Airport, Alaska Airlines and Southwest Airlines, announcing changes in service, fleet mix, schedule

operating time, and schedule reduction effective November 2016.

**b. September 2016
Passenger/Cargo Statistics
and Parking Information**

Staff presented a report on the September 2016 passenger statistics and parking revenue.

9. CLOSED SESSION

The meeting did not recess to closed session.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:55 a.m.

Zareh Sinanyan, Secretary

Date

Bill Wiggins, President

Date

Subject to Approval

**MINUTES OF THE SPECIAL MEETING OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, NOVEMBER 28, 2016

A special meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 Hollywood Way, Burbank, California, at 9:00 a.m., by President Wiggins.

- | | |
|--|---|
| 1. PLEDGE OF ALLEGIANCE | Police Chief Skvarna led the assembly in the recitation of the Pledge of Allegiance to the Flag. |
| 2. ROLL CALL | |
| Present: | Commissioners Brown, Adams, Sinanyan, Wiggins, Quintero, Madison, Tornek and Selvidge |
| Absent: | Commissioner Friedman |
| Also Present: | Frank R. Miller, Executive Director, John Hatanaka, Senior Deputy Executive Director; and Ed Skvarna, Director of Public Safety/Chief, Airport Authority Police Department |
| | Airport Authority General Counsel: Terence R. Boga of Richards, Watson & Gershon |
| 3. APPROVAL OF AGENDA | The agenda was approved (8-0; one absent) as presented. |
| 4. PUBLIC COMMENT | There were no public speakers. |
| 5. CONSENT CALENDAR | |
| a. Committee Reports
 (For Noting and Filing) | |
| 1) Operations and
 Development
 Committee | Approved minutes of the following meetings were included in the agenda packet for information purposes: October 17, 2016, Operations and Development Committee; and October 17, 2016, Finance and Administration Committee. |
| (i) October 17, 2016 | |
| 2) Finance and
 Administration
 Committee | |

(i) October 17, 2016

b. Treasurer's Reports

1) July 2016

The Finance and Administration Committee reviewed the July 2016 Treasurer's Report at its November 14, 2016, meeting and voted unanimously (3-0) to accept the Treasurer's Report and recommend to the Commission that it be noted and filed.

MOTION

Commissioner Quintero moved approval of the Consent Calendar, seconded by Commissioner Brown.

MOTION APPROVED

The motion was approved by the following vote:

AYES: Commissioners Brown, Adams, Sinanyan, Wiggins, Quintero, Madison, Selvidge and Tornek

NOES: None

ABSENT: Commissioner Friedman

6. ITEMS FOR COMMISSION APPROVAL

a. Replacement Terminal Contracts: Conway Consulting, Ltd.; Marathon Communications, Inc.; Ricondo & Associates; Public Resources Advisory Group, Inc.; Airport & Aviation Professionals, Inc., dba AvAirPros; and Georgino Development LLC

Staff reported that, with the passage of Measure B in the Burbank special municipal election on November 8, 2016, it is moving forward to put into place contracts to allow it to begin developing plans for the replacement terminal program and to provide continuing community outreach.

Included in the agenda packet were proposals from six consultants which are currently under contract with, or have recently completed an engagement for, the Airport Authority. Staff stated that the proposed contracts will enable Staff to be able to conduct meetings with financing teams to discuss financing alternatives for the replacement terminal and how to continue providing communications to the general public regarding the replacement terminal.

Staff advised the Commission that at the November 14, 2016, meeting of the Replacement Terminal Ad Hoc Committee, the Committee voted unanimously (3-0) to recommend to the Commission approval of the following:

- (i) Proposed Amendment No. 2 to the Professional Services Agreement with Conway Consulting, Ltd. for airport layout plan services for the period from December 1, 2016, to June 30, 2017, with compensation on a monthly retainer basis for 80 hours for the month of December and

160 hours per month from January 1, 2017, to June 30, 2017, a total of seven months at a blended rate of \$188.08 per hour. The total proposed contract is for an amount not to exceed \$195,600.

- (ii) Proposed purchase order extension with Marathon Communications, Inc. for strategic communication and outreach consulting services from December 1, 2016, to May 31, 2017 (six months), at the current fixed fee rate of \$10,000 per month plus an allowance of up to \$500 per month, with supporting receipts, for reimbursable expenses (distribution material, photocopying, mileage). The 30-day cancellation provision contained in the existing purchase order would remain in place.
- (iii) Proposed Professional Services Agreement with Ricondo & Associates for on-call financial services on a time-and-materials basis not to exceed \$150,000 for a base period from December 1, 2016, through November 30, 2017, and not to exceed \$120,000 for a one-year extension period if the Authority exercises its extension option.
- (iv) Proposed Professional Services Agreement with Public Resources Advisory Group, Inc. for financial advisory services on a time-and-materials basis not to exceed \$175,000 for a base period from December 1, 2016, to November 30, 2017, and not to exceed \$75,000 for a one-year extension period if the Authority exercises its extension option.
- (v) Proposed Amendment No. 1 to the Professional Services Agreement with Airport & Aviation Professionals, Inc., dba AvAirPros, for continued airline technical representative services on behalf of the BUR Airline Airport Affairs Committee in an amount not to exceed \$100,000 for the period from December 1, 2016, to November 30, 2017.

In addition, although not discussed at the Ad Hoc Committee meeting, Staff recommended that the Commission authorize proposed Amendment No. 3 to the Professional Services Agreement with Georgino Development LLC for strategic planning consulting services for a period of six months from December 1, 2016, to May 31, 2017, with compensation revised from an

hourly rate to a monthly retainer fee of \$3,500. The seven-day cancellation provision contained in the contract would remain in place.

MOTION

Following Staff's presentation, Commissioner Quintero moved approval of the recommendations from Staff and the Replacement Terminal Ad Hoc Committee. The motion was seconded by Commissioner Madison.

MOTION APPROVED

The motion was approved by the following vote:

AYES: Commissioners Brown, Adams, Sinanyan, Wiggins, Quintero, Madison, Selvidge and Tornek

NOES: None

ABSENT: Commissioner Friedman

Prior to recessing to closed session, Commissioner Brown reported he received a telephone call during the early morning of November 28 from a concerned citizen regarding helicopter noise that appeared to be echoing throughout the San Fernando Valley. Airport Police Chief Skvarna stated he believed the helicopters were a direct result of a house fire in the City of Burbank, which caused smoke throughout the entire San Fernando Valley, as well as very heavy southbound traffic on Interstate 5.

7. CLOSED SESSION

The Commission recessed to closed session at 9:10 a.m. to discuss the items listed on the closed session agenda as follows:

- a. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant Exposure to Litigation (California Government Code Section 54956.9(d)(2))
One potential case. Facts and Circumstances: Foster Claim.
- b. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
(California Government Code Section 54957(b))

Title: Executive Director

**Meeting Reconvened to
Open session**

The meeting reconvened to open session at 9:19 a.m. with the same Commissioners present.

Commissioner Wiggins called upon Authority General Counsel Boga to report action taken in closed session.

Regarding agenda item 7.a., anticipated litigation in connection with the Foster claim, Mr. Boga reported that in closed session the Commission voted 8–0 (one absent) to deny the claim from the Foster family.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:20 a.m.

Zareh Sinanyan, Secretary

Date

Bill Wiggins, President

Date



DRAFT

November 28, 2016

Burbank-Glendale-Pasadena Airport Authority
2627 Hollywood Way
Burbank, CA 91505

Dear Commissioners:

The attached report, covering the month of September 2016, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six-month period following the date of the attached report.

Sincerely,

[Original letter to be signed by Commissioner Selvidge]

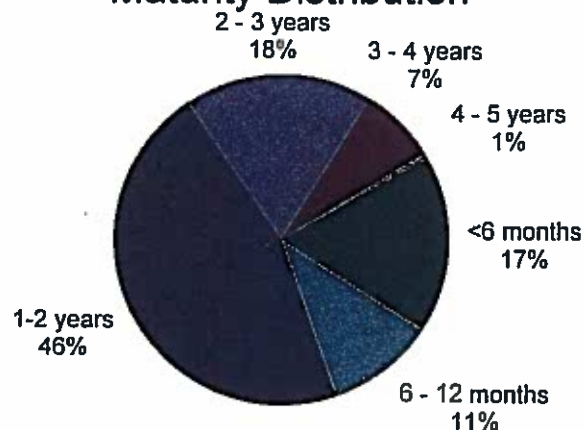
Ross Selvidge, Ph.D.
Treasurer

Attachments

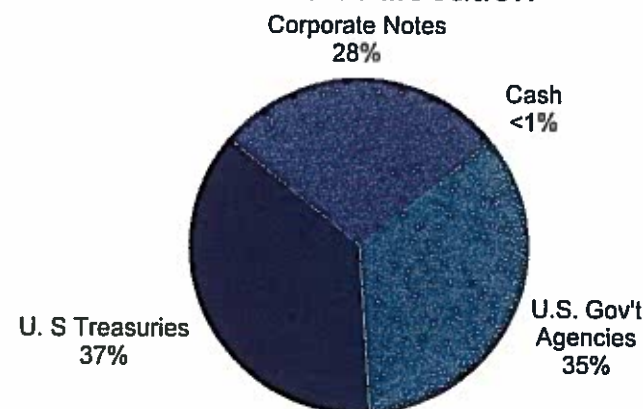
Operating Portfolio Investment Guidelines Conformance as of September 30, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	2.95 Years	70%	35%
Corporate Notes	5 Years	4.09 Years	30%	28%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	<1%
U.S. Gov Securities (Treasuries)	5 Years	3.25 Years	No Limit	37%

Maturity Distribution



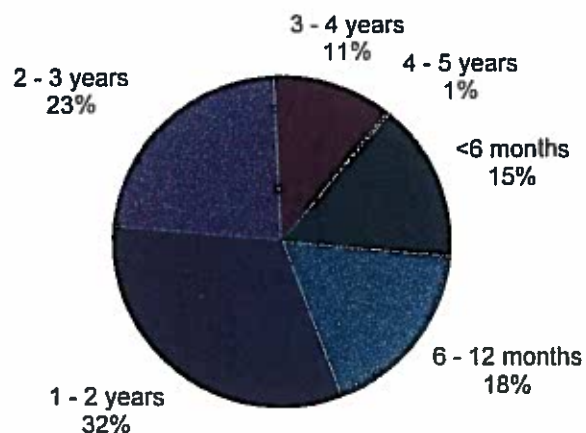
Sector Allocation



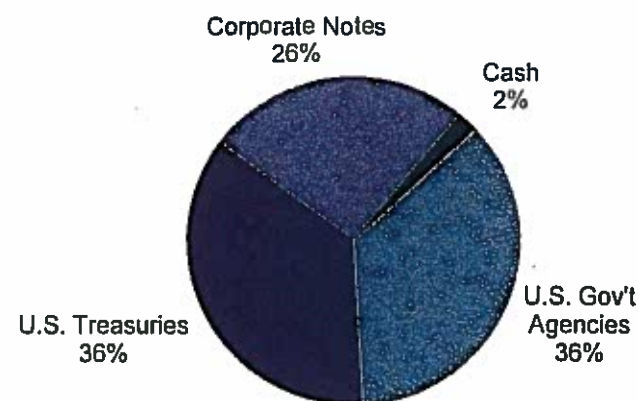
PFC Portfolio Investment Guidelines Conformance as of September 30, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	2.95 Years	70%	36%
Corporate Notes	5 Years	4.09 Years	30%	26%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	2%
U.S. Gov Securities (Treasuries)	5 Years	3.25 Years	No Limit	36%

Maturity Distribution



Sector Allocation



Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 09/30/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/30/16	Columbia Treasury Reserves	097101307	0.000	09/30/16	09/30/16	\$ 184,914	\$ 184,914	\$ 184,914	\$ -	0.00%	0	0.09%
12/08/14	General Electric Capital Corp	36962G6X7	1.556	04/02/18	10/02/16	1,690,000	1,707,900	1,703,295	(4,605)	1.06%	2	0.82%
01/21/16	Oracle Corporation	68389XAR6	1.260	01/15/19	10/15/16	1,170,000	1,173,824	1,178,959	5,135	1.11%	15	0.57%
04/19/16	FFCB	3133EEZ52	0.573	03/22/18	10/22/16	5,000,000	4,986,879	5,000,145	13,266	0.57%	22	2.40%
07/08/15	Wells Fargo & Company	94974BFBK1	1.345	04/23/18	10/23/16	1,500,000	1,502,735	1,503,528	793	1.35%	23	0.72%
11/26/13	Key Bank NA	49327M2J2	1.100	11/25/16	10/25/16	500,000	499,620	500,090	470	0.98%	25	0.24%
10/15/13	Treasury Note	912828RM4	1.000	10/31/16	10/31/16	3,970,000	4,005,203	3,972,624	(32,579)	0.21%	31	1.91%
09/12/14	Procter & Gamble Co	742718ED7	0.750	11/04/16	11/04/16	1,000,000	999,680	1,000,077	397	0.67%	35	0.48%
05/06/16	Apple Inc	037833AP5	1.088	05/06/19	11/06/16	1,200,000	1,196,747	1,204,375	7,628	1.02%	37	0.58%
03/02/16	Johnson & Johnson	478160BW3	1.112	03/01/19	12/01/16	1,500,000	1,502,346	1,504,772	2,426	1.00%	62	0.72%
04/28/16	American Express Credit Corp	0258MODY2	1.906	09/14/20	12/14/16	700,000	703,049	711,033	7,984	1.52%	75	0.34%
04/25/16	Home Depot Inc	437076BJ0	1.220	09/15/17	12/15/16	1,000,000	1,003,966	1,002,750	(1,216)	0.95%	76	0.48%
03/20/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	1,375,000	1,522,824	1,395,941	(126,883)	1.24%	107	0.67%
12/30/13	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	1,460,000	1,455,228	1,459,914	4,686	0.92%	107	0.70%
04/03/14	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	2,050,000	2,049,920	2,053,702	3,782	0.33%	123	0.99%
04/26/16	Ace InA Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	900,000	934,731	914,787	(19,944)	1.29%	138	0.44%
12/03/12	Walt Disney Co	25468PCS3	1.125	02/15/17	02/15/17	1,200,000	1,205,120	1,200,982	(4,138)	0.90%	138	0.58%
06/12/14	Branch Banking and Trust Company	07330NAH8	1.000	04/03/17	03/03/17	1,028,000	1,025,372	1,027,686	2,314	1.06%	154	0.49%
10/16/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	6,000,000	6,045,930	6,013,776	(32,154)	0.48%	159	2.89%
05/20/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	1,500,000	1,519,595	1,504,368	(15,227)	1.18%	197	0.72%
05/21/12	FNMA	3135G0JA2	1.125	04/27/17	04/27/17	4,550,000	4,575,085	4,564,276	(10,809)	0.58%	209	2.19%
05/06/14	State Street Corporation	857477AD5	5.375	04/30/17	04/30/17	1,000,000	1,093,220	1,024,761	(68,459)	1.10%	212	0.49%
02/03/14	FHLB	3133XKQX6	4.875	05/17/17	05/17/17	4,375,000	4,868,587	4,491,519	(377,068)	0.63%	229	2.16%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	4,000,000	4,027,520	4,011,460	(16,060)	0.60%	264	1.93%
08/02/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,275,000	1,266,020	1,273,804	7,784	0.61%	304	0.61%
07/14/16	Duke Energy Florida LLC	341099CG2	5.800	09/15/17	09/15/17	675,000	713,016	703,595	(9,421)	1.34%	350	0.34%
09/29/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	3,000,000	3,016,945	3,009,636	(7,309)	0.67%	362	1.45%
04/19/16	Treasury Note	912828TS9	0.625	09/30/17	09/30/17	7,750,000	7,743,340	7,746,365	3,025	0.67%	365	3.72%
11/02/12	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	10,950,000	10,952,602	10,956,972	4,370	0.69%	396	5.26%
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	11/07/17	685,000	683,718	684,779	1,061	1.08%	403	0.33%
04/19/16	FHLB	3133XMQ87	5.000	11/17/17	11/17/17	2,500,000	2,665,725	2,619,463	(46,262)	0.75%	413	1.26%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	5,200,000	5,834,036	5,452,741	(381,295)	0.80%	413	2.62%
10/07/14	Metlife Inc	59156RBK3	1.903	12/15/17	12/15/17	800,000	805,636	804,334	(1,302)	1.45%	441	0.39%
05/06/14	Bank of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	1,000,000	992,963	1,002,219	9,256	1.13%	451	0.48%
04/19/16	FHLMC Reference Notes	3137EADN6	0.750	01/12/18	01/12/18	3,750,000	3,748,050	3,748,894	844	0.77%	469	1.80%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 09/30/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
08/07/15	Fifth Third Bank	31677QAV1	1.450	02/28/18	01/28/18	1,000,000	996,120	1,001,683	5,563	1.33%	485	0.48%
12/23/13	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	6,000,000	5,904,390	6,008,028	103,638	0.78%	496	2.88%
11/18/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	700,000	701,862	702,118	256	1.09%	522	0.34%
09/07/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	04/01/18	1,450,000	1,452,871	1,451,534	(1,337)	1.08%	548	0.70%
06/27/16	FHLB	3130A4GJ5	1.125	04/25/18	04/25/18	1,520,000	1,530,579	1,527,387	(3,192)	0.81%	572	0.73%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	05/15/18	944,000	938,314	942,867	4,553	1.02%	592	0.45%
03/11/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	05/18/18	1,350,000	1,339,553	1,355,127	15,574	1.06%	595	0.65%
06/29/16	Chevron Corp	166764AE0	1.718	06/24/18	05/24/18	900,000	908,865	907,932	(933)	1.20%	601	0.44%
12/03/14	Treasury Note	912828VE7	1.000	05/31/18	05/31/18	13,010,000	12,972,601	13,061,324	88,723	0.76%	608	6.27%
08/05/15	FHLMC	3137EABP3	4.875	06/13/18	06/13/18	5,500,000	6,011,095	5,872,933	(138,162)	0.85%	621	2.82%
07/06/15	Southern California Gas Company	842434CN0	1.550	06/15/18	06/15/18	1,175,000	1,182,360	1,182,619	259	1.17%	623	0.57%
04/19/16	Treasury Note	912828XK1	0.875	07/15/18	07/15/18	7,750,000	7,762,715	7,764,531	1,816	0.77%	653	3.73%
04/19/16	FNMA Benchmark Notes	3135G0E33	1.125	07/20/18	07/20/18	3,750,000	3,771,825	3,768,803	(3,022)	0.84%	658	1.81%
07/06/15	Nevada Power Company	641423BW7	6.500	08/01/18	08/01/18	1,050,000	1,189,265	1,146,423	(42,842)	1.41%	670	0.55%
08/07/15	3M Company	88579YAP6	1.375	08/07/18	08/07/18	900,000	898,398	905,175	6,777	1.06%	676	0.43%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	08/15/18	1,550,000	1,577,051	1,572,247	(4,804)	1.22%	684	0.75%
08/18/15	Treasury Note	912828RE2	1.500	08/31/18	08/31/18	6,400,000	6,482,133	6,486,502	4,369	0.79%	700	3.11%
04/19/16	FNMA	3135G0E58	1.125	10/19/18	10/19/18	3,750,000	3,772,538	3,769,421	(3,117)	0.87%	749	1.81%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	11/01/18	865,000	875,364	881,689	6,325	1.36%	762	0.42%
11/03/15	Microsoft Corporation	594918BF0	1.300	11/03/18	11/03/18	650,000	649,898	653,172	3,274	1.06%	764	0.31%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	12/15/18	1,000,000	1,018,088	1,015,700	(2,388)	1.45%	806	0.49%
09/25/15	Manufacturers & Traders Trust Co	55279HAE0	2.300	01/30/19	12/30/18	1,000,000	1,013,451	1,016,720	3,269	1.57%	821	0.49%
12/01/15	Treasury Note	912828A75	1.500	12/31/18	12/31/18	500,000	503,516	507,481	3,965	0.83%	822	0.24%
06/10/16	John Deere Capital Corp	24422ETE9	1.950	01/08/19	01/08/19	1,200,000	1,222,064	1,219,772	(2,292)	1.21%	830	0.59%
07/01/15	Treasury Note	912828SD3	1.250	01/31/19	01/31/19	4,000,000	4,003,594	4,038,908	35,314	0.83%	853	1.94%
01/14/16	IBM Corp	459200HT1	1.950	02/12/19	02/12/19	1,150,000	1,164,229	1,168,041	3,812	1.27%	865	0.56%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	02/15/19	1,050,000	1,156,947	1,138,717	(18,230)	1.32%	868	0.55%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	02/15/19	1,050,000	1,078,576	1,069,264	(9,312)	1.46%	868	0.51%
06/30/16	Treasury Note	912828P53	0.750	02/15/19	02/15/19	5,000,000	5,008,984	4,990,430	(18,554)	0.83%	868	2.40%
07/11/16	JP Morgan Chase & CO	46625HQU7	1.850	03/22/19	02/22/19	1,710,000	1,731,443	1,719,631	(11,812)	1.62%	875	0.83%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	03/15/19	720,000	706,025	724,275	18,250	1.38%	896	0.35%
12/07/15	FHLMC	3137EACA5	3.750	03/27/19	03/27/19	3,500,000	3,763,900	3,741,077	(22,823)	0.95%	908	1.80%
04/16/16	Lowe's Companies Inc	548661DL8	1.150	04/15/19	04/15/19	1,000,000	998,565	998,797	232	1.20%	927	0.48%
09/12/14	Public Service Electric And Gas	74456QBG0	1.800	06/01/19	05/01/19	1,129,000	1,122,407	1,144,563	22,156	1.27%	943	0.55%
12/08/14	Target Corporation	87612EBB1	2.300	06/26/19	06/26/19	1,005,000	1,027,143	1,034,152	7,009	1.22%	999	0.50%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 09/30/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
03/17/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	09/12/19	4,500,000	4,545,910	4,597,268	51,358	1.00%	1077	2.21%
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	3,905,000	3,970,134	3,973,642	3,508	0.92%	1126	1.91%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	950,000	956,522	972,207	15,685	1.47%	1171	0.47%
01/19/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	4,250,000	4,326,504	4,341,473	14,969	0.95%	1187	2.08%
04/21/16	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	1,300,000	1,445,831	1,428,133	(17,698)	1.42%	1202	0.69%
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	1,200,000	1,241,266	1,241,150	(116)	1.48%	1262	0.60%
05/08/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	1,150,000	1,283,709	1,271,236	(12,473)	1.44%	1293	0.61%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	1,080,000	1,135,783	1,147,139	11,356	1.64%	1323	0.55%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	900,000	984,932	980,308	(4,624)	1.63%	1493	0.47%
	Subtotal					\$190,900,914	\$194,539,366	\$193,574,135	\$ (965,231)	0.87%	545	92.95%
	Local Agency Investment Fund (LAIF)					14,684,736	14,684,736	14,689,230	4,494	0.63%	165	7.05%
	Subtotal					\$205,585,650	\$209,224,102	\$208,263,365	\$ (960,737)	0.86%	518	100.00%
	Operating Bank Balance						4,731,909					
	TOTAL						\$213,956,011					

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Purchases - Maturities - Sales
As of 09/30/16

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
09/07/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	590,000.00	100.21400	\$ 591,262.60	\$ (2,940.17)
09/08/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	860,000.00	100.18700	861,608.20	(4,313.14)
09/22/16	Treasury Note	912828G95	1.625	12/31/19	1,500,000.00	101.94922	1,529,238.28	(5,563.86)
							-	-
							-	-
							-	-
TOTAL PURCHASES					\$ 2,950,000.00		\$ 2,982,109.08	\$ (12,817.17)

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
02/21/13	Coca-Cola Company (The)	191216AU4	1.800	09/01/16	\$ 1,450,000.00	102.51800	\$ 1,486,511.00	\$ (36,511.00)
							-	-
							-	-
							-	-
TOTAL MATURITIES					\$ 1,450,000.00		\$ 1,486,511.00	\$ (36,511.00)

SALES / REDEMPTIONS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
10/09/13	PNC Bank NA	69349LAN8	1.300	10/03/16	09/06/16	\$ 1,280,000.00	100.00000	\$ 1,280,000.00	\$ 1,285,273.30	\$ (5,273.30)
								-	-	-
								-	-	-
								-	-	-
TOTAL SALES						\$ 1,280,000.00		\$ 1,280,000.00	\$ 1,285,273.30	\$ (5,273.30)

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
09/01/16-09/30/16

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned	
FIXED INCOME										
Coca-Cola Company (The)	NOTE	1.800	09/01/16	13,050.00	13,050.00	-	-	-	-	
PNC Bank NA	NOTE	1.300	10/03/16	6,840.88	7,072.00	-	231.12	235.59	466.71	
Treasury Note	NOTE	1.000	10/31/16	13,377.17	-	16,613.59	3,236.42	(949.72)	2,286.70	
Procter & Gamble Co	NOTE	0.750	11/04/16	2,437.50	-	3,062.50	625.00	12.43	637.43	
Key Bank NA	NOTE	1.100	11/25/16	1,466.67	-	1,925.00	458.33	10.87	469.20	
Comcast Corporation	NOTE	6.500	01/15/17	11,420.13	-	18,868.06	7,447.93	(6,201.41)	1,246.52	
Pfizer Inc	NOTE	0.900	01/15/17	1,679.00	-	2,774.00	1,095.00	78.12	1,173.12	
Treasury Note	MTN	0.875	01/31/17	1,559.78	-	3,022.08	1,462.30	2.32	1,464.62	
Ace InA Holdings Inc	NOTE	5.700	02/15/17	2,280.00	-	6,555.00	4,275.00	(3,605.29)	669.71	
Walt Disney Co	MTN	1.125	02/15/17	600.00	-	1,725.00	1,125.00	(204.17)	920.83	
FHLMC	NOTE	1.000	03/08/17	28,833.33	30,000.00	-	3,833.33	5,000.00	(1,029.26)	3,970.74
Branch Banking and Trust Company	MTN	1.000	04/03/17	4,226.22	-	5,082.89	856.67	90.27	946.94	
FNMA	NOTE	1.125	04/27/17	17,631.25	-	21,896.88	4,265.63	(632.12)	3,633.51	
State Street Corporation	NOTE	5.375	04/30/17	18,065.97	-	22,545.14	4,479.17	(3,575.77)	903.40	
US Bancorp	NOTE	1.650	05/15/17	7,287.50	-	9,350.00	2,062.50	(746.61)	1,315.89	
FHLB	NOTE	4.875	05/17/17	61,614.58	-	79,388.02	17,773.44	(14,292.63)	3,480.81	
FHLB	NOTE	1.000	06/21/17	7,868.85	-	11,147.54	3,278.69	(943.54)	2,335.15	
Treasury Note	NOTE	0.500	07/31/17	554.35	-	1,074.05	519.70	150.31	670.01	
Duke Energy Florida LLC	NOTE	5.800	09/15/17	18,052.50	19,575.00	-	3,262.50	(2,708.98)	553.52	
Home Depot Inc	NOTE	1.220	09/15/17	2,215.42	2,613.06	-	939.99	(234.67)	705.32	
FNMA Bench	NOTE	1.000	09/27/17	12,833.34	15,000.00	-	2,500.00	(708.01)	1,791.99	
Treasury Note	NOTE	0.625	09/30/17	20,380.81	24,218.75	-	3,971.01	377.71	4,348.72	
Treasury Note	NOTE	0.750	10/31/17	27,672.55	-	34,367.53	6,694.98	(197.28)	6,497.70	
Praxair Inc	NOTE	1.050	11/07/17	2,277.63	-	2,877.00	599.37	74.58	673.95	
FHLB	NOTE	5.000	11/17/17	36,111.11	-	46,527.78	10,416.67	(8,753.08)	1,663.59	
FHLMC Reference Notes	NOTE	5.125	11/17/17	76,988.89	-	99,197.22	22,208.33	(16,583.33)	5,625.00	
Mellife Inc	NOTE	1.903	12/15/17	3,213.96	3,806.00	-	1,268.66	(147.29)	1,121.37	
FHLMC Reference Notes	NOTE	0.750	01/12/18	3,828.13	-	6,171.88	2,343.75	93.90	2,437.65	
Bank of New York Mellon Corp	NOTE	1.300	01/25/18	1,300.00	-	2,383.33	1,083.33	139.73	1,223.06	
FNMA Benchmark Notes	NOTE	0.875	02/08/18	3,354.17	-	7,729.16	4,374.99	2,127.76	6,502.75	
Fifth Third Bank	NOTE	1.450	02/28/18	40.28	-	1,248.62	1,208.34	136.54	1,344.88	
Exxon Mobil Corp	NOTE	1.305	03/06/18	4,440.63	4,567.50	-	761.25	(67.46)	693.79	
FFCB	NOTE	0.573	03/22/18	753.39	2,335.51	-	2,298.45	560.72	2,859.17	
Coca-Cola Company (The)	NOTE	1.150	04/01/18	-	-	7,253.31	1,084.19	(119.43)	964.76	

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
09/01/16-09/30/16

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned	
General Electric Capital Corp	NOTE	1.556	04/02/18	3,904.11	-	-	6,645.48	2,741.37	(524.49)	2,216.88
Wells Fargo & Company	NOTE	1.345	04/23/18	2,240.84	-	-	3,921.46	1,680.62	(86.64)	1,593.98
FHLB	NOTE	1.125	04/25/18	5,985.00	-	-	7,410.00	1,425.00	(482.33)	942.67
Boeing Co	NOTE	0.950	05/15/18	2,640.57	-	-	3,387.91	747.34	181.00	928.34
Merck & Co Inc	NOTE	1.300	05/18/18	5,021.25	-	-	6,483.74	1,462.49	155.27	1,617.76
Treasury Note	NOTE	1.000	05/31/18	33,058.20	-	-	43,722.14	10,663.94	757.23	11,421.17
FHLMC	NOTE	4.875	06/13/18	58,093.75	-	-	80,437.50	22,343.75	(17,787.46)	4,556.29
Southern California Gas Company	NOTE	1.550	06/15/18	3,844.86	-	-	5,362.57	1,517.71	(273.94)	1,243.77
Chevron Corp	NOTE	1.718	06/24/18	2,877.65	-	-	4,166.15	1,288.50	(388.25)	900.25
Treasury Note	NOTE	0.875	07/15/18	8,845.11	-	-	14,373.30	5,528.19	(466.89)	5,061.30
FNMA Benchmark Notes	NOTE	1.125	07/20/18	4,804.69	-	-	8,320.31	3,515.62	(807.34)	2,708.28
Nevada Power Company	NOTE	6.500	08/01/18	5,687.51	-	-	11,374.99	5,687.48	(4,159.45)	1,528.03
3M Company	NOTE	1.375	08/07/18	825.00	-	-	1,856.25	1,031.25	44.50	1,075.75
Berkshire Hathaway Finance Corp	NOTE	2.000	08/15/18	1,377.77	-	-	3,961.11	2,583.34	(899.65)	1,683.69
Treasury Note	NOTE	1.500	08/31/18	265.19	-	-	8,221.00	7,955.81	(2,234.54)	5,721.27
FNMA	NOTE	1.125	10/19/18	15,468.75	-	-	18,984.38	3,515.63	(751.25)	2,764.38
Microsoft Corporation	NOTE	1.300	11/03/18	2,769.72	-	-	3,473.88	704.16	2.56	706.72
Treasury Note	NOTE	1.500	12/31/18	1,283.97	-	-	1,895.38	611.41	(93.67)	517.74
John Deere Capital Corp	NOTE	1.950	01/08/19	3,445.00	-	-	5,395.00	1,950.00	(713.28)	1,236.72
Commonwealth Edison Company	NOTE	2.150	01/15/19	2,747.22	-	-	4,538.89	1,791.67	(566.04)	1,225.63
Oracle Corporation	NOTE	1.260	01/15/19	1,965.75	-	-	3,194.36	1,228.61	(111.65)	1,116.96
Manufacturers & Traders Trust Co	NOTE	2.300	01/30/19	1,980.55	-	-	3,897.23	1,916.68	(374.87)	1,541.81
Treasury Note	NOTE	1.250	01/31/19	4,347.83	-	-	8,423.91	4,076.08	(82.30)	3,993.78
Simon Property Group LP	NOTE	2.200	02/01/19	1,585.84	-	-	3,171.66	1,585.82	(328.59)	1,257.23
IBM Corp	NOTE	1.950	02/12/19	1,183.54	-	-	3,052.29	1,868.75	(404.58)	1,464.17
Cisco Systems Inc	NOTE	4.950	02/15/19	2,310.00	-	-	6,641.25	4,331.25	(3,056.13)	1,275.12
Treasury Note	NOTE	0.750	02/15/19	1,732.34	-	-	4,789.40	3,057.06	(280.76)	2,776.30
Union Pacific Corporation	NOTE	2.250	02/15/19	1,050.00	-	-	3,018.76	1,968.76	(687.26)	1,281.50
Johnson & Johnson	NOTE	1.112	03/01/19	4,263.09	3,615.03	-	1,390.14	742.08	(67.25)	674.83
Unitedhealth Group Inc	NOTE	1.625	03/15/19	5,395.00	5,850.00	-	520.00	975.00	258.80	1,233.80
JP Morgan Chase & CO	NOTE	1.850	03/22/19	13,884.25	15,729.63	-	790.88	2,636.26	(683.64)	1,952.62
FHLMC	NOTE	3.750	03/27/19	56,145.83	65,625.00	-	1,458.33	10,937.50	(6,652.94)	4,284.56
Lowes Companies Inc	NOTE	1.150	04/15/19	4,184.72	-	-	5,143.06	958.34	40.16	998.50
Apple Inc	NOTE	1.088	05/06/19	942.59	-	-	2,030.19	1,087.60	89.13	1,176.73
Public Service Electric And Gas	NOTE	1.800	06/01/19	5,080.50	-	-	6,774.00	1,693.50	90.01	1,783.51

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
09/01/16-09/30/16

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned	
Target Corporation	NOTE	2.300	06/26/19	4,173.55	-	-	6,099.80	1,926.25	(509.89)	1,416.36
FNMA Bench	NOTE	1.750	09/12/19	36,968.76	39,375.00	-	4,156.25	6,562.49	(913.81)	5,648.68
Treasury Note	NOTE	1.500	10/31/19	19,737.23	-	-	24,512.36	4,775.13	(1,493.90)	3,281.23
Treasury Note	NOTE	1.625	12/31/19	7,650.31	-	5,563.86	17,453.30	4,239.13	(1,264.22)	2,974.91
Arizona Public Service Company	NOTE	2.200	01/15/20	2,670.55	-	-	4,412.23	1,741.68	(139.53)	1,602.15
Pepsico Inc	NOTE	4.500	01/15/20	7,475.00	-	-	12,350.00	4,875.00	(3,292.50)	1,582.50
Medtronic Inc	NOTE	2.500	03/15/20	13,833.33	15,000.00	-	1,333.33	2,500.00	(884.29)	1,615.71
United Technologies Corporation	NOTE	4.500	04/15/20	19,550.00	-	-	23,862.50	4,312.50	(2,441.44)	1,871.06
American Express Credit Corp	NOTE	1.906	09/14/20	2,619.99	3,051.13	-	629.97	1,061.11	(58.30)	1,002.81
Travelers Cos Inc	NOTE	3.900	11/01/20	11,700.00	-	-	14,625.00	2,925.00	(1,581.69)	1,343.31
Public Service Company of Colorado	NOTE	3.200	11/15/20	10,175.99	-	-	13,056.00	2,880.01	(1,126.96)	1,753.05
Subtotal			\$ 822,048.69	\$ 270,483.61	\$ 12,817.17	\$ 843,196.83	\$ 278,814.58	\$ (112,662.26)	\$ 166,152.32	
CASH EQUIVALENTS										
Blackrock Liquidity Funds			-	202.29	-	-	202.29	-	202.29	
Subtotal			\$ -	\$ 202.29	\$ -	\$ -	\$ 202.29	\$ -	\$ 202.29	
LAIF										
Local Agency Investment Fund			15,098.24	-	-	23,334.62	8,236.38	-	8,236.38	
TOTAL			\$ 837,146.93	\$ 270,685.90	\$ 12,817.17	\$ 866,531.45	\$ 287,253.25	\$ (112,662.26)	\$ 174,590.99	

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 09/30/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/30/16	Columbia Treasury Reserves	097101307	0.000	09/30/16	09/30/16	\$ 574,436	\$ 574,436	\$ 574,436	\$ -	0.00%	0	2.41%
01/21/15	General Electric Capital Corp	36962G6X7	1.556	04/02/18	10/02/16	185,000	186,693	186,455	(238)	1.06%	2	0.78%
01/21/16	Oracle Corporation	68389XAR6	1.260	01/15/19	10/15/16	125,000	125,299	125,957	658	1.11%	15	0.53%
10/05/15	Wells Fargo & Company	949748FK1	1.345	04/23/18	10/23/16	175,000	175,592	175,412	(180)	1.35%	23	0.74%
05/06/15	Treasury Note	912828RM4	1.000	10/31/16	10/31/16	375,000	377,871	375,248	(2,623)	0.21%	31	1.57%
09/12/14	Procter & Gamble Co	742718ED7	0.750	11/04/16	11/04/16	125,000	124,960	125,010	50	0.67%	35	0.52%
05/06/16	Apple Inc	037833AP5	1.088	05/06/19	11/06/16	135,000	134,634	135,492	858	1.02%	37	0.57%
03/02/16	Johnson & Johnson	478160BW3	1.112	03/01/19	12/01/16	160,000	160,136	160,509	373	1.00%	62	0.67%
04/26/16	Home Depot Inc	437076BJ0	1.220	09/15/17	12/15/16	100,000	100,397	100,275	(122)	0.95%	76	0.42%
07/09/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	150,000	165,457	152,285	(13,172)	1.24%	107	0.64%
09/12/14	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	160,000	159,874	159,991	117	0.92%	107	0.67%
05/06/15	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	350,000	351,859	350,632	(1,227)	0.33%	123	1.47%
04/26/16	Ace InA Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	100,000	103,859	101,643	(2,216)	1.29%	138	0.43%
02/19/13	Walt Disney Company (The)	25468PCS3	1.125	02/15/17	02/15/17	160,000	159,987	160,131	144	0.90%	138	0.67%
03/19/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	755,000	746,165	756,733	10,568	0.48%	159	3.17%
07/09/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	175,000	176,803	175,510	(1,293)	1.18%	197	0.74%
05/06/15	FNMA	3135G0JA2	1.125	04/27/17	04/27/17	300,000	302,598	300,941	(1,657)	0.58%	209	1.26%
09/12/14	State Street Corporation	857477AD5	5.375	04/30/17	04/30/17	110,000	119,523	112,724	(6,799)	1.10%	212	0.47%
07/07/14	FHLB	3133XKQX6	4.875	05/17/17	05/17/17	875,000	957,246	898,304	(58,942)	0.63%	229	3.77%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	700,000	704,816	702,006	(2,810)	0.60%	264	2.94%
10/17/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,265,000	1,259,009	1,263,813	4,804	0.61%	304	5.30%
07/14/16	Duke Energy Florida LLC	341099CG2	5.800	09/15/17	09/15/17	100,000	105,632	104,236	(1,396)	1.34%	350	0.44%
03/17/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	700,000	700,924	702,248	1,324	0.67%	362	2.94%
09/25/14	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	940,000	932,264	940,599	8,335	0.69%	396	3.94%
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	11/07/17	75,000	74,859	74,976	117	1.08%	403	0.31%
11/20/14	FHLB	3133XMQ87	5.000	11/17/17	11/17/17	450,000	501,998	471,503	(30,495)	0.75%	413	1.98%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	800,000	897,594	838,883	(58,711)	0.80%	413	3.52%
10/07/14	Mellife Inc	59156RBK3	1.903	12/15/17	12/15/17	100,000	100,663	100,542	(121)	1.45%	441	0.42%
07/09/14	Bank Of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	100,000	98,925	100,222	1,297	1.13%	451	0.42%
07/07/14	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	1,000,000	986,045	1,001,338	15,293	0.78%	496	4.20%
10/28/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	100,000	100,776	100,303	(473)	1.09%	522	0.42%
09/07/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	04/01/18	175,000	175,346	175,185	(161)	1.08%	548	0.73%
06/25/16	FHLB	3130A4GJ5	1.125	04/25/18	04/25/18	555,000	559,246	557,697	(1,549)	0.81%	572	2.34%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	05/15/18	94,000	93,432	93,887	455	1.02%	592	0.39%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 09/30/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
07/09/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	05/18/18	150,000	148,778	150,570	1,792	1.06%	595	0.63%
06/29/16	Chevron Corp	166764AE0	1.718	06/24/18	05/24/18	100,000	100,985	100,881	(104)	1.20%	601	0.42%
02/18/15	Treasury Note	912828VE7	1.000	05/31/18	05/31/18	825,000	825,248	828,255	3,007	0.76%	608	3.47%
09/25/14	FHLMC	3137EABP3	4.875	06/13/18	06/13/18	750,000	834,773	800,855	(33,918)	0.85%	621	3.36%
04/21/16	Southern California Gas Company	842434CN0	1.550	06/15/18	06/15/18	125,000	125,896	125,811	(85)	1.17%	623	0.53%
02/29/16	Nevada Power Company	641423BW7	6.500	08/01/18	08/01/18	115,000	127,818	125,561	(2,257)	1.41%	670	0.53%
06/30/16	3M Company	88579YAP6	1.375	08/07/18	08/07/18	100,000	101,129	100,575	(554)	1.06%	676	0.42%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	08/15/18	165,000	167,603	167,368	(235)	1.22%	684	0.70%
12/10/15	Treasury Note	912828RE2	1.500	08/31/18	08/31/18	800,000	809,246	810,813	1,567	0.79%	700	3.40%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	11/01/18	97,000	97,924	98,872	948	1.36%	762	0.41%
01/21/16	Microsoft Corporation	5594918BF0	1.300	11/03/18	11/03/18	100,000	100,032	100,488	456	1.06%	764	0.42%
08/04/16	Caterpillar Financial Services	14912L6M8	1.800	11/13/18	11/13/18	135,000	137,086	136,183	(903)	1.38%	774	0.57%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	12/15/18	115,000	117,094	116,806	(288)	1.45%	806	0.49%
11/16/15	Treasury Note	912828A75	1.500	12/31/18	12/31/18	600,000	604,953	608,977	4,024	0.83%	822	2.55%
09/25/15	BB&T Corp	05531FAQ6	2.250	02/01/19	01/02/19	110,000	111,642	112,095	453	1.42%	824	0.47%
06/30/16	John Deere Capital Corp	24422ETE9	1.950	01/08/19	01/08/19	135,000	138,016	137,224	(792)	1.21%	830	0.58%
04/01/15	Treasury Note	912828SD3	1.250	01/31/19	01/31/19	900,000	905,625	908,754	3,129	0.83%	853	3.81%
01/14/16	IBM Corp	459200HT1	1.950	02/12/19	02/12/19	110,000	111,065	111,726	661	1.27%	865	0.47%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	02/15/19	125,000	137,609	135,562	(2,047)	1.32%	868	0.57%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	02/15/19	115,000	118,266	117,110	(1,156)	1.46%	868	0.49%
07/11/16	JP Morgan Chase & CO	46625HQU7	1.850	03/22/19	02/22/19	190,000	192,383	191,070	(1,313)	1.62%	875	0.80%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	03/15/19	100,000	98,472	100,594	2,122	1.38%	896	0.42%
08/31/16	FHLMC	3137EACA5	3.750	03/27/19	03/27/19	400,000	428,344	427,552	(792)	0.95%	908	1.79%
04/20/16	Lowe's Companies Inc	548661DL8	1.150	04/15/19	04/15/19	110,000	109,881	109,868	(13)	1.20%	927	0.46%
09/12/14	Public Service Electric And Gas	74456QBG0	1.800	06/01/19	05/01/19	124,000	123,022	125,709	2,687	1.27%	943	0.53%
01/21/15	Target Corporation	87612EBB1	2.300	06/26/19	06/26/19	110,000	113,227	113,191	(36)	1.22%	999	0.47%
07/29/16	Treasury Note	912828WW6	1.625	07/31/19	07/31/19	800,000	817,703	816,625	(1,078)	0.88%	1034	3.42%
01/28/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	09/12/19	990,000	1,004,663	1,011,399	6,736	1.00%	1077	4.24%
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	610,000	620,175	620,723	548	0.92%	1126	2.60%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	100,000	100,341	102,338	1,997	1.47%	1171	0.43%
09/02/16	National Rural Utilities Coop	637432NC5	2.000	01/27/20	12/27/19	115,000	116,716	116,191	(525)	1.68%	1183	0.49%
01/11/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	760,000	771,928	776,357	4,429	0.95%	1187	3.25%
09/26/16	Treasury Note	912828UF5	1.125	12/31/19	12/31/19	250,000	251,318	251,406	88	0.95%	1187	1.05%
12/14/15	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	140,000	153,849	153,799	(50)	1.42%	1202	0.64%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 09/30/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/02/16	PNC Funding Corp	693476BJ1	5.125	02/08/20	02/08/20	140,000	155,865	155,527	(338)	1.71%	1226	0.65%
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	130,000	134,471	134,458	(13)	1.48%	1262	0.56%
05/18/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	125,000	139,686	138,178	(1,508)	1.44%	1293	0.58%
09/25/15	American Express Credit Corp	0258MODT3	2.375	05/26/20	04/25/20	125,000	126,660	127,845	1,185	1.73%	1303	0.54%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	115,000	120,648	122,149	1,501	1.64%	1323	0.51%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	100,000	109,436	108,923	(513)	1.63%	1493	0.46%
	Subtotal					\$ 23,449,436	\$ 24,004,494	\$ 23,853,514	\$ (150,980)	0.87%	588	100.00%
	PFC Bank Balance						31,744					
	TOTAL						\$ 24,036,238					

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Purchases - Maturities - Sales
As of 09/30/16

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
09/07/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	\$ 71,000.00	100.21400	\$ 71,151.94	\$ (353.82)
09/07/16	National Rural Utilities Coop	637432NC5	2.000	01/27/20	40,000.00	101.50900	40,603.60	(88.89)
09/08/16	Coca-Cola Company (The)	191216BA7	1.150	04/01/18	104,000.00	100.18700	104,194.48	(521.59)
09/15/16	National Rural Utilities Coop	637432NC5	2.000	01/27/20	5,000.00	101.40000	5,070.00	(13.33)
09/26/16	FNMA Bench	3135G0ZG1	1.750	09/12/19	250,000.00	102.16570	255,414.25	(170.14)
09/26/16	Treasury Note	912828UF5	1.125	12/31/19	250,000.00	100.52734	251,318.36	(672.55)
							-	
							-	
							-	
							-	
TOTAL PURCHASES					\$ 720,000.00		\$ 727,752.63	\$ (1,820.32)

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
03/06/13	Coca-Cola Company (The)	191216AU4	1.800	09/01/16	\$ 200,000.00	103.57100	\$ 207,142.00	\$ (7,142.00)
							-	-
							-	-
							-	-
TOTAL MATURITIES					\$ 200,000.00		\$ 207,142.00	\$ (7,142.00)

SALES / REDEMPTIONS / DELIVERS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
								\$ -		\$ -
								-		-
								-		-
								-		-
						\$ -		\$ -	\$ -	\$ -

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
09/01/16-09/30/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FIXED INCOME										
Coca-Cola Company (The)	NOTE	1.800	09/01/16	1,800.00	1,800.00	-	-	-	-	-
Treasury Note	NOTE	1.000	10/31/16	1,263.59	-	-	1,569.29	305.70	(158.33)	147.37
Procter & Gamble Co	NOTE	0.750	11/04/16	304.69	-	-	382.81	78.12	1.55	79.67
Comcast Corporation	NOTE	6.500	01/15/17	1,245.84	-	-	2,058.33	812.49	(679.55)	132.94
Pfizer Inc	NOTE	0.900	01/15/17	184.00	-	-	304.00	120.00	0.84	120.84
Treasury Note	NOTE	0.875	01/31/17	266.30	-	-	515.96	249.66	(87.71)	161.95
Ace InA Holdings Inc	NOTE	5.700	02/15/17	253.33	-	-	728.33	475.00	(400.59)	74.41
Walt Disney Company (The)	MTN	1.125	02/15/17	80.00	-	-	230.00	150.00	0.27	150.27
FHLMC	NOTE	1.000	03/08/17	3,628.19	3,775.00	-	482.36	629.17	209.60	838.77
FNMA	NOTE	1.125	04/27/17	1,162.50	-	-	1,443.75	281.25	(109.62)	171.63
State Street Corporation	NOTE	5.375	04/30/17	1,987.26	-	-	2,479.97	492.71	(387.95)	104.76
US Bancorp	NOTE	1.650	05/15/17	850.21	-	-	1,090.84	240.63	(76.56)	164.07
FHLB	NOTE	4.875	05/17/17	12,322.92	-	-	15,877.61	3,554.69	(2,848.55)	706.14
FHLB	NOTE	1.000	06/21/17	1,377.05	-	-	1,950.82	573.77	(165.12)	408.65
Treasury Note	NOTE	0.500	07/31/17	550.00	-	-	1,065.63	515.63	242.76	758.39
Duke Energy Florida LLC	NOTE	5.800	09/15/17	2,674.44	2,900.00	-	257.78	483.34	(401.33)	82.01
Home Depot Inc	NOTE	1.220	09/15/17	221.54	261.31	-	54.23	94.00	(23.47)	70.53
FNMA Bench	NOTE	1.000	09/27/17	2,994.44	3,500.00	-	77.78	583.34	(30.46)	552.88
Treasury Note	NOTE	0.750	10/31/17	2,375.54	-	-	2,950.27	574.73	212.09	786.82
Praxair Inc	NOTE	1.050	11/07/17	249.38	-	-	315.00	65.62	8.20	73.82
FHLB	NOTE	5.000	11/17/17	6,500.00	-	-	8,375.00	1,875.00	(1,448.40)	426.60
FHLMC Reference Notes	NOTE	5.125	11/17/17	11,844.44	-	-	15,261.11	3,416.67	(2,574.43)	842.24
Metlife Inc	NOTE	1.903	12/15/17	401.74	475.75	-	84.58	158.59	(17.33)	141.26
Bank Of New York Mellon Corp	NOTE	1.300	01/25/18	130.00	-	-	238.33	108.33	26.46	134.79
FNMA Benchmark Notes	NOTE	0.875	02/08/18	559.03	-	-	1,288.20	729.17	337.87	1,067.04
Exxon Mobil Corp	NOTE	1.305	03/06/18	634.38	652.50	-	90.63	108.75	(27.46)	81.29
Coca-Cola Company (The)	NOTE	1.150	04/01/18	-	-	875.41	1,006.25	130.84	(14.42)	116.42
General Electric Capital Corp	NOTE	1.556	04/02/18	427.37	-	-	727.47	300.10	(47.40)	252.70
Wells Fargo & Company	NOTE	1.345	04/23/18	261.44	-	-	457.51	196.07	(19.96)	176.11
FHLB	NOTE	1.125	04/25/18	2,185.32	-	-	2,705.63	520.31	(193.75)	326.56
Boeing Co	NOTE	0.950	05/15/18	262.94	-	-	337.36	74.42	18.10	92.52
Merck & Co Inc	NOTE	1.300	05/18/18	557.92	-	-	720.42	162.50	21.72	184.22
Treasury Note	NOTE	1.000	05/31/18	2,096.31	-	-	2,772.54	676.23	(35.91)	640.32

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
09/01/16-09/30/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FHLMC	NOTE	4.875	06/13/18	7,921.88	-	-	10,968.75	3,046.87	(2,150.82)	896.05
Southern California Gas Company	NOTE	1.550	06/15/18	409.03	-	-	570.49	161.46	(34.74)	126.72
Chevron Corp	NOTE	1.718	06/24/18	319.74	-	-	462.91	143.17	(43.14)	100.03
Nevada Power Company	NOTE	6.500	08/01/18	622.92	-	-	1,245.83	622.91	(444.46)	178.45
3M Company	NOTE	1.375	08/07/18	91.67	-	-	206.25	114.58	(44.74)	69.84
Berkshire Hathaway Finance Corp	NOTE	2.000	08/15/18	146.66	-	-	421.66	275.00	(83.15)	191.85
Treasury Note	NOTE	1.500	08/31/18	33.15	-	-	1,027.63	994.48	(312.71)	681.77
Microsoft Corporation	NOTE	1.300	11/03/18	426.11	-	-	534.44	108.33	(0.95)	107.38
Caterpillar Financial Services	NOTE	1.800	11/13/18	729.00	-	-	931.50	202.50	(76.40)	126.10
Treasury Note	NOTE	1.500	12/31/18	1,540.76	-	-	2,274.45	733.69	(129.34)	604.35
John Deere Capital Corp	NOTE	1.950	01/08/19	387.56	-	-	606.94	219.38	(99.64)	119.74
Commonwealth Edison Company	NOTE	2.150	01/15/19	315.93	-	-	521.97	206.04	(65.42)	140.62
Oracle Corporation	NOTE	1.260	01/15/19	210.02	-	-	341.27	131.25	(8.39)	122.86
Treasury Note	NOTE	1.250	01/31/19	978.26	-	-	1,895.38	917.12	(137.87)	779.25
BB&T Corp	NOTE	2.250	02/01/19	206.26	-	-	412.50	206.24	(48.56)	157.68
Simon Property Group LP	NOTE	2.200	02/01/19	177.83	-	-	355.67	177.84	(28.17)	149.67
IBM Corp	NOTE	1.950	02/12/19	113.21	-	-	291.96	178.75	(28.83)	149.92
Cisco Systems Inc	NOTE	4.950	02/15/19	275.00	-	-	790.63	515.63	(353.84)	161.79
Union Pacific Corporation	NOTE	2.250	02/15/19	115.00	-	-	330.65	215.65	(72.86)	142.79
Johnson & Johnson	NOTE	1.112	03/01/19	454.73	385.60	-	148.29	79.16	(3.88)	75.28
Unitedhealth Group Inc	NOTE	1.625	03/15/19	749.30	812.50	-	72.22	135.42	28.25	163.67
JP Morgan Chase & CO	NOTE	1.850	03/22/19	1,542.69	1,747.74	-	87.88	292.93	(75.96)	216.97
FHLMC	NOTE	3.750	03/27/19	6,416.67	7,500.00	-	166.67	1,250.00	(917.28)	332.72
Lowes Companies Inc	NOTE	1.150	04/15/19	460.32	-	-	565.74	105.42	3.31	108.73
Apple Inc	NOTE	1.088	05/06/19	106.04	-	-	228.40	122.36	10.03	132.39
Public Service Electric And Gas	NOTE	1.800	06/01/19	558.00	-	-	744.00	186.00	15.51	201.51
Target Corporation	NOTE	2.300	06/26/19	456.81	-	-	667.64	210.83	(65.69)	145.14
Treasury Note	NOTE	1.625	07/31/19	1,130.44	-	-	2,190.22	1,059.78	(491.06)	568.72
FNMA Bench	NOTE	1.750	09/12/19	6,079.31	6,475.00	170.14	914.37	1,139.92	(192.59)	947.33
Treasury Note	NOTE	1.500	10/31/19	3,083.15	-	-	3,829.08	745.93	(233.36)	512.57
Treasury Note	NOTE	1.625	12/31/19	2,114.27	-	-	3,121.05	1,006.78	(265.73)	741.05
Treasury Note	NOTE	1.125	12/31/19	-	-	672.55	710.77	38.22	(5.53)	32.69
Arizona Public Service Company	NOTE	2.200	01/15/20	281.11	-	-	464.44	183.33	(6.25)	177.08
Pepsico Inc	NOTE	4.500	01/15/20	805.00	-	-	1,330.00	525.00	(285.71)	239.29

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
09/01/16-09/30/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
National Rural Utilities Coop	NOTE	2.000	01/27/20	132.22	-	102.22	408.89	174.45	(38.41)	136.04
PNC Funding Corp	NOTE	5.125	02/08/20	458.40	-	-	1,056.32	597.92	(372.23)	225.69
Medtronic Inc	NOTE	2.500	03/15/20	1,498.61	1,625.00	-	144.45	270.84	(95.80)	175.04
United Technologies Corporation	NOTE	4.500	04/15/20	2,125.00	-	-	2,593.75	468.75	(247.94)	220.81
American Express Credit Corp	NOTE	2.375	05/26/20	783.42	-	-	1,030.81	247.39	(36.45)	210.94
Travelers Cos Inc	NOTE	3.900	11/01/20	1,300.00	-	-	1,625.00	325.00	(175.74)	149.26
Public Service Company of Colorado	NOTE	3.200	11/15/20	1,083.55	-	-	1,390.21	306.66	(113.15)	193.51
Subtotal				\$ 108,291.14	\$ 31,910.40	\$ 1,820.32	\$ 115,580.87	\$ 37,379.81	\$ (16,398.53)	\$ 20,981.28
CASH EQUIVALENTS										
Blackrock Liquidity Funds				-	165.37	-	-	165.37	-	165.37
Subtotal				\$ -	\$ 165.37	\$ -	\$ -	\$ 165.37	\$ -	\$ 165.37
TOTAL				\$ 108,291.14	\$ 32,075.77	\$ 1,820.32	\$ 115,580.87	\$ 37,545.18	\$ (16,398.53)	\$ 21,146.65

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

Monthly Performance					September 2016	Fiscal YTD Performance (July 2016 - September 2016)				
Actual \$ Sep 2016	Budget Sep 2016	Actual \$ Prior Year Sep 2015	Note	Variance Actual Vs. Budget		Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
OPERATING ACTIVITY										
CASH RECEIPTS FROM OPERATIONS										
\$321,985	\$287,500	\$288,121	(2)	\$34,485	Landing/Fuel Fees	\$994,741	\$862,500	\$872,950	(2)	\$132,241
1,700,857	1,715,000	1,658,254	(3)	(14,143)	Parking Fees	5,073,470	5,047,000	4,881,237	(3)	26,470
963,158	920,353	1,137,531	(4)	42,805	Rental Receipts - Terminal Building	2,883,725	2,761,063	3,101,198	(4)	122,662
848,290	887,980	1,151,738	(5)	(39,690)	Rental Receipts - Other Buildings	2,688,407	2,663,940	3,272,600	(5)	24,467
72,822	78,750	(78,994)	(6)	(5,928)	Other Receipts	391,765	236,250	424,170	(6)	155,515
233,067	175,000	43,092	(7)	58,067	Investment Receipts - Treasurer/Other Interest Earned	737,647	525,000	337,481	(7)	212,647
<u>\$4,140,179</u>	<u>\$4,064,583</u>	<u>\$4,199,742</u>	<u>(1)</u>	<u>\$75,596</u>		<u>\$12,769,755</u>	<u>\$12,095,753</u>	<u>\$12,889,636</u>	<u>(1)</u>	<u>\$674,002</u>
CASH DISBURSEMENTS FROM OPERATIONS										
(\$94,090)	(\$86,521)	(\$55,769)	(9)	(\$7,569)	Administrative Supplies & Costs	(\$267,887)	(\$285,063)	(\$192,403)	(9)	\$17,176
(370,580)	(326,127)	(302,886)	(10)	(44,453)	Operating Supplies & Maintenance	(908,379)	(978,381)	(864,395)	(10)	70,002
(2,187,441)	(2,256,032)	(2,994,181)	(11)	68,591	Contractual Operating Costs	(5,212,268)	(5,529,126)	(6,817,310)	(11)	316,858
(203,726)	(235,908)	(179,302)	(12)	32,182	Contractual Professional Services	(1,993,978)	(2,047,724)	(2,165,626)	(12)	53,746
(408,837)	(406,374)	(446,989)	(13)	(2,463)	Wages & Benefits	(1,266,194)	(1,265,905)	(1,328,710)	(13)	(289)
(24,233)	(40,440)	(8,030)	(14)	16,207	Other Operating Costs	(66,574)	(121,320)	(100,000)	(14)	54,746
(380,329)	(380,329)	(358,454)		0	Bond Debt Service - 2015 Bonds	(1,140,987)	(1,140,987)	(1,075,362)		0
0	0	0	(15)	0	Parking Tax	(544,548)	(545,000)	(538,441)	(15)	452
<u>(\$3,669,236)</u>	<u>(\$3,731,731)</u>	<u>(\$4,345,611)</u>	<u>(8)</u>	<u>\$62,495</u>		<u>(\$11,400,815)</u>	<u>(\$11,913,506)</u>	<u>(\$13,082,247)</u>	<u>(8)</u>	<u>\$512,691</u>
\$470,943	\$332,852	(\$145,869)		\$138,091	INCREASE (DECREASE) IN CASH FROM OPERATIONS	\$1,368,940	\$182,247	(\$192,611)		\$1,186,693
FACILITY IMPROVEMENT / NOISE MITIGATION TRANSACTIONS										
CASH DISBURSEMENTS										
(\$250)	\$0	(\$1,649)	(16)	(\$250)	Sound Insulation Program Costs	(\$1,370)	(\$10,000)	(\$376,255)	(16)	\$8,630
(1,178,458)	(219,500)	(473,769)	(17)	(958,958)	Other Facility Improvement Program Project Costs	(3,594,679)	(1,433,000)	(3,124,130)	(17)	(2,161,679)
0	0	(4,713)		0	Regional Intermodal Transportation Center	0	0	(30,590)		0
<u>(\$1,178,708)</u>	<u>(\$219,500)</u>	<u>(\$480,131)</u>		<u>(\$959,208)</u>		<u>(\$3,596,049)</u>	<u>(\$1,443,000)</u>	<u>(\$3,530,975)</u>		<u>(\$2,153,049)</u>
CASH RECEIPTS FROM FUNDING SOURCES										
\$0	\$0	\$0	(16)	\$0	FAA Grants - Sound Insulation Program	\$0	\$0	\$303,958	(16)	\$0
395,820	43,000	0	(18)	352,820	FAA Grants - Facility Improvement Program	395,820	43,000	0	(18)	352,820
0	0	0	(19)	0	Other Grants	7,057	0	29,300	(19)	7,057
0	600	5,172,523	(20)	(600)	Passenger Facility Charge Receipts/Reserves	107,964	51,950	5,869,925	(20)	56,014
868,485	875,700	345,495	(21)	(7,215)	Facility Development Fund (Authority Reserves)	1,871,111	1,890,700	1,039,038	(21)	(19,589)
<u>\$1,264,305</u>	<u>\$919,300</u>	<u>\$5,518,018</u>		<u>\$345,005</u>		<u>\$2,381,952</u>	<u>\$1,985,650</u>	<u>\$7,242,221</u>		<u>\$396,302</u>
\$85,597	\$699,800	\$5,037,887		(\$614,203)	INCREASE (DECREASE) - FACILITY / NOISE MITIGATION TRANSACTIONS	(\$1,214,097)	\$542,650	\$3,711,246		(\$1,756,747)
\$556,540	\$1,032,652	\$4,892,018		(\$476,112)	NET ACTIVITY VS. BUDGET	\$154,843	\$724,897	\$3,518,635		(\$570,054)
(\$868,485)	(\$875,700)	(\$345,495)		\$7,215	LESS USE OF AUTHORITY RESERVES	(\$1,871,111)	(\$1,890,700)	(\$1,039,038)		\$19,589
(\$311,945)	\$156,952	\$4,546,523		(\$468,897)	NET INCREASE (DECREASE) IN CASH - TOTAL	(\$1,716,268)	(\$1,165,803)	\$2,479,597		(\$550,465)
					(see note below)					

**otes: The FY 2017 adopted budget approved use of \$7,680,000 of Authority Reserves to provide funding for the airport share of capital projects. See additional discussion at note 21.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

General Comments

The Schedule of Cash Receipts and Disbursements ("Schedule") represents the cash basis activity for the month and fiscal year-to-date compared to the allocation of the annual adopted budget.

The Schedule consists of two sections: Operating Activity and Facility Improvement/Noise Mitigation Transactions. Receipts are shown as positive amounts and disbursements as negative amounts. Favorable budget variances are shown as positive amounts and unfavorable variances as negative amounts. Because this Schedule is on a cash basis, cash timing differences may contribute to budget variances.

The Operating Activity receipts include charges for services (parking, landing fees and concessions), tenant rents, fuel flowage fees, other revenues and investment receipts. The Operating Activity disbursements include costs of services, materials, contracts, personnel and debt service.

Facility Improvement / Noise Mitigation Transactions represent the activity for the Authority's capital program, which consists of (a) the Sound Insulation Program, (b) Other Facility Improvement Program Projects, and (c) the Regional Intermodal Transportation Center ("RITC"). The RITC project was completed in FY 2015.

The FY 2017 Capital Program expenditures are primarily funded by the following sources:

- FAA-approved Passenger Facility Charge ("PFC") program receipts/reserves;
- Grants;
- Facility Development Funds (Authority Reserves).

The notes below provide additional information regarding the performance results detailed in the "Schedule of Cash Receipts and Disbursements."

A Supplemental Schedule of Cash Receipts and Disbursements reflecting the activities related to the Series 2012 Bond debt service and repayment to the Authority of the loans provided to the Rent-A-Car Companies ("RACs") for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

NOTE (1) - Cash Receipts from Operations

Cash receipts from operations are ahead of budget fiscal year-to-date ("FYTD") September due to better than expected performance primarily in parking, concessions and filming revenues. On the accrual basis, all categories of operating revenues are favorably ahead of budget in FYTD September by \$549,292. See notes 2 through 7 for additional information regarding operating receipts.

NOTE (2) - Landing/Fuel Fees

Landing fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. Landing fees and fuel fees performed ahead of the budget forecast FYTD September. Accrual basis revenues for this line item are ahead of budget in FYTD September by \$103,049.

NOTE (3) - Parking Fees

Parking fee revenues performed ahead of the budget forecast. Accrual basis parking fees are \$60,497 ahead of budget FYTD September.

NOTE (4) - Rental Receipts - Terminal Building

Terminal Building rental receipts exceed the budget FYTD September partially due to the timing of receipts and additional concession revenues received above the minimum annual guarantee. Accrual basis terminal building rents are \$232,944 ahead of budget FYTD September.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE (5) – Rental Receipts - Other Buildings

Other Buildings rental receipts exceed the budget FYTD September partially due to the timing of receipts. Accrual basis other building receipts are \$79,313 ahead of budget FYTD September.

NOTE (6) – Other Receipts

This category consists primarily of off-airport access fees and film location revenues. This line item favorably exceeds the budget FYTD September primarily due to strong film location revenues. Accrual basis other revenues are \$3,385 ahead of budget FYTD September.

NOTE (7) – Investment Receipts - Treasurer

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes and the timing of coupon payments and individual investment maturities and sales. Accrual basis investment income, including the interest earned on loans to Rent-A-Car Companies, exceeds the budget FYTD September by \$70,104.

NOTE (8) – Cash Disbursements from Operations

Overall operating disbursements are favorably under budget FYTD September. On an accrual basis operating disbursements are favorably within budget parameters. See additional information on operating disbursements in notes 9 through 15.

NOTE (9) – Administrative Supplies & Costs

This line item includes office supplies, printing, postage and delivery, office equipment service and lease, recruiting, membership, uniform, Commission meeting, conference and training costs.

NOTE (10) – Operating Supplies & Maintenance

This line item includes utilities, fuel, general repairs and maintenance, landscaping, supplies and telephone costs.

NOTE (11) – Contractual Operating Costs

This line item includes various contractual operating costs such as ARFF services, janitorial services, systems and vehicle repair, parking operations and the TBI Airport Management contract costs.

NOTE (12) – Contractual Professional Services

This line item includes various professional services such as legal, auditing, noise, financial and insurance.

NOTE (13) – Wages and Benefits

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the new Memorandum of Understanding effective February 2014. Wages and benefits include overtime of approximately \$16,000 for film location services which are recovered through the related revenue.

NOTE (14) – Other Operating Costs

This line item includes public relations/advertising, air service retention, license and permits and bad debt expense.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE (15) – Parking Tax

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. The amount paid in July 2016 of \$544,548 reflects the parking activity for the months of April, May and June. October 2016 remittance, in the amount of \$543,031, covers the months of July, August and September 2016.

NOTE (16) – Sound Insulation Program

The Sound Insulation program is funded primarily through FAA Airport Improvement Program ("AIP") grants and Passenger Facility Charge ("PFC") fees. A Part 150 Study is under final FAA review and upon conclusion may result in eligible multi-family and an additional number of single family residences being added to the sound insulation program in the future.

NOTE (17) – Other Facility Improvement Program Projects

Several projects account for most of the Other Facility Improvement Program Projects expenditures: Taxiway B Reconstruction FY 2016 expenditures, Replacement Terminal Project and Emergency Back-Up Generator Project. The budget variance of \$2,161,679 is due to the timing of projects and payment for FY 2016 accrued costs. See supplemental schedule attached for detail by project for the quarter ended September 2016.

NOTE (18) – FAA Grants – Other Facility Improvement Program Projects

FAA Grants – Other Facility Improvement Program Projects are budgeted to fund several projects: Runway 8/26 EMAS Project, Runway 8/26 Rehabilitation Project and the Acquisition of Hollyona Property.

NOTE (19) – Other Grants

Other grants represent federal grants, other than FAA AIP grants, and local grants that fund or partially fund the Ground Access Study.

NOTE (20) – Passenger Facility Charge Receipts/Reserves

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges.

NOTE (21) – Facility Development Fund (Authority Reserves)

The FY 2017 adopted budget programmed the use of Authority Reserves as a funding source for the airport share of capital projects.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

SUPPLEMENT SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

Monthly Performance					September 2016	Fiscal YTD Performance (July 2016 - September 2016)				
Actual \$ Sep 2016	Budget Sep 2016	Actual \$ Prior Year Sep 2015	Note	Variance Actual Vs. Budget		Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
\$464,969	\$420,000	\$507,912	(1)	\$44,969	Customer Facility Charge Receipts	\$1,400,035	\$1,260,000	\$1,485,882	(1)	\$140,035
84,642	93,005	49,035	(2)	(8,363)	Facility Rent	299,559	279,015	280,173	(2)	20,544
(486,130)	(486,130)	(486,380)		0	Payments to Bond Trustee for 2012 Bond Debt Service	(1,458,390)	(1,458,390)	(1,459,140)		0
(24,458)	(26,875)	(12,267)	(3)	2,417	Loan Principal Repayments to the Authority	(86,561)	(80,625)	(70,093)	(3)	(5,936)
<u>\$39,023</u>	<u>\$0</u>	<u>\$58,300</u>	(4)	<u>\$39,023</u>		<u>\$154,643</u>	<u>\$0</u>	<u>\$236,822</u>	(4)	<u>\$154,643</u>

General Comments

The debt service on the 2012 Revenue Bonds and the repayment to the Authority of the loans to the Rent-A-Car Companies ("RACs") is payable from Customer Facility Charges ("CFCs") and Facility Rents. Under the terms of the Bond Indenture, as amended, all CFCs collected subsequent to July 1, 2014 are remitted to the Bond Trustee for the 2012 Bond debt service.

On July 1, 2014, the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the respective Rent-A-Car Companies became effective, including the collection of Facility Rent.

Note (1) – Customer Facility Charge ("CFC") Receipts

CFCs of \$6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond debt service. CFCs received fiscal year-to-date ("FYTD") September exceeded the budget due to better than expected car rental activity.

Note (2) – Facility Rent

Facility Rent exceeds the budget FYTD September due to the timing of receipts.

Note (3) – Loan Principal Repayments to the Authority

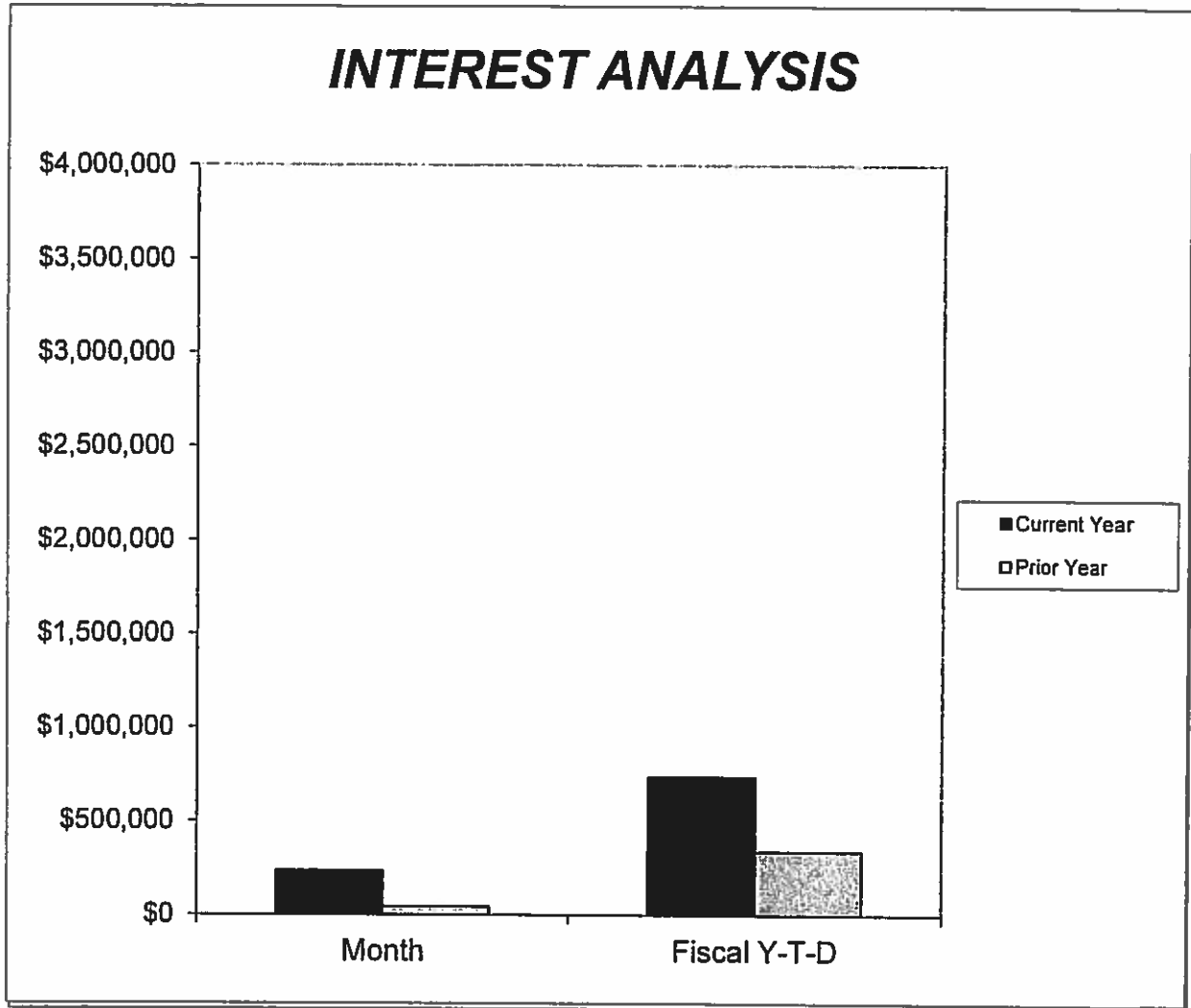
Repayments of the loan principal to the Authority from the Rent-A-Car Companies exceed the budget FYTD September (\$5,936) due to timing of receipts. The principal portion of the payment will be deposited as reimbursement to the Authority's Facility Development Fund. The interest portion of the loan repayment is recorded as investment income.

Note (4) – Net RITC / ConRAC Facility Payments and Collections

A positive amount in this line indicates that cash has been received above the required payment obligations. At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the Rent-A-Car Companies.

In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

Burbank-Glendale-Pasadena Airport Authority



	September 2016	September 2015
Interest Receipts - - Month	\$233,067	\$43,092
Interest Receipts - - Fiscal Y-T-D	\$737,647	\$337,481
Month End Portfolio Balance	\$213,956,011	\$148,656,827
Yield to Maturity	0.86%	0.71%

Supplement to the September 2016 Treasurer's Report

FY 2017 September FYTD Cash Disbursements Facility Improvement / Noise Mitigation Transactions

BURBANK- GLENDALE- PASADENA AIRPORT AUTHORITY
FY 2017 Cash Disbursements - Facility Improvement / Noise Mitigation Transactions

PROJECT DESCRIPTION	Annual Budgeted Cost	Sept. FYTD Budgeted Cost	Sept. FYTD Cash Basis FY 2017 Cost	Sept. FYTD Budget Variance (Fav. / Unfav.)	Project Status FYTD Sept. 30, 2016
BUILDING IMPROVEMENTS					
Building #36 Server Room Upgrades	\$ 1,000,000	\$ 23,000	\$ 22,261	\$ 739	Project under planning review
Hangar #34 Roof	500,000	-	-	-	Project under planning review
Maint. Dept. Electrical Service Upgrades	300,000	9,200	8,850	350	Project under planning review
Terminal High Voltage Electrical Upgrades	250,000	1,000	898	102	Project under planning review
HVAC Replacement: Bldg. #9	160,000	-	-	-	Project under planning review
Terminal Security Improvements	100,000	-	-	-	Project under planning review
Furnace Replacement: Building #10	80,000	-	-	-	Project under planning review
Elevator Replacement: Building #10	150,000	-	-	-	Project under planning review
LED Conversion	125,000	7,400	6,549	851	Project under planning review
Elevator Rehab.: Short Term Pkg. Structure	65,000	-	-	-	Project under planning review
Minor Building Improvements	250,000	4,000	3,167	833	Project under planning review
Terminal Carpet	-	-	13,398	(13,398)	Accrued FY 2016 project
TOTAL BUILDING IMPROVEMENTS	\$ 2,990,000	\$ 44,600	\$ 55,123	\$ (10,523)	
OTHER IMPROVEMENTS					
Emergency Back-up Generator Replacement	\$ 400,000	\$ 400,000	\$ 1,229,106	\$ (829,106)	Initiated FY 2016 - completion FY 2017
Reclaimed Water Connection and Hydrant	105,000	-	921	(921)	Project under planning review
Wildlife Mitigation	60,000	-	-	-	Project under planning review
Storm Drain Filter Installation	50,000	-	-	-	Project under planning review
Airport Branding: Infrastructure/ Sign	250,000	-	-	-	Project under planning review
TOTAL OTHER IMPROVEMENTS	\$ 865,000	\$ 400,000	\$ 1,230,027	\$ (830,027)	
IT / COMMUNICATIONS / SECURITY					
Access Control / IET Replacement	\$ 1,200,000	\$ 50,000	\$ 48,788	\$ 1,212	Project under planning review
DVSS SAN Replacement / Other Upgrades	1,075,000	2,000	1,020	980	Award of Contract October 2016
Network Switches	75,000	-	-	-	Project under planning review
Fiber Optic Installation: Phase 7	340,000	-	-	-	Project under planning review
Upgrade Phone / Voicemail System	150,000	-	-	-	Project under planning review
Primary Server SAN	-	-	9,157	(9,157)	Accrued FY 2016 project
Firewall/Antivirus Software	-	-	24,959	(24,959)	Accrued FY 2016 project
TOTAL IT / COMMUNICATIONS / SECURITY	\$ 2,840,000	\$ 52,000	\$ 83,924	\$ (31,924)	
EQUIPMENT					
Maintenance Equipment	\$ 250,000	\$ -	\$ 49,625	\$ (49,625)	Accrued FY 2016 project
Replacement Wash Pad	25,000	-	-	-	Project under planning review
Express Lanes Parking (4)	100,000	-	-	-	Project initiated Fall 2016
TOTAL EQUIPMENT	\$ 375,000	\$ -	\$ 49,625	\$ (49,625)	
RUNWAY / TAXIWAY / ROADWAY PROJECTS					
Runway 8-26, 15-33 Rehabilitation Design	\$ 100,000	\$ 18,000	\$ 17,413	\$ 587	Design completion
Runway 8-26 and EMAS Rehabilitation	17,000,000	8,000	3,785	4,215	Construction initiated October 2016
RPZ Land Acquisition: Hollyona Property	1,800,000	500	189	311	Project under planning review
Obstruction Removal (multi-phase)	250,000	5,000	5,000	-	Project under planning review
Paving Replacement: Empire west of Clybourn	150,000	2,000	627	1,373	Project under planning review
Blast Fence: Clybourn Avenue	100,000	100,000	133,327	(33,327)	Project completed October 2016
Parking Improvements	300,000	1,000	741	259	Project under planning review
Paving Rehabilitation: Wash Rack	95,000	1,000	390	610	Project under planning review
Taxiway B Rehab.	-	-	404,704	(404,704)	Accrued FY 2016 project
Runway Airfield Lighting	-	-	9,412	(9,412)	Accrued FY 2016 project
Rwy Shoulder Rehab.	-	-	17	(17)	Accrued FY 2016 project
TOTAL RUNWAY / TAXIWAY / ROADWAY	\$ 19,795,000	\$ 135,500	\$ 575,605	\$ (440,105)	
NOISE MITIGATION					
Residential Acoustical Treatment Program	\$ 500,000	\$ 10,000	\$ 1,370	\$ 8,630	Pending program review
TOTAL NOISE MITIGATION	\$ 500,000	\$ 10,000	\$ 1,370	\$ 8,630	
DEVELOPMENT					
Replacement Terminal Development	\$ 4,500,000	\$ 1,479,000	\$ 1,476,414	\$ 2,586	Ongoing
Transportation Planning	100,000	11,000	10,873	127	Ongoing
B6 Trust Property Disposal	-	-	26,901	(26,901)	Accrued FY 2016 sale transaction
TOTAL DEVELOPMENT	\$ 4,600,000	\$ 1,490,000	\$ 1,514,188	\$ (24,188)	
O & M CAPITAL					
	\$ 398,200	\$ 99,500	\$ 86,187	\$ 13,313	Ongoing
Total	\$ 32,463,200	\$ 2,231,600	\$ 3,598,049	\$ (1,364,449)	



DRAFT

November 28, 2016

Burbank-Glendale-Pasadena Airport Authority
2627 Hollywood Way
Burbank, CA 91505

Dear Commissioners:

The attached report, covering the month of August 2016, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six-month period following the date of the attached report.

Sincerely,

[Original letter to be signed by Commissioner Selvidge]

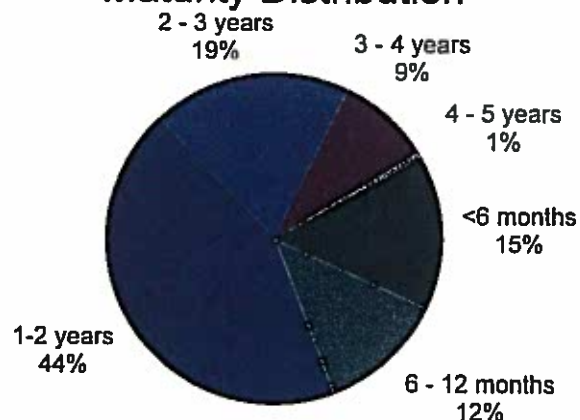
Ross Selvidge, Ph.D.
Treasurer

Attachments

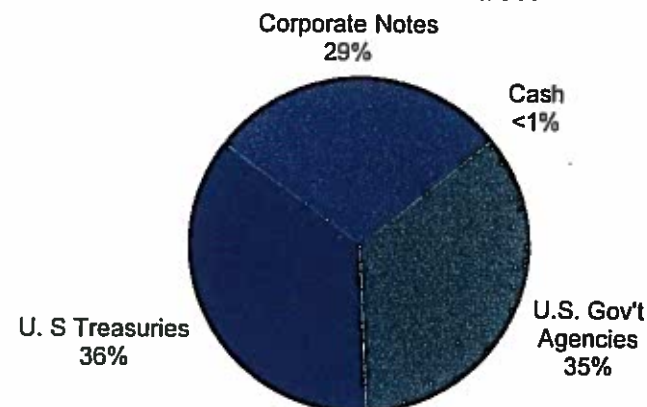
Operating Portfolio Investment Guidelines Conformance as of August 31, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.03 Years	70%	35%
Corporate Notes	5 Years	4.17 Years	30%	29%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	<1%
U.S. Gov Securities (Treasuries)	5 Years	3.33 Years	No Limit	36%

Maturity Distribution



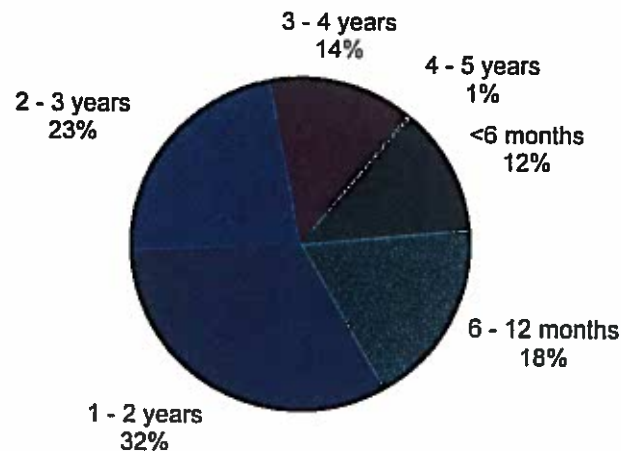
Sector Allocation



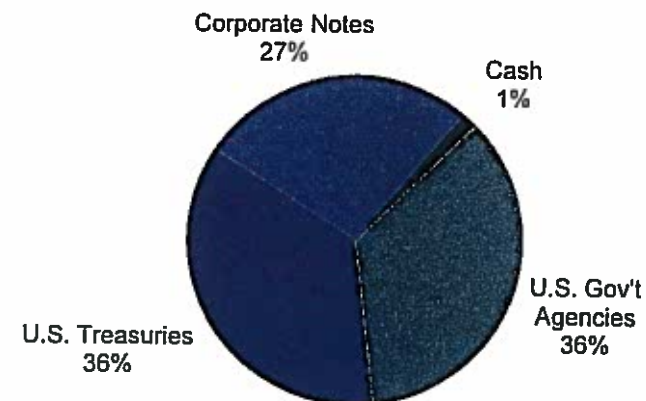
PFC Portfolio Investment Guidelines Conformance as of August 31, 2016

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.03 Years	70%	36%
Corporate Notes	5 Years	4.17 Years	30%	27%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	1%
U.S. Gov Securities (Treasuries)	5 Years	3.33 Years	No Limit	36%

Maturity Distribution



Sector Allocation



Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 08/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
08/31/16	Columbia Treasury Reserves	097101307	0.000	08/31/16	08/31/16	\$ 179,155	\$ 179,155	\$ 179,155	\$ -	0.00%	0	0.09%
02/21/13	Coca-Cola Company (The)	191216AU4	1.800	09/01/16	09/01/16	1,450,000	1,486,511	1,450,000	(36,511)	0.00%	1	0.69%
03/02/16	Johnson & Johnson	478160BW3	1.112	03/01/19	09/01/16	1,500,000	1,502,346	1,504,970	2,624	0.99%	1	0.72%
10/09/13	PNC Bank NA	69349LAN8	1.300	10/03/16	09/03/16	1,280,000	1,285,273	1,280,014	(5,259)	1.28%	3	0.61%
04/28/16	American Express Credit Corp	0258MODY2	1.706	09/14/20	09/14/16	700,000	703,049	713,206	10,157	1.44%	14	0.34%
04/25/16	Home Depot Inc	437076BJ0	1.023	09/15/17	09/15/16	1,000,000	1,003,966	1,003,080	(886)	0.92%	15	0.48%
04/19/16	FFCB	3133EEZ52	0.542	03/22/18	09/22/16	5,000,000	4,986,879	4,998,480	11,601	0.58%	22	2.39%
12/08/14	General Electric Capital Corp	36962G6X7	1.363	04/02/18	10/02/16	1,690,000	1,707,900	1,703,997	(3,903)	1.03%	32	0.81%
01/21/16	Oracle Corporation	68389XAR6	1.260	01/15/19	10/15/16	1,170,000	1,173,824	1,177,446	3,622	1.16%	45	0.56%
07/08/15	Wells Fargo & Company	94974BFK1	1.345	04/23/18	10/23/16	1,500,000	1,502,735	1,506,099	3,364	1.23%	53	0.72%
11/26/13	Key Bank NA	49327M2J2	1.100	11/25/16	10/25/16	500,000	499,620	500,205	585	0.92%	55	0.24%
10/15/13	Treasury Note	912828RM4	1.000	10/31/16	10/31/16	3,970,000	4,005,203	3,974,653	(30,550)	0.29%	61	1.90%
09/12/14	Procter & Gamble Co	742718ED7	0.750	11/04/16	11/04/16	1,000,000	999,680	1,000,497	817	0.46%	65	0.48%
05/06/16	Apple Inc	037833AP5	1.088	05/06/19	11/06/16	1,200,000	1,196,747	1,204,727	7,980	1.00%	67	0.58%
03/20/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	1,375,000	1,522,824	1,402,534	(120,290)	1.09%	137	0.67%
12/30/13	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	1,460,000	1,455,228	1,460,682	5,454	0.77%	137	0.70%
04/03/14	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	2,050,000	2,049,920	2,053,844	3,924	0.42%	153	0.98%
04/26/16	Ace InA Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	900,000	934,731	917,742	(16,989)	1.34%	168	0.44%
12/03/12	Walt Disney Co	25468PCS3	1.125	02/15/17	02/15/17	1,200,000	1,205,120	1,201,368	(3,752)	0.87%	168	0.57%
06/12/14	Branch Banking and Trust Company	07330NAH8	1.000	04/03/17	03/03/17	1,028,000	1,025,372	1,027,951	2,579	1.01%	184	0.49%
10/16/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	6,000,000	6,045,930	6,012,894	(33,036)	0.59%	189	2.87%
05/20/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	1,500,000	1,519,595	1,505,682	(13,913)	1.11%	227	0.72%
05/21/12	FNMA	3135G0JA2	1.125	04/27/17	04/27/17	4,550,000	4,575,085	4,563,692	(11,393)	0.66%	239	2.18%
05/06/14	State Street Corporation	857477AD5	5.375	04/30/17	04/30/17	1,000,000	1,093,220	1,028,368	(64,852)	1.09%	242	0.49%
02/03/14	FHLB	3133XKQX6	4.875	05/17/17	05/17/17	4,375,000	4,868,587	4,504,749	(363,838)	0.69%	259	2.15%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	4,000,000	4,027,520	4,011,120	(16,400)	0.65%	294	1.92%
08/02/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,275,000	1,266,020	1,273,008	6,988	0.67%	334	0.61%
07/14/16	Duke Energy Florida LLC	341099CG2	5.800	09/15/17	09/15/17	675,000	713,016	706,713	(6,303)	1.23%	380	0.34%
09/29/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	3,000,000	3,016,945	3,009,411	(7,534)	0.71%	392	1.44%
04/19/16	Treasury Note	912828TS9	0.625	09/30/17	09/30/17	7,750,000	7,743,340	7,743,343	3	0.70%	395	3.70%
11/02/12	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	10,950,000	10,952,602	10,954,277	1,675	0.72%	426	5.23%
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	11/07/17	685,000	683,718	685,899	2,181	0.94%	433	0.33%
04/19/16	FHLB	3133XMQ87	5.000	11/17/17	11/17/17	2,500,000	2,665,725	2,626,408	(39,317)	0.80%	443	1.25%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	5,200,000	5,834,036	5,468,034	(366,002)	0.84%	443	2.61%
10/07/14	Mellife Inc	59156RBK3	1.903	12/15/17	12/15/17	800,000	805,636	804,909	(727)	1.42%	471	0.38%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 08/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
05/06/14	Bank of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	1,000,000	992,963	1,002,842	9,879	1.09%	481	0.48%
04/19/16	FHLMC Reference Notes	3137EADN6	0.750	01/12/18	01/12/18	3,750,000	3,748,050	3,746,040	(2,010)	0.83%	499	1.79%
08/07/15	Fifth Third Bank	31677QAV1	1.450	02/28/18	01/28/18	1,000,000	996,120	1,002,336	6,216	1.29%	515	0.48%
12/23/13	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	6,000,000	5,904,390	6,002,652	98,262	0.84%	526	2.87%
11/18/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	700,000	701,862	702,118	256	1.10%	552	0.34%
06/27/16	FHLB	3130A4GJ5	1.125	04/25/18	04/25/18	1,520,000	1,530,579	1,526,130	(4,449)	0.88%	602	0.73%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	05/15/18	944,000	938,314	942,857	4,543	1.02%	622	0.45%
03/11/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	05/18/18	1,350,000	1,339,553	1,358,031	18,478	0.95%	625	0.65%
06/29/16	Chevron Corp	166764AE0	1.718	06/24/18	05/24/18	900,000	908,865	909,557	692	1.12%	631	0.43%
12/03/14	Treasury Note	912828VE7	1.000	05/31/18	05/31/18	13,010,000	12,972,601	13,055,743	83,142	0.80%	638	6.24%
08/05/15	FHLMC	3137EABP3	4.875	06/13/18	06/13/18	5,500,000	6,011,095	5,887,915	(123,180)	0.88%	651	2.81%
07/06/15	Southern California Gas Company	842434CN0	1.550	06/15/18	06/15/18	1,175,000	1,182,360	1,183,914	1,554	1.12%	653	0.57%
04/19/16	Treasury Note	912828XK1	0.875	07/15/18	07/15/18	7,750,000	7,762,715	7,760,898	(1,817)	0.80%	683	3.71%
04/19/16	FNMA Benchmark Notes	3135G0E33	1.125	07/20/18	07/20/18	3,750,000	3,771,825	3,767,179	(4,646)	0.88%	688	1.80%
07/06/15	Nevada Power Company	641423BW7	6.500	08/01/18	08/01/18	1,050,000	1,189,265	1,150,194	(39,071)	1.43%	700	0.55%
08/07/15	3M Company	88579YAP6	1.375	08/07/18	08/07/18	900,000	898,398	905,379	6,981	1.06%	706	0.43%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	08/15/18	1,550,000	1,577,051	1,577,855	804	1.07%	714	0.75%
08/18/15	Treasury Note	912828RE2	1.500	08/31/18	08/31/18	6,400,000	6,482,133	6,486,253	4,120	0.82%	730	3.10%
04/19/16	FNMA	3135G0E58	1.125	10/19/18	10/19/18	3,750,000	3,772,538	3,766,511	(6,027)	0.92%	779	1.80%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	11/01/18	865,000	875,364	881,921	6,557	1.37%	792	0.42%
11/03/15	Microsoft Corporation	594918BF0	1.300	11/03/18	11/03/18	650,000	649,898	654,030	4,132	1.01%	794	0.31%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	12/15/18	1,000,000	1,018,088	1,017,280	(808)	1.41%	836	0.49%
09/25/15	Manufacturers & Traders Trust Co	55279HAE0	2.300	01/30/19	12/30/18	1,000,000	1,013,451	1,018,373	4,922	1.52%	851	0.49%
12/01/15	Treasury Note	912828A75	1.500	12/31/18	12/31/18	500,000	503,516	507,442	3,926	0.85%	852	0.24%
06/10/16	John Deere Capital Corp	24422ETE9	1.950	01/08/19	01/08/19	1,200,000	1,222,064	1,221,196	(868)	1.19%	860	0.58%
07/01/15	Treasury Note	912828SD3	1.250	01/31/19	01/31/19	4,000,000	4,003,594	4,037,188	33,594	0.86%	883	1.93%
01/14/16	IBM Corp	459200HT1	1.950	02/12/19	02/12/19	1,150,000	1,164,229	1,171,734	7,505	1.16%	895	0.56%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	02/15/19	1,050,000	1,156,947	1,143,689	(13,258)	1.25%	898	0.55%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	02/15/19	1,050,000	1,078,576	1,073,711	(4,865)	1.31%	898	0.51%
06/30/16	Treasury Note	912828P53	0.750	02/15/19	02/15/19	5,000,000	5,008,984	4,986,330	(22,654)	0.86%	898	2.38%
07/11/16	JP Morgan Chase & CO	46625HQU7	1.850	03/22/19	02/22/19	1,710,000	1,731,443	1,722,334	(9,109)	1.56%	905	0.82%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	03/15/19	720,000	706,025	724,604	18,579	1.37%	926	0.35%
12/07/15	FHLMC	3137EACA5	3.750	03/27/19	03/27/19	3,500,000	3,763,900	3,745,697	(18,203)	0.98%	938	1.79%
04/16/16	Lowes Companies Inc	548661DL8	1.150	04/15/19	04/15/19	1,000,000	998,565	999,688	1,123	1.16%	957	0.48%
09/12/14	Public Service Electric And Gas	74456QBG0	1.800	06/01/19	05/01/19	1,129,000	1,122,407	1,141,529	19,122	1.39%	973	0.55%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 08/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
12/08/14	Target Corporation	87612EBB1	2.300	06/26/19	06/26/19	1,005,000	1,027,143	1,036,215	9,072	1.18%	1029	0.49%
03/17/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	09/12/19	4,500,000	4,545,910	4,595,558	49,648	1.04%	1107	2.20%
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	3,905,000	3,970,134	3,969,983	(151)	0.96%	1156	1.90%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	950,000	956,522	965,055	8,533	1.71%	1201	0.46%
01/19/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	2,750,000	2,797,266	2,806,719	9,453	0.99%	1217	1.34%
04/21/16	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	1,300,000	1,445,830	1,433,091	(12,739)	1.38%	1232	0.68%
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	1,200,000	1,241,266	1,243,120	1,854	1.45%	1292	0.59%
05/08/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	1,150,000	1,283,709	1,279,314	(4,395)	1.31%	1323	0.61%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	1,080,000	1,135,783	1,143,242	7,459	1.75%	1353	0.55%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	900,000	984,932	982,616	(2,316)	1.61%	1523	0.47%
	Subtotal					\$190,675,155	\$194,323,281	\$193,395,220	\$ (928,061)	0.89%	559	92.38%
	Local Agency Investment Fund (LAIF)					15,934,736	15,934,736	15,944,635	9,899	0.61%	162	7.62%
	Subtotal					\$206,609,891	\$210,258,017	\$209,339,855	\$ (918,162)	0.87%	529	100.00%
	Operating Bank Balance						3,723,773					
	TOTAL						\$213,981,790					

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
08/01/16-08/31/16

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned	
FIXED INCOME										
Caterpillar Financial Services	NOTE	2.050	08/01/16	12,915.00	12,915.00	-	-	-	-	
Halliburton Company	NOTE	1.000	08/01/16	2,875.00	2,875.00	-	-	-	-	
Coca-Cola Company (The)	NOTE	1.800	09/01/16	10,875.00	-	-	13,050.00	2,175.00	(1,270.76)	904.24
PNC Bank NA	NOTE	1.300	10/03/16	5,454.23	-	-	6,840.88	1,386.65	(325.12)	1,061.53
Treasury Note	NOTE	1.000	10/31/16	10,032.88	-	-	13,377.17	3,344.29	(981.37)	2,362.92
Procter & Gamble Co	NOTE	0.750	11/04/16	1,812.50	-	-	2,437.50	625.00	12.44	637.44
Key Bank NA	NOTE	1.100	11/25/16	1,008.33	-	-	1,466.67	458.34	10.87	469.21
Comcast Corporation	NOTE	6.500	01/15/17	3,972.23	-	-	11,420.13	7,447.90	(6,201.42)	1,246.48
Pfizer Inc	NOTE	0.900	01/15/17	584.00	-	-	1,679.00	1,095.00	78.12	1,173.12
Treasury Note	MTN	0.875	01/31/17	48.74	-	-	1,559.78	1,511.04	2.40	1,513.44
Ace InA Holdings Inc	NOTE	5.700	02/15/17	23,655.00	25,650.00	-	2,280.00	4,275.00	(3,605.30)	669.70
Walt Disney Co	MTN	1.125	02/15/17	6,225.00	6,750.00	-	600.00	1,125.00	(204.17)	920.83
FHLMC	NOTE	1.000	03/08/17	23,833.33	-	-	28,833.33	5,000.00	(1,029.27)	3,970.73
Branch Banking and Trust Company	MTN	1.000	04/03/17	3,369.56	-	-	4,226.22	856.66	90.28	946.94
FNMA	NOTE	1.125	04/27/17	13,365.63	-	-	17,631.25	4,265.62	(632.12)	3,633.50
State Street Corporation	NOTE	5.375	04/30/17	13,586.80	-	-	18,065.97	4,479.17	(3,575.78)	903.39
US Bancorp	NOTE	1.650	05/15/17	5,225.00	-	-	7,287.50	2,062.50	(746.62)	1,315.88
FHLB	NOTE	4.875	05/17/17	43,841.15	-	-	61,614.58	17,773.43	(14,292.65)	3,480.78
FHLB	NOTE	1.000	06/21/17	4,480.87	-	-	7,868.85	3,387.98	(974.99)	2,412.99
Treasury Note	NOTE	0.500	07/31/17	17.32	-	-	554.35	537.03	155.31	692.34
Duke Energy Florida LLC	NOTE	5.800	09/15/17	14,790.00	-	-	18,052.50	3,262.50	(2,708.98)	553.52
Home Depot Inc	NOTE	1.023	09/15/17	1,334.93	-	-	2,215.42	880.49	(242.50)	637.99
FNMA Bench	NOTE	1.000	09/27/17	10,333.34	-	-	12,833.34	2,500.00	(708.02)	1,791.98
Treasury Note	NOTE	0.625	09/30/17	16,278.18	-	-	20,380.81	4,102.63	390.29	4,492.92
Treasury Note	NOTE	0.750	10/31/17	20,754.42	-	-	27,672.55	6,918.13	(203.84)	6,714.29
Praxair Inc	NOTE	1.050	11/07/17	1,678.25	-	-	2,277.63	599.38	74.58	673.96
FHLB	NOTE	5.000	11/17/17	25,694.44	-	-	36,111.11	10,416.67	(8,753.08)	1,663.59
FHLMC Reference Notes	NOTE	5.125	11/17/17	54,780.56	-	-	76,988.89	22,208.33	(16,583.33)	5,625.00
Metlife Inc	NOTE	1.903	12/15/17	1,945.28	-	-	3,213.96	1,268.68	(147.29)	1,121.39
FHLMC Reference Notes	NOTE	0.750	01/12/18	1,484.38	-	-	3,828.13	2,343.75	93.90	2,437.65
Bank of New York Mellon Corp	NOTE	1.300	01/25/18	216.67	-	-	1,300.00	1,083.33	139.72	1,223.05
FNMA Benchmark Notes	NOTE	0.875	02/08/18	25,229.16	26,250.00	-	3,354.17	4,375.01	2,127.74	6,502.75
Fifth Third Bank	NOTE	1.450	02/28/18	6,081.94	7,250.00	-	40.28	1,208.34	136.56	1,344.90
Exxon Mobil Corp	NOTE	1.305	03/06/18	3,679.38	-	-	4,440.63	761.25	(67.47)	693.78

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Type of Investment		Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FFCB	NOTE	0.542	03/22/18	718.61	2,227.69	-	753.39	2,262.47	579.39	2,841.86
General Electric Capital Corp	NOTE	1.363	04/02/18	1,920.06	-	-	3,904.11	1,984.05	(541.96)	1,442.09
Wells Fargo & Company	NOTE	1.345	04/23/18	504.19	-	-	2,240.84	1,736.65	(89.50)	1,647.15
FHLB	NOTE	1.125	04/25/18	4,560.00	-	-	5,985.00	1,425.00	(482.33)	942.67
Boeing Co	NOTE	0.950	05/15/18	1,893.25	-	-	2,640.57	747.32	181.03	928.35
Merck & Co Inc	NOTE	1.300	05/18/18	3,558.75	-	-	5,021.25	1,462.50	155.26	1,617.76
Treasury Note	NOTE	1.000	05/31/18	22,038.80	-	-	33,058.20	11,019.40	782.46	11,801.86
FHLMC	NOTE	4.875	06/13/18	35,750.00	-	-	58,093.75	22,343.75	(17,787.45)	4,556.30
Southern California Gas Company	NOTE	1.550	06/15/18	2,327.16	-	-	3,844.86	1,517.70	(273.93)	1,243.77
Chevron Corp	NOTE	1.718	06/24/18	1,589.15	-	-	2,877.65	1,288.50	(388.25)	900.25
Treasury Note	NOTE	0.875	07/15/18	3,132.64	-	-	8,845.11	5,712.47	(482.44)	5,230.03
FNMA Benchmark Notes	NOTE	1.125	07/20/18	1,289.06	-	-	4,804.69	3,515.63	(807.34)	2,708.29
Nevada Power Company	NOTE	6.500	08/01/18	34,125.00	34,125.00	-	5,687.51	5,687.51	(4,159.44)	1,528.07
3M Company	NOTE	1.375	08/07/18	5,981.25	6,187.50	-	825.00	1,031.25	44.50	1,075.75
Berkshire Hathaway Finance Corp	NOTE	2.000	08/15/18	14,294.44	15,500.00	-	1,377.77	2,583.33	(899.66)	1,683.67
Treasury Note	NOTE	1.500	08/31/18	40,173.92	48,000.00	-	265.19	8,091.27	(2,309.03)	5,782.24
FNMA	NOTE	1.125	10/19/18	11,953.13	-	-	15,468.75	3,515.62	(751.25)	2,764.37
Microsoft Corporation	NOTE	1.300	11/03/18	2,065.56	-	-	2,769.72	704.16	2.55	706.71
Treasury Note	NOTE	1.500	12/31/18	652.17	-	-	1,283.97	631.80	(96.79)	535.01
John Deere Capital Corp	NOTE	1.950	01/08/19	1,495.00	-	-	3,445.00	1,950.00	(713.27)	1,236.73
Commonwealth Edison Company	NOTE	2.150	01/15/19	955.55	-	-	2,747.22	1,791.67	(566.04)	1,225.63
Oracle Corporation	NOTE	1.260	01/15/19	696.21	-	-	1,965.75	1,269.54	(115.38)	1,154.16
Manufacturers & Traders Trust Co	NOTE	2.300	01/30/19	63.89	-	-	1,980.55	1,916.66	(374.86)	1,541.80
Treasury Note	NOTE	1.250	01/31/19	135.87	-	-	4,347.83	4,211.96	(85.04)	4,126.92
Simon Property Group LP	NOTE	2.200	02/01/19	9,515.00	9,515.00	-	1,585.84	1,585.84	(328.60)	1,257.24
IBM Corp	NOTE	1.950	02/12/19	10,527.29	11,212.50	-	1,183.54	1,868.75	(404.58)	1,464.17
Cisco Systems Inc	NOTE	4.950	02/15/19	23,966.25	25,987.50	-	2,310.00	4,331.25	(3,056.13)	1,275.12
Treasury Note	NOTE	0.750	02/15/19	17,307.69	18,750.00	-	1,732.34	3,174.65	(290.12)	2,884.53
Union Pacific Corporation	NOTE	2.250	02/15/19	10,893.76	11,812.50	-	1,050.00	1,968.74	(687.23)	1,281.51
Johnson & Johnson	NOTE	1.112	03/01/19	2,396.92	-	-	4,263.09	1,866.17	(69.49)	1,796.68
Unitedhealth Group Inc	NOTE	1.625	03/15/19	4,420.00	-	-	5,395.00	975.00	258.80	1,233.80
JP Morgan Chase & CO	NOTE	1.850	03/22/19	11,248.00	-	-	13,884.25	2,636.25	(683.63)	1,952.62
FHLMC	NOTE	3.750	03/27/19	45,208.33	-	-	56,145.83	10,937.50	(6,652.94)	4,284.56
Lowe's Companies Inc	NOTE	1.150	04/15/19	3,226.39	-	-	4,184.72	958.33	40.15	998.48
Apple Inc	NOTE	1.088	05/06/19	2,708.89	2,864.57	-	942.59	1,098.27	92.10	1,190.37

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
08/01/16-08/31/16

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned	
Public Service Electric And Gas	NOTE	1.800	06/01/19	3,387.00	-	-	5,080.50	1,693.50	89.99	1,783.49
Target Corporation	NOTE	2.300	06/26/19	2,247.29	-	-	4,173.55	1,926.26	(509.91)	1,416.35
FNMA Bench	NOTE	1.750	09/12/19	30,406.25	-	-	36,968.76	6,562.51	(913.80)	5,648.71
Treasury Note	NOTE	1.500	10/31/19	14,802.92	-	-	19,737.23	4,934.31	(1,543.70)	3,390.61
Treasury Note	NOTE	1.625	12/31/19	3,885.87	-	-	7,650.31	3,764.44	(1,078.81)	2,685.63
Arizona Public Service Company	NOTE	2.200	01/15/20	928.89	-	-	2,670.55	1,741.66	(139.51)	1,602.15
Pepsico Inc	NOTE	4.500	01/15/20	2,600.00	-	-	7,475.00	4,875.00	(3,292.48)	1,582.52
Medtronic Inc	NOTE	2.500	03/15/20	11,333.33	-	-	13,833.33	2,500.00	(884.29)	1,615.71
United Technologies Corporation	NOTE	4.500	04/15/20	15,237.50	-	-	19,550.00	4,312.50	(2,441.44)	1,871.06
American Express Credit Corp	NOTE	1.706	09/14/20	1,591.89	-	-	2,619.99	1,028.10	(60.25)	967.85
Travelers Cos Inc	NOTE	3.900	11/01/20	8,775.00	-	-	11,700.00	2,925.00	(1,581.68)	1,343.32
Public Service Company of Colorado	NOTE	3.200	11/15/20	7,296.00	-	-	10,175.99	2,879.99	(1,126.97)	1,753.02
Subtotal				\$ 807,242.62	\$ 267,872.26	\$ -	\$ 822,048.69	\$ 282,678.33	\$ (114,385.16)	\$ 168,293.17
CASH EQUIVALENTS										
Blackrock Liquidity Funds				-	95.66	-	-	95.66	-	95.66
BOA Temp Overnight Deposit				-	0.39	-	-	0.39	-	0.39
Subtotal				\$ -	\$ 96.05	\$ -	\$ -	\$ 96.05	\$ -	\$ 96.05
LAIF										
Local Agency Investment Fund				7,440.31	-	-	15,098.24	7,657.93	-	7,657.93
TOTAL				\$ 814,682.93	\$ 267,968.31	\$ -	\$ 837,146.93	\$ 290,432.31	\$ (114,385.16)	\$ 176,047.15

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
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Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
08/31/16	Columbia Treasury Reserves	097101307	0.000	08/31/16	08/31/16	\$ 334,433	\$ 334,433	\$ 334,433	\$ -	0.00%	0	1.45%
03/06/13	Coca-Cola Company (The)	191216AU4	1.800	09/01/16	09/01/16	200,000	207,142	200,000	(7,142)	0.00%	1	0.87%
03/02/16	Johnson & Johnson	478160BW3	1.112	03/01/19	09/01/16	160,000	160,136	160,530	394	0.99%	1	0.69%
04/26/16	Home Depot Inc	437076BJ0	1.023	09/15/17	09/15/16	100,000	100,397	100,308	(89)	0.92%	15	0.43%
01/21/15	General Electric Capital Corp	36962G6X7	1.363	04/02/18	10/02/16	185,000	186,693	186,532	(161)	1.03%	32	0.81%
01/21/16	Oracle Corporation	68389XAR6	1.260	01/15/19	10/15/16	125,000	125,299	125,796	497	1.16%	45	0.54%
10/05/15	Wells Fargo & Company	94974BFB1	1.345	04/23/18	10/23/16	175,000	175,592	175,712	120	1.23%	53	0.76%
05/06/15	Treasury Note	912828RM4	1.000	10/31/16	10/31/16	375,000	377,871	375,440	(2,431)	0.29%	61	1.63%
09/12/14	Procter & Gamble Co	742718ED7	0.750	11/04/16	11/04/16	125,000	124,960	125,062	102	0.46%	65	0.54%
05/06/16	Apple Inc	037833AP5	1.088	05/06/19	11/06/16	135,000	134,634	135,532	898	1.00%	67	0.59%
07/09/14	Comcast Corporation	20030NAP6	6.500	01/15/17	01/15/17	150,000	165,457	153,004	(12,453)	1.09%	137	0.66%
09/12/14	Pfizer Inc	717081DD2	0.900	01/15/17	01/15/17	160,000	159,874	160,075	201	0.77%	137	0.69%
05/06/15	Treasury Note	912828SC5	0.875	01/31/17	01/31/17	350,000	351,859	350,656	(1,203)	0.42%	153	1.52%
04/26/16	Ace InA Holdings Inc	00440EAJ6	5.700	02/15/17	02/15/17	100,000	103,859	101,971	(1,888)	1.34%	168	0.44%
02/19/13	Walt Disney Company (The)	25468PCS3	1.125	02/15/17	02/15/17	160,000	159,987	160,182	195	0.87%	168	0.69%
03/19/12	FHLMC	3137EADC0	1.000	03/08/17	03/08/17	755,000	746,165	756,623	10,458	0.59%	189	3.28%
07/09/14	US Bancorp	91159HHD5	1.650	05/15/17	04/15/17	175,000	176,803	175,663	(1,140)	1.11%	227	0.76%
05/06/15	FNMA	3135G0JA2	1.125	04/27/17	04/27/17	300,000	302,598	300,903	(1,695)	0.66%	239	1.30%
09/12/14	State Street Corporation	857477AD5	5.375	04/30/17	04/30/17	110,000	119,523	113,120	(6,403)	1.09%	242	0.49%
07/07/14	FHLB	3133XKQX6	4.875	05/17/17	05/17/17	875,000	957,246	900,950	(56,296)	0.69%	259	3.90%
01/28/15	FHLB	313379DD8	1.000	06/21/17	06/21/17	700,000	704,816	701,946	(2,870)	0.65%	294	3.04%
10/17/12	Treasury Note	912828TG5	0.500	07/31/17	07/31/17	1,265,000	1,259,009	1,263,024	4,015	0.67%	334	5.47%
07/14/16	Duke Energy Florida LLC	341099CG2	5.800	09/15/17	09/15/17	100,000	105,632	104,698	(934)	1.23%	380	0.45%
03/17/15	FNMA Bench	3135G0ZL0	1.000	09/27/17	09/27/17	700,000	700,924	702,196	1,272	0.71%	392	3.04%
09/25/14	Treasury Note	912828TW0	0.750	10/31/17	10/31/17	940,000	932,264	940,367	8,103	0.72%	426	4.07%
06/01/16	Praxair Inc	74005PBC7	1.050	11/07/17	11/07/17	75,000	74,859	75,098	239	0.94%	433	0.33%
11/20/14	FHLB	3133XMQ87	5.000	11/17/17	11/17/17	450,000	501,998	472,753	(29,245)	0.80%	443	2.05%
09/10/14	FHLMC Reference Notes	3137EABA6	5.125	11/17/17	11/17/17	800,000	897,594	841,236	(56,358)	0.84%	443	3.64%
10/07/14	Mellife Inc	59156RBK3	1.903	12/15/17	12/15/17	100,000	100,663	100,614	(49)	1.42%	471	0.44%
07/09/14	Bank Of New York Mellon Corp	06406HCE7	1.300	01/25/18	12/25/17	100,000	98,925	100,284	1,359	1.09%	481	0.43%
07/07/14	FNMA Benchmark Notes	3135G0TG8	0.875	02/08/18	02/08/18	1,000,000	986,045	1,000,442	14,397	0.84%	526	4.33%
10/28/15	Exxon Mobil Corp	30231GAL6	1.305	03/06/18	03/06/18	100,000	100,776	100,303	(473)	1.10%	552	0.43%
06/25/16	FHLB	3130A4GJ5	1.125	04/25/18	04/25/18	555,000	559,246	557,238	(2,008)	0.88%	602	2.41%
09/25/15	Boeing Co	097023BE4	0.950	05/15/18	05/15/18	94,000	93,432	93,886	454	1.02%	622	0.41%

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Statement of Investments
As of 08/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
07/09/14	Merck & Co Inc	58933YAG0	1.300	05/18/18	05/18/18	150,000	148,778	150,892	2,114	0.95%	625	0.65%
06/29/16	Chevron Corp	166764AE0	1.718	06/24/18	05/24/18	100,000	100,985	101,062	77	1.12%	631	0.44%
02/18/15	Treasury Note	912828VE7	1.000	05/31/18	05/31/18	825,000	825,248	827,901	2,653	0.80%	638	3.58%
09/25/14	FHLMC	3137EABP3	4.875	06/13/18	06/13/18	750,000	834,773	802,898	(31,875)	0.88%	651	3.48%
04/21/16	Southern California Gas Company	842434CN0	1.550	06/15/18	06/15/18	125,000	125,896	125,948	52	1.12%	653	0.55%
02/29/16	Nevada Power Company	641423BW7	6.500	08/01/18	08/01/18	115,000	127,818	125,974	(1,844)	1.43%	700	0.55%
06/30/16	3M Company	88579YAP6	1.375	08/07/18	08/07/18	100,000	101,129	100,598	(531)	1.06%	706	0.44%
12/18/15	Berkshire Hathaway Finance Corp	084664BY6	2.000	08/15/18	08/15/18	165,000	167,603	167,965	362	1.07%	714	0.73%
12/10/15	Treasury Note	912828RE2	1.500	08/31/18	08/31/18	800,000	809,246	810,782	1,536	0.82%	730	3.51%
12/24/15	Simon Property Group LP	828807CQ8	2.200	02/01/19	11/01/18	97,000	97,924	98,898	974	1.37%	792	0.43%
01/21/16	Microsoft Corporation	5594918BF0	1.300	11/03/18	11/03/18	100,000	100,032	100,620	588	1.01%	794	0.44%
08/04/16	Caterpillar Financial Services	14912L6M8	1.800	11/13/18	11/13/18	135,000	137,086	136,850	(236)	1.17%	804	0.59%
04/13/16	Commonwealth Edison Company	202795JC5	2.150	01/15/19	12/15/18	115,000	117,094	116,987	(107)	1.41%	836	0.51%
11/16/15	Treasury Note	912828A75	1.500	12/31/18	12/31/18	600,000	604,953	608,930	3,977	0.85%	852	2.64%
09/25/15	BB&T Corp	05531FAQ6	2.250	02/01/19	01/02/19	110,000	111,642	112,161	519	1.42%	854	0.49%
06/30/16	John Deere Capital Corp	24422ETE9	1.950	01/08/19	01/08/19	135,000	138,016	137,385	(631)	1.19%	860	0.59%
04/01/15	Treasury Note	912828SD3	1.250	01/31/19	01/31/19	900,000	905,625	908,367	2,742	0.86%	883	3.93%
01/14/16	IBM Corp	459200HT1	1.950	02/12/19	02/12/19	110,000	111,065	112,079	1,014	1.16%	895	0.49%
02/26/16	Cisco Systems Inc	17275RAE2	4.950	02/15/19	02/15/19	125,000	137,609	136,154	(1,455)	1.25%	898	0.59%
01/21/15	Union Pacific Corporation	907818DW5	2.250	02/15/19	02/15/19	115,000	118,266	117,597	(669)	1.31%	898	0.51%
07/11/16	JP Morgan Chase & CO	46625HQU7	1.850	03/22/19	02/22/19	190,000	192,383	191,370	(1,013)	1.56%	905	0.83%
09/15/14	Unitedhealth Group Inc	91324PCB6	1.625	03/15/19	03/15/19	100,000	98,472	100,639	2,167	1.37%	926	0.44%
08/31/16	FHLMC	3137EACA5	3.750	03/27/19	03/27/19	400,000	428,344	428,080	(264)	0.98%	938	1.85%
04/20/16	Lowe's Companies Inc	548661DL8	1.150	04/15/19	04/15/19	110,000	109,881	109,966	85	1.16%	957	0.48%
09/12/14	Public Service Electric And Gas	74456QBG0	1.800	06/01/19	05/01/19	124,000	123,022	125,376	2,354	1.39%	973	0.54%
01/21/15	Target Corporation	87612EBB1	2.300	06/26/19	06/26/19	110,000	113,227	113,417	190	1.18%	1029	0.49%
07/29/16	Treasury Note	912828WW6	1.625	07/31/19	07/31/19	800,000	817,703	816,250	(1,453)	0.92%	1064	3.53%
01/28/15	FNMA Bench	3135G0ZG1	1.750	09/12/19	09/12/19	740,000	749,249	755,714	6,465	1.04%	1107	3.27%
04/01/16	Treasury Note	912828F62	1.500	10/31/19	10/31/19	610,000	620,175	620,151	(24)	0.96%	1156	2.68%
05/26/15	Arizona Public Service Company	040555CR3	2.200	01/15/20	12/15/19	100,000	100,341	101,585	1,244	1.71%	1201	0.44%
09/02/16	National Rural Utilities Coop	637432NC5	2.000	01/27/20	12/27/19	70,000	71,042	70,973	(69)	1.58%	1213	0.31%
01/11/16	Treasury Note	912828G95	1.625	12/31/19	12/31/19	760,000	771,928	775,675	3,747	0.99%	1217	3.36%
12/14/15	Pepsico Inc	713448BN7	4.500	01/15/20	01/15/20	140,000	153,849	154,333	484	1.38%	1232	0.67%
09/02/16	PNC Funding Corp	693476BJ1	5.125	02/08/20	02/08/20	140,000	155,865	155,632	(233)	1.76%	1256	0.67%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 08/31/16

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
04/25/16	Medtronic Inc	585055BG0	2.500	03/15/20	03/15/20	130,000	134,471	134,671	200	1.45%	1292	0.58%
05/18/15	United Technologies Corporation	913017BR9	4.500	04/15/20	04/15/20	125,000	139,686	139,056	(630)	1.31%	1323	0.60%
09/25/15	American Express Credit Corp	0258M0DT3	2.375	05/26/20	04/25/20	125,000	126,660	128,032	1,372	1.70%	1333	0.55%
03/08/16	Public Service Company of Colorado	744448CD1	3.200	11/15/20	05/15/20	115,000	120,648	121,734	1,086	1.75%	1353	0.53%
04/21/16	Travelers Cos Inc	89417EAG4	3.900	11/01/20	11/01/20	100,000	109,436	109,180	(256)	1.61%	1523	0.47%
Subtotal						\$ 22,689,433	\$ 23,243,881	\$ 23,098,459	\$ (145,422)	0.88%	605	100.00%
PFC Bank Balance							184,376					
TOTAL							\$ 23,428,257					

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Purchases - Maturities - Sales
As of 08/31/16

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
08/04/16	Caterpillar Financial Services	14912L6M8	1.800	11/13/18	\$ 135,000.00	101.54500	\$ 137,085.75	\$ (546.75)
08/31/16	FHLMC	3137EACA5	3.750	03/27/19	400,000.00	107.08600	428,344.00	(6,416.67)
09/02/16	National Rural Utilities Coop	637432NC5	2.000	01/27/20	70,000.00	101.48900	71,042.30	(136.11)
09/02/16	PNC Funding Corp	693476BJ1	5.125	02/08/20	140,000.00	111.33200	155,864.80	(478.33)
08/31/16	Treasury Note	912828WW6	1.625	07/31/19	400,000.00	102.04297	408,171.88	(547.55)
							-	
							-	
							-	
							-	
							-	
TOTAL PURCHASES					\$ 1,145,000.00		\$ 1,200,508.73	\$ (8,125.41)

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
07/09/14	Caterpillar Financial Services	14912A4X6	2.050	08/01/16	\$ 135,000.00	102.27693	\$ 138,073.85	\$ (3,073.85)
07/09/14	Halliburton Company	406216BB6	1.000	08/01/16	100,000.00	100.51575	100,515.75	(515.75)
							-	-
							-	-
TOTAL MATURITIES					\$ 235,000.00		\$ 238,589.60	\$ (3,589.60)

SALES / REDEMPTIONS / DELIVERS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
02/20/15	PNC Funding Corp	693476BM4	2.700	09/19/16	08/22/16	\$ 100,000.00	100.00000	\$ 100,000.00	\$ 102,528.00	\$ (2,528.00)
								-		-
								-		-
								-		-
						\$ 100,000.00		\$ 100,000.00	\$ 102,528.00	\$ (2,528.00)

Burbank-Glendale-Pasadena Airport Authority - PFC Account

Earnings Report

08/01/16-08/31/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FIXED INCOME										
Caterpillar Financial Services	NOTE	2.050	08/01/16	1,383.75	1,383.75	-	-	-	-	-
Halliburton Company	NOTE	1.000	08/01/16	500.00	500.00	-	-	-	-	-
Coca-Cola Company (The)	NOTE	1.800	09/01/16	1,500.00	-	-	1,800.00	300.00	(170.73)	129.27
PNC Funding Corp	NOTE	2.700	09/19/16	990.00	1,147.50	-	-	157.50	(84.42)	73.08
Treasury Note	NOTE	1.000	10/31/16	947.69	-	-	1,263.59	315.90	(163.61)	152.29
Procter & Gamble Co	NOTE	0.750	11/04/16	226.56	-	-	304.69	78.13	1.56	79.69
Comcast Corporation	NOTE	6.500	01/15/17	433.34	-	-	1,245.84	812.50	(679.55)	132.95
Pfizer Inc	NOTE	0.900	01/15/17	64.00	-	-	184.00	120.00	0.85	120.85
Treasury Note	NOTE	0.875	01/31/17	8.32	-	-	266.30	257.98	(90.63)	167.35
Ace InA Holdings Inc	NOTE	5.700	02/15/17	2,628.33	2,850.00	-	253.33	475.00	(400.59)	74.41
Walt Disney Company (The)	MTN	1.125	02/15/17	830.00	900.00	-	80.00	150.00	0.27	150.27
FHLMC	NOTE	1.000	03/08/17	2,999.02	-	-	3,628.19	629.17	209.61	838.78
FNMA	NOTE	1.125	04/27/17	881.25	-	-	1,162.50	281.25	(109.62)	171.63
State Street Corporation	NOTE	5.375	04/30/17	1,494.55	-	-	1,987.26	492.71	(387.96)	104.75
US Bancorp	NOTE	1.650	05/15/17	609.59	-	-	850.21	240.62	(76.56)	164.06
FHLB	NOTE	4.875	05/17/17	8,768.23	-	-	12,322.92	3,554.69	(2,848.56)	706.13
FHLB	NOTE	1.000	06/21/17	784.15	-	-	1,377.05	592.90	(170.63)	422.27
Treasury Note	NOTE	0.500	07/31/17	17.19	-	-	550.00	532.81	250.87	783.68
Duke Energy Florida LLC	NOTE	5.800	09/15/17	2,191.11	-	-	2,674.44	483.33	(401.33)	82.00
Home Depot Inc	NOTE	1.023	09/15/17	133.49	-	-	221.54	88.05	(24.25)	63.80
FNMA Bench	NOTE	1.000	09/27/17	2,411.11	-	-	2,994.44	583.33	(30.46)	552.87
Treasury Note	NOTE	0.750	10/31/17	1,781.67	-	-	2,375.54	593.87	219.15	813.02
Praxair Inc	NOTE	1.050	11/07/17	183.75	-	-	249.38	65.63	8.19	73.82
FHLB	NOTE	5.000	11/17/17	4,625.00	-	-	6,500.00	1,875.00	(1,448.39)	426.61
FHLMC Reference Notes	NOTE	5.125	11/17/17	8,427.78	-	-	11,844.44	3,416.66	(2,574.44)	842.22
Mellife Inc	NOTE	1.903	12/15/17	243.16	-	-	401.74	158.58	(17.33)	141.25
Bank Of New York Mellon Corp	NOTE	1.300	01/25/18	21.67	-	-	130.00	108.33	26.46	134.79
FNMA Benchmark Notes	NOTE	0.875	02/08/18	4,204.86	4,375.00	-	559.03	729.17	337.87	1,067.04
Exxon Mobil Corp	NOTE	1.305	03/06/18	525.63	-	-	634.38	108.75	(27.45)	81.30
General Electric Capital Corp	NOTE	1.363	04/02/18	210.18	-	-	427.37	217.19	(49.00)	168.19
Wells Fargo & Company	NOTE	1.345	04/23/18	58.82	-	-	261.44	202.62	(20.62)	182.00
FHLB	NOTE	1.125	04/25/18	1,665.00	-	-	2,185.32	520.32	(193.73)	326.59
Boeing Co	NOTE	0.950	05/15/18	188.53	-	-	262.94	74.41	18.10	92.51

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
08/01/16-08/31/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Merck & Co Inc	NOTE	1.300	05/18/18	395.41	-	-	557.92	162.51	21.73	184.24
Treasury Note	NOTE	1.000	05/31/18	1,397.54	-	-	2,096.31	698.77	(37.08)	661.69
FHLMC	NOTE	4.875	06/13/18	4,875.00	-	-	7,921.88	3,046.88	(2,150.82)	896.06
Southern California Gas Company	NOTE	1.550	06/15/18	247.57	-	-	409.03	161.46	(34.74)	126.72
Chevron Corp	NOTE	1.718	06/24/18	176.57	-	-	319.74	143.17	(43.14)	100.03
Nevada Power Company	NOTE	6.500	08/01/18	3,737.50	3,737.50	-	622.92	622.92	(444.47)	178.45
3M Company	NOTE	1.375	08/07/18	664.58	687.50	-	91.67	114.59	(44.75)	69.84
Berkshire Hathaway Finance Corp	NOTE	2.000	08/15/18	1,521.66	1,650.00	-	146.66	275.00	(83.16)	191.84
Treasury Note	NOTE	1.500	08/31/18	5,021.74	6,000.00	-	33.15	1,011.41	(323.12)	688.29
Microsoft Corporation	NOTE	1.300	11/03/18	317.78	-	-	426.11	108.33	(0.96)	107.37
Caterpillar Financial Services	NOTE	1.800	11/13/18	-	-	546.75	729.00	182.25	(68.76)	113.49
Treasury Note	NOTE	1.500	12/31/18	782.61	-	-	1,540.76	758.15	(133.65)	624.50
John Deere Capital Corp	NOTE	1.950	01/08/19	168.19	-	-	387.56	219.37	(99.64)	119.73
Commonwealth Edison Company	NOTE	2.150	01/15/19	109.89	-	-	315.93	206.04	(65.40)	140.64
Oracle Corporation	NOTE	1.260	01/15/19	74.39	-	-	210.02	135.63	(8.67)	126.96
Treasury Note	NOTE	1.250	01/31/19	30.57	-	-	978.26	947.69	(142.47)	805.22
BB&T Corp	NOTE	2.250	02/01/19	1,237.50	1,237.50	-	206.26	206.26	(48.57)	157.69
Simon Property Group LP	NOTE	2.200	02/01/19	1,067.00	1,067.00	-	177.83	177.83	(28.16)	149.67
IBM Corp	NOTE	1.950	02/12/19	1,006.96	1,072.50	-	113.21	178.75	(28.83)	149.92
Cisco Systems Inc	NOTE	4.950	02/15/19	2,853.13	3,093.75	-	275.00	515.62	(353.85)	161.77
Union Pacific Corporation	NOTE	2.250	02/15/19	1,193.15	1,293.75	-	115.00	215.60	(72.84)	142.76
Johnson & Johnson	NOTE	1.112	03/01/19	255.67	-	-	454.73	199.06	(4.02)	195.04
Unitedhealth Group Inc	NOTE	1.625	03/15/19	613.89	-	-	749.30	135.41	28.24	163.65
JP Morgan Chase & CO	NOTE	1.850	03/22/19	1,249.78	-	-	1,542.69	292.91	(75.96)	216.95
FHLMC	NOTE	3.750	03/27/19	-	-	6,416.67	6,416.67	-	(30.58)	(30.58)
Lowes Companies Inc	NOTE	1.150	04/15/19	354.90	-	-	460.32	105.42	3.32	108.74
Apple Inc	NOTE	1.088	05/06/19	304.75	322.26	-	106.04	123.55	10.36	133.91
Public Service Electric And Gas	NOTE	1.800	06/01/19	372.00	-	-	558.00	186.00	15.49	201.49
Target Corporation	NOTE	2.300	06/26/19	245.97	-	-	456.81	210.84	(65.68)	145.16
Treasury Note	NOTE	1.625	07/31/19	17.66	-	547.55	1,130.44	565.23	(277.02)	288.21
FNMA Bench	NOTE	1.750	09/12/19	5,000.14	-	-	6,079.31	1,079.17	(167.19)	911.98
Treasury Note	NOTE	1.500	10/31/19	2,312.36	-	-	3,083.15	770.79	(241.14)	529.65
Treasury Note	NOTE	1.625	12/31/19	1,073.92	-	-	2,114.27	1,040.35	(274.59)	765.76
Arizona Public Service Company	NOTE	2.200	01/15/20	97.78	-	-	281.11	183.33	(6.24)	177.09

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
08/01/16-08/31/16

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
National Rural Utilities Coop	NOTE	2.000	01/27/20	-	-	136.11	132.22	(3.89)	-	(3.89)
Pepsico Inc	NOTE	4.500	01/15/20	280.00	-	-	805.00	525.00	(285.71)	239.29
PNC Funding Corp	NOTE	5.125	02/08/20	-	-	478.33	458.40	(19.93)	-	(19.93)
Medtronic Inc	NOTE	2.500	03/15/20	1,227.78	-	-	1,498.61	270.83	(95.81)	175.02
United Technologies Corporation	NOTE	4.500	04/15/20	1,656.25	-	-	2,125.00	468.75	(247.94)	220.81
American Express Credit Corp	NOTE	2.375	05/26/20	536.02	-	-	783.42	247.40	(35.33)	212.07
Travelers Cos Inc	NOTE	3.900	11/01/20	975.00	-	-	1,300.00	325.00	(175.73)	149.27
Public Service Company of Colorado	NOTE	3.200	11/15/20	776.89	-	-	1,083.55	306.66	(113.15)	193.51
Subtotal				\$ 96,167.23	\$ 31,318.01	\$ 8,125.41	\$ 108,291.14	\$ 35,316.51	\$ (15,126.96)	\$ 20,189.55
CASH EQUIVALENTS										
Blackrock Liquidity Funds				-	113.57	-	-	113.57	-	113.57
BOA Temp Overnight Deposit				-	0.05	-	-	0.05	-	0.05
Subtotal				\$ -	\$ 113.62	\$ -	\$ -	\$ 113.62	\$ -	\$ 113.62
TOTAL				\$ 96,167.23	\$ 31,431.63	\$ 8,125.41	\$ 108,291.14	\$ 35,430.13	\$ (15,126.96)	\$ 20,303.17

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND TWO MONTHS ENDED AUGUST 31, 2016 AND 2015

Monthly Performance					August 2016	Fiscal YTD Performance (July 2016 - August 2016)				
Actual \$ Aug 2016	Budget Aug 2016	Actual \$ Prior Year Aug 2015	Note	Variance Actual Vs. Budget		Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
OPERATING ACTIVITY										
CASH RECEIPTS FROM OPERATIONS										
\$319,458	\$287,500	\$310,913	(2)	\$31,958	Landing/Fuel Fees	\$672,756	\$575,000	\$584,829	(2)	\$97,756
1,861,979	1,693,000	1,633,992	(3)	168,979	Parking Fees	3,372,613	3,332,000	3,222,983	(3)	40,613
1,115,613	920,353	1,013,106	(4)	195,260	Rental Receipts - Terminal Building	1,920,567	1,840,710	1,963,667	(4)	79,857
1,125,415	887,980	938,353	(5)	237,435	Rental Receipts - Other Buildings	1,840,117	1,775,960	2,120,862	(5)	64,157
82,434	78,750	397,687	(6)	3,684	Other Receipts	318,943	157,500	503,164	(6)	161,443
263,176	175,000	132,378	(7)	88,176	Investment Receipts - Treasurer/Other Interest Earned	504,580	350,000	294,389	(7)	154,580
\$4,768,075	\$4,042,583	\$4,426,429	(1)	\$725,492		\$8,629,576	\$8,031,170	\$8,689,894	(1)	\$598,406
CASH DISBURSEMENTS FROM OPERATIONS										
(\$93,830)	(\$106,521)	(\$50,537)	(9)	\$12,691	Administrative Supplies & Costs	(\$173,797)	(\$198,542)	(\$136,634)	(9)	\$24,745
(266,999)	(326,127)	(270,508)	(10)	59,128	Operating Supplies & Maintenance	(537,799)	(652,254)	(561,509)	(10)	114,455
(2,232,137)	(2,443,532)	(591,750)	(11)	211,395	Contractual Operating Costs	(3,024,827)	(3,273,094)	(3,823,129)	(11)	248,267
(188,778)	(205,908)	(209,239)	(12)	17,130	Contractual Professional Services	(1,790,252)	(1,811,816)	(1,986,324)	(12)	21,564
(429,380)	(430,818)	(419,695)	(13)	1,438	Wages & Benefits	(857,357)	(859,531)	(881,721)	(13)	2,174
(32,121)	(50,440)	(73,768)	(14)	18,319	Other Operating Costs	(42,341)	(80,880)	(91,970)	(14)	38,539
(380,329)	(380,329)	(358,454)		0	Bond Debt Service - 2015 Bonds	(760,658)	(760,658)	(716,908)		0
0	0	0	(15)	0	Parking Tax	(544,548)	(545,000)	(538,441)	(15)	452
(\$3,623,574)	(\$3,943,675)	(\$1,973,951)	(8)	\$320,101		(\$7,731,579)	(\$8,181,775)	(\$8,736,636)	(8)	\$450,196
INCREASE (DECREASE) IN CASH FROM OPERATIONS										
\$1,144,501	\$98,908	\$2,452,478		\$1,045,593		\$897,997	(\$150,605)	(\$46,742)		\$1,048,602
FACILITY IMPROVEMENT / NOISE MITIGATION TRANSACTIONS										
CASH DISBURSEMENTS										
(\$149)	\$0	(\$54,556)	(16)	(\$149)	Sound Insulation Program Costs	(\$1,120)	(\$10,000)	(\$374,606)	(16)	\$8,880
(688,187)	(252,000)	(287,134)	(17)	(436,187)	Other Facility Improvement Program Project Costs	(2,416,221)	(1,213,500)	(2,650,361)	(17)	(1,202,721)
0	0	(5,198)		0	Regional Intermodal Transportation Center	0	0	(25,877)		0
(\$688,336)	(\$252,000)	(\$346,888)		(\$436,336)		(\$2,417,341)	(\$1,223,500)	(\$3,050,844)		(\$1,193,841)
CASH RECEIPTS FROM FUNDING SOURCES										
\$0	\$0	\$303,958	(16)	\$0	FAA Grants - Sound Insulation Program	\$0	\$0	\$303,958	(16)	\$0
0	0	0	(18)	0	FAA Grants - Facility Improvement Program	0	0	0	(18)	0
7,057	0	29,300	(19)	7,057	Other Grants	7,057	0	29,300	(19)	7,057
107,964	51,350	697,402	(20)	56,614	Passenger Facility Charge Receipts/Reserves	107,964	51,350	697,402	(20)	56,614
514,214	515,000	234,034	(21)	(786)	Facility Development Fund (Authority Reserves)	1,002,626	1,015,000	693,543	(21)	(12,374)
\$629,235	\$566,350	\$1,264,694		\$62,885		\$1,117,647	\$1,066,350	\$1,724,203		\$51,297
INCREASE (DECREASE) - FACILITY / NOISE MITIGATION TRANSACTIONS										
(\$59,101)	\$314,350	\$917,806		(\$373,451)		(\$1,299,694)	(\$157,150)	(\$1,326,641)		(\$1,142,544)
\$1,085,400	\$413,258	\$3,370,284		\$672,142	NET ACTIVITY VS. BUDGET	(\$401,697)	(\$307,755)	(\$1,373,383)		(\$93,942)
(\$514,214)	(\$515,000)	(\$234,034)		\$786	LESS USE OF AUTHORITY RESERVES	(\$1,002,626)	(\$1,015,000)	(\$693,543)		\$12,374
NET INCREASE (DECREASE) IN CASH - TOTAL										
\$571,186	(\$101,742)	\$3,136,250		\$672,928	(see note below)	(\$1,404,323)	(\$1,322,755)	(\$2,066,926)		(\$81,568)

Notes: The FY 2017 adopted budget approved use of \$7,680,000 of Authority Reserves to provide funding for the airport share of capital projects. See additional discussion at note 21.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND TWO MONTHS ENDED AUGUST 31, 2016 AND 2015

General Comments

The Schedule of Cash Receipts and Disbursements ("Schedule") represents the cash basis activity for the month and fiscal year-to-date compared to the allocation of the annual adopted budget.

The Schedule consists of two sections: Operating Activity and Facility Improvement/Noise Mitigation Transactions. Receipts are shown as positive amounts and disbursements as negative amounts. Favorable budget variances are shown as positive amounts and unfavorable variances as negative amounts. Because this Schedule is on a cash basis, cash timing differences may contribute to budget variances.

The Operating Activity receipts include charges for services (parking, landing fees and concessions), tenant rents, fuel flowage fees, other revenues and investment receipts. The Operating Activity disbursements include costs of services, materials, contracts, personnel and debt service.

Facility Improvement / Noise Mitigation Transactions represent the activity for the Authority's capital program, which consists of (a) the Sound Insulation Program, (b) Other Facility Improvement Program Projects, and (c) the Regional Intermodal Transportation Center ("RITC"). The RITC project was completed in FY 2015.

The FY 2017 Capital Program expenditures are primarily funded by the following sources:

- FAA-approved Passenger Facility Charge ("PFC") program receipts/reserves;
- Grants;
- Facility Development Funds (Authority Reserves).

The notes below provide additional information regarding the performance results detailed in the "Schedule of Cash Receipts and Disbursements."

A Supplemental Schedule of Cash Receipts and Disbursements reflecting the activities related to the Series 2012 Bond debt service and repayment to the Authority of the loans provided to the Rent-A-Car Companies ("RACs") for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

NOTE (1) - Cash Receipts from Operations

Cash receipts from operations are ahead of budget fiscal year-to-date ("FYTD") August due to better than expected performance primarily in parking, concessions and filming revenues. On the accrual basis, all categories of operating revenues are favorably ahead of budget in FYTD August by \$393,179. See notes 2 through 7 for additional information regarding operating receipts.

NOTE (2) - Landing/Fuel Fees

Landing fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. Landing fees and fuel fees performed ahead of the budget forecast FYTD August. Accrual basis revenues for this line item are ahead of budget in FYTD August by \$70,109.

NOTE (3) - Parking Fees

Parking fee revenues performed ahead of the budget forecast. Accrual basis parking fees are \$8,839 ahead of budget FYTD August.

NOTE (4) - Rental Receipts - Terminal Building

Terminal Building rental receipts exceed the budget FYTD August partially due to the timing of receipts and additional concession revenues received above the minimum annual guarantee. Accrual basis terminal building rents are \$188,668 ahead of budget FYTD August.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND TWO MONTHS ENDED AUGUST 31, 2016 AND 2015

NOTE (5) – Rental Receipts - Other Buildings

Other Buildings rental receipts exceed the budget FYTD August partially due to the timing of receipts. Accrual basis other building receipts are \$54,779 ahead of budget FYTD August.

NOTE (6) – Other Receipts

This category consists primarily of off-airport access fees and film location revenues. This line item favorably exceeds the budget FYTD August primarily due to strong film location revenues. Accrual basis other revenues are \$23,269 ahead of budget FYTD August.

NOTE (7) – Investment Receipts - Treasurer

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes and the timing of coupon payments and individual investment maturities and sales. Accrual basis investment income, including the interest earned on loans to Rent-A-Car Companies, exceeds the budget FYTD August by \$47,515.

NOTE (8) – Cash Disbursements from Operations

Overall operating disbursements are favorably under budget FYTD August. On an accrual basis operating disbursements are favorably within budget parameters. See additional information on operating disbursements in notes 9 through 15.

NOTE (9) – Administrative Supplies & Costs

This line item includes office supplies, printing, postage and delivery, office equipment service and lease, recruiting, membership, uniform, Commission meeting, conference and training costs.

NOTE (10) – Operating Supplies & Maintenance

This line item includes utilities, fuel, general repairs and maintenance, landscaping, supplies and telephone costs.

NOTE (11) – Contractual Operating Costs

This line item includes various contractual operating costs such as ARFF services, janitorial services, systems and vehicle repair, parking operations and the TBI Airport Management contract costs.

NOTE (12) – Contractual Professional Services

This line item includes various professional services such as legal, auditing, noise, financial and insurance.

NOTE (13) – Wages and Benefits

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the new Memorandum of Understanding effective February 2014. Wages and benefits include overtime for film location services which are recovered through the related revenue.

NOTE (14) – Other Operating Costs

This line item includes public relations/advertising, air service retention, license and permits and bad debt expense.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND TWO MONTHS ENDED AUGUST 31, 2016 AND 2015

NOTE (15) – Parking Tax

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. The amount paid in July 2016 of \$544,548 reflects the parking activity for the months of April, May and June.

NOTE (16) – Sound Insulation Program

The Sound Insulation program is funded primarily through FAA Airport Improvement Program ("AIP") grants and Passenger Facility Charge ("PFC") fees. A Part 150 Study is under final FAA review and upon conclusion may result in eligible multi-family and an additional number of single family residences being added to the sound insulation program in the future.

NOTE (17) – Other Facility Improvement Program Projects

Several projects account for most of the Other Facility Improvement Program Projects expenditures: Taxiway B Reconstruction FY 2016 expenditures, Replacement Terminal Project and Emergency Back-Up Generator Project. The FYTD budget variance of \$1,202,721 is due to the timing of projects and payment for FY 2016 accrued costs.

NOTE (18) – FAA Grants – Other Facility Improvement Program Projects

FAA Grants – Other Facility Improvement Program Projects are budgeted to fund several projects: Runway 8/26 EMAS Project, Runway 8/26 Rehabilitation Project and the Acquisition of Hollyona Property.

NOTE (19) – Other Grants

Other grants represent federal grants, other than FAA AIP grants, and local grants that fund or partially fund the Ground Access Study.

NOTE (20) – Passenger Facility Charge Receipts/Reserves

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges.

NOTE (21) – Facility Development Fund (Authority Reserves)

The FY 2017 adopted budget programmed the use of Authority Reserves as a funding source for the airport share of capital projects.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
SUPPLEMENT SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS
MONTH AND TWO MONTHS ENDED AUGUST 31, 2016 AND 2015

Monthly Performance					August 2016	Fiscal YTD Performance (July 2016 - August 2016)				
Actual \$ Aug 2016	Budget Aug 2016	Actual \$ Prior Year Aug 2015	Note	Variance Actual Vs. Budget		Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
\$468,894	\$420,000	\$493,656	(1)	\$48,894	Customer Facility Charge Receipts	\$935,066	\$840,000	\$977,970	(1)	\$95,066
94,648	93,005	132,090	(2)	1,643	Facility Rent	214,917	186,010	231,138	(2)	28,907
(486,130)	(486,130)	(486,380)		0	Payments to Bond Trustee for 2012 Bond Debt Service	(972,260)	(972,260)	(972,760)		0
(27,350)	(26,875)	(33,046)	(3)	(475)	Loan Principal Repayments to the Authority	(62,103)	(53,750)	(57,826)	(3)	(8,353)
<u>\$50,062</u>	<u>\$0</u>	<u>\$106,320</u>	(4)	<u>\$50,062</u>		<u>\$115,620</u>	<u>\$0</u>	<u>\$178,522</u>	(4)	<u>\$115,620</u>

General Comments

The debt service on the 2012 Revenue Bonds and the repayment to the Authority of the loans to the Rent-A-Car Companies ("RACs") is payable from Customer Facility Charges ("CFCs") and Facility Rents. Under the terms of the Bond Indenture, as amended, all CFCs collected subsequent to July 1, 2014 are remitted to the Bond Trustee for the 2012 Bond debt service.

On July 1, 2014, the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the respective Rent-A-Car Companies became effective, including the collection of Facility Rent.

Note (1) – Customer Facility Charge ("CFC") Receipts

CFCs of \$6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond debt service. CFCs received fiscal year-to-date ("FYTD") August exceeded the budget due to better than expected car rental activity.

Note (2) – Facility Rent

Facility Rent exceeds the budget FYTD August due to the timing of receipts.

Note (3) – Loan Principal Repayments to the Authority

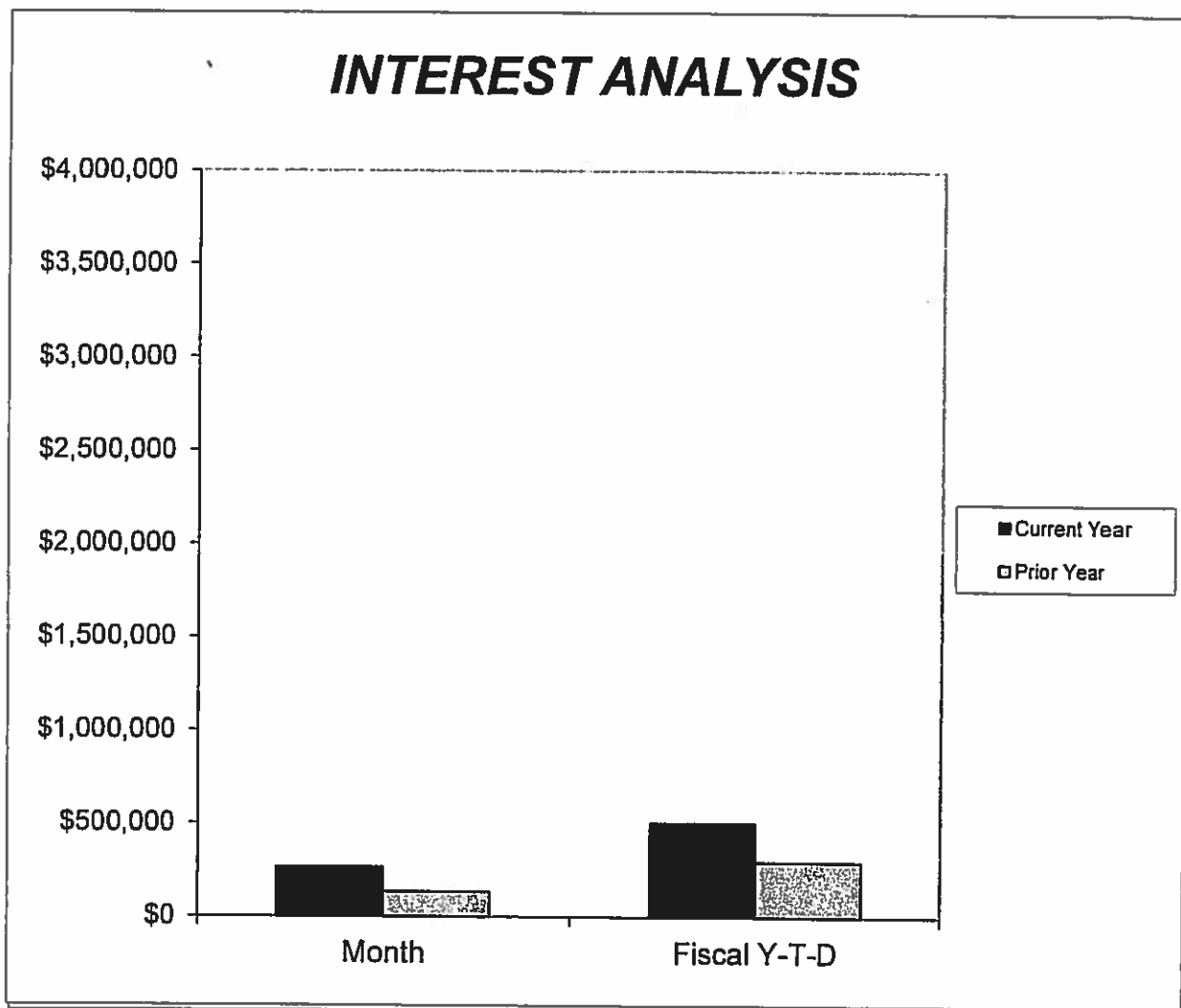
Repayments of the loan principal to the Authority from the Rent-A-Car Companies exceed the budget FYTD August (\$8,353) due to timing of receipts. The principal portion of the payment will be deposited as reimbursement to the Authority's Facility Development Fund. The interest portion of the loan repayment is recorded as investment income.

Note (4) – Net RITC / ConRAC Facility Payments and Collections

A positive amount in this line indicates that cash has been received above the required payment obligations. At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the Rent-A-Car Companies.

In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

Burbank-Glendale-Pasadena Airport Authority



	August 2016	August 2015
Interest Receipts - - Month	\$263,176	\$132,378
Interest Receipts - - Fiscal Y-T-D	\$504,580	\$294,389
Month End Portfolio Balance	\$213,981,790	\$142,563,221
Yield to Maturity	0.87%	0.79%

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
DECEMBER 12, 2016**

**OTHER TRANSACTION AGREEMENT WITH THE
DEPARTMENT OF HOMELAND SECURITY
TRANSPORTATION SECURITY ADMINISTRATION**

SUMMARY

At the November 28, 2016, meeting of the Finance and Administration Committee, the Committee voted unanimously (3-0) to recommend to the Commission that it approve the modified Other Transaction Agreement ("OTA") with the Department of Homeland Security – Transportation Security Administration ("TSA") for the purpose of obtaining additional reimbursement for electrical utility and janitorial charges associated with the use of areas for baggage screening operations at Hollywood Burbank Airport ("Airport").

BACKGROUND

In July 2016 representatives of the TSA provided Staff with the opportunity to request additional reimbursement for electrical utility and janitorial expenses incurred by the Authority directly related to the operation of the TSA. Given this opportunity, Staff conducted an analysis of the costs incurred by the Authority and provided supporting documentation to the TSA for an increase in the current reimbursement rate.

TSA has provided a modified OTA which increases reimbursements to the Authority for electrical and janitorial services for an applicable period beginning January 1, 2017, to August 31, 2017. This modified OTA will increase the electrical cost reimbursement by \$1,568.72 and janitorial cost reimbursement by \$2,346.48, resulting in a total additional reimbursement of \$3,915.20 over the eight-month period. This results in a total obligated amount to the Authority of \$127,735.88 for a 12-month period ending August 31, 2017.

The proposed modified OTA extending the term and increasing the reimbursement amount for electrical and janitorial charges is attached for consideration.

As with other federal agency agreements at the Airport, the Authority is required to execute the Agreement first. If the proposed agreement is approved by the Authority, then upon execution of the document by the Authority, a local representative of the TSA is authorized to execute the agreement.

DETAILS

The key components of the proposed OTA between the TSA and the Authority are summarized as follows:

<u>Term:</u>	January 1, 2017, to August 31, 2017, or for as long as federal law requires TSA to perform screening functions at the Airport
<u>Reimbursement:</u>	Total increase of \$3,915.20 for electrical and janitorial reimbursement for the eight-month period

Space:

Space for conducting such screening operations is provided at no cost to TSA.

BUDGET IMPACT

The proposed OTA will result in an increase of \$3,915.20 for electrical and janitorial reimbursement to the Authority from TSA. These increases are offset by a similar amount of increased operating costs for utilities and janitorial services; therefore, the OTA is revenue-neutral.

RECOMMENDATION

At the November 28, 2016, meeting of the Finance and Administration Committee, the Committee voted unanimously (3-0) to recommend to the Commission that it approve the modified Other Transaction Agreement with the TSA and authorize the Authority President to execute same.



Transportation
Security
Administration

OTHER TRANSACTION AGREEMENT

OTA NUMBER:		REQUISITION NUMBER:	
HSTS01-14-H-CKP112 Modification Number: P00005		2117207CKP012	
ISSUED TO:		ISSUED BY:	
Burbank Glendale Pasadena Airport Authority Burbank Bob Hope Airport 2627 N. Hollywood Way Burbank, CA 91505-1062 Attn: Mike Duong, Manager, Business & Property Phone: 818-565-1314 Email: mduong@bur.org DUNS: 126078450 EIN: 953337732		Transportation Security Administration Office of Acquisition Human Capital and Finance Division 601 S 12 th Street Arlington, VA 20598-6025 Contract Specialist: Harrison Morten Phone: 571-227-2623 Email: Harrison.morten@tsa.dhs.gov	
PROGRAM			
Program: Other Transaction Agreement (OTA) for Use of Space and Cost Reimbursement for TSA Security Checkpoint and Baggage Screening Areas. Period of Performance: January 1, 2017 to August 31, 2017. NAICS: 488119 PSC: S112			
FISCAL DATA			
Accounting Line: See page 2 for Accounting and Appropriation Data. Obligated Amount: \$3,915.20			
PURPOSE			
Bilateral modification P00005 obligates funding for the reimbursement of fixed electrical and janitorial costs for the TSA security checkpoint and baggage areas at Burbank Bob-Hope Airport (BUR). This modification also amends the Agreement as indicated on page 2.			
AUTHORIZED SIGNATURES			
IN WITNESS WHEREOF, the Parties have entered into this Agreement by their duly authorized officers.			
Participant's Signature	Date	Contracting Officer's Signature	Date
		Isabel Roman-Cogswell, Contracting Officer	
Typed Name and Title		Typed Name and Title	

1. Purpose

The purpose of Modification P00005 to Agreement HSTS01-14-H-CKP112 is to:

- Obligate funding for additional fixed electrical and janitorial costs for the TSA security checkpoint and baggage screening areas at Burbank Bob Hope Airport (BUR).

2. Obligated Funding

	Annual Costs	Pro-rated Monthly Costs	# Months	Obligated Amount
Electrical Costs**	\$67,838.16	\$5,653.18	08	\$67,053.82
Janitorial Costs	\$61,853.16	\$5,154.43	08	\$60,682.08
Total Amount	\$129,691.32	\$10,807.61		\$127,735.88

3. Accounting and Appropriation Data

PR #	Item #	Service	Amount	Accounting & Appropriation Data
2117207CKP012	00001	Electrical	\$1,568.72	5OS178A000D2017SWE070GE00 0077006400648REM- 5903001502010000-233T
2117207CKP012	00002	Janitorial	\$2,346.48	5OS178A000D2017SWE070GE00 0077006400648REM- 5903001502010000-2540
Total			\$3,915.20	

4. Current Obligated Funding

Award Date	Contract/Modification	Obligated Amount
8/26/2014	Base OTA Award	\$123,507.52
8/4/2015	P00001	\$10,292.29
9/10/2016	P00002	\$113,500.31
8/31/2016	P00003	\$123,792.60
	P00004	\$28.08
Total		\$371,120.80

5. Total Obligated Funding

Modification P00005 increases the total obligated funding for this Agreement:

From:	\$371,120.80
By:	\$3,915.20
To:	\$375,036.00

6. Terms and Conditions

All other terms and conditions of Agreement HSTS01-14-H-CKP112 remain unchanged and in full force and effect.

End of Modification P00005

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
DECEMBER 12, 2016**

**MONTH-TO-MONTH SPACE LEASE
AIRLINE TECH REPS, LLC
dba STS LINE MAINTENANCE**

SUMMARY

At the November 28, 2016, Finance and Administration Committee ("Committee") meeting, Staff advised the Committee of a proposed Month-to-Month Space Lease ("Lease") with Airline Tech Reps, LLC, dba STS Line Maintenance ("STS") for space located in the Air Cargo Building to support their aircraft and ground services equipment maintenance services to the passenger airlines operating at the Hollywood Burbank Airport ("Airport").

The current service provider of these services, HAECO, will no longer be in the business of providing line maintenance services and has entered into an agreement with STS to assume operations of HAECO Line Services. In order to ensure that these essential services for daily operations of the passenger airlines are not impacted, Staff is bringing a proposed space lease with STS effective January 1, 2017, to the Commission for its consideration.

BACKGROUND

STS provides aircraft and ground service equipment maintenance to the airlines. Currently these services, referred to as "line maintenance," are being provided by the firm HAECO, who has been a tenant at the Airport since 2010. HAECO notified staff that it will no longer be in the business of providing line maintenance services and has entered into an agreement with STS to assume operations of HAECO Line Services.

HAECO currently leases on a month-to-month basis an area within Air Cargo Building to support its operation. With the passenger airlines serving the Airport having entered into agreements with STS for these maintenance services, STS has requested they be allowed to lease the same area of the Air Cargo Building for the same purposes as HAECO. HAECO has submitted to staff a lease termination notice for this space effective December 31, 2016. STS will also be offering employment to HAECO's current employees at the Airport to ensure a seamless transition.

The proposed Lease would provide STS with approximately 1,500 square feet of support space in the Air Cargo Building to support their operation and provide the same line maintenance services to the airlines as HAECO. In the interest of continuity, and to avoid a lapse in this essential service that is required by the airlines on a daily basis, Staff seeks the approval of the Commission to award a Month-to-Month Space Lease to STS. The proposed Lease would start on January 1, 2017, at a rate of \$822.04 per month representing a 3% increase over the previous rate paid by HAECO.

DETAILS

Key components of the lease are as follows:

<u>Term:</u>	Month-to-Month
<u>Commencement:</u>	January 1, 2017
<u>Rent:</u>	\$822.04 monthly; \$9,864.48 annually
<u>Rent Adjustment:</u>	Monthly Base Rent shall be increased annually (but not decreased) by the greater of (i) three percent (3%); or (ii) one hundred and twenty percent (120%) of the CPI Increase (as hereinafter defined) but not greater than six percent (6%).
<u>Premises:</u>	Space in the Air Cargo Building; 1,500 square feet
<u>Use:</u>	Support space for line maintenance operation
<u>Termination:</u>	Either party with thirty (30) day notice
<u>Security Deposit:</u>	\$2,466.12 (Three months' rent)
<u>Others:</u>	Tenant to pay all expenses related to its occupancy including maintenance, utilities, and any applicable taxes

BUDGET IMPACT

The proposed Lease will provide the Authority with a positive budget impact of \$287.28 annually, as staff has negotiated a 3% increase above HAECO's current rent.

RECOMMENDATION

Staff seeks approval of the Commission that it approve the proposed Month-to-Month Space Lease with Airline Tech Reps, LLC dba STS Line Maintenance and authorize the Authority President to execute the same.

Hollywood Burbank Airport

REVENUE PASSENGERS	October			January - October		
	2016	2015	% Change	2016	2015	% Change
Signatory Airlines						
Alaska Airlines	34,418	36,412	-5.48%	363,813	350,861	3.69%
American Airlines (US Airways)	13,727	18,193	-24.55%	126,134	153,425	-17.79%
Delta Air Lines	8,141	7,145	13.94%	75,564	63,962	18.14%
JetBlue Airways	8,072	7,746	4.21%	78,361	77,960	0.51%
SeaPort Airlines	0	1,138	-100.00%	277	12,915	-97.86%
Southwest Airlines	286,650	253,389	13.13%	2,535,134	2,423,762	4.60%
United Airlines	24,448	19,485	25.47%	223,272	186,937	19.44%
Total Revenue Passengers	375,456	343,508	9.30%	3,402,555	3,269,822	4.06%
Inbound (deplaned)	189,196	172,032	9.98%	1,701,398	1,632,181	4.24%
Outbound (enplaned)	186,260	171,476	8.62%	1,701,157	1,637,641	3.88%

AIRCRAFT OPERATIONS *	October			January - October		
	2016	2015	% Change	2016	2015	% Change
Air Carrier	4,222	4,135	2.10%	41,111	38,634	6.41%
Air Taxi	1,366	1,185	15.27%	11,802	12,107	-2.52%
General Aviation	3,312	3,165	4.64%	33,817	31,620	6.95%
Military Itinerant	142	84	69.05%	1,014	843	20.28%
Civil Local	1,782	1,812	-1.66%	23,623	24,766	-4.62%
Military Local	0	0	N/A	3	26	-88.46%
Total Aircraft Operations	10,824	10,381	4.27%	111,370	107,996	3.12%

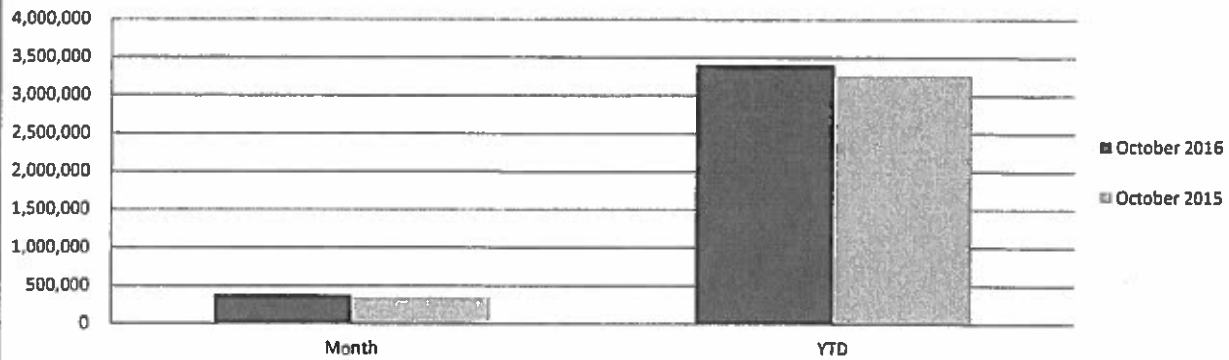
* Source: FAA Tower Daily Airport Operations Count, adjusted to show Canadair Regional Jet-200 operations as Air Carrier. Includes Hollywood Burbank Airport arrivals/departures only; excludes aircraft that enter local air space but do not land or take off at Hollywood Burbank Airport.

Hollywood Burbank Airport

AIR CARGO (lbs.)	October			January - October		
	2016	2015	% Change	2016	2015	% Change
Signatory Airlines						
Alaska Airlines	1,295	457	183.37%	7,095	5,326	33.21%
American Airways (US Airways)	0	0	N/A	40	1,524	-97.38%
Delta Air Lines						
JetBlue Airways						
SeaPort Airlines						
Southwest Airlines	183,690	181,431	1.25%	1,621,527	1,765,049	-8.13%
United Airlines						
Other Scheduled Carriers						
Federal Express	5,019,947	4,623,352	8.58%	42,575,978	43,446,720	-2.00%
United Parcel Service	3,941,920	4,484,062	-12.09%	39,868,826	42,218,711	-5.57%
Charter/Contract Carriers						
AirNet Express	3373	1,576	114.02%	29,850	64,978	-54.06%
Ameriflight	218,964	238,858	-8.33%	2,193,552	2,274,528	-3.56%
Total Air Cargo	9,369,189	9,529,736	-1.68%	86,296,868	89,776,836	-3.88%
Inbound (deplaned)	4,748,859	4,631,772	2.53%	43,118,837	42,699,111	0.98%
Outbound (enplaned)	4,620,330	4,897,964	-5.67%	43,178,031	47,077,725	-8.28%

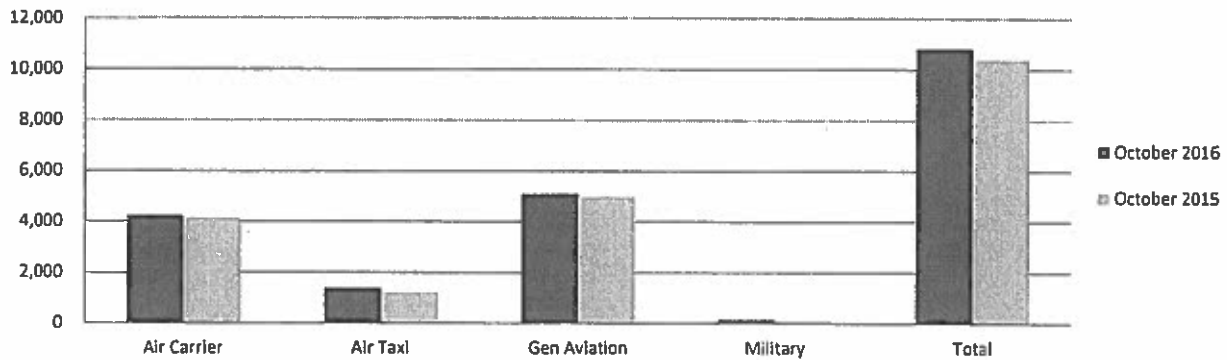
MAIL (lbs.)	October			January - October		
	2016	2015	% Change	2016	2015	% Change
United Parcel Service	17,890	123,669	-85.53%	161,643	2,732,205	-94.08%
Total Mail	17,890	123,669	-85.53%	161,643	2,732,205	-94.08%
Inbound (deplaned)	17,890	14,700	21.70%	83,115	1,714,755	-95.15%
Outbound (enplaned)	0	108,969	-100.00%	78,528	1,017,450	-92.28%

Revenue Passengers



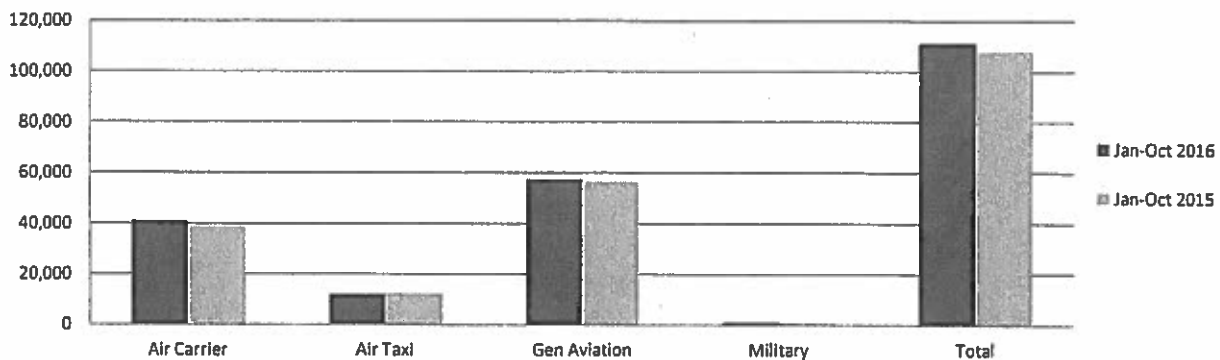
Revenue Passengers	Month	YTD
October 2016	375,456	3,402,555
October 2015	343,508	3,269,822
% Change	9.30%	4.06%

Aircraft Operations - Month



Aircraft Operations - MO	Air Carrier	Air Taxi	Gen Aviation	Military	Total
October 2016	4,222	1,366	5,094	142	10,824
October 2015	4,135	1,185	4,977	84	10,381
% Change	2.10%	15.27%	2.35%	69.05%	4.27%

Aircraft Operations - Year-to-Date



Aircraft Operations - YTD	Air Carrier	Air Taxi	Gen Aviation	Military	Total
Jan-Oct 2016	41,111	11,802	57,440	1,017	111,370
Jan-Oct 2015	38,634	12,107	56,386	869	107,996
% Change	6.41%	-2.52%	1.87%	17.03%	3.12%

**12-12-16 Commission Mtg.
Agenda Item 5.d.
Month-to-Month Space Lease Between
Burbank-Glendale-Pasadena Airport Authority
and Airline Tech Reps, LLC dba STS Line Maintenance**

**MONTH-TO-MONTH SPACE LEASE
BETWEEN
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
AND
AIRLINE TECH REPS, LLC
(dba "STS Line Maintenance")**

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MONTH-TO-MONTH SPACE LEASE

THIS MONTH-TO-MONTH SPACE LEASE ("Lease") is dated as of _____, 2016, and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and AIRLINE TECH REPS, LLC, a Texas limited liability company ("Tenant").

In consideration of the mutual covenants, conditions, and agreements contained herein, Landlord and Tenant hereby agree as follows:

1. LEASED PREMISES.

1.1 Location of Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby hires and takes from Landlord, those certain premises more particularly described in Exhibit "A" attached hereto ("Leased Premises") located within the Hollywood Burbank Airport ("Airport"), including the right in common with others, to the use of certain of the "common use facilities" of the Airport as set forth in Section 13 below, upon the terms and subject to the conditions set forth in this lease.

1.2 Acceptance of the Leased Premises. Tenant hereby accepts the Leased Premises in the condition existing as of the date hereof. Tenant hereby agrees that the Leased Premises are in a good and tenantable condition and acknowledges that Tenant has inspected the Leased Premises and available common use facilities of the Airport to its satisfaction and acknowledges that Landlord is not obligated to make any repairs or alterations to the Leased Premises or common use facilities.

Tenant hereby agrees to make all improvements necessary for the Property to comply with the American with Disabilities Act and any other accessibility laws. Landlord hereby informs Tenant that the Premises have not been determined by a Certificate Access Specialist to meet applicable construction-related accessibility standards pursuant to California Civil Code Section 55.53.

1.3 Reservations to Landlord. Tenant further accepts the Leased Premises subject to any and all existing easements and encumbrances. Landlord reserves the right, without obligation, to install, lay construct, maintain and repair utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises or any part thereof, and to enter the Leased Premises for any and all such purposes. Landlord also reserves the right to grant franchises, licenses, easements, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises. No right reserved by Landlord in this Section shall be so exercised as to interfere unreasonably with Tenant's operations hereunder.

1.4 Landlord's Right of Access. Landlord shall have free access to the Leased Premises in all cases of emergency, and during all reasonable hours for the purposes of examining the same to ascertain if they are in good repair, inspecting any work in progress within the Leased Premises, the Building or elsewhere on the Airport, making repairs which Landlord may be required or permitted to make hereunder, and exhibiting the same to prospective purchasers or Tenants. Such

entry shall be made in a manner which will not unreasonably interfere with Tenant's use of the Leased Premises, except in case of emergency. In the event that Tenant is not personally present to open and permit such entry, Landlord may enter by means of a master key or may enter forcibly and shall incur no liability to Tenant as a result of such entry, and this Lease shall not be affected thereby.

2. TERM

2.1 Commencement Date. The term of this lease shall be month-to-month, commencing at 12:01 a.m., January 1, 2017, (hereinafter the "Commencement Date"), and continuing until this Lease is terminated as provided herein.

2.2 Early Possession. In the event that Tenant, with Landlord's consent, takes possession and Tenant shall be subject to all of the provisions hereof, excluding any and all covenants, obligations and conditions required to be performed or satisfied by Landlord under this Lease, and the provisions of Section 3.3 applicable to adjustments in the Monthly Base Rent (as defined herein) shall apply. Landlord shall have no obligation or responsibility with respect to such early possession, and Tenant shall defend, indemnify and hold harmless Landlord from and against any and all claims, losses, damages, liabilities, obligations, costs and expenses, including attorneys' fees, arising out of, resulting from or relating to such early possession.

2.3 Termination. Either party shall have the right to terminate this Lease at any time, with or without cause, by delivering to the other party at least thirty (30) days' prior written notice of termination.

2.4 Default. Landlord shall have the right to terminate this lease in the event of a default by Tenant as provided in Section 11.2.

3. RENT

3.1 Rent. In consideration of Landlord leasing to Tenant the Leased Premises, Tenant shall pay to Landlord as monthly base rent the sum of Eight Hundred Twenty-Two and 04/100 Dollars (\$822.04) ("Monthly Base Rent"), subject to adjustment pursuant to Sections 3.2 and 3.3, commencing on the Commencement Date and continuing on the first (1st) day of each calendar month thereafter during the term hereof. The Monthly Base Rent from the Commencement Date to the first (1st) day of the calendar month following the Commencement Date and for the calendar month in which this Lease is terminated shall be prorated to the extent that such calendar months are partial calendar months on the basis of thirty (30) day calendar month.

3.2 Rent Adjustments. Commencing on the first (1st) anniversary of the Commencement Date and thereafter on each subsequent anniversary thereof (each, an "Adjustment Date"), the Monthly Base Rent shall be increased (but not decreased) by the greater of (i) three percent (3%); or (ii) one hundred and twenty percent (120%) of the CPI Increase (as hereinafter defined) but not greater than six percent (6%). As used herein, the following capitalized terms shall have the following meanings:

i. The term "Adjustment Index" shall mean the Consumer Price Index most recently published and available to the public on each Adjustment Date.

ii. The term "CPI Increase" shall mean the percentage increase in the "Consumer Price Index" (as defined below) during the preceding twelve (12) month period, as applicable, prior to an Adjustment Date. To determine the CPI Increase, the applicable Adjustment Index shall be compared with the applicable Prior Index. If the Adjustment Index has increased over the Prior Index, the CPI Increase, expressed as a percentage (carried to the third decimal place and rounded up if the third decimal place is $\geq .005$ or greater and rounded down if the third decimal place is less than $.005$), shall be determined by subtracting the Prior Index from the Adjustment Index and dividing the result by the Prior Index.

iii. The term "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers for the Los Angeles-Anaheim-Riverside statistical area (CPI-U) (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics. In the event the Consumer Price Index is changed so that the base year differs from that used for the Prior Index, the Consumer Price Index or the Prior Index, as applicable, shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. In the event the Consumer Price Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used.

iv. The term "Prior Index" shall mean the Consumer Price Index most recently published and available to the public as of the date that is one year prior to the applicable Adjustment Date.

3.3 Special Adjustments to Monthly Base Rent. In the event that (i) Landlord is unable to deliver possession of some or all of the Leased Premises on the Commencement Date, or (ii) this Lease is terminated pursuant to Section 2.3 or 2.4, or (iii) the Leased Premises are subject to a taking under the power of eminent domain which does not result in a termination of this Lease as provided in Section 9, the following provisions shall apply: (i) if the area of the Leased Premises is reduced by more than ten percent (10%) but not more than twenty-five percent (25%) in the aggregate, the Monthly Base Rent for the remainder of the Annual Period during which such reduction occurs shall be reduced, effective as of the date of such reduction, by the same percentage; or (ii) if the area of the Leased Premises is reduced by more than twenty-five percent (25%) in the aggregate, the Monthly Base Rent for the remainder of the Annual Period during which such reduction occurs shall be reduced, effective as of the date of such reduction, by such amount as Landlord determines in its sole discretion, as set forth in a written notice to Tenant.

3.4 Taxes.

3.4.1 Possessory Interest and Other Taxes. Tenant shall pay, as additional rent under this Lease, all "taxes" imposed by any authority having the direct or indirect power to tax and which are applicable to the Leased Premises during the term of this Lease. As used herein, the term "taxes" shall include any form of possessory interest tax, assessment (including public facilities maintenance district levy or assessment or any public transit or other benefit assessment district levy or assessment), license fee, commercial rental tax, any tax or excise on rents, levy, penalty or tax (other than net income, inheritance or estate taxes) imposed by any authority having the direct or indirect power to tax, including any federal, state, county or city, government, or any school, agricultural, lighting, drainage, or other improvement district thereof, as against any legal or equitable interest of Landlord in the Leased Premises are a part, as against Landlord's right to rent or other income therefrom, or as against Landlord's business of leasing the Leased Premises.

In this regard, Tenant recognizes and understands that this Lease might be held to create a possessory interest subject to property taxation and that Tenant might be subject to the payment of property taxes levied on such interest.

3.4.2 Personal Property Tax. Tenant shall pay before delinquency any and all taxes and assessments on the furniture, fixtures, equipment and other personal property of Tenant located or used in the Leased Premises, whether assessed to Tenant or assessed to Landlord as part of the real property.

3.5 Utilities.

3.5.1 Payment. Tenant shall pay all costs, expenses and charges for telephone and other utilities and services, including gas, heat, light, power and air conditioning services, supplied to the Leased Premises, together with any taxes thereon and any connection fees, prior to when such charges are due, and Tenant shall defend, indemnify and hold Landlord harmless from and against any claims, losses, liabilities, damages, costs and expenses relating to any failure by Tenant to do so. However, if any utilities or services are not separately metered to Tenant, Tenant shall pay to Landlord from time to time, as additional rent under this Lease, Tenant's proportionate share, determined by Landlord, of all charges jointly metered with other premises in the Building or elsewhere at the Airport within fifteen (15) days following the delivery to Tenant of a statement with respect thereto.

3.5.2 No Obligation to Furnish. Notwithstanding any other provisions of this Lease, Tenant acknowledges that Landlord has no obligation to provide any utilities or services to the Leased Premises. Landlord shall not be liable to Tenant under any circumstances for damages or loss to Tenant's property, injury to persons or property, or consequential damages, however occurring, through, in connection with, or incidental to any such utilities or services not being provided or inadequately being provided or any permanent or temporary cessation or other interruption of any such utilities or services.

3.5.3 Compliance with Utility Supplier Rules. Tenant shall comply with all rules and regulations which Landlord, any governmental agencies or authorities, or any utility company may establish for the use, proper functioning and protection of any utilities or services.

3.6 Net Lease. Landlord shall receive all amounts payable by Tenant pursuant to this Section 3 or any other provision of this Lease, free and clear of any and all other impositions, taxes, liens, charges or expense of any nature whatsoever in connection with the ownership and operation of the Leased Premises. In addition to the amounts payable by Tenant pursuant to this Section 3, Tenant shall pay to the parties respectively entitled thereto all other impositions, operating charges, maintenance charges, construction costs, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease during the term hereof, except only those amounts payable by Landlord as provided in Section 5.1.1. All of such charges, costs and expenses shall constitute additional rent, and upon the failure of Tenant to pay any of such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

3.7 Interest on Past Due Payments. Any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease which is not paid when due shall bear interest from

the due date until paid at a rate equal to five percent (5%) in excess of the prevailing rate established by the Federal Reserve Bank at San Francisco on advances to member banks on the twenty-fifth (25th) day of the month preceding the Commencement Date (but not more than the maximum rate permissible by law); provided, however, that the payment of any interest pursuant to this Section shall not excuse or cure any default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease.

3.8 Financial Information. Within ten (10) days following a written request by Landlord, Tenant shall furnish to Landlord, in such detail as Landlord may reasonably request, financial information concerning Tenant, any parent or subsidiary of Tenant, or any person, firm or entity having the power, direct or indirect, to control Tenant or its operations at the Airport. The financial information to be furnished hereunder shall include, but shall not be limited to, balance sheets, statements of profit and loss and statements of changes in financial position. If available, such financial information shall include the opinion of an independent auditor as to the financial statements or, if not available, shall be certified as true, accurate and complete by the chief financial officer of the party for whom the information is furnished.

3.9 Address for Payment. The payment of Monthly Base Rent and all other amounts due to Landlord hereunder shall be paid at the office of Landlord; Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, ATTENTION: Controller, or at such other place as Landlord may designate from time to time in writing.

4. SECURITY DEPOSIT. Concurrently with the execution of this Lease, Tenant shall pay to Landlord the sum of Two Thousand Four Hundred and Sixty-Six and 12/100 Dollars (\$2,466.12), equivalent to three times the Monthly Base Rent ("Security Deposit"), as security for the full and faithful performance by Tenant of the terms, provision, conditions, clauses, and covenants of this Lease. In the event that Landlord increases the Monthly Base Rent pursuant to Section 3.2, Tenant shall immediately deliver to Landlord an amount sufficient to increase the Security Deposit to the amount of the Monthly Base Rent, as adjusted. In the event Tenant defaults with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of Monthly Base Rent or any other amounts payable by Tenant to Landlord hereunder, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of such Monthly Base Rent or other amounts in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to cure any other default for any other loss or damage which Landlord may suffer by reason of Tenant's default including, but not limited to or repairing damages to the Leased Premises, the Building or other areas of the Airport or any portion thereof, caused by Tenant. If any portion of the Security Deposit is so used or applied, Tenant shall, upon demand, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to the amount of the current Monthly Base Rent and Tenant's failure to do so shall constitute a material breach of this Lease. Landlord shall not be required to keep the Security Deposit separate from its general accounts. If Tenant performs all of Tenant's obligations hereunder, the Security Deposit, or so much thereof as has not previously been applied by Landlord, shall be returned, without payment of interest for its use, to Tenant (or, at Landlord's election, to the last assignee, if any, of Tenant's interest hereunder) at the expiration of the term hereof, following Tenant's vacation of the Leased Premises in strict accordance with the provisions of this Lease. No trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit.

5. CONDUCT OF BUSINESS BY TENANT.

5.1 Principal Use of Airport. Tenant hereby acknowledges that the principal use of the Airport consists of the operation of a public airport and that all other businesses and operations which now are or hereafter permitted by Landlord, to be conducted on or at the Airport, including Tenant's use of the Leased Premises pursuant to this Lease, must be at all time compatible with such principal use, as Landlord, in its sole discretion, shall determine.

5.2 Authorized Use of Leased Premises. Tenant shall use the Leased Premises solely for the storage of parts, equipment and supplies in support of Tenant's Aircraft and Ground Equipment maintenance operation. Tenant shall not use the Leased Premises for any other use.

5.3 Licenses, Permits; Compliance with Laws. Tenant, at Tenant's own cost and expense, shall obtain and maintain in effect at all times during the term hereof all licenses, permits, certificates, approvals and other authorizations required by any federal, state, county, city or other governmental authority or agency having jurisdiction over Tenant, Tenant's business and operations, the Leased Premises, the Building or the other areas of the Airport, including, without limitation, all licenses, permits certificates, approvals and other authorizations required by the FAA. Without limiting the generality of the foregoing, Tenant shall comply with all applicable federal, state, county and city statutes, regulations, rules, ordinances and all orders of any department, bureau or agency or any governmental authority having jurisdiction over Tenant, Tenant's business and operations and the occupancy, maintenance and use of the Leased Premises for the purpose demised hereunder including, without limitation, the provisions of Section 24 and all rules and regulations promulgated by the FAA.

5.4 Restrictions On Use.

5.4.1 No Other Use. Tenant shall not use or permit the use of the Leased Premises for any purpose other than the purposes set forth in Section 5.2.

5.4.2 Manner of Use. Tenant shall not use or permit the use of the Leased Premises, the Building or any other areas of the Airport in any manner that will (i) tend to create or permit any waste or nuisance, (ii) tend to disturb other tenants, occupants, licensees, concessionaires or other users or customers of the Building or any other areas of the Airport, (iii) invalidate or cause the cancellation of or be in conflict with any fire or other hazard insurance policies covering the Airport, or (iv) increase the premiums for any fire insurance policies covering the Airport or any property located therein, over the premiums for such policies in effect on the Commencement Date hereof. Tenant, at its expense, shall comply with all rules, orders, regulations, or requirements of the National Board of Fire Underwriters, or any other similar body.

5.4.3 Vending Machines. Tenant shall not place any vending machines or vending devices in or on the Leased Premises without the prior written approval of Landlord.

5.4.4 Interference With Utilities, Police, Fire Fighting. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing or sewer systems, facilities or devices or portions thereof on or servicing the Leased Premises, the Building or elsewhere on the Airport, nor shall Tenant do or permit to be done anything which may interfere with free access or passage to the Leased Premises, the Building or the streets, roads, parking lots,

curb areas, entryways, exits, sidewalks adjoining the Building, the common use facilities of the Airport or the public areas adjacent thereto. In addition, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

5.4.5 Interference with Fire Exits. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of fire exits, elevators or escalators in or adjacent to Leased Premises, the Building or elsewhere at the Airport, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto.

5.5 Non-Discrimination and Affirmative Action. Tenant shall comply with the provisions of Exhibit "B" attached hereto and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Landlord from time to time. In addition, Tenant shall undertake an affirmative action program as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal regulations Part 152, Subpart E. Tenant agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said subpart. Tenant will require that its permitted subtenants, licensees or permittees will provide assurances to Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their licensees or permittees, as required by 14 Code of Federal regulations Part 152, Subpart E, to the same effect.

5.6 Compliance with FAA Grant Assurances and Airport Use. In connection with the ownership and use of the Airport by Landlord, Tenant hereby agrees as follows:

5.6.1 Development or Improvement of Landing Area. Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Tenant, and without interference or hindrance.

5.6.2 Maintenance of Landing Area and Public Facilities. Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair all common use facilities and publicly owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

5.6.3 Agreements with United States. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Landlord and the United States, or any lawful requirement of the United States, relative to the development, operation, or maintenance of the Airport.

5.6.4 Reservation of Rights. There is hereby reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises and the other areas of the Airport. This public right of flight shall include the right to cause within said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the Airport.

5.6.5 Height Restrictions. Tenant shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Leased Premises, the Building or elsewhere at the Airport in violation of federal height restrictions and obstruction criteria or any

more restrictive height restrictions and obstruction criteria established from time to time by Landlord. In the event the aforesaid covenants are breached, Landlord reserves the right to enter upon the Leased Premises, the Building or other areas of the Airport to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Tenant.

5.6.6 Interference with Aircraft. Tenant shall not make use of the Leased Premises or any other areas of the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event the aforesaid covenant is breached, Landlord reserves the right to enter upon the Leased Premises or any other areas of the Airport and cause the abatement of such interference, at the expense of Tenant.

5.6.7 Rights of United States. This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport, or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency or otherwise.

5.6.8 Unauthorized Access. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas, including, without limitation, the precautions established pursuant to Section 5.7.

5.7 Airport Security. Part X of Landlord's Airport Security Program, as the same may be modified or supplemented from time to time by Landlord or its staff in its sole and absolute discretion ("Security Requirements"), are an integral part of the Lease and hereby incorporated herein by this reference.

6. MAINTENANCE AND REPAIRS.

6.1 Landlord's Obligations.

6.1.1 Landlord Obligations. During the term of this Lease, Landlord shall keep and maintain in good condition and repair, reasonable wear and tear excepted, according to the standards established by Landlord, as the same may be changed at any time and from time to time, (i) the foundations, roof and other structural components of the Building, including the structural portions of the exterior walls of the Leased Premises, and (ii) all sprinklers, plumbing, sewer, electrical, water, gas, drains, heating, ventilating and air conditioning systems, facilities and equipment serving the Leased Premises, but only to the extent such systems, facilities or equipment are located within the Airport and only to the point of connection or distribution to the Leased Premises, as determined by Landlord, and are not located within any easement in favor of a municipal or public utility supplier; provided, however, that Landlord shall have no obligation to repair any damage to any of the foregoing to the extent caused by the willful or negligent act or omission, including, without limitation, any overuse or abuse, of Tenant or the agents, employees, or invitees of Tenant, which damage shall be repaired promptly by Tenant, at Tenant's sole cost and expense. Landlord shall have no obligation to commence any maintenance or repair required under this Section until thirty (30) days after the receipt by Landlord of written notice of the need for such maintenance or repair. Landlord shall not be liable to Tenant for any injury to or interference with Tenant, Tent's business and operations or use or occupancy of the Leased

Premises arising out of, resulting from, or relating to the performance of any maintenance or the making of any repairs.

6.1.2 Tenant Waiver. Except as provided in Section 6.1.1, Landlord shall have no obligation to maintain or make any repairs to the Leased Premises. Tenant hereby waives any and all rights provided in Section 1941 through Section 1942, inclusive of the Civil Code of California and hereby waives, to the extent permissible, any rights under other statutes or laws now or hereafter in effect which are contrary to the obligations of Landlord under Section 6.1.1, or which place obligations upon Landlord in addition to those provided in Section 6.1.1. Landlord shall not be liable to Tenant by reason of any injury to or interference with Tenant's business arising from or connected with the need for or the making of any repairs, alteration, or improvements to the Leased Premises.

6.2 Tenant's Obligations.

6.2.1 Maintenance. Except as expressly provided in Section 6.1.1 hereof, Tenant, at Tenant's sole expense, shall maintain the Leased Premises, in good order, condition, and repair and in a neat, attractive, sanitary condition, free from waste or debris according to standards established by Landlord (whether or not such part of the Leased Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such part of the Leased Premises) including, without limitation, all of the following: (i) all doors (including without limitation, roll-up doors), locks and replacement of light bulbs; (ii) all ceilings, floors, interior walls, non-structural components of exterior walls, store fronts, windows, doors, plate glass, showcases, skylights, entrances, and vestibules located within the Leased Premises, and (iii) trade fixtures, furniture and other personal property located in or used in the Leased Premises, including, without limitation, any and all alterations (as defined in Section 7.1). Tenant shall make any and all repairs required pursuant to this Section as and when the same become necessary to maintain the Leased Premises and every part thereof in good order condition and repair, but in no event later than thirty (30) days following the delivery to Tenant of the need for such repair, or immediately in the event of an emergency. All repairs to the Leased Premises made by Tenant as provided in this Lease shall be performed in accordance with all applicable statutes, regulations, rules and ordinances and all requirements and orders of any and all federal, state, county, city and other governmental authorities and agencies having jurisdiction with respect thereto and Tenant shall secure all licenses, permits, approvals and authorizations required with respect thereto.

6.2.2 Tenant Failure to Repair. In the event that Tenant fails to make any repair to the Leased Premises pursuant to Section 6.2.1 within thirty (30) days following the delivery to Tenant of written notice of the requirement therefore, or immediately in the event of any emergency, Landlord shall have the right, but not the obligation, at Landlord's option, to enter upon the Leased Premises and put the same in good order, condition and repair, and in a neat, attractive and sanitary condition, free from waste and debris, and the cost thereof shall become due and payable, upon demand, by Tenant to Landlord as additional rent under this Lease.

7. IMPROVEMENTS AND ALTERATIONS.

7.1 Construction. Tenant shall not, without in each instance obtaining the prior written consent of Landlord, which consent may be granted or withheld, in Landlord's sole discretion, construct, install or make any modifications, alterations, improvements, or additions ("Alterations") in, on or to the Leased Premises. Landlord may impose, as a condition of such consent, such requirements as to the contractor, time, manner, method, design and construction in which the Alterations shall be done as Landlord determines, in its sole discretion. No such Alterations shall be undertaken until Tenant shall have procured and paid for all permits, licenses, approvals and authorizations of all required governmental authorities and agencies having jurisdiction thereof. Prior to the commencement of any Alterations, Tenant shall comply with the rules and guidelines established by Landlord for such work pursuant to Landlord's policy on tenant improvements attached hereto as Exhibit "C", as the same may be amended from time to time. All plans shall be subject to Landlord's approval and, when required by the Airport Engineer, shall be prepared, stamped and signed by a California licensed architect or engineer. Engineers shall be licensed for the particular discipline required. No work required in connection with any Alterations shall commence prior to receiving written approval of Landlord. All work done in connection with any Alterations shall be done at Tenant's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with all applicable federal, state, county and city statutes, regulations, rules and ordinances and all orders of any and all governmental authorities having jurisdiction thereof. In order to expedite plan review and approval and to insure that the proposed Alterations will be compatible with the Airport uses, Tenant first shall submit to Landlord for approval a schematic or conceptual plan. Landlord shall have the right to inspect and reject any work not done in accordance with the plans and specifications, and Tenant shall immediately repair or remove such work in accordance with this Section. Within thirty (30) days following the completion of an Alterations, Tenant shall furnish to Landlord a set of "as built" plans and specifications.

7.2 Indemnity. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all responsibilities, liabilities, obligations, damages, injuries, claims, demands, losses, awards, judgments, costs or expenses, arising out of, resulting from, or relating to any and all Alterations constructed, installed or made by Tenant on, in or to the Leased Premises pursuant to Section 7.1 by virtue of Landlord's review of the plans and specifications relating thereto or otherwise. Tenant hereby assigns to Landlord any and all warranties or guaranties of contractors and subcontractors furnishing labor, materials, equipment and services in connection with the Alterations, which assignment shall be effective upon the expiration or earlier termination of the Lease.

7.3 Payment. Tenant shall pay, when due, all claims for labor, materials, equipment and services furnished or alleged to have been furnished to or for Tenant at or for use in the Leased Premises or any other areas of the Airport, which claims are or may be secured by any lien against the Leased Premises or the other areas of the Airport or any interest therein. In the event any such lien is filed against the Leased Premises or any other areas of the Airport, it shall be discharged by Tenant, at Tenant's expense, within (10) days after written notice thereof is delivered to Tenant. Landlord shall have the right to post such notices of non-responsibility as are provided for in the mechanics' lien laws of California.

7.4 Landlord's Property. Except for personal property and trade fixtures not permanently affixed to the Leased Premises, all Alterations, decorations, floor coverings, and fixtures made in, on, or to the Leased Premises by or on behalf of Tenant pursuant to Section 7.1,

upon the expiration or other termination of this Lease, shall become Landlord's property and shall be surrendered with the Leased Premises, unless Landlord shall elect otherwise not less than thirty (30) days prior to the expiration, or not more than ten (10) days after any other termination, of this Lease. In the event of such election, such Alterations, decorations, floor coverings and fixtures, made by or on behalf of Tenant in the Leased Premises, as Landlord may select, shall be removed by Tenant, at its sole cost and expense, at or prior to the expiration of the term of this Lease, the Leased Premises shall be restored and repaired to the condition existing as of the Commencement Date, subject to reasonable wear and tear, casualty and damage by the elements. In the event of the termination of this Lease prior to the expiration of the term hereof, any such removal shall be accomplished within thirty (30) days after such termination.

8. INSURANCE; INDEMNITY; WAIVERS.

8.1 Tenant Requirements.

8.1.1 General. Tenant, at all times during the term hereof and at Tenant's sole cost and expense, shall maintain in effect the policies of insurance with limits of liability as provided in this Section 8.1.1.

8.1.2 Commercial General Liability Insurance. A policy of commercial general liability insurance written on an occurrence basis covering the liability of Tenant and Landlord arising out of, resulting from or relating to injuries to or death of persons and damage to or loss of property occurring on, in, under or about the Leased Premises in the minimum amount of Five Million Dollars (\$5,000,000) per occurrence for bodily injury, including death, or property damage.

8.1.2.1 Fire Insurance. A policy or policies of hazard insurance insuring against loss or damage to or destruction of (i) Tenant's fixtures, Alterations, personal property and equipment located in, on, or at the Leased Premises in an amount not less than one hundred percent (100%) of their replacement value, and (ii) all plate glass in the Leased Premises, on an all risk basis.

8.1.2.2 Workers' Compensation Insurance. Statutory workers' compensation insurance and employers' liability coverage in the minimum amount of One Million Dollars (\$1,000,000) covering Tenant's liability for its business and operations at the Leased Premises.

8.1.2.3 Motor Vehicle Liability. Motor vehicle liability insurance coverage, including hired and non-owned vehicle coverage, which provides public liability and property damage liability coverages of not less than Five Million Dollars (\$5,000,000) per occurrence for bodily injury, including death, or property damage occurring as a result of the ownership, use or operation of motor vehicles in connection with Tenant's business and operations at the Leased Premises.

8.1.3 Adjustment of Insurance Coverage and Limits. Landlord may add to or change the types or coverages of insurance or the minimum limits of liability required to be maintained by Tenant pursuant to Section 8.1.1 by written notice to Tenant of such additions or changes. If Tenant elects not to maintain such additional or changed insurance or limits of liability, Tenant may terminate this Lease in its entirety by written notice of termination given to Landlord

prior to the expiration of said thirty (30) days. If Tenant does not terminate this Lease, Tenant shall obtain such additional or changed types of insurance or coverages or shall increase its insurance limits of liability as may be required by Landlord and failure to do so shall be an event of default under Section 12.1.5.

8.1.4 Policy Requirements. Each insurance policy required to be maintained by Tenant pursuant to Section 8.1.1 (i) shall be obtained from an insurance company authorized to conduct business in the State of California and having a rating of not less than A VII in A.M. Best's Insurance Guide; (ii) except for workers' compensation, shall name Landlord as a named additional insured; and (iii) shall provide that Landlord given at least thirty (30) days' prior written notice of the termination, cancellation or amendment thereof. Concurrently with the execution and delivery of this Lease, Tenant shall furnish to Landlord a certificate or copy of each such insurance policy and prior to the expiration, cancellation or termination thereof, Tenant shall deliver to Landlord certificates or copies of any and all extensions, renewals or replacements thereof. Tenant may satisfy the insurance requirements under the Concession Agreement by maintaining policies which cover both the Leased Premises and the premises leased under the Concession Agreement.

8.1.5 No Limitation of Liability. Tenant acknowledges and agrees that the limits of liability provided in the insurance policies maintained by Tenant pursuant to Section 8.1.1 shall in no event be considered as limited the liability of Tenant under this Lease.

8.2 Indemnification. Tenant shall defend, indemnify and hold harmless Landlord and its commissioners, officers, employees, agents and contractors, from and against any and all claims, demands, actions, suits, proceedings, damages, losses, liabilities, obligations, costs and expenses, including, without limitation, attorneys' fees, arising out of, resulting from or relating to the use or occupancy of the Leased Premises, the Building or any other areas of the Airport by Tenant and its directors, officers, partners, employees, agents, representatives, contractors and customers, except to the extent legally caused by the active negligence or willful misconduct of Landlord.

8.3 Exemption of Landlord from Liability. Tenant, on behalf of itself and its directors, officers, partners, employees, agents, representatives, contractors and customers hereby waives all claims against Landlord, and Landlord shall not be liable, for any injury or death to persons or any damage or loss to any property in, on, or about the Leased premises, the Building or any other areas of Airport, arising out of, resulting from or relating to (i) latent or patent defects in the construction or condition of the Leased Premises, the Building or any other areas of the Airport; (ii) Acts of God; (iii) fire, steam, electricity gas, water, or rain which may leak or flow from or into any part of the Leased Premises, the Building or any other areas of the Airport; (iv) riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief; (v) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Leased Premises, the Building or any other areas of the Airport; (vi) the use or occupancy of the Leased Premises, the Building or any other areas of the Airport by Tenant or any of its directors, officers, partners, employees, agents, representatives, contractors and customers, whether said damage or injury results from conditions arising upon the Leased Premises, the Building or upon other areas of the Airport, or from other sources; or (vii) any damage or loss arising from any act or neglect of any other tenant, licensee, concessionaire or customer of the Airport.

9. **ASSIGNMENT AND SUBLETTING.** Tenant shall not voluntarily or by operation of law assign, sublet, transfer or mortgage, hypothecate, grant a security interest in or otherwise encumber all or any part of Tenant's rights or interest in or to this Lease or the Leased Premises. Any attempted assignment, subletting, transfer, mortgage, hypothecation, grant of a security interest in or other encumbrance in violation of this Section shall be wholly void and of no force or effect. For the purposes of this Section, if Tenant is a corporation any attempted assignment, subletting, transfer, mortgage, hypothecation, grant of a security interest in or other encumbrance or other event which results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record to less than a majority of any class of voting stock of Tenant, or if Tenant is a partnership, any assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance of a partnership interest or interests or other event which results, or upon foreclosure would result, in the reduction of the profit and loss participation of the present general partners to less than fifty-one percent (51%) or if Tenant is a corporation, partnership, trust or other entity, any change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity, shall be deemed to be a prohibited assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section.

10. **EMINENT DOMAIN.**

10.1 **Entire or Substantial Taking.** In the event that the entire Leased Premises, or so much thereof as to make the balance not reasonable adequate for the conduct of Tenant's business, shall be taken under the power of eminent domain, this Lease automatically shall terminate as of the date of the vesting of title in such condemning entity.

10.2 **Awards.** Any award for any taking of all or any part of the Leased Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business, provided, however, that in determining the value of Tenant's business, all goodwill attributable to the location of the business shall belong to Landlord and Tenant's business shall be valued based solely upon its operating results.

10.3 **Condemnation by Landlord.** Nothing in this Lease shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord.

11. **SUBORDINATION.**

11.1 **Subordination.** This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interest now or hereafter affecting the Leased Premises, the Building or the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof. Tenant shall execute and deliver to Landlord or any other party requiring such subordination, within ten (10) calendar days following its receipt, any and all documents which may be required to effectuate such subordination. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a mortgagee, beneficiary, bond trustee, secured party or other lien holder, so long as such amendment, alteration or modification does not cause Tenant material financial loss, and that

Tenant's written consent to any such amendment, alteration or modification shall not be unreasonably withheld or delayed. Tenant shall give prompt written notice to each mortgagee, beneficiary, bond trustee, secured party or other lien holder, of which Tenant has written notice, of any default of Landlord, and Tenant shall allow such mortgagee, beneficiary, bond trustee, secured party or lien holder a reasonable length of time (in any event, not less than thirty (30) days from the date of such notice) in which to cure such default.

11.2 Attornment. In the event that any mortgage, deed of trust, bond indenture, security interest, lien or other encumbrance is foreclosed, Tenant, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Leased Premises, agrees to enter into a new Lease covering the Leased Premises for the remainder of the term of this Lease, on the same provisions herein provided. Alternatively, upon such foreclosure, Tenant shall, upon written request, attorn to the purchaser and recognize the purchaser as Landlord under this Lease.

12. DEFAULTS AND REMEDIES.

12.1 Default by Tenant. Any of the following shall constitute an event of default by Tenant under this lease:

12.1.1 Bankruptcy, Insolvency or Receivership. The consent of Tenant to the appointment of a receiver, trustee or liquidator of all or a substantial portion of Tenant's assets; or (ii) the adjudication of Tenant as a bankrupt or insolvent; or (iii) the filing by Tenant of a voluntary petition in bankruptcy; or (iv) the admittance by Tenant in writing of Tenant's inability to pay its debts as they become due; or (v) the failure by Tenant to pay its debts as they become due; or (vi) the making by Tenant of a general assignment for the benefit of creditors; or (vii) the filing by Tenant of a petition or answer seeking reorganization or arrangement with creditors; or (viii) the taking by Tenant of advantage of any insolvency law; or (ix) the entrance of any order, judgment or decree upon an application a creditor of Tenant by a court of competent jurisdiction approving a petition seeking appointment of a receiver, trustee or assignee of all or a substantial part of Tenant's assets, when such order, judgment or decree is not vacated within thirty (30) days.

12.1.2 Assignment, Subletting or Encumbrance. An attempted assignment, transfer, mortgage, grant of a security interest in, hypothecation or other encumbrance by Tenant of Tenant's rights or interests in this Leased or in the Leased Premises in violation of Section 9.

12.1.3 Abandonment or Termination. The vacation or abandonment by Tenant of the Leased Premises, or the termination of Tenant's right to possession by operation of law or as herein set forth, except in conjunction with the exercise by Tenant of any express right of Tenant to terminate this Lease.

12.1.4 Nonpayment of Rent. The failure by tenant to pay any installment of Monthly Base Rent, any additional rent, or any other sum due hereunder when due and payable, when such failure to pay continues for ten (10) days following the due date thereof.

12.1.5 Insurance. Failure to maintain the insurance required by Section 8.1.

12.1.6 Other. The breach of or failure to perform by Tenant of any representation, warranty, covenant or agreement under this Lease, other than those described in Sections 13.1.1

through 13.1.5, (i) after the delivery to Tenant of written notice thereof and Tenant's failure to cure such breach or failure within thirty (30) days following the delivery of such written notice; provided, however, in the event that the nature of Tenant's obligation is such that more than thirty (30) days are required for its performance, Tenant shall not be deemed to be in default if Tenant shall commence such performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion; or (ii) immediately in the event of an emergency.

12.2 Remedies. Upon the occurrence of any event of default under this Lease, Landlord, at its option and election, and without further demand or notice, shall have the right to declare this Lease, including the leasehold estate in the Leased Premises, ended and terminated, to re-enter the Leased Premises, to remove and eject all persons therefrom, to take possession thereof, and to enjoy the Leased Premises, together with all additions, Alterations and improvements thereto, and Landlord shall have all of the rights and remedies of a landlord provided in Sections 1951.2 and, if applicable, 1995.320 through 1995.340, inclusive, of the California Civil Code, which Sections are incorporated herein by this reference as though set forth in full. In computing Landlord's damages pursuant to Sections 1951.2(1) and (2) of the Civil Code, the "worth at the time of award" shall be computed by allowing interest at a rate of ten percent (10%) per annum. The amount of damages which Landlord may recover in the event of such termination shall include the worth at the time of the award of the amount by which the unpaid rent and other amounts required to be paid by Tenant pursuant to this Lease for the balance of the term after the time of award exceeds the amount of such losses that Tenant proves could be reasonably avoided, computed in accordance with Civil Code Section 1951.2(4) (b), plus reasonable attorneys' fees and leasing commissions. In the event that Landlord may have reentered the Leased Premises after an event of default hereunder without having declared this Lease terminated, Landlord shall have the right at any time thereafter to elect to terminate this Lease and all of the rights and remedies of Tenant in and to the Leased Premises as provided herein.

12.3 Personal Property. In the event of a default hereunder, all of Tenant's fixtures, furniture, equipment, improvements, additions, alterations, including Alterations, and other personal property shall remain on the Leased Premises, and Landlord shall have the right to take exclusive possession of same and to use the same, rent or charge free, until all defaults are cured, or, at its option, at any time during the term of this Lease, to require Tenant to forthwith remove to same.

12.4 Waiver. Tenant hereby waives all claims and demands against Landlord for damages or loss arising out of or in connection with any lawful re-entering and taking possession of the Leased Premises.

12.5 Waiver of Redemption. In the event of the lawful exercise by Landlord of any one or more of its rights and remedies under this Section 11, Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future laws, and further release Landlord, from any and all claims, demands and liabilities by reason of such exercise by Landlord.

12.6 Cumulative Remedies. The various rights, options, elections, powers and remedies reserved to Landlord herein shall be cumulative, and, except as otherwise provided by statute, Landlord may pursue any or all such rights and remedies, whether at the same time or otherwise, and no single right shall be deemed to be exclusive of any of the other or of any right or priority

allowed by law or in equity. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of any such right or remedy or waiver of any default by Tenant. In addition to the foregoing, Landlord may exercise any other remedy now or hereafter available to a landlord against a defaulting tenant under the laws of the State of California.

12.7 Termination of Landlord Liability. Landlord shall be under no obligation to observe or perform any covenant of this Lease on its part to be observed or performed for the benefit of Tenant, which accrues after the date of any event of default by Tenant.

12.8 Determination of Rental Amount. For the purposes of this Section 11, the Monthly Base Rent and other amounts due hereunder for any calendar month after re-entry by Landlord, or termination of the Lease by Landlord pursuant to Section 11.2, shall be deemed to be the Monthly Base Rent and other amounts which shall have been payable for the month prior to the month of default.

12.9 Default by Landlord. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation with thirty (30) days following the delivery by Tenant to Landlord of written notice specifying the obligation Landlord has failed to perform; provided, however, in the event that the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

13. SURRENDER BY END OF TERM. Upon the termination of this Lease, Tenant shall quit and surrender the Leased Premises to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and, except as otherwise provided in this Lease, Tenant shall remove all of its property and shall promptly repair any damages to the Leased Premises caused by such removal. Tenant's obligation to perform this covenant shall survive the expiration or other termination of the term hereof.

14. COMMON USE FACILITIES.

14.1 Common Use Facilities. In conjunction with Tenant's use of the Leased Premises, and solely for the purposes hereinbefore set forth in this Lease, Tenant is hereby granted the nonexclusive right during the term of this Lease to enter upon or make customary and reasonable use of such areas of the Building and the other areas of the Airport as Landlord may from time to time designate as "common use facilities." Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use such facilities and shall be in strict compliance with all laws, rules, directions and orders of Landlord applicable thereto.

14.2 Public Areas. During the term of this Lease, Tenant, and its officers, directors, employees, agents, representatives, customers, passengers, guests and invitees, shall be entitled to use all public areas located in the Building, and the other areas of the Airport, in common with Landlord and with other persons authorized by Landlord from time to time to use said facilities.

14.3 Restrictions on Use. Landlord reserves the right, in its sole discretion, to make changes at any time and from time to time in the size, shape, location, number and extent of all

areas of the Airport, including all common use facilities and public areas, or any of them, and specifically further reserves the right to designate portions of the common use facilities and public areas for the use of certain tenants of the Airport.

14.4 Parking. Notwithstanding that Landlord may lease parking spaces to employees of Airport tenants, as such parking spaces may be available, it is expressly understood and agreed that Landlord is not responsible or obligated to provide Tenant or its officers, directors, its employees, agents, representatives, contractors, licensees, invitees or permittees, with any parking spaces within the Airport or otherwise, as an appurtenance to this Lease. Tenant shall be solely responsible for arranging any and all necessary parking incidental to this Lease.

15. SERVICES.

15.1 Services. In the event that Landlord provides other additional services with respect to the Leased Premises, the common use facilities or other areas of the Airport, including, but not limited to, security, janitorial, maintenance and repair service, Tenant shall pay its proportionate share, determined by Landlord, in its sole discretion of all charges therefore within fifteen (15) days following receipt of a statement for said additional services.

15.2 Fire and Security. Landlord is not obligated to Tenant to furnish any fire fighting services or security services to the Leased Premises. Tenant shall maintain its own security services for the Leased Premises and agrees that the maintenance by Landlord of either security or fire fighting services shall not constitute a waiver of this provision. Tenant acknowledges that the Leased Premises are within the municipal service area of the City of Burbank.

15.3 Landlord Not Responsible. Landlord shall not be liable in damages or otherwise for any failure to interruption of any services, or of any utilities to the Leased Premises, and no such failure or interruption shall entitle Tenant to terminate this Lease or to an abatement of rent. Landlord shall not be liable to Tenant under any circumstances for damage or loss of Tenant's property, injury to person or property, or consequential damages, however occurring, through, in connection with, or incidental to failure to furnish any of the foregoing.

16. QUIET ENJOYMENT. Upon paying the rent and other sums due hereunder and observing and performing all the provisions on Tenant's part to be observed and performed pursuant to this Lease, Tenant may peaceably and quietly enjoy the Leased Premises, subject, nevertheless, to the provisions of this Lease and to any mortgages, deeds of trust, bond indentures, security interests, liens and other encumbrances secured by the Airport or its revenues.

17. ATTORNEYS' FEES AND COSTS. In the event any action or proceeding is brought by either party against the other under this Lease (including in any bankruptcy proceeding), the prevailing party shall be entitled to recover its costs, and, for the fees of its attorneys in such action or proceeding, in such amount as the Court may adjudge reasonable as attorneys' fees (including in any bankruptcy proceeding).

18. TRANSFER OF LANDLORD'S INTEREST. In the event of any transfer of Landlord's interest in the Leased Premises, the transferor automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer.

19. LEASE INTERPRETATION.

19.1 Incorporation of Prior Agreements; Amendments. This Lease contains the entire agreement between the parties hereto, and no prior agreement or understanding shall be effective for any purpose all of which, if any, are hereby terminated or rescinded, except as to provisions which are expressly stated to survive termination and any indemnity or insurance obligation in favor of Landlord. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Lease which Landlord determines is necessary or advisable in order to comply with applicable laws, rules and resolutions of Landlord in effect from time to time.

19.2 No Representations by Landlord. Tenant acknowledges that neither Landlord nor any of Landlord's agents, representatives, employees or officers have made any representations or promises with respect to the Airport or the Leased Premises, except as herein expressly set forth. Tenant acknowledges that it has not executed this Lease in reliance upon any representations or promises of Landlord or Landlord's commissioners, officers, employees, agents or representatives, with respect to the Airport or the Leased Premises, except as herein expressly set forth.

19.3 Examination of Lease. Submission of this Lease for examination or signature by Tenant does not constitute a reservation of or option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

19.4 Relationship Between Parties. Nothing contained in this Lease shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto, other than the relationship of Landlord and Tenant.

20. WAIVERS. The waiver by either party of any provision of this Lease shall not be deemed to be a waiver of any other provision hereof or of any subsequent breach of any other provision hereof or of any subsequent breach of the same or any other provision. Landlord's consent to any act by Tenant requiring Landlord's consent shall not be deemed to render unnecessary the obtaining of Landlord's consent to any subsequent act by Tenant, whether or not similar to the act so consented. 'The subsequent acceptance of any rent or any other amount due from Tenant hereunder by Landlord shall not be deemed to be a waiver of any preceding breach or event of default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount.

21. PERFORMANCE OF TENANT'S COVENANTS BY LANDLORD. In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for at least five (5) calendar days after written notice thereof from Landlord to Tenant (but no notice shall be required in an emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand without waiving or releasing Tenant from any obligation to Landlord, to make such payment or perform such other act for the account of Tenant, to the extent Landlord may deem desirable. In connection therewith, Landlord may pay expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Lease. All sums so paid by Landlord and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 3.7 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the

event such additional amounts remain unpaid, Landlord shall have the same rights and remedies as for the nonpayment of rent.

22. SUCCESSORS AND ASSIGNS. The provisions contained in this Lease shall bind and inure to the benefit of Landlord, Tenant and, except as otherwise provided in this Lease, their respective successors and assigns.

23. RULES AND REGULATIONS. Tenant shall comply with all uniform rules and regulations established by Landlord for use of the Airport, the Building or the Leased Premises, as the same may be amended from time to time by Landlord. Landlord shall provide Tenant with a copy of all such rules and regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other tenant, occupant, licensee, concessionaire or other user of the Airport of any of said rules and regulations.

24. TOXIC MATERIALS.

24.1 Prohibited Without Consent. Tenant shall not cause or permit any Toxic Materials (as defined in Section 24.2) to be brought onto, stored, used or disposed of in, on or about the Leased Premises by Tenant, its agents, employees, contractors, licensees, subtenant or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold or delay so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to Tenant's business and will be stored, used and disposed of in a manner that complies with all Environmental Laws (as defined in Section 24.2).

24.2 Compliance with Environmental Laws. Tenant shall comply, at its sole cost, with all federal, state and local laws and governmental orders applicable to all Toxic Materials and to the lawful conduct of Tenant's business. The term "Toxic Materials" means any hazardous or toxic materials, pollutants, effluents, contaminants, radioactive materials flammables, explosives, pesticides, chemicals known to cause cancer or reproductive toxicity, emissions, wastes or any other chemicals, materials or substances, whose handling, storage, release, transportation or disposal is or becomes prohibited, limited or regulated by any federal, state, county, regional or local Landlord or, even if not so regulated, is or becomes known to pose a hazard or potential threat to the health and safety of any person or to the environment. The term "Environmental Laws" means any and all laws, rules, regulations, judgments, orders, permits, licenses, agreements, covenants, restrictions, requirements, policies or the like enacted now or hereafter by federal, state, regional or local governments, agencies or authorities relating to or governing in any way the environmental condition of soil, air, water, groundwater or the presence of Toxic Materials in or affecting all or any portion of the Leased Premises or any other areas of the Airport.

24.3 Indemnity. Tenant shall be solely responsible for and shall indemnify, hold harmless and defend Landlord, its commissioners, officers, employees and agents, and the Cities of Burbank, Glendale, and Pasadena, California, from and against any and all liabilities, claims, costs, penalties, fines, losses (including without limitation, (i) diminution in value of the Airport, the Leased Premises, the Building or any other areas of the Airport or any improvements thereon; (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, the Leased Premises, the Building or any other areas of the Airport or any improvements thereon; (iii) damages arising from any adverse impact on marketing of space in the Airport, the

Leased Premises, the Building or any other areas of the Airport or any improvements therein; and (iv) sums paid in settlement of claims), liabilities, losses, damages, injuries, causes of action, judgments, and expenses (including, without limitation, attorneys' fees, consultant fees and expert fees), which arise during or after the term of this Agreement as a result of the receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Toxic Materials in, on or about the Leased Premises, the Building or any other areas of the Airport by Tenant or its agents, employees, contractors, licensees, subtenants or invitees. The foregoing indemnification by Tenant includes, without limitation, any and all costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work necessary to bring the Leased Premises, the Building or any other areas of the Airport into compliance with the Environmental Laws or required by a federal, state or local governmental agency or political subdivision because of Toxic Materials present in the soil, subsoils, groundwater or elsewhere from, in, on, under or about the Leased Premises, the Building or any other areas of the Airport. The indemnification by Tenant under this Section shall survive the termination of this Agreement.

24.4 Prohibited Substances. The following substances are strictly prohibited from being brought onto the Leased Premises, the Building or any other areas of the Airport in any quantities whatsoever: (i) arsines; (ii) dioxins, including dioxin precursors and intermediates; (iii) polychlorinated biphenyls; and (iv) anything contained in the California List of Extremely Hazardous Chemicals.

25. MISCELLANEOUS.

25.1 Offset Statement.

25.1.1 Delivery. Tenant shall from time to time, upon not less than ten (10) days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing:

25.1.1.1 Certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect);

25.1.1.2 Setting forth the dates to which the rent and other charges, if any, are paid; and

25.1.1.3 Acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder (or specifying such defaults if any are claimed.)

25.1.2 Reliance. Any such statement may be relied upon by any encumbrancer of the Leased Premises or of all or any portion of the Airport. Tenant's failure to deliver such statement within such time shall be conclusive evidence upon Tenant that:

25.1.2.1 This lease is in full force and effect, without modification except as may be represented by Landlord;

25.1.2.2 There are no uncured defaults in Landlord's performance; and

25.1.2.3 Not more than one month's installment of the rent has been paid in advance.

25.2 Headings. The section headings, paragraph captions and marginal headings contained in this Lease are for convenience only and shall have no effect in the construction or interpretation of any provision hereof.

25.3 Notices. Whenever notice is to be given under the terms of this Lease, it shall be personally delivered or be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To Landlord:

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
2627 Hollywood Way
Burbank, CA 91505
Attn: Executive Director

To Tenant:

Airline Tech Reps, LLC
2000 NE Jensen Beach Blvd.
Jensen Beach, Florida 34957
Attn: Mark Smith

In the event a different address is furnished by either party to the other party in writing, notices shall thereafter be sent or delivered to the new address. Any such notice shall be deemed given as of the date of personal delivery or forty-eight hours after it is mailed, except that a notice of a change in address shall be deemed given as of the date of receipt thereof. A notice given in any other manner shall be deemed given as of the date it is actually received by the party for whom intended. It is recognized that Landlord may employ a manager or operator of the Airport, as an agent of Landlord, and any notices to Landlord hereunder shall be given to both Landlord and any such manager or operator.

25.4 Brokers. Tenant warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease, and Tenant agrees to defend, indemnify and hold Landlord harmless from any claim for any compensation, commission or other charge by any finder or any other real estate broker or agent.

25.5 Recording. Tenant shall not record this Lease without the prior written consent of Landlord. In the event Landlord consents to recordation of this Lease or a memorandum thereof, any documentary transfer taxes shall be paid by Tenant.

25.6 Governing Law. This Lease be governed by and construed pursuant to the law of the State of California.

25.7 Time of Essence. Time is of the essence of this Lease.

25.8 Signs. Tenant shall not, without the prior written consent of Landlord, install or affix any signs or advertisements on or to the exterior of the Leased Premises or the Airport.

IN WITNESS WHEREOF, this Lease has been executed by the undersigned as of the date first set forth above.

LANDLORD:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY, a Joint Power Authority

BY: _____
PRINT NAME: _____
TITLE: _____

TENANT:

AIRLINE TECH REPS, LLC
(dba "STS Line Maintenance")


BY:  _____
Mark Smith,
President

EXHIBIT A

DESCRIPTION OF PREMISES

(See attached diagram.)



EXHIBIT B

FAA GRANT AGREEMENT ASSURANCES

NONDISCRIMINATION

A. Tenant, for itself, its representatives, successors in interest, and permitted assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

B. Tenants for itself and its representatives, successors in interest and permitted assigns as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. No person on the ground of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

2. In the construction of any Improvements on, over or under the Leased Premises, if allowed, and the furnishings of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

3. Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

C. In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Lease and to re-enter and to repossess the Leased Premises, and hold the Leased Premises as if this Lease had never been made. This provision does not become effective until the procedures of 49 Code of Federal Regulations Part 21 are followed and completed, including expiration of appeal rights.

D. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

E. Noncompliance with Provision D, above shall constitute a material breach hereof and in the event of such noncompliance Landlord shall have the right to terminate this Lease and the estate hereby created without liability therefor or, at the election of Landlord or the United States, either or both thereof shall have the right to judicially enforce Provisions A, B, C and D above.

F. Applicant agrees that it shall insert the above five provisions in any Permitted Lease, license or agreement by which said Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or service to the public at the Leased Premises.