



June 2, 2022

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

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, June 6, 2022, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

Pursuant to Government Code Section 54953(e), members of the Commission may participate in this meeting via teleconference. In the interest of maintaining appropriate social distancing, a physical location is not being provided for the public to attend or comment. Members of the public may observe the meeting telephonically and may offer comment in real time through the following number:

Dial In: (818) 862-3332

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

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Airport Skyroom

Regular Meeting of Monday, June 6, 2022

9:00 A.M.

The public comment period is the opportunity for members of the public to address the Commission on agenda items and on airport-related non-agenda matters that are within the Commission's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.



When in-person attendance or participation at meetings of the Commission is allowed, members of the public are requested to observe the following rules of decorum:

- *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 Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Commission's subject matter jurisdiction.*
- *Limit comments to five minutes or to such other period of time as may be specified by the presiding officer.*



The following activities are prohibited:

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*



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 N. 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.

AGENDA

Monday, June 6, 2022

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
 - a. Committee Minutes
(For Note and File)
 - 1) Operations and Development Committee
(i) May 2, 2022 ***[See page 1]***
 - 2) Legal, Government and Environmental Affairs Committee
(i) May 2, 2022 ***[See page 3]***
 - b. Commission Minutes
(For Approval)
 - 1) May 16, 2022 ***[See page 5]***
 - 2) May 2, 2022 ***[See page 11]***
 - c. Treasurer's Report
 - 1) March 2022 ***[See page 15]***
 - d. Determinations Regarding AB 361 Findings for
Special Brown Act Requirements for
Teleconference Meetings ***[See page 44]***
6. ITEMS FOR COMMISSION APPROVAL
 - a. Delux Public Charter Hangar Lease ***[See page 46]***
Ameriflight Sublease Consent and Hangar Lease Amendment
 - b. Review of the Proposed Fiscal Year 2022/2023 ("FY 2023") ***[See page 50]***
Annual Budget; and Proposed Resolution 494, A Resolution
of the Burbank-Glendale-Pasadena Airport Authority
Commission Adopting the Fiscal Year 2022/2023 ("FY 2023")
Annual Budget

7. CLOSED SESSION

a. THREAT TO PUBLIC SERVICES OR FACILITIES

(California Government Code Section 54957(a))

Consultation with Director of Public Safety

b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(California Government Code Section 54956.9(d)(1))

Name of Case: City of Los Angeles v. FAA et al. (Case No. 21-71170)

Name of Case: Burbank-Glendale-Pasadena Airport Authority v. California High Speed Rail Authority (Case No. 34-2022-80003821).

8. EXECUTIVE DIRECTOR COMMENTS

9. COMMISSIONER COMMENTS

(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a future meeting.)

10. ADJOURNMENT

COMMISSION NEWSLETTER

Monday, June 6, 2022

[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. COMMITTEE MINUTES. Approved minutes of the Operations and Development Committee meeting of May 2, 2022; and approved minutes of the Legal, Government and Environmental Affairs Committee meeting of May 2, 2022, are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. Draft minutes of the May 2, 2022, and May 16, 2022, Commission meetings are attached for the Commission's review and approval.
- c. TREASURER'S REPORT. The Treasurer's Report for March 2022 is included in the agenda packet. At its meeting on May 16, 2022, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission note and file this report.
- d. DETERMINATIONS REGARDING AB 361 FINDINGS FOR SPECIAL BROWN ACT REQUIREMENTS FOR TELECONFERENCE MEETINGS. A staff report is included in the agenda packet. Staff has placed this item on the agenda to give the Commission an opportunity to make the findings specified in AB 361 (2021) for special Brown Act requirements for teleconference meetings. These special requirements give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or an in-person meeting would present imminent risks to the health and safety of attendees.

6. ITEMS FOR COMMISSION APPROVAL

- a. DELUX PUBLIC CHARTER HANGAR LEASE – AMERIFLIGHT SUBLEASE CONSENT AND HANGAR LEASE AMENDMENT. A staff report is included in the agenda packet. At its meeting on May 16, 2022, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve of the following interrelated contract documents involving two tenants, Ameriflight, LLC ("Ameriflight") and Delux Public Charter, LLC ("Delux"), located in the southwest quadrant of the Airport: 1) Aviation Hangar Lease with Delux to provide for a lease of Hangar 2 until May 31, 2025, with a one-year extension option; 2) Consent to Sublease for Ameriflight's amended and restated sublease of ramp and automobile parking lot space to Delux; and, 3) Amendment No. 1 to the Aviation Hangar Lease with Ameriflight to extend the term to January 31, 2028, memorialize that the area subleased by Delux may be used for Delux's enplanement and deplanement operations, and incorporate Air Quality Improvement Plan measures.

- b. REVIEW OF THE PROPOSED FISCAL YEAR 2022/2023 ("FY 2023") ANNUAL BUDGET, AND PROPOSED RESOLUTION NO 494, A RESOLUTION OF THE BURBANK-GLENDALE-PASADENA AUTHORITY COMMISSION ADOPTING THE FISCAL YEAR 2022/2023 ("FY 2023") ANNUAL BUDGET. A staff report is included in the agenda packet. At the May 25, 2022, Finance and Administration Committee special meeting, the Committee voted unanimously (3-0) to recommend to the Commission that it adopt the proposed FY 2023 Budget. Staff seeks Commission approval of the attached Resolution No. 494, which adopts the proposed Fiscal Year 2022/2023 ("FY 2023") budget. This proposed budget provides a comprehensive balanced financial program which identifies all anticipated expenditures for the next year including the estimated Operations and Maintenance expenditures, the proposed Facility Improvement (Capital) Program and utilization of Federal Relief grant funds. The budget identifies all proposed funding sources as detailed in the Sources of Funds Summary section of the attached documents.

Enclosed in the agenda packet is a workbook which provides detailed information regarding the proposed FY 2023 financial budget program.

**MINUTES OF THE REGULAR MEETING OF THE
OPERATIONS AND DEVELOPMENT COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, MAY 2, 2022

A regular meeting of the Operations and Development Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:30 a.m., by Commissioner Devine.

1. ROLL CALL

Present: Commissioners Devine (via teleconference) and Commissioner Dyson

Absent: Commissioner Hampton

Also Present: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Anthony Defrenza, Director of Engineering and Maintenance

2. Approval of Agenda

The agenda was approved as submitted.

3. Public Comment

There were no public comments.

4. Approval of Minutes

a. March 21, 2022

The draft minutes of the March 21, 2022, Committee meeting were included in the agenda packet for review and approval. Due to lack of a quorum, Staff suggested that this item be brought back to the Committee at its next meeting. There were no objections from the Commissioners.

The draft minutes of the March 21, 2022, Committee meeting will be presented for review and approval at the Committee meeting on May 16, 2022.

5. Items for Approval

a. Award of Construction Contract, Award of Professional Services Agreement, and Approval of Project Budget for Taxiway C and Shoulders Rehabilitation Project Number (E21-01)

Staff sought a Committee recommendation to the Commission for approval of the following actions:

- i) Award a construction contract in the amount in the amount of \$3,065,000 to Sully-Miller Contracting Company for the Taxiway C and Shoulders Rehabilitation Project;
- ii) Award a professional services agreement in the amount of \$166,319 to RDM International, Inc. for engineer of record services, onsite technical services, and material testing;

- iii) Authorize a project budget for construction management contract administration and field observation for a not-to-exceed amount of \$83,681; and,
- iv) Authorize a project contingency of \$75,000.

Motion

Commissioner Dyson moved approval of Staff's recommendation with a request that Staff addresses his concerns regarding truck traffic, material sourcing and recycling, and environmental impacts for construction projects in future staff reports. Commissioner Devine (via teleconference) seconded the motion.

Motion Approved

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (2-0, 1 absent).

6. Items for Information

a. Committee Pending Items

Staff informed the Committee of future pending items that will come to the Committee for review.

7. Adjournment

There being no further business, the meeting adjourned at 8:45 a.m.

**MINUTES OF THE REGULAR MEETING OF THE
LEGAL, GOVERNMENT AND ENVIRONMENTAL AFFAIRS COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, MAY 2, 2022

A regular meeting of the Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 11:32 a.m., by Commissioner Agajanian.

1. ROLL CALL

Present: Commissioners Agajanian (via teleconference), Williams (via teleconference) and Gabel-Luddy (via teleconference)

Absent: None

Also Present: Staff: Frank Miller, Executive Director;
Patrick Lammerding, Deputy Executive Director,
Planning and Development

Authority Counsel: Chelsea Straus of Richards,
Watson & Gershon

Airport Authority Consultant: Lisa Trifiletti and
Tami McCrossen-Orr of Trifiletti Consulting, Inc.

2. Staff Announcement: AB 23

The Assistant Board Secretary announced that, as a result of the convening of this meeting of the Legal, Government and Environmental Affairs Committee, each Committee member in attendance is entitled to receive and shall be provided \$200.

3. Approval of Agenda

Commissioner Gabel-Luddy moved approval of the agenda, seconded by Commissioner Williams. There being no objection, the motion was approved (3-0).

4. Public Comment

There were no public speakers.

5. Approval of Minutes

a. April 18, 2022

Commissioner Gabel-Luddy moved approval of the minutes of the April 18, 2022 meeting, seconded by Commissioner Williams. There being no objection, a voice vote was taken to accommodate the Commissioners participating via teleconference. The motion was approved (3-0).

6. Items for Information

a. Air Quality Improvement Program and MOU

Staff and Lisa Trifiletti of Trifiletti Consulting, Inc., provided an update on the airport's Air Quality Improvement Program and progress on goals contained in the Memorandum of Understanding with the South Coast Air Quality Management District.

b. Committee Pending Items

Staff informed the Committee of future pending items that will come to the Committee for review.

7. Adjournment

There being no further business, the meeting was adjourned at 11:51 p.m.

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

MONDAY, MAY 16, 2022

A regular meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:01 a.m., by Commissioner Devine.

1. ROLL CALL

Present: Commissioners Devine (via teleconference), Agajanian (via teleconference), Gabel-Luddy (via teleconference), Najarian (via teleconference)(arrived 9:24), Selvidge (via teleconference), Ovrom, Williams, Hampton (via teleconference), Dyson

Absent: NONE

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Anthony DeFrenza, Director, Engineering; Nerissa Sugars, Director, Marketing Communications and Air Service; Tom Janowitz, Senior Manager, Ground Access

Also Present:
Terence Boga, Esq., Authority General Counsel,
Richard, Watson, Gershon
Louis Choi, Senior Managing Director, PRAG
Geoffrey Wheeler, Associate Vice President, Ricondo & Associates

2. PLEDGE OF ALLEGIANCE

Commissioner Devine led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

Commissioner Dyson moved approval of the agenda; seconded by Commissioner Williams

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Williams; Agajanian (via teleconference), Hampton (via teleconference), Selvidge (via teleconference), Ovrom, Dyson

NOES: NONE

ABSENT: Commissioner Najarian

4. PUBLIC COMMENT

There were no public comments.

5. CONSENT CALENDAR

a. Committee Minutes (For Note and File)

1) Finance and Administration Committee

(i) April 18, 2022

Approved minutes of the April 18, 2022, Finance and Administration Committee meeting were included in the agenda packet for information purposes.

2) Legal, Government and Environmental Affairs Committee

(i) April 18, 2022

Approved minutes of the April 18, 2022, Legal, Government and Environmental Affairs Committee meeting were included in the agenda packet for information purposes.

MOTION

Commissioner Agajanian moved approval of the Consent Calendar; seconded by Commissioner Gabel-Luddy.

MOTION APPROVED

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (8–0, 1 absent).

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Williams; Agajanian (via teleconference), Hampton (via teleconference), Selvidge (via teleconference), Ovrom, Dyson

NOES: NONE

ABSENT: Commissioner Najarian

6. ITEMS FOR COMMISSION APPROVAL

a. Determinations Regarding Return to In-Person Meetings and AB 361 Findings for Special Brown Act Requirements for Teleconference Meetings

Staff placed this item on the agenda to give the Commission an opportunity to provide direction whether to continue to hold Authority and standing Committee meetings via teleconference or revert back to in-person meetings at the Airport, and to make the findings specified in AB 361 for special Brown Act requirements for teleconference meetings. When requested to make this determination at its meeting on April 18, the Commission moved to readdress it after Staff researched the actions of city councils of the tri-city community.

The Commission voted to readdress the issue at the Commission meeting scheduled for July 2022.

MOTION

Commissioner Gabel-Luddy moved approval; seconded by Commissioner Agajanian.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (5–3, 1 absent).

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Agajanian (via teleconference), Hampton (via teleconference), Selvidge (via teleconference)

NOES: Commissioners Williams, Ovrom and Dyson

ABSENT: Commissioner Najarian

b. Award of Construction Contract, Award of Professional Services Agreement, and Approval of Project Budget for Taxiway C and Shoulders Rehabilitation Project Number (E21-01)

At its meeting on May 2, 2022, the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission approve to award the following actions: i) Award a construction contract in the amount of \$3,065,000 to Sully-Miller Contracting Company for the Taxiway C and Shoulders Rehabilitation Project; ii) Award a professional services agreement in the amount of \$166,319 to RDM International, Inc. for engineer of record services, onsite technical services, and material testing; iii) Authorize a project budget for construction management, contract administration and field observation for a not-to-exceed amount of \$83,681, and; iv) Authorize a project contingency of \$75,000.

MOTION

Commissioner Selvidge moved approval; seconded by Commissioner Hampton.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (8–0, 1 abstention).

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Williams; Agajanian (via teleconference), Hampton (via teleconference), Selvidge (via teleconference), Ovrom, Dyson

ABSTAINED: Commissioner Najarian (via teleconference)

NOES: NONE

ABSENT: NONE

c. Award of Professional Services Agreement – AutoCAD, GIS, Graphic Display and Airport Planning Services

At its meeting held immediately preceding the Commission meeting, the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission approve to award a Professional Services Agreement to Azrial Ltd., for continued AutoCAD, GIS, graphic display, and airport planning services.

Mr. Dan Lichtner, the Principal of Azrial, has provided computer aided drafting or “CAD,” and more recently GIS development services, to the Airport for the past 29 years. Mr. Lichtner possesses extensive knowledge of the Airport facility, as well as Engineering and Airport procedures and protocols. As such, to replace Azrial services would require the engagement of multiple individuals at great expense to achieve the same level of production.

MOTION

Commissioner Dyson moved approval; seconded by Commissioner Agajanian.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (9–0).

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Najarian (via teleconference) Williams; Agajanian (via teleconference), Hampton (via teleconference), Selvidge (via teleconference), Ovrom, Dyson

NOES: NONE

ABSENT: NONE

7. ITEMS FOR COMMISSION DISCUSSION

a. Third Quarter FY 2022 Financial Performance Update

Staff updated the Commission with information regarding the financial results for the third quarter and first nine months of FY 2022 at the Airport.

b. Fiscal Year 2023 (“FY 2023”) Proposed Budget Program; Replacement Passenger Terminal Proposed Capital Outlay

Staff introduced Geoff Wheeler of Ricondo & Associates and Louis Choi of Public Resources Advisory Group (PRAG), two of the consultants who are assisting with the development of the Replacement Passenger Terminal (“RPT”). Mr. Wheeler and Mr. Choi presented information on the proposed capital outlay for the RPT.

8. ITEMS FOR COMMISSION INFORMATION

- | | |
|---|---|
| a. March 2022 Passenger and Air Cargo Statistics | Staff presented an update on the March 2022 Passenger and Air Cargo statistics. |
| b. March 2022 Ground Transportation Statistics | Staff presented an update on the March 2022 Ground Transportation statistics. |
| c. March 2022 Parking Revenue Statistics | Staff presented an update on the March 2022 Parking Revenue statistics. |

9. CLOSED SESSION

The meeting convened to Closed Session at 10:42 a.m.

a. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (California Government Code Section 54956.9(d)(1))**

Name of Case: City of Los Angeles v. FAA et al. (Case No. 21-71170)

Meeting Reconvened to Open Session

The meeting reconvened to open session at 11:01 a.m. with all Commissioners present.

Closed Session Report

There was nothing to report from Closed Session.

10. EXECUTIVE DIRECTOR COMMENTS

The Executive Director reported that Hollywood Burbank Airport partnered with Metrolink in their Adventure Train Challenge, and it was a resounding success.

The Traveler's Tails program, wherein therapy dogs are walked throughout the terminals in an effort to provide comfort for travelers, will be restarted in June. This program, which was started in 2017, was discontinued with the onset of the pandemic.

On Wednesday, May 18, there will be an Ad Hoc Meeting for the Replacement Passenger Terminal in which JACOBS, the company recently appointed as Program Manager for the Replacement Passenger Terminal, will participate.

11. COMMISSIONER COMMENTS (Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a future meeting)

Commissioner Gabel-Luddy requested that Staff research ways in our current practices and ways in which the Airport can comply with new State laws that require a reduction in food waste. The airlines, Airport restaurants and other food service tenants could be encouraged to reduce waste associated with food service.

Commissioner Williams reported on her attendance at the Alternative Clean Transportation Expo in Fleet Week. There was a presentation on converting gas

powered shuttle buses to electric. This information was shared with Staff. She also thanked Police Chief Skvarna for information regarding Operation Patriot Hook.

Commissioner Dyson requested that the 1997 Resolution (Resolution 334) regarding Committee assignments be reviewed and discussed to see if any information needs to be updated. He mentioned whether the Ad Hoc Committee for the Replacement Passenger Terminal might become a standing Committee. Commissioner Ovrom voiced his support in this review.

12. Adjournment

The meeting was adjourned at 11:14 a.m.

Paula Devine, President

Date

Felicia Williams, Secretary

Date

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

MONDAY, MAY 2, 2022

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

1. ROLL CALL

Present: Commissioners Devine (via teleconference), Agajanian (via teleconference), Gabel-Luddy (via teleconference), Najarian (via teleconference)(arrived 9:07), Selvidge (via teleconference)(arrived 9:02 a.m.), Ovrom, Williams (via teleconference)(arrived 9:02 a.m.), Hampton (via teleconference)(arrived 9:08 a.m.), Dyson

Absent: NONE

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Patrick Lammerding, Deputy Executive Director, Planning and Development

Also Present:
Lisa Trifiletti, Trifiletti Consulting, Inc.
Ray Gorski, Consultant (via teleconference)

2. PLEDGE OF ALLEGIANCE

Commissioner Devine led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

MOTION

Commissioner Dyson moved approval of the agenda; seconded by Commissioner Williams.

MOTION APPROVED

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The agenda was approved (7–0, 2 absent).

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Williams; Agajanian (via teleconference), Selvidge (via teleconference), Ovrom, Dyson

NOES: NONE

ABSENT: Commissioners Najarian and Hampton

4. PUBLIC COMMENT

There were no public comments.

5. CONSENT CALENDAR

a. Committee Minutes (For Note and File)

1) Finance and Administration Committee

(i) April 4, 2022

Approved minutes of the April 4, 2022, Finance and Administration Committee meeting were included in the agenda packet for information purposes.

2) Legal, Government and Environmental Affairs Committee

(i) April 4, 2022

Approved minutes of the April 4, 2022, Legal, Government and Environmental Affairs Committee meeting were included in the agenda packet for information purposes.

MOTION

Commissioner Agajanian moved approval of the Consent Calendar; seconded by Commissioner Ovrom.

MOTION APPROVED

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The consent calendar was approved (7–0, 2 absent).

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Williams (via teleconference), Agajanian (via teleconference), Selvidge (via teleconference), Ovrom, Dyson

NOES: NONE

ABSENT: Commissioners Najarian and Hampton

6. ITEMS FOR COMMISSION APPROVAL

a. Amendment No. 1 to Professional Services Agreement – Trifiletti Consulting, Inc.

Staff introduced Lisa Trifiletti of Trifiletti Consulting, Inc., who made a presentation to and answered questions from the Commission in which she updated the Commission on her company's progress on the Memorandum of Understanding and Air Quality Improvement Program at BUR and other local regional airports.

At its meeting on April 4, 2022, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend approval of this Amendment No. 1 to the Professional Services Agreement with Trifiletti Consulting, Inc., to provide for continued environmental, transportation, entitlement, land use, sustainability, and government advisory

services in support of the implementation of the Authority's MOU with the South Coast Air Quality Management District. The Amendment is for a not-to-exceed amount of \$43,000 for these services through June 30, 2022.

MOTION

Commissioner Ovrom moved approval; seconded by Commissioner Gabel-Luddy.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (8–0, 1 abstention).

AYES: Commissioners Devine (via teleconference), Gabel-Luddy (via teleconference), Najarian (via teleconference), Agajanian (via teleconference), Hampton (via teleconference), Selvidge (via teleconference)

ABSTAINED: Commissioner Williams

NOES: NONE

ABSENT: NONE

7. ITEMS FOR COMMISSION DISCUSSION

a. Presentation – Air Quality Improvement Program Electric Vehicle Transition Plan

Staff introduced Ray Gorski, consultant (via teleconference), who gave a presentation to the Commission on Air Quality Improvement measures for Staff to consider in regard to the Airport fleet of vehicles which would benefit the Airport in attaining its future goals to transition to clean vehicle operations.

8. CLOSED SESSION

The meeting convened to Closed Session at 10:10 a.m.

**a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(California Government Code Section 54956.9(d)(1))**

Name of Case: City of Los Angeles v. FAA et al. (Case No. 21-71170)

**b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(California Government Code Section 54956.9(d)(1))**

**Name of Case: Burbank-Glendale-Pasadena Airport Authority v. Ellis
(WCAB Case No. ADJ3240302, ADJ7860789, ADJ8989162, ADJ8989156,
ADJ12075999)**

**c. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
(California Government Code Section 54957(b))**

**Meeting Reconvened to
Open Session**

The meeting reconvened to open session at 11:23 a.m. with all Commissioners present.

Closed Session Report

There was no reported action from Closed Session.

**9. EXECUTIVE DIRECTOR
COMMENTS**

The Executive Director Frank Miller reported that the Airport continues to see positive growth in the number of passengers utilizing the Airport. For the month of March 2022 there was a 4.0%+ increase over March 2019.

Mr. Miller also updated the status of the Airport Use Agreement Amendment mentioning three airlines, Frontier Airlines, Avelo Airlines and Swoop Airlines have not signed the Amendment Agreement. The eight airlines that have signed are Alaska, American, Delta, Flair, JetBlue, Spirit, Southwest and United.

Lastly, Mr. Miller indicated that Fitch Ratings have affirmed Hollywood Burbank Airport as an "A" rating on outstanding bonds and has raised the outlook back to stable.

**10. COMMISSIONER COMMENTS
(Commissioners may make a brief
announcement, make a brief report
on their activities, and request an
agenda item for a future meeting)**

There were no comments from the Commissioners.

11. Adjournment

The meeting was adjourned at 11:28 a.m.

Paula Devine, President

Felicia Williams, Secretary

Date

Date



June 6, 2022

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

Dear Commissioners:

The attached report, covering the month of March 2022, 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,

[To be signed]

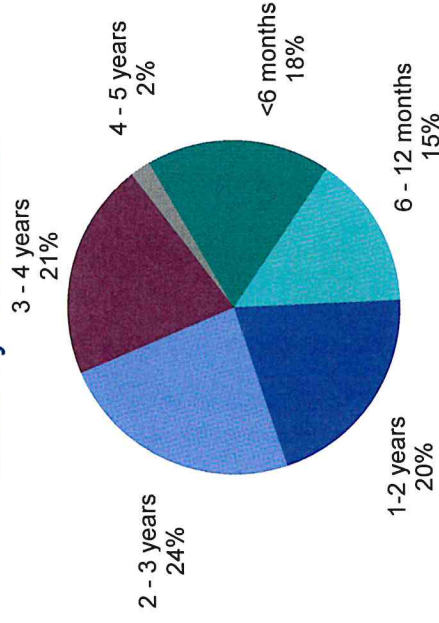
Vrej Agajanian
Treasurer

Attachments

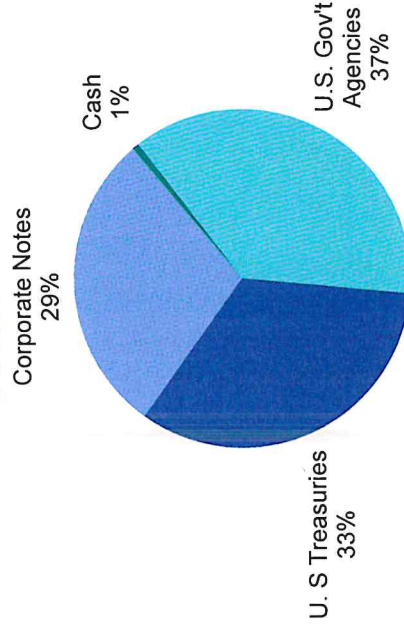
Operating Portfolio Investment Guidelines Conformance as of March 31, 2022

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	4.70 Years	70%	37%
Corporate Notes	5 Years	3.87 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	3.25 Years	No Limit	33%

Maturity Distribution



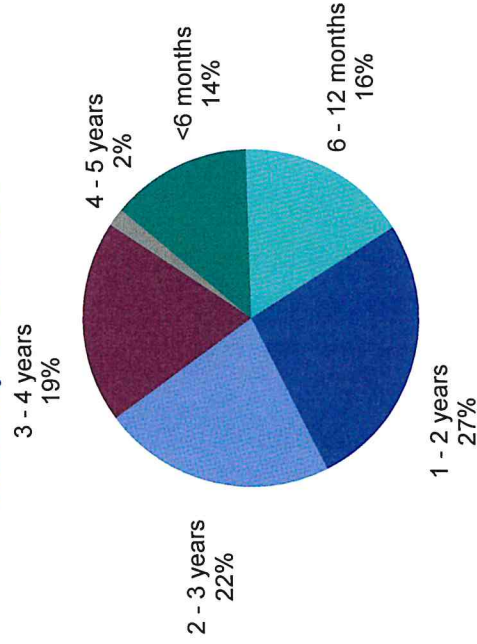
Sector Allocation



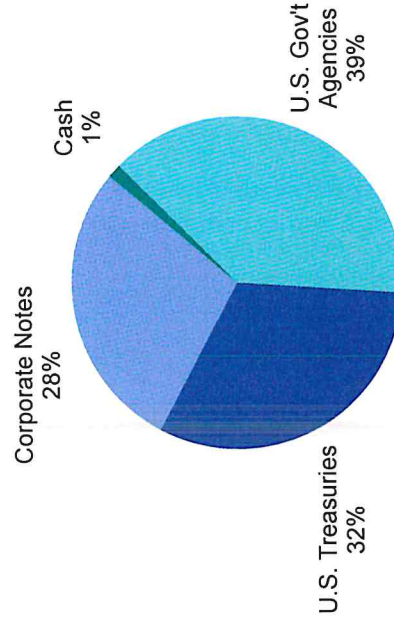
PFC Portfolio Investment Guidelines Conformance as of March 31, 2022

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	4.70 Years	70%	39%
Corporate Notes	5 Years	3.87 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	32%

Maturity Distribution



Sector Allocation



Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 03/31/22

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
03/31/22	Columbia Treasury Reserves	097101307	0.000	03/31/22	03/31/22	\$ 1,520,060	\$ 1,520,060	\$ 1,520,060	\$ -	0.00%	0	0.61%
05/18/17	Federal National Mortgage Association	3135G0T45	1.875	04/05/22	04/05/22	8,300,000	8,166,654	8,300,000	133,346	1.86%	5	3.34%
01/31/19	Treasury Note	912828X47	1.875	04/30/22	04/30/22	9,475,000	9,301,015	9,486,085	185,070	0.46%	30	3.82%
05/06/19	Apple Inc	037833CQ1	2.300	05/11/22	05/11/22	1,250,000	1,241,250	1,250,575	9,325	1.87%	41	0.50%
02/16/22	Chevron Corp	166764BU3	1.280	05/11/23	05/11/22	1,700,000	1,715,045	1,711,951	(3,094)	1.19%	41	0.69%
02/24/22	3M	88579YBE0	0.690	02/14/24	05/14/22	1,625,000	1,628,055	1,623,603	(4,452)	1.29%	44	0.65%
10/03/17	Home Depot Inc	437076B56	2.625	06/01/22	06/01/22	1,200,000	1,214,701	1,201,536	(13,165)	1.93%	62	0.48%
09/25/17	Caterpillar Financial Services	14913QAA7	2.400	06/05/22	06/06/22	1,500,000	1,503,869	1,502,835	(1,034)	1.34%	67	0.60%
02/15/19	Cisco Systems Inc	17275RAV4	3.000	06/15/22	06/15/22	1,200,000	1,210,416	1,205,436	(4,980)	0.79%	76	0.49%
03/03/22	Truist Financial Corp	89788MAF9	0.300	06/09/25	06/30/22	2,000,000	1,991,167	1,985,460	(5,707)	1.00%	91	0.80%
08/01/17	Treasury Note	912828X08	2.000	07/31/22	07/31/22	9,850,000	9,706,887	9,889,597	182,710	0.80%	122	3.98%
11/01/19	Procter & Gamble Company	742718EU9	2.150	08/11/22	08/11/22	1,275,000	1,290,912	1,279,080	(11,832)	1.26%	133	0.51%
02/15/19	Burlington Northern Santa Fe LLC	12189LAL5	3.050	09/01/22	09/01/22	1,200,000	1,211,382	1,203,012	(8,370)	2.44%	154	0.48%
01/09/19	John Deere Capital Corp	24422ETV1	2.150	09/08/22	09/08/22	1,600,000	1,561,718	1,605,712	43,994	1.32%	161	0.65%
05/18/18	Merck & Co Inc	589331AT4	2.400	09/15/22	09/15/22	1,500,000	1,448,385	1,503,360	54,975	1.90%	168	0.61%
09/25/17	National Rural Utilities Coop	63743HEQ1	2.300	09/15/22	09/15/22	1,000,000	995,980	1,003,020	7,040	1.63%	168	0.40%
10/03/17	Treasury Note	9128282W9	1.875	09/30/22	09/30/22	9,125,000	9,098,667	9,162,048	63,381	1.06%	183	3.69%
09/12/19	FNMA	3135G0T78	2.000	10/05/22	10/05/22	4,500,000	4,543,965	4,518,855	(25,110)	1.18%	188	1.82%
07/25/18	Bank of America Corp	06051GEU9	3.300	01/11/23	01/11/23	2,200,000	2,203,493	2,224,684	21,191	1.84%	286	0.90%
09/26/19	Federal National Mortgage Association	3135G0T94	2.375	01/19/23	01/19/23	4,800,000	4,919,052	4,835,136	(83,916)	1.45%	294	1.95%
03/20/19	JP Morgan Chase & CO	46625HJH4	3.200	01/25/23	01/25/23	2,225,000	2,257,348	2,249,898	(7,450)	1.89%	300	0.91%
10/31/19	Treasury Note	9128283U2	2.375	01/31/23	01/31/23	4,200,000	4,309,594	4,228,560	(81,034)	1.55%	306	1.70%
03/18/19	Unitedhealth Group Inc	91324PBZ4	2.750	02/15/23	02/15/23	1,500,000	1,508,738	1,509,495	757	2.01%	321	0.61%
10/02/19	Pepsico Inc	713448CG1	2.750	03/01/23	03/01/23	1,300,000	1,344,486	1,310,751	(33,735)	1.84%	335	0.53%
12/03/19	Treasury Note	9128284L1	2.750	04/30/23	04/30/23	6,850,000	7,104,980	6,919,596	(185,384)	1.80%	395	2.79%
11/03/20	Loews Corporation	540424AQ1	2.625	05/15/23	05/15/23	1,700,000	1,775,550	1,703,077	(72,473)	2.50%	410	0.69%
06/06/19	Public Service Electric And Gas	74456QBC9	2.375	05/15/23	05/15/23	1,125,000	1,125,878	1,127,419	1,541	2.18%	410	0.45%
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	06/01/23	1,250,000	1,234,086	1,252,313	18,227	2.59%	427	0.50%
05/05/20	Federal Home Loan Mortgage Corp	3137EAEN5	2.750	06/19/23	06/19/23	6,250,000	6,718,056	6,308,125	(409,931)	1.97%	445	2.54%
03/14/22	FNMA	3135G05G4	0.250	07/10/23	07/10/23	4,000,000	3,929,320	3,908,160	(21,160)	2.08%	466	1.57%
01/31/22	Treasury Note	91282CCN9	0.130	07/31/23	07/31/23	4,500,000	4,432,793	4,386,465	(46,328)	2.05%	487	1.77%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	5,050,000	5,296,103	5,101,258	(194,845)	2.16%	530	2.05%
07/31/19	Treasury Note	9128285D8	2.875	09/30/23	09/30/23	6,775,000	7,065,870	6,849,864	(216,006)	2.12%	548	2.76%
03/16/20	Treasury Note	9128285P1	2.875	11/30/23	11/30/23	3,200,000	3,479,090	3,233,376	(245,714)	2.23%	609	1.30%
03/20/19	Citibank NA	17325FAST	3.650	01/23/24	01/23/24	2,000,000	2,074,053	2,036,080	(37,973)	2.62%	663	0.82%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 03/31/22

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
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	1,650,000	1,783,935	1,681,845	(102,090)	2.56%	683	0.68%
12/10/21	Treasury Note	91282CBM2	0.130	02/15/24	02/15/24	1,725,000	1,702,562	1,656,535	(46,027)	2.30%	686	0.67%
04/10/21	MetLife Inc	59156RBH0	3.600	04/10/24	04/10/24	1,750,000	1,897,945	1,782,463	(115,482)	2.65%	741	0.72%
06/22/20	Comcast Corporation	2003NCR0	3.700	04/15/24	04/15/24	1,700,000	1,873,553	1,737,026	(136,527)	2.60%	746	0.70%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	1,900,000	2,044,650	1,930,970	(113,680)	2.60%	776	0.78%
01/18/22	Target Corporation	87612EBD7	3.500	07/10/24	07/10/24	1,650,000	1,732,850	1,686,300	(46,550)	2.49%	823	0.68%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	1,800,000	1,928,530	1,813,212	(115,318)	2.57%	848	0.73%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	1,600,000	1,646,699	1,593,456	(53,243)	2.48%	868	0.64%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	13,000,000	13,567,227	12,818,260	(748,967)	2.47%	884	5.16%
05/20/21	United Parcel Service INC	9111312BT2	2.200	09/01/24	09/01/24	1,471,000	1,542,175	1,455,231	(86,944)	2.66%	885	0.59%
02/12/21	PNC Bank NA	69353REF1	3.300	10/30/24	10/30/24	1,725,000	1,877,908	1,743,251	(134,657)	2.87%	944	0.70%
01/27/22	FHLB	3130A3GE8	2.750	12/13/24	12/13/24	2,200,000	2,281,046	2,212,562	(68,484)	2.53%	988	0.89%
08/05/20	FHLB	3130A4CH3	2.050	12/15/24	12/15/24	250,000	273,060	248,950	(24,110)	2.52%	990	0.10%
01/27/22	Treasury Note	91282CDN8	1.000	12/15/24	12/15/24	2,000,000	1,977,266	1,921,880	(55,386)	2.50%	990	0.77%
06/25/20	Wisconsin Electric Power Company	976656CL0	2.050	12/15/24	12/15/24	1,350,000	1,421,717	1,323,891	(97,826)	2.80%	990	0.53%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	1,540,000	1,536,535	1,483,220	(53,315)	2.51%	1012	0.60%
12/10/21	Federal National Mortgage Association	3135G0X24	1.630	01/07/25	01/07/25	1,500,000	1,527,600	1,464,165	(63,435)	2.52%	1013	0.59%
03/29/21	US Bank NA/Cincinnati OH	90331HPL1	2.050	01/21/25	01/21/25	2,000,000	2,069,895	1,956,720	(113,175)	2.86%	1027	0.79%
10/01/20	FHLMC Reference Note	3137EAEPO	1.500	02/12/25	02/12/25	7,000,000	7,082,816	6,805,540	(277,276)	2.51%	1049	2.74%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,750,000	1,753,833	1,712,200	(41,633)	2.53%	1062	0.69%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	1,650,000	1,767,200	1,648,037	(119,163)	2.75%	1071	0.66%
08/05/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	1,775,000	1,952,639	1,795,555	(157,084)	2.74%	1080	0.72%
05/12/20	Intel Corp	458140BP4	3.400	03/25/25	03/25/25	1,000,000	1,106,180	1,014,960	(91,220)	2.87%	1090	0.41%
09/30/21	Treasury Note	912828ZF0	0.050	03/31/25	03/31/25	2,300,000	2,287,242	2,167,037	(120,205)	2.51%	1096	0.87%
05/05/20	Florida Power & Light Company	341081FZ5	2.850	04/01/25	04/01/25	1,000,000	1,086,930	1,000,960	(85,970)	2.81%	1097	0.40%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	250,000	274,895	252,783	(22,112)	2.86%	1097	0.10%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	7,000,000	7,032,434	6,583,850	(448,584)	2.55%	1110	2.65%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	8,350,000	8,251,387	7,879,144	(372,243)	2.55%	1118	3.17%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	1,200,000	1,319,565	1,221,852	(97,713)	2.89%	1141	0.49%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	1,500,000	1,556,295	1,522,890	(33,405)	2.94%	1146	0.61%
12/15/21	Pfizer Inc	717081EZ7	0.800	05/28/25	05/28/25	1,900,000	1,865,884	1,794,607	(71,277)	2.64%	1154	0.72%
08/05/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	9,000,000	8,958,043	8,361,540	(596,503)	2.54%	1187	3.37%
11/19/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	625,000	690,233	640,125	(50,108)	2.93%	1216	0.26%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	1,900,000	2,128,365	1,934,181	(194,184)	2.99%	1236	0.78%
09/25/20	FNMA Benchmark Note	3135G05X7	0.375	08/25/25	08/25/25	3,500,000	3,493,349	3,251,920	(241,429)	2.57%	1243	1.31%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 03/31/22

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
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	12,000,000	11,848,979	11,150,520	(698,459)	2.57%	1317	4.49%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	1,325,000	1,463,970	1,357,873	(106,097)	2.85%	1386	0.55%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	1,875,000	1,899,596	1,770,844	(128,752)	3.00%	1440	0.71%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	1,350,000	1,410,319	1,327,415	(82,904)	3.04%	1492	0.53%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	1,000,000	1,051,760	969,990	(81,770)	2.59%	1625	0.39%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	3,800,000	3,910,845	3,726,888	(183,957)	2.56%	1716	1.50%
		Subtotal				\$232,606,060	\$237,006,530	\$229,537,130	\$(7,469,400)	0.020567	664	92.40%
	Local Agency Investment Fund (LAIF)					19,102,919	19,102,919	18,888,079	(214,840)	0.37%	310	7.60%
		Subtotal				\$251,708,979	\$256,109,449	\$248,425,209	\$(7,684,240)	1.93%	637	100.00%
	Operating Bank Balance						4,718,023					
	TOTAL						\$260,827,472					

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Purchases - Maturities - Sales
As of 03/31/22

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
03/03/22	Truist Financial Corp	89788MAF9	0.300	06/09/25	1,825,000.00	99.55830	\$ 1,816,938.98	\$ (2,004.40)
03/04/22	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	100,000.00	103.55600	103,556.00	(1,513.75)
03/04/22	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	150,000.00	103.00500	154,507.50	(1,600.83)
03/04/22	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	150,000.00	102.14900	153,223.50	(507.50)
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	1,750,000.00	100.21900	1,753,832.50	(1,020.83)
03/04/22	Pfizer Inc	717081EZ7	0.800	05/28/25	150,000.00	96.50600	144,759.00	(333.34)
03/04/22	State Street Corporation	857477AT0	3.550	08/18/25	200,000.00	104.10600	208,212.00	(394.45)
03/04/22	Treasury Note	91282CCN9	0.130	07/31/23	2,000,000.00	98.32422	1,966,484.38	(241.71)
03/04/22	Truist Financial Corp	89788MAF9	0.300	06/09/25	175,000.00	99.55900	174,228.25	(193.91)
03/14/22	FNMA	3135G05G4	0.250	07/10/23	4,000,000.00	98.23300	3,929,320.00	(1,805.56)
TOTAL PURCHASES					\$ 10,500,000.00	\$ 10,405,062.11	\$ (9,616.28)	

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
09/28/17	FHLB	313378CR0	2.250	03/11/22	\$ 4,000,000.00	101.47850	\$ 4,059,140.00	\$ (59,140.00)
							-	-
							-	-
							-	-
TOTAL MATURITIES					\$ 4,000,000.00	\$ 4,059,140.00	\$ (59,140.00)	

SALES / REDEMPTIONS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Purchase Cost	Gain / (Loss)
04/17/17	BB&T Corp	05531FAX1	2.750	04/01/22	03/01/22	\$ 1,500,000.00	100.00000	\$ 1,523,109.00	\$ (23,109.00)
							-	-	-
TOTAL SALES						\$ 1,500,000.00	\$ 1,523,109.00	\$ (23,109.00)	

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
03/01/22-03/31/22

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									
FHLB	2.250	03/11/22	42,500.00	45,000.00	-	-	2,500.00	-	2,500.00
BB&T Corp	2.750	04/01/22	17,187.50	17,187.49	-	-	(0.01)	-	(0.01)
Federal National Mortgage Association	1.875	04/05/22	63,114.58	-	-	76,083.33	12,968.75	3,655.44	16,624.19
Treasury Note	1.875	04/30/22	59,382.34	-	-	74,595.99	15,213.65	5,107.46	20,321.11
Apple Inc	2.300	05/11/22	8,784.72	-	-	11,180.56	2,395.84	250.16	2,646.00
Home Depot Inc	2.625	06/01/22	7,875.00	-	-	10,500.00	2,625.00	(299.21)	2,325.79
Caterpillar Financial Services	2.400	06/06/22	8,500.00	-	-	11,500.00	3,000.00	(263.48)	2,736.52
Cisco Systems Inc	3.000	06/15/22	7,600.00	-	-	10,600.00	3,000.00	(261.49)	2,738.51
Treasury Note	2.000	07/31/22	15,781.77	-	-	32,651.93	16,870.16	3,767.73	20,637.89
Procter & Gamble Company	2.150	08/11/22	1,522.92	-	-	3,807.29	2,284.37	(479.28)	1,805.09
Burlington Northern Santa Fe LLC	3.050	09/01/22	-	-	-	3,050.00	3,050.00	(274.41)	2,775.59
John Deere Capital Corp	2.150	09/08/22	16,531.11	17,200.00	-	2,197.78	2,866.67	680.54	3,547.21
Merck & Co Inc	2.400	09/15/22	16,600.00	18,000.00	-	1,600.00	3,000.00	716.93	3,716.93
National Rural Utilities Coop	2.300	09/15/22	10,605.56	11,500.00	-	1,022.22	1,916.66	68.69	1,985.35
Treasury Note	1.875	09/30/22	71,445.74	85,546.88	-	467.47	14,568.61	497.49	15,066.10
FNMA	2.000	10/05/22	36,500.00	-	-	44,000.00	7,500.00	(1,196.87)	6,303.13
Bank of America Corp	3.300	01/11/23	10,083.33	-	-	16,133.33	6,050.00	(850.22)	5,199.78
Federal National Mortgage Association	2.375	01/19/23	13,300.00	-	-	22,800.00	9,500.00	(3,063.13)	6,436.87
JP Morgan Chase & CO	3.200	01/25/23	7,120.00	-	-	13,053.33	5,933.33	(1,301.59)	4,631.74
Treasury Note	2.375	01/31/23	7,991.02	-	-	16,533.15	8,542.13	(2,862.18)	5,679.95
Unitedhealth Group Inc	2.750	02/15/23	1,833.33	-	-	5,270.83	3,437.50	(359.23)	3,078.27
Pepsico Inc	2.750	03/01/23	-	-	-	2,979.17	2,979.17	(1,087.68)	1,891.49
Treasury Note	2.750	04/30/23	62,965.12	-	-	79,096.69	16,131.57	(6,471.79)	9,659.78
Chevron Corp	1.280	05/11/23	1,085.82	-	-	2,955.83	1,870.01	(1,043.39)	826.62
Loews Corporation	2.625	05/15/23	13,139.58	-	-	16,858.33	3,718.75	(2,536.83)	1,181.92
Public Service Electric And Gas	2.375	05/15/23	7,867.19	-	-	10,093.75	2,226.56	(17.34)	2,209.22
Simon Property Group LP	2.750	06/01/23	8,593.75	-	-	11,458.33	2,864.58	286.83	3,151.41
Federal Home Loan Mortgage Corp	2.750	06/19/23	8,854.17	9,375.00	-	1,041.67	1,562.50	(864.12)	698.38
FNMA	0.250	07/10/23	-	-	1,805.56	2,250.00	444.44	2,380.80	2,825.24
Treasury Note	0.130	07/31/23	250.35	-	241.71	932.32	440.26	3,556.10	3,996.36
FNMA	2.875	09/12/23	68,157.47	72,593.75	-	7,662.67	12,098.95	(5,735.95)	6,363.00
Treasury Note	2.875	09/30/23	81,337.23	97,390.63	-	532.19	16,585.59	(6,212.31)	10,373.28
Treasury Note	2.875	11/30/23	23,000.00	-	-	30,835.16	7,835.16	(6,506.85)	1,328.31
Citibank NA	3.650	01/23/24	7,705.56	-	-	13,788.89	6,083.33	(1,686.95)	4,396.38

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
03/01/22-03/31/22

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
IBM Corp	NOTE	02/12/24	3,156.77	-	-	8,141.15	4,984.38	(4,029.71)	954.67
3M	NOTE	02/14/24	470.48	-	-	1,442.80	972.32	-	972.32
Treasury Note	NOTE	02/15/24	83.39	-	-	268.04	184.65	876.06	1,060.71
MetLife Inc	NOTE	04/10/24	24,675.00	-	-	29,925.00	5,250.00	(4,306.21)	943.79
Comcast Corporation	NOTE	04/15/24	23,762.22	-	-	29,003.89	5,241.67	(3,997.51)	1,244.16
Bank of New York Mellon Corp	NOTE	05/15/24	17,519.44	-	1,600.83	24,404.44	5,284.17	(3,975.51)	1,308.66
Target Corporation	NOTE	07/01/24	9,625.00	-	-	14,437.50	4,812.50	(2,829.54)	1,982.96
Bristol-Myers Squibb Co	NOTE	07/26/24	4,652.08	-	507.50	9,425.00	4,265.42	(2,963.98)	1,301.44
Honeywell International Inc	NOTE	08/15/24	1,635.56	-	-	4,702.22	3,066.66	(920.81)	2,145.85
Treasury Note	NOTE	08/31/24	662.36	-	-	21,195.65	20,533.29	(15,197.95)	5,335.34
United Parcel Service INC	NOTE	09/01/24	-	-	-	2,696.83	2,696.83	(1,963.41)	733.42
PNC Bank NA	NOTE	10/30/24	19,133.13	-	-	23,876.88	4,743.75	(3,620.47)	1,123.28
FHLB	NOTE	12/13/24	13,108.33	-	-	18,150.00	5,041.67	(2,349.15)	2,692.52
FHLB	NOTE	12/15/24	2,754.34	2,968.75	-	280.38	494.79	(417.25)	77.54
Treasury Note	NOTE	12/15/24	4,175.82	-	-	5,879.12	1,703.30	669.93	2,373.23
Wisconsin Electric Power Company	NOTE	12/15/24	5,842.50	-	-	8,148.75	2,306.25	(1,438.00)	868.25
FFCB	NOTE	01/06/25	2,406.25	-	-	3,850.00	1,443.75	96.70	1,540.45
Federal National Mortgage Association	NOTE	01/07/25	3,656.25	-	-	5,687.50	2,031.25	(750.00)	1,281.25
US Bank NA/Cincinnati OH	NOTE	01/21/25	4,555.56	-	-	7,972.22	3,416.66	(1,582.58)	1,834.08
FHLMC Reference Note	NOTE	02/12/25	5,541.67	-	-	14,291.67	8,750.00	(2,042.08)	6,707.92
FFCB	NOTE	02/25/25	-	-	1,020.83	3,062.50	2,041.67	(86.12)	1,955.55
Exxon Mobil Corp	NOTE	03/06/25	21,728.44	22,349.25	-	3,104.06	3,724.87	(2,412.98)	1,311.89
Ace InA Holdings Inc	NOTE	03/15/25	24,329.38	27,956.25	1,513.75	2,485.00	4,598.12	(3,408.31)	1,189.81
Intel Corp	NOTE	03/25/25	14,733.33	17,000.00	-	566.67	2,833.34	(1,810.58)	1,022.76
Treasury Note	NOTE	03/31/25	4,802.20	5,750.00	-	31.42	979.22	309.70	1,288.92
Florida Power & Light Company	NOTE	04/01/25	11,875.00	14,250.00	-	-	2,375.00	(1,471.36)	903.64
General Dynamics Corporation	NOTE	04/01/25	3,385.42	4,062.50	-	-	677.08	(502.51)	174.57
Federal Home Loan Banks	NOTE	04/14/25	13,319.44	-	-	16,236.11	2,916.67	(603.36)	2,313.31
FNMA	NOTE	04/22/25	18,700.52	-	-	23,049.48	4,348.96	2,424.92	6,773.88
General Dynamics Corporation	NOTE	05/15/25	12,366.67	-	-	15,866.67	3,500.00	(2,496.87)	1,003.13
Qualcomm Incorporated	NOTE	05/20/25	14,518.75	-	-	18,831.25	4,312.50	(1,436.10)	2,876.40
Pfizer Inc	NOTE	05/28/25	3,616.67	-	333.34	5,193.33	1,243.32	807.02	2,050.34
Truist Financial Corp	NOTE	06/09/25	-	2,246.68	2,198.31	745.01	793.38	184.93	978.31
Treasury Note	NOTE	06/30/25	3,729.28	-	-	5,656.08	1,926.80	775.64	2,702.44
Intel Corp	NOTE	07/29/25	2,055.56	-	-	3,982.64	1,927.08	(1,231.79)	695.29

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
03/01/22-03/31/22

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
State Street Corporation	NOTE	08/18/25	2,179.31	-	394.45	8,056.53	5,482.77	(4,040.53)	1,442.24
FNMA Benchmark Note	NOTE	08/25/25	218.75	-	-	1,312.50	1,093.75	112.90	1,206.65
FNMA Benchmark Note	NOTE	11/07/25	19,000.00	-	-	24,000.00	5,000.00	3,189.17	8,189.17
Lockheed Martin Corporation	NOTE	01/15/26	6,010.35	-	-	9,930.14	3,919.79	(2,569.24)	1,350.55
Prudential Financial Inc	NOTE	03/10/26	13,359.38	14,062.50	-	1,640.63	2,343.75	(452.25)	1,891.50
Sierra Pacific Power	NOTE	05/01/26	11,700.00	-	-	14,625.00	2,925.00	(1,138.77)	1,786.23
FHLB	NOTE	09/11/26	34,375.00	-	-	48,697.92	14,322.92	(12,503.73)	1,819.19
FHLB	NOTE	12/11/26	17,944.44	-	-	24,673.61	6,729.17	(1,881.94)	4,847.23
Subtotal			\$ 1,108,579.20	\$ 484,439.68	\$ 9,616.28	\$ 1,003,057.80	\$ 369,302.00	\$ (103,389.76)	\$ 265,912.24
CASH EQUIVALENTS									
Blackrock Liquidity Funds			-	13.29	-	-	13.29	-	13.29
Subtotal			\$ -	\$ 13.29	\$ -	\$ -	\$ 13.29	\$ -	\$ 13.29
LAIF									
Local Agency Investment Fund			7,869.33	-	-	15,053.62	7,184.29	-	7,184.29
TOTAL			\$ 1,116,448.53	\$ 484,452.97	\$ 9,616.28	\$ 1,018,111.42	\$ 376,499.58	\$ (103,389.76)	\$ 273,109.82

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 03/31/22

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
03/31/22	Blackrock Liquidity Funds	09248U718	0.000	03/31/22	03/31/22	\$ 723,360	\$ 723,360	\$ 723,360	\$ -	0.00%	0	1.30%
03/01/18	Federal National Mortgage Assoc	3135G0T45	1.875	04/05/22	04/05/22	1,050,000	1,033,101	1,050,000	16,899	1.86%	5	1.89%
01/31/19	Treasury Note	912828X47	1.875	04/30/22	04/30/22	1,550,000	1,530,471	1,551,813	21,342	0.46%	30	2.79%
05/31/19	Apple Inc	037833CQ1	2.300	05/11/22	05/11/22	300,000	300,762	300,138	(624)	1.87%	41	0.54%
02/16/22	Chevron Corp	166764BU3	1.280	05/11/23	05/11/22	400,000	403,540	402,812	(728)	1.19%	41	0.73%
02/24/22	3M Co	88579YBE0	0.690	02/14/24	05/14/22	375,000	375,705	374,678	(1,027)	1.29%	44	0.67%
10/03/17	Home Depot Inc	437076BG6	2.625	06/01/22	06/01/22	350,000	353,958	350,448	(3,510)	1.93%	62	0.63%
11/08/18	Caterpillar Financial Services	14913QAA7	2.400	06/06/22	06/06/22	400,000	393,353	400,756	7,403	1.34%	67	0.72%
02/15/19	Cisco Systems Inc	17275RAV4	3.000	06/15/22	06/15/22	300,000	303,772	301,359	(2,413)	0.79%	76	0.54%
03/03/22	Truist Financial Corp	89788MAF9	0.300	06/09/25	06/30/22	500,000	497,792	496,365	(1,427)	1.00%	91	0.89%
12/31/18	Treasury Note	912828XQ8	2.000	07/31/22	07/31/22	1,425,000	1,405,583	1,430,729	25,146	0.80%	122	2.58%
11/01/19	Procter & Gamble Company	742718EU9	2.150	08/11/22	08/11/22	300,000	303,998	300,960	(3,038)	1.26%	133	0.54%
02/15/19	Burlington Northern Santa Fe LLC	12189LAL5	3.050	09/01/22	09/01/22	275,000	277,996	275,690	(2,306)	2.44%	154	0.50%
01/09/19	John Deere Capital Corp	24422ETV1	2.150	09/08/22	09/08/22	400,000	392,096	401,428	9,332	1.32%	161	0.72%
05/18/18	Merck & Co Inc	589331AT4	2.400	09/15/22	09/15/22	400,000	393,656	400,896	7,240	1.90%	168	0.72%
01/11/19	Treasury Note	9128282W9	1.875	09/30/22	09/30/22	1,225,000	1,201,813	1,229,974	28,161	1.06%	183	2.21%
09/12/19	FNMA	3135G0T78	2.000	10/05/22	10/05/22	1,000,000	1,009,770	1,004,190	(5,580)	1.18%	188	1.81%
03/04/22	Treasury Note	91282CAX9	0.130	11/30/22	11/30/22	300,000	298,313	297,609	(704)	1.33%	244	0.54%
04/25/18	Bank of America Corp	06051GEU9	3.300	01/11/23	01/11/23	510,000	512,807	515,722	2,915	1.84%	286	0.93%
09/26/19	Federal National Mortgage Assoc	3135G0T94	2.375	01/19/23	01/19/23	1,750,000	1,791,413	1,762,810	(28,603)	1.45%	294	3.17%
03/20/19	JP Morgan Chase & CO	46625HJH4	3.200	01/25/23	01/25/23	510,000	518,383	515,707	(2,676)	1.89%	300	0.93%
08/22/19	Treasury Note	9128283U2	2.375	01/31/23	01/31/23	2,000,000	2,047,465	2,013,600	(33,865)	1.55%	306	3.62%
03/18/19	Unitedhealth Group Inc	91324PBZ4	2.750	02/15/23	02/15/23	390,000	392,376	392,469	93	2.01%	321	0.71%
10/02/19	Pepsico Inc.	713448CG1	2.750	03/01/23	03/01/23	375,000	387,177	378,101	(9,076)	1.84%	335	0.68%
11/19/19	Treasury Note	9128284L1	2.750	04/30/23	04/30/23	2,000,000	2,070,830	2,020,320	(50,510)	1.80%	395	3.64%
11/03/20	Loews Corporation	540424AQ1	2.625	05/15/23	05/15/23	425,000	441,638	425,769	(15,869)	2.50%	410	0.77%
06/06/19	Public Service Electric And Gas	74456QBC9	2.375	05/15/23	05/15/23	300,000	302,050	300,645	(1,405)	2.18%	410	0.54%
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	06/01/23	300,000	298,333	300,555	2,222	2.59%	427	0.54%
02/19/20	FHLMC	3137EAEN5	2.750	06/19/23	06/19/23	1,875,000	1,984,696	1,892,438	(92,258)	1.97%	445	3.41%
03/14/22	FNMA	3135G05G4	0.250	07/10/23	07/10/23	1,200,000	1,178,796	1,172,448	(6,348)	2.08%	466	2.11%
01/31/22	Treasury Note	91282CCN9	0.130	07/31/23	07/01/23	2,000,000	1,971,406	1,949,540	(21,866)	2.05%	457	3.51%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	1,400,000	1,464,189	1,414,210	(49,979)	2.16%	530	2.55%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 03/31/22

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
07/31/19	Treasury Note	912828SD8	2.875	09/30/23	09/30/23	1,875,000	1,959,890	1,895,719	(64,171)	2.12%	548	3.41%
02/19/20	Treasury Note	912828SP1	2.875	11/30/23	11/30/23	800,000	856,141	808,344	(47,797)	2.23%	609	1.45%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	300,000	307,317	305,412	(1,905)	2.62%	663	0.55%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	410,000	441,862	417,913	(23,949)	2.56%	683	0.75%
04/30/21	Treasury Note	91282CBM2	0.125	02/15/24	02/15/24	1,750,000	1,737,221	1,680,543	(56,678)	2.30%	686	3.02%
04/26/21	Metlife Inc	59156RBH0	3.600	04/10/24	04/10/24	425,000	460,084	432,884	(27,200)	2.65%	741	0.78%
09/25/20	Comcast Corporation	20030NCR0	3.700	04/15/24	04/15/24	425,000	465,452	434,257	(31,195)	2.60%	746	0.78%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	475,000	510,244	482,743	(27,501)	2.60%	776	0.87%
01/18/22	Target Corporation	87612EBD7	3.500	07/01/24	07/01/24	425,000	446,008	434,350	(11,658)	2.49%	823	0.78%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	450,000	480,768	453,303	(27,465)	2.57%	848	0.82%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	390,000	399,138	388,405	(10,733)	2.48%	868	0.70%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	1,600,000	1,669,813	1,577,632	(92,181)	2.47%	884	2.84%
05/20/21	United Parcel Service	911312BT2	2.200	09/01/24	09/01/24	374,000	391,124	369,991	(21,133)	2.66%	885	0.67%
02/12/20	PNC Funding Corp	69353REF1	3.300	10/30/24	10/30/24	325,000	345,449	328,439	(17,010)	2.87%	944	0.59%
09/24/20	Wisconsin Electric Power Company	976656CLO	2.050	12/15/24	12/15/24	350,000	368,382	343,231	(25,151)	2.80%	990	0.62%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	460,000	458,965	443,040	(15,925)	2.51%	1012	0.80%
12/10/21	FNMA	3135G0X24	1.630	01/07/25	01/07/25	1,750,000	1,782,200	1,708,193	(74,007)	2.52%	1013	3.07%
02/17/22	US Bancorp	90331HPL1	2.050	01/21/25	01/21/25	475,000	475,751	464,721	(11,030)	2.86%	1027	0.84%
01/06/22	FHLMC Reference Note	3137EAEP0	1.500	02/12/25	02/12/25	1,750,000	1,765,705	1,701,385	(64,320)	2.51%	1049	3.06%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,250,000	1,252,738	1,223,000	(29,738)	2.53%	1062	2.20%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	400,000	426,156	399,524	(26,632)	2.75%	1071	0.72%
11/03/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	435,000	474,791	440,037	(34,754)	2.74%	1080	0.79%
09/30/21	Treasury Note	912828ZF0	0.050	03/31/25	03/31/25	1,600,000	1,591,125	1,507,504	(83,621)	2.51%	1096	2.71%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	50,000	54,979	50,557	(4,422)	2.86%	1097	0.09%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	1,450,000	1,453,984	1,363,798	(90,186)	2.55%	1110	2.45%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	900,000	889,371	849,249	(40,122)	2.55%	1118	1.53%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	315,000	345,259	320,736	(24,523)	2.89%	1141	0.58%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	350,000	363,136	355,341	(7,795)	2.94%	1146	0.64%
12/15/21	Pfizer Inc	717081EX7	0.800	05/28/25	05/28/25	475,000	466,703	448,652	(18,051)	2.64%	1154	0.81%
11/17/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	1,750,000	1,710,433	1,625,855	(84,578)	2.54%	1187	2.93%
09/25/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	400,000	447,034	409,680	(37,354)	2.93%	1216	0.74%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	475,000	531,316	483,545	(47,771)	2.99%	1236	0.87%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 03/31/22

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
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	3,155,000	3,140,116	2,931,658	(208,458)	2.57%	1317	5.28%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	375,000	413,077	384,304	(28,773)	2.85%	1386	0.69%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	450,000	455,337	425,003	(30,334)	3.00%	1440	0.76%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	350,000	365,596	344,145	(21,451)	3.04%	1492	0.62%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	300,000	315,527	290,997	(24,530)	2.59%	1625	0.52%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	700,000	720,418	686,532	(33,886)	2.56%	1716	1.24%
		Subtotal				\$ 56,297,360	\$ 57,299,208	\$ 55,558,161	\$ (1,741,047)	0.020773	665.5058	100.00%
PFC Bank Balance												
		TOTAL					<u>1,043,995</u>					
							\$ 58,343,203					

Burbank-Glendale-Pasadena Airport Authority - PFC Account Statement of Purchases - Maturities - Sales As of 03/31/22											
PURCHASES											
Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest			
03/03/22	Truist Financial Corp	89788MAF9	0.300	06/09/25	\$ 425,000.00	99.55830	\$ 423,122.78	\$ (466.78)			
03/04/22	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	35,000.00	103.55600	36,244.60	(529.81)			
03/04/22	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	40,000.00	103.00500	41,202.00	(426.89)			
03/04/22	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	40,000.00	102.14900	40,859.60	(135.33)			
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	1,250,000.00	100.21900	1,252,737.50	(729.17)			
03/04/22	Intel Corp	458140AS9	3.700	07/29/25	75,000.00	104.71000	78,532.50	(300.63)			
03/04/22	Loews Corporation	540424AQ1	2.625	05/15/23	65,000.00	101.01500	65,659.75	(535.57)			
03/04/22	Pfizer Inc	717081EX7	0.800	05/28/25	60,000.00	98.50600	57,903.60	(133.33)			
03/04/22	State Street Corporation	857477AT0	3.550	08/18/25	50,000.00	104.10600	52,053.00	(98.61)			
03/04/22	Target Corporation	87612EBD7	3.500	07/01/24	50,000.00	103.88500	51,942.50	(325.69)			
03/04/22	Treasury Note	91282CAX9	0.130	11/30/22	300,000.00	99.43750	298,312.50	(99.93)			
03/04/22	Treasury Note	91282CCN9	0.130	07/31/23	500,000.00	98.32420	491,621.00	(60.43)			
03/04/22	Treasury Note	9128283U2	2.375	01/31/23	325,000.00	101.20703	328,922.85	(746.29)			
03/04/22	Treasury Note	9128284L1	2.750	04/30/23	100,000.00	101.78125	101,781.25	(964.78)			
03/04/22	Truist Financial Corp	89788MAF9	0.300	06/09/25	75,000.00	99.55900	74,669.25	(83.10)			
03/14/22	FNMA	3135G05G4	0.250	07/10/23	1,200,000.00	98.23300	1,178,796.00	(541.67)			
TOTAL PURCHASES					\$ 4,590,000.00	\$ 4,574,360.68		\$ (6,178.01)			
MATURITIES											
Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)			
07/09/19	FHLB	313378CR0	2.250	03/11/22	\$ 1,175,000.00	101.29745	\$ 1,190,245.00	\$ (15,245.00)			
						-	-	-			
						-	-	-			
						-	-	-			
TOTAL MATURITIES					\$ 1,175,000.00	\$ 1,190,245.00		\$ (15,245.00)			
SALES / REDEMPTIONS / DELIVERS											
Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Purchase Cost	Sale Amount	Purchase Cost	Gain / (Loss)
01/11/19	BB&T Corp	05531FAX1	2.750	04/01/22	03/01/22	300,000.00	100.00000	\$ 298,289.75	\$ 300,000.00	\$ 298,289.75	\$ 1,710.25

Burbank-Glendale-Pasadena Airport Authority - PFC Account Statement of Purchases - Maturities - Sales As of 03/31/22										
PURCHASES										
Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest		
								-	-	-
								-	-	-
								-	-	-
						\$ 300,000.00	\$ 298,289.75	\$ 300,000.00	\$ 1,710.25	

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
03/01/22-03/31/22

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										
FHLB	NOTE	2.250	03/11/22	12,484.38	13,218.75	-	-	734.37	-	734.37
BB&T Corp	NOTE	2.750	04/01/22	3,437.50	3,437.51	-	-	0.01	-	0.01
Federal National Mortgage Assoc	NOTE	1.875	04/05/22	7,984.38	-	-	9,625.00	1,640.62	400.31	2,040.93
Treasury Note	NOTE	1.875	04/30/22	9,714.26	-	-	12,203.04	2,488.78	568.45	3,057.23
Apple Inc	NOTE	2.300	05/11/22	2,108.33	-	-	2,683.33	575.00	(22.77)	552.23
Home Depot Inc	NOTE	2.625	06/01/22	2,296.88	-	-	3,062.50	765.62	(153.18)	612.44
Caterpillar Financial Services	NOTE	2.400	06/06/22	2,266.67	-	-	3,066.67	800.00	18.51	818.51
Cisco Systems Inc	NOTE	3.000	06/15/22	1,900.00	-	-	2,650.00	750.00	(107.48)	642.52
Treasury Note	NOTE	2.000	07/31/22	2,283.15	-	-	4,723.76	2,440.61	503.59	2,944.20
Procter & Gamble Company	NOTE	2.150	08/11/22	358.33	-	-	895.83	537.50	(125.06)	412.44
Burlington Northern Santa Fe LLC	NOTE	3.050	09/01/22	-	-	-	698.96	698.96	(71.07)	627.89
John Deere Capital Corp	NOTE	2.150	09/08/22	4,132.78	4,300.00	-	549.44	716.66	71.58	788.24
Merck & Co Inc	NOTE	2.400	09/15/22	4,426.67	4,800.00	-	426.67	800.00	25.12	825.12
Treasury Note	NOTE	1.875	09/30/22	9,591.35	11,484.38	-	62.76	1,955.79	568.37	2,524.16
FNMA	NOTE	2.000	10/05/22	8,111.11	-	-	9,777.78	1,666.67	(265.97)	1,400.70
Treasury Note	NOTE	0.130	11/30/22	-	-	99.93	125.69	25.76	157.42	183.18
Bank of America Corp	NOTE	3.300	01/11/23	2,337.50	-	-	3,740.00	1,402.50	(262.78)	1,139.72
Federal National Mortgage Assoc	NOTE	2.375	01/19/23	4,848.96	-	-	8,312.50	3,463.54	(1,066.94)	2,396.60
JP Morgan Chase & CO	NOTE	3.200	01/25/23	1,632.00	-	-	2,992.00	1,360.00	(322.15)	1,037.85
Treasury Note	NOTE	2.375	01/31/23	3,186.90	-	746.29	7,872.93	3,939.74	(1,428.74)	2,511.00
Unitedhealth Group Inc	NOTE	2.750	02/15/23	476.67	-	-	1,370.42	893.75	(119.82)	773.93
Pepsico Inc.	NOTE	2.750	03/01/23	-	-	-	859.38	859.38	(386.32)	473.06
Treasury Note	NOTE	2.750	04/30/23	17,464.78	-	964.78	23,093.92	4,664.36	(1,852.71)	2,811.65
Chevron Corp	NOTE	1.280	05/11/23	255.49	-	-	695.49	440.00	(245.50)	194.50
Loews Corporation	NOTE	2.625	05/15/23	2,782.50	-	535.57	4,214.58	896.51	(583.47)	313.04
Public Service Electric And Gas	NOTE	2.375	05/15/23	2,097.92	-	-	2,691.67	593.75	(60.22)	533.53
Simon Property Group LP	NOTE	2.750	06/01/23	2,062.50	-	-	2,750.00	687.50	24.74	712.24
FHLMC	NOTE	2.750	06/19/23	2,656.25	2,812.50	-	312.50	468.75	(259.24)	209.51
FNMA	NOTE	0.250	07/10/23	-	-	541.67	675.00	133.33	714.24	847.57
Treasury Note	NOTE	0.130	07/31/23	150.21	-	60.43	414.36	203.72	1,559.76	1,763.48
FNMA	NOTE	2.875	09/12/23	18,895.14	20,125.00	-	2,124.31	3,354.17	(1,469.98)	1,884.19
Treasury Note	NOTE	2.875	09/30/23	22,510.30	26,953.13	-	147.28	4,590.11	(1,818.51)	2,771.60
Treasury Note	NOTE	2.875	11/30/23	5,750.00	-	-	7,708.79	1,958.79	(1,277.00)	681.79

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
03/01/22-03/31/22

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest		Current Accrual	Interest Earned	Amrt/Accrft For Period	Adjusted Total Int. Earned	
						Paid At	Purc/Recv				Total Int. Earned	
Citibank NA	NOTE	3.650	01/23/24	1,155.83	-	-	-	2,068.33	912.50	(123.62)	788.88	
IBM Corp	NOTE	3.625	02/12/24	784.41	-	-	-	2,022.95	1,238.54	(980.71)	257.83	
Treasury Note	NOTE	0.125	02/15/24	84.60	-	-	-	271.93	187.33	450.62	637.95	
3M Co	NOTE	0.690	02/14/24	108.57	-	-	-	332.95	224.38	-	224.38	
Mellife Inc	NOTE	3.600	04/10/24	5,992.50	-	-	-	7,267.50	1,275.00	(1,031.18)	243.82	
Comcast Corporation	NOTE	3.700	04/15/24	5,940.56	-	-	-	7,250.97	1,310.41	(1,025.64)	284.77	
Bank of New York Mellon Corp	NOTE	3.400	05/15/24	4,354.83	-	426.89	-	6,101.11	1,319.39	(977.98)	341.41	
Target Corporation	NOTE	3.500	07/01/24	2,187.50	-	325.69	-	3,718.75	1,205.56	(702.84)	502.72	
Bristol-Myers Squibb Co	NOTE	2.900	07/26/24	1,155.97	-	135.33	-	2,356.25	1,064.95	(727.96)	336.99	
Honeywell International Inc	NOTE	2.300	08/15/24	398.67	-	-	-	1,146.17	747.50	(194.99)	552.51	
Treasury Note	NOTE	1.875	08/31/24	81.52	-	-	-	2,608.70	2,527.18	(1,870.52)	656.66	
United Parcel Service	NOTE	2.200	09/01/24	-	-	-	-	685.67	685.67	(478.18)	207.49	
PNC Funding Corp	NOTE	3.300	10/30/24	3,604.79	-	-	-	4,498.54	893.75	(359.06)	534.69	
Wisconsin Electric Power Company	NOTE	2.050	12/15/24	1,514.72	-	-	-	2,112.64	597.92	(377.41)	220.51	
FFCB	NOTE	1.130	01/06/25	718.75	-	-	-	1,150.00	431.25	28.88	460.13	
FNMA	NOTE	1.630	01/07/25	4,265.63	-	-	-	6,635.42	2,369.79	(875.00)	1,494.79	
US Bancorp	NOTE	2.050	01/21/25	1,081.94	-	-	-	1,893.40	811.46	(21.46)	790.00	
FHLMC Reference Note	NOTE	1.500	02/12/25	1,385.42	-	-	-	3,572.92	2,187.50	(423.98)	1,763.52	
FFCB	NOTE	1.750	02/25/25	-	-	729.17	-	2,187.50	1,458.33	(61.52)	1,396.81	
Exxon Mobil Corp	NOTE	2.709	03/06/25	5,267.50	5,418.01	-	-	752.50	903.01	(554.63)	348.38	
Ace InA Holdings Inc	NOTE	3.150	03/15/25	5,810.00	6,851.25	-	-	609.00	1,120.44	(788.59)	331.85	
Treasury Note	NOTE	0.050	03/31/25	3,340.66	4,000.00	-	-	21.86	681.20	215.45	896.65	
General Dynamics Corporation	NOTE	3.250	04/01/25	677.08	812.50	-	-	-	135.42	(100.50)	34.92	
Federal Home Loan Banks	NOTE	0.500	04/14/25	2,759.03	-	-	-	3,363.19	604.16	(74.30)	529.86	
FNMA	NOTE	0.630	04/22/25	2,015.62	-	-	-	2,484.38	468.76	261.37	730.13	
General Dynamics Corporation	NOTE	3.500	05/15/25	3,246.25	-	-	-	4,165.00	918.75	(641.35)	277.40	
Qualcomm Incorporated	NOTE	3.450	05/20/25	3,387.71	-	-	-	4,393.96	1,006.25	(335.09)	671.16	
Pfizer Inc	NOTE	0.800	05/28/25	857.67	-	133.33	-	1,298.33	307.33	191.45	498.78	
Truist Financial Corp	NOTE	0.300	06/09/25	-	561.67	549.88	-	186.25	198.04	46.11	244.15	
Treasury Note	NOTE	0.250	06/30/25	725.14	-	-	-	1,099.79	374.65	933.67	1,308.32	
Intel Corp	NOTE	3.700	07/29/25	1,068.89	-	300.63	-	2,548.89	1,179.37	(817.11)	362.26	
State Street Corporation	NOTE	3.550	08/18/25	544.83	-	98.61	-	2,014.13	1,370.69	(1,001.21)	369.48	
FNMA Benchmark Note	NOTE	0.500	11/07/25	4,995.42	-	-	-	6,310.00	1,314.58	311.02	1,625.60	
Lockheed Martin Corporation	NOTE	3.550	01/15/26	1,701.04	-	-	-	2,810.42	1,109.38	(711.67)	397.71	

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
03/01/22-03/31/22

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accr't For Period	Adjusted Total Int. Earned
Prudential Financial Inc	NOTE	1.500	03/10/26	3,206.25	3,375.00	-	393.75	562.50	(98.18)	464.32
Sierra Pacific Power	NOTE	2.600	05/01/26	3,033.33	-	-	3,791.67	758.34	(294.61)	463.73
FHLB	NOTE	1.880	09/11/26	10,312.50	-	-	14,609.38	4,296.88	(2,796.51)	1,500.37
FHLB	NOTE	2.130	12/11/26	3,305.56	-	-	4,545.14	1,239.58	(346.67)	892.91
Subtotal				\$ 249,273.60	\$ 108,149.70	\$ 6,178.01	\$ 233,805.90	\$ 86,503.99	\$ (23,640.72)	\$ 62,863.27
CASH EQUIVALENTS										
Blackrock Liquidity Funds				-	4.31	-	-	4.31	-	4.31
Subtotal				\$ -	\$ 4.31	\$ -	\$ -	\$ 4.31	\$ -	\$ 4.31
TOTAL				\$ 249,273.60	\$ 108,154.01	\$ 6,178.01	\$ 233,805.90	\$ 86,508.30	\$ (23,640.72)	\$ 62,867.58

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND NINE MONTHS ENDED MARCH 31, 2022 & 2021**

March 2022									
Monthly Performance					Fiscal YTD Performance (July 2021 - March 2022)				
A	B	C	D	E	F	G	H	I	J
Actual \$ Mar 2022	Budget Mar 2022	Actual \$ Prior Year Mar 2021	Note	Variance Actual Vs. Budget	Fiscal YTD	Fiscal YTD Budget	Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
OPERATING ACTIVITY									
CASH RECEIPTS FROM OPERATIONS									
1	\$373,063	\$270,005	\$167,737	(2)	\$103,058	\$3,281,506	\$2,217,000	(2)	\$1,064,506
2	2,131,543	964,257	663,405	(3)	1,167,286	17,908,656	7,108,000	(3)	10,800,656
3	1,119,019	532,587	487,894	(4)	586,432	10,972,416	4,842,363	(4)	6,130,053
4	1,109,296	1,157,127	1,115,528	(5)	(47,831)	11,084,463	10,414,137	(5)	650,326
5	198,197	98,066	46,751	(6)	100,131	1,848,268	706,000	(6)	1,142,268
6	77,669	5,000	181,760	(7)	72,669	930,887	45,000	(7)	885,887
7	392,588	191,666	535,935	(8)	200,922	3,803,552	1,794,000	(8)	2,009,552
8	\$5,401,375	\$3,218,708	\$3,199,010	(1)	\$2,182,667	\$49,809,748	\$27,126,500	(1)	\$22,683,248
CASH DISBURSEMENTS FROM OPERATIONS									
9	(\$102,199)	(\$80,741)	(\$69,275)	(10)	(\$21,458)	(\$774,208)	(\$920,175)	(10)	\$145,967
10	(321,028)	(310,841)	(238,279)	(11)	(10,187)	(2,608,201)	(2,772,575)	(11)	164,374
11	(3,073,284)	(2,308,775)	(2,530,050)	(12)	(764,509)	(21,562,911)	(20,874,975)	(12)	(687,936)
12	(447,091)	(244,698)	(204,341)	(13)	(202,393)	(4,476,103)	(4,063,170)	(13)	(412,933)
13	(480,789)	(564,841)	(527,039)	(14)	84,052	(4,764,789)	(5,083,575)	(14)	318,786
14	(78,682)	(103,504)	(22,866)	(15)	24,822	(392,622)	(605,289)	(15)	212,667
15	(380,125)	(380,125)	(380,355)	(16)	0	(3,421,125)	(3,421,125)	(16)	0
16	0	0	0	(16)	0	(1,704,178)	(761,572)	(16)	(942,606)
17	(\$4,883,198)	(\$3,993,525)	(\$3,972,205)	(9)	(\$889,673)	(\$39,704,137)	(\$38,502,456)	(9)	(\$1,201,681)
18	\$518,177	(\$774,817)	(\$773,195)		\$1,292,994	\$10,105,611	(\$11,375,956)		\$21,481,567
INCREASE (DECREASE) IN CASH FROM OPERATIONS									
FACILITY IMPROVEMENT TRANSACTIONS									
CASH DISBURSEMENTS									
19	(\$180)	(\$20,834)	(\$169)	(17)	\$20,654	(\$1,630)	(\$62,500)	(17)	\$60,870
20	(1,063,548)	(1,990,875)	(1,713,965)	(18)	927,327	(1,542,882)	(6,753,125)	(18)	5,210,243
21	(394,730)	(22,916)	(8,030)	(19)	(371,814)	(1,580,275)	(206,250)	(19)	(1,374,025)
22	(\$1,458,458)	(\$2,034,625)	(\$1,722,164)		\$576,167	(\$3,124,787)	(\$7,021,875)		\$3,897,088
23	\$0	\$16,789	\$0	(17)	(\$16,789)	\$0	\$50,369	(17)	(\$50,369)
24	754,036	0	1,245,181	(20)	754,036	3,392,476	823,319	(20)	2,569,157
25	0	0	0	(21)	0	0	0	(21)	0
26	10,777	1,594,044	0	(21)	(1,583,267)	1,253,073	4,604,019	(21)	(3,350,946)
27	\$764,813	\$1,610,833	\$1,245,181		(\$846,020)	\$4,645,549	\$5,477,707		(\$832,158)
28	(\$693,645)	(\$423,792)	(\$476,983)		(\$269,853)	\$1,520,762	(\$1,544,166)		\$3,064,930
INCREASE (DECREASE) - FACILITY / NOISE MITIGATION TRANSACTIONS									
FEDERAL RELIEF GRANT FUNDS									
29	\$0	\$1,028,406	\$2,855,492	(22)	(\$1,028,406)	\$10,612,063	\$11,755,654	(22)	(\$1,143,591)
30	\$0	\$1,028,406	\$2,855,492		(\$1,028,406)	\$10,612,063	\$11,755,654		(\$1,143,591)
31	(\$175,468)	(\$170,203)	\$1,605,314		(\$5,265)	\$22,238,436	(\$1,164,470)		\$23,402,906

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND NINE MONTHS ENDED MARCH 31, 2022 & 2021

General Comments

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

The Schedule consists of two sections: Operating Activity and Facility Improvement 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 Transactions represent the activity for the Authority's capital program, which consists of Other Facility Improvement Program Projects and the Sound Insulation Program.

The FY 2022 Capital Program expenditures are primarily funded by the following sources:

- FAA-approved Passenger Facility Charge ("PFC") program receipts/reserves;
- Grants;
- Operating Revenues

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.

Due to the uncertainty caused by the impacts of COVID-19 to the aviation industry, the Authority continued its conservative outlook on passenger activity recovery into FY 2022. The Authority's Adopted FY 2022 budget was based on the following quarterly activity assumptions:

- Q1 (July - September): a reduction of 65% (represents recovery of 35%)
- Q2 (October - December): a reduction of 55% (represents recovery of 45%)
- Q3 (January - March): a reduction of 50% (represents recovery of 50%)
- Q4 (April - June): a reduction of 45% (represents recovery of 55%)

Passengers were down 17.15% FYTD March when compared to pre-COVID levels. The FYTD March result was favorably above the blended budgeted assumption of a passenger reduction of 56.67% resulting in positive financial performance.

The Adopted FY 2022 Budget includes the use of \$12.3 million in federal relief funds to support bond debt service and personnel costs, and the use of \$2.5 million in ARPA concessions relief funds to supplement the loss in revenue from in-terminal concessionaires due to declined passenger activity resulting from the COVID-19 pandemic.

NOTE (1) – Cash Receipts from Operations

Cash receipts from operations exceed the budget FYTD March. On an accrual basis, operating revenues exceed the budget FYTD March by \$21,232,496. See notes 2 through 8 for additional information regarding operating receipts.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND NINE MONTHS ENDED MARCH 31, 2022 & 2021

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. On an accrual basis, Landing Fees combined with Fuel Flowage Fees exceed the budget by \$1,140,400 FYTD March.

NOTE (3) – Parking Fees

Parking fee revenues performed above the budget forecast. The Authority approved Increases in parking rates for Lots A, C, Structure, and Valet parking lots effective January 1, 2022. Accrual basis Parking Fees are \$10,652,784 ahead of budget FYTD March.

NOTE (4) – Rental Receipts - Terminal Building

Terminal Building rental receipts exceed the budget FYTD March. Accrual basis Terminal Building rents exceed the budget by \$5,955,746 FYTD March.

NOTE (5) – Rental Receipts - Other Buildings

Other Buildings rental receipts exceed the budget FYTD March partially due to the timing of receipts. Accrual basis Other Building rents are \$636,351 ahead of budget FYTD March due to CPI adjustments and additional lease revenues.

NOTE (6) – Ground Transportation

This category consists of off-airport access fees and TNC activity. Accrual basis Ground Transportation receipts exceed the budget by \$1,186,421 FYTD March.

NOTE (7) – Other Receipts

This category consists primarily of filming, TSA LEO reimbursements, fingerprint/badge renewal fees, noise fees, access fees, and the newly implemented fee for ground handling services for the airlines. Accruals basis Other Receipts are \$948,887 ahead of budget FYTD March.

NOTE (8) – 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, the timing of coupon payments and individual investment maturities. Accrual basis investment income exceeds the budget by \$711,907 FYTD March.

NOTE (9) – Cash Disbursements from Operations

Overall operating disbursements are favorably under budget FYTD March. On an accrual basis, operating disbursements are favorably within budget parameters. See additional information on operating disbursements in notes 10 through 16.

NOTE (10) – 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 (11) – Operating Supplies & Maintenance

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

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND NINE MONTHS ENDED MARCH 31, 2022 & 2021

NOTE (12) – 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. In October 2021, in response to the better than expected passenger activity recovery, the authority approved additional expenses associated with the Airport's parking operations and remote parking lot shuttle services that are estimated to be \$2,390,000 in excess of the adopted FY 2022 budget for these services.

NOTE (13) – Contractual Professional Services

This line item includes various professional services such as legal, auditing, noise, financial and insurance. In October 2021, in response to the better than expected passenger activity recovery, the authority approved additional expenses associated with airport security and traffic control services that are estimated to be \$325,000 in excess of the adopted FY 2022 budget for these services. Also, due to favorable parking revenue transactions, credit card processing fees have increased. In addition, legal services expenses are trending above budget due to ongoing litigation matters.

NOTE (14) – 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 Memorandum of Understanding effective February 2021. Wages and Benefits include overtime for film location services which are recovered through the related film revenue.

NOTE (15) – Other Operating Costs

This line item primarily includes public relations/advertising, air service retention, and license/permit fees.

NOTE (16) – Parking Tax

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. The next remittance, covering parking activity for the months of January, February and March, is due April 2022.

NOTE (17) – Sound Insulation Program

The Sound Insulation program is funded primarily through FAA Airport Improvement Program ("AIP") grants and Passenger Facility Charge ("PFC") revenues. Staff is awaiting FAA's decision to award a noise discretionary grant, the receipt of which will facilitate the restart of the program.

NOTE (18) – Other Facility Improvement Program Projects

Other Facility Improvement Program Projects costs on a cash basis are under budget FYTD March by \$5,210,243 due to the delay of certain projects.

NOTE (19) – Replacement Passenger Terminal Project

Replacement Passenger Terminal Project costs on a cash basis exceed the budget FYTD March by \$1,374,025 partially due to payments for FY 2021 accrued costs. The majority of the \$1,580,275 in cash expenditures FYTD March are related to the completion of the EIS (payments to RS&H - \$421,670, which are funded through an AIP grant and PFC revenues) and AECOM project management services (\$930,105).

NOTE (20) – FAA Grants – Other Facility Improvement Program Projects

FAA Grants are budgeted to partially fund the ARFF Truck Replacement and required Hollyona Property modifications.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND NINE MONTHS ENDED MARCH 31, 2022 & 2021

NOTE (21) – Passenger Facility Charge Receipts/Reserves

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges, including the Airfield Maintenance Equipment, the Airfield Vault Replacement Project, the Taxiway A Rehabilitation and the Runway 8 PAPI Relocation Project.

NOTE (22) – Federal Relief Grant Funds

FYTD March reimbursement includes \$3.6 million is from CARES Act Grant funds, covering FY 2021 costs related to the 2015 Bond Debt Service for June 2021 and certain personnel costs for March to April 2021. Also include are \$7.0 million from CRRSA Act Grant funds, covering July to December 2021 costs related to the 2015 Bond Debt Service and July to December 2021 costs related to personnel costs.

The Adopted FY 2022 Budget includes the use of \$12.3 million in federal relief funds to support bond debt service and personnel costs, and the use of \$2.5 million in ARPA concessions relief funds to supplement the loss in revenue from in-terminal concessionaires due to declined passenger activity resulting from the COVID-19 pandemic.

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 NINE MONTHS ENDED MARCH 31, 2022 & 2021

March 2022									
Monthly Performance					Fiscal YTD Performance (July 2021 - March 2022)				
A	B	C	D	E	F	G	H	I	J
Actual \$ Mar 2022	Budget Mar 2022	Actual \$ Prior Year Mar 2021	Note	Variance Actual Vs. Budget	Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
31	\$322,655	\$208,334	\$134,034 (1)	\$114,321	Customer Facility Charge Receipts	\$3,325,426	\$1,575,000	\$1,479,962 (1)	\$1,750,426
32	0	192,000	0 (3)	(192,000)	Federal Relief Grant Funds - 2012 Bond Debt Service	376,227	2,027,996	1,350,736 (3)	(1,651,769)
33	64,170	85,913	130,969 (4)	(21,743)	Facility Rent	756,827	773,221	786,425 (4)	(16,394)
34	(486,247)	(486,247)	(486,171)	0	Payments to Bond Trustee for 2012 Bond Debt Service	(4,376,217)	(4,376,217)	(4,375,540)	0
35	<u>(\$99,422)</u>	<u>\$0</u>	<u>(\$221,168)</u>	<u>(5)</u>	<u>(\$99,422)</u>	<u>\$82,263</u>	<u>\$0</u>	<u>(\$758,417)</u>	<u>\$82,263</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.

Note (2) – Federal Relief Grant Funds

FYTD March reimbursement of \$376,227 covers FY 2021 costs related to the 2012 Bond Debt service for May and June 2021 and was paid with the remainder of the CARES Act grant funds. The Authority has programmed as part of the adopted FY 2022 budget approximately \$2.5 million in Federal Relief Grant funds (CRRSAA and ARPA) to fund the 2012 Bond Debt Service.

Note (3) – Facility Rent

Facility Rent receipts are applied to the 2012 Bond debt service.

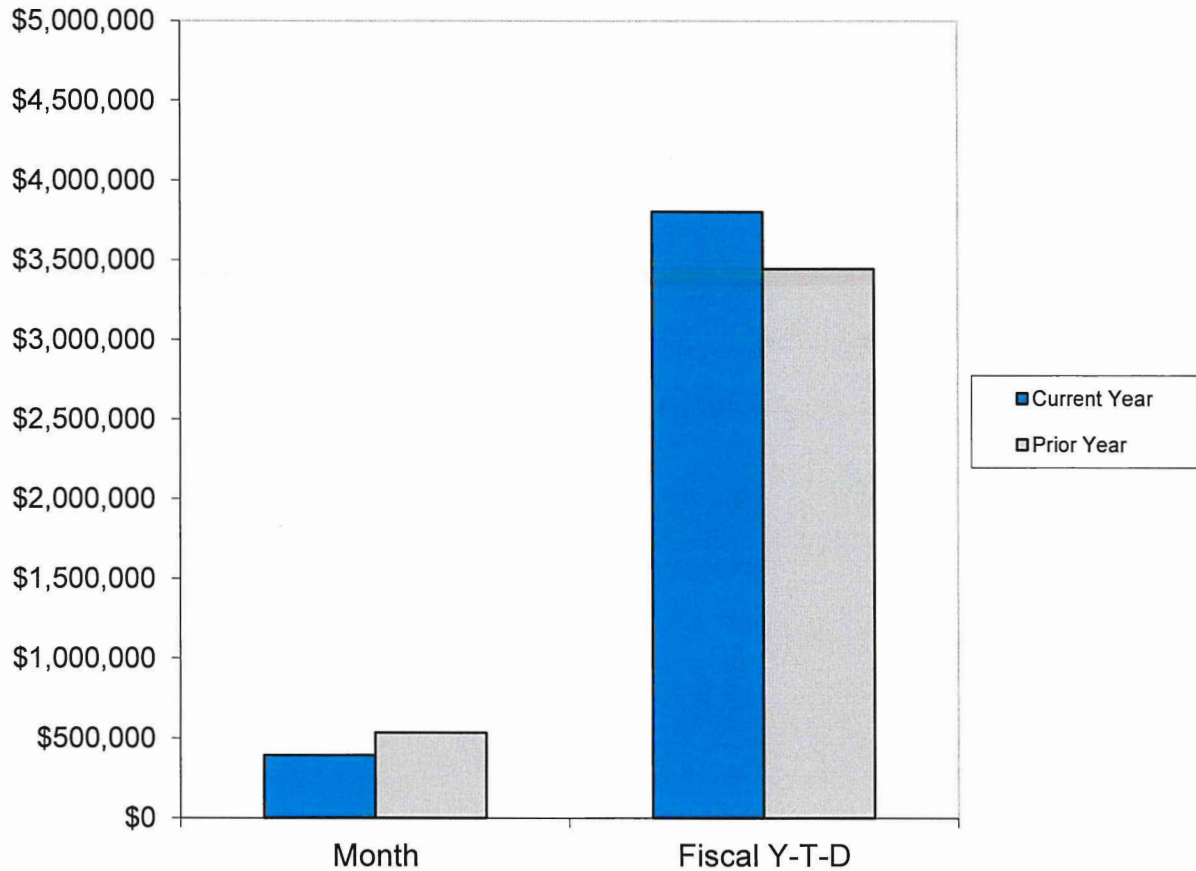
Note (4) – Net RITC / ConRAC Facility Payments and Collections

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

INTEREST ANALYSIS



	March 2022	March 2021
Interest Receipts - - Month	\$392,588	\$535,935
Interest Receipts - - Fiscal Y-T-D	\$3,803,552	\$3,446,469
Month End Portfolio Balance	\$260,827,472	\$232,878,916
Yield to Maturity	1.93%	0.36%

Supplement to the March 2022 Treasurer's Report

FYTD March 2022 Cash Disbursements

Facility Improvement Transactions

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FY 2022 Cash Disbursements - Facility Improvement Transactions

PROJECT DESCRIPTION	Annual Budgeted Cost	FYTD 2022 (Mar 2022) Budgeted Cost	FYTD 2022 (Mar 2022) Cash Basis Cost	FYTD 2022 (Mar 2022) Budget Variance Fav. / (Unfav.)	Project Status FYTD March 2022
BUILDING IMPROVEMENTS					
1) Minor Building Improvements	100,000	75,000	-	75,000	Several small projects underway
TOTAL BUILDING IMPROVEMENTS	\$ 100,000	\$ 75,000	\$ -	\$ 75,000	
IT/COMMUNICATIONS/SECURITY					
2) IT Network Infrastructure Equipment Replacement	300,000	240,000	-	240,000	Deferred to FY 2023
3) DVSS Installation and Equipment Replacement	175,000	162,500	-	162,500	Project to be completed in FY 2023
TOTAL IT/COMMUNICATIONS/SECURITY	\$ 475,000	\$ 402,500	\$ -	\$ 402,500	
EQUIPMENT					
4) ARFF Truck Replacement	808,500	808,500	806,533	1,967	ARFF truck delivered March
5) Airfield Maintenance Equipment	265,000	265,000	205,163	59,837	Sweeper delivered September. Ramp scrubber delivered January
TOTAL EQUIPMENT	\$ 1,073,500	\$ 1,073,500	\$ 1,011,696	\$ 61,804	
RUNWAY / TAXIWAY / ROADWAY PROJECTS					
6) Airfield Lighting Vault Replacement - Construction	4,840,000	2,840,000	155,017	2,684,983	Construction to be completed in FY 2023
7) Taxiway A Rehabilitation - Construction	1,320,000	1,320,000	277	1,319,723	Construction to be completed in FY 2022
8) Runway 8 PAPI Relocation	300,000	150,000	2,355	147,645	Construction to be completed in FY 2023
9) Parking Lot D Access Improvements	250,000	250,000	20,629	229,371	Deferred
10) Airside Pavement Rehabilitation - Design	223,350	200,000	197,705	2,295	Design completed in FY 2022
11) Hollyona Property Modification - RPZ Land	87,000	87,000	-	87,000	Deferred
TOTAL RUNWAY/TAXIWAY/ROADWAY	\$ 7,020,350	\$ 4,847,000	\$ 375,983	\$ 4,471,017	
NOISE MITIGATION					
12) Residential Acoustical Treatment Program	\$ 125,000	\$ 62,500	\$ 1,630	\$ 60,870	Pending award of FAA grant
TOTAL NOISE MITIGATION	\$ 125,000	\$ 62,500	\$ 1,630	\$ 60,870	
DEVELOPMENT					
13) Replacement Terminal Development	\$ 275,000	\$ 206,250	\$ 1,580,275	\$ (1,374,025)	Includes FY 2021 EIS accrued costs
TOTAL DEVELOPMENT	\$ 275,000	\$ 206,250	\$ 1,580,275	\$ (1,374,025)	
O & M CAPITAL	\$ 578,500	\$ 355,125	\$ 155,203	\$ 199,922	
TOTAL	\$ 9,647,350	\$ 7,021,875	\$ 3,124,787	\$ 3,897,088	

Supplement to the March 2022 Treasurer's Report

FYTD March 2022 Cash Expenditures

Replacement Passenger Terminal Project (RPT)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
Replacement Passenger Terminal Project (RPT)
FY 2022 Cash Expenditures: Authorized Contracts

Consultant/Vendor	Scope of Work	Authorized NTE Contract Amount (1)	3rd Quarter Cash Expenditures	FYTD 2022 (March 2022) Cash Expenditures	Remaining Contract Amount
AECOM (1a)	Program Management Services	\$ 3,965,216	\$ 930,105	\$ 930,105	\$ 3,035,111
Airport & Aviation Professionals Inc. (AvAirPros) (1b)	Airline Technical & Financial Coordination Services	50,000	30,109	30,109	19,891
Conway Consulting (1b)	Technical Support	184,000	45,074	65,436	118,564
Georgino Development (1b)	Strategic Planning Services	36,000	12,000	20,000	16,000
Geosyntec Consultants (1c)	Soil Management Services	44,000	2,808	2,808	41,192
Public Resources Advisory Group (PRAG) (1b)	Financial Advisory Services	75,000	9,938	14,813	60,187
Ricondo & Associates (1b)	Financial Feasibility Services	90,000	8,705	24,888	65,112
Richards, Watson & Gershon (2)	Legal Services	N/A	11,920	70,446	N/A
RS&H (3)	Environmental Impact Study (EIS) Services	AIP / PFC Funded	-	421,670	N/A
TOTALS		\$ 4,444,216	\$ 1,050,659	\$ 1,580,275	\$ 2,863,941

(1) Authorized NTE Contract amounts represent Commission approved appropriations that expire June 30, 2022.

The FY 2022 budget was adopted prior to the Commission authorized restart of AECOM Program Management services.

The FY 2022 adopted budget included \$275,000 in RPT appropriations for continued consulting support services associated with program evaluation/financial feasibility. Any additional Commission approved RPT expenditures above this amount are to be funded through positive operating revenues or cash reserves if required.

(1a) NTE authorized amount represents Program Management services (AECOM) contract Task Orders 1 through 5 which were approved for restart on September 20, 2021.

(1b) These Professional Services contracts were presented and approved on September 20, 2021.

(1c) This Professional Services contract was approved on December 13, 2021.

(2) Legal services to be utilized on an as needed basis.

(3) RS&H expenditures are related to the EIS and are fully funded through AIP grant and PFC revenues.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 6, 2022**

**AB 361 FINDINGS FOR SPECIAL BROWN ACT REQUIREMENTS
FOR TELECONFERENCE MEETINGS**

Prepared by Terence Boga, Esq.
General Counsel

SUMMARY

Staff has placed this item on the agenda to give the Commission an opportunity to make the findings specified in AB 361 (2021) for special Brown Act requirements for teleconference meetings. These special requirements give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or an in-person meeting would present imminent risks to the health and safety of attendees. Pursuant to the motion passed at the May 16, 2022, meeting, the agenda for the July 18, 2022, meeting will include an item for the Commission to provide direction on the return to in-person Commission and Committee meetings at the Airport.

BACKGROUND

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California due to the spread of COVID-19. The Governor subsequently issued numerous executive orders suspending or modifying state laws to facilitate the response to the emergency. Among other things, these executive orders superseded certain Brown Act requirements and established special rules to give local public agencies greater flexibility to conduct teleconference meetings. The special rules included provisions allowing local public agencies to conduct teleconference meetings without having to provide a physical location from which the public may attend or comment, without having to use teleconference locations that are publicly accessible, and without having to identify teleconference locations on the agenda. Those special rules expired on September 30, 2021.

On September 16, 2021, in anticipation of then-imminent expiration of his special rules for teleconference meetings, the Governor signed AB 361. In key part, this bill amended the Brown Act to establish special requirements for teleconference meetings if a legislative body of a local public agency makes two findings pursuant to Government Code Section 54953(e)(3). Like the special rules in the Governor's executive orders, the special Brown Act requirements in AB 361 include provisions allowing public agencies to conduct teleconference meetings without having to provide a physical location from which the public may attend or comment, without having to use teleconference locations that are publicly accessible, and without having to identify teleconference locations on the agenda. The AB 361 special Brown Act requirements are scheduled to be repealed on January 1, 2024.

In order for a local public agency to be subject to the AB 361 special Brown Act requirements for teleconference meetings, a legislative body of a local public agency first must make a finding that it has “reconsidered” the circumstances of a declared state of emergency. Second, the legislative body must find that such emergency continues to directly impact the ability of the legislative body’s members to meet in person. Alternatively, for the second finding, the legislative body must find that state or local officials continue to impose or recommend social distancing measures. These findings must be made within 30 days after the legislative body teleconferences for the first time under AB 361 and every 30 days thereafter. The Commission last made these findings on May 16, 2022. At that time, the Commission also directed Staff to include an agenda item in July for the Commission to provide direction on the return to in-person Commission and Committee meetings at the Airport.

Governor Newsom is rolling back his COVID-19 Executive Orders in phases, but he has left his COVID-19 state of emergency declaration in effect. Furthermore, the State of California and the County of Los Angeles have recommended measures to promote social distancing. Thus, the California Division of Occupational Safety and Health still requires that employers provide training on the effectiveness of physical distancing in the workplace. Additionally, the Los Angeles County Department of Public Health continues to recommend that employers take steps to reduce indoor crowding and to enable employees and visitors to physically distance from each other.

RECOMMENDATION

Staff recommends that the Commission make the following findings so that meetings of the Commission and its standing committees will continue to be subject to the AB 361 special Brown Act requirements for teleconference meetings: (1) the Commission has reconsidered the circumstances of the COVID-19 state of emergency; and (2) state and local officials continue to recommend measures to promote social distancing.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 6, 2022**

**DELUX PUBLIC CHARTER HANGAR LEASE
AMERIFLIGHT SUBLEASE CONSENT AND HANGAR LEASE AMENDMENT**

Presented by Scott Kimball
Deputy Executive Director
Operations, Business, and SMS

SUMMARY

At its meeting on May 16, 2022, the Finance and Administration Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve of the following interrelated contract documents involving two tenants, Ameriflight, LLC (“Ameriflight”) and Delux Public Charter, LLC (“Delux”), located in the southwest quadrant of the Airport:

1. Aviation Hangar Lease, copy attached, with Delux to provide for a lease of Hangar 2 until May 31, 2025, with a one-year extension option.
2. Consent to Sublease, copy attached, for Ameriflight’s amended and restated sublease of ramp and automobile parking lot space to Delux; and,
3. Amendment No. 1 to the Aviation Hangar Lease, copy attached, with Ameriflight to extend the term to January 31, 2028, memorialize that the area subleased by Delux may be used for Delux’s enplanement and deplanement operations, and incorporate Air Quality Improvement Plan (“AQIP”) measures.

BACKGROUND

Ameriflight originally entered into a ten-year Master Tenant Lease Agreement with the Authority in August 1997 to operate an air cargo business on approximately 316,539 square feet of land, including Hangar 1, in the southwest quadrant of the Airport. The agreement was amended in June 2002 to allow Ameriflight to return 1,500 of the leased premises, and amended in July 2007 to extend the term on a year-to-year basis. In February 2013, Ameriflight entered into a new ten-year Aviation Hangar Lease with the Authority. Contingent upon Ameriflight’s completion of \$400,000 of tenant improvements or payment into a reserve fund, the agreement includes two five-year extension options.

Delux, operating under the name JetSuite, is a Federal Aviation Regulation Part 135 aircraft operator and private jet service that offers scheduled public charter flights that are published solely on its company website. Delux entered into a three-year Aviation Hangar Lease with the Authority in April 2016 for a portion of Hangar 2, which is located in the southwest quadrant of the Airport adjacent to Ameriflight’s leasehold. The agreement includes two one-year extension options and both were exercised. Since April 2021, the agreement has been extended on a month-to-month basis while Delux and the Authority negotiated a new lease.

In addition to the portion of Hangar 2 it leases from the Authority, Delux subleases a portion of Ameriflight's leasehold. In particular, since April 2018, Delux has subleased approximately 42,000 square feet for aircraft parking; approximately 31,000 of shared ramp space for aircraft movement, temporary parking, and fuel truck parking and staging; and 20 vehicle parking stalls.

Ameriflight and Delux are tenants in good standing and each has met all of its obligations under its lease.

PROPOSED CONTRACT DOCUMENTS

This agenda item involves three interrelated contract documents. The first is a new Aviation Hangar Lease with Delux for a term of three years (June 1, 2022 through May 31, 2025) with a one-year extension option. This will replace the previous lease and will expand the leasehold to include the entire hangar, office space, shop area, public vehicle parking and ramp area.

The second is a Consent to Sublease that approves an amended and restated sublease between Ameriflight and Delux. In the past few years, activity levels of Ameriflight have declined and activity levels of Delux have increased. Seeking additional space for enplaning and deplaning of its passengers, Delux approached Staff about obtaining authorization to utilize a portion of Ameriflight's ramp space. To ensure the operational safety of the proposed activity, the Authority's Safety Management System Department undertook a Safety Risk Assessment ("SRA") of the areas proposed for this passenger activity on the ramp. The SRA identified three locations, depicted in Exhibits A and B of the proposed Consent, where Delux can safely perform this operation. The new sublease also addresses where a Delux aircraft may remain parked overnight, subsequent aircraft movement, the operation of contract fuel truck parking/staging and vehicle parking. The term of the new sublease between Ameriflight and Delux would expire on May 31, 2026 or when either party no longer maintains its tenancy at the Airport, whichever occurs first.

The final document is an Amendment No. 1 to the Aviation Hangar Lease with Ameriflight. This amendment extends the term to January 31, 2028 and includes a five-year extension option contingent upon Ameriflight's completion of \$400,000 of tenant improvements or payment into a reserve fund. The amendment also memorializes that the area subleased by Delux may be used for Delux's enplanement and deplanement operations. Lastly, the amendment incorporates AQIP measures from the Authority's Memorandum of Understanding with the South Coast Air Quality Management District.

DETAILS

Details for each of the proposed contract documents are as follows:

Ameriflight:

Premises:	Approximately 315,609 square feet of land including hangar space
Use:	For the operation of tenant's business as an air cargo carrier

Term: January 31, 2023, to January 31, 2028

Options: One additional 5-year extension option

Current Rent: \$65,452.42 per month; \$785,429.04 per year

Adjustments: Annually at 120% CPI

Improvements: Tenant will make improvements at a cost of at least \$400,000 before January 31, 2028

Termination: Landlord with six (6) months' notice

Other: Tenant pays expenses related to occupancy including maintenance, utilities and taxes

Delux:

Term: June 1, 2022, to May 31, 2025

Extension: One one-year extension option

Rent: \$45,947.90 monthly; \$551,374.80 annually

Premises: Office space totaling 4,759 s.f., 25,561 s.f. of hangar space, 14,736 s.f. of ramp space and 40 parking spaces at Hangar 2

Use: Support space for Public Charter Operations

Termination: Landlord with sixty (60) day notice

Security Deposit: \$137,843.00 (Three (3) month's rent)

Others: Tenant to pay all expenses related to its occupancy including maintenance, utilities, bathroom maintenance, trash and any applicable taxes

Sublease between Ameriflight and Delux:

Use: Access to Ameriflight's space for aircraft movement, vehicle parking, contract fuel truck parking/staging and passenger enplaning and deplaning by Delux

Premises: Hangar 1 aircraft ramp and landside vehicle parking

Term: June 1, 2022, to May 31, 2026

Termination: Sublease will terminate if the Aviation Hangar Lease for either party is terminated

-3-

BUDGET IMPACT

The proposed leases with Ameriflight and Delux provide the Authority with continued rental revenue from Ameriflight's tenancy in Hangar 1 for an additional five years with annual CPI adjustments, and additional rental income for Delux's lease of the entire Hangar 2 facility which generates \$349,966 in the initial year with subsequent CPI adjustments for at least three years thereafter.

RECOMMENDATION

At its meeting on May 16, 2022, the Committee voted unanimously (3-0) to recommend that the Commission approve the following contract documents and authorize the President to execute the same: (1) an Aviation Hangar Lease with Delux for Hangar 2 and associated facilities for a period of three years with a one-year extension option; (2) a Consent to Sublease for Ameriflight's amended and restated sublease of ramp and automobile parking lot space to Delux; and (3) Amendment No. 1 to the Aviation Hangar Lease with Ameriflight to extend the lease term to January 31, 2028, memorialize that the area subleased by Delux may be used for Delux's enplanement and deplanement operations, and incorporate AQIP measures.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JUNE 6, 2022**

**REVIEW OF THE PROPOSED
FISCAL YEAR 2022/2023 ("FY 2023") ANNUAL BUDGET;
AND
PROPOSED RESOLUTION NO. 494,
A RESOLUTION OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTING THE FISCAL YEAR 2022/2023 ("FY 2023") ANNUAL BUDGET**

Presented by Kathy David
Deputy Executive Director
Finance and Administration

SUMMARY

Staff seeks Commission approval of the attached Resolution No. 494, which adopts the proposed Fiscal Year 2022/2023 ("FY 2023") budget. This proposed budget provides a comprehensive balanced financial program which identifies all anticipated expenditures for the next year including the estimated Operations and Maintenance expenditures, the proposed Facility Improvement (Capital) Program and utilization of Federal Relief grant funds. The budget identifies all proposed funding sources as detailed in the Sources of Funds Summary section of the attached documents.

Enclosed in the agenda packet is a workbook which provides detailed information regarding the proposed FY 2023 financial budget program.

RECOMMENDATION

At the May 25, 2022, special meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3-0) to recommend to the Commission that it consider and approve the proposed FY 2023 budget and authorize the President of the Authority to execute same.

RESOLUTION NO. 494

**A RESOLUTION OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTING THE FISCAL YEAR 2022/2023 (“FY 2023”) ANNUAL BUDGET**

THE BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY DOES
RESOLVE AS FOLLOWS:

SECTION 1. The proposed financial budget for the fiscal year commencing July 1, 2022, and ending June 30, 2023, is set forth in that certain document entitled “Burbank-Glendale-Pasadena Airport Authority Adopted FY 2022/2023 (“FY 2023”) Budget Summary” and the same is hereby approved and adopted.

SECTION 2. There is hereby appropriated to each account as set forth in the “SOURCES OF FUNDS: SUMMARY,” the “USES OF FUNDS: SUMMARY” and accompanying exhibits of the Burbank-Glendale-Pasadena Authority Adopted FY 2022/2023 (“FY 2023”) Budget Summary, the sums shown for the categories therein set forth, and the Director, Financial Services, is hereby authorized and empowered to expend such for the purposes of such accounts subject to the review and approval of the Executive Director and/or his/her designee.

SECTION 3. The authorization granted to the Director, Financial Services, in Section 2 of this resolution is hereby made subject to the terms of the Authority’s Expenditure policy.

ADOPTED, this ____ day of June 2022.

Paula Devine, President
Burbank-Glendale-Pasadena Airport Authority

Attest:

Frank R. Miller, Assistant Secretary

[illegible]

I, Frank R. Miller, do hereby certify that the foregoing resolution was duly and regularly adopted by the Commissioners of the Burbank-Glendale-Pasadena Airport Authority at its regular meeting held on the ____ day of June 2022 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Frank R. Miller
Assistant Secretary

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2022/2023 ("FY 2023") BUDGET
SUMMARY

SOURCES OF FUNDS: SUMMARY

	Adopted Budget FY 2023	Adopted Budget FY 2022	\$ Change	% Change
Rentals	\$ 17,775,000	\$ 16,250,000	\$ 1,525,000	9.38%
Parking	23,750,000	10,735,000	13,015,000	121.24%
Concessions	11,375,000	4,500,000	6,875,000	152.78%
Landing Fees	3,900,000	2,550,000	1,350,000	52.94%
Investment Income	3,550,000	2,300,000	1,250,000	54.35%
Ground Transportation	2,040,000	1,090,000	950,000	87.16%
Other Revenues	1,580,000	600,000	980,000	163.33%
Total Operating Revenues	63,970,000	38,025,000	25,945,000	68.23%
PFC Revenues / Reserves	4,504,040	6,766,150	(2,262,110)	-33.43%
Airport Improvement Program Grants	3,545,960	924,056	2,621,904	283.74%
CFC Fees: 2012 Bond Issue	4,000,000	2,300,000	1,700,000	73.91%
Facility Rent - RAC	1,030,962	1,030,962	-	0.00%
Total Nonoperating Revenues	13,080,962	11,021,168	2,059,794	18.69%
Total Operating & Nonoperating Revenues	77,050,962	49,046,168	28,004,794	57.10%
Federal Relief Grant Funds				
Bond P & I (2012 Issue)	804,930	2,503,994	(1,699,064)	-67.85%
Bond P & I (2015 Issue)	3,817,862	4,561,500	(743,638)	-16.30%
Concession Relief	-	2,500,000	(2,500,000)	-100.00%
Personnel Costs	-	7,779,373	(7,779,373)	-100.00%
Total Federal Relief Grant Funds	4,622,792	17,344,867	(12,722,075)	-73.35%
Total Revenues & Federal Relief Grant Funds	81,673,754	66,391,035	15,282,719	23.02%
Airport Reserves / Interim Financing (Note 1)	34,225,000	-	34,225,000	N/A
Total	\$ 115,898,754	\$ 66,391,035	\$ 49,507,719	74.57%

USES OF FUNDS: SUMMARY

	Adopted Budget FY 2023	Adopted Budget FY 2022	\$ Change	% Change
Bond P & I (2012 Issue)	\$ 5,835,892	\$ 5,834,956	\$ 936	0.02%
Bond P & I (2015 Issue)	4,564,500	4,561,500	3,000	0.07%
Subtotal Debt Service	10,400,392	10,396,456	3,936	0.04%
Operations and Maintenance	55,415,900	45,775,550	9,640,350	21.06%
Total Operating Expenses	65,816,292	56,172,006	9,644,286	17.17%
Facility Improvement Program				
Noise Mitigation	1,000,000	125,000	875,000	700.00%
Other Improvements	10,690,000	8,668,850	2,021,150	23.32%
Replacement Passenger Terminal Project	34,225,000	275,000	33,950,000	12345.45%
Total Facility Improvement Program	45,915,000	9,068,850	36,846,150	406.29%
Parking Tax	2,544,643	1,150,179	1,394,464	121.24%
Total Operating & Nonoperating Expenses	114,275,935	66,391,035	47,884,900	72.13%
Additional O & M Reserve Requirement	1,622,819	-	1,622,819	N/A
Total	\$ 115,898,754	\$ 66,391,035	\$ 49,507,719	74.57%

Note 1: Programmed use of Airport Reserves is limited to the estimated FY 2023 capital outlay for the Replacement Passenger Terminal (RPT) project, pending reimbursement through interim financing.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2022/2023 ("FY 2023") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2023	ADOPTED BUDGET FY 2022	\$ AMOUNT CHANGE	% CHANGE
8000	Regular Wages	\$ 3,453,000	\$ 3,345,000	\$ 108,000	3.23%
8012	Overtime Wages	360,000	350,000	10,000	2.86%
8100	Sick Leave	279,000	271,000	8,000	2.95%
8102	Vacation	285,000	284,000	1,000	0.35%
8103	Payroll Taxes	378,000	368,000	10,000	2.72%
8104	Workers' Compensation Insurance	685,000	632,000	53,000	8.39%
8105	Group Insurance	581,000	493,000	88,000	17.85%
8107	Retiree Medical Trust	48,000	50,400	(2,400)	-4.76%
8109	Holiday	238,000	235,000	3,000	1.28%
8110	Employee Retirement Plan	543,000	482,000	61,000	12.66%
8111	Employee Medical Opt Out	28,800	34,200	(5,400)	-15.79%
8115	FSA Admin.	900	900	-	0.00%
8120	Certification Pay	217,000	220,000	(3,000)	-1.36%
8125	Training Pay	12,000	12,600	(600)	-4.76%
8200	Office Supplies	70,000	65,000	5,000	7.69%
8202	Periodicals, Maps and Pamphlets	7,900	3,200	4,700	146.88%
8204	Printing and Binding	13,350	14,900	(1,550)	-10.40%
8206	Special Office / Other Supplies	110,940	90,000	20,940	23.27%
8208	Postage	14,000	14,000	-	0.00%
8210	Office / Noise Equipment Service	191,550	170,250	21,300	12.51%
8212	Copy Machine Lease	26,600	26,600	-	0.00%
8214	Office Equipment Rent	700	700	-	0.00%
8216	Photographic Expense	250	1,250	(1,000)	-80.00%
8252	Recruitment Expense	20,000	20,000	-	0.00%
8254	Membership Dues	165,470	161,000	4,470	2.78%
8256	Uniform Expense	149,840	130,000	19,840	15.26%
8258	Commission Meeting	175,000	175,000	-	0.00%
8260	Conference Meeting	108,800	65,000	43,800	67.38%
8261	Training Expense	347,050	290,000	57,050	19.67%
8302	Fuel, Oil and Lubricants	400,000	150,000	250,000	166.67%
8303	Low Value Communications Equipment	2,000	3,400	(1,400)	-41.18%
8304	Low Value Machinery / Equipment	21,250	11,500	9,750	84.78%
8305	Low Value Furniture / Fixtures	12,000	10,000	2,000	20.00%
8306	Vehicle Repair / Maintenance Supplies	50,000	60,000	(10,000)	-16.67%
8308	General Repair / Maintenance	150,000	150,000	-	0.00%
8316	Shop Supplies	66,000	60,000	6,000	10.00%
8318	Electrical Supplies	160,250	150,000	10,250	6.83%
8320	Plumbing, Heating and Air Conditioning	190,000	129,500	60,500	46.72%
8322	Building / Construction Supplies	75,000	75,000	-	0.00%
8324	Telephone Expense	320,000	320,000	-	0.00%
8326	Communications Maintenance	58,600	53,200	5,400	10.15%
8332	Industrial Chemical Supplies	14,500	14,500	-	0.00%

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2022/2023 ("FY 2023") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENSES

ACCT #	DESCRIPTION	ADOPTED BUDGET FY 2023	ADOPTED BUDGET FY 2022	\$ AMOUNT CHANGE	% CHANGE
8334	Operating / Maintenance Equipment Lease	\$ 91,300	\$ 56,000	\$ 35,300	63.04%
8336	Utility – Gas	55,000	40,000	15,000	37.50%
8338	Utility – Electric	1,600,000	1,540,000	60,000	3.90%
8340	Utility – Water	430,000	400,000	30,000	7.50%
8341	Sign Repair and Maintenance	110,000	110,000	-	0.00%
8342	Landscaping Expense	258,000	205,500	52,500	25.55%
8344	Paint Expense	167,500	167,500	-	0.00%
8604	ARFF Services	3,818,000	3,640,000	178,000	4.89%
8606	Tenant Janitorial Services	937,500	774,700	162,800	21.01%
8607	Janitorial Services	1,294,750	1,070,500	224,250	20.95%
8608	Refuse Collection	185,000	185,000	-	0.00%
8610	Contractual Building	190,000	190,000	-	0.00%
8612	Contractual Systems	1,438,500	1,548,800	(110,300)	-7.12%
8620	Contractual Vehicle Maintenance	385,400	385,400	-	0.00%
8622	Other Contracted O & M Costs	1,052,100	949,900	102,200	10.76%
8625	Contractual Parking Ops. (Self-Park / Valet)	5,693,200	4,020,000	1,673,200	41.62%
8626	Contractual Transportation Services	3,000,000	65,000	2,935,000	4515.38%
8702	Noise Consultants	87,000	87,000	-	0.00%
8704	Legal Services	1,200,000	650,000	550,000	84.62%
8706	Audit Services	140,000	140,000	-	0.00%
8708	Professional Management Services	16,035,000	15,050,000	985,000	6.54%
8709	Engineering Services	85,000	85,000	-	0.00%
8710	Financial Services	860,000	555,000	305,000	54.95%
8711	Other Professional Services	2,376,300	1,450,000	926,300	63.88%
8715	Environmental Services	202,000	100,000	102,000	102.00%
8804	Bad Debt Expense	4,000	4,000	-	0.00%
8816	Insurance	1,690,000	1,732,600	(42,600)	-2.46%
8818	Public Relations / Advertising	104,500	73,500	31,000	42.18%
8819	Air Service Retention and Development	630,000	435,000	195,000	44.83%
8822	Licenses, Permits and Fees	341,600	284,550	57,050	20.05%
8825	Uninsured Loss	10,000	10,000	-	0.00%

TOTAL O & M EXPENDITURES	\$ 54,501,400	\$ 45,197,050	\$ 9,304,350	20.59%
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O & M EQUIPMENT AND PROJECTS

9010	Vehicles / Equipment	\$ 524,000	\$ 315,000	\$ 209,000	66.35%
9022	Other Machinery / Equipment	296,000	170,000	126,000	74.12%
9026	Office Equipment / Systems	94,500	93,500	1,000	1.07%

TOTAL O & M EQUIPMENT / PROJECTS	\$ 914,500	\$ 578,500	\$ 336,000	58.08%
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TOTAL OPERATIONS AND MAINTENANCE	\$ 55,415,900	\$ 45,775,550	\$ 9,640,350	21.06%
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BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
ADOPTED FY 2022/2023 ("FY 2023") BUDGET
FACILITY IMPROVEMENT (CAPITAL) PROGRAM

PROJECT DESCRIPTION	Cost	Funded By PFC Revenues	Funded By AIP Grant	Funded By Airport Reserves/ Interim Financing	Funded By Airport Share
BUILDING IMPROVEMENTS					
1) Minor Building Improvements	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
TOTAL BUILDING IMPROVEMENTS	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
IT / COMMUNICATIONS / SECURITY					
2) Communications Center Equipment Replacement	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000
3) IT Network Infrastructure Equipment Replacement	350,000	-	-	-	350,000
4) DVSS Hardware Replacement / Upgrades	225,000	-	-	-	225,000
5) Parking Lot Revenue Control Equipment Upgrades	210,000	-	-	-	210,000
TOTAL IT / COMMUNICATIONS / SECURITY	\$ 1,335,000	\$ -	\$ -	\$ -	\$ 1,335,000
EQUIPMENT					
6) ARFF Rescue Vehicle Replacement (Rescue #17)	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
7) HVAC Replacements	175,000	-	-	-	175,000
8) Airfield Maintenance Equipment (Mower)	160,000	-	-	-	160,000
9) ARFF Truck Replacement (bid and award process)	15,000	-	-	-	15,000
TOTAL EQUIPMENT	\$ 750,000	\$ -	\$ -	\$ -	\$ 750,000
RUNWAY / TAXIWAY / ROADWAY PROJECTS					
10) Taxiway C Pavement Rehabilitation - Construction	\$ 3,400,000	\$ 659,940	\$ 2,740,060	\$ -	\$ -
11) Airfield Lighting Vault Replacement - Construction	3,000,000	3,000,000	-	-	-
12) Runway 8 PAPI Relocation	455,000	455,000	-	-	-
13) Runway/Taxiway Shoulder Rehabilitation - Design	500,000	-	-	-	500,000
14) Landside Roadway and Pavement Construction	325,000	-	-	-	325,000
15) Parking Lot Improvements	575,000	-	-	-	575,000
16) Electric Vehicle (EV) Charging Infrastructure	100,000	-	-	-	100,000
TOTAL RUNWAY / TAXIWAY / ROADWAY PROJECTS	\$ 8,355,000	\$ 4,114,940	\$ 2,740,060	\$ -	\$ 1,500,000
NOISE MITIGATION					
17) Part 150 Update	\$ 1,000,000	\$ 194,100	\$ 805,900	\$ -	\$ -
TOTAL NOISE MITIGATION	\$ 1,000,000	\$ 194,100	\$ 805,900	\$ -	\$ -
SUBTOTAL	\$ 11,690,000	\$ 4,309,040	\$ 3,545,960	\$ -	\$ 3,835,000
REPLACEMENT PASSENGER TERMINAL PROJECT					
18) Replacement Passenger Terminal Project (multi-year)	\$ 34,225,000	\$ -	\$ -	\$ 34,225,000	\$ -
TOTAL FACILITY IMPROVEMENT PROGRAM	\$ 45,915,000	\$ 4,309,040	\$ 3,545,960	\$ 34,225,000	\$ 3,835,000

Notes:

- 1) Appropriations in the amount of \$250K have been included to address small projects.
- 2) Communications Equipment Replacement: (\$350K Console Replacement; \$200K Crash Phone Replacement).
- 3) IT Infrastructure Equipment: (\$350K Core Switch / Blade Server Replacement).
- 4) Digital Video Surveillance System - DVSS (Installation of new and replacement equipment \$225K).
- 5) Parking Lot Revenue Control Equipment - \$210K (Software / Hardware / LPR Camera Upgrades).
- 6) ARFF Rescue Vehicle Replacement for Unit #17 due to vehicle age (\$400K).
- 7) HVAC Replacements (\$105K Compressors Building 9, \$70K Maintenance).
- 8) Airfield Maintenance Equipment - Replacement mower due to age of existing equipment (\$160K).
- 9) ARFF Truck Replacement - \$15K provides for bidding and award of contract pending receipt of FAA AIP Grant. Balance of acquisition cost to be programmed into FY 2024 due to anticipated long lead time for delivery.
- 10) Taxiway C Pavement Rehabilitation - Design completed in FY 2022. Pending AIP Grant, \$3.4 million programmed in FY 2023.
- 11) Airfield Lighting Vault Replacement - Construction commenced in FY 2022 - \$3 million programmed in FY 2023 for project completion.
- 12) Relocation of the Runway 8 Precision Approach Pathway Indicators (PAPI) per airline request. This runway approach navigation equipment project commenced in FY 2022 - \$455K is programmed into FY 2023 for project completion.
- 13) Rwy / Twy / Shoulder Rehabilitation - \$500K in design costs programmed in FY 2023. Construction in future years pending AIP Grants.
- 14) Landside Roadway and Pavement Construction - \$325K to address pavement areas that have degraded.
- 15) Parking Lot Improvements to the A-1 Parcel area to improve passenger convenience and ingress / egress efficiency (\$575K).
- 16) Electric Vehicle (EV) Charging Infrastructure - \$100K to commence project including planning, site evaluations and drawings.
- 17) Part 150 Update pending receipt of AIP Grant (\$1 million).
- 18) Replacement Passenger Terminal - \$33.2 million programmed as estimated FY 2023 costs for PM and PDB; \$1 million as estimated technical / financial support consultant costs. The total estimated amount of \$34.2 million initially funded with Airport Reserves to be reimbursed through future Interim Financing.

FIRST AMENDMENT OF AVIATION HANGAR LEASE

This FIRST AMENDMENT OF AVIATION HANGAR LEASE (the "First Amendment") is dated _____, 2022 and is entered into by and between the BURBANK- GLENDALE-PASADENA AIRPORT AUTHORITY, a 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 AMERIFLIGHT, LLC, a Nevada limited liability company ("Tenant").

RECITALS

A. Landlord and Tenant entered into an Aviation Hangar Lease dated February 4, 2013 (the "Lease"). Capitalized terms used in this First Amendment but not defined shall have the meaning set forth in the Lease.

B. Landlord and Tenant desire to enter into this First Amendment to reflect that Delux Public Charter, LLC, a Delaware limited liability company ("JSX") will have the right to enplane and deplane its planes at certain locations on the ramp area of the Leased Premises. (Landlord and JSX are parties to that certain Aviation Hangar Lease dated _____, 2021 [the "JSX Lease"] under which Landlord has leased space at the Airport to JSX.)

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual of terms and agreements hereinafter set forth, Landlord and Tenant hereby agree and confirm as follows:

1. Areas 3, 4 and 5. As of the date hereof, JSX shall have the right to enplane and deplane at the locations in the Leased Premises shown on Exhibit "A" attached hereto until the expiration or earlier termination of the JSX Lease, and Tenant represents and warrants to Landlord that Tenant has amended its sublease with JSX to permit JSX such use.

2. Extension of Term. Landlord and Tenant hereby extend the term of the Lease to January 31, 2028; however, Tenant agrees that Tenant shall not have the right under Section 2.2 of the Lease or otherwise to further extend the term, unless (in addition to complying with the extension notice requirements in Section 2.2 of the Lease, on or before the commencement of the extension, Tenant either has completed Major Repairs or Replacements or New Improvements at a cost of at least Four Hundred Thousand Dollars (\$400,000) or has made the required payment into the Reserve Fund, in each case as provided in Section 6.2 of the Lease, and has provided Landlord with reasonable evidence of the same.

3. Additional Tenant Covenants. The following is hereby added to the Lease as new Sections 4.3.5 and 4.3.6:

"4.3.5 Air Quality Improvement Plan. In addition to complying with Section 4.3.3, Tenant shall also comply with the following provisions of the Burbank Airport's Air Quality Improvement Plan:

"4.3.5.1 Ground Support Equipment Emissions Policy.
Airlines and other entities own and operate ground support equipment

("GSE") to support arriving, departing, and parked aircraft at the Airport. The Airport's GSE policy will ensure that the Airport achieves Airport-wide GSE emissions targets. The Airport will achieve an airport average composite emissions factor for its GSE fleet which is equal to or less than 1.66 horsepower-hour of nitrogen oxides (g/hp-h of NOx) by January 1, 2023, and 0.74 g/hp-h of NOx by January 1, 2031. Upon achieving the 2023 and 2031 emissions targets, Tenant shall be required to ensure its fleet average continues to meet the Airport emissions targets. Tenant's obligation to meet the 2031 target shall be contingent on the installation of adequate infrastructure to support zero-emission GSE, which is operationally feasible and commercially available. Tenant's "Burbank Airport GSE fleet" shall be comprised solely of GSE operated at the Airport. Emissions performance of GSE operating at the Airport cannot be averaged with emissions performance of GSE operating at other airports to demonstrate compliance with the Airport GSE emissions targets.

4.3.5.2 Clean Construction Policy. Landlord has adopted a Clean Construction Policy, which may be accessed/found at <http://hollywoodburbankairport.com/green-initiatives/>. For all capital improvement projects ("CIPs") undertaken by Tenant, Tenant shall comply, and shall cause its CIP contractors to comply, with such Clean Construction Policy, and shall otherwise ensure its contractors follow clean construction policies to reduce emissions of NOx such as using low-emission vehicles and equipment, recycling construction and demolition debris, and minimizing non-essential trips through better schedule coordination.

4.3.6 Burbank Airport Employee Ride Share Policy. Landlord intends to join the Burbank Transportation Management Organization (BTMO), which will serve all Airport employees and all Airport tenant employers, including employers with less than 250 employees. Tenant is encouraged to also join and to actively participate in the BTMO as an individual member."

4. Entire Agreement. This First Amendment contains the entire agreement of Landlord and Tenant with respect to the specific subject matter hereof. Except as expressly modified or confirmed by this First Amendment, the terms of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this First Amendment as of the date first written above.

LANDLORD:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

By: _____
Print Name: _____
Title: _____

TENANT:

AMERIFLIGHT, LLC


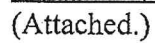
By:  _____
Print Name: PAUL HALTER
Title: VP AIRLINE OPERATIONS

DIAGRAM OF AREAS 3, 4, 5 (JSX ENPLANING/DEPLANING AREAS)



AVIATION HANGAR LEASE

BETWEEN

**BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY**

AND

DELUX PUBLIC CHARTER, LLC

TABLE OF CONTENTS

	<u>Page</u>
1. LEASE	1
1.1 Leased Premises	1
1.2 “AS-IS”	1
1.3 Title; Reservations to Landlord	2
1.4 Landlord’s Right of Access	2
2. TERM	3
2.1 Initial Term; Commencement Date; Annual Period	3
2.2 Extension Option	3
2.3 Early Termination	3
3. RENT	5
3.1 Annual Base Rent	5
3.2 Taxes	7
3.3 Utilities	8
3.4 Other Charges	9
3.5 Net Lease	10
3.6 Interest on Past Due Payments	10
3.7 [Intentionally Deleted]	10
3.8 Address for Payment	10
3.9 No Abatement of Rent or Fees	10
4. USE OF LEASED PREMISES	11
4.1 Use of Leased Premises	11
4.2 Prohibited Uses	12
4.3 Conduct of Tenant’s Activities	12
4.4 Manner of Use	15
4.5 Interference with Utilities, Police, Fire Fighting	15
4.6 Interference with Fire Exits	15
4.7 Temporary Structures	15
4.8 Signs	15
4.9 Vending Machines	16
4.10 Aviation Fuel	16
4.11 Non-Discrimination and Affirmative Action	16
4.12 Compliance with FAA Grant Assurances and Airport Use	16
4.13 Airport Security	17
4.14 Quiet Enjoyment	19
5. MAINTENANCE AND REPAIRS	19
5.1 Tenant’s Obligations	19
5.2 Permitted Repairs by Landlord	19
5.3 Landlord’s Obligation to Repair	20
5.4 Limitations on Landlord Obligations	20
5.5 Landlord Cure	20
6. ALTERATIONS AND IMPROVEMENTS	21
6.1 Approval and Construction of New Improvements	21
6.2 No Liability of Landlord	24
6.3 Indemnity	24

TABLE OF CONTENTS (cont.)

	<u>Page</u>
6.4 Removal of New Improvements, Personal Property and Trade Fixtures	24
7. INSURANCE, INDEMNITY AND EXCULPATION	25
7.1 Obligation to Maintain Insurance	25
7.2 Liability and Workers' Compensation Coverage	25
7.3 Property Insurance	26
7.4 Adjustment of Required Insurance	26
7.5 Policy Requirements	26
7.6 No Limitation of Liability	27
7.7 Waivers of Subrogation Rights	27
7.8 Subtenant and Temporary Licensee Policies	27
7.9 Indemnification	28
7.10 Tenant Acknowledgment of Notice of Claim	28
7.11 Exculpation of Landlord from Liability	28
8. DAMAGE AND DESTRUCTION	29
8.1 Termination Right	29
8.2 Landlord's Repair Obligations	29
8.3 Costs of Restoration or Repair	29
8.4 Waiver by Tenant	30
9. ASSIGNMENT, SUBLETTING AND ENCUMBRANCES	30
9.1 Assignment or Encumbrance Prohibited; Exception for Affiliate	30
9.2 Subletting Prohibited	31
10. EMINENT DOMAIN	31
10.1 Entire or Substantial Taking	31
10.2 Partial Taking	31
10.3 Awards	31
10.4 Sale Under Threat of Condemnation	31
10.5 Condemnation by Landlord	32
11. SUBORDINATION	32
11.1 Subordination	32
11.2 Attornment	32
12. DEFAULTS AND REMEDIES	32
12.1 Events of Default	32
12.2 Remedies	34
12.3 Waiver of Claims	36
12.4 Waiver of Rights of Redemption	36
12.5 No Waiver	36
12.6 Cumulative Remedies	36
12.7 Performance of Tenant's Covenants by Landlord	36
12.8 Excuse of Performance by Landlord	37
12.9 Determination of Rental Amount	37
12.10 Default by Landlord	37
13. SURRENDER AT END OF TERM	37
14. HOLDOVER BY TENANT	37

TABLE OF CONTENTS (cont.)

	<u>Page</u>
15. COMMON USE FACILITIES	38
15.1 Common Use Facilities.....	38
15.2 Reservation of Right to Make Changes	38
15.3 Passenger Terminal Facilities Excluded	38
15.4 Vehicle Parking.....	38
16. RULES AND REGULATIONS OF LANDLORD	38
17. TRANSFER OF LANDLORD'S INTEREST.....	39
18. SECURITY FOR PERFORMANCE.....	39
19. COMPLIANCE WITH ENVIRONMENTAL LAWS	39
19.1 Use of Toxic Materials Prohibited.....	39
19.2 Compliance with Environmental Laws.....	39
19.3 Disclosure	40
19.4 Business Plan	40
19.5 Tenant's and Landlord's Indemnity.....	40
19.6 Landlord's Representation and Warranty	41
19.7 Notice.....	41
19.8 Storage and Use of Toxic Materials.....	41
19.9 Disposal of Toxic Materials	42
19.10 Safety	42
19.11 Fees, Taxes and Fines	42
19.12 Delivery of Documentation.....	42
19.13 Annual Site Investigation.....	42
19.14 [Intentionally Deleted]	42
19.15 Limitation on Liability of Landlord	42
19.16 Definitions.....	43
20. OFFSET STATEMENT	44
20.1 Delivery.....	44
20.2 Reliance.....	44
21. MISCELLANEOUS	44
21.1 Lease Interpretation	44
21.2 Further Assurances.....	45
21.3 Contractor Warranties	45
21.4 "Leased Premises"	45
21.5 Disclaimer of Partnership or Agency.....	45
21.6 Waivers	45
21.7 Successors and Assigns.....	46
21.8 No Merger	46
21.9 Waiver of Jury Trial.....	46
21.10 Notices	46
21.11 Brokers.....	47
21.12 Recording.....	47
21.13 Governing Law	47
21.14 Attorneys' Fees	47
21.15 Force Majeure	47

TABLE OF CONTENTS (cont.)

	<u>Page</u>
21.16 Authority of Person Signing for Tenant.....	47
Exhibit A Leased Premises	
Exhibit B Parking Spaces	
Exhibit C Noise Abatement Rules	
Exhibit D FAA Grant Agreement Assurances - Nondiscrimination	
Exhibit E Policy on Tenant Improvements	

AVIATION HANGAR LEASE

THIS AVIATION HANGAR LEASE (this "Lease") is dated as of _____, 2022, and is entered into by and between the BURBANK-GLENDALE PASADENA AIRPORT AUTHORITY, a 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 DELUX PUBLIC CHARTER, LLC, a Delaware limited liability company ("Tenant").

RECITALS

A. Landlord is the owner and operator of the Bob Hope Airport (commonly known as the "Hollywood Burbank Airport") located in Burbank, California ("Airport").

B. Tenant desires to lease space at the Airport (as described in Section 1.1 below, the "Leased Premises") from Landlord for aircraft hangar and office and related uses.

C. Landlord and Tenant are parties to an Aviation Hangar Lease dated May 16, 2016 ("2016 Lease").

D. The 2016 Lease expired on April 10, 2021 and, with the consent of Landlord, Tenant has been holding over pursuant to a month-to-month tenancy.

E. Tenant and Landlord desire to enter into this Lease to replace the 2016 Lease and add space to the premises leased under the 2016 Lease, effective as of the date of this Lease (which is the date on which this Lease was approved and executed by Landlord, having been previously approved and executed by Tenant).

THEREFORE, in consideration of the covenants and agreements contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. LEASE.

1.1 Leased Premises. As of the Commencement Date (as defined below), the 2016 Lease shall terminate (except for obligations arising prior to such termination), and Landlord shall be deemed to have leased to Tenant, and Tenant shall be deemed to have leased and hired from Landlord, the hangar space, office space and enplaning/deplaning space described and/or depicted in Exhibits "A-1", "A-2" and "A-3" attached hereto (collectively, the "Leased Premises"), together with the right, in common with others, to use certain of the "Common Use Facilities" of the Airport as set forth in Section 15, upon the terms and subject to the conditions set forth in this Lease.

1.2 "AS-IS".

1.2.1 Tenant accepts the Leased Premises as of the Commencement Date in the condition existing as of the Commencement Date, without representation or warranty, express or implied, and agrees that the Leased Premises are otherwise in a good and tenantable

condition and acknowledges that, except as specifically provided herein, Landlord is not otherwise obligated to make any repairs or alterations to the Leased Premises.

1.2.2 The Leased Premises, the building in which they are located and any other areas that may be used by Tenant under this Lease (herein, the “subject premises”) have not been inspected by a Certified Access Specialist (CASP). A CASp can inspect the subject premises and determine whether they comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, a commercial property owner or lessor may not prohibit a lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties must mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the subject premises.

1.2.3 Landlord and Tenant hereby agree that Landlord will not be obligated to obtain or pay for such an inspection report, and will not make or pay for any necessary repairs (all of which shall be the responsibility of Tenant under this Lease).

1.3 Title; Reservations to Landlord. Tenant accepts the Leased Premises subject to any and all existing easements, servitudes and encumbrances, whether recorded or unrecorded. Landlord reserves the right, without obligation, to install, lay, construct, maintain, repair and replace utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises and any New Improvements (as defined in Section 6.1.1) or any part thereof, and to enter the Leased Premises or any New Improvements 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 use of the Leased Premises or Tenant’s business operations in the Leased Premises or the construction of the New Improvements as provided in this Lease or Tenant’s reasonable access to the Common Use Facilities.

1.4 Landlord’s Right of Access. Landlord shall have free access to the Leased Premises during all reasonable hours, or at any time in the event of an emergency, for the purposes of examining the same to ascertain if they are in good repair, inspecting any work in progress within or upon the Leased Premises, New Improvements or elsewhere on the Airport, making repairs which Landlord may be permitted to make hereunder, and, during the last twelve (12) months of the term of this Lease or at any time following either Landlord or Tenant giving a notice of termination under this Lease, exhibiting the same to prospective purchasers or tenants. Such entry shall be made in a manner that 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 master keys or may enter forcibly and shall incur no liability to Tenant as a result of such entry, except for any gross negligence or willful misconduct on the part of Landlord or any of its employees, agents, representatives or contractors. In non-emergency situations, Landlord shall exercise such right

of access with reasonable notice and frequency and shall exercise commercially reasonable efforts to be accompanied by Tenant's representative.

2. TERM.

2.1 Initial Term; Commencement Date; Annual Period. The term of this Lease shall commence at 12:01 a.m. on June 1, 2022 ("Commencement Date") and continue until 11:59 p.m. May 31, 2025 ("Expiration Date"), unless the term is extended pursuant to Section 2.2 or is earlier terminated by Landlord pursuant to Section 2.3 or otherwise under the terms of this Lease, or Tenant terminates this Lease pursuant to the terms of this Lease, in which case the last day of the extended or earlier terminated term shall be the "Expiration Date". Each twelve (12) full calendar month period, commencing on the Commencement Date, during the term of this Lease, including the extended term described in Section 2.2, if applicable, shall be referred to in this Lease as an "Annual Period."

2.2 Extension Option. Provided that this Lease is not sooner terminated and there is no uncured or non-waived Event of Default by Tenant then existing, Tenant shall have one (1) conditional option ("Extension Option") to extend the term of this Lease for one (1) calendar year subject to the prior written approval of the Executive Director. If Tenant exercises the Extension Option and it is approved in writing by the Executive Director, then the Lease term shall be deemed to include the extension. Tenant shall notify Landlord in writing of Tenant's exercise of the Extension Option no later than December 1, 2024 ("Tenant's Option Exercise Notice"). Tenant's failure to give Tenant's Option Exercise Notice on or before the date required hereinabove shall render the Extension Option void. The Annual Base Rent payable during the extended term shall be determined as provided in Section 3.1, including applicable adjustments.

2.3 Early Termination.

2.3.1 Landlord Right to Terminate if Airport Operating Permit Terminates. Landlord shall have the right to terminate this Lease by written notice to Tenant if the Airport Use and Facilities Operating Permit between Landlord and Tenant terminates for any reason.

2.3.2 Additional Landlord Right to Terminate. Tenant acknowledges that Landlord is presently conducting and in the future will conduct feasibility, economic, land use and other studies of the Airport and its physical configuration for the purpose of relocating or rebuilding terminal facilities, fixed base operator facilities, cargo facilities, fueling facilities, retail, commercial, industrial and manufacturing facilities, parking areas, service areas, runways, taxiways, apron areas, access roads, control tower, safety and open areas, safety and navigation equipment and other Airport and non-Airport facilities, some or all of which may be required by the Federal Aviation Administration ("FAA"), by considerations of safety or efficiency of operation at the Airport, or by economic conditions, opportunities or circumstances, and that it is not possible to determine whether or to what extent the Leased Premises or New Improvements will be included within or affected by any such studies, reconfiguration of the Airport or rebuilding or relocation of Airport facilities. In the event that Landlord, in its sole and absolute discretion, determines that all or a portion of the Leased Premises is needed for alternative purposes, uses or opportunities, or that any reconfiguration of the Airport, reconstruction,

rebuilding or reconstruction of Airport facilities, or construction of New Improvements or facilities, will prevent or interfere with Tenant's authorized use of the Leased Premises, and without any requirement that Landlord consider the potential or actual adverse economic impacts upon Tenant or that Landlord meet any standard of reasonableness, need, good faith or fair dealing, all of which Tenant acknowledges shall not be required to be considered by Landlord, Landlord shall have the right to terminate this Lease as to all of the Leased Premises by delivering to Tenant not less than six (6) months' prior written notice of such termination pursuant to this Section.

2.3.3 Payment of Unamortized Cost of Approved New Improvements.

In the event that Landlord exercises its right under Section 2.3.2 to terminate this Lease as to all of the Leased Premises, Landlord shall pay to Tenant the "Unamortized Cost of Approved New Improvements" (as defined in Section 2.3.3.1 below). Tenant acknowledges and agrees that (a) Tenant shall not be entitled to reimbursement for any costs incurred in connection with the construction or installation of any Improvements that are not Approved New Improvements; and (b) Tenant shall not have any right to continue the use or occupancy of any portion of the Leased Premises as to which this Lease has been terminated under Section 2.3 following the effective date of such termination.

2.3.3.1 Unamortized Cost of Approved New Improvements. As used in this Lease, the term "Unamortized Cost of Approved New Improvements" shall mean the actual direct out-of-pocket cost of all Approved New Improvements (constructed after the Commencement Date and certified by Tenant as provided in Section 6.1) located within the Leased Premises, multiplied by a fraction, the numerator of which is the number of full calendar months between the effective date of termination of this Lease and the Expiration Date, and the denominator of which is the number of full calendar months between the date of certification by Tenant of the cost of the Approved New Improvements for which payment is being made and the Expiration Date.

2.3.4 Payment. Landlord shall pay to Tenant the Unamortized Cost of the Approved New Improvements in cash in one lump sum upon the close of escrow as provided in Section 2.3.5. Landlord shall be entitled to offset or credit against such payment any amounts owing by Tenant to Landlord, whether under this Lease or otherwise, and to withhold from such payment the amount of any monetary claim then being asserted in good faith by Landlord against Tenant.

2.3.5 Escrow; Quitclaim Deed and Bill of Sale. Upon receipt of Landlord's notice of termination of this Lease as to the Leased Premises, Landlord and Tenant shall open an escrow with Chicago Title Company, or such other title company as shall be mutually acceptable to the parties, the cost of which shall be divided equally between Landlord and Tenant. Landlord and Tenant shall execute and deliver to the escrow holder all instructions reasonably necessary to facilitate and perform the provisions of this Section 2.3. On or prior to the effective date of termination of this Lease as to the Leased Premises, the parties shall deposit into escrow all funds, documents, deeds and instruments required to be paid or delivered under this Section 2.3. Specifically, Landlord shall deposit into escrow the payment due to Tenant and Tenant shall execute and deposit into escrow a quitclaim deed in recordable form conveying to Landlord, free and clear of all liens, security interests and encumbrances, all of the right, title and

interest of Tenant in the Leased Premises and any New Improvements, together with all of the right, title and interest of Tenant in any appurtenances located thereon or appurtenant thereto. The escrow shall close upon the effective date of termination of this Lease as to the Leased Premises and New Improvements pursuant to this Section 2.3, and the funds, documents and instruments shall be dispersed, delivered or recorded, as applicable, as provided in the escrow instructions of the parties.

2.3.6 Tenant Acknowledgments. The provisions of this Section 2.3 are contractual and arise from Landlord's unwillingness to enter into a long term Lease of the Leased Premises without the right of termination provided herein. Tenant acknowledges that under these circumstances, including those in the preceding sentence, such provisions are reasonable and Tenant is willing to accept Landlord's termination rights in order to obtain a longer lease term and in consideration of the payment and other provisions in this Section 2.3. The exercise by Landlord of its termination right shall not be construed as a violation of FAA grant assurances or as a taking by Landlord of any part of the Leased Premises or New Improvements or of Tenant's rights or leasehold estate under this Lease. Tenant shall not be entitled to payment for any loss of goodwill, income or other amount measured by Tenant's loss upon termination or reduction of its business following termination of this Lease as to the Leased Premises or New Improvements.

3. RENT.

3.1 Annual Base Rent.

3.1.1 Obligation to Pay. Tenant shall pay to Landlord, without setoff or deduction, rent for each Annual Period at the rates and in the amounts described in this Section 3, which rent shall be payable at the times and in the manner set forth in Section 3.1.2 and shall be subject to the adjustments set forth in Sections 3.1.3 ("Annual Base Rent").

3.1.2 Payment of Annual Base Rent. The Annual Base Rent under this Lease shall be \$551,374.80, subject to annual adjustment as set forth below. Such Annual Base Rent shall be payable in twelve (12) equal monthly installments (initially, \$45,947.90 per month), each of which shall be due and payable in advance on the first (1st) day of each calendar month, commencing on the Commencement Date and continuing on the first (1st) day of each calendar month thereafter during the term of this Lease. Each installment of Annual Base Rent shall be paid, without demand therefore, as and when it becomes due and payable, without abatement, reduction or offset, in lawful money of the United States of America. The Annual Base Rent for any partial Annual Period shall be prorated on the basis of a three hundred sixty-five (365) day annual period and the installment of Annual Base Rent for any partial calendar month shall be prorated on the basis of the number of days in that calendar month.

3.1.3 Base Rent Adjustments.

3.1.3.1 Definitions

(i) The term "Adjustment Date" shall mean the first day of the Annual Period commencing in 2022 and in each Annual Period thereafter (or each twelve

(12) calendar month period during any holdover tenancy permitted by Landlord after the Expiration Date).

(ii) The term "Adjustment Index" shall mean the Consumer Price Index for the month of April of the calendar year containing the applicable Adjustment Date.

(iii) The term "CPI Increase" shall mean the percentage increase in the Consumer Price Index, calculated by subtracting the Prior Index from the Adjustment Index and then dividing the result by the Prior Index.

(iv) The term "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers for the Los Angeles – Long Beach – Anaheim statistical area (CPI-U) (1982-84 =100) (the "Index") published by the United States Department of Labor, Bureau of Labor Statistics.

(v) The term "Prior Index" shall mean on each Adjustment Date, the Consumer Price Index used as the Adjustment Index on the prior Adjustment Date (or in the case of the first adjustment, the Consumer Price Index for the month of April of the prior calendar year).

3.1.3.2 Regular Annual Adjustments. Commencing on the first (1st) anniversary of the Commencement Date and thereafter on each Adjustment Date, the Annual Base Rent applicable to the Leased Premises (including all office space and hangar space) shall be increased (but not decreased) by the greater of (i) three percent (3%); or (ii) one hundred twenty percent (120%) of the CPI Increase (rounded to the nearest hundredth). However, in no event shall an annual increase be greater than six percent (6%). The following is an example of the calculation under the preceding clause (a):

$$\begin{array}{ll} \frac{\text{Adjustment Index} - \text{Prior Index}}{\text{Prior Index}} & = \text{CPI Increase} \\ \text{CPI Increase} \times 1.2 & = 120\% \text{ of CPI Increase} \\ 120\% \text{ of CPI Increase} & = \text{xx.xx}\% \end{array}$$

3.1.3.3 CPI Changes. If the Consumer Price Index is changed so that the base year differs from that used for the Prior Index, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor,

Bureau of Labor Statistics. If the 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.

3.2 Taxes.

3.2.1 Possessory Interest and Other Taxes. Provided that if Tenant shall not have received a bill directly from the taxing authority, and Landlord has received such a bill, that Landlord shall have delivered the applicable bill to Tenant, and provided further that, subject to the second sentence of Section 3.2.3 below, Tenant shall not be contesting the applicable Tax in good faith as shown by reasonable evidence delivered to Landlord, then 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, whether levied or assessed upon Landlord or Tenant. 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 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 or Tenant in the Leased Premises or in the real property of which 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; provided, however, that "Taxes" shall not include (i) any mortgage or documentary transfer tax relating to any financing or sale of the Airport; (ii) any tax upon or against Landlord's income or profits; (iii) any franchise, capital stock, excise, social security, unemployment, sales, use or withholding assessments levied against Landlord; (iv) any assessments (or other governmental fees or charges) levied by Landlord against any tenants, the Airport or any portion thereof (whether attributable to special assessment districts or otherwise) to finance any development, maintenance or improvement of facilities at the Airport; or (v) during the five (5) year period following the Commencement Date, any increase in Taxes to the extent arising from a reassessment of the Leased Premises triggered by a sale or other conveyance of all or any part of the Landlord's (or any successor's) interest in the Improvements within which the Leased Premises are located, excluding the conveyance to Tenant of Tenant's leasehold estate effected by this Lease. In the event that a reassessment occurs during the five (5) year period described in clause (v) of the preceding sentence and the Taxes payable by Tenant are thereby increased, Tenant shall have the right, exercised within thirty (30) days after each payment of the increased amount of Taxes by Tenant during the balance of such five (5) year period, to request in writing that Landlord reimburse to Tenant the amount of such increase in Taxes, which request shall be accompanied by a copy of the applicable Tax bills and evidence of payment by Tenant. Landlord shall reimburse to Tenant within thirty (30) days after receipt of Tenant's written request and accompanying documents, the amount of the increase in Taxes paid by Tenant. 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. Tenant shall pay all Taxes prior to delinquency. Tenant shall furnish to Landlord evidence of payment of Taxes within fifteen (15) days after Landlord's written request therefor from time to time. In the event that Landlord receives any bill or invoice for Taxes that are payable by Tenant under this Section 3, Landlord shall promptly forward the bill or invoice to Tenant. If Tenant contests any Taxes, Tenant shall defend,

indemnify and hold Landlord harmless from and against any and all claims, losses, damages, liabilities, costs and expenses incurred or suffered by Landlord as a direct or indirect result of such contest or any failure to timely pay Taxes.

3.2.2 Personal Property Taxes. Provided that if Tenant shall not have received a bill directly from the taxing authority, and Landlord has received such a bill, that Landlord shall have delivered the applicable bill to Tenant, and provided further that, subject to the second sentence of Section 3.2.3 below, Tenant shall not be contesting the applicable tax or assessment in good faith as shown by reasonable evidence delivered to Landlord, then Tenant shall pay prior to delinquency any and all taxes and assessments on the furniture, fixtures, equipment, aircraft and other personal property of Tenant located on the Leased Premises, whether separately assessed and taxed to Tenant or assessed and taxed to Landlord as part of the real property comprising the Leased Premises and/or the Airport. If Tenant contests any such tax or assessment, Tenant shall defend, indemnify and hold Landlord harmless from and against any and all claims, losses, damages, liabilities, costs and expenses incurred or suffered by Landlord as a direct or indirect result of such contest or any failure to timely pay such taxes or assessments.

3.2.3 Right to Contest. Tenant shall have the right to contest the validity, applicability, and/or amount of any Taxes by appropriate proceedings and the cost of such contest shall be paid by Tenant, but Tenant shall be entitled to receive and retain the recoveries from such contest. Notwithstanding the foregoing, if such Taxes are secured by a lien on any portion of the Airport or its revenues or if, in the sole opinion of Landlord, the nonpayment of such Taxes will be detrimental to Landlord, then as a condition to making such contest, Tenant shall pay the contested Taxes with a right of reservation.

3.3 Utilities. Tenant shall pay all charges for water, gas, heat, light, power, air conditioning, telephone, internet and other utilities and services supplied to and/or used in the Leased Premises, together with any and all taxes thereon and connection fees relating thereto, prior to when such charges, taxes or connection fees are due, and shall indemnify Landlord against any liability for the late payment or nonpayment of any such charges, taxes or connection fees. Tenant acknowledges, for itself and its permitted subtenants, successors and assigns, that, except to the limited extent provided in Section 3.4, Landlord has no obligation to provide utilities or services to the Leased Premises. Landlord shall not be liable to Tenant under any circumstances for destruction, damage or loss to property, injury or death of any person, or any consequential damages, arising out of, resulting from or relating to, whether directly or indirectly, the furnishing, failure to furnish, interruption, cancellation or termination of any of such utilities or services by the providers or suppliers of any such utilities or services. In the event that any charges, taxes or connection fees are not separately metered or billed to Tenant, Tenant shall pay to Landlord a reasonable proportion of all charges, taxes or connection fees jointly metered with or billed for other premises. Tenant shall comply with all rules, regulations and other requirements which any provider or supplier of utilities or services may establish for the use, proper functioning and protection of any such utility or service.

3.4 Other Charges.

3.4.1 Obligation to Pay. Tenant shall pay, as additional rent, "Tenant's Share" (as defined in Section 3.4.7) of the costs and expenses incurred by Landlord described in this Section 3.4.

3.4.2 Fire and Security Services. Landlord is not obligated to Tenant to furnish any fire-fighting services or security services to the Leased Premises. Tenant acknowledges that the Leased Premises, Common Use Facilities and other areas of the Airport are within the municipal service areas of the City of Burbank and the City of Los Angeles. Tenant shall provide such security services as may be reasonably required by Landlord to protect the Leased Premises against fire, theft, vandalism, malicious mischief, and unauthorized use or entry of the Leased Premises, and any improvements so required shall be included in "Approved New Improvements". Without limiting or modifying any obligation of Tenant to pay Annual Base Rent or other amounts due under this Lease, with Landlord's prior written approval, which shall not be unreasonably withheld, Tenant shall have the right to station its own security personnel at the Leased Premises and to install its own security systems in the Leased Premises.

3.4.3 Trash Removal. Tenant shall comply with all reasonable written instructions of Landlord in disposing of its trash and refuse. Tenant shall dispose of its refuse at its sole expense.

3.4.4 Insurance Cost Reimbursement. Landlord shall provide insurance against loss arising out of physical damage or destruction to the structure of which the Leased Premises are a part written on an "All Risk Property" form, including earthquake and flood hazards, for the full replacement cost of the structures and other Improvements, including demolition costs and application of building laws coverage. Tenant shall reimburse Landlord, as additional rent, for all costs incurred by Landlord to obtain All Risk Property insurance covering the structure of which the Leased Premises are a part and for Tenant's Share of all other reasonable insurance costs applicable to or incurred by Landlord in connection with the Leased Premises.

3.4.5 Manner of Payment. In the event Landlord pays or incurs any amount reimbursable to Landlord under this Section 3.4 or under any other section of this Lease, Tenant shall reimburse Landlord for such charge, as additional rent hereunder, within thirty (30) days after Landlord gives to Tenant an appropriate invoice therefor.

3.4.6 Redetermination of Charges. Landlord and Tenant acknowledge that the apportionment of Taxes, utilities, security services and trash removal services is based upon circumstances prevailing at the time this Lease is entered into. In the event of a material change in such circumstances (such as, but not limited to, a re-metering of utilities or an increase in real property taxes due to improvements made), Landlord shall re-determine the apportionments made in a reasonable and equitable manner.

3.4.7 Tenant's Share. "Tenant's Share" of the costs of services and expenses provided and paid by Landlord shall be a fraction, the numerator of which is the square footage of the Leased Premises and the denominator of which is the total square footage of the

buildings (excluding the Airport passenger terminal and parking facilities) for which such services are provided from time to time by Landlord.

3.5 Net Lease. Except as otherwise provided in this Lease, Tenant shall be responsible for all costs attributable to the Leased Premises and Tenant's use or occupancy thereof. 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; provided, however, that Tenant shall have the right to contest the validity, applicability or amount of any such charge, cost or expense and, if the claimant attempts to attach or to assert any stop notice or mechanics lien rights against funds held by Tenant's lender, the Leased Premises or any New Improvements, Tenant provides any statutory bond required to prevent such claimant from exercising any such rights or remedies against the lender, the Leased Premises or the New Improvements. All of such charges, costs and expenses which either (i) are payable to Landlord or (ii) the failure to pay will create a lien against the Leased Premises, 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.

3.6 Interest on Past Due Payments. Any amount due from Tenant to Landlord pursuant to this Section 3 or any other provision of this Lease which is not paid within fifteen (15) days after Landlord delivers written notice to Tenant that such amount is due shall bear interest from the due date until paid at a rate equal to the lower of (i) ten percent (10%) per annum or (ii) one percent (1%) 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.

3.7 [Intentionally Deleted]

3.8 Address for Payment. The rent and all other amounts due to Landlord pursuant to this Section 3 or any other provision of this Lease 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 to Tenant.

3.9 No Abatement of Rent or Fees. Tenant acknowledges and agrees that, except as provided in Sections 8.1, 8.2, 10.1 or 10.2: (i) this Lease shall not be terminable for any reason by Tenant, and (ii) Tenant shall in no event be entitled to any abatement of or reduction in rent payable under this Lease. Any present or future Law to the contrary shall not alter this Lease.

4. USE OF LEASED PREMISES.

4.1 Use of Leased Premises.

4.1.1 Principal Use As 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 at all times be compatible with such principal use, as Landlord, in its sole and absolute discretion, shall determine, including, without limitation, the exercise of Landlord's rights pursuant to Section 2.3.1.

4.1.2 Authorized Use of Leased Premises.

4.1.2.1 Tenant shall use the portion of the Leased Premises designated on Exhibit "A-1" as hangar areas exclusively throughout the Lease term for aircraft parking, aircraft maintenance and ground support equipment parking and storage and for no other use ("Permitted Hangar Use"). Tenant shall use the portion of the Leased Premises designated on Exhibit "A-2" as office space exclusively throughout the Lease Term for office purposes that are related to Tenant's business conducted at the Airport and for no other use ("Permitted Office Use"). Landlord Acknowledges that Landlord has consented to an amendment to the existing sublease between Ameriflight, as sublessor, and Tenant, as sublessee, which permits Tenant to use the portion of the Leased Premises designated on Exhibit "A-3", and Tenant's subleased portion of the Ameriflight leasehold estate also designated on Exhibit "A-3" (i.e., areas marked 3, 4 and 5) ("Subleased Premises"), exclusively as space for enplaning and deplaning, boarding and unloading revenue passengers throughout the Lease Term for purposes that are related to Tenant's business conducted at the Airport and for no other use ("Permitted Enplaning/Deplaning Use"). Tenant shall comply with Landlord's Safety Risk Assessment Worksheet dated 8/10/2021, as modified or supplemented from time to time, in connection with such uses, and Tenant hereby acknowledges that it has received and reviewed such Safety Risk Assessment Worksheet.

4.1.2.2 The Permitted Hangar Use, Permitted Office Use and Permitted Enplaning/Deplaning Use at such locations (in the applicable spaces) are sometimes collectively referred to herein as the "Permitted Uses". Tenant shall not use nor authorize the use of the Leased Premises, the Subleased Premises, or any portion thereof for any purpose whatsoever that is not the applicable Permitted Use without Landlord's prior written consent, which consent Landlord may withhold or condition in Landlord's sole and absolute discretion without regard to any standard of reasonableness or any implied covenant of good faith or fair dealing.

4.1.3 Service, Maintenance, Repair and Fueling. Tenant acknowledges and agrees that into-plane fueling and ramp services must be obtained from an entity which has exclusive rights to provide such services (for as long as such exclusive rights exist) and that Landlord has separately informed Tenant of the name and contact person for that entity. (If such exclusive rights cease to exist, Landlord shall so notify Tenant.) No service, maintenance or repair of aircraft, equipment or vehicles shall be performed within the Leased Premises, except

that aircraft may be serviced, maintained or repaired under the following conditions: (i) such service, maintenance and repair is specifically authorized by FAA regulations and performed by duly authorized personnel or contractors; (ii) such service, maintenance and repair is done in compliance with all applicable fire, building and safety, environmental and other Laws; and (iii) such service, maintenance and repair is conducted in accordance with Landlord's adopted standards for aeronautical uses. Under no circumstances shall any fueling of aircraft or other fueling activities be performed or permitted inside the hangar buildings.

4.1.4 Other Permitted Storage. Tenant may store within the hangar building or buildings that are part of the Leased Premises aircraft components, equipment, parts, bulk liquids, scrap lumber, metal, machinery or other materials related to the storage of its aircraft; provided, however, that such storage must be in compliance with all Laws, including the Environmental Laws. No storage may be done on any apron, ramp or taxiway, without prior written approval of Landlord.

4.1.5 Restrictions on Storage. Derelict aircraft, inoperative ground vehicles, unused ramp equipment, scaffolding, hoists and related items may not be kept on any portion of the Airport unless such equipment and materials are kept within the fully enclosed hangar building portion of the Leased Premises.

4.1.6 Violation of Permitted Uses. Violation of the requirements of this Section 4.1 shall be deemed an Event of Default if the condition has not been cured to the satisfaction of the Landlord within thirty (30) days of posting of the property or service of Tenant with a notice of violation. Landlord acknowledges that Tenant shall not be in violation of this Section 4.1 if it is in compliance with Landlord's rules and regulations regarding construction of Improvements.

4.2 Prohibited Uses. Tenant shall neither use nor permit the use of any part of the Leased Premises for any purpose other than as set forth in Section 4.1. Without limiting the generality of the foregoing sentence, the following uses are specifically prohibited unless the prior written consent of Landlord is obtained:

4.2.1 Sales of aviation fuel or oil;

4.2.2 Sales of food;

4.2.3 Sales of products or sundry items;

4.2.4 Sales or dispensing of alcoholic beverages;

4.2.5 Any use prohibited by Law or not related to aviation.

4.2.6 Knowingly boarding, enplaning or unloading revenue passengers, either on a scheduled or nonscheduled basis, except in the space described in Exhibit "A-3".

4.3 Conduct of Tenant's Activities.

4.3.1 Standards. In addition to any and all other terms, conditions and requirements under this Lease, Tenant, at all times during the term of this Lease, shall comply strictly with the terms, conditions and requirements set forth in this Section 4.3.

4.3.2 Conduct of Employees. Tenant shall exercise its diligent efforts to control the conduct, demeanor, and appearance of its officers, employees, agents, representatives, contractors, licensees, permittees, and invitees and shall require all of its employees to wear clean and neat appearing clothing and shall take all actions necessary to ensure their courteous, polite and inoffensive conduct and demeanor. Upon receipt of reasonable written objection from Landlord concerning the conduct, demeanor, or appearance of any such person, Tenant immediately shall take all legal steps necessary to correct or to remove the cause of the objection.

4.3.3 Landlord Noise Abatement Rules. Tenant hereby acknowledges that Tenant has read and understands the Burbank-Glendale-Pasadena Airport Authority noise abatement rules as they presently exist, attached hereto as Exhibit "C". Tenant shall conduct its business and flight operations, if any, in compliance with the noise abatement rules, as the same may be amended by Landlord from time to time, including, without limitation, any voluntary or mandatory curfew imposed now or in the future by Landlord, consistent with federal law, on flight operations between specified nighttime and morning hours (the "Noise Abatement Rules"). Tenant shall also conduct its flight operations in accordance with any voluntary noise abatement procedures as may be promulgated by Landlord that are in compliance with federal law. Tenant shall incorporate the Noise Abatement Rules into all of its permitted subleases and shall enforce the Noise Abatement Rules against its permitted subtenants. Landlord shall give written notice to Tenant of any violation of the Noise Abatement Rules by Tenant or any subtenant which comes to Landlord's attention and, upon receipt of a written notice from Landlord of any violation of the Noise Abatement Rules by a subtenant, Tenant shall promptly provide a notice of default to the subtenant (with a copy to Landlord). If the subtenant again violates the Noise Abatement Rules within ninety (90) days of the initial notice from Landlord, or if a subtenant violates the Noise Abatement Rules four (4) times within any twelve (12) month period, upon being notified in writing by Landlord of the occurrence of such repeated violation(s), Tenant shall institute appropriate legal proceedings to terminate the subtenant's sublease and to evict the subtenant from the Leased Premises.

4.3.4 Licenses, Permits; Compliance With Laws. Tenant, at Tenant's own cost and expense, shall and shall cause its permitted subtenants to 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 department, bureau, agency or other authority having jurisdiction over Tenant, Tenant's business and operations from the Leased Premises, Tenant's subtenants' operations from the Leased Premises, the Leased Premises or any other areas of the Airport, including, without limitation, all licenses, permits, certificates, approvals and other authorizations required by the FAA. Tenant shall comply, and Tenant shall cause its permitted subtenants to comply, with all applicable federal, state, county and city statutes, regulations, rules and ordinances governing or regulating matters of health, safety or security or the use or occupancy of the Leased Premises or the operation of the Airport, including all rules and regulations promulgated by the FAA or the Transportation Security Administration ("TSA"), all rules, regulations, policies and guidelines of Landlord

promulgated pursuant to Section 16 of this Lease, and all orders of any governmental department, bureau, agency or other authority having jurisdiction over Tenant, Tenant's business and operations from the Leased Premises, Tenant's subtenant's operations from the Leased Premises, the Leased Premises and New Improvements or any other areas of the Airport (collectively, "Laws"). Tenant shall incorporate the provisions of this Section into all of its permitted subleases and shall enforce the provisions of this Section against its permitted subtenants. Landlord shall give written notice to Tenant of any violation of Laws by Tenant or any subtenant which comes to Landlord's attention and, upon receipt of a written notice from Landlord of any violation of the Laws by a subtenant, Tenant shall promptly provide a notice of default to the subtenant (with a copy to Landlord). If Tenant has knowledge that a subtenant violates any of the Laws two (2) times within any ninety (90) day period or four (4) times within any twelve (12) month period, Tenant shall institute appropriate legal proceedings to terminate the subtenant's sublease and to evict the subtenant from the Leased Premises and shall give written notice to Landlord of such violations and the institution of such proceedings.

4.3.5 Air Quality Improvement Plan. In addition to complying with Section 4.3.3, Tenant shall also comply with the certain provisions of the Burbank Airport's Air Quality Improvement Plan:

4.3.5.1 Ground Support Equipment Emissions Policy. Airlines and other entities own and operate ground support equipment ("GSE") to support arriving, departing, and parked aircraft at the Airport. The Airport's GSE policy will ensure that the Airport achieves Airport-wide GSE emissions targets. The Airport will achieve an airport average composite emissions factor for its GSE fleet which is equal to or less than 1.66 horsepower-hour of nitrogen oxides (g/hp-h of NOx) by January 1, 2023, and 0.74 g/hp-h of NOx by January 1, 2031. Upon achieving the 2023 and 2031 emissions targets, Tenant shall be required to ensure its fleet average continues to meet the Airport emissions targets. Tenant's obligation to meet the 2031 target shall be contingent on the installation of adequate infrastructure to support zero-emission GSE, which is operationally feasible and commercially available. Tenant's "Burbank Airport GSE fleet" shall be comprised solely of GSE operated at the Airport. Emissions performance of GSE operating at the Airport cannot be averaged with emissions performance of GSE operating at other airports to demonstrate compliance with the Airport GSE emissions targets.

4.3.5.2 Clean Construction Policy. Landlord has adopted a Clean Construction Policy, which may be accessed/found at <http://hollywoodburbankairport.com/green-initiatives/>. For all capital improvement projects ("CIPs") undertaken by Tenant, Tenant shall comply, and shall cause its CIP contractors to comply, with such Clean Construction Policy, and shall otherwise ensure its contractors follow clean construction policies to reduce emissions of NOx such as using low-emission vehicles and equipment, recycling construction and demolition debris, and minimizing non-essential trips through better schedule coordination.

4.3.6 Burbank Airport Employee Ride Share Policy. Landlord has joined the Burbank Transportation Management Organization (BTMO), which serves all Airport employees and all Airport tenant employers, including employers with less than 250 employees. Tenant is encouraged to also join and to actively participate in the BTMO as an individual member.

4.4 Manner of Use. Tenant shall not use or permit the use of the Leased Premises or any other areas of the Airport in any manner that will (i) tend to create or permit any waste or nuisance, (ii) unreasonably tend to disturb other tenants, users or occupants of the Airport, (iii) invalidate, cause the cancellation of or conflict with any fire or other hazard insurance policies covering the Airport, or (iv) increase the premiums for any fire insurance policies covering the Leased Premises, the Airport or any property located thereon; or (v) constitute an immoral, improper, unlawful or objectionable purpose. 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 with respect to Tenant's operations at the Leased Premises.

4.5 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, or elsewhere on the Airport. In addition, Tenant shall not do or permit to be done anything which may interfere with free access or passage to the Leased Premises or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, Common Use Facilities or any other areas of the Airport other than such interference resulting from Tenant's compliance with Landlord's Security Requirements in accordance with the terms of this Lease. Further, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

4.6 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 in or adjacent to the Leased Premises or elsewhere at the Airport.

4.7 Temporary Structures. Tenant shall not allow any temporary structures or facilities on the Leased Premises, unless Tenant has obtained Landlord's prior written approval, which approval may be granted or withheld by Landlord in its sole and absolute discretion and, if such approval is granted, it shall be revocable at any time by Landlord, in its sole and absolute discretion.

4.8 Signs. Tenant shall not place, erect or maintain or cause to be placed, erected or maintained on or to the roof or any exterior door, wall, window or the roof of the building in which the Leased Premises are located or any New Improvement, or on or to the glass of any window or door of the Leased Premises or any New Improvement, any sign, marquee (flashing, moving, hanging, handwritten, or otherwise), decal, placard, awning, decoration, flashing, moving or hanging lights, lettering, or any other advertising matter of any kind or description without the express, written consent of Landlord. If Tenant places or causes to be placed or maintained any of the foregoing, Landlord or Landlord's representative may remove the same at Tenant's sole cost and expense and without notice or liability and without

such removal constituting a breach of this Lease or entitling Tenant to claim damages on account thereof. No illuminated sign located within the Leased Premises that is visible from the outside of the Leased Premises shall be permitted. Tenant shall repair, at its sole cost and expense, any damage to the Leased Premises caused by the erection, maintenance or removal of any sign or other attachment. Landlord hereby acknowledges its approval of Tenant's existing signage, and signs substantially similar thereto.

4.9 Vending Machines. Tenant shall not place any vending machines or devices in or on the Leased Premises except for sales to its employees, without the prior written consent of Landlord.

4.10 Aviation Fuel. As a material part of the consideration for this Lease, Tenant agrees that no fuel shall be placed in any aircraft on the Leased Premises by any person or company except such vendors of aviation fuel as are expressly authorized by Landlord.

4.11 Non-Discrimination and Affirmative Action. Tenant shall comply with the provisions of Exhibit "D" 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 such Subpart. Tenant will require its subtenants, successors and assigns to provide assurances to Tenant that they similarly will undertake affirmative action programs and that they will require similar assurances from their permitted successors, subtenants and assigns, as required by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

4.12 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:

4.12.1 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.

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

4.12.3 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.

4.12.4 Construction of Improvements. In the event any future structure or building is planned for the Leased Premises, or in the event of any planned modification or

alteration of any present building or structure situated on the Leased Premises, Tenant shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations.

4.12.5 Non-exclusive Rights. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of any exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958 (49 U.S.C. 1349(a)).

4.12.6 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 such airspace any noise inherent in the operation of any aircraft used for navigation or flight through such airspace or landing at, taking off from or operating on the Airport.

4.12.7 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 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, in addition to all other rights and remedies of Landlord, Landlord reserves the right to enter upon the Leased Premises to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Tenant.

4.12.8 Interference with Aircraft. Tenant shall not make use of the Leased Premises nor 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, in addition to all other rights and remedies of Landlord, 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.

4.12.9 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 the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency or otherwise.

4.12.10 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 4.13.

4.12.11 Security Checks. Tenant shall comply with Part 107 of the Federal Aviation Regulations requiring background checks, including references and prior employment history, for all persons who have unescorted access to the airfield. Tenant agrees to maintain records of background checks for all employees of Tenant and to make such records available to the FAA and Landlord as may be requested from time to time.

4.13 Airport Security.

4.13.1 Security Requirements. Tenant's written security program described in Section 4.13.2 below may be modified or supplemented from time to time by Landlord or its staff in writing, and in its sole and absolute discretion ("Security Requirements"), is an integral part of this Lease and is hereby incorporated herein by this reference.

4.13.2 Security Program. To the extent not previously submitted, within thirty (30) days after the date hereof, Tenant shall submit Tenant's written security program to Landlord for review and approval.

4.13.3 Violations by Subtenants. Tenant shall incorporate the Security Requirements into all of its permitted subleases and shall provide in its permitted subleases that any violation of the Security Requirements by a subtenant or anyone subject to the control of the subtenant shall constitute a default as a result of which the sublease may be terminated. Tenant shall enforce the Security Requirements against its permitted subtenants and other persons entering upon and using the Leased Premises. Tenant shall pay or cause the subtenant violating the Security Requirements to pay any fine or penalty imposed by the FAA or the TSA as a result of such violation and any monetary assessment or charge levied by Landlord pursuant to Landlord's Rules and Regulations. Landlord shall give written notice to Tenant of any violation of the Security Requirements by Tenant or any subtenant that comes to Landlord's attention and, upon receipt of a written notice from Landlord of any violation of the Security Requirements by a subtenant, Tenant shall promptly provide a notice of default to the subtenant (with a copy to Landlord). If a subtenant violates any of the Security Requirements two (2) times within any twelve (12) month period, Tenant shall institute appropriate legal proceedings to terminate the subtenant's sublease and to evict the subtenant from the Leased Premises.

4.13.4 Violations by Tenant or Others. Upon receipt of any written notice from Landlord of a violation of the Security Requirements by Tenant or by any person subject to Tenant's control other than a subtenant of Tenant, Tenant shall promptly engage security personnel or undertake other necessary security procedures as reasonably requested by Landlord to cure the violation of the Security Requirements described in such notice and Tenant shall pay any fine or penalty imposed by the FAA or the TSA as a result of such violation or imposed by Landlord under the Rules and Regulations. Tenant's failure to cure timely the violation of the Security Requirements described in the Landlord's notice shall constitute an Event of Default under this Lease.

4.13.5 Indemnity. Tenant shall defend, indemnify and hold harmless Landlord and the other Landlord Parties from and against any and all demands, claims, actions, causes of action, proceedings, judgments, awards, damages, fines, penalties, liabilities, obligations, losses, costs and expenses, including, without limitation, attorneys' fees, of any nature whatsoever, whether now existing or hereafter arising, known or unknown, foreseen or unforeseen, fixed or contingent (collectively, "Claims"), that Landlord or any other Landlord Party may at any time sustain or incur arising out of, resulting from or relating to any breach or violation by Tenant, its subtenants or anyone subject to Tenant's control of, or failure to comply with, any provision of the Security Requirements, Tenant's own security program, any applicable Laws relating to Airport security, or any applicable guidelines, policies or procedures relating to Airport security adopted and published from time to time by the FAA, the TSA, or by

Landlord or their respective staffs and applicable to tenants at the Airport, including, without limitation, the Rules and Regulations.

4.14 Quiet Enjoyment. Subject to the provisions of this Lease and applicable Laws, so long as Tenant is not in default (after applicable notice, if any, and an opportunity to cure) in the performance of any of its obligations under this Lease, Tenant shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the Lease term.

5. MAINTENANCE AND REPAIRS.

5.1 Tenant's Obligations. Tenant, at Tenant's sole expense, but subject to Section 5.3 of this Lease, shall maintain, repair and replace the Leased Premises, and every part thereof, in good order, condition and repair in a neat and sanitary condition, free from waste or debris, all according to reasonable standards adopted from time to time by Landlord, including, without limiting the generality of the foregoing: (a) fixtures, hangar doors, locks, interior walls and interior surfaces of exterior walls; (b) floors, ceilings, store fronts, windows, doors, plate glass, showcases, skylights, entrances and vestibules located within the Leased Premises; and (c) all sprinkler systems, plumbing, sewers, backflow equipment, drainage devices, heating, air conditioning and electrical facilities and equipment within the Leased Premises. Tenant shall paint all interior walls and the interior surfaces of exterior walls and wash all interior and exterior windows as often as Landlord reasonably requires to keep the Leased Premises neat and attractive. Tenant shall perform all maintenance and make any and all repairs and replacements required pursuant to this Section as and when the same become necessary to keep and 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 a written notice specifying the maintenance, repairs or replacements Landlord reasonably believes must be undertaken to comply with the terms of this Lease or immediately in the event of an emergency. Landlord shall have the right, at any time and from time to time, to change on a uniform basis the reasonable standards applicable to the maintenance, repair and replacement of the Leased Premises and Tenant shall comply with all such reasonable standards, as they may be so modified. Subject to Landlord's obligations under Section 5.3 of this Lease, Landlord shall not be liable to Tenant or to Tenant's owners, shareholders, partners, members, directors, officers, employees, agents, representatives, contractors, and subtenants, successors and assigns (individually, "Tenant Party" and collectively, "Tenant Parties") by reason of any destruction, damage or loss of property, injury or death of persons, or damage or injury to, or interference with, the business or operations of any Tenant Party, or the use or occupancy of the Leased Premises or the Common Use Facilities or any other areas of the Airport by any Tenant Party, arising out of, resulting from or relating to the need for or the making of any repairs, replacements or alterations to or the construction of Improvements. All repairs or replacements upon the Leased Premises made by Tenant as provided in this Lease shall be performed in accordance with all applicable Laws, and Tenant shall secure all licenses, permits, approvals and authorizations required by applicable Laws with respect thereto.

5.2 Permitted Repairs by Landlord. The above provisions notwithstanding, in the event that the Leased Premises include less than an entire hangar building, or if Landlord reasonably determines that for any other reason maintenance and repairs of the type required herein are impracticable or impossible for Tenant to make or perform, Landlord may elect, in

accordance with this Section 5.2, to make such repairs or perform such maintenance, and the reasonable cost thereof attributable to the Leased Premises and any property or Improvements therein or thereon shall be paid by Tenant upon Landlord's demand. Unless notice is impractical because of the emergency nature of the repair, applicable Law, or any governmental or quasi-governmental authority (other than Landlord), Landlord shall notify Tenant of any election to effect repairs made by Landlord under this Section 5.2. Such election shall be made in writing at least ten (10) days prior to the anticipated date of effecting repairs, unless shorter notice is reasonably required under the particular circumstances, applicable Law, or any governmental or quasi-governmental authority (other than Landlord). Unless Landlord is required to perform the repair under applicable Law or any governmental or quasi-governmental authority (other than Landlord), Tenant shall have the right to perform such repair, provided Tenant notifies Landlord of Tenant's intention to perform such repair within five (5) days after Tenant receives Landlord's notice of election pursuant to this Section 5.2 and thereafter diligently prosecutes such repair to completion in a reasonably prompt manner (in view of the particular circumstances).

5.3 Landlord's Obligation to Repair. Subject to the provisions of Section 8 (Damage and Destruction), Landlord shall, during the term of this Lease, keep the roof, foundations, exterior walls (excluding interior painting and all windows, doors, plate glass and showcases) of the Leased Premises in good order, condition and repair, except, for (i) any damage thereto caused by any negligent act or omission of Tenant or any Tenant Party; and (ii) reasonable wear and tear not affecting structural integrity or safety. Landlord shall have no obligation, however, to commence any such repair until forty (40) days after the receipt by Landlord of written notice specifying the repairs Tenant believes must be undertaken to comply with the terms of this Lease; provided, in an emergency, Tenant shall have the right, if reasonably required under the circumstances, to make any such repair at Landlord's reasonable expense.

5.4 Limitations on Landlord Obligations. Except as specifically provided in Section 5.3 above, Landlord shall have no obligation to maintain or make any repairs or replacement to the Leased Premises. Tenant for itself and for each Tenant Party hereby waives any and all rights provided in Section 1941 through 1942, inclusive, of the California Civil Code and hereby waives, to the extent possible, any rights under any other statutes or laws now or hereafter in effect which are contrary to the obligations of Tenant under this Lease or which place obligations upon Landlord. Except as specifically provided in Section 5.3 of this Lease, Landlord shall not be liable to Tenant or any Tenant Party for any injury to or interference with Tenant or any Tenant Party or the business or operations of Tenant or any Tenant Party or the use or occupancy of the Leased Premises or the Common Use Facilities or any other area of the Airport by Tenant or any Tenant Party arising out of, resulting from or relating to the need for or performance or non-performance of any maintenance, repair or replacement.

5.5 Landlord Cure. In the event Tenant fails to perform its obligations under this Section 5, in addition to any and all other rights and remedies of Landlord, Landlord may, at its option, after fifteen (15) days' written notice to Tenant, enter upon the Leased Premises and put the same in good order, condition and repair and make any required replacement, and the cost thereof shall become due and payable, upon demand, by Tenant to Landlord as additional rent; provided, however, so long as Tenant commences required maintenance, repairs and replacements within such fifteen (15) day period and diligently prosecutes such maintenance,

repairs and replacements to completion, Tenant shall be deemed to be fully performing Tenant's obligations hereunder.

6. ALTERATIONS AND IMPROVEMENTS.

6.1 Approval and Construction of New Improvements.

6.1.1 Landlord's Approval. Without in each instance obtaining the prior written approval of Landlord in accordance with this Section 6.1.1, which approval may be granted or withheld in Landlord's sole and absolute discretion ("Landlord's Approval"), Tenant shall not (i) demolish any Existing Improvements, (ii) construct or install any Improvements or (iii) except as provided in Section 6.1.2, make any modifications, alterations or additions to the Leased Premises or Improvements (all such demolition, construction, installation, modifications, alterations and additions are individually and collectively referred to in this Lease as "New Improvements"), and no work required in connection therewith shall commence, prior to receiving Landlord's Approval. Landlord reserves the right to disapprove any New Improvements wholly on aesthetic grounds. If Tenant makes or commences any New Improvements without the prior written approval of Landlord, then Landlord shall have the right to require Tenant to remove any or all of such New Improvements at Tenant's sole expense and shall also have the right to declare Tenant in default under this Lease. Landlord may delegate all Landlord's Approvals required under this Section 6.1, including any determination of whether New Improvements are "Approved New Improvements" under Section 6.1.4, to Landlord's Executive Director, or to an outside engineer or architect, or to any combination thereof, and approval or determination by any such delegatee shall be subject to the same standards of review and time requirements as imposed upon Landlord and shall be deemed to be Landlord's Approval or the determination of Landlord under this Section 6.1. Any Landlord's Approval under this Section 6.1 shall be evidenced by a "Certificate of Approval" signed by Landlord or its delegatee pursuant to Section 6.1.4.

6.1.2 Cosmetic Alterations. Landlord shall not unreasonably withhold its consent to any interior Alterations that do not affect the roof or load bearing walls (collectively, "Cosmetic Alterations"), provided that any signage or graphic materials constituting Cosmetic Alterations shall not be visible from outside the Leased Premises. Landlord shall not impose any aesthetic condition or condition listed in Section 6.1.6(iii) or (iv) upon any approval of a Cosmetic Alteration.

6.1.3 Compliance with Policy on Tenant Improvements. Prior to the commencement of any New Improvements, 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 "E", as the same may be amended from time to time. If there is any conflict between the policy on tenant improvements and the provisions of this Lease, the provisions of this Lease shall apply.

6.1.4 Approved New Improvements. If the New Improvements proposed to be made by Tenant add to, enlarge or replace Existing Improvements, upon Landlord's Approval, the New Improvements shall be Approved New Improvements hereunder. New Improvements made for the purpose of maintenance or repair of Existing Improvements

and New Improvements paid for with the proceeds of insurance, condemnation awards or recoveries of damages shall not be eligible to be Approved New Improvements; however, any New Improvements paid for partially by proceeds of insurance, condemnation awards or recoveries of damages and partially by Tenant's funds shall be Approved New Improvements to the extent of the portion paid for by Tenant's funds, except that New Improvements required to be paid for with Tenant's funds as a result of Tenant's failure to maintain insurance required to be maintained by Tenant pursuant to Section 7 shall not be eligible to be Approved New Improvements. At the time Tenant requests Landlord's Approval of any New Improvements, Tenant shall specify whether the New Improvements or some eligible portion thereof are intended to be Approved New Improvements, failing which the New Improvements shall not be eligible to be Approved New Improvements. In the event that Landlord disagrees with Tenant's specification of any New Improvements as Approved New Improvements, Landlord shall notify Tenant in writing of its disagreement and shall state the reasons therefor. Tenant shall have the right to respond in writing to Landlord's notice and statement of reasons; however, after considering any response by Tenant, Landlord's determination of whether any New Improvements are Approved New Improvements shall be final and binding.

6.1.5 Review and Approval of Plans. In order to expedite plan review and approval and to insure that the proposed New Improvements will be compatible with Airport uses, Tenant first shall submit to Landlord for approval a conceptual plan and shall pay Landlord an administrative fee in the amount equal to the greater of five percent (5%) of the total estimated cost of all New Improvements, or Two Thousand Dollars (\$2,000), for reviewing Tenant's plans. Notwithstanding Landlord's Approval of the conceptual plan, all construction plans and specifications 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. All changes to plans and specifications previously receiving Landlord's Approval which are required by the City of Burbank to be submitted to the City for plan check or review in accordance with the City's building codes ("Material Plan Change") shall also concurrently be submitted to Landlord and shall require Landlord's Approval. Landlord shall have three (3) working days within which to review and to approve or disapprove the proposed Material Plan Change and, if Landlord fails to disapprove the Material Plan Change, then the Material Plan Change shall be deemed to have received Landlord's Approval. Upon Landlord's Approval, Landlord shall issue promptly a Certificate of Approval for each Material Plan Change.

6.1.6 Conditions of Approval. Landlord may impose, as a condition of its approval of any New Improvements, such reasonable requirements as to the design, construction, installation, making or removal of the New Improvements, as Landlord determines, in the exercise of its reasonable judgment, including, without limitation, requirements as to the following: (i) the experience, qualifications, financial condition and other factors relating to the contractor; (ii) the time for the commencement and completion of the construction or installation of the New Improvements; (iii) the type or quality of materials used in the construction or installation of the New Improvements; and (iv) the means or methods used in the construction or installation of the New Improvements.

6.1.7 Entitlements and Permits. No New Improvements shall be constructed until Tenant shall have procured and paid for all entitlements, permits, licenses,

approvals and authorizations relating to such New Improvements required by all Laws and governmental authorities and agencies.

6.1.8 Additional Requirements. Prior to the commencement of any New Improvements, Tenant shall (i) provide Landlord with a copy of the construction contract, construction schedule, trade payment breakdown and list of subcontractors and suppliers for Landlord's prior written approval; (ii) furnish to Landlord a copy of all building permits; (iii) record or cause the general contractor performing the construction contract to record a statutory payment and performance bond acceptable to Landlord and issued by a corporate surety acceptable to Landlord in an amount equal to the construction cost; (iv) provide Landlord with ten (10) days' written notice prior to commencing any work; and (v) require any contractor used by Tenant carry a comprehensive liability insurance policy, on a "per-occurrence basis", covering bodily injury in the amounts of Two Million Dollars (\$2,000,000) for death or injury to any one person, Two Million Dollars (\$2,000,000) for the death or injury to more than one person, and One Million Dollars (\$1,000,000) for property damage.

6.1.9 Performance of Work. All work done in connection with any New Improvements shall be done at Tenant's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with all applicable Laws. Landlord shall have the right to inspect and reject any work not done in accordance with the approved plans and specifications, including any changes permitted under Section 6.1.4, and Tenant shall immediately repair or remove such work in accordance with this Section. Any work in areas adjacent to active portions of the airfield, such as taxiways and runways, shall be scheduled and performed in a manner designed to avoid interference with aircraft operations. In the event that it becomes necessary to close or temporarily alter any part of the active areas of the airfield to accommodate any work by Tenant or its contractors, Tenant shall not perform such work without submitting a detailed work plan and schedule to Landlord, which Landlord shall have the right to approve, modify or disapprove in Landlord's sole and absolute discretion.

6.1.10 Payment for Work Performed. Tenant shall pay, when due, all claims for labor, materials, equipment, supplies 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, including, without limitation, in connection with the construction, installation or making of any Improvements, which claims are or may be secured by any stop notice rights or by any lien against the Leased Premises or other areas of the Airport or any interest therein. Tenant shall have the right to contest the validity, applicability or amount of any such claims so long as Tenant establishes an adequate reserve for the disputed amount and, if the claimant asserts any stop notice rights or lien against Landlord, the Leased Premises, the Improvements, or other areas of the Airport or any interest therein, Tenant, at Tenant's expense, within (10) days after any such stop notice or lien is asserted, shall provide and record a statutory bond sufficient to release any such stop notice or lien. Tenant shall deliver to Landlord written notice of its intent to commence construction or installation of any New Improvements at least fifteen (15) days prior to the commencement thereof, and Landlord shall have the right to post such notices of non-responsibility as are provided for in the mechanics' lien Laws of California.

6.1.11 As Built Plans and Statement of Cost. Within sixty (60) days following the completion of any New Improvements, Tenant shall furnish to Landlord a set of

“as built” plans and specifications and, if the New Improvements are eligible to be Approved New Improvements, within one hundred twenty (120) days following the completion of the New Improvements, Tenant shall furnish to Landlord a statement certified as accurate by Tenant of the actual direct out-of-pocket cost of the New Improvements, which may include architectural and engineering fees, permit fees, capitalized construction period interest and loan fees, and other “soft costs” reasonably approved by Landlord, together with any reasonable supporting documentation required by Landlord sufficient to verify such cost. Failure by Tenant to notify Landlord in writing of the cost of any such New Improvements within one hundred twenty (120) days after completion shall constitute Tenant’s irrevocable waiver of any future right to receive payment of the Unamortized Cost of Approved New Improvements for such New Improvements and Landlord shall have no obligation or liability to make any payment to Tenant therefor under Section 2.3.2. Tenant shall not include in the cost of New Improvements any cost paid or reimbursed from the proceeds of insurance, condemnation awards or damages recovered from any party, or any settlement related thereto.

6.2 No Liability of Landlord. Landlord shall not be liable for any damage, loss, or prejudice suffered or claimed by Tenant, its agents or any other person or entity on account of (i) the approval or disapproval of any plans, contracts, bonds, contractors, sureties or other matters; (ii) the construction of any New Improvements or performance of any work, whether or not pursuant to approved plans; (iii) the improvement of or alteration or modification to any portion of the Leased Premises (except to the extent performed by Landlord); or, (iv) the enforcement or failure to enforce any of the covenants, conditions and restrictions contained in this Lease. Landlord’s approval of Tenant’s plans, or requirement that Tenant modify Tenant’s plans, shall not be deemed Landlord’s express or implicit covenant or warranty that such plans are safe or comply with any or all Laws.

6.3 Indemnity. Tenant shall defend, indemnify and hold harmless Landlord, its airport manager in its capacity as manager of the Airport (the airport manager is presently TBI Airport Management, Inc., and any present or future airport manager is referred to hereinafter as “Airport Manager”), and the Cities of Burbank, Glendale and Pasadena, California, and their respective officials, commissioners, officers, employees, agents, representatives, contractors, successors and assigns (individually, “Landlord Party” and collectively, “Landlord Parties”) from and against any and all Claims arising out of, resulting from or relating to any and all New Improvements constructed, installed or made by Tenant pursuant to this Section 6, whether such Claims are based upon Landlord’s review of the plans and specifications relating thereto or otherwise. Tenant hereby assigns to Landlord any and all warranties, guaranties or indemnities of contractors, subcontractors and suppliers furnishing labor, materials, equipment and services in connection with the New Improvements, which assignment shall be effective upon the expiration or earlier termination of this Lease.

6.4 Removal of New Improvements, Personal Property and Trade Fixtures. Except in the event of a termination pursuant to Section 2.3, promptly upon the expiration or sooner termination of this Lease, Tenant shall remove all New Improvements constructed or installed by Tenant during the term of this Lease and Tenant shall repair any and all damages caused by such removal, unless, prior to such removal, Landlord shall have given written notice to Tenant that some or all of the New Improvements need not be removed, in which case such New Improvements that Landlord elects to retain shall be surrendered with the Leased Premises.

At any time during the term of this Lease and upon the expiration or sooner termination of this Lease, including a termination pursuant to Section 2.3, Tenant shall have the right to remove from the Leased Premises the personal property and trade fixtures of Tenant not permanently affixed.

7. INSURANCE, INDEMNITY AND EXCULPATION.

7.1 Obligation to Maintain Insurance. At all times during the term of this Lease and at its sole cost and expense, Tenant shall maintain in effect the insurance coverage and limits of liability as provided in this Section 7 ("Required Insurance"). In the event that Tenant fails to maintain any of the Required Insurance, Landlord shall have the right, but not the obligation, to obtain some or all of the Required Insurance. In the event Landlord elects to maintain some or all of the Required Insurance because of Tenant's failure to provide Required Insurance, Tenant shall pay to Landlord, as additional rent hereunder, the premiums for all Required Insurance paid by Landlord within ten (10) days following the delivery to Tenant of each written statement setting forth the amount of such premiums and the applicable premium period.

7.2 Liability and Workers' Compensation Coverage. Tenant shall maintain in effect insurance protecting Tenant and each "Landlord Insured Party" (as hereinafter defined) from and against claims arising out of, resulting from or relating to the use or occupancy of the Leased Premises or the conduct of Tenant's business upon the Leased Premises, as follows:

7.2.1 General Liability Insurance. General liability insurance covering airport premises and operations liability, ground hangarkeeper's liability, personal injury liability, contractual liability, products and completed operations liability and independent contractors liability, including standard war risks writeback, all written on an occurrence basis in an amount not less than Twenty-Five Million Dollars (\$25,000,000) combined single limit for bodily injury and property damage each occurrence and each aircraft, and, with respect to products and completed operations liability and war risks writeback, in the annual aggregate, and, with respect to personal injury, not less than Twenty-Five Million Dollars (\$25,000,000) each offense and in the annual aggregate.

7.2.2 Aircraft Liability Insurance. Aircraft liability insurance with standard war risk writeback covering all owned, non-owned and hired aircraft, written on an occurrence basis in an amount not less than Twenty-Five Million Dollars (\$25,000,000) combined single limit for each occurrence for bodily injury, death (including passengers) and property damage, and, with respect to the war risks writeback, in the annual aggregate, as applicable.

7.2.3 Automobile Liability Insurance. Automobile liability insurance covering all owned vehicles, and all non-owned and hired vehicles, written on an occurrence basis in an amount not less than Two Million Dollars (\$2,000,000) combined single limit for each occurrence for bodily injury, death and property damage.

7.2.4 Workers' Compensation Insurance. Workers' compensation insurance written in accordance with California statutory limits.

7.2.5 Employer's Liability Insurance. Employer's liability insurance in amounts not less than the following:

Bodily injury by accident - \$2,000,000 - each accident

Bodily injury by disease - \$2,000,000 - policy limit

Bodily injury by disease - \$2,000,000 - each employee

7.3 Property Insurance. Tenant shall maintain in effect insurance protecting Tenant and Landlord, as their respective interests may appear, from and against claims arising out of damage or destruction to property as follows:

7.3.1 Fixtures and Equipment. All risk of direct physical loss or damage property insurance included within the classification "All Risk Property (Special Form)" covering: (i) the permitted Improvements to the Leased Premises made by Tenant; and (ii) any fixtures and equipment and other personal property located in or on the Leased Premises in an amount not less than 100% of their replacement value; and (iii) all plate glass located in or on the Leased Premises. Except as provided in Section 8, the proceeds of such insurance shall be used to repair or replace the insured property and Landlord shall be named as a loss payee with respect to all Improvements to the Leased Premises made by Tenant.

7.3.2 Aircraft Hull Insurance. Tenant shall, at all times and at its sole cost and expense, maintain in effect Aircraft Hull Insurance (such coverage to include both ground and flight coverage) in such limits as to cover the value of the aircraft hull for all aircraft operated by or on behalf of Tenant and any Tenant Party in its capacity as such. Tenant shall obtain from Tenant's insurers a written waiver of subrogation in favor of the Landlord Insured Parties for any damage to the hulls of such aircraft whatsoever.

7.4 Adjustment of Required Insurance. Tenant understands and agrees that the types and amounts of Required Insurance may become inadequate during the term of this Lease, and Tenant agrees that it shall add such insurance or coverage and increase such minimum limits of liability by such amounts as may be required at any time and from time to time by Landlord, if Landlord shall adopt a resolution or other written policy requiring such additional insurance coverage or limits of liability from all comparable hangar tenants at the Airport.

7.5 Policy Requirements. Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized to conduct business in California and having a rating of not less than A-X in A.M. Best's Insurance Guide and/or otherwise acceptable to Landlord. Policies of Required Insurance may be blanket policies covering multiple Tenant Parties or multiple properties owned or leased by a Tenant Party. Within fifteen (15) business days after the Commencement Date, Tenant shall deliver to Landlord certificates of insurance issued by Tenant's independent insurance broker or other party acceptable to Landlord evidencing that all Required Insurance has been obtained and is being maintained by Tenant and certifying that the Required Insurance includes provisions (i) requiring the insurers to give to Landlord at least thirty (30) days' prior written notice (or such

lesser period as is customary as respects war risks writebacks) of the cancellation or non-renewal of some or all of the Required Insurance, (ii) with respect to the general liability, automobile liability, aircraft liability and employer's liability insurance, naming (a) Tenant and its owners, shareholders, partners, directors and employees as named insureds, and (b) except for employer's liability insurance, Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of Landlord ("Landlord Insured Parties") as additional insureds, (iii) with respect to the property insurance (other than aircraft hull insurance) naming Landlord as a loss payee, and (iv) with respect to the general liability and aircraft liability insurance, including standard war risks writeback, with a description of the specific perils or risks that are included within the policy coverage set forth in or attached to the certificates of insurance. The failure of Tenant to provide such certificates of insurance within such fifteen (15) business days after the Commencement Date or, if a notice of cancellation or non-renewal of any Required Insurance has been delivered to Tenant, the failure of Tenant to replace the Required Insurance which is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute an Event of Default under Section 12.1. All Required Insurance shall be primary insurance without right of contribution of any other insurance carried by or on behalf of any Landlord Insured Party and all policies shall be endorsed to this effect. In no event shall any Landlord Insured Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by Tenant pursuant to this Section 7. Deductibles or self-insured retentions under all Required Insurance liability policies applicable to the Leased Premises and Tenant's operations at the Airport shall not exceed Twenty Five Thousand dollars (\$25,000).

7.6 No Limitation of Liability. Tenant acknowledges and agrees that the limits of liability provided in the Required Insurance shall in no event be considered as limiting the liability of Tenant under this Lease.

7.7 Waivers of Subrogation Rights. Each of the parties hereto hereby waives any and all rights of recovery against (a) the other party, (b) any tenant or occupant of the Airport, (c) the Airport Manager and the Cities of Burbank, Glendale and Pasadena, or (d) the officers, commissioners, employees, agents, representatives, customers and business visitors of such other party or of any tenant or occupant of the Airport, for loss of or damage to such waiving party, its property or the property of others under its control, arising from any cause insured against under the standard form of All Risk Property (Special Form) Insurance Policy with all permissible extension endorsements covering additional perils, or under any other policy of insurance carried by such waiving party in lieu thereof. Such waiver shall be effective only so long as the same is permitted by the waiving party's insurance carrier without the payment of additional premiums; provided, without limiting the generality of the foregoing, Tenant shall obtain from Tenant's insurer a written waiver of subrogation in favor of Landlord and each Landlord Insured Party in connection with Tenant's Aircraft Hull Insurance and from all insurers of all aircraft owned, leased, stored or maintained by Tenant notwithstanding any increased premium or other cost for such waiver. Tenant shall obtain and furnish evidence to Landlord of the waiver by Tenant's liability insurance carrier of any right of subrogation against Landlord or any other of the Landlord Insured Parties.

7.8 Subtenant and Temporary Licensee Policies. Each permitted sublease and temporary license agreement shall include provisions for the benefit of Landlord and Tenant (i)

requiring each subtenant and temporary licensee that owns, leases, stores or maintains aircraft to obtain and maintain aircraft premises liability and physical damage and liability insurance meeting coverage and other requirements established by Tenant and reasonably approved by Landlord, (ii) requiring all Landlord Insured Parties and Tenant to be included as additional insureds under all liability policies required to be maintained by the subtenant or temporary licensee; (iii) waiving any claims against each Landlord Insured Party as a result of any loss or damage to aircraft owned, leased, stored or maintained by the subtenant or temporary licensee; and (iv) requiring the subtenant or temporary licensee to obtain from each insurer of each aircraft owned, leased, stored or maintained by the subtenant or temporary licensee a waiver of such insurer's rights of subrogation as to claims or causes of action against all Landlord Insured Parties.

7.9 Indemnification. In addition to any other express indemnity hereunder, Tenant shall defend, indemnify and hold harmless all Landlord Parties from and against any and all Claims arising out of, resulting from or relating to (i) the breach of this Lease by, or any negligent act or omission or willful misconduct of, Tenant or any Tenant Party with respect to (a) the use or occupancy of the Leased Premises, the Common Use Facilities or any other areas of the Airport (including without limitation the Subleased Premises permitted to be used by Tenant for enplaning/deplaning), (b) the conduct of Tenant's or any Tenant Party's business, (c) Tenant's construction of improvements (including, without limitation, failure to comply with the Prevailing Wage Laws); or (d) any other matter relating to this Lease or the subject matter of this Lease. Notwithstanding the foregoing, the provisions of this Section shall not apply to any Claim which arises out of, results from or relates to the gross negligence, willful misconduct or material breach of this Lease by Landlord.

7.10 Tenant Acknowledgment of Notice of Claim. If Landlord delivers to Tenant a notice of a claim filed with Landlord involving Tenant with a request that Tenant acknowledge receipt of the notice, then Tenant shall acknowledge receipt of such notice in writing within thirty (30) days, and failure to timely acknowledge receipt shall constitute an Event of Default.

7.11 Exculpation of Landlord from Liability. Tenant, on behalf of itself and the Tenant Parties, hereby waives any and all Claims against the Landlord Parties, and the Landlord Parties 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, arising out of, resulting from or relating to any cause whatsoever, including, without limitation, the following: (i) latent or patent defects in the construction or condition of the Leased Premises, including, without limitation, any use or release of "Toxic Materials" (as defined in Section 19.16.2) on, under or into the Leased Premises; (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, New Improvements 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, New Improvements or other areas of the Airport; (vi) the use or occupancy of the Leased Premises, New Improvements or any other areas of the Airport by any Tenant Party, whether such damage or injury results from conditions arising upon the Leased Premises, New Improvements or upon other areas of the Airport, or from other sources; or (vii) any damage or

loss arising from any negligent acts or omissions or willful misconduct of any other tenant, licensee, concessionaire or customer of the Airport or any other person or entity; except to the extent any of the foregoing arises from the gross negligence, willful misconduct or material breach of this Lease by Landlord.

8. DAMAGE AND DESTRUCTION.

8.1 Termination Right. In the event that all or such portion of the Leased Premises or the Improvements within which the Leased Premises are located are destroyed or damaged such that Tenant cannot reasonably use the Leased Premises for the aviation related uses permitted under this Lease for an unreasonable period of time, then Tenant shall have the right to terminate this Lease by written notice to Landlord given within thirty (30) days after the damage (except that in the event of complete destruction of the Improvements in which the Leased Premises are located, this Lease shall automatically terminate without notice). If the Lease is not terminated, Tenant shall restore promptly those portions of the Leased Premises that Tenant initially caused to be constructed, and Landlord shall restore promptly those portions of the Leased Premises that Landlord initially caused to be constructed. If the Lease is not terminated, then the Annual Base Rent payable by Tenant hereunder shall be abated in proportion to the reduction in the ability of the Tenant to use the Leased Premises, provided that if, during the period of any repair of such damage or destruction to the Improvements within which the Leased Premises are located, Landlord makes available to Tenant other reasonably acceptable hangar space, then the Annual Base Rent shall continue unabated (but for reasonable relocation costs). Landlord shall not be liable to Tenant for any inconvenience or annoyance to Tenant or injury to Tenant's business resulting in any way from the undertaking of any repair following any damage or destruction, to the extent such repair is conducted in compliance with this Lease.

8.2 Landlord's Repair Obligations. Except as provided in Section 8.1, in the case of damage or destruction to the Improvements within which the Leased Premises are located, and notwithstanding any other provision in this Lease, Landlord shall have no obligation to Tenant to repair or restore any of the Improvements within which the Leased Premises are located; provided, however, that if Landlord has not commenced within 6 months after the date of such damage or destruction the repair and restoration of the Improvements within which the Leased Premises are located or is not prosecuting such construction with reasonable diligence after such commencement, then Tenant shall have the right to terminate the Lease upon written notice to Landlord as Tenant's sole right and remedy.

8.3 Costs of Restoration or Repair. To the extent Landlord elects to rebuild, then Landlord shall be responsible for all costs and expenses associated with the reconstruction of the Improvements of which the Leased Premises are a part; provided, however, that Tenant shall be responsible for all costs and expenses associated with reconstructing Improvements or fixtures within the Leased Premises that Tenant caused to be constructed. Tenant shall cause any such Improvements or fixtures to be constructed in accordance with provisions of Section 6 of this Lease. Tenant shall pay to Landlord all proceeds from the casualty insurance required to be carried by Tenant pursuant to the provisions of Section 7.3.1 above except proceeds of casualty insurance for Tenant's personal property, plate glass, and Tenant's actual cost of reconstructing Improvements or fixtures.

8.4 Waiver by Tenant. Tenant hereby waives the provisions of Sections 1932, 1933, and 1941 through 1942, inclusive, of the California Civil Code and of any other statute or Law now or hereafter in effect which is contrary to the obligations of Tenant under this Section 8 or which relieves Tenant therefrom, or which places upon Landlord obligations to repair or restore the Leased Premises or the Improvements within which the Leased Premises are located.

9. ASSIGNMENT, SUBLETTING AND ENCUMBRANCES.

9.1 Assignment or Encumbrance Prohibited; Exception for Affiliate.

9.1.1 Generally. Tenant shall not voluntarily or by operation of Law assign or 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 without Landlord's prior written consent. Any attempted assignment, transfer, mortgage, hypothecation, grant of a security interest in or other encumbrance in violation of this Section shall be wholly void and shall be an Event of Default under Section 12.1. For the purposes of this Section, (i) if Tenant is a corporation, any assignment, transfer, mortgage, hypothecation, grant of a security interest 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 (ii) if Tenant is a partnership or limited liability company, any assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance of a partnership or membership interest or interests or other event which results, or upon foreclosure would result, in the present general partner(s) or members being removed or replaced or, if the general partner(s) of the partnership or member(s) of the limited liability company is or are a corporation or other entity, or which results, or upon foreclosure would result, in the reduction of the interest of the present shareholders or other owners of record of the corporate or other entity general partner to less than a majority of any class of voting stock or member rights of such corporation or other entity, or (iii) if Tenant is a corporation, partnership, limited liability company, 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. Notwithstanding the foregoing, Tenant may assign or transfer this Lease and Tenant's interest in the Leased Premises to any entity that controls, is controlled by or is under common control with Tenant, provided Tenant gives prior written notice to Landlord thereof with reasonable evidence of such control, and provided that Tenant shall remain liable under this Lease.

9.1.2 Permitted Transferee. Notwithstanding anything to the contrary contained in Section 9.1.1, the following assignments, transfers, actions or uses shall not be subject to Landlord's consent, provided that Tenant provides Landlord with at least ten (10) business days' prior written notice thereof and reasonable evidence that the transaction is one of the following, but Tenant shall not be released from the obligations under this Lease: (i)(A) an assignment of this Lease to any "Affiliate" (as hereinafter defined) of Tenant, or (B) an assignment of this Lease to a purchaser of all or substantially all of the assets of Tenant, or (ii) a transfer, by operation of law or otherwise, in connection with the merger, consolidation or other reorganization of Tenant. As used herein, the term "Affiliate" shall mean any entity if more than fifty percent (50%) of the stock or other equity of the entity is owned, directly or through one or

more intermediaries, by Tenant or by any entity that owns, directly or through one or more intermediaries, more than fifty percent (50%) of the stock or other equity of Tenant, as shown by reasonable evidence delivered to Landlord.

9.2 Subletting Prohibited. Notwithstanding any other provision of this Lease, Tenant shall not sublet or license the Leased Premises.

10. EMINENT DOMAIN.

10.1 Entire or Substantial Taking. In the event the entire Leased Premises, or such portion thereof as to make the balance not reasonably adequate for the permitted uses hereunder, as determined by Tenant in the exercise of its reasonable judgment, shall be taken under the power of eminent domain, this Lease shall automatically terminate as of the date of the vesting of title to all or such portion of the Leased Premises in such condemning entity. The termination of this Lease as to all or a portion of the Leased Premises by Landlord pursuant to any right of Landlord to do so set forth in this Lease, including, without limitation, under Section 2.3.1 or after an uncured Event of Default under Section 12, shall not be a taking under this Section 10.

10.2 Partial Taking. In the event of any taking under the power of eminent domain which does not result in a termination of this Lease pursuant to Section 10.1, the Annual Base Rent payable hereunder shall be proportionately reduced (based on the amount of space taken), effective as of the earlier of the date on which the condemnor obtains a right of possession of any portion of the Leased Premises or the date on which title vests with the condemning entity. Tenant, at its expense with respect to New Improvements and at Landlord's expense with respect to the balance of the Leased Premises, shall promptly restore the remaining portion of the Leased Premises to the condition existing immediately prior to such condemnation to the extent reasonably possible, and this Lease shall continue in full force and effect as to such remaining portion; provided, however, if the taking occurs during the last five (5) years of the term of this Lease, at Tenant's option, exercised by written notice to Landlord, Tenant shall have the right to terminate this Lease.

10.3 Awards. Except as provided below, any award or settlement proceeds for any taking under the power of eminent domain of all or any part of the Leased Premises shall be the property of Landlord, whether such award or payment shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, and any award or settlement proceeds for any taking of all or any part of the New Improvements shall be the property of Tenant. 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 possessory interest in the Leased Premises, trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business or operations at the Airport; provided, however, that in determining the value of Tenant's business or operations, all goodwill attributable to the location of Tenant's business or operations at the Airport shall belong to Landlord.

10.4 Sale Under Threat of Condemnation. A sale by Landlord to any entity having the power of eminent domain, either under threat of condemnation or while

condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes of this Section.

10.5 Condemnation by Landlord. Nothing in this Lease (including, without limitation, Section 2.3.1) shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord or the obligation of Landlord to pay just compensation, should Landlord exercise its power of eminent domain with respect to the Leased Premises.

11. SUBORDINATION.

11.1 Subordination. This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting the Landlord's interest in the Leased Premises or the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof ("Senior Lien" and the holder thereof being a "Senior Lienholder"). Tenant shall execute and deliver to Landlord or any other party requiring confirmation of such subordination, within ten (10) calendar days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such subordination; provided, however, that with respect to any mortgage, deed of trust, bond indenture, lien, encumbrance or other security interest affecting Landlord's interest in the Leased Premises or the Airport created after the date of this Lease, such subordination shall not be effective and Tenant shall not be required to execute and deliver such confirmation unless Tenant receives a nondisturbance agreement in recordable form and on terms and conditions reasonably acceptable to Tenant that has been duly executed and acknowledged by any Senior Lienholder making such request. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, alteration or modification does not materially alter the rights or duties or materially increase the obligations or liabilities of Tenant under this Lease, 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 Senior Lienholder, of which Tenant has written notice, of any default of Landlord, and Tenant shall allow such Senior Lienholder 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. Subject to the terms of any nondisturbance agreement between Tenant and a Senior Lienholder, in the event that any Senior Lien 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 (i) enter into a new Lease covering the Leased Premises and the New Improvements for the remainder of the term of this Lease, on the same provisions herein provided or (ii) attorn to the purchaser and recognize the purchaser as the Landlord under this Lease, provided such purchaser agrees to assume in writing all obligations of Landlord under this Lease.

12. DEFAULTS AND REMEDIES.

12.1 Events of Default. After the expiration of any applicable cure period, each of the following shall constitute an "Event of Default" under this Lease:

12.1.1 Insolvency and Creditor Protection. (i) The voluntary or involuntary appointment of a receiver, trustee or liquidator to take possession of the Leased Premises, New Improvements or all or substantially all of the assets of Tenant when such appointment is not terminated or vacated or possession of the Leased Premises is not restored to Tenant within ninety (90) days; or (ii) a general assignment by Tenant for the benefit or protection of creditors; or (iii) Tenant's written admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by Tenant under any federal, state or other statute relating to insolvency, bankruptcy, reorganization, arrangement, composition, liquidation, dissolution or other relief for debtors; unless, in the case of an involuntary petition filed against Tenant to have Tenant adjudged a bankrupt or for reorganization or arrangement, the petition is dismissed within ninety (90) days. The appointment of a trustee or conservator of the person or estate of an individual Tenant, or in aid of the voluntary winding up, dissolution and liquidation of a partnership or corporate Tenant, shall not constitute an Event of Default hereunder.

12.1.2 Attachment, Execution or Other Levy. Any attachment, execution, distraint, judicial seizure, or other process of Law pursuant to which Tenant's interest or estate in the Leased Premises, the New Improvements or this Lease may be taken, occupied or used by anyone other than Tenant, when such attachment, execution, distraint, judicial seizure or other process of Law shall not be released, dismissed or stayed within ninety (90) days.

12.1.3 Transfer or Encumbrance. A purported assignment, Lease, transfer, mortgage, grant of security interest, hypothecation or other encumbrance of Tenant's interest or estate in the Leased Premises, the New Improvements or this Lease in violation of Section 9.

12.1.4 Vacation or Abandonment. The vacation or abandonment of the Leased Premises by Tenant.

12.1.5 Non-Compliance by Subtenants. The failure by Tenant to institute and to prosecute diligently to completion appropriate legal proceedings to terminate a subtenant's sublease and to evict the subtenant from the Leased Premises for repeated non-compliance with the Noise Abatement Rules or the Laws, in violation of Sections 4.3.3 or 4.3.4.

12.1.6 Violation of Security Requirements. The failure by Tenant to cure a violation of the Security Requirements, as provided in Section 4.13.4, or to institute and to prosecute diligently to completion appropriate legal proceedings to terminate the sublease and to evict the subtenant from the Leased Premises for violations of the Security Requirements, as provided in Section 4.13.3.

12.1.7 Failure to Pay. The failure by Tenant to pay any amount when due and payable hereunder, where such failure to pay continues for ten (10) days following Tenant's receipt of written notice that such amount is past due.

12.1.8 Failure to Maintain Insurance. Any cancellation or lapse of insurance policies providing Required Insurance to be provided by Tenant pursuant to Section 7, unless Landlord has elected to obtain such insurance pursuant to Section 7.1, or any other failure

by Tenant to comply with the provisions of Section 7, where such other failure to comply continues for ten (10) days following Tenant's receipt of written notice from Landlord that Tenant has not complied with the provisions of Section 7.

12.1.9 Security Deposit. An Event of Default occurs under the terms of Section 18 below.

12.1.10 Other Defaults; Failure to Cure. The default, breach or non-performance of any covenant or provision of this Lease not otherwise described in Sections 12.1.1 through 12.1.9, where Tenant fails to cure such default, breach or non-performance within thirty (30) days after the delivery to Tenant of written notice of such default, breach or non-performance (or, in the case of a default, breach or non-performance which reasonably requires more than thirty (30) days to cure, where Tenant fails to commence such cure within such thirty (30) days or thereafter fails diligently to prosecute the same to completion).

12.1.11 Multiple Defaults. The receipt by Tenant during any twelve (12) consecutive calendar month period of more than six (6) written notices pertaining to actual defaults, breaches or non-performance under Sections 12.1.5, 12.1.6, 12.1.7, 12.1.8, 12.1.9 or 12.1.10 of this Lease, irrespective of the cure thereof by Tenant.

12.1.12 Failure to Acknowledge Notice of Claim. The failure by Tenant to comply with Section 7.10.

12.1.13 Defaults Under Other Agreements. The occurrence and continuation of any default or breach by Tenant under any other written agreement between Landlord and Tenant, after giving effect to any applicable grace period, notice requirement or opportunity to cure such default or breach.

12.2 Remedies. Upon the occurrence of any Event of Default, Landlord, at its option and election, and without further demand or notice, shall have all of the following rights and remedies:

12.2.1 Termination of Lease. Landlord shall have the right to declare this Lease, including Tenant's leasehold estate, terminated. Upon termination of this Lease prior to the expiration of its term, Tenant's ownership of the New Improvements shall end automatically and Landlord shall succeed to ownership of the New Improvements free and clear of any and all liens or encumbrances upon Tenant's leasehold estate, the Leased Premises or upon the New Improvements. Landlord shall have the right to re-enter the Leased Premises and the New Improvements to remove and eject all persons therefrom, to take possession thereof; and to use and enjoy the Leased Premises and the New Improvements and Landlord shall have all of the rights and remedies of a landlord provided in Section 1951.2 of the California Civil Code, which Section is 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 amounts required to be paid by Tenant pursuant to Section 3, including, without limitation, Annual Base Rent, 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 lawfully reentered the Leased Premises and the New Improvements 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 and the New Improvements as provided in this Section 12.2.

12.2.2 Continuation of Lease without Termination. Landlord has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). In this regard, Landlord shall have the right to continue this Lease and to maintain Tenant's right to possession of the Leased Premises and the New Improvements, whether or not Tenant shall have breached this Lease and/or abandoned the Leased Premises and the New Improvements. In such event this Lease shall continue in effect for so long as Landlord chooses not to terminate Tenant's right of possession and Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to collect and receive Annual Base Rent and any and all other amounts payable by Tenant to Landlord under this Lease as the same shall come due and including the right, as attorney-in-fact of Tenant, to collect, receive and apply the "Subrents" on behalf of Tenant as provided in Section 12.2.3.

12.2.3 Collection of Subrents on Behalf of Tenant. Tenant hereby irrevocably appoints Landlord as Tenant's attorney-in-fact and grants to Landlord an irrevocable power of attorney, which power shall be coupled with Landlord's interest in the Leased Premises and in this Lease (the "Power of Attorney"), solely to collect, receive and apply on behalf of Tenant as provided herein all rents, issues, profits, royalties, income and other monetary benefits derived by Tenant from the Leased Premises, including without limitation, under any lease, license, franchise, concession or other agreement entered into by Tenant now existing or hereafter created and affecting all or any portion of the Leased Premises or the use or occupancy thereof (the "Subrents"). The Power of Attorney may be exercised by Landlord upon the occurrence of an Event of Default and at any time thereafter during the continuance of the Event of Default and prior to termination of this Lease. Upon Landlord's election to exercise the Power of Attorney, Landlord shall send to each subtenant, licensee, franchisee, concessionaire or other party from whom Subrents may be collected a notice, accompanied by a copy of this Section, to the effect that an Event of Default has occurred, that Landlord, acting on behalf of Tenant, has elected to exercise the Power of Attorney, and that such subtenant, licensee, franchisee, concessionaire or other party is directed to make all payments of Subrents to Landlord or as Landlord shall direct (the "Subrents Payment Notice"). From and after giving the Subrents Payment Notice, Landlord, in the stead and on behalf of Tenant, shall collect and receive all Subrents and shall apply the Subrents toward the cure of the Event of Default and, at Landlord's election, exercised in Landlord's sole discretion, toward the payment or discharge of any other obligation, performance of any duty of Tenant under this Lease or under any other agreement between Landlord and Tenant. If, through the application of the Subrents or otherwise, Tenant timely cures the Event of Default, and provided that this Lease has not been terminated by Landlord, any and all unused Subrents held by Landlord shall be paid promptly to Tenant and

Landlord shall send a notice to each subtenant, licensee, franchisee, concessionaire or other party rescinding the previous Subrents Payment Notice. In the event that this Lease is terminated by Landlord, either as a result of or during the continuance of an Event of Default, all Subrents held by Landlord as attorney-in-fact shall be applied on behalf of Tenant by Landlord to pay any amounts owing to or damages incurred by Landlord under this Lease and, if no such amounts are owing or damages are known to exist or there are Subrents remaining after such application, the balance of the Subrents shall be paid to Tenant. All amounts collected, received and applied by Landlord pursuant to the Power of Attorney prior to termination of this Lease shall be construed as and are agreed to be payments made by Landlord, as attorney-in-fact, on behalf of Tenant and the parties do not intend, and expressly disclaim, that the provisions of this Section shall give or create in favor of Landlord any lien upon or security interest in or constitute a pledge of the Subrents for the performance of Tenant's obligations under this Lease.

12.3 Waiver of Claims. Tenant hereby waives all claims and demands against Landlord for damages or loss arising out of or in connection with any lawful exercise by Landlord of any one or more of its rights and remedies under this Section 12.

12.4 Waiver of Rights of Redemption. In the event of the lawful exercise by Landlord of any one or more of its rights and remedies under Section 12.2, 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 releases Landlord, from any and all claims, demands and liabilities by reason of such lawful exercise by Landlord.

12.5 No Waiver. Efforts by Landlord to mitigate the damages caused by Tenant's breach of this Lease shall not waive Landlord's right to recover damages under this Section 12. For the purposes of this Section 12, the following shall not constitute a termination of Tenant's right to possession: acts of maintenance or preservation or efforts to relet the Leased Premises; or appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease.

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 Law, 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 Event of Default. 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 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 the applicable cure period specified herein, or if no cure period is specified herein, for at least five (5) business days after written notice thereof is delivered to Tenant (but no prior 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 and without waiving any right 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 reasonable 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 3.6 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid within ten (10) days following the delivery to Tenant of a written demand therefor, Landlord shall have the same rights and remedies as for the nonpayment of rent.

12.8 Excuse of Performance by Landlord. 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, unless and until such Event of Default is cured by Tenant or waived by Landlord.

12.9 Determination of Rental Amount. For purposes of this Section 12, the amounts due for each calendar month after re-entry by Landlord, or termination of this Lease by Landlord pursuant to Section 12.2, shall be deemed to be the Annual Base Rent then payable divided by twelve (12), any and all other amounts due under Section 3, and any and all other amounts due to Landlord under any other provision of this Lease.

12.10 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 for 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 AT END OF TERM. Upon the expiration or other termination of this Lease, unless required to be removed by Tenant pursuant to Section 6.4, ownership of the New Improvements shall pass automatically to Landlord and Tenant shall quit and surrender the Leased Premises and the Improvements 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 personal property, trade fixtures and equipment 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 this Lease.

14. HOLDOVER BY TENANT. In the event that Tenant shall holdover in the Leased Premises after the expiration or termination of the term hereof, with the consent of Landlord, such holdover, in the absence of a written agreement on the subject executed by both parties, shall be deemed to have created a month to month tenancy with respect to the Leased Premises, terminable on thirty (30) days' written notice by either party to the other party. Such holdover tenancy otherwise shall be subject to the same provisions as contained in this Lease, unless the parties execute a written agreement modifying any of the terms hereof applicable to such holdover tenancy; provided, however, that the Annual Base Rent for any such month-to-

month tenancy shall be in an amount equal to one hundred fifty percent (150%) of the Annual Base Rent for the last month of the Lease term, plus all other charges payable hereunder.

15. COMMON USE FACILITIES.

15.1 Common Use Facilities. As an appurtenance to Tenant's leasehold estate in the Leased Premises and in conjunction with Tenant's use of the Leased Premises, Tenant is hereby granted, for itself and for the benefit of its permitted subtenants, invitees and assigns, the non-exclusive right, at any time and from time to time, to enter upon or make customary and reasonable use of (i) runways, landing areas, taxiways, aprons, roadways, runway lights, signals, and other operating aids of the Airport and all aviation or flight easements now or hereafter granted or reserved for the benefit of Landlord and (ii) such other areas of the Airport provided and developed by Landlord for public aviation use as Landlord may from time to time make available or designate as "Common Use Facilities" (collectively, the "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 the Common Use Facilities, including members of the general public and shall be exercised by Tenant and its Tenants, invitees and assigns subject to all applicable Laws and FAA, TSA or other applicable governmental regulations governing aviation and air navigation and to the uniform rules and procedures adopted by Landlord from time to time governing the use of the Airport and the Common Use Facilities.

15.2 Reservation of Right to Make Changes. Landlord reserves the right, in its sole and absolute discretion, to make changes, at any time and from time to time, in the size, shape, location, number and extent of the Common Use Facilities and specifically further reserves the right to designate portions of the Common Use Facilities for the exclusive or non-exclusive use of certain tenants, licensees, concessionaires and other vendors or users of the Airport; provided, however, that none of such changes or designations shall materially interfere with reasonable access by Tenant between the Leased Premises and the Common Use Facilities.

15.3 Passenger Terminal Facilities Excluded. As used herein, the terms Common Area and Common Use Facilities does not include any public passenger terminal facilities, holdroom space or baggage claim space within the Airport. Tenant is not granted any rights under this Lease to use such passenger terminal facilities, holdroom space or baggage claim space, whether on a non-exclusive basis or otherwise.

15.4 Vehicle Parking. Landlord shall provide to Tenant during the Lease term at no additional rent forty (40) automobile parking spaces for use by Tenant and Tenant's invitees, contractors, agents and employees as shown in Exhibit "B" attached hereto. Landlord reserves the right to relocate such parking spaces if deemed necessary by Landlord for any reason related to the operation, management or development of the Airport and will provide reasonably located substitute parking. The use of any designated parking spaces shall be subject to all reasonable and non-discriminatory Rules and Regulations of Landlord adopted from time to time.

16. RULES AND REGULATIONS OF LANDLORD. Tenant shall, and shall cause its subtenants to, comply with all uniform rules and regulations adopted by Landlord at a noticed public meeting for use of the Leased Premises, and the other areas of the Airport, including the

Common Use Facilities, as the same may be amended from time to time by Landlord ("Rules and Regulations"). Landlord shall provide Tenant with a copy of the Rules and Regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other Tenant or user of the Airport of any of the Rules and Regulations.

17. 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, provided that the transferee assumes all of the liabilities and obligations of Landlord under this Agreement from and after the date of such transfer, but the transferor shall not be released from any obligations or liabilities accruing prior to the date of such transfer.

18. SECURITY FOR PERFORMANCE. Concurrently with the execution of this Lease, Tenant shall deliver to Landlord the sum of \$137,843.00. Upon an Event of Default on the part of Tenant with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of rent or any other amount due hereunder, Landlord may apply all or any part of such sum for the payment of any amount in default, to cure any Event of Default or to repair any damage to the Leased Premises caused by Tenant and to pay any and all damages to which Landlord is otherwise entitled as a result of such default. In the event that Landlord elects to apply any of the sum delivered by Tenant to Landlord pursuant to this Section, Tenant shall, within thirty (30) days after written demand therefor, deliver to Landlord a sum sufficient to restore the sum held by Landlord to three (3) months of rent, and Tenant's failure to do so shall be an Event of Default. In the event Landlord applies any funds as provided in this Section, such action shall not constitute an election or waiver of any other rights or remedies which Landlord may have by virtue of Tenant's default. TENANT HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1950.7 TO THE EXTENT INCONSISTENT WITH THE PROVISIONS OF THIS SECTION 18.

19. COMPLIANCE WITH ENVIRONMENTAL LAWS.

19.1 Use of Toxic Materials Prohibited. Tenant shall not cause or permit any "Toxic Materials" (as defined in Section 19.16.2) to be brought onto, stored, used, generated, recycled, or disposed of (collectively, "Use of Toxic Materials") in, on, under or about the Leased Premises, the Improvements associated with the Leased Premises, or any other part of the Airport, by any Tenant Party or any of their respective licensees, permittees or invitees; provided, however, that Tenant shall be permitted to store and use in the ordinary course of maintaining aircraft stored in the Leased Premises Toxic Materials 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 that such use of Toxic Materials is at all times subject to and in compliance with all Environmental Laws (as defined in Section 19.16.1). Landlord shall not cause any "Toxic Materials" (as defined in Section 19.16.2) to be brought onto, stored, used generated, recycled or disposed of in, on, under or about the Leased Premises unless requested to do so by Tenant. Tenant shall demonstrate that such Toxic Materials are necessary or useful by submitting information to Landlord in accordance with Section 19.3.

19.2 Compliance with Environmental Laws. Tenant and Landlord shall each comply, at their respective sole cost and expense, with all "Environmental Laws" (as defined in

Section 19.16.1), applicable to their respective premises and their use thereof and operation of their respective businesses at the Airport and, with respect to any use of Toxic Materials permitted under Section 19.1 above; provided, unless caused by a Tenant Party, Tenant's obligations under this Section 19.2 shall exclude any discharge or release migrating to the Leased Premises from other land, unless caused by a Tenant Party. Tenant shall not release or dispose of any Toxic Material in the drains, storm drains, sewers, plumbing or any other drainage facility that will cause or contribute to a violation of any Environmental Law or any contamination. The off-site disposal of any and all Toxic Materials shall be in strict compliance with all Environmental Laws.

19.3 Disclosure. Prior to or upon the Commencement Date, and prior to the end of January during each Annual Period, Tenant shall submit to Landlord the following documents: (i) an inventory or list of all compounds or products that contain Toxic Materials which were used, stored or disposed of by each Tenant Party on or about the Leased Premises or the New Improvements during the prior year, (ii) all Safety Data Sheets for such compounds or products containing Toxic Materials, (iii) an estimate of the quantity or volume of such products or compounds used, stored or disposed of on or about the Leased Premises during the prior year, and (iv) copies of all hazardous waste manifests for wastes generated on the Leased Premises and sent offsite for treatment, storage, disposal or recycling.

19.4 Business Plan. If any Tenant Party's business conducted or to be conducted in, on, under or about the Leased Premises requires the establishment and implementation of a business plan pursuant to California Health and Safety Code Sections 25500 et seq., concerning the handling of hazardous materials, Tenant shall immediately give written notification to Landlord that the Tenant Party's business is subject to the business plan requirement of such Code and that the business is in compliance with such Code. A copy of the plan shall be delivered to Landlord with such notification.

19.5 Tenant's and Landlord's Indemnity

19.5.1 Tenant's Indemnity. Tenant shall defend, indemnify and hold harmless each of the Landlord Parties from and against any and all "Liabilities" (as defined in Section 19.16.3) arising out of, resulting from or caused by the Use of any Toxic Materials by any Tenant Party; provided, unless such Contamination is caused by a Tenant Party, Tenant's obligations under this Section 19.5.1 shall exclude any discharge or release migrating to the Leased Premises from other land. In the event of any indemnification under this provision, Tenant shall pay promptly upon demand all reasonable costs and expenses incurred by Landlord for attorneys' fees, environmental consultants or other amounts incurred for remediation or otherwise because of Tenant's violation of the terms of this Lease with respect to Toxic Material or failure to comply with any Environmental Laws. Tenant acknowledges that Landlord shall have complete control (which control shall be exercised in a reasonable manner) over any litigation, settlement discussion or regulatory compliance or remediation with respect to any indemnity claim under this Section 19.5.1 and that Tenant shall cooperate fully with Landlord in connection therewith, including without limitation, executing any instruments, affidavits or other documents necessary in the reasonable judgment of Landlord in connection therewith. This indemnity shall survive the expiration or termination of this Lease.

19.5.2 Landlord's Indemnity. Landlord shall defend, indemnify and hold harmless each of the Tenant Parties from and against any and all "Liabilities" (as defined in Section 19.16.3) arising out of, resulting from or caused by the Use of any Toxic Materials by any Landlord Party; provided, Landlord's obligations under this Section 19.5.2 shall exclude any discharge or release caused by any tenant or customer of Landlord or such tenant's or customer's agents, employees, contractors or licensees. In the event of any indemnification under this provision, Landlord shall pay promptly upon demand all reasonable costs and expenses incurred by Tenant for attorneys' fees, environmental consultants or other amounts incurred for remediation or otherwise because of Landlord's violation of the terms of this Lease with respect to Toxic Material or failure to comply with any Environmental Laws. Tenant acknowledges that Landlord shall have complete control (which control shall be exercised in a reasonable manner) over any litigation, settlement discussion or regulatory compliance or remediation with respect to any indemnity claim under this Section 19.5.2 and that Tenant shall cooperate fully with Landlord in connection therewith, including without limitation, executing any instruments, affidavits or other documents necessary in the reasonable judgment of Landlord in connection therewith. This indemnity shall survive the expiration or termination of this Lease.

19.6 Landlord's Representation and Warranty. Landlord represents and warrants to Tenant that, to Landlord's actual knowledge, except for information in reports of the Regional Water Quality Control Board, the Leased Premises are in compliance with Environmental Laws. Notwithstanding the foregoing, any breach of any representation or warranty of Landlord shall be subject to the limitations of Landlord's liability set forth in this Lease (including but not limited to the provisions of Sections 12.10 and 21.15 of this Lease).

19.7 Notice. If any Tenant Party is required by statute or regulation to give notice to any agency about any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises, Tenant shall immediately give the Landlord's Director of Airport Operations the same notice by telephone at (818) 840-8840, which shall be confirmed by written notice not later than the next business day. This obligation to notify Landlord shall also extend to any personal injuries or property damage to third parties resulting directly or indirectly from such spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises. If Tenant becomes aware of the presence of or Use of any Toxic Materials not authorized in accordance with the terms of this Lease, or of any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises not subject to the notification provisions of the first sentence of this Section, Tenant shall immediately give written notice of such condition to Landlord to the extent required by California Health and Safety Code Section 25359.7.

19.8 Storage and Use of Toxic Materials. Any and all Toxic Materials permitted in, on, under or about the Leased Premises pursuant to this Lease shall be stored and used in strict compliance with all Environmental Laws. There shall be no ponding or uncovered surface storage whatsoever of Toxic Materials in, on or about the Leased Premises. No underground storage tanks shall be constructed, installed or used without Landlord's prior written consent, which consent may be withheld by Landlord in its absolute discretion. If Tenant is not in substantial compliance with Environmental Laws concerning underground storage tanks or has failed to take necessary action when required to do so, Landlord shall have the right to

enter the Leased Premises for the purpose of removing any underground storage tank, if any, at Tenant's sole expense in accordance with a closure plan approved by regulatory authorities.

19.9 Disposal of Toxic Materials. Notwithstanding anything to the contrary contained in this Section 19, Tenant shall not release or dispose of any Toxic Material, in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Leased Premises, New Improvements, or the Airport that will cause or contribute to a violation of Environmental Laws or Contamination. The offsite disposal of Toxic Materials shall be in strict compliance with all Environmental Laws.

19.10 Safety. Tenant shall maintain Material Safety and Data Sheets for each and every item or product containing any regulated amount of Toxic Material brought onto the Leased Premises. Such information shall be kept current at all times.

19.11 Fees, Taxes and Fines. Tenant shall pay, prior to delinquency, any and all fees, taxes (including excise taxes) and fines which are charged upon or incident to Tenant's activities related to Toxic Materials, provided Tenant shall have the right to contest the validity or amount of any such fees, taxes or fines, so long as (i) Tenant establishes a reserve in the amount thereof on its financial statements, and (ii) shall not allow such obligations to become a lien or charge against the Leased Premises, New Improvements or the Airport or upon Landlord.

19.12 Delivery of Documentation. Tenant shall deliver to Landlord true and correct copies of the following documents related to compliance with Environmental Laws concurrently with the receipt from or submission to an Agency: (i) permit applications; (ii) permits and approvals; (iii) notices of violations of Environmental Laws and Tenant's responses thereto; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Laws that the Landlord may reasonably request from time to time.

19.13 Annual Site Investigation. In addition to Landlord's right of access to the Leased Premises set forth in Section 1.4, Landlord shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Leased Premises during each year of the term of this Lease, either alone or in conjunction with other areas of the Airport, and to utilize the services of an environmental consultant or consulting firm for such inspection and assessment. Tenant shall pay, as additional rent hereunder, Tenant's Share (as defined in Section 3.4.7).

19.14 [Intentionally Deleted]

19.15 Limitation on Liability of Landlord. Without limiting any other rights or remedies of any Landlord Party or any other obligation of Tenant pursuant to this Lease or applicable Laws, Tenant hereby assumes the risk of, waives, releases and forever discharges the Landlord Parties from and against, and covenants not to bring any action or proceeding against, the Landlord Parties as a result of, any delay in construction, prevention of construction, increase in the cost of Improvements, loss or adverse effects upon Tenant's financing (if any), loss of rental income or subtenants (if any), diminution in the value of the Leased Premises or Improvements, or any and all other Claims arising out of or resulting from the discovery or presence on, in, under or about the Improvements, of any spilling, discharging, releasing or

disposing of Toxic Materials. Landlord's sole obligation and liability arising out of the presence of any such spilling, discharging, releasing or disposing of Toxic Materials, irrespective of the theory of liability or the facts supporting any such theory, shall be to take, or cause any person legally obligated to take, any and all action which any federal, state, regional, municipal or local governmental agency lawfully requires of Landlord to be taken to investigate, clean-up, remediate or remove such spilling, discharging, releasing or disposing of Toxic Materials.

19.16 Definitions.

19.16.1 Environmental Laws. 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 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 Common Use Facilities, including, without limitation, the statutes described in the definition of Toxic Materials.

19.16.2 Toxic Materials. 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 authority 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 "Toxic Materials" shall include, without limitation, the following compounds: (i) asbestos; (ii) petroleum, petroleum by-products, and petroleum degradation products; (iii) polychlorinated biphenyls; (iv) all substances now or hereafter defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, Section 101 (14), 42 U.S.C. Section 9601(14), including petroleum, crude oil, and any fractions thereof; (v) all substances now or hereafter defined as "extremely hazardous substances" pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, Section 302(a), 42 U.S.C. Section 11002(a); (vi) all substances now or hereafter defined as "hazardous waste" by Section 25117 of the California Health and Safety Code; (vii) all substances now or hereafter designated by the Governor of the State of California as substances known to the state to cause cancer or reproductive toxicity pursuant to California Health and Safety Code Section 25249.8; (viii) all substances now or hereafter defined as an "economic poison" pursuant to California Health and Safety Code Section 12753; and (ix) all substances now or hereafter defined as "extremely hazardous waste" pursuant to California Health and Safety Code Section 25115.

19.16.3 Liabilities. The term "Liabilities" shall mean any and all Claims (as defined in Section 4.13.5) arising out of, resulting from or caused by the release, discharge, storage, handling, use, accumulation, transportation, generation, migration, disposal, investigation, clean-up, remediation or removal of any Toxic Materials caused by any Tenant Party or any of their respective licensees, permittees or invitees, including, without limitation, the following: (i) diminution in value of the Airport, the Leased Premises, the Common Use Facilities 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 Common Use Facilities or any Improvements thereon; (iii) damages arising from any adverse impact on

marketing of space at the Airport, the Leased Premises, Common Use Facilities or any Improvements thereon; (iv) sums paid in settlement of Claims (including, without limitation, attorneys' fees, consultant fees and expert fees); (v) damages caused by the breach or nonperformance by Tenant of any covenant or other provision of this Lease related to Toxic Materials; and (vi) costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work related to the violation of this Lease or any Environmental Law, and (vii) any liabilities of Landlord under any statute, law or regulation.

20. OFFSET STATEMENT.

20.1 Delivery. Tenant, from time to time upon not less than ten (10) days' prior written notice from Landlord, shall execute, acknowledge and deliver to Landlord a statement in writing: (i) 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); (ii) setting forth the dates to which the rent, fees and other charges, if any, are paid; and (iii) 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).

20.2 Reliance. Any such statement may be relied upon by any encumbrancer of the Leased Premises or any Senior Lienholder or underwriter of debt financing for all or any portion of the Airport. Tenant's failure to deliver such statement within such time shall be conclusive evidence upon Tenant that: (i) this Lease is in full force and effect, without modification except as may be represented by Landlord; (ii) there are no uncured defaults in Landlord's performance; and (iii) not more than one month's installment of rent has been paid in advance.

21. MISCELLANEOUS.

21.1 Lease Interpretation.

21.1.1 Incorporation of Prior Agreements; Amendments. This Lease contains the entire agreement between the parties hereto, and no prior or contemporaneous 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 obligations 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, governmental regulations or Landlord's uniform policies reflected in resolutions in effect from time to time; provided Tenant shall not be required to execute any amendment of or supplement to this Lease which materially impairs the rights and benefits of Tenant or materially increases the obligations and liabilities imposed on Tenant under this Lease.

21.1.2 No Representations by Landlord. Tenant acknowledges that no Landlord Party has made any representations, warranties or promises with respect to the Leased Premises or the Airport, except as herein expressly set forth. Tenant acknowledges that it has not

executed this Lease in reliance upon any representations, warranties or promises of any Landlord Party with respect to the Leased Premises or the Airport, except as herein expressly set forth.

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

21.1.4 Severability. In the event that any one or more of the provisions contained in this Lease shall be determined to be invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in other respect and the remaining provisions of this Lease shall not be in any way impaired.

21.1.5 Gender and Number. As used in this Lease, each gender shall be deemed to include each other gender, and the singular shall be deemed to include the plural and vice versa, whenever the context so indicates.

21.1.6 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.

21.2 Further Assurances. Tenant and Landlord each agree to perform any further acts and execute and deliver any additional documents which may be reasonably necessary to carry out the provisions of this Lease, or which may be reasonably requested by the other party.

21.3 Contractor Warranties. Tenant shall have the non-exclusive benefit of any third party contractor warranties related to the Leased Premises to the extent such warranties inure to the benefit of Landlord.

21.4 "Leased Premises". Nothing in this Lease shall be deemed to imply that the term "Leased Premises" includes other than interior space and any interior equipment, interior partition walls, windows and doors, office space, exterior equipment, interior plumbing and ducting, and electrical lines and panels that are located within or adjacent to such interior space.

21.5 Disclaimer of Partnership or Agency. Neither Landlord nor Tenant are the legal representatives or agents of the other party for any purpose whatsoever and neither party shall have the power or authority to assume or create, in writing or otherwise, any obligation or responsibility of any kind, express or implied, to transact business, to make any warranty or otherwise to act in any manner in the name of or on behalf of the other party. This Lease shall not be construed as constituting or creating a partnership between Landlord and Tenant or as creating any other form of legal association between Landlord and Tenant which would impose liability upon one party for the act or the failure to act of the other party.

21.6 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 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 by Landlord of any amount due from Tenant hereunder 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. No waiver on the part of Landlord with respect to any provision of this Lease shall be effective unless such waiver is in writing.

21.7 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.

21.8 No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger, but shall, at the option of Landlord, either terminate all or any existing subleases or subtenancies, or operate as an assignment to Landlord of any or all such subleases or subtenancies.

21.9 Waiver of Jury Trial. Landlord and Tenant hereby waive the right of trial by jury to the maximum extent permitted by Law.

21.10 Notices. All notices, requests, demands and other communications given, or required to be given under this Lease, shall be in writing, duly addressed to the parties as follows:

To Landlord:

Burbank-Glendale-Pasadena
Airport Authority
2627 Hollywood Way
Burbank, CA 91505
Attn: Executive Director

To Tenant:

Delux Public Charter, LLC
18952 McArthur Blvd., Suite 200
Irvine, CA 92612
Attn: Alex Wilcox, CEO

With a copy (which shall not constitute notice)
to:

Moss & Gilmore LLP
360 Peachtree Road, St 1025
Atlanta, GA 30326
Attn: Raymond L. Moss, Esq.

Any notices properly addressed, sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received seventy-two (72) hours after they are

deposited in the United States Mail, postage prepaid. Notices shall be deemed delivered and received at the time delivered if properly addressed and delivered to the addresses set forth in this Section during normal business hours or personally delivered to the person to whose attention they are addressed. Notice sent by any other manner shall be effective upon actual receipt of the addressee. Any party may change its address for purposes of this Section by giving notice to the other party as provided in this Section.

21.11 Brokers. Each party warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease, and each party agrees to defend, indemnify and hold harmless the other party from and against any and all Claims for any compensation, commission or other charge by any finder or any other real estate broker or agent.

21.12 Recording. No copy, short form or memorandum of this Lease shall be recorded.

21.13 Governing Law. This Lease shall be governed by and construed pursuant to the Law of the State of California applicable to contracts made and to be performed fully within such state.

21.14 Attorneys' Fees. In the event of any action or proceeding (including, without limitation, any bankruptcy proceeding) to enforce or construe any of the provisions of this Lease, the prevailing party in any such action or proceeding shall be entitled to reasonable attorneys' fees and costs.

21.15 Force Majeure. If either party hereto shall be delayed in or prevented from the performance of any act required hereunder by reason of acts of God, labor troubles, inability to procure materials, restrictive governmental Laws or regulations, delays arising from environmental remediation (except to the extent caused by the party obligated), or other causes without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section shall excuse Tenant from the prompt payment of any rent or other charge required of Tenant hereunder.

21.16 Authority of Person Signing for Tenant. Tenant and the person executing this Lease on behalf of Tenant hereby represent and warrant to Landlord that such person has the legal power and authority to execute this Lease on behalf of Tenant and bind Tenant to the terms of this Lease, and that this Lease and the execution hereof has been duly authorized by Tenant.

[SIGNATURES ON FOLLOWING PAGE]

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

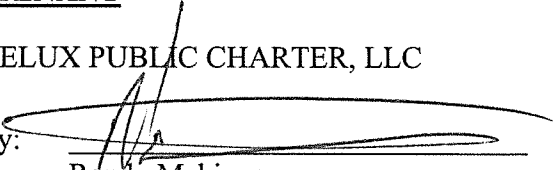
"LANDLORD"

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

By: _____
Print Name: _____
Title: _____

"TENANT"

DELUX PUBLIC CHARTER, LLC

By: 
Randy McKinney
Chief Operating Officer

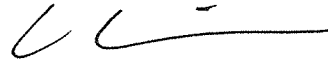
By: 
Alexander Wilcox
Chief Executive Officer

Exhibit "A-2"

Office Space (part of Leased Premises)

The space shown on the attached diagram.

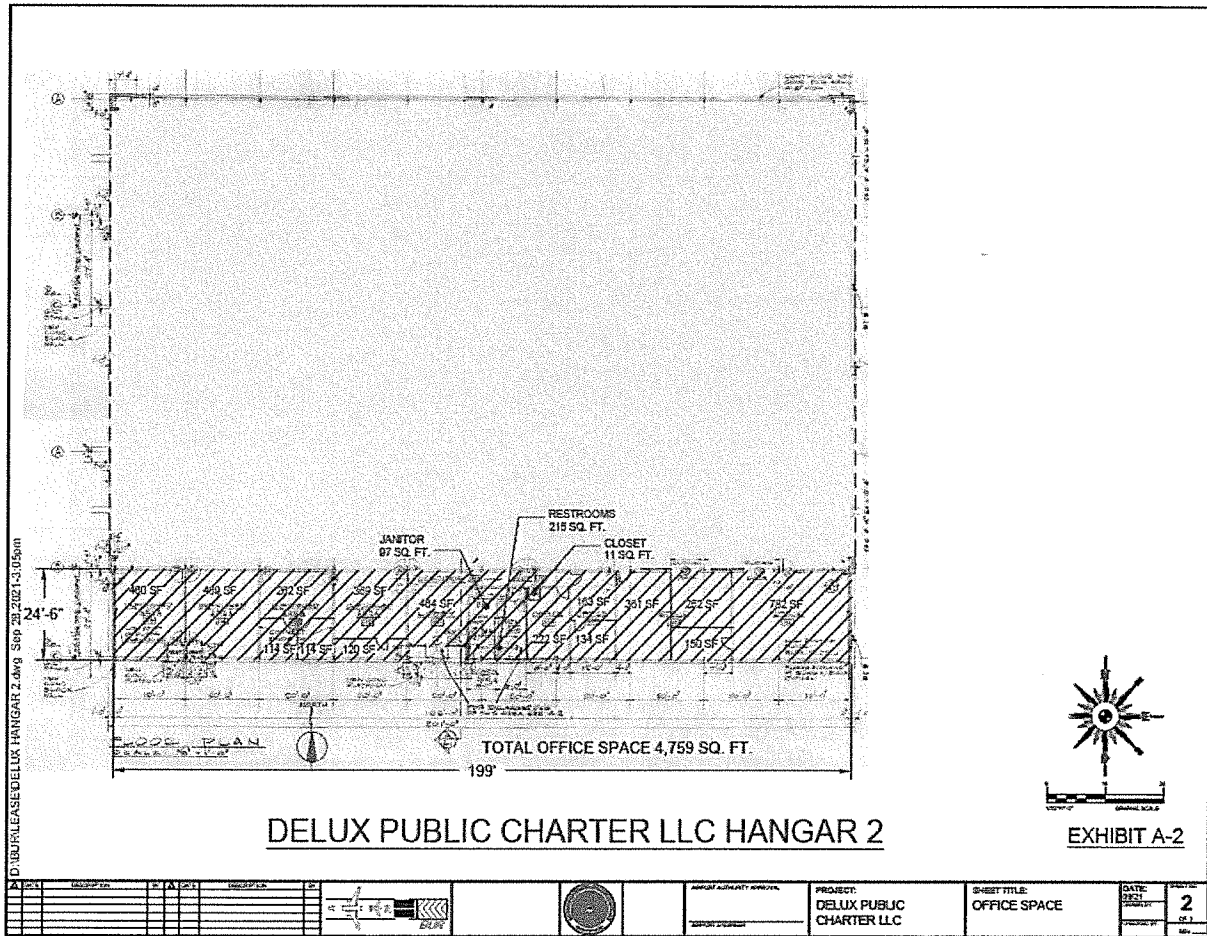
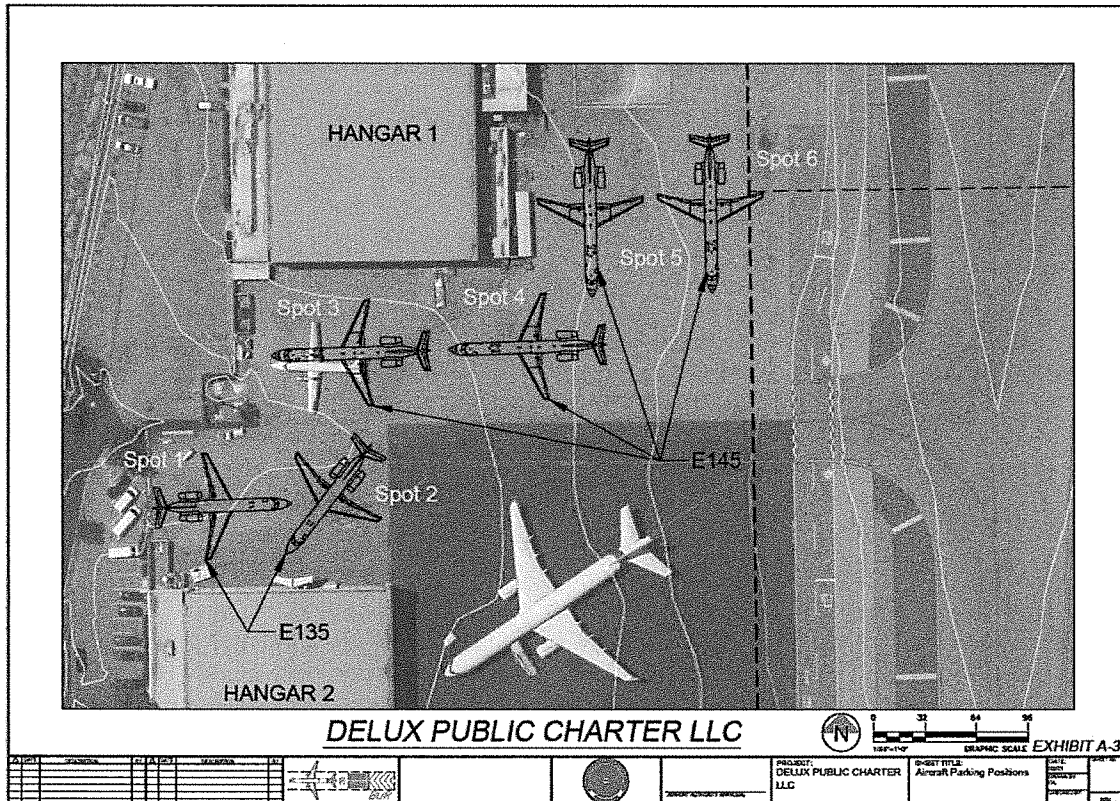


Exhibit "A-3"

Enplaning/Deplaning Space (part of Leased Premises, and with respect to areas 3, 4 and 5, part of subleased Ameriflight premises)

The spaces shown on the attached diagram.



Parking Spaces

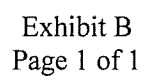


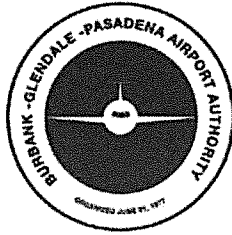
Exhibit “C”

**BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY**

**NOISE ABATEMENT RULES
(amended and effective as of April 1, 2019)**

The daily operation of the Burbank-Glendale-Pasadena Airport is governed by a set of specific rules and regulation which have been established by the Airport Authority. One section of the Airport Rules and Regulations applies to noise abatement and is commonly called the Airport “noise rules.”

For legal or technical reasons, some of these rules are long and may be difficult to follow. For clarity, this booklet begins with a brief and-nontechnical summary of the noise abatement section. Although this summary may be useful as a quick reference, the complete and unabridged version is produced later in this booklet. Please refer to the complete version for specific information, exact details and any pertinent exceptions.



NOISE RULES

The Airport Noise Rules were originally adopted in the 1980s and have been enforced as follows since the late 1980s. This restatement and clarification is not intended to modify the enforceability of the Noise Rules under federal law.

Rule 1

All subsonic transport category airplanes and all subsonic turbojet powered airplanes regardless of category operating at the Burbank-Glendale-Pasadena Airport shall be in compliance with all Federal Air Regulations respecting noise, as the same may be amended from time to time.

This Rule has been and shall continue to be enforced by requiring all aircraft to be FAA certified under Part 36 (provision governing aircraft noise levels).

Rule 2

Each air carrier jet operator shall implement appropriate FAA approved takeoff and arrival procedures consistent with the standard of Case 9A as contained in the Final Environmental Impact Statement approved by FAA on September 12, 1977.

This Rule has been and shall continue to be enforced by requiring that all aircraft meet the noise performance levels of certified Stage 3 aircraft.

Rule 3

All other jet operators shall use the National Business Aircraft Association's noise abatement procedures established January 1978.

This Rule has been and shall continue to be enforced by requiring that all general aviation turbojet aircraft (including Stage 2 hush-kitted aircraft that are certified as Stage 3) use the applicable NBAA noise abatement procedures as amended from time to time.

Rule 4

Each air carrier that operates, for any reason, after 10:00 p.m. or before 7:00 a.m. shall pay the full amount of any costs charged to or incurred by the Authority for maintaining the crash rescue service on duty.

This Rule has not been enforced since the mid-1980s due to grant assurances adopted by the federal government in the 1980s that prohibit such enforcement, and shall not be enforced going forward.

Rule 5

This Rule was repealed in 1986 and shall not be enforced going forward. (It specified departure runways for flights to the east and south.)

Rule 6

Each aircraft operator and maintenance and repair facility shall adhere to the Authority Engine Test Run-up Policy as contained in the Airport Operations Manual, as the same may be amended from time to time.

This Rule has been and shall continue to be enforced by requiring all operators to comply with the run-up policy in the Airport's Operations Manual as amended from time to time.

Rule 7

A. No air carrier shall: (1) inaugurate any operations; (2) implement any increase in operations; (3) substitute aircraft types producing higher noise levels for aircraft already in service (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control); or (4) substitute aircraft which do not comply with the Stage 3 requirements of F.A.R. Part 36 for aircraft which meet those requirements (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control) without having first obtained the written approval of the Commission, which approval shall not be granted except upon a determination by the Commission that such proposed operations or increase will not result in or contribute to an increase in the noise impact area of the Airport from all aircraft operations based on the annual CNEL of 70 for the period ending June 30, 1978.

B. As used herein, the term "operations" shall mean takeoffs and landings other than emergency procedures or takeoffs or landings resulting from the use of the Airport as weather alternate. The term "weighted operations" shall mean operations weighted on the basis of time of occurrence as provided in Section 5006 of the California Noise Standards, 21 Cal. Admin. Code Section 5000 et. seq. As used herein, noise levels are defined as sound exposure levels measured at, or calculated for, Airport noise monitor system positions.

C. Any air carrier desiring to: (1) inaugurate any operations; (2) implement any increase in operations or weighted operations; (3) substitute aircraft types producing higher noise levels for aircraft types already in service (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control); or (4) substitute aircraft which do not comply with the Stage 3 requirements of F.A.R. Part 36 for aircraft which meet those requirements (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control) pursuant to Part (A) hereof shall, not less than 30 days prior to the proposed effective date of such service apply in writing for permission to the Airport Operations Committee. Such

application shall include information as to the nature of the proposed operations or increase, and the projected effect thereof on the Airport's June 30, 1978 noise impact area and other material which the applicant air carrier wishes to bring to the attention of the Operations Committee. Upon review of the application and such other information as it deems appropriate, the Operations Committee shall recommend to the Commission that it grant or deny the permission requested, or any portion thereof. The Commission shall consider the recommendation of the Operations Committee, together with any other additional information which the applicant air carrier desires to present to it, and act thereon at its next regularly scheduled meeting.

D. The Commission may approve an application, in whole or in part, for a period not to exceed one year from the commencement of such approved operations or weighted operations. Any air carrier desiring to continue such operations or weighted operations beyond said period shall have the burden of demonstrating to the Commission prior to the expiration thereof that such increase did not result in or contribute to an increase in the Airport's June 30, 1978 noise impact area.

E. Any air carrier violating the provision of this Rule may, in the discretion of the Commission and in addition to any other remedies, including injunctive remedies available, be subject to civil penalties in the amount of One Thousand Dollars (\$1,000) for each operation which has not been approved by the Commission pursuant to the provisions of this Rule.

This Rule has been and shall continue to be enforced by a public report by Airport Staff to the Commission of schedule changes and a report of the anticipated impact, if any, on the Airport's Noise Impact Area of those changes. No approval of the Authority has been or shall be needed by an air carrier for any changes as long as the Noise Impact Area incompatible land within the 70db CNEL contour of the Airport does not exceed the 403 acres existing in 1978. If the acreage of incompatible land within the Airport's 70db CNEL contour ever exceeds 403 acres, the Airport shall attempt to prevent the increase in operations. That effort may or may not be successful.

Rule 8

A. Between the hours of 10:00 p.m. and 7:00 a.m.:

1. No intersection takeoffs shall be permitted;
2. No maintenance engine run-ups shall be permitted, unless a delay of such maintenance engine run-up would cause an aircraft to arrive and/or depart after 10:00 p.m. in the succeeding 24 hour period; and
3. No flight training operations, including practice instrument approaches and touch-and-go operations, shall be permitted.

B. Any pilot in command or maintenance facility violating the provisions of these Rules may, in the discretion of the Commission, and in addition to other remedies (including injunctive remedies) available, be subject to civil penalties for each violation of this Rule as follows: (1) For the first violation, one thousand seven hundred thirty-eight dollars (\$1,738); (2) For subsequent violations, two thousand five hundred twenty-four dollars (\$2,524).

This Rule has been and shall continue to be enforced as written.

Rule 9

A. Except as provided in Parts (B) and (C) hereof, no aircraft may land at or take off from the Burbank-Glendale-Pasadena Airport between the hours of 10:00 p.m. and 7:00 a.m.

B. The following aircraft shall be permitted to land at and take off from the Burbank-Glendale-Pasadena Airport between the hours of 10:00 p.m. and 7:00 a.m.:

1. Public aircraft, military aircraft, aircraft owned or operated by the armed forces of the United States, and aircraft operated in support of military operations.

2. Aircraft operated by commercial air carriers whose schedules comply with Rule 7 of these Rules and Regulations.

3. Aircraft, other than those listed in FAA Advisory Circular 36-1B or 36-2C, whose total rated maximum brake or shaft horsepower is 200 or less.

4. Propeller-driven aircraft whose certificated takeoff weights are 12,500 pounds or less and whose measured or estimated flyover noise levels, as contained in FAA Advisory Circular 36-1H or 36-2C (as said Advisory Circulars may be revised, supplemented, or replaced from time to time), are equal to or less than 85.6 dBA.

5. Aircraft whose estimated sideline noise levels, as set forth in FAA Advisory Circular 36-3 (or in any revision, supplement, or replacement thereof listing sideline noise levels), are equal to or less than:

a. for aircraft whose noise levels have been determined at a sideline distance of 450 meters, 82.2 dBA;

b. for aircraft whose noise levels have been determined at a sideline distance 0.25 nautical miles, 82 dBA; and

c. for four-engine aircraft whose noise levels have been determined at a sideline distance of 0.35 nautical miles, 79.1 dBA.

6. Aircraft whose maximum noise levels, under normal operating conditions and procedures, have been determined by the Airport Authority, upon a showing by the aircraft manufacturer or operator, are equal to or less than either:

a. when measured or estimated at a sideline distance of 450 meters, 0.25 nautical miles, or 0.35 nautical miles pursuant to F.A.R. Part 36 Appendix C, 82.2 dBA, 82 dBA, or 79.1 dBA, as applicable respectively, or

b. when measured or estimated at a flyover altitude of 1,000 feet pursuant to F.A.R. Part 36 Appendix F, 85.6 dBA.

C. Aircraft other than those specified in Paragraph (B) shall be permitted to land at or take off from the Burbank-Glendale-Pasadena Airport between the hours of 10:00 p.m. and 7:00 a.m. only under the following circumstances:

1. in the event such landing and/or takeoff results from the existence of a declared emergency;
2. in the event such landing and/or takeoff results from the use of the airport as a weather alternate; and
3. in the event such landing and/or takeoff results from a weather, mechanical, or air traffic control delay; provided however, that this exception shall not authorize any landing or takeoff between the hours of 11:00 p.m. and 7:00 a.m.

D. Upon the request of the Airport Authority, the aircraft operator or pilot in command shall document or demonstrate the precise emergency conditions resulting in a landing and/or takeoff between the hours of 10:00 p.m. and 7:00 a.m. or the precise weather, mechanical, or air traffic control conditions resulting in a landing and/or takeoff between the hours of 10:00 p.m. and 11:00 p.m.

E. Any aircraft operator or pilot in command violating the provisions of this Rule may, in the discretion of the Commission, and in addition to any other remedies (including injunctive remedies) available, be subject to civil penalties in the amount of five thousand fifty-five dollars (\$5,055) for each unauthorized landing and each unauthorized takeoff.

This Rule has been and shall continue to be enforced consistent with the ongoing enforcement of Clarified Rule 7 with respect to aircraft other than public aircraft, military aircraft, aircraft owned or operated by the armed forces of the United States, and aircraft operated in support of military operations. In particular, this Rule has been and will be enforced by allowing Stage 3 certified aircraft to fly between 10 p.m. and 7:00 a.m. With respect to Stage 2 hush-kitted aircraft that are certified as Stage 3, such aircraft operating between 10 p.m. and 7:00 a.m. shall continue to have to demonstrate compliance with the Rule as written. Stage 2 aircraft not certified as Stage 3 are not permitted to fly at any time.

Rule 10

A. Except as provided in Parts (B) and (C) hereof, no aircraft operating pursuant to an Operating Certificate issued by the Federal Aviation Administration may land at or take off from the Burbank-Glendale-Pasadena Airport.

B. The following aircraft operated pursuant to an Operating Certificate issued by the Federal Aviation Administration shall, subject to all other applicable Rules and Regulations, be permitted to land at and take off from the Burbank-Glendale-Pasadena Airport:

1. Transport category large airplanes and turbojet powered airplanes certificated under F.A.R. Part 36 or ICAO Annex 16 whose certificated sideline noise levels are equal to or less than:

a. for aircraft whose certificated noise levels have been determined at a sideline distance of 0.25 nautical miles, 105.0 effective perceived noise decibels;

b. for aircraft whose certificated noise levels have been determined at a sideline distance of 450 meters, 105.1 effective perceived noise decibels; and

c. for four-engine aircraft whose certificated noise levels have been determined at a sideline distance of 0.35 nautical miles, 103.5 effective perceived noise decibels.

2. Aircraft whose average sound exposure levels (SEL) on takeoff from Runway 15, under normal operating conditions and procedures, as measured at Airport Monitoring Stations 1, 2, and 3, are equal to or less than 104.5 dB, determined as follows:

a. for aircraft types regularly operating at the Airport during the year ending June 30, 1981, the average level shall be determined from the energy average of the SEL values measured at Monitoring Stations 1, 2, and 3 during April, May, and June, 1981.

b. for aircraft types not regularly operating at the Airport during the year ending June 30, 1981, the aircraft operator shall submit estimates of the energy average SEL values expected at Monitoring Stations 1, 2, and 3, accompanied by noise level and takeoff performance calculations sufficient to show the basis for obtaining the estimates. Where the average combined noise level estimates fall within the range of 101.5 to 104.5 dB, the Airport shall have the option of allowing the aircraft to operate at the Airport for a demonstration period of 90 days. The noise levels measured at Stations 1, 2, and 3 during this 90-day demonstration period shall be the basis for determining whether or not the aircraft meets the noise limits under this Part. The permission granted under this Part (B) (3) (b) shall continue only for so long as the approved aircraft continues to be operated at an average combined noise level at or below 104.5 dB as set forth above.

C. Aircraft operated pursuant to an Operating Certificate issued by the Federal Aviation Administration, whose noise levels exceed the limits specified in Part (B) shall be permitted to land at and take off from the Burbank-Glendale-Pasadena Airport only under the following circumstances:

1. in the event such landing and takeoff results from the existence of a declared emergency;

2. in the event such landing and takeoff results from use of the Airport as a weather alternative; or

3. in the event such landing and takeoff occurs in connection with FAA certificated maintenance, repair and modification.

D. Upon request of the Airport Authority, the aircraft operator or pilot in command shall document or demonstrate the precise emergency conditions or FAA certificated maintenance, repair, or modification resulting in the landing and takeoff of an aircraft whose noise levels exceed those set forth in Part (B) above.

E. Any aircraft operator or pilot in command violating the provisions of this Rule may, in the discretion of the Commission, and in addition to any other remedies (including injunctive remedies) available, be subject to civil penalties in the amount of One Thousand Dollars (\$1,000) for each unauthorized landing and takeoff.

This Rule has been and shall continue to be enforced as written as all modern commercial and general aviation aircraft in service meet these standards.

Rule 11

Subject to the provisions of Rule 7 of these Rules and Regulations:

A. No air carrier shall inaugurate or reinstitute scheduled turbojet operations at the Burbank-Glendale-Pasadena Airport ("the Airport"), except as provided in Part C below, unless all turbojet operations of that carrier are to be conducted solely with aircraft which comply with the noise level criteria of F.A.R. Part 36 Stage 3 (section C36.5 (a) (3) of Appendix C), as the same may be revised, supplemented, or replaced from time to time ("Stage 3 aircraft").

B. Each air carrier that has continuously provided scheduled passenger service at the Airport using non-Stage 3 aircraft since March 1, 1982, shall:

1. Utilize only Stage 3 aircraft in increases in its scheduled turbojet operations above the number of such operations in effect on June 30, 1982;
2. Conduct at least twenty-five percent (25%) of its scheduled turbojet operations with Stage 3 aircraft until March 31, 1986; and
3. From April 1, 1986, to March 31, 1987, conduct at least fifty percent (50%) of its scheduled turbojet operations with Stage 3 aircraft.

C. Air carriers seeking to inaugurate or reinstitute scheduled passenger operations at the Airport between the effective date of this Rule and March 31, 1987, will be permitted to make use of non-Stage 3 aircraft to the extent such aircraft may be used during that period by air carriers that have continuously utilized such aircraft at the Airport in scheduled passenger service since March 1, 1982, if the air carrier seeking to inaugurate or reinstitute scheduled passenger service demonstrates that the non-Stage 3 aircraft sought to be utilized will produce, at the average gross weight reasonably expected in operations at the Airport, an energy average Sound Exposure Level ("SEL") no greater than 98 decibels at Airport Monitoring Stations 1, 2, and 3 for departures on Runway 15 and no greater than 93 decibels at Station 9 for arrivals on Runway 8.

D. After March 31, 1987, each air carrier providing scheduled passenger service at the Airport shall conduct one hundred percent (100%) of its scheduled turbojet operations with Stage 3 aircraft.

E. Air carriers may substitute higher noise level aircraft in operations required to be flown with lower noise level aircraft only if the required lower noise level aircraft is removed

from service on a temporary basis for unanticipated conditions beyond the carrier's control, but only for so long as is necessary to correct such unanticipated conditions.

F. Each scheduled air carrier shall demonstrate, in writing, its intention and ability to fulfill the requirements of this Rule not less than 30 days prior to the commencement (including reinstitution) of scheduled passenger service or any proposed increase in operations at the Airport. Each such air carrier shall also, upon request of the Authority, provide written documentation of the reasons for and duration of any substitution of aircraft pursuant to Part E hereof.

G. Each scheduled air carrier violating the provisions of this Rule may, in the discretion of the Commission, and in addition to the other remedies (including injunctive remedies) available, be subject to civil penalties in the amount of Ten Thousand Dollars (\$10,000) for each day on which operations are conducted in violation of the provisions of this Rule.

This Rule has been and shall continue to be enforced by requiring all air carriers to use aircraft that are certified Stage 3 or quieter at the Airport.

Rule 12

In the event one or more clauses, sections or provisions of these Rules shall be held to be unlawful, invalid or unenforceable, the remainder of such Rule (or Rules) shall not be affected thereby.

This Rule has been and shall continue to be enforced as written.

Noise Rules Enforcement

The following procedures shall govern the enforcement of the Noise Abatement Rules.

1. Alleged violations of the Noise Abatement Rules shall be investigated by the Noise & Environmental Department or such other airport staff member as the Executive Director may designate.

2. In each instance of a potential violation identified by the Noise & Environmental Department, the Noise & Environmental Department staff shall notify the owner or operator of the aircraft in question. In the case of potential violations of Rules 8 or 9, or in any other instance in which a violation, if confirmed, would result in the imposition of a monetary fine or operational restriction, such notice shall be in writing and shall be delivered by certified mail or other form of registered delivery. Such written notice shall specify the nature of the alleged violation, the time, date and location of its occurrence, the rule allegedly violated, and shall include a copy or description of these enforcement procedures.

3. The owner or operator shall have fifteen (15) business days from the date of such notice to: pay the proposed fine; contest in writing the finding of a violation; or request in writing an informal conference with the Director, Noise & Environmental Programs ("Director"). The Director shall, based upon information received in writing or through an

informal conference, determine whether a violation has occurred and shall promptly give written notice of such determination to the owner or operator.

4. The owner or operator shall have ten (10) business days from the date of such notice of determination to appeal the determination of the Director to the Authority's Operations Committee. Such appeal shall be in writing, submitted to the Noise & Environmental Department, and shall set forth all information the owner or operator believes necessary to support such appeal. The Operations Committee shall have the discretion to request further information from the owner or operator, either in writing or in person, and may affirm, overrule or modify the determination of the Director. The Operations Committee shall give written notice of its decision to the owner or operator.

5. The owner or operator may, within ten (10) business days of the date of the notice of decision of the Operations Committee, appeal that decision to the full Airport Authority Commission, by submitting a notice of appeal, together with such written information as it deems appropriate, to the Noise & Environmental Department. The Commission may request further information from the owner or operator, either in writing or in person, and may affirm, overrule or modify the decision of the Operations Committee. The Commission shall give written notice of its decision to the owner or operator.

Exhibit "D"

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.

Exhibit "E"

Policy on Tenant Improvements

**REQUEST FOR APPROVAL
PROPOSED TENANT IMPROVEMENT**



**MUST BE SUBMITTED AT LEAST TEN BUSINESS DAYS PRIOR TO PROJECT
START DATE. LARGER PROJECTS REQUIRE ADDITIONAL LEAD TIME.**

1. INFORMATION

Tenant _____ Building # _____
Name of Contact _____ Phone # _____
Address _____ Email: _____
Describe Proposed Improvements * _____

Estimated cost of improvements _____
Estimated start date _____ Completion date _____

***Attach sketches or drawings as required to clearly indicate the type, size, height
and location of proposed improvements***

2. PRE-CONSTRUCTION

Contractor _____ License # _____
Address _____
Contract Price _____ Phone # _____
Construction Commencement Date _____ End Date _____

***Applicant must submit required Certificate of Insurance, Material and Labor Bond
two weeks prior to the start of construction***

Tenant Representative (Signed) _____ Date _____

3. INITIAL APPROVALS

Operations	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Business & Properties	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Engineering Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Environmental & Noise	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Fire Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
ICT Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Maintenance Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		

Safety Department (Approver)_____ Date_____ Pre-Con Needed (Y/N)
 Comments _____
 Police & Security (Approver)_____ Date_____ Pre-Con Needed (Y/N)
 Comments _____

4. FINAL APPROVAL
 Airport Administration (Reviewed by)_____ Date_____

INSTRUCTIONS FOR COMPLETING THIS FORM

The following procedures are to be followed by all Airport Tenants desiring to make improvements to their leasehold. Close adherence to the procedures and regulations outlined below will greatly aid in expediting the processing and approval of each Proposed Improvement.

1. Tenant shall complete Section 1 and 2 of this form and submit to: Burbank-Glendale-Pasadena Airport Authority, Business, Property and Administrative Services Department, 2627 Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request Form, the Business, Property and Administrative Services Department will review the Proposed Improvement and, if the proposal is considered to be basically acceptable, it will then be forwarded to Airport Engineering for further review and evaluation. However, if the proposal is not considered to be basically acceptable, the Request Form will be returned to the Tenant accompanied by a written statement from the Authority as to why the request is being denied at this stage or if additional information is required.
3. In addition to the submission of the Tenant Improvement Form, Tenant shall also provide final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements: five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Business, Property and Administrative Services Department for review by all applicable Airport Departments with final review and approval by Airport Administration.
4. The Business, Property and Administrative Services Department and Engineering Department will determine any impact of the Proposed Improvement on the Airport Master Plan, Airport Facilities, Navigable Airspace Requirements of Federal Aviation Regulations Part 77, and/or if it conforms to the Airport Rules and Regulations.
5. Prior to the start of construction and after all insurance and bond requirements have been satisfied, an Indemnification & Defense Agreement has been submitted to the Authority, and Building permits and any other necessary permits are on file with the Authority, a pre-construction meeting must be held in the Authority Administrative offices. When all of these requirements have been satisfied, approval to begin construction will be granted on the Tenant Improvement Form and a copy returned to the Tenant. The form will indicate whether approval has been granted, and if not granted, the reason for denial.
6. All Tenants shall, within thirty (30) days after completion, submit to Business, Property and Administrative Services Department one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Business, Property and Administrative Services Department. The itemized summary shall be signed by the contractor and notarized.

NOTES: a.) For smaller projects costing less than \$5,000, the Authority may, at its discretion, waive any or all of the above requirements.
 b.) Airport approval does not constitute a substitution of approval from any other governmental agency having jurisdiction.

PLANS AND SPECIFICATIONS

Plans shall be drawn to scale and dimensioned on standard size drawing sheets for future reference and file retention, and shall be of sufficient clarity to indicate the nature and extent of the work proposed and show in detail that it conforms to the provisions of the governing codes, ordinances, rules and regulations. The minimum number of drawings normally acceptable with each set of plans submitted for final review and approval will generally consist of a plot plan, foundation plan, floor plan, elevations, framing section and details. Electrical, plumbing, heating and air conditioning plans and details shall be submitted when applicable. Foundation recommendations, including calculations and a soils investigation report shall be submitted when appropriate or requested by Airport Engineering. All design documents, including required calculations, shall be prepared, stamped, and signed by a licensed professional engineer or architect registered in the State of California. Engineers shall be licensed for the specific discipline required. Drawings/specifications and/or calculations prepared by contractors and/or fabricators will not be acceptable.

OTHER REQUIREMENTS INSURANCE REQUIREMENT

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form:

Comprehensive General Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. \$1,000,000 for Personal Injury for each occurrence.
Comprehensive Automobile Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence.
Workers' Compensation:	California statutory requirements

Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Business, Property and Administrative Services Department. Each of said insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

BOND REQUIREMENT

The Tenant shall require the contractor to obtain a material and labor bond equal to the contract price of the work. A copy of said bond shall be forwarded to Airport Engineering.

INDEMNIFICATION & DEFENSE AGREEMENT

The Tenant and its Contractor agree to and do hereby indemnify, defend and hold harmless the Burbank-Glendale-Pasadena Airport Authority, and its officers, agents, employees and contractors from all claims, demands, liabilities, losses, damages, costs and expenses, of any nature whatsoever, caused by or arising from, directly or indirectly, any act or omission (including, without limitation, negligent acts, negligent omissions, willful misconduct and any violation of the terms of that certain Lease between Tenant and Authority in, on or near the Bob Hope Airport by Contractor, or its subcontractors, agents or employees (including without limitation work done by Contractor for Tenant on Tenant's leased premises).

PREVAILING WAGES

As part of Tenant's obligations under the terms of the Lease to comply with applicable law, Tenant acknowledges and agrees that if Tenant is provided improvement funds from the Burbank-Glendale-Pasadena Airport Authority, or a rent credit based on timely construction of improvements, then Tenant shall (and shall cause its contractors to) pay prevailing wages for such improvements and shall otherwise comply with California Labor Code Sections 1720 et seq. (including all recordkeeping and reporting requirements).

CONSENT TO SUBLEASE

The Burbank-Glendale-Pasadena Airport Authority ("Landlord"), as landlord under that certain Aviation Hangar Lease dated February 4, 2013, as amended (the "Lease"), entered into by between Landlord and AMERIFLIGHT, LLC, a Nevada limited liability company, as tenant ("Tenant"), **subject to and conditioned upon the following terms and conditions**, hereby grants its consent to the form of that certain Amended and Restated Facility Rental Agreement dated March 24, 2022 by and between the Tenant, as sublessor, and DELUX PUBLIC CHARTER, LLC, a Delaware limited liability company, as sublessee ("Sublessee"), a copy of which is attached hereto as Exhibit "A" (the "Sublease"), covering the premises ("Subleased Premises") described in the Sublease. This Consent is being given under Section 9 of the Lease.

The capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Lease. This Consent to Sublease ("Consent") may be executed in counterparts, each of which shall be considered an original but shall constitute one and the same document.

As conditions to and in connection with the consent of Landlord to the Sublease, it is understood and agreed as follows:

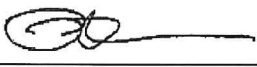
1. **No Release.** This Consent shall in no way release the Tenant or any person or entity claiming by, through or under Tenant, including Sublessee, from any of its covenants, agreements, liabilities and duties under the Lease (including, without limitation, all duties to cause and keep Landlord and others named or referred to in the Lease fully insured and indemnified with respect to any acts or omissions of Sublessee or its agents, employees or invitees or other matters arising by reason of the Sublease or Sublessee's use or occupancy of the Subleased Premises), as the same may be amended from time to time, without respect to any provision to the contrary in the Sublease.
2. **Specific Provisions of Sublease.** This Consent does not constitute approval by Landlord of any of the specific provisions of the Sublease; nor shall the same be construed to amend the Lease in any respect, any purported modifications being solely for the purpose of setting forth the rights and obligations as between Tenant and Sublessee, but not binding Landlord.
3. **Amendment of Sublease.** Tenant and Sublessee shall not amend the Sublease without the prior written approval of Landlord (which may be given by the Landlord's Executive Director).
4. **Limited Consent.** This Consent does not and shall not be construed or implied to be a consent to any other matter for which Landlord's consent is required under the Lease, including, without limitation, any improvements or alterations. Landlord's prior written consent shall be required for any assignment of the Sublease or any sub-subletting by Sublessee (and such consent may be given by the Executive Director)
5. **Tenant's Continuing Liability.** Tenant shall be liable to Landlord for any default under the Lease, whether such default is caused by Tenant or Sublessee or anyone claiming by or through either Tenant or Sublessee, but the foregoing shall not be deemed to restrict or diminish any right which Landlord may have against Sublessee pursuant to the Lease, in

law or in equity for violation of the Lease or otherwise, including, without limitation, the right to enjoin or otherwise restrain any violation of the Lease by Sublessee.

6. **Termination of Lease.** If at any time prior to the expiration of the term of the Sublease, as amended, the Lease shall terminate or be terminated for any reason (or Tenant's right to possession shall terminate without termination of the Lease), the Sublease, as amended, shall simultaneously terminate.

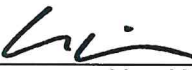
TENANT:

AMERIFLIGHT, LLC, a Nevada limited liability company

By: 
Print Name: Paul Halter
Title: VP, Airline Operations

SUBLESSEE:

DELUX PUBLIC CHARTER, LLC, a Delaware limited liability company

By: 
Print Name: Alex Wilcox
Title: CEO

LANDLORD:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

By: _____
Print Name: _____
Title: _____

EXHIBIT "A"

SUBLEASE

(Attached.)

Amended and Restated

Facility Rental Agreement

This Amended and Restated Facility Rental Agreement (“Agreement”) is dated March 24, 2022 and is entered into by and between Ameriflight, LLC, a Nevada Limited Liability Company (“AMF”), and Delux Public Charter, LLC, a Delaware Limited Liability Company (“JSX”).

RECITALS

WHEREAS, AMF and JSX entered into a Facility Rental Agreement on October 1, 2018 and JSX currently rents AMF’s excess ramp space and other associated facilities at the Burbank Airport (“BUR”); and

WHEREAS, AMF and JSX desire to amend and restate this Agreement to include JSX’s right to enplane and deplane its passengers in certain areas described in the First Amendment of Aviation Hangar Lease between AMF and Burbank-Glendale Pasadena Airport Authority dated _____ (“Lease”).

NOW THEREFORE: the parties enter into this Agreement and, in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

TERMS:

Aircraft means the aircraft, which is/are directly owned, leased, managed, operated or otherwise in the care, custody and control of JSX (the “Aircraft”):

Ramp Space means non-dedicated, non-exclusive use of the outside ramp space for the purpose of operating and/or parking Aircraft.

Rental Facilities means those areas designed in Exhibits A, B, and C.

Rental Rate and Misc Commercial Terms means those terms defined in Appendix D

FURTHER PROVISIONS:

1. Each of JSX and AMF agree that it shall not engage in any activity that is prohibited by any material law, regulation or is a material violative of the Master Lease of the facilities (between BUR and AMF). If either party

violates the Master Lease, this agreement may be terminated immediately by the non-defaulting party.

2. AMF agrees that during the term of this Agreement, JSX may enplane and deplane passengers in the designated areas described on Exhibit A of the Lease.
 - a. If the designated areas for enplaning and deplaning passengers are unavailable due to resurfacing or other required maintenance, AMF will provide alternate parking for JSX. The ability to enplane and deplane passengers in the alternate parking area remains at the discretion of the Burbank-Glendale-Pasadena Airport Authority. If JSX is unable to enplane and deplane passengers in the alternate parking area, the Rental Rate will be reduced by 35% for the prorated period of the affected month.
 - b. If the alternate parking provided by AMF is unsatisfactory to JSX, JSX is responsible for the cost of temporarily relocating the Aircraft.
3. Each of JSX and AMF agree not to assign or otherwise transfer this agreement without the express written permission of the other. The terms of this lease may be amended by mutual consent.
4. JSX agrees that all facilities subject to this agreement are WHEREIS, AS IS, JSX agrees that they have inspected such facilities and find them appropriate for their intended use. No improvements shall be made to the facilities by AMF during the terms of this agreement.
5. Indemnification by JSX and AMF:
 - a. JSX shall indemnify, assume liability for, defend and hold harmless AMF from and against any and all Claims and shall pay on demand any Losses that AMF suffers or incurs as a result of, arising out of, caused by or occurring in connection with (or alleged to arise out of, be caused by or be occurring in connection with) any of the following: (i) the death of or injury to persons (including all invitees, guests, passengers on the facilities, and any delay or loss of or damage to property in each case occurring while such persons or property are

under the control of, being on the rented facilities used by or in the custody of JSX. Such indemnification shall be satisfied solely from any policy of insurance maintained by JSX.

b. AMF shall indemnify, assume liability for, defend and hold harmless JSX from and against any and all Claims and shall pay on demand any Losses that JSX suffers or incurs as a result of, arising out of, caused by or occurring in connection with (or alleged to arise out of, be caused by or be occurring in connection with) any of the following: (i) the death of or injury to persons (including all invitees, guests, passengers on the facilities, and any delay or loss of or damage to property in each case occurring while such persons or property are under the control of, being on the rented facilities used by or in the custody of AMF. Such indemnification shall be satisfied solely from any policy of insurance maintained by AMF.

c. Notwithstanding any other provisions in this agreement, it is expressly agreed and understood that under no circumstances shall either party be liable to the other for indirect, incidental, consequential, special or exemplary damages, whether in contract or tort (including strict liability and negligence), such as but not limited to: loss of revenue, loss of use or anticipated profits, diminution or loss of value, or costs associated with substitution or replacement aircraft.

6. Minimum Insurance Coverage:

- a. Without limiting and in addition to any other insurance required to be maintained by each of JSX and AMF, shall at all times during the Term hereof, maintain, or cause to be maintained, in full force and effect policies of insurance with insurers of recognized reputation and responsibility, in each case:
 - i. A minimum liability limit of \$100,000,000
 - ii. A certificate evidencing coverage of Aviation General Liability insurance, including Aircraft Hull and Liability insurance by JSX.

- iii. All such policies shall name AMF, et al, as an additional insured
 - iv. Provide evidence of War Risk Coverage.
- b. Workers' Compensation Insurance and Employer's Liability Insurance. Each of JSX and AMF shall maintain workers' compensation insurance providing the statutory coverage required by the appropriate jurisdiction and employer's liability with a limit of not less than one million dollars (\$1,000,000) each accident for bodily injury by accident or one million dollars (\$1,000,000) each employee for bodily injury by disease.
- c. Automobile Liability Insurance. Each of JSX and AMF shall maintain automobile liability insurance covering all owned, non-owned leased and hired vehicles with policy limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence.
- d. Other Property and Liability Insurance. Each of JSX and AMF shall maintain other property and liability insurance coverages and any other property damage liability insurance, exclusive of any manufacturer's product liability insurance of the types and in the amounts that would be considered prudent for a business organization of each of JSX's and AMF's size and nature, under the insurance market conditions in effect at the time of placement, but in any event of the type and the amount that JSX or AMF, as the case may be, may require to prevent or minimize a disruption in the provision of its services resulting from a casualty or liability incident related to any of JSX's operations.
- e. Deductibles. All coverages described above shall be placed with deductibles that are commercially reasonable. On the date hereof and on each anniversary hereof during the Term, each of JSX and AMF shall furnish to the other a list of the deductibles applicable for each such coverage and such other information reasonably requested.

- f. Endorsements. JSX shall cause the liability policies required to be maintained pursuant to this agreement to be duly and properly endorsed by each of JSX's insurance underwriters as follows:
- i. Subrogation Rights. To provide that the underwriters shall waive subrogation rights against AMF, except for their gross negligence or willful misconduct;
 - ii. Additional Insureds. To provide that AMF, shall be named as additional insured parties under JSX's liability coverage.
 - iii. Right of Contribution. To provide that such insurance shall be primary to and without right of contribution from any other insurance which may be available to the additional insureds;
 - iv. No Cancellation or Amendment. With respect to all of the insurance policies described above to provide that such policies shall not be canceled, terminated or the limits or coverage required hereunder be reduced (or subjected to an adverse change) until thirty (30) days after receipt by each AMF, of Notice from such insurers of such cancellation, termination or reduction.
 - v. Evidence of Insurance Coverage. On the date hereof and on each anniversary thereof during the Term, Each of JSX and AMF shall furnish to the other a certificate of insurance certifying that such insurance and endorsements are in full force and effect.

7. Other

- a. AMF has determined that BUR Airport Authority approval is a requirement under the master lease. Such approval is expected at the next scheduled BUR Airport Authority Meeting.

IN WITNESS WHEREOF, the authorized representatives of AMF and JSX have executed this agreement as of the August 30, 2018.

Ameriflight LLC:



Name: Paul Halter

Title: VP, Airline Operations

Dated: March 24, 2022

JSX:



Name: Alex Wilcox

Title: CEO

Dated: March 28, 2022

EXHIBIT A, B, and C.

Exhibit A: Approximately 42,000 sq. ft. for JSX aircraft parking. AMF retains the right to use the wash rack to maintain our aircraft as needed and agrees not to interfere with JSX aircraft activity. Passengers may enplane/deplane as authorized by the Burbank-Glendale-Pasadena Airport Authority.

Exhibit B: Approximately 31,000 sq. ft. of shared ramp space to be utilized by both JSX and AMF for aircraft movement, temporary parking, contract fuel truck parking/ staging. Passengers may enplane/deplane as authorized by the Burbank-Glendale-Pasadena Airport Authority.

Exhibit C: Vehicle parking, exclusive for JSX valet service.

EXHIBIT 'A'

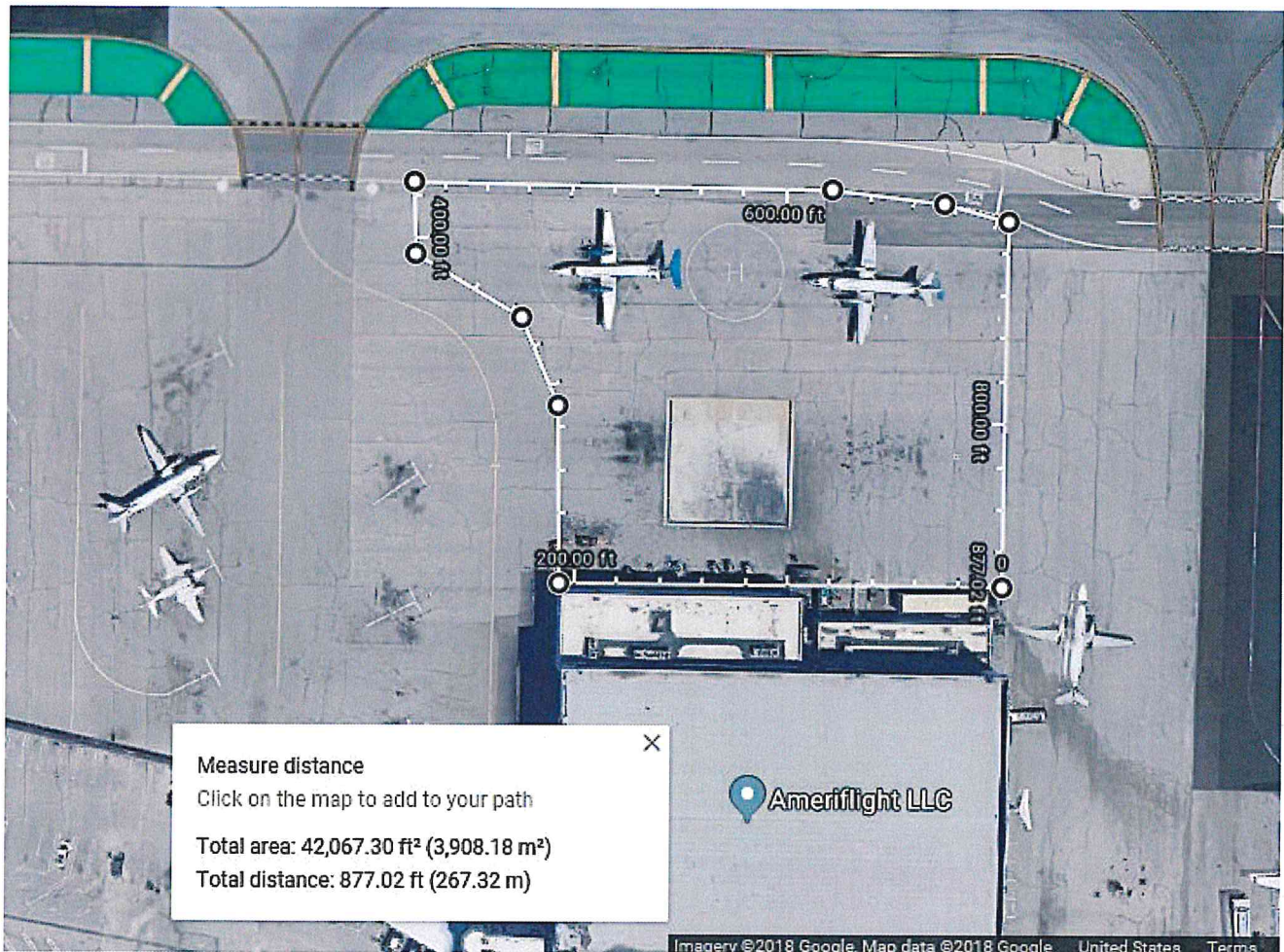


Exhibit A: Approximately 42,000 sq. ft. for Delux aircraft parking and passenger enplanement and deplanement in certain areas described in the First Amendment of Aviation Hangar Lease between AMF and Burbank-Glendale-Pasadena Airport Authority.

AMF retains the right to use the wash rack to maintain our aircraft as needed, but agrees not to interfere with Delux aircraft activity.

EXHIBIT 'B'

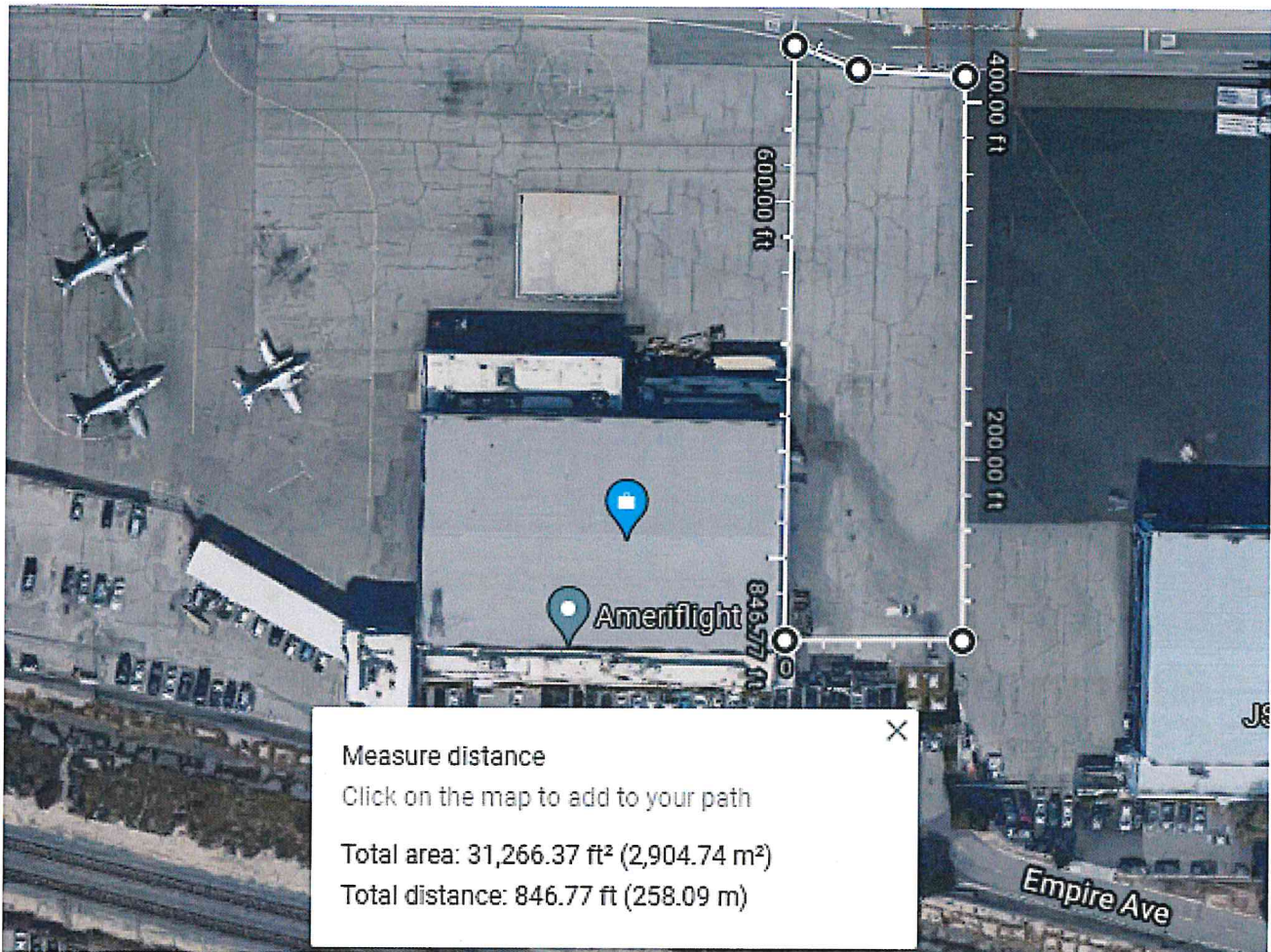


Exhibit B: Approximately 31,000 sq. ft. of shared ramp space to be utilized by both Delux and AMF for aircraft movement, temporary parking, contract fuel truck parking/staging, and passenger enplanement and deplanement in certain areas described in the First Amendment of Aviation Hangar Lease between AMF and Burbank-Glendale-Pasadena Airport Authority.

EXHIBIT 'C'

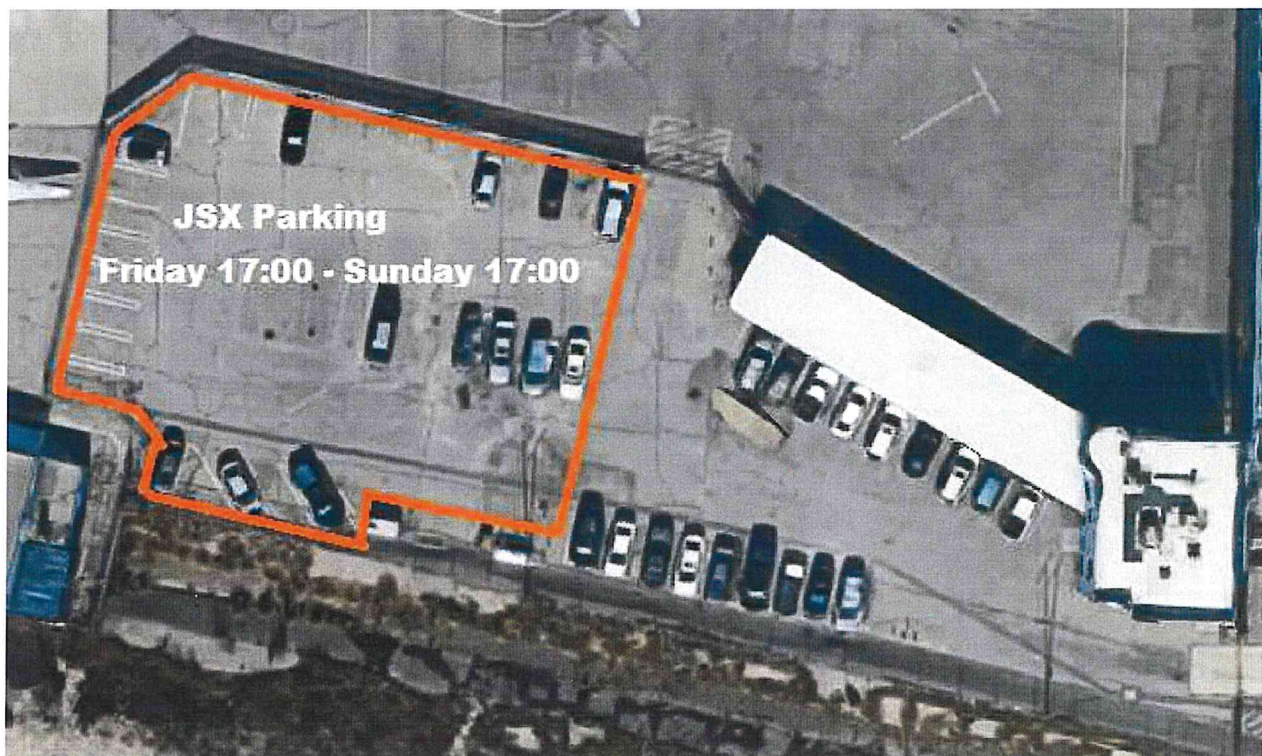
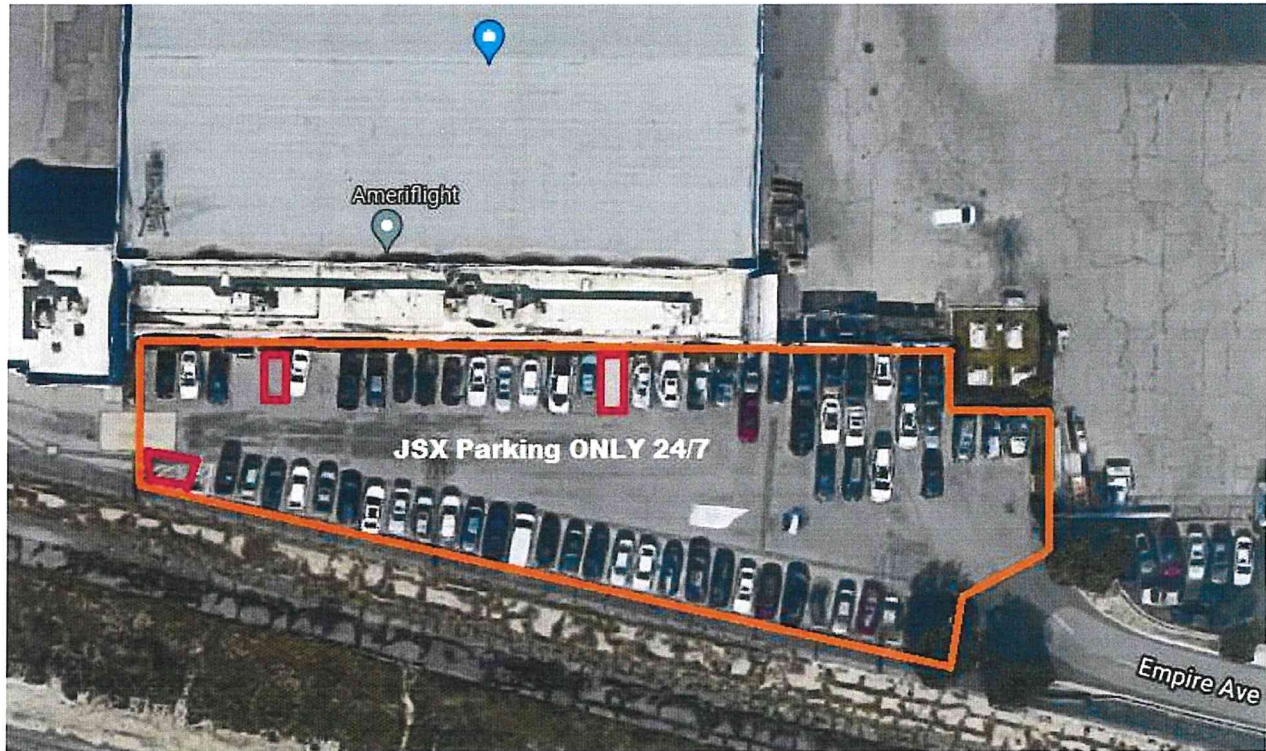


EXHIBIT D – COMMERCIAL TERMS

The Agreement shall run be in effect through May 31st of 2026 (“Term”), as long as both parties maintain their respective lease agreements (with the currently represented properties) and operating rights with the Burbank-Glendale-Pasadena-Airport Authority, including enplaning /deplaning rights.

All rents dues to commence from August 1, 2018. Payment is due no later than the 10th business day of the month and will become delinquent after the 15th of the month. For all delinquencies a 10% finance charge shall be assessed 30 days after the due date on the unpaid balance. If JSX is delinquent for 90 days or more, the Agreement will immediately terminate. AMF reserves all rights to collect any unpaid rent.

Rental rate shall increase 3.5% each January 1, effective January 1, 2023.

Monthly rents are \$19,686.48 for all space defined above.