



January 15, 2026

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

The Airport Authority administrative offices will recognize the observance of Martin Luther King Jr. Day on Monday, January 19, 2026, and our Administrative offices will be closed. Therefore, notice is hereby given that the regular meeting of the Burbank-Glendale-Pasadena Airport Authority scheduled for Monday, January 19, 2026, in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, CA 91505, has been cancelled.

Therefore, notice is hereby given that a special meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Tuesday, January 20, 2026, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

In addition to attending the meeting in person, 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

Special Meeting of January 20, 2026

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.



Members in-person attendance or participation at meeting 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 three 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

Tuesday, January 20, 2026

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT (Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)
5. CONSENT CALENDAR (Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)
 - a. Committee Minutes
(For Note and File)
 - 1) Executive Committee
 - (i) December 3, 2025 ***[See page 1]***
 - 2) Operations and Development Committee
 - (i) November 17, 2025 ***[See page 3]***
 - 3) Finance and Administration Committee
 - (i) November 17, 2025 ***[See page 5]***
 - 4) Legal, Government and Environmental Affairs Committee
 - (i) November 17, 2025 ***[See page 7]***
 - (ii) October 20, 2025 ***[See page 8]***
 - b. Commission Minutes
 - 1) December 15, 2025 ***[See page 10]***
 - c. Treasurer's Report
 - 1) September 2025 ***[See page 16]***
 - d. Memorandum of Understanding
Burbank Airport Police Officers Association ***[See page 44]***

6. ITEMS FOR COMMISSION APPROVAL

- a. Award of Software License and Service Level Agreement
Enterprise Asset Management System (RFP E25-06) *[See page 45]*
- b. Equipment Maintenance and Operating Agreement
Start-Up Assistance Loan – Burbank Airline Consortium *[See page 50]*
- c. Consideration of TBI Airport Management Annual Performance
Review and Committee Task Assignment *[See page 54]*

7. ITEMS FOR COMMISSION INFORMATION

- a. Replacement Passenger Terminal Project – Construction Update

8. CLOSED SESSION

- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code Section 54957(b))
Title: Executive Director
- b. CONFERENCE WITH LABOR NEGOTIATOR
California Government Code Section 54957.6)
Authority Representative: Terence Boga, General Counsel
Unrepresented Employee: Executive Director
- c. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of Litigation (California Government Code Section 54956.9(d)(4)):
1 potential case.

9. ITEMS PULLED FOR DISCUSSION

10. EXECUTIVE DIRECTOR COMMENTS

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.)

12. PUBLIC COMMENT

13. ADJOURNMENT

COMMISSION NEWSLETTER

Tuesday, January 20, 2026

[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. A copy of the approved minutes of the Executive Committee meeting of December 3, 2025; a copy of the approved minutes of the Operations and Development Committee meeting of November 17, 2025; a copy of the approved minutes of the Finance and Administration Committee meeting of November 17, 2025, and copies of approved minutes of the November 17, 2025, and October 20, 2025, meetings of the Legal, Government and Environmental Affairs Committee are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. A draft copy of the December 15, 2025, Commission minutes are included in the agenda packet for review and approval.
- c. TREASURER'S REPORT. The Treasurer's Report for September 2025 is included in the agenda packet. At its meeting on December 15, 2025, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission note and file this report.
- d. MEMORANDUM OF UNDERSTANDING – BURBANK AIRPORT POLICE OFFICER'S ASSOCIATION. A staff report is included in the agenda packet. Staff seeks Commission approval of a replacement Memorandum of Understanding ("MOU"), with the Burbank Airport Police Officers Association. The proposed MOU is for a three-year term from July 1, 2026, through June 30, 2029, and includes negotiated changes to compensation and benefits as presented to the Commission.

6. ITEMS FOR COMMISSION APPROVAL

- a. AWARD OF SOFTWARE LICENSE AND SERVICE LEVEL AGREEMENT ENTERPRISE ASSET MANAGEMENT SYSTEM (RFP E25-06). A staff report is included in the agenda packet. At its meeting on December 15, 2025, the Operations and Development Committee voted (3–0) to recommend that the Commission:
1) Reject a bid protest filed by Electronic Data, LLC., an Arora Engineers company, with regard to RFP No. E25-06 Enterprise Asset Management System; 2) Award to NEXGEN Asset Management a Software License Agreement ("Agreement") and a Service Level Agreement for the implementation and ongoing support of an Enterprise Asset Management System, in the amount not-to-exceed \$1,403,419, to be paid on a percentage completion basis; and 3) Authorize a contingency for the implementation effort, in the amount of \$64,000.

The proposed Agreement is for a five-year performance term, with one five-year extension option available at the discretion of the Authority. This will be a phased

software implementation with the goal of having key functionality available for the Replacement Passenger Terminal beneficial occupancy in October 2026.

- b. EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT START-UP ASSISTANCE LOAN – BURBANK AIRLINE CONSORTIUM. A staff report is included in the agenda packet. At its meeting on January 7, 2026, the Executive Committee (“Committee”) voted (2-0, 1 absent) to recommend that the Commission approve an Equipment Maintenance and Operating Agreement (“Agreement”) with Burbank Airline Consortium, LLC (“BAC”). The Agreement provides for BAC’s operation and maintenance of certain common use systems and ground support equipment (collectively, “Equipment”), identified in the Airport Use Agreement serving airlines operating at the Replacement Passenger Terminal. The Agreement includes a start-up assistance loan to BAC in an amount not-to-exceed \$2 million.

Pursuant to the Committee’s instruction, language has been added to the Agreement to require BAC to give vendors in the Cities of Burbank, Glendale, and Pasadena a preference when procuring equipment and supplies to the maximum extent allowed by law.

- c. CONSIDERATION OF TBI AIRPORT MANAGEMENT ANNUAL PERFORMANCE REVIEW AND COMMITTEE TASK ASSIGNMENT. A staff report is included in the agenda packet. TBI Airport Management, Inc. has sent the Authority a request for an annual performance review meeting. This item has been agendaized to allow the Commission to decide whether an annual performance review will be conducted or waived, and if the review will be conducted, whether the task will be assigned to the Executive Committee or a new ad hoc committee for a recommendation.

7. ITEMS FOR COMMISSION INFORMATION

- a. REPLACEMENT PASSENGER TERMINAL PROJECT CONSTRUCTION UPDATE. No staff report attached. An updated video will be shown.

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

WEDNESDAY, DECEMBER 3, 2025

A regular meeting of the Executive Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:13 a.m., by Commissioner Talamantes.

1. ROLL CALL

Present: Commissioners Talamantes and Quintero

Absent Commissioner Hampton

Also Present: Staff: John Hatanaka, Executive Director

Susan F. Gray, Susan F. Gray & Co.;
Roger Johnson, Executive Program Advisory;
Perry Martin, Sr. Program Manager,
Jacobs Project Management Co.

2. Approval of Agenda

Motion Commissioner Quintero moved approval of the agenda; seconded by Commissioner Talamantes.

Motion Approved The motion was approved (2-0, 1 absent).

3. Public Comment

Stefanie Girard, Burbank, California, commented on Item 5.a.

4. Approval of Minutes

a. November 5, 2025

The agenda packet included a draft copy of the November 5, 2025, Committee meeting minutes for review and approval.

Motion Commissioner Quintero moved approval of the minutes; seconded by Commissioner Talamantes.

Motion Approved The motion was approved (2-0, 1 absent).

5. Items for Approval

**a. Additional Public Artwork
Opportunity - Replacement
Passenger Terminal**

At the direction of the Commission at its meeting on December 16, 2024, Staff returned to the Commission with five procurement and lightbox connector artwork program scenarios. At its meeting of March 17, 2025, the Commission directed Staff to pursue an Additional Artwork Opportunity program under Scenario E described

in the staff report of March 17, 2025. This program will showcase three artists per year on a 4-month rotation among the connectors located in the Replacement Passenger Terminal over a six-year period.

Staff recommended that the Committee recommend to the Commission that license agreements for the first three years be awarded to the nine artists identified by the Art Advisory Group for this additional artwork program, and that Staff and the project team be instructed to work with the selected artists to meet the RPT project schedule.

Motion

Commissioner Quintero moved approval; seconded by Commissioner Talamantes.

Motion Approved

The motion was approved (2-0, 1 absent).

6. Items for Discussion

a. Replacement Passenger Terminal Concession Underground Utilities

Jacobs Project Management and Staff discussed with the Committee the challenges of the Concessions underground utilities construction and the recommended option for the long-term base building infrastructure and to maintain the project completion schedule. A roll call vote was taken on the recommendation.

Motion

Commissioner Quintero moved approval; seconded by Commissioner Talamantes.

Motion Approved

The motion was approved (2-0, 1 absent).

7. Items for Information

a. Replacement Passenger Terminal Project Construction Update

Jacobs Project Management provided a construction update and the latest progress video.

b. Committee Pending Items

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

8. Adjournment

There being no further business, the meeting was adjourned at 10:23 a.m.

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

MONDAY, NOVEMBER 17, 2025

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 8:36 a.m., by Commissioner Hampton.

1. ROLL CALL

Present:	Commissioners Hampton, Talamantes and Asatryan
Absent:	None
Also Present:	Staff: John Hatanaka, Executive Director; Kimberley Parker-Polito, Director, Information and Communication Technologies

2. Approval of Agenda

Motion	Commissioner Asatryan moved approval of the agenda; seconded by Commissioner Hampton.
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Motion Approved	The motion was approved (3-0).
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3. Public Comment

There were no public comments.

4. Approval of Minutes

a. October 6, 2025	The agenda packet included a draft copy of the October 6 th and October 20 th , 2025, Committee meeting minutes for review and approval.
b. October 20, 2025	

Motion	Commissioner Talamantes moved approval of the minutes; seconded by Commissioner Asatryan.
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Motion Approved	The motion was approved (3-0).
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5. Items for Approval

a. Award of Professional Services Agreement – Private Wireless Network Consulting

Staff sought a recommendation from the Operations and Development Committee to the Commission to award a proposed Professional Services Agreement (“PSA”) in the amount of \$339,739 for Private Wireless Network (“PWN”) Consulting Services to Barich, Inc.

The proposed PSA provides consulting services for the preparation of a Request for Proposals to design, build, and install a PWN at locations within the Airport that do not have CAT-6 or fiber network connectivity to support the Authority’s Digital Video Surveillance System and local area network.

Motion

Commissioner Asatryan moved approval of the recommendation, seconded by Commissioner Talamantes, with the request to move this to the Commission agenda as a Consent item.

Motion Approved

The motion was approved (3-0).

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 to discuss, the meeting was adjourned at 8:45 a.m.

Approved on December 15, 2025

**MINUTES OF THE REGULAR MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, NOVEMBER 17, 2025

A regular meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 11:17 a.m., by Commissioner Wilson.

1. ROLL CALL

Present: Commissioners Wilson, Ovrom and Quintero

Absent: None

Also Present: Staff: John Hatanaka, Executive Director; Kathy David, Senior Deputy Executive Director; David Kwon, Director, Financial Services

Troy Rossow, Director, Institutional Relationship Management, Columbia Threadneedle Investments (via teleconference); John Dempsey, Senior Portfolio Manager, Columbia Threadneedle; Ron Stahl, Senior Portfolio Manager, Columbia Threadneedle

Louis Choi, Public Resource Advisory Group
Perry Martin, Sr. Program Manager, Jacobs Project Management Co.

2. Staff Announcement: AB 23

The Executive Director announced that, as a result of the convening of this meeting of the Finance and Administration Committee, each Committee member in attendance is entitled to receive and shall be provided \$200.

3. Approval of Agenda

The agenda was approved as presented.

Motion

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

Motion Approved

The motion was approved (3–0).

4. Public Comment

There were no public comments.

5. Approval of Minutes

a. October 20, 2025

A draft copy of the minutes of the meeting of October 20, 2025, was included in the agenda packet for review.

Motion

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

Motion Approved

The minutes were approved (3–0).

Staff requested that Item 7.a. be taken out of order. The Committee approved this request.

7. Items for Discussion

**a. CMIA Quarterly Update
(July 1, 2025 – September 30,
2025)**

Mr. Rossow and his colleague John Dempsey, participated via teleconference, presented a quarterly update on the status of the Authority's Operating and Passenger Facility Charge Investment portfolios ended September 30, 2025.

6. Treasurer's Report

a. August 2025

A draft copy of the August 2025 Treasurer's Report was included in the agenda packet for the Committee's review.

Motion

Commissioner Quintero moved approval to recommend that the Commission note and file the report; seconded by Commissioner Ovrorn.

Motion Approved

The motion was unanimously approved (3–0).

7. Items for Discussion (Continued)

b. RPT Plan of Finance Update

Louis Choi, Public Resource Advisory Group, presented an update on the status of the Replacement Passenger Terminal Plan of Finance.

8. Items for Information

a. Committee Pending Items

Staff reviewed future items to be presented to the Committee.

9. Adjournment

The meeting was adjourned at 11:50 a.m.

Approved on December 15, 2025

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

MONDAY, NOVEMBER 17, 2025

A regular meeting of the Legal, Government and Environmental Affairs Committee was scheduled to commence at 8:30 a.m., in the Burbank Room of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505. At that time, due to a lack of quorum, Commissioner Lyon cancelled the meeting.

Approved on December 15, 2025

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

MONDAY, OCTOBER 20, 2025

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 8:33 a.m., by Commissioner Gabel-Luddy.

1. ROLL CALL

Present: Commissioners Gabel-Luddy, Lyon and Najarian

Absent: None

Also Present: Scott Kimball, Deputy Executive Director, Business Development; Greg Rabinovitz, Chief of Staff

Authority Counsel: Terence Boga, Esq.,
Richards, Watson & Gershon

2. Approval of Agenda

Motion Commissioner Najarian moved approval of the agenda; seconded by Commissioner Lyon.

Motion Approved The motion was approved (3–0).

3. Public Comment

There were no public comments.

4. Approval of Minutes

a. October 6, 2025 The agenda packet included a draft copy of the October 6, 2025, Committee meeting minutes for review and approval.

Motion Commissioner Lyon moved approval of the minutes; seconded by Commissioner Gabel-Luddy.

Motion Approved The motion was approved (2-0, 1 abstention).

5. Items for Information

a. ONT+ Visitor Pass Program Staff provided information to the Committee regarding the ONT+ Visitor Pass Program at Ontario International Airport.

b. Committee Pending Items

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

6. Adjournment

There being no further business to discuss, the meeting was adjourned at 8:50 a.m.

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

MONDAY, DECEMBER 15, 2025

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 9:03 a.m., by President Talamantes.

1. ROLL CALL

Present: Commissioners Talamantes, Hampton, Lyon, Quintero, Najarian, Ovrom, Wilson, Gabel-Luddy

Absent: Commissioner Asatryan

Also Present: Staff: John Hatanaka, Executive Director; Susan Gray, Gray and Associates; Kimberley Parker-Polito, Director, Information and Communication Technologies

Roger Johnson, Jacobs Program Management Co.; Brent Kelley, Principal Aviation Sector Leader, Corgan; Perry Martin, Sr. Program Manager, Jacobs Project Management Co.

2. PLEDGE OF ALLEGIANCE

Commissioner Talamantes led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

Motion

Commissioner Hampton moved approval of the agenda; seconded by Commissioner Wilson.

Motion Approved

The motion was approved (8–0, 1 absent)

AYES: Talamantes, Hampton, Lyon, Quintero, Najarian, Ovrom, Wilson, Gabel-Luddy

NOES: None

ABSENT: Asatryan

4. PUBLIC COMMENT

(Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.) None

5. CONSENT CALENDAR

(Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)

a. Committee Minutes (For Note and File)

1) Executive Committee

- | | |
|-----------------------------|--|
| (i) November 5, 2025 | Approved minutes of the November 5, 2025, Executive Committee meeting were included in the agenda packet for information purposes. |
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2) Operations and Development Committee

- | | |
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| (i) October 20, 2025 | Approved minutes of the October 20, 2025, Operations and Development Committee meeting were included in the agenda packet for information purposes |
| (ii) October 6, 2025 | Approved minutes of the October 6, 2025, Operations and Development Committee meeting were included in the agenda packet for information purposes |

3) Finance and Administration Committee

- | | |
|-----------------------------|---|
| (i) October 20, 2025 | Approved minutes of the October 20, 2025, Finance and Administration Committee meeting were included in the agenda packet for information purposes. |
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b. Commission Minutes

- | | |
|-----------------------------|--|
| 1) November 17, 2025 | A draft copy of the minutes of the Commission meeting of November 17, 2025, was included in the agenda packet for review and approval. |
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c. Treasurer's Report

- | | |
|-----------------------|---|
| 1) August 2025 | At its meeting on November 17, 2025, the Finance and Administration Committee voted unanimously (3–0) to recommend that the |
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Commission note and file the August 2025 Treasurer's Report.

d. Award of Professional Services Agreement – Private Wireless Network Consulting

This item was pulled to be discussed under Item No. 9 Items Pulled for Discussion.

Commissioner Wilson requested that Item No. 5.d. be pulled for further discussion.

Motion

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

Motion Approved

The motion was approved (8–0, 1 absent).

AYES: Talamantes, Hampton, Lyon, Quintero, Najarian, Ovrom, Wilson, Gabel-Luddy

NOES: None

ABSENT: Asatryan

6. ITEMS FOR COMMISSION APPROVAL

a. Additional Public Artwork Opportunity – Replacement Passenger Terminal

The Commission first reviewed five proposed procurement and lightbox connector artwork program options at its meeting in December 2024. At its meeting on March 17, 2025, the Commission directed Staff to move forward with Scenario E as described in the staff report, creating an Additional Artwork Opportunity Program. Under this program, three artists will be featured each year, with artworks rotating every four months across the connectors in the Replacement Passenger Terminal for a total duration of six years.

A presentation of the selected artists and an explanation of their concept artwork was shown to the Commission. The Commission suggested a few modifications to the artworks as presented, which Staff and the Jacobs Project team will accommodate.

Motion

Commissioner Wilson moved approval; seconded by Commissioner Hampton.

Motion Approved

The motion was approved (8–0, 1 absent).

AYES: Talamantes, Hampton, Lyon,
Quintero, Najarian, Ovrom,
Wilson, Gabel-Luddy

NOES: None

ABSENT: Asatryan

**b. Approval of Task Order
Amendment for the Replacement
Passenger Terminal Project**

At its meeting on December 3, 2025, the Executive Committee voted (2–0, 1 absent) to recommend that the Commission consider a Task Order Amendment to the Guaranteed Maximum Price for Holder, Pankow, TEC – A Joint Venture (“HPTJV”) for the following change: \$2,300,000 – Replacement Passenger Terminal Concession Underground Utilities Installation on a not-to-exceed, Time and Materials basis.

In June 2025, the team discovered that MCS Burbank LLC (“MCS”) had neither completed its underground utility work nor produced designs that met contract requirements. Staff, Jacobs Project Management, Inc., (“Jacobs”), the Authority’s project management team, collaborated with MCS to finish the necessary utility design, but the final drawings were not completed until September. Because of this delay, HPTJV no longer had the opportunity to modify slab leave-outs needed for MCS’s contractors.

HPTJV’s estimate of the cost to accommodate the underground utilities is \$2.3 million. Jacobs independent cost estimator values the work at \$1.4 million, with MCS’s estimate at \$1.1 million.

Staff and Jacobs recommended assigning HPTJV the task of completing the work for MCS on a not-to-exceed time and material basis with Jacobs undertaking daily time and materials and inspection reviews.

Motion

Commissioner Lyon moved approval on the condition that MCS’s proportion of the costs will be negotiated and approved by the Commission after final costs are known, including any incidental or consequential damages, with the addition that with due consideration of the Authority’s investment

already in the construction; seconded by Commissioner Ovrom.

Motion Approved

The motion was approved (6–1, 2 absent).

AYES: Lyon, Quintero, Najarian, Ovrom,
Wilson, Gabel-Luddy

NOES: Talamantes

ABSENT: Asatryan, Hampton

7. ITEMS FOR COMMISSION DISCUSSION

a. Garage Valet Entrance Redesign and Construction

Mr. Brent Kelley of Corgan Architects discussed a Change Order for the Replacement Passenger Terminal Garage Valet Entrance which complies with the Development Agreement Condition of Approval 42. An animation video illustrating vehicular flow into the Garage was shown.

8. ITEMS FOR COMMISSION INFORMATION

a. Replacement Passenger Terminal Construction Update

Staff presented an updated video showing the progress of the Replacement Passenger Terminal.

Commissioner Gabel-Luddy requested information regarding the number of women working onsite to be provided at a future meeting.

9. ITEMS PULLED FOR DISCUSSION

5.d. Award of Professional Services Agreement – Private Wireless Network Consulting

At its meeting on November 17, 2025, the Operations and Development Committee voted (3–0) to recommend that the Commission award a proposed Professional Services Agreement in the amount of \$339,739 for Private Wireless Network Consulting Services to Barich, Inc. Commissioner Wilson requested a breakdown of this amount.

Staff responded to questions for this agreement.

Motion

Commissioner Wilson moved approval; seconded by Commissioner Quintero.

Motion Approved

The motion was approved (6–0, 3 absent).

AYES: Ovrom, Lyon, Quintero,
Talamantes, Wilson, Gabel-Luddy

NOES: None

ABSENT: Najarian, Asatryan, Hampton

10. EXECUTIVE DIRECTOR COMMENTS

- The Executive Director informed the Commission that the final IIJA Grants have been authorized. Those funds will be available for use for the Replacement Passenger Terminal.
- A second bond issue of approximately \$300 million will occur in late April/May 2026.
- A request has been made by the Federal Government and local government entities in preparation for the 2028 Olympics regarding Electric Vertical Take-Off and Integration pilot programs. The requests will be discussed with the Legal, Government and Environmental Affairs Committee.
- Preparations for holiday traffic issues were discussed.

11. COMMISSIONER COMMENTS

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

- Commissioner Gabel-Luddy requested further information on TSA during the government shutdown.

12. PUBLIC COMMENT

David Holtzman, Burbank, CA

13. ADJOURNMENT

The meeting was adjourned at 11:02 a.m.

Jess Talamantes, President

Frank Quintero, Secretary

Date

Date



January 20, 2026

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

Dear Commissioners:

The attached report, covering the month of September 2025, 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]

Tyron Hampton
Treasurer

Attachments

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
EXECUTIVE SUMMARY
MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025

Introduction:

The Treasurer's Report includes the Authority's month-end summary of investments and investment activity, and the Schedule of Cash Receipts and Disbursements ("Schedule"), which represents the cash basis activity for the month and fiscal-year-to-date ("FYTD") compared to the allocation of the annual adopted budget. As this Schedule is on a cash basis, cash timing differences may contribute to budget variances. The purpose of this report is to provide monthly updates on how the Authority's cash transaction activities are tracking to the adopted budget, and to provide insight to the Authority's change in liquidity each month. In summary, FYTD September 2025 financial activity is tracking favorably to the budget.

Below are the most significant highlights of activities for the month and FYTD ended September 2025.

Passenger Activity:

Passenger activity decreased by 7.57% FYTD September when compared to the same period last year, primarily due to a reduction in air service. When compared to the budget assumption FYTD September, passenger activity was unfavorable by 1.93%. However, overall financial performance FYTD September remains positive to budget.

Operating Activities:

- 1) Operating revenues exceed the FYTD September budget by \$1,499,869 on the cash basis and \$1,571,010 on the full accrual basis.
- 2) Operating expenses are within budgeted parameters.
- 3) Net increase in cash from operating activities FYTD September is \$5,959,364 and positive to budget by \$3,902,334.

Non-RPT Facility Improvement Program:

- 1) Payments related to the Runway/Taxiway Shoulder Rehabilitation, Taxiway A/C Extensions Design and Part 150 Noise Study update projects comprised the majority of September's non-RPT capital cash disbursements.
- 2) There were no federal grant or PFC drawdowns in the month of September for non-RPT projects.

RPT Activities:

- 1) Payments of \$52,772,209 and \$1,945,718 were made in September to HPTJV, including retention payment to respective escrow account, and Jacobs, respectively.
- 2) FAA grants, PFC and 2024 Bond draws for eligible RPT expenditures of \$70,289,836 were received in September.
- 3) The majority of FYTD September expenditures are related to Holder Pankow JV, Jacobs Project Management Co. and the City of Burbank Water and Power Aid-In-Construction payments for the community substation, totaling \$161,407,236, or 99% of the total FYTD September RPT expenditures.
- 4) On a cash basis, expenditures are below budget due to the timing of when invoices are received and paid. Overall, the RPT project is on budget and on schedule.

Summary:

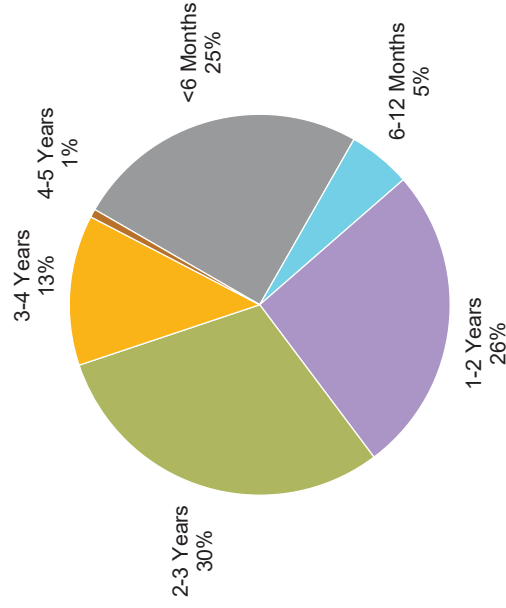
September 2025 activities resulted in a net cash increase of \$14,045,069 for the month and a net decrease of \$5,742,513 FYTD September, primarily due to the timing of cash disbursements and reimbursements related to the RPT project. However, overall FYTD September cash flows remain positive to budget by \$7,470,160.

Operating Portfolio investment guidelines conformance

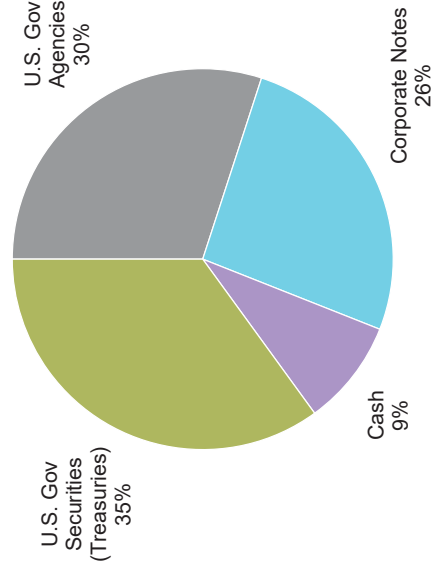
As of September 30, 2025

	Legal max maturity	Actual max maturity	Policy maximum	Policy actual
U.S. Gov Agencies	5 Years	4.30 Years	70%	30%
Corporate Notes	5 Years	4.54 Years	30%	26%
LAIF	N/A	N/A	\$20mil	N/A
Bankers Acceptance	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%	9%
U.S. Gov Securities (Treasuries)	5 Years	3.50 Years	No limit	35%

Maturity distribution



Sector allocation



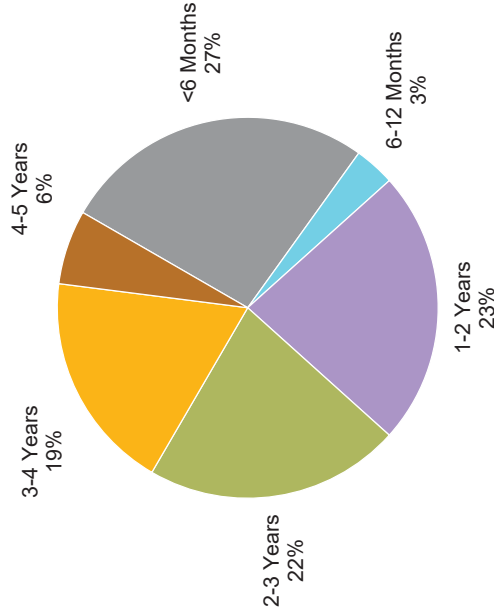
Source: Aladdin
There is no guarantee that the investment objective will be achieved or that return expectations will be met.

PFC Portfolio investment guidelines conformance

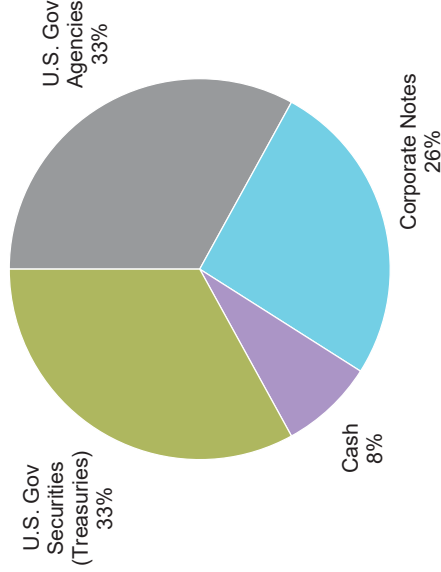
As of September 30, 2025

	Legal max maturity	Actual max maturity	Policy maximum	Policy actual
U.S. Gov Agencies	5 Years	3.96 Years	70%	33%
Corporate Notes	5 Years	4.54 Years	30%	26%
LALF	N/A	N/A	\$20mil	N/A
Bankers Acceptance	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%	8%
U.S. Gov Securities (Treasuries)	5 Years	3.09 Years	No limit	33%

Maturity distribution



Sector allocation



Source: Aladdin
There is no guarantee that the investment objective will be achieved or that return expectations will be met.

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 09/30/25

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/30/25	Dreyfus Treasury	BAX9MM47	0.000	09/30/25	09/30/25	\$ 24,791,920	\$ 24,791,920	100.00	\$ 24,791,920	\$ -	3.95%	0	8.54%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	10/18/25	2,425,000	2,481,308	100.06	2,426,488	(54,820)	5.86%	18	0.84%
03/31/25	US Bank NA	90331HPP2	4.510	10/22/27	10/22/25	2,600,000	2,597,087	100.33	2,608,664	11,577	4.48%	22	0.90%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	12,000,000	11,848,980	99.63	11,955,488	106,508	4.12%	38	4.12%
09/10/24	MetLife Inc	59156RBQ0	3.600	11/13/25	11/13/25	2,000,000	1,986,680	99.90	1,997,952	11,272	4.40%	44	0.69%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	1,784,000	1,840,277	99.80	1,780,388	(59,889)	4.22%	107	0.61%
09/10/24	Bank of New York Mellon	06406RBX4	4.890	07/21/28	01/22/26	2,550,000	2,594,449	101.50	2,588,188	(6,261)	4.35%	114	0.89%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,750,000	1,582,610	98.92	1,731,039	148,429	4.04%	120	0.60%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	02/04/26	2,750,000	2,466,041	98.89	2,719,476	253,435	4.58%	127	0.94%
12/23/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	10,000,000	9,073,164	98.61	9,860,938	787,774	3.89%	151	3.40%
01/19/23	FHLB	3130ALHH0	0.960	03/05/26	03/05/26	3,900,000	3,541,043	98.71	3,849,820	308,777	4.00%	156	1.33%
08/30/21	Prudential Financial Inc	74432QC66	1.500	03/10/26	03/10/26	1,975,000	1,990,956	98.81	1,951,507	(39,449)	4.22%	161	0.67%
02/17/23	FHLB	3130AUU36	4.130	03/13/26	03/13/26	7,250,000	7,189,318	100.11	7,257,954	68,636	3.87%	164	2.50%
05/17/23	Loews Corporation	540424AS7	3.750	04/01/26	04/01/26	1,500,000	1,470,312	99.74	1,496,161	25,849	4.27%	183	0.52%
11/29/21	Sierra Pacific Power	826418BM6	2.800	05/01/26	05/01/26	1,625,000	1,672,301	99.11	1,610,591	(61,710)	4.14%	213	0.56%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	1,000,000	1,051,761	98.29	982,889	(68,872)	3.73%	346	0.34%
01/07/25	FHLB	3130AWTQ3	4.630	09/11/26	09/11/26	3,250,000	3,266,283	100.80	3,276,006	9,723	3.76%	346	1.13%
12/17/24	FHLB	3130A2VE3	3.000	09/11/26	09/11/26	6,000,000	5,883,818	99.30	5,958,238	74,420	3.75%	346	2.05%
05/16/23	Public Service Electric And Gas	74456QBR6	2.250	09/15/26	09/15/26	1,225,000	1,140,325	98.49	1,206,537	66,212	3.87%	350	0.42%
03/01/23	PepsiCo Inc	713448DN5	2.380	10/06/26	10/06/26	1,100,000	1,012,440	98.57	1,084,217	71,777	3.83%	371	0.37%
07/15/25	Treasury Note	91282CLS8	4.130	10/31/26	10/31/26	4,000,000	4,001,563	100.44	4,017,500	15,937	3.71%	396	1.38%
02/09/23	Treasury Note	91282BU24	2.000	11/15/26	11/15/26	10,000,000	9,353,945	98.12	9,811,719	457,774	3.74%	411	3.38%
06/28/23	Duke Energy Carolinas	26442CAS3	2.950	12/01/26	12/01/26	1,000,000	944,820	98.92	989,191	44,371	3.90%	427	0.34%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	3,800,000	3,910,846	98.12	3,728,629	(182,217)	3.74%	437	1.28%
06/30/25	Treasury Note	91282CME8	4.250	12/31/26	12/31/26	10,000,000	10,057,813	100.85	10,064,844	7,031	3.71%	457	3.47%
09/10/24	Bristol-Myers Squibb Co	110122EE4	4.900	02/22/27	02/22/27	2,000,000	2,045,640	101.30	2,025,953	(19,687)	3.93%	510	0.70%
03/17/25	FHLB	3130B5K64	4.000	03/10/27	03/10/27	600,000	599,436	100.39	602,367	2,931	3.72%	526	0.21%
01/31/23	Treasury Note	91282ZE3	0.630	03/31/27	03/31/27	10,000,000	8,842,266	95.82	9,562,109	719,843	3.65%	547	3.30%
09/10/24	Comcast Corporation	20030NDK4	3.300	04/01/27	04/01/27	2,050,000	2,017,944	99.01	2,029,691	11,747	3.99%	548	0.70%
05/11/23	Chevron Corp	166764BX7	2.300	05/11/27	05/11/27	2,125,000	1,963,472	97.21	2,065,737	102,265	3.79%	588	0.71%
03/15/23	Treasury Note	91282ZV5	0.500	06/30/27	06/30/27	10,000,000	8,761,016	94.73	9,472,656	711,640	3.64%	638	3.28%
09/10/24	Honeywell International Inc	438516CX2	4.650	07/30/27	07/30/27	2,000,000	2,044,680	101.20	2,023,967	(20,713)	3.96%	668	0.70%
09/11/24	Procter & Gamble Co	742718EV7	2.850	08/11/27	08/11/27	2,100,000	2,047,647	98.43	2,066,943	19,296	3.73%	680	0.71%
09/10/24	Meta Platforms Inc	30303M8G0	3.500	08/15/27	08/15/27	2,050,000	2,033,992	99.57	2,041,282	7,290	3.74%	684	0.70%
09/11/24	Alabama Power Company	010392FY9	3.750	09/01/27	09/01/27	1,550,000	1,543,521	99.84	1,547,576	4,055	3.83%	701	0.53%
09/10/24	FNMA	3135G05Y5	0.750	10/08/27	10/08/27	10,800,000	9,946,364	94.45	10,200,586	254,222	3.62%	738	3.52%
02/15/23	UnitedHealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	2,100,000	1,960,394	98.03	2,058,613	98,219	3.96%	745	0.71%
09/17/24	Treasury Note	91282CAU5	0.500	10/31/27	10/31/27	10,000,000	9,128,184	93.80	9,380,469	252,285	3.61%	761	3.23%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 09/30/25

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
05/15/25	General Dynamics Corporation	36950AAZ1	2.630	11/15/27	11/15/27	1,950,000	1,876,427	97.51	1,901,488	25,041	3.85%	776	0.66%
12/17/24	Treasury Note	91282CLX7	4.130	11/15/27	11/15/27	10,000,000	9,972,656	101.03	10,103,125	130,469	3.61%	776	3.48%
09/17/24	FHLB	3130ATU54	4.250	12/10/27	12/10/27	9,055,000	9,143,342	101.17	9,161,009	17,667	3.69%	801	3.16%
01/22/25	PNC Bank NA	69353RFJ2	3.250	01/22/28	01/22/28	2,000,000	1,917,900	98.41	1,968,288	50,388	3.97%	844	0.68%
02/12/25	FFCB	3133ERZ46	4.250	01/28/28	01/28/28	7,100,000	7,065,127	101.25	7,188,718	123,591	3.68%	850	2.48%
09/11/24	PepsiCo Inc	713448FL7	3.600	02/18/28	02/18/28	1,000,000	994,150	99.52	995,208	1,058	3.81%	871	0.34%
05/13/25	Caterpillar Financial Services	14913UAY6	4.400	03/03/28	03/03/28	2,000,000	2,002,080	101.06	2,021,192	19,112	3.94%	885	0.70%
04/01/25	Florida Power & Light Company	341081GK7	5.050	04/01/28	04/01/28	1,200,000	1,224,312	102.60	1,231,214	6,902	3.95%	914	0.42%
12/17/24	Treasury Note	91282CBZ3	1.250	04/30/28	04/30/28	10,000,000	9,070,313	94.20	9,420,313	350,000	3.62%	943	3.25%
05/20/25	Qualcomm Incorporated	747525BN2	1.300	05/20/28	05/20/28	1,900,000	1,747,582	93.72	1,780,727	33,145	3.82%	963	0.61%
12/17/24	Treasury Note	91282COR0	1.000	07/31/28	07/31/28	10,000,000	8,919,207	92.98	9,297,656	378,449	3.63%	1035	3.20%
09/10/24	Citibank NA	17325FBB3	5.800	09/29/28	09/29/28	2,600,000	2,754,524	104.89	2,727,235	(27,289)	4.05%	1095	0.94%
04/24/25	Treasury Note	91282CDF5	1.380	10/31/28	10/31/28	5,000,000	4,599,023	93.45	4,672,266	73,243	3.64%	1127	1.61%
09/10/24	AbbVie Inc	00287YBF5	4.250	11/14/28	11/14/28	2,000,000	2,027,680	100.83	2,016,614	(11,066)	3.96%	1141	0.69%
02/11/25	Merck & Co Inc	58933YBD6	1.900	12/10/28	12/10/28	2,300,000	2,081,981	93.89	2,159,363	77,382	3.96%	1167	0.74%
02/25/25	Cisco Systems Inc	17275RBR2	4.850	02/26/29	02/26/29	1,475,000	1,502,922	102.62	1,513,704	10,782	4.02%	1245	0.52%
05/28/25	Union Pacific Corporation	907818FB9	3.700	03/01/29	03/01/29	2,000,000	1,938,480	98.90	1,977,917	39,437	4.05%	1248	0.68%
09/17/24	Pfizer Inc	717081ET6	3.450	03/15/29	03/15/29	2,100,000	2,034,585	98.39	2,066,138	31,553	3.95%	1262	0.71%
01/21/25	Target Corporation	87612EBH8	3.380	04/15/29	04/15/29	2,000,000	1,964,920	97.90	1,958,024	(6,896)	4.02%	1293	0.67%
04/29/25	Wisconsin Electric Power Company	976656CQ9	5.000	05/15/29	05/15/29	1,550,000	1,560,680	103.00	1,596,480	35,800	4.10%	1323	0.55%
03/17/25	FNMA Benchmark Note	31359MEU3	6.250	05/15/29	05/15/29	5,750,000	6,288,228	108.60	6,244,657	(43,571)	3.69%	1323	2.15%
03/06/25	Chubb InA Holdings Inc	171239AL0	4.650	08/15/29	08/15/29	2,000,000	2,007,139	102.02	2,040,360	33,221	4.08%	1415	0.70%
04/14/25	Exxon Mobil Corp	30231GBE1	2.440	08/16/29	08/16/29	2,300,000	2,129,477	95.11	2,187,467	57,990	3.81%	1416	0.75%
04/15/25	FHLMC Reference Note	3134A3U46	6.750	09/15/29	09/15/29	7,300,000	8,097,393	111.09	8,109,926	12,533	3.71%	1446	2.79%
	Home Depot Inc	437076CB6	2.700	04/15/30	04/15/30	2,000,000	1,832,819	94.20	1,884,019	51,200	4.11%	1658	0.65%
	Subtotal					\$ 274,230,920	\$ 265,437,563	\$	\$ 271,047,381	\$ 5,609,818	3.85%	594	93.40%
	Local Agency Investment Fund (LAIF)					19,104,567	19,104,567	100.19	19,141,431	36,864	4.21%	254	6.60%
	Subtotal					\$ 293,335,487	\$ 284,542,130	\$	\$ 290,188,812	\$ 5,646,682	3.87%	572	100.00%
	Operating Bank Balance						12,931,196						
	TOTAL						\$ 297,473,326						

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Purchases - Maturities - Sales
As of 09/30/25

[illegible]

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
09/01/25-09/30/25

Type of Investment	Type	CUSIP	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											
Burlington Northern Santa Fe LLC	NOTE	12189LAY7	3.650	09/01/25	-	-	-	-	-	-	-
John Deere Capital Corp	NOTE	24422EWJ4	4.050	09/08/25	36,978.75	38,475.00	-	-	1,496.25	-	1,496.25
FFCB	NOTE	31333ENP95	4.250	09/30/25	124,784.72	148,750.00	-	-	23,965.28	-	23,965.28
FNMA Benchmark Note	NOTE	3135G06G3	0.500	11/07/25	19,000.00	-	-	24,000.00	5,000.00	3,189.17	8,189.17
MetLife Inc	NOTE	59156RBQ0	3.600	11/13/25	21,600.00	-	-	27,600.00	6,000.00	946.92	6,946.92
Lockheed Martin Corporation	NOTE	539830BH1	3.550	01/15/26	8,092.42	-	-	13,370.09	5,277.67	(979.50)	4,298.17
FHLB	NOTE	3130AKQX7	0.700	01/28/26	1,122.92	-	-	2,143.75	1,020.83	4,615.53	5,636.36
Treasury Note	NOTE	91282CBQ3	0.500	02/28/26	138.12	-	-	4,281.77	4,143.65	26,869.80	31,013.45
FHLB	NOTE	3130ALHH0	0.960	03/05/26	18,304.00	18,720.00	-	2,704.00	3,120.00	9,572.19	12,692.19
Prudential Financial Inc	NOTE	74432QCCH6	1.500	03/10/26	14,071.88	14,812.50	-	1,728.13	2,468.75	(185.28)	2,283.47
FHLB	NOTE	3130AUU36	4.130	03/13/26	139,562.50	149,531.25	-	14,953.13	24,921.88	1,651.97	26,573.85
Loews Corporation	NOTE	540424AS7	3.750	04/01/26	23,437.50	28,125.00	-	-	4,687.50	873.02	5,560.52
Sierra Pacific Power	NOTE	826418BM6	2.600	05/01/26	14,083.33	-	-	17,604.17	3,520.84	(841.90)	2,678.94
FHLB	NOTE	3130A8XY4	1.880	09/11/26	8,854.17	9,375.00	-	1,041.67	1,562.50	(864.12)	698.38
FHLB	NOTE	3130AWTQ3	4.630	09/11/26	70,980.90	75,156.25	-	8,350.69	12,526.04	(810.07)	11,715.97
FHLB	NOTE	3130A2VE3	3.000	09/11/26	85,000.00	90,000.00	-	10,000.00	15,000.00	5,846.01	20,846.01
Public Service Electric And Gas	NOTE	74456QBR6	2.250	09/15/26	12,709.38	13,781.25	-	1,225.00	2,296.87	2,122.83	4,419.70
PepsiCo Inc	NOTE	713448DN5	2.380	10/06/26	10,522.57	-	-	12,699.65	2,177.08	2,031.55	4,208.63
Morgan Stanley	NOTE	61747YEX9	6.140	10/16/26	55,817.44	-	-	68,221.31	12,403.87	(1,353.74)	11,050.13
Treasury Note	NOTE	91282CLS8	4.130	10/31/26	55,597.83	-	-	69,048.91	13,451.08	(99.31)	13,351.77
Treasury Note	NOTE	912828U24	2.000	11/15/26	59,239.13	-	-	75,543.48	16,304.35	14,683.84	30,988.19
Duke Energy Carolinas	NOTE	26442CAS3	2.950	12/01/26	7,375.00	-	-	9,833.33	2,458.33	1,344.76	3,803.09
FHLB	NOTE	3130A9YY1	2.130	12/11/26	17,944.44	-	-	24,673.61	6,729.17	(1,881.94)	4,847.23
Treasury Note	NOTE	91282CME8	4.250	12/31/26	73,155.74	-	-	107,991.80	34,836.06	(3,164.92)	31,671.14
Bristol-Myers Squibb Co	NOTE	110122EE4	4.900	02/22/27	2,450.00	-	-	10,616.67	8,166.67	(1,554.14)	6,612.53
FHLB	NOTE	3130B5K64	4.000	03/10/27	11,133.33	11,733.33	-	1,400.00	2,000.00	23.76	2,023.76
JP Morgan Chase & CO	NOTE	46647PBW5	1.040	02/04/27	2,145.00	-	-	4,528.33	2,383.33	6,237.20	8,620.53
Treasury Note	NOTE	91282ZE3	0.630	03/31/27	26,297.81	31,250.00	-	5,123.89	5,123.89	23,655.22	28,779.11
Comcast Corporation	NOTE	20030NDK4	3.300	04/01/27	28,187.50	33,825.00	-	-	5,637.50	1,045.49	6,682.99
Chevron Corp	NOTE	166764BX7	2.300	05/11/27	12,953.65	-	-	16,486.46	3,532.81	3,477.14	7,009.95
Treasury Note	NOTE	91282ZV5	0.500	06/30/27	8,559.78	-	-	12,635.87	4,076.09	24,244.03	28,320.12
Honeywell International Inc	NOTE	438516CX2	4.650	07/30/27	8,008.33	-	-	15,758.33	7,750.00	(1,290.09)	6,459.91
Procter & Gamble Co	NOTE	742718EV7	2.850	08/11/27	3,325.00	-	-	8,312.50	4,987.50	1,497.23	6,484.73
Meta Platforms Inc	NOTE	30303M8G0	3.500	08/15/27	3,188.89	-	-	9,168.06	5,979.17	455.71	6,434.88

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
09/01/25-09/30/25

Type of Investment	Type	CUSIP	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
Alabama Power Company	NOTE	010392FY9	3.750	09/01/27	-	-	-	4,843.75	4,843.75	181.82	5,025.57
FNMA	NOTE	3135G05Y5	0.750	10/08/27	32,175.00	-	-	38,925.00	6,750.00	23,133.76	29,883.76
UnitedHealth Group Inc	NOTE	91324PDE9	2.950	10/15/27	23,403.33	-	-	28,565.83	5,162.50	2,598.28	7,760.78
US Bank NA	NOTE	90331HPP2	4.510	10/22/27	41,990.22	-	-	51,755.38	9,765.16	95.27	9,860.43
Treasury Note	NOTE	91282CAU5	0.500	10/31/27	16,847.83	-	-	20,923.91	4,076.08	22,982.86	27,058.94
General Dynamics Corporation	NOTE	369550AZ1	2.630	11/15/27	15,071.88	-	-	19,337.50	4,265.62	2,455.18	6,720.80
Treasury Note	NOTE	91282CLX7	4.130	11/15/27	122,180.71	-	-	155,808.42	33,627.71	772.42	34,400.13
FHLB	NOTE	3130ATUS4	4.250	12/10/27	86,588.44	-	-	118,658.23	32,069.79	(2,283.16)	29,786.63
PNC Bank NA	NOTE	69353RFJ2	3.250	01/22/28	7,041.67	-	-	12,458.33	5,416.66	2,282.67	7,699.33
FFCB	NOTE	3133ERZ46	4.250	01/28/28	27,660.42	-	-	52,806.25	25,145.83	982.33	26,128.16
PepsiCo Inc	NOTE	713448FL7	3.600	02/18/28	1,300.00	-	-	4,300.00	3,000.00	141.99	3,141.99
Caterpillar Financial Services	NOTE	14913UAY6	4.400	03/03/28	43,511.11	44,000.00	-	6,844.44	7,333.33	(61.84)	7,271.49
Florida Power & Light Company	NOTE	341081GK7	5.050	04/01/28	25,250.00	30,300.00	-	-	5,050.00	(675.96)	4,374.04
Treasury Note	NOTE	91282CBZ3	1.250	04/30/28	42,119.57	-	-	52,309.78	10,190.21	22,693.76	32,883.97
Qualcomm Incorporated	NOTE	747525BN2	1.300	05/20/28	6,929.72	-	-	8,988.06	2,058.34	4,237.76	6,296.10
Bank of New York Mellon	NOTE	06406RBX4	4.890	07/21/28	13,855.00	-	-	24,246.25	10,391.25	(980.60)	9,410.65
Treasury Note	NOTE	91282CCRO	1.000	07/31/28	8,695.65	-	-	16,847.83	8,152.18	24,984.10	33,136.28
Citibank NA	NOTE	17325FBB3	5.800	09/29/28	63,704.04	75,439.00	-	838.21	12,573.17	(3,218.07)	9,355.10
Treasury Note	NOTE	91282CDF5	1.380	10/31/28	23,165.76	-	-	28,770.38	5,604.62	9,361.32	14,985.94
AbbVie Inc	NOTE	00287YBF5	4.250	11/14/28	25,263.89	-	-	32,347.22	7,083.33	(552.50)	6,530.83
Merck & Co Inc	NOTE	58933YBD6	1.900	12/10/28	9,832.50	-	-	13,474.17	3,641.67	4,752.24	8,393.91
Cisco Systems Inc	NOTE	17275RBR2	4.850	02/26/29	993.58	-	-	6,955.03	5,961.45	(630.29)	5,331.16
Union Pacific Corporation	NOTE	907818FB9	3.700	03/01/29	-	-	-	6,166.67	6,166.67	1,277.23	7,443.90
Pfizer Inc	NOTE	717081ET6	3.450	03/15/29	33,407.50	36,225.00	-	3,220.00	6,037.50	1,436.64	7,474.14
Target Corporation	NOTE	87612EBH8	3.380	04/15/29	25,500.00	-	-	31,125.00	5,625.00	638.98	6,263.98
Wisconsin Electric Power Company	NOTE	976656CQ9	5.000	05/15/29	22,819.44	-	-	29,277.78	6,458.34	(206.30)	6,252.04
FNMA Benchmark Note	NOTE	31359MEU3	6.250	05/15/29	105,815.97	-	-	135,763.89	29,947.92	(11,097.50)	18,850.42
Chubb InA Holdings Inc	NOTE	171239AL0	4.650	08/15/29	4,133.33	-	-	11,883.33	7,750.00	(134.97)	7,615.03
Exxon Mobil Corp	NOTE	30231GBE1	2.440	08/16/29	2,338.33	-	-	7,015.00	4,676.67	3,199.29	7,875.96
FHLMC Reference Note	NOTE	3134A3U46	6.750	09/15/29	227,212.50	246,375.00	-	21,900.00	41,062.50	(15,055.74)	26,006.76
Home Depot Inc	NOTE	437076CB6	2.700	04/15/30	20,400.00	-	-	24,900.00	4,500.00	2,787.88	7,287.88
Subtotal					\$ 2,063,829.42	\$ 1,095,873.58	\$ -	\$ 1,547,348.05	\$ 579,392.21	\$ 217,457.21	\$ 796,849.42
CASH EQUIVALENTS											
Dreyfus Treasury					-	41,839.55	-	-	41,839.55	-	41,839.55
Subtotal					\$ -	\$ 41,839.55	\$ -	\$ -	\$ 41,839.55	\$ -	\$ 41,839.55
LAIF											
Local Agency Investment Fund					94,341.29	-	-	141,740.32	47,399.03	-	47,399.03
TOTAL					\$ 2,158,170.71	\$ 1,137,713.13	\$ -	\$ 1,689,088.37	\$ 668,630.79	\$ 217,457.21	\$ 886,088.00

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 09/30/25

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/30/25	Dreyfus Trsy Sec CM Investor	BAXB9MMA7	0.000	09/30/25	09/30/25	\$ 5,724,358	\$ 5,724,358	100.00	\$ 5,724,358	\$ -	3.95%	0	8.23%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	10/18/25	625,000	639,205	100.06	625,384	(13,821)	5.86%	18	0.90%
03/19/25	US Bank NA	90331HPP2	2.950	10/22/27	10/22/25	625,000	623,150	100.33	627,083	3,933	4.48%	22	0.90%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	3,155,000	3,140,117	99.63	3,143,297	3,180	4.12%	38	4.52%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	415,000	432,814	99.80	414,160	(18,654)	4.22%	107	0.60%
03/18/25	Bank of New York Mellon	06406R BX4	4.890	07/21/28	01/22/26	550,000	553,801	101.50	558,237	4,436	4.35%	114	0.80%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,050,000	949,566	98.92	1,038,623	89,057	4.04%	120	1.49%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	02/04/26	700,000	630,509	98.89	692,230	61,721	4.58%	127	1.00%
12/06/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	3,000,000	2,831,668	98.61	2,958,281	126,613	3.89%	151	4.26%
06/20/23	FFCB	3133EPCF0	4.500	03/02/26	03/02/26	2,000,000	2,003,788	100.22	2,004,423	635	3.95%	153	2.88%
01/19/23	FHLB	3130ALHH0	0.960	03/05/26	03/05/26	900,000	817,164	98.71	888,420	71,256	4.00%	156	1.28%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	450,000	455,338	98.81	444,647	(10,691)	4.22%	161	0.64%
02/17/23	FHLB	3130AUU36	4.130	03/13/26	03/13/26	1,250,000	1,239,538	100.11	1,251,371	11,833	3.87%	164	1.80%
05/17/23	Loews Corporation	540424AS7	3.750	04/01/26	04/01/26	375,000	369,385	99.74	374,040	4,655	4.27%	183	0.54%
07/21/26	FNMA	3135G0K36	2.130	04/24/26	04/24/26	982,000	967,015	99.04	972,551	5,536	3.86%	206	1.40%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	450,000	463,125	99.11	446,010	(17,115)	4.14%	213	0.64%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	300,000	315,528	98.29	294,867	(20,661)	3.73%	346	0.42%
05/16/23	Public Service Electric And Gas	74456QBR6	2.250	09/15/26	09/15/26	300,000	279,264	98.49	295,478	16,214	3.87%	350	0.43%
03/01/23	Pepsico Inc	713448DN5	2.380	10/06/26	10/06/26	450,000	414,180	98.57	443,543	29,363	3.83%	371	0.64%
05/09/23	Treasury Note	912828U24	2.000	11/15/26	11/15/26	2,100,000	1,986,469	98.12	2,060,461	73,992	3.72%	411	2.96%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	700,000	720,419	98.12	686,853	(33,566)	3.74%	437	0.99%
04/14/25	FHLB	3130B5K64	4.000	03/10/27	03/10/27	1,500,000	1,503,375	100.39	1,505,916	2,541	3.72%	526	2.17%
01/31/23	Treasury Note	912828ZE3	0.630	03/31/27	03/31/27	3,750,000	3,401,865	95.62	3,585,791	183,926	3.65%	547	5.16%
03/18/25	Comcast Corporation	20030NDK4	3.300	04/01/27	04/01/27	550,000	537,609	99.01	544,551	6,942	3.99%	548	0.78%
05/11/23	Chevron Corp	166764BX7	2.000	05/11/27	05/11/27	475,000	442,086	97.21	461,753	19,667	3.79%	588	0.66%
03/15/23	Treasury Note	912828ZV5	0.500	06/30/27	06/30/27	3,750,000	3,421,533	94.73	3,552,246	130,713	3.64%	638	5.11%
03/18/25	Procter & Gamble Co	742718EV7	2.850	08/11/27	08/11/27	575,000	557,532	98.43	565,949	8,417	3.73%	680	0.81%
03/18/25	Meta Platforms Inc	30303M8G0	3.500	08/15/27	08/15/27	550,000	540,447	99.57	547,661	7,214	3.74%	684	0.79%
03/18/25	Alabama Power Company	010392FY9	3.750	09/01/27	09/01/27	425,000	417,822	99.84	424,335	6,513	3.83%	701	0.61%
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	550,000	512,972	98.03	539,161	26,189	3.96%	745	0.78%
05/15/25	General Dynamics Corporation	369550AZ1	2.630	11/15/27	11/15/27	550,000	529,249	97.51	536,312	7,063	3.85%	776	0.77%
03/20/25	Treasury Note	91282CMF5	4.250	01/15/28	01/15/28	3,425,000	3,452,293	101.37	3,471,826	19,533	3.62%	837	4.99%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 09/30/25

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Price	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
03/18/25	PNC Bank NA	39353RFJ2	3.250	01/22/28	01/22/28	550,000	531,361	98.41	541,279	9,918	3.97%	844	0.78%
03/18/25	Pepsico Inc	713448FL7	3.600	02/18/28	02/18/28	125,000	122,811	99.52	124,401	1,590	3.81%	871	0.18%
03/20/25	FFCB	3133ER4Q1	4.250	02/24/28	02/24/28	3,500,000	3,527,790	101.27	3,544,328	16,538	3.69%	877	5.10%
05/13/25	Caterpillar Financial Services	14913UAY6	4.400	03/03/28	03/03/28	525,000	525,546	101.06	530,563	5,017	3.94%	885	0.76%
03/18/25	FHLB	3130ATS57	4.500	03/10/28	03/10/28	3,500,000	3,545,465	101.90	3,566,477	21,012	3.68%	892	5.13%
04/01/25	Florida Power & Light CO	341081GK7	5.050	04/01/28	04/01/28	400,000	408,104	102.60	410,405	2,301	3.95%	914	0.59%
05/20/25	Qualcomm Incorporated	747525BN2	1.300	05/20/28	05/20/28	500,000	459,890	93.72	468,612	8,722	3.82%	963	0.67%
03/18/25	Public Service Electric And Gas	74456QB3	3.650	09/01/28	09/01/28	150,000	145,974	99.01	148,516	2,542	4.01%	1067	0.21%
09/17/24	Citibank NA	17325FBB3	5.800	09/29/28	09/29/28	615,000	646,834	104.89	645,096	(1,738)	4.05%	1095	0.93%
03/18/25	Treasury Note	91282CDF5	1.380	10/31/28	10/31/28	4,000,000	3,644,531	93.45	3,737,812	93,281	3.64%	1127	5.38%
03/18/25	Abbvie Inc	00287YBF5	4.250	11/14/28	11/14/28	550,000	546,865	100.83	554,569	7,704	3.96%	1141	0.80%
03/18/25	Merck & Co Inc	58933YBD6	1.900	12/10/28	12/10/28	600,000	549,204	93.89	563,312	14,108	3.96%	1167	0.81%
03/18/25	Bristol-Myers Squibb Co	110122EF1	4.900	02/22/29	02/22/29	550,000	557,821	102.62	564,430	6,609	4.06%	1241	0.81%
06/16/25	Cisco Systems Inc	17275RBR2	4.850	02/26/29	02/26/29	525,000	534,938	102.62	538,776	3,838	4.02%	1245	0.78%
03/18/25	Union Pacific Corporation	907818FB9	3.700	03/01/29	03/01/29	550,000	534,221	98.90	543,927	9,706	4.05%	1248	0.78%
05/28/25	Pfizer Inc	717081ET6	3.450	03/15/29	03/15/29	575,000	557,089	98.39	565,728	8,639	3.95%	1262	0.81%
03/20/25	Treasury Note	91282CEE7	2.380	03/31/29	03/31/29	3,650,000	3,432,141	95.80	3,496,871	64,730	3.66%	1278	5.03%
03/18/25	Target Corporation	87612EBH8	3.380	04/15/29	04/15/29	550,000	528,000	97.90	538,457	10,457	4.02%	1293	0.77%
03/18/25	Wisconsin Electric Power Company	976656CQ9	5.000	05/15/29	05/15/29	425,000	430,699	103.00	437,744	7,045	4.10%	1323	0.63%
03/18/25	Chubb InA Holdings Inc	171239AL0	4.650	08/15/29	08/15/29	550,000	553,277	102.02	561,099	7,822	4.08%	1415	0.81%
03/18/25	Exxon Mobil Corp	30231GBE1	2.440	08/16/29	08/16/29	600,000	555,629	95.11	570,643	15,014	3.81%	1416	0.82%
03/25/25	FHLMC Reference Notes	3134A3U46	6.750	09/15/29	09/15/29	750,000	831,547	111.09	833,212	1,665	3.71%	1446	1.20%
03/19/25	FNMA Benchmark Note	31359MFJ7	7.130	01/15/30	01/15/30	3,000,000	3,389,339	113.23	3,396,974	7,635	3.76%	1568	4.89%
03/18/25	Duke Energy Carolinas	26442CBP8	4.850	03/15/30	03/15/30	425,000	428,110	102.78	436,796	8,686	4.16%	1627	0.63%
04/15/25	Home Depot Inc	437076CB6	2.700	04/15/30	04/15/30	550,000	504,391	94.20	518,106	13,715	4.11%	1658	0.75%
		Subtotal				\$ 69,916,358	\$ 68,364,761		\$ 69,517,951	\$ 1,153,190	3.86%	671	100.00%
	PFC Bank Balance						1,409,930						
	TOTAL						\$ 69,774,691						

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Purchases - Maturities - Sales
As of 09/30/25

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Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
09/01/25-09/30/25

Type of Investment	Type	CUSIP	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrft For Period	Adjusted Total Int. Earned
FIXED INCOME											
Burlington Northern Santa Fe LLC	NOTE	12189LAY7	3.650	09/01/25	-	-	-	-	-	-	-
John Deere Capital Corp	NOTE	24422EWJ4	4.050	09/08/25	9,731.25	10,125.00	-	-	393.75	-	393.75
FFCB	NOTE	3133ENP95	4.250	09/30/25	17,826.39	21,250.00	-	-	3,423.61	-	3,423.61
FNMA Benchmark Note	NOTE	3135G06G3	0.500	11/07/25	4,995.42	-	-	6,310.00	1,314.58	311.02	1,625.60
Lockheed Martin Corporation	NOTE	539830BH1	3.550	01/15/26	1,882.49	-	-	3,110.19	1,227.70	(343.47)	884.23
FHLB	NOTE	3130AKQX7	0.700	01/28/26	673.75	-	-	1,286.25	612.50	2,769.32	3,381.82
Treasury Note	NOTE	91282CBQ3	0.500	02/28/26	41.44	-	-	1,284.53	1,243.09	8,344.99	9,588.08
FFCB	NOTE	3133EPCF0	4.500	03/02/26	44,750.00	45,000.00	-	7,250.00	7,500.00	(117.03)	7,382.97
FHLB	NOTE	3130ALHH0	0.960	03/05/26	4,224.00	4,320.00	-	624.00	720.00	2,208.97	2,928.97
Prudential Financial Inc	NOTE	74432QCH6	1.500	03/10/26	3,206.25	3,375.00	-	393.75	562.50	(98.18)	464.32
FHLB	NOTE	3130AUU36	4.130	03/13/26	24,062.50	25,781.25	-	2,578.13	4,296.88	284.82	4,581.70
Loews Corporation	NOTE	540424AS7	3.750	04/01/26	5,859.38	7,031.25	-	-	1,171.87	180.94	1,352.81
FNMA	NOTE	3135G0K36	2.130	04/24/26	7,361.59	-	-	9,100.55	1,738.96	1,652.79	3,391.75
Sierra Pacific Power	NOTE	826418BM6	2.600	05/01/26	3,900.00	-	-	4,875.00	975.00	(153.89)	821.11
FHLB	NOTE	3130A8XY4	1.880	09/11/26	2,656.25	2,812.50	-	312.50	468.75	(259.24)	209.51
Public Service Electric And Gas	NOTE	74456QBR6	2.250	09/15/26	3,112.50	3,375.00	-	300.00	562.50	519.84	1,082.34
Pepsico Inc	NOTE	713448DN5	2.380	10/06/26	4,304.69	-	-	5,195.31	890.62	831.09	1,721.71
Morgan Stanley	NOTE	61747YEX9	6.140	10/16/26	14,385.94	-	-	17,582.81	3,196.87	(354.78)	2,842.09
Treasury Note	NOTE	912828U24	2.000	11/15/26	12,440.22	-	-	15,864.13	3,423.91	2,650.54	6,074.45
FHLB	NOTE	3130A9YY1	2.130	12/11/26	3,305.56	-	-	4,545.14	1,239.58	(346.67)	892.91
JP Morgan Chase & CO	NOTE	46647PBW5	1.040	02/04/27	546.00	-	-	1,152.67	606.67	1,513.40	2,120.07
FHLB	NOTE	3130B5K64	4.000	03/10/27	27,833.33	29,333.33	-	3,500.00	5,000.00	(147.81)	4,852.19
Treasury Note	NOTE	912828ZE3	0.630	03/31/27	9,861.68	11,718.75	-	64.39	1,921.46	9,222.28	11,143.74
Comcast Corporation	NOTE	20030NDK4	3.300	04/01/27	7,562.50	9,075.00	-	-	1,512.50	507.85	2,020.35
Chevron Corp	NOTE	166764BX7	2.000	05/11/27	2,895.52	-	-	3,685.21	789.69	688.84	1,478.53
Treasury Note	NOTE	912828ZV5	0.500	06/30/27	3,209.92	-	-	4,738.45	1,528.53	9,751.06	11,279.59
Procter & Gamble Co	NOTE	742718EV7	2.850	08/11/27	910.42	-	-	2,276.04	1,365.62	607.95	1,973.57
Meta Platforms Inc	NOTE	30303M8G0	3.500	08/15/27	855.56	-	-	2,459.72	1,604.16	330.95	1,935.11
Alabama Power Company	NOTE	010392FY9	3.750	09/01/27	-	-	-	1,328.13	1,328.13	244.16	1,572.29
Unitedhealth Group Inc	NOTE	91324PDE9	2.950	10/15/27	6,129.44	-	-	7,481.53	1,352.09	715.48	2,067.57
US Bank NA	NOTE	90331HPP2	2.950	10/22/27	10,093.80	-	-	12,441.20	2,347.40	59.60	2,407.00
General Dynamics Corporation	NOTE	369550AZ1	2.630	11/15/27	4,251.04	-	-	5,454.17	1,203.13	692.49	1,895.62

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
09/01/25-09/30/25

Type of Investment	Type	CUSIP	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrpt For Period	Adjusted Total Int. Earned
Treasury Note	NOTE	91282CMF5	4.250	01/15/28	18,986.41	-	-	30,852.92	11,866.51	(794.94)	11,071.57
PNC Bank NA	NOTE	39353RFJ2	3.250	01/22/28	1,936.46	-	-	3,426.04	1,489.58	546.61	2,036.19
Pepsico Inc	NOTE	713448FL7	3.600	02/18/28	162.50	-	-	537.50	375.00	62.60	437.60
FFCB	NOTE	3133ER4Q1	4.250	02/24/28	2,892.36	-	-	15,288.19	12,395.83	(792.72)	11,603.11
Caterpillar Financial Services	NOTE	14913UAY6	4.400	03/03/28	11,421.67	11,550.00	-	1,796.67	1,925.00	(16.23)	1,908.77
FHLB	NOTE	3130ATS57	4.500	03/10/28	74,812.50	78,750.00	-	9,187.50	13,125.00	(1,273.53)	11,851.47
Florida Power & Light CO	NOTE	341081GK7	5.050	04/01/28	8,416.67	10,100.00	-	-	1,683.33	(225.32)	1,458.01
Qualcomm Incorporated	NOTE	747525BN2	1.300	05/20/28	1,823.61	-	-	2,365.28	541.67	1,115.20	1,656.87
Bank of New York Mellon	NOTE	06406RBX4	4.890	07/21/28	2,988.33	-	-	5,229.58	2,241.25	(94.85)	2,146.40
Public Service Electric And Gas	NOTE	74456QBX3	3.650	09/01/28	-	-	-	456.25	456.25	97.25	553.50
Citibank NA	NOTE	17325FBB3	5.800	09/29/28	15,068.46	17,844.23	-	198.27	2,974.04	(686.75)	2,287.29
Treasury Note	NOTE	91282CDF5	1.380	10/31/28	18,532.61	-	-	23,016.30	4,483.69	8,066.61	12,550.30
Abbvie Inc	NOTE	00287YBF5	4.250	11/14/28	6,947.57	-	-	8,895.49	1,947.92	71.52	2,019.44
Merck & Co Inc	NOTE	58933YBD6	1.900	12/10/28	2,565.00	-	-	3,515.00	950.00	1,136.38	2,086.38
Bristol-Myers Squibb Co	NOTE	110122EF1	4.900	02/22/29	673.75	-	-	2,919.58	2,245.83	(166.05)	2,079.78
Cisco Systems Inc	NOTE	17275RBR2	4.850	02/26/29	353.65	-	-	2,475.52	2,121.87	(224.34)	1,897.53
Union Pacific Corporation	NOTE	907818FB9	3.700	03/01/29	-	-	-	1,695.83	1,695.83	332.90	2,028.73
Pfizer Inc	NOTE	717081ET6	3.450	03/15/29	9,147.29	9,918.75	-	881.67	1,653.13	393.37	2,046.50
Treasury Note	NOTE	91282CEE7	2.380	03/31/29	36,475.07	43,343.75	-	238.15	7,106.83	4,443.09	11,549.92
Target Corporation	NOTE	87612EBH8	3.380	04/15/29	7,012.50	-	-	8,559.38	1,546.88	450.20	1,997.08
Wisconsin Electric Power Company	NOTE	976656CQ9	5.000	05/15/29	6,256.94	-	-	8,027.78	1,770.84	(114.29)	1,656.55
Chubb InA Holdings Inc	NOTE	171239AL0	4.650	08/15/29	1,136.67	-	-	3,267.92	2,131.25	(62.01)	2,069.24
Exxon Mobil Corp	NOTE	30231GBE1	2.440	08/16/29	610.00	-	-	1,830.00	1,220.00	838.75	2,058.75
FHLMC Reference Notes	NOTE	3134A3U46	6.750	09/15/29	23,343.75	25,312.50	-	2,250.00	4,218.75	(1,520.46)	2,698.29
FNMA Benchmark Note	NOTE	31359MFJ7	7.130	01/15/30	27,312.50	-	-	45,125.00	17,812.50	(6,732.10)	11,080.40
Duke Energy Carolinas	NOTE	26442CBP8	4.850	03/15/30	13,455.38	14,256.98	-	916.11	1,717.71	(51.97)	1,665.74
Home Depot Inc	NOTE	437076CB6	2.700	04/15/30	5,610.00	-	-	6,847.50	1,237.50	762.79	2,000.29
Subtotal					\$ 540,810.48	\$ 384,273.29	\$ -	\$ 314,993.23	\$ 158,456.04	\$ 47,829.02	\$ 206,285.06
CASH EQUIVALENTS											
Dreyfus Trsy Sec CM Investor					-	7,692.68	-	-	7,692.68	-	7,692.68
Subtotal					\$ -	\$ 7,692.68	\$ -	\$ -	\$ 7,692.68	\$ -	\$ 7,692.68
TOTAL					\$ 540,810.48	\$ 391,965.97	\$ -	\$ 314,993.23	\$ 166,148.72	\$ 47,829.02	\$ 213,977.74

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY											
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS											
MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024											
Monthly Performance					Fiscal YTD Performance (September 2025)						
SEPTEMBER 2025					F	G	H	I	J		
A	B	C	D	E	Fiscal YTD	Fiscal YTD Budget	Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget		
Actual \$ September 2025	Budget September 2025	Actual \$ September 2024	Note	Variance Actual Vs. Budget							
OPERATING ACTIVITY											
CASH RECEIPTS FROM OPERATIONS											
1	\$440,536	\$466,250	(2)	(\$25,714)	\$1,506,755	\$1,320,000	\$1,980,571	(2)	\$186,755		
2	3,215,998	3,097,426	(3)	118,572	8,999,185	8,700,000	9,425,571	(3)	299,185		
3	1,328,850	1,527,855	(4)	(199,005)	4,802,557	4,327,182	4,847,768	(4)	475,375		
4	928,151	1,427,916	(5)	(499,765)	4,084,023	4,092,818	4,248,586	(5)	(8,795)		
5	350,736	357,709	(6)	(6,973)	1,039,619	1,005,000	1,134,253	(6)	34,619		
6	170,251	112,502	(7)	57,749	533,714	337,500	577,218	(7)	196,214		
7	1,174,571	666,250	(8)	508,321	2,315,266	1,998,750	645,326	(8)	316,516		
8	\$7,609,093	\$7,655,908	(1)	(\$46,815)	\$23,281,119	\$21,781,250	\$22,859,293	(1)	\$1,499,869		
CASH DISBURSEMENTS FROM OPERATIONS											
9	(\$93,004)	(\$146,598)	(10)	\$53,594	(\$200,745)	(\$439,794)	(\$427,399)	(10)	\$239,049		
10	(393,206)	(458,799)	(11)	65,593	(1,033,707)	(1,383,508)	(1,166,186)	(11)	349,801		
11	(3,377,108)	(3,899,598)	(12)	522,490	(9,131,273)	(10,285,044)	(8,078,031)	(12)	1,153,771		
12	(441,553)	(610,425)	(13)	168,872	(3,377,012)	(3,830,775)	(2,955,258)	(13)	453,763		
13	(698,343)	(757,681)	(14)	59,338	(2,187,610)	(2,393,551)	(2,050,571)	(14)	205,941		
14	(229,720)	(201,280)	(15)	(28,440)	(417,867)	(477,838)	(267,288)	(15)	59,971		
15	0	0	(16)	0	(973,541)	(913,710)	(829,503)	(16)	(59,831)		
16	(\$5,232,934)	(\$6,074,381)	(9)	\$841,447	(\$17,321,755)	(\$19,724,220)	(\$15,774,236)	(9)	\$2,402,465		
17	\$2,376,159	\$1,581,527		\$794,632	\$5,959,364	\$2,057,030	\$7,085,057		\$3,902,334		
FACILITY IMPROVEMENT TRANSACTIONS											
CASH DISBURSEMENTS											
18	(\$222,414)	(\$226,667)	(17)	\$4,253	(\$288,652)	(\$393,333)	(\$159,451)	(17)	\$104,681		
19	(3,149,524)	(3,388,584)	(18)	239,060	(3,819,489)	(4,243,584)	(616,288)	(18)	424,095		
20	(\$3,371,938)	(\$3,615,251)		\$243,313	(\$4,108,141)	(\$4,636,917)	(\$775,739)		\$528,776		
21	\$0	\$182,671	(17)	(\$182,671)	\$0	\$316,987	\$0	(17)	(\$316,987)		
22	0	0	(19)	0	0	161,180	140,558	(19)	(161,180)		
23	0	3,214,905	(20)	(3,214,905)	0	3,485,893	63,493	(20)	(3,485,893)		
24	0	0	(21)	0	0	0	64,890	(21)	0		
25	\$0	\$3,397,576		(\$3,397,576)	\$0	\$3,964,060	\$268,941		(\$3,964,060)		
26	(\$3,371,938)	(\$217,675)		(\$3,154,263)	(\$4,108,141)	(\$672,857)	(\$506,798)		(\$3,435,284)		
27	(\$995,779)	\$1,363,852		(\$2,359,631)	\$1,851,223	\$1,384,173	\$6,578,259		\$467,050		

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY											
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS											
MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024											
	Monthly Performance					SEPTEMBER 2025					
	A	B	C	D	E						
	Actual \$ September 2025	Budget September 2025	Actual \$ Prior Year September 2024	Note	Variance Actual Vs. Budget						
28	(\$995,779)	\$1,363,852	\$3,028,136		(\$2,359,631)	NET INCREASE (DECREASE) IN CASH FROM OPERATIONS					
						\$1,851,223	\$1,384,173	\$6,578,259			\$467,050
29	(\$55,248,988)	(\$58,699,151)	(\$35,581,222)	(22)	\$3,450,163	REPLACEMENT PASSENGER TERMINAL PROJECT ("RPT")					
						(\$162,478,323)	(\$169,481,433)	(\$76,278,416)	(23)		\$7,003,110
						CASH DISBURSEMENTS ¹					
						Replacement Passenger Terminal Project Costs					
						CASH RECEIPTS FROM FUNDING SOURCES					
30	\$11,470,832	\$11,470,832	\$0	(23)	\$0	FAA Grants - Replacement Passenger Terminal Project					
31	8,460,650	8,460,650	1,180,164	(23)	0	Passenger Facility Charge Receipts/Reserves					
32	50,358,354	50,358,354	37,576,373	(23)	0	Bond Reimbursement - 2024 Revenue Bond					
33	\$70,289,836	\$70,289,836	\$38,756,537		\$0						
						\$11,470,832	\$11,470,832	\$0	(24)		\$0
						9,501,460	9,501,460	1,180,164	(24)		0
						133,912,295	133,912,295	83,049,355	(24)		0
						\$154,884,587	\$154,884,587	\$84,229,519			\$0
34	\$15,040,848	\$11,590,685	\$3,175,315		\$3,450,163	INCREASE (DECREASE) - RPT PROJECT TRANSACTIONS					
						(\$7,593,736)	(\$14,596,846)	\$7,951,103			\$7,003,110
35	\$14,045,069	\$12,954,537	\$6,203,451		\$1,090,532	NET INCREASE (DECREASE) IN CASH - TOTAL					
						(\$5,742,513)	(\$13,212,673)	\$14,529,362			\$7,470,160

Note 1 - Due to timing of invoices and payments thereof, the cash to budget analysis may not fully reflect current status of the project.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024

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, and personnel.

Facility Improvement Transactions represent the activity for the Authority's capital program, which consists of Other Facility Improvement Program Projects and the Noise Mitigation Program.

FY 2026 Replacement Passenger Terminal ("RPT") Project expenditures are primarily funded through federal grants, FAA-approved use of Passenger Facility Charge ("PFC") fees, and proceeds from General Airport Revenue Bonds ("GARBs").

The FY 2026 Non-RPT Capital Program expenditures are primarily funded through the following sources:

- FAA-approved PFC program receipts/reserves;
- Grants; and
- 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 2012 Bond debt service for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

The adopted FY 2026 budget was premised on an activity level assumption of 6,200,000 annual passengers, reflecting a 5.70% reduction from actual FY 2025 levels. The budgeted passenger activity is allocated monthly based on historical activity and seasonality trends. Passenger count decreased by 7.57% and 1.93% FYTD September when compared to the same period in FY 2025 and the budget, respectively. Overall financial performance in September remains positive to the budget.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024

NOTE (1) – Cash Receipts from Operations

Cash receipts from operations exceed the budget FYTD September. On an accrual basis, operating revenues exceed the budget FYTD September by \$1,571,010. See notes 2 through 8 for additional information regarding operating receipts.

NOTE (2) – Landing/Fuel Fees

Landing Fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. On an accrual basis, Landing Fees combined with Fuel Flowage Fees exceed the budget by \$137,803 FYTD September.

NOTE (3) – Parking Fees

Parking fee revenues performed above the budget forecast FYTD September. Accrual basis Parking Fees exceed the budget by \$290,806 FYTD September.

NOTE (4) – Rental/Concession Receipts - Terminal Building

Terminal Building rental/concession receipts exceeded the budget FYTD September partially due to the timing of receipts. Accrual basis Terminal Building rents/concessions exceed the budget by \$40,397 FYTD September.

NOTE (5) – Rental Receipts - Other Buildings

Other Buildings rental receipts are below the budget FYTD September partially due to the timing of receipts. Accrual basis Other Building rents are \$248,486 above budget expectations FYTD September due to CPI adjustments.

NOTE (6) – Ground Transportation

This category consists of off-airport access fees and TNC activity. Accrual basis Ground Transportation exceeded budget by \$26,707 FYTD September.

NOTE (7) – Other Receipts

Other Receipts consist primarily of ground handling and airfield access fees. Accrual basis Other Receipts are \$125,270 ahead of budget FYTD September.

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 \$701,541 FYTD September.

NOTE (9) – Cash Disbursements from Operations

Overall operating disbursements on a cash basis and accrual basis are favorably under the budget FYTD September. See additional information on operating disbursement 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.

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.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024

NOTE (13) – Contractual Professional Services

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

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 2023.

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 the months of July, August, and September 2025, is due October 2025.

NOTE (17) – Noise Mitigation Program

FAA Grants and a PFC match are budgeted to fund the multi-year Part 150 Update project. This project commenced Q3 FY 2024 and is ongoing.

NOTE (18) – Other Facility Improvement Program Projects

Other Facility Improvement Program Project costs on a cash basis are on track with the budget FYTD September.

NOTE (19) – FAA Grants – Facility Improvement Program Projects

FAA Grants and a PFC match are budgeted to fund the design services for the Taxiway A and C extensions project.

NOTE (20) – Passenger Facility Charge Receipts/Reserves

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges, including the construction of the Runway and Taxiway Shoulder Rehabilitation, continued design efforts for the southeast quadrant of the Airport, acquisition of an Airport Pavement Management System, update to the Airport Layout Plan, and the Part 150 Update project.

NOTE (21) – Customer Facility Charge Reserves

The Regional Intermodal Transportation Center ("RITC") Art in Public Places capital project was funded by Customer Facility Charge Reserves and completed December 2024.

NOTE (22) – Replacement Passenger Terminal Project

The Authority programmed appropriations in the amount of \$590,756,795 for development of the multi-year RPT program. RPT costs on a cash basis are below budget expectations FYTD September by \$7,003,110 primarily due to the timing of payments. The majority of cash expenditures FYTD September are related to Holder, Pankow, TEC JV (\$147,255,423), inclusive of retention payments to the escrow bank, Jacobs Project Management Co. (\$5,164,243), and the City of Burbank Water and Power Aid-in-Construction Deposits (\$8,987,570).

NOTE (23) – Replacement Passenger Terminal Project Funding Sources

Includes funding sources specifically approved for reimbursement of certain eligible RPT expenses, which include FAA grant awards, FAA approved Passenger Facility Charge fees and Revenue Bond reimbursements.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024

						Fiscal YTD Performance (September 2025)					
						SEPTEMBER 2025					
						Monthly Performance					
A		B	C	D	E						
Actual \$		Budget	Actual \$		Variance						
September 2025		September 2025	Prior Year	September 2024	Actual Vs. Budget						
				Note		F	G	H	I	J	
						Actual \$	Fiscal	Actual \$	Prior Year	Variance	
						YTD	YTD Budget	Fiscal YTD	Fiscal YTD	Actual Vs. Budget	
36	\$513,396	\$490,251	\$448,821	(1)	\$23,145						
37	85,914	85,913	6,607	(2)	1						
38	(448,137)	(486,036)	(503,223)		37,899						
39	\$151,173	\$90,128	(\$47,795)	(3)	\$61,045						
						\$1,506,427	\$1,378,001	\$1,405,516	(1)	\$128,426	
						259,001	257,739	278,067	(2)	1,262	
						(1,541,893)	(1,458,110)	(1,439,302)		(83,783)	
						\$223,535	\$177,630	\$244,281	(3)	\$45,905	

General Comments

The debt service on the 2012 Revenue Bonds 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) – Facility Rent

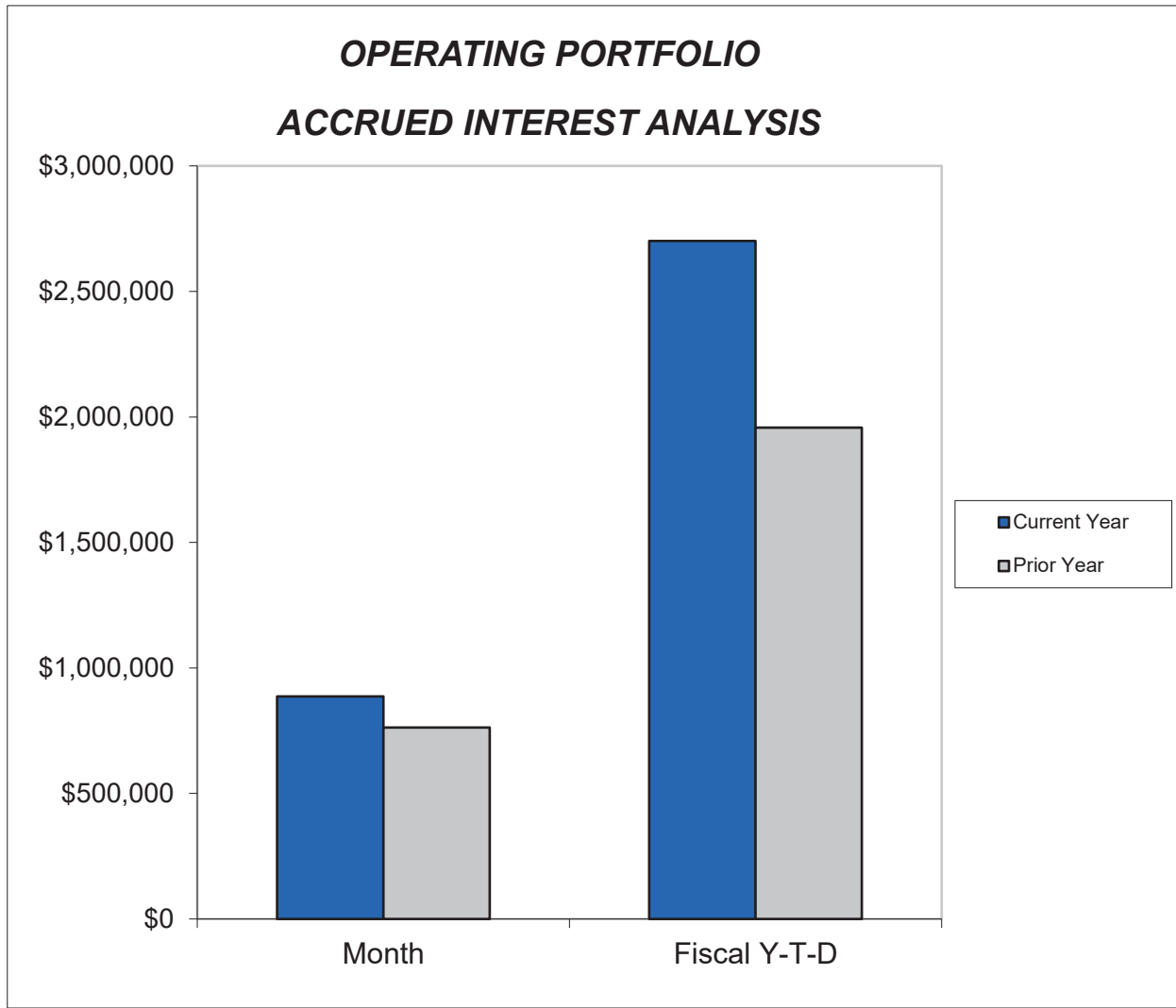
Facility Rent receipts may be applied to the 2012 Bond debt service or other allowable uses.

Note (3) – 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



	September 2025	September 2024
Accrued Interest Revenue - Month	\$886,088	\$762,940
Accrued Interest Revenue - FYTD	\$2,700,292	\$1,957,801
Month End Portfolio Balance (cost)	\$297,473,326	\$289,577,363
Yield to Maturity	3.87%	4.14%

Supplement to the September 2025 Treasurer's Report

FYTD September 2025 Cash Disbursements

Facility Improvement Transactions

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FY 2026 Cash Disbursements - Facility Improvement Transactions

PROJECT DESCRIPTION	Annual Budgeted Cost	FYTD 2026 (Jul - Sep) Budgeted Cost	FYTD 2026 (Jul - Sep) Cash Basis Cost	FYTD 2026 (Jul - Sep) Budget Variance Fav. / (Unfav.)	Project Status FYTD 2025 (Jul 2024 - June 2025)
BUILDING IMPROVEMENTS					
1) Minor Building Improvements	\$ 375,000	\$ 93,750	\$ -	\$ 93,750	Ongoing
TOTAL BUILDING IMPROVEMENTS	\$ 375,000	\$ 93,750	\$ -	\$ 93,750	
IT/COMMUNICATIONS/SECURITY					
2) Communications Center Equipment	\$ -	\$ -	\$ 144,093	\$ (144,093)	Accrued FY 2025 costs for completed project
3) DVSS Hardware Replacement/Upgrades	300,000	75,000	-	75,000	Ongoing
TOTAL IT/COMMUNICATIONS/SECURITY	\$ 300,000	\$ 75,000	\$ 144,093	\$ (69,093)	
EQUIPMENT					
4) Generator - Emergency Operations Center (EOC)	\$ 100,000	\$ 90,000	\$ 13,023	76,977	Project completion anticipated Q2 FY 2026
TOTAL EQUIPMENT	\$ 100,000	\$ 90,000	\$ 13,023	\$ 76,977	
RUNWAY / TAXIWAY / ROADWAY PROJECTS					
5) Runway/Taxiway Shoulder Rehabilitation	\$ 5,500,000	\$ 3,220,000	\$ 3,132,708	\$ 87,292	Project completion estimated Q2 FY 2026
6) Taxiway A/C Extensions: Design	2,500,000	200,000	118,805	81,195	Project design commenced Q1 FY 2026
7) Airport Pavement Management System	1,200,000	-	-	-	Project to commence second half of FY 2026
8) Airport Layout Plan Update	750,000	-	-	-	Project to commence second half of FY 2026
9) Pavement Rehabilitation	500,000	-	-	-	Project to commence second half of FY 2026
TOTAL RUNWAY/TAXIWAY/ROADWAY	\$ 10,450,000	\$ 3,420,000	\$ 3,251,513	\$ 168,487	
NOISE MITIGATION					
10) Part 150 Update	\$ 1,000,000	\$ 393,333	\$ 288,652	\$ 104,681	Ongoing
TOTAL NOISE MITIGATION	\$ 1,000,000	\$ 393,333	\$ 288,652	\$ 104,681	
O & M CAPITAL	\$ 590,000	\$ 214,834	\$ 214,537	\$ 297	Ongoing
SUB TOTAL	\$ 12,815,000	\$ 4,286,917	\$ 3,911,818	\$ 375,099	
DEVELOPMENT					
11) Replacement Passenger Terminal Project	\$ 590,756,795	\$ 169,481,433	\$ 162,478,323	\$ 7,003,110	Ongoing
12) SEQ Reconfiguration: Design	2,700,000	300,000	179,323	120,677	Ongoing
13) SEQ RPS Reconfiguration: Construction	2,500,000	50,000	17,000	33,000	Ongoing
TOTAL DEVELOPMENT	\$ 595,956,795	\$ 169,831,433	\$ 162,674,646	\$ 7,156,787	
TOTAL	\$ 608,771,795	\$ 174,118,350	\$ 166,586,464	\$ 7,531,886	

Supplement to the September 2025 Treasurer's Report

FYTD September 2025 Cash Expenditures

Replacement Passenger Terminal Project (RPT)

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
REPLACEMENT PASSENGER TERMINAL PROJECT (RPT)
MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024**

Consultant/Vendor	Scope of Work	Prior Fiscal Years' Cash Expenditures	Current Authorized Amounts (1)	September 2025 Cash Expenditures	FYTD 2026 (Jul - Sep) Cash Expenditures	Remaining Contract Amount	Project-to-date Total Cash Expenditures
AECOM (1a)	Program Management Services	\$ 4,172,454	N/A	-	-	N/A	\$ 4,172,454
Jacobs Project Management Company (1a)	Program Management Services	17,632,925	36,896,019	1,945,718	5,164,243	14,098,851	22,797,168
Airport & Aviation Professionals Inc. (AvAirPros) (1b)	Airline Technical & Financial Coordination Services	752,737	400,000	23,215	91,129	308,871	843,866
Airport Projects (1b)	Technical Support	85,426	-	-	-	-	85,426
ATX (1b)	Technical Support	291,163	1,648,044	122,540	302,370	1,120,886	593,533
Conway Consulting (1b)	Technical Support	426,598	150,000	15,666	41,947	108,053	468,545
Georgino Development (1b)	Strategic Planning Services	200,400	60,000	5,000	14,800	45,200	215,200
Public Resources Advisory Group (PRAG) (1b)	Financial Advisory Services	602,762	275,000	16,596	17,113	257,887	619,875
Ricondo & Associates (1b)	Financial Feasibility Services	971,428	350,000	38,666	136,760	213,240	1,108,188
Geosyntec Consultants (1c)	Soil Management Services	8,586	N/A	-	-	N/A	8,586
Holder, Pankow, TEC JV (1d)	Design Builder	426,715,825	1,093,038,267	50,115,577	139,969,000	519,067,019	573,971,248
Truist Bank (1d)	Design Builder - Retention Escrow Account			2,656,632	7,286,423		
Azrial (2)	Consulting Services	1,625	N/A	-	-	N/A	1,625
Fitch Ratings (2)	Rating Agency	35,000	N/A	-	-	N/A	35,000
Orrick, Herrington & Sutcliffe (2)	Bond Counsel	1,298,093	N/A	-	49,805	N/A	1,347,898
Camano Consulting Group (1b)	Consulting Services	63,145	174,000	14,500	43,500	130,500	106,645
DSM, Inc. (1b)	Consulting Services	12,500	N/A	-	-	N/A	12,500
Chapman (2)	Legal Services	70,000	N/A	-	-	N/A	70,000
Geraci (2)	Legal Services	2,000	N/A	-	-	N/A	2,000
Gordon Rees (2)	Legal Services	200	N/A	-	-	N/A	200
McDermott (2)	Legal Services	5,000	N/A	-	-	N/A	5,000
Moody's (2)	Rating Agency	95,900	N/A	-	-	N/A	95,900
Richards, Watson & Gershon (2)	Legal Services	476,324	N/A	5,570	10,863	N/A	487,187
Ring Bender (2)	Legal Services	4,793	N/A	-	-	N/A	4,793
S & P Global Rating (2)	Rating Agency	21,000	N/A	-	-	N/A	21,000
THU Legal Consulting (2)	Consulting Services	482,165	280,000	8,955	63,702	216,298	545,867
Thriving Restaurants (2)	Consulting Services	5,000	N/A	-	-	N/A	5,000
Woodward (2)	Consulting Services	51,000	36,000	-	3,000	33,000	54,000
Zions Bancorporation (2)	Consulting Services	5,500	N/A	-	3,000	N/A	8,500
RS&H (3)	Environmental Impact Study (EIS) Services	801,804	AIP / PFC Funded	-	-	N/A	801,804
XI-3 Corporation (4)	Consulting Services	91,770	N/A	-	-	N/A	91,770
City of Burbank (5a)	Burbank Water & Power Aid-in-Construction Deposit	22,775,970	31,763,540	-	8,987,570	-	31,763,540
City of Burbank (5b)	Plan Check Services	496,874	496,874	-	-	-	496,874
Barclays Bank (6)	CP Program / LOC Bank	873,817	N/A	108,637	108,637	N/A	982,454
Sumitomo Mitsui (6)	CP Program / LOC Bank	1,124,266	N/A	161,562	161,562	N/A	1,285,828
Meetings	Various Expenses	30,876	N/A	-	-	N/A	30,876
Licenses & Other Fees	Various Expenses	52,498	N/A	10,154	22,899	N/A	75,397
TOTALS		\$ 480,737,424	\$ 1,165,567,744	\$ 55,248,988	\$ 162,478,323	\$ 535,599,805	\$ 643,215,747

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOTES TO REPLACEMENT PASSENGER TERMINAL PROJECT SCHEDULE
MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024**

- (1) Current authorized NTE Contract amounts represent Commission approved appropriations. The FY 2026 adopted budget includes appropriations of \$590,756,795 for the RPT project.
- (1a) The Jacobs' authorized amount represents the following Commission approved Task Orders against the Professional Services agreement to date:
- Task Order 1 (Development of the Program Operations Manual) - \$1,419,796
 - Task Order 2 (Procurement of Progressive Design Builder) - \$1,125,722
 - Task Order 3 (Phase 2 Design and Pre-Construction Support Services) - \$8,857,765
 - Task Order 4 (Phase 3 Design/Construction Phase Support Services) - \$11,726,841
 - Task Order 5 (Phase 4 Design/Construction Phase Support Services) - \$13,765,895
- (1b) These are multi-year Professional Services contracts for technical, financial, and strategic airport services. These contracts were presented to and approved by the Commission.
- (1c) This Professional Services contract for geotechnical support was approved on September 1, 2022 to be effective August 1, 2022 through June 30, 2023.
- (1d) In December 2022, the Commission approved an estimated \$55,000,000 for Task Order 1 for Phase 1 design services of the RPT project to develop the 60% design level and Guaranteed Maximum Price (GMP). Actual Phase 1 services were contracted at \$54,244,242 and were completed April 2024.
- To date the Commission approved an additional six (6) Task Orders primarily for general conditions, equipment, and materials for a total of \$1,041,211,034.
- (2) Legal services and professional services to be utilized on an as needed basis.
- (3) RS&H expenditures are for the FAA's Written Re-evaluation of the construction noise section in the Environmental Impact Study as directed by the Ninth Circuit.
- (4) XI-3 Corporation: RFP coordination and technical support services for the selection of the progressive design-builder. Commission approved professional services agreement in July 2022 (NTE \$50,000) which was increased by an amendment in October 2022 to NTE \$96,000.
- (5a) The Authority approved Aid-In-Construction deposits with BWP as follows:
- 1) September 20, 2022 - \$25,000
 - 2) March 7, 2023 - \$50,000
 - 3) June 26, 2023 - \$494,000
 - 4) September 18, 2023 - \$1,411,000
 - 5) June 13, 2024 - \$40,000 (AIC Inspections)
 - 6) August 20, 2024 - \$960,000
 - 7) September 20, 2024 - \$9,457,700
 - 8) October 17, 2024 - \$10,338,270
 - 9) June 16, 2025 - \$225,000
 - 10) August 18, 2025 - \$8,762,570
- (5b) The Commission approved payment October 2023 in the amount of \$344,124 for a deposit with the City of Burbank for an independent contractor to undertake plan check services. Additional deposits of \$92,750 and \$60,000 were made September 2024 and May 2025, respectively.
- (6) LOC banks for the CP program.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
REPLACEMENT PASSENGER TERMINAL PROJECT (RPT)
MONTH AND THREE MONTHS ENDED SEPTEMBER 30, 2025 & 2024**

Funding Source	Total Amount	Prior Fiscal Years' Reimbursements	September 2025 Reimbursement	FYTD September 2025 Reimbursement	Total-to-Date Project Reimbursements	Remaining Amount
BIL-AIG (<i>formulaic</i>)	\$ 32,105,820	\$ 10,225,657	\$ 7,050,131	\$ 7,050,131	\$ 17,275,788	\$ 14,830,032
BIL-ATP (<i>competitive</i>)	56,628,000	29,035,753	4,420,701	4,420,701	33,456,454	23,171,546
PFC (1)	61,632,719	20,365,768	8,460,650	9,501,460	29,867,228	31,765,491
AIP	7,919,617	-	-	-	-	7,919,617
2024 Bonds (2)	685,366,134	377,104,842	50,358,354	133,912,295	511,017,137	174,348,997
TOTALS	\$ 843,652,290	\$ 436,732,020	\$ 70,289,836	\$ 154,884,587	\$ 591,616,607	\$ 252,035,683

BIL - Bipartisan Infrastructure Law
AIG - Airport Infrastructure Grant

ATP - Airport Terminal Program
PFC - Passenger Facility Charge

Notes:

(1) Includes PFC Applications 21 and 22 in the amount of \$48,338,420 and \$13,294,299, respectively.

(2) Includes interest and dividend earnings to date:

Bond Proceeds Amount	\$ 655,871,612
Accrued Interest and Dividends to Date (Held by Trustee)	29,481,136
Transfers (Closing of Cost of Issuance Fund)	13,386
Total Available Amount	\$ 685,366,134

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
REPLACEMENT PASSENGER TERMINAL PROJECT (RPT)
FY 2026 WIRE TRANSFERS**

Consultant/Vendor	Scope of Work	Prior Fiscal Years' Wire Transfers	September 2025 Wire Transfers	FYTD September 2025 Wire Transfers	Project-to-date Total Wire Transfers
Barclays Bank (1)	CP Program / LOC Bank	\$ 873,817	\$ 108,637	\$ 108,637	\$ 982,454
Sumitomo Mitsui (2)	CP Program / LOC Bank	1,122,700	161,562	161,562	1,284,262
TOTALS		\$ 1,996,517	\$ 270,199	\$ 270,199	\$ 2,266,716

Notes

(1) Quarterly payment of \$108,637 was made on September 9, 2025, to Barclays Bank PLC for the letter of credit maintenance fees.

(2) Quarterly payment of \$161,562 was made on September 9, 2025, to Sumitomo Mitsui Banking Corporation for the letter of credit maintenance fees.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JANUARY 20, 2026**

**MEMORANDUM OF UNDERSTANDING
BURBANK AIRPORT POLICE OFFICERS ASSOCIATION**

Prepared by
John Hatanaka, Executive Director

SUMMARY

Staff seeks Commission approval of a replacement Memorandum of Understanding ("MOU"), copy attached, with the Burbank Airport Police Officers Association ("BAPOA"). The proposed MOU is for a three-year term from July 1, 2026, through June 30, 2029, and includes negotiated changes to compensation and benefits as presented to the Commission.

BACKGROUND

On June 25, 2025, the BAPOA submitted a letter to Chief Skvarna requesting to start the negotiation process for a replacement MOU on July 1, 2025. The Command Staff of the Airport Police Department began a series of negotiation sessions with the BAPOA shortly thereafter. On November 13, 2025, the Commission was presented with the deal points for a replacement MOU with the BAPOA covering terms, conditions of employment, and compensation. The current three-year term MOU is scheduled to expire on June 30, 2026.

The proposed replacement MOU continues the majority of the existing provisions of the current agreement and incorporates changes presented to the Commission. The primary changes are: annual wage increases of 5%, 5.5%, and 6% over the term of the agreement; increases to Peace Officer Standards and Training ("POST") Certificate pay; an increase in monthly training pay; increases to the employer contribution to the 401(a) retirement plan over the term of the agreement; an increase in the Authority's monthly contribution to the PORAC Retiree Medical Trust; an increase in the graveyard shift differential; an increase in the maximum Compensatory Time Off accrual; an increase in the maximum vacation accrual; an increase in the medical opt-out incentive; and an increase in the number of paid holidays, with Veterans Day added as a recognized holiday.

The proposed replacement MOU was presented to the BAPOA and was ratified by a unanimous vote of the membership on November 19, 2025.

RECOMMENDATION

Staff recommends that the Commission approve the proposed replacement MOU with the BAPOA for the term July 1, 2026, through June 30, 2029, and authorize the President to execute the same.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JANUARY 20, 2026**

**AWARD OF SOFTWARE LICENSE AND SERVICE LEVEL AGREEMENT
ENTERPRISE ASSET MANAGEMENT SYSTEM (RFP E25-06)**

Presented by Stephanie Gunawan-Piraner
Deputy Executive Director, Planning and Development

SUMMARY

At its meeting on December 15, 2025, the Operations and Development Committee (“Committee”) voted (2–0, 1 absent) to recommendation to the Commission to:

1. Reject a bid protest filed by Electronic Data, LLC (“EDI”), an Arora Engineers company, with regard to RFP No. E25-06 Enterprise Asset Management System.
2. Award to NEXGEN Asset Management (“NEXGEN”) a Software License Agreement and a Service Level Agreement (“Agreements”), copy attached, for the implementation and ongoing support of an Enterprise Asset Management System (“EAMS”), in the amount not-to-exceed \$1,403,419, to be paid on a percentage completion basis.
3. Authorize a contingency for the implementation effort, in the amount of \$64,000.

The proposed Agreement is for a five-year performance term, with one five-year extension option available at the discretion of the Authority. This will be a phased software implementation with the goal to have key functionality available for the Replacement Passenger Terminal (“RPT”) beneficial occupancy in October 2026.

BACKGROUND

The Authority currently utilizes multiple technologies to track and manage assets, service requests, work orders, inspection reporting, hazard reporting, and asset record management. With the complexity of the RPT into the Airport, Staff seeks to implement a consolidated EAMS to better serve multiple departments, with the goal to enhance data accessibility, improve collaboration, and streamline operations for all facets of the Airport operations. In the long term, the EAMS will be utilized to assist with capital improvement project planning efforts and optimize scheduling and budgeting for replacement and/or rehabilitation of the Airport’s major assets.

The proposed EAMS is a Commercial-Off-The-Shelf (“COTS”) system, with at least 75% of its functionality pre-built and the remainder customizable to meet specific operational needs at the Airport. Implementation of this program will align with the scope, business processes, and technical requirements detailed in the Request for Proposals (“RFP”).

SCOPE OF WORK

The scope of work for the proposed Agreements generally includes configuration, setup and implementation of the EAMS, overall project management, testing and training, and ongoing technology maintenance support services.

NEXGEN will work with Staff and deliver the implementation in four phases:

1. Project definition phase, including project management readiness activities and development of a Project Management Plan;
2. Blueprinting phase, which includes reviewing and confirming the developed business processes and identifying and gathering additional configuration needs to provide the desired functional and technical requirements.
3. Realization phase, which includes configuration of the EAMS based upon the approved requirement documents, data migration, testing, and training; and
4. Go-Live, for the system to be switched on for Staff day-to-day use.

The scope of work requires the following functionalities:

1. Asset Registry Management.
2. Service Request Management.
3. Planning and Scheduling.
4. Work Order Management.
5. Inventory Management.
6. Conditions Assessment and Inspection (including safety, security, project related, regulatory driven, tenant related, warranty related, environmental compliance related).
7. Asset Risk Management.
8. Safety Risk Assessment and Hazard Reporting.
9. Asset Life-Cycle Management/Capital Planning.
10. Dashboard and Reporting functionality.

PROCUREMENT

Staff publicly solicited responses to an RFP via the Authority's PlanetBids e-procurement website on August 1, 2025. The notification was released to 315 firms. RFP documents were downloaded by 74 firms.

A mandatory pre-proposal virtual conference (teleconference) was held on August 11, 2025. The conference was attended by 39 firms. Staff received proposals from 10 teams. The 10 teams, listed in alphabetical order by prime consultant, are as follows:

- 360s2g
- Aerosimple, Inc.
- Electronic Data, LLC (EDI)
- Guidehouse Inc. (Guidehouse)
- NEXGEN
- ProDIGIQ, Inc.
- SDI Presence
- Total Resource Management, Inc.
- VSolvit LLC
- Woolpert, Inc. (Woolpert)

A nine-member selection committee, supported by three non-voting members, comprised of staff from the Finance, Planning, Maintenance, Operations, Noise and Environmental, Safety, and Information & Communications Technology Departments, as well as a

representative from a peer airport, reviewed the proposals based on the following selection criteria:

- **SC-1** Firm's Experience, Background and Past Performance (25 points)
- **SC-2** Qualifications of Proposed Project Team (25 points)
- **SC-3** Technical Approach, Quality of System Solution and Functional & Technical Requirements workbook (40 points)
- **SC-4** Submission of an Enterprise Asset Management System Purchase Agreement and a Cloud-Based Services Agreement for review (0 points)
- **SC-5** Price proposal (20 points)

Based on the proposal evaluation, the top four firms were shortlisted and are presented as follows, in alphabetical order: EDI, Guidehouse, NEXGEN, and Woolpert. The shortlisted firms were invited for interviews at the Airport in October 2025. The interview process lasted four hours per firm, and consisted of a technology demonstration by each firm, followed by interview questions. The scoring of the interviews is as follows:

Selection Criteria	SC-1	SC-2	SC-3	SC-4	SC-5	TOTAL
Maximum Points	25	25	40	0	20	110
Firm:						
EDI	25	17	26	0	12	80
Guidehouse	25	18	27	0	17	87
NEXGEN	25	23	36	0	20	104
Woolpert	25	16	26	0	12	79

BID PROTEST

On November 11, 2025, a Notice of Recommendation for the contract award for EAMS was posted on PlanetBids. EDI submitted a bid protest on November 26, 2025, with respect to the contract award.

Staff believes that the bid protest has no merit and should be rejected for several reasons:

- EDI asserts that it was not evaluated based on the selection criteria stated in the RFP. This is incorrect. The selection panel evaluated all proposers, including EDI, using those selection criteria.
- EDI asserts that insufficient notice for interview participation was provided and that it made multiple unsuccessful attempts to obtain clarification regarding participation of the proposed Project Manager ("PM") which limited its ability to meet expectations for the interview. Staff provided EDI the same interview notice and preparation opportunity as other firms. EDI had notice of the interview week 19 days before the interview and had notice of the specific time and date 12 days before the interview. In addition, EDI's inability to have its PM attend the interview should not have limited its ability to present technical content or demonstrate the capability of its enterprise

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asset management system. All proposers are expected to ensure that interviews are substantive and technically oriented, and not sales-only presentations. This intent was fully met in all interviews.

- EDI asserts that the proposed solution from NEXGEN does not appear to fully meet the requirements of the Scope of Services. This is inaccurate. Both in the proposal and in the interview, NEXGEN presented a full solution covering all requirements, including Part 139, Safety Risk Assessments, and lifecycle asset management. The selection panel confirmed the RFP requirements were met through the 3.5-hour-long demonstration that was performed. The solution presented by NEXGEN is aligned with the Authority's stated objectives.

Throughout the procurement process, Staff ensured proposers were evaluated based on consistent and transparent selection criteria as stated in the RFP. All proposers were evaluated based on those criteria.

RECOMMENDATION

Based on a comprehensive evaluation of the proposals and in-depth software demonstrations and interviews, NEXGEN was identified as the highest-ranked firm, offering the best understanding of the requirements and an EAMS solution that is well-suited for the operational environment at the Airport. NEXGEN has proposed a cohesive team with proven track record of EAMS implementations. As the recommended vendor, NEXGEN, will be tasked to deliver a fully tested EAMS, and provide ongoing warranty and maintenance support.

NEXGEN is a private software company founded in 2006 and with its headquarters located in Sacramento, CA. The firm has provided scalable EAMS solutions to various private firms and public agencies, including Amazon, Meta (formerly Facebook), San Diego Convention Center, Oklahoma City Airport, Great Lakes Water Authority, Tinker Airforce Base, and the City of Berkeley.

As part of the proposed EAMS solution, NEXGEN includes three key user interfaces that support the overall system: a mobile platform that allows Staff to access, update, and manage service requests, work orders, asset and warehouse inventories, condition assessments, and inspections with full offline capability; a Contractor Portal that streamlines work management and communication between Staff and contracted service providers; and a public-facing web portal that enables non-registered users to submit and track service requests, which synchronize directly with the EAMS.

FUNDING

The adopted FY 2026 Budget includes appropriations for this project which are anticipated to be sufficient for expenditures incurred in FY 2026. Funding for the services in the remaining term of the Agreement will be included in subsequent budget requests.

RECOMMENDATION

At its meeting on December 15, 2025, the Committee voted (2–0, 1 absent) to recommend that the Commission: (1) reject the bid protest filed by EDI; (2) approve the proposed Agreements with NEXGEN for EAMS implementation and to authorize the President to

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execute the same; and (3) authorize the proposed project contingency for the implementation of the system.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JANUARY 20, 2026**

**EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT
START-UP ASSISTANCE LOAN
BURBANK AIRLINE CONSORTIUM**

Presented by John T. Hatanaka
Executive Director

SUMMARY

At its meeting on January 7, 2026, the Executive Committee ("Committee") voted (2-0, 1 absent) to recommend that the Commission approve an Equipment Maintenance and Operating Agreement ("Agreement"), copy attached, with Burbank Airline Consortium, LLC ("BAC"). The Agreement provides for BAC's operation and maintenance of certain common use systems and ground support equipment (collectively, "Equipment"), identified in the Airport Use Agreement ("AUA"), serving airlines operating at the Replacement Passenger Terminal ("RPT"). The Agreement includes a start-up assistance loan to BAC in an amount not-to-exceed \$2 million.

Pursuant to the Committee's instruction, language has been added to the Agreement to require BAC to give vendors in the Cities of Burbank, Glendale, and Pasadena a preference when procuring Equipment and supplies to the maximum extent allowed by law.

DISCUSSION

Background

In connection with the upcoming opening of the RPT, the Commission approved the form of a new AUA on March 4, 2024. Each such AUA is a long-term contract that governs the terms under which the airline will operate at Hollywood Burbank Airport ("Airport") once the RPT opens. Airlines that have AUAs are referred to as "signatory airlines." Other airlines will operate at the RPT under a month-to-month Operating Permit and are referred to as "non-signatory airlines." To date, five airlines have signed the new AUA: Southwest, Alaska, American, Delta and United. These five airlines account for over 85% of the Fiscal Year 2024-25 total passenger count at the Airport.

The new AUA contemplated that the signatory airlines would form an equipment consortium to operate and maintain certain common use systems and ground support equipment serving all airlines that operate at the RPT. The Equipment includes baggage handling systems, the common use passenger processing system, the common-use self-service system, the multi-user flight information display system, and the electrical charging system for ground equipment. While this will be new for the Airport, equipment consortiums have successfully operated for several decades at numerous airports including Chicago-O'Hare, Chicago-Midway, San Francisco International, Los Angeles International and Ontario International.

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In late 2025, BAC was formed to be the equipment consortium entity at the Airport. BAC is a limited liability company, governed by a member agreement. Only signatory airlines may become BAC members.

Of the responsibilities that BAC will assume, some are currently handled by the Authority, and some are currently handled by the individual airlines or their contractors. By shifting these responsibilities to BAC, the Authority will save operating costs. Because its members are signatory airlines, BAC is motivated to run an efficient operation at the Airport at a level of service that meets the airlines' evolving needs as well as the Authority's standards. Also, in circumstances where the Authority might currently have to deal with multiple parties, execution of the Agreement will allow the Authority to work with and hold responsible a single entity, BAC. In sum, this arrangement will be beneficial to both the airlines and the Authority.

Proposed Agreement

The proposed Agreement is drafted to have the same duration as the new AUA. Thus, the initial expiration date would be June 30, 2035, and there would be a possible five-year extension upon the parties' mutual agreement.

The Agreement sets forth BAC's responsibilities for the operation and maintenance of the Equipment. Throughout, the Authority will remain the owner of the Equipment. BAC is required to provide quarterly and annual status reports and will prepare a plan each year regarding potential refurbishment, replacement or upgrades. BAC will be responsible for all cost of Equipment operation, maintenance and use, as well as the cost of refurbishment, upgrade, or replacement. BAC will be required to give signatory and non-signatory airlines operating at the RPT access to the Equipment, subject to non-discriminatory reasonable rules and fees. BAC may establish fees (to be collected from airlines that use its services) in sufficient amounts to cover its operating costs and other obligations. BAC will be able to charge airlines that are not members of BAC rates that are up to 135% higher than those charged to BAC members, which is the same rate differential that applies under an Operating Permit.

Start-Up Loan

BAC has requested the Authority's help, in the form of a low-interest loan, for start-up costs. Exhibit D of the Agreement is the form of a Promissory Note that will evidence the loan. Pursuant to the Agreement, loan proceeds must be used for BAC's operations related to the RPT. This will be a draw-down loan. Loan proceeds will be disbursed only upon BAC's submission of requests, each specifying the amount for the disbursement, along with supporting documents (including invoices or evidence of contractual commitments). The disbursement period will end on the thirtieth day after RPT opening and the disbursements will not exceed \$2 million in total. The principal amount of the loan will equal the sum of the disbursed loan proceeds. The loan will carry a simple annual interest rate of 2% and will have a 10-year monthly repayment schedule, starting the third month after RPT opening. Prepayments, without penalty, will be permitted. The low interest rate for the loan is appropriate in light of the residual model of rates and charges under the AUAs. Under the AUAs, the rates and charges payable by the Signatory Airlines each fiscal year will be calculated based on the Authority's operational needs and increased income to the Authority

-2-

from another revenue stream (such as interest earned on this loan) will just result in a lowering of the rates and charges payable by the Signatory Airlines.

Change Per Committee Instructions

Pursuant to the Committee's instruction, language has been added to Exhibit A of the Agreement to require BAC to give vendors in Burbank, Glendale, and Pasadena a preference when procuring Equipment and supplies to the maximum extent allowed by law. Language also has been added to require BAC to give the Authority an annual report on the locations from which Consortium Equipment and supplies have been procured. A copy of the revised page of the Agreement, with markings to show the changes, is attached.

RECOMMENDATION

At its meeting on January 7, 2026, the Committee voted (2-0, 1 absent) to recommend that the Commission approve the Agreement with BAC (with a modification that is now incorporated) and authorize the President to execute the same.

EXHIBIT A
Consortium Equipment and Tasks

As outlined in Exhibit I of the Airport Use Agreement, dated March 4, 2024, the following equipment and systems shall constitute Consortium Equipment: To the maximum extent allowed by law, BAC shall give vendors in the Cities of Burbank, Glendale, and Pasadena a preference when procuring Consortium Equipment and supplies. BAC shall annually give the Authority a written report on the locations from which Consortium Equipment and supplies have been procured.

- Out-bound Baggage Conveyor Systems
- In-line Baggage Screening Conveyor Systems
- In-bound Baggage Conveyor Systems
- Baggage Claim Carousels
- Electric Battery Charger System for Ground Service Equipment (Airside)
- Common Use Passenger Processing System hardware (including but not limited to desktop computers, keyboards, monitors, printers, reading devices, self-service kiosks, flight and baggage flight information displays, ticket counter baggage scales and telephone support systems) and software
- Aircraft Boarding Equipment
- Spare Parts Inventory
- Curbside Skycap Counter and Baggage Conveyor
- Pre-Conditioned Air Systems
- 400Hz Ground Power Systems

Pursuant to Section 8.03 of the Airport Use Agreement, BAC shall perform the following tasks at no less than “Optimum” IATA Level of Service:

- 1) Operation and maintenance of the Consortium Equipment, baggage makeup areas and the inline explosive detection system (portion of which is not maintained by the TSA and subject to funding by TSA to include such system at the Airport).
- 2) Operation and maintenance of the CUPPS, CUSS, baggage scales and the electrical charging system for ground equipment that serves the Airport Terminal.
- 3) Construction, operation, and maintenance of MUFIDS.

Consortium responsibilities shall include: operations; preventative maintenance; repair; replacement; cleaning; spare parts management; and on-call response and service.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
JANUARY 20, 2026**

**CONSIDERATION OF TBI AIRPORT MANAGEMENT
ANNUAL PERFORMANCE REVIEW AND COMMITTEE TASK ASSIGNMENT**

Presented by Terence Boga, Esq.
General Counsel

SUMMARY

TBI Airport Management, Inc. ("TBI") has sent the Authority a request for an annual performance review meeting. This item has been agendaized to allow the Commission to decide whether an annual performance review will be conducted or waived, and if the review will be conducted, whether the task will be assigned to the Executive Committee or a new ad hoc committee for a recommendation.

BACKGROUND

Since its acquisition of the airport in 1978, the Authority has utilized an independent contractor for management services and personnel. The Authority's airport management services agreement with TBI currently is set to expire on June 30, 2030.

On December 15, 2025, TBI Chief Executive Officer Maximilian Kalis sent the Authority a letter requesting the scheduling of "an annual performance review meeting to discuss the Agreement and our continued partnership going forward, per Section 2.5 of the Agreement." Section 2.5 of the airport management services agreement requires TBI to send the Authority a performance review meeting request each year to discuss implementation of the contract. In its discretion, the Commission may either schedule such a meeting or notify TBI that the meeting is waived for that particular year.

The airport management services agreement is within the Executive Committee subject matter jurisdiction specified by the Commission in Resolution No. 495. Thus, if an annual performance review of TBI will be conducted, the Commission may wish to assign the matter to the Executive Committee for a recommendation. Alternatively, based on the Executive Committee's current workload, the Commission may wish to create an ad hoc committee to conduct the review and make a recommendation. In accordance with the Committee Operation Guidelines adopted in Resolution No. 495, Commissioners may only serve on one ad hoc committee at a time unless the Commission has more than three such committees. The Airport History Book Ad Hoc Committee (comprised of Vice President Hampton, Commission Quintero, and Commissioner Ovrom with President Talamantes serving ex officio) is the Commission's only ad hoc committee currently in existence.

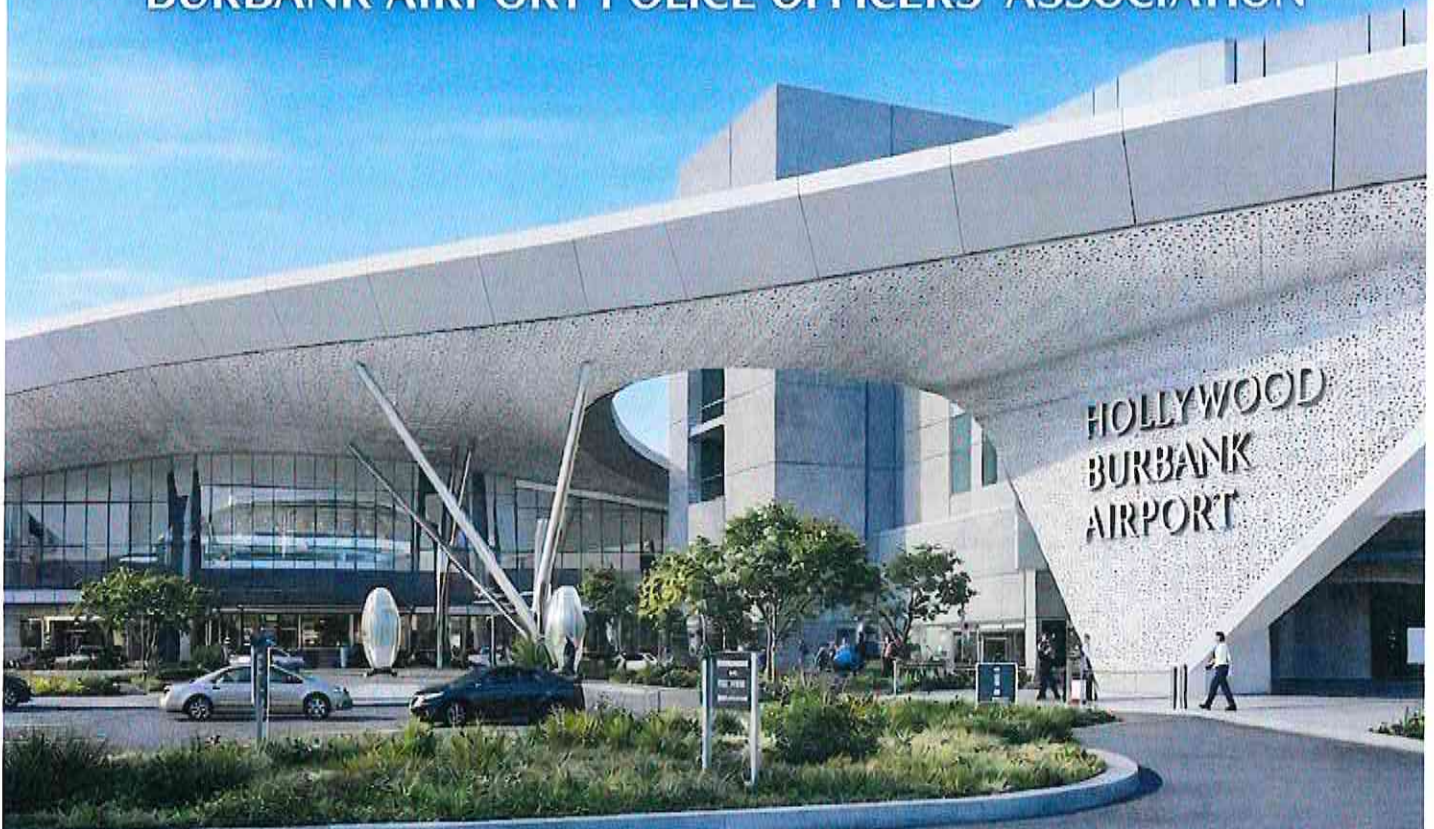
RECOMMENDATION

The General Counsel recommends that the Commission decide whether an annual performance review of TBI will be conducted or waived, and if the review will be conducted, whether the task will be assigned to the Executive Committee or a new ad hoc committee for a recommendation.

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY AND THE
BURBANK AIRPORT POLICE OFFICERS' ASSOCIATION**



July 1, 2026 – June 30, 2029

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PREAMBLE

This Memorandum of Understanding (hereinafter referred to as "Agreement") is made and entered into at Burbank, California, this 20th day of January 2026, by and between the Burbank-Glendale-Pasadena Airport Authority (hereinafter referred to as "Authority" or "Management") and the Burbank Airport Police Officers Association, Local 576 (hereinafter referred to as "Association").

This Agreement evidences the desire of the parties hereto to promote and maintain harmonious employer-employee relations.

ARTICLE 1 – RECOGNITION

Pursuant to Resolution #205 and the provisions of applicable state law, the Association is recognized as the exclusive representative, for the purpose of meeting and conferring or negotiating regarding matters within the scope of representation, for employees who are Police Officers, full-time and job-share, and Sergeants employed by the Authority.

ARTICLE 2 - DEFINITIONS

Employees: Refers to Police Officers, full-time and job-share, and Sergeants employed by the Authority.

Board: Refers to the Board of Directors of the Association and is comprised of the following officers: President; Vice President; Secretary; Treasurer; Sergeant at Arms; and other positions as the Board deems necessary.

Meet and Confer: Refers to the parties' willingness to meet with the other party regarding issues that from time to time may arise in order to exchange freely information, opinions, and proposals. The parties will be under no obligation to reach a mutually agreeable resolution on the issue.

Negotiate: Refers to the parties' willingness to meet in good faith with the other party regarding issues that arise related to the scope of this Agreement in order to exchange freely information, opinions, and proposals.

Grievance: The term "grievance" shall be defined as a "dispute or difference of opinion raised by an employee, a group of employees (with respect to a single common issue), or the Association involving the meaning, interpretation or application of the provisions of this Agreement, and/or policies, procedures or past practices related to terms/conditions of employment." An impasse in meeting and conferring cannot be grieved.

Immediate Supervisor: Immediate supervisor is defined as the employee's closest superior whose position has been designated as Supervisory or Management by the Authority.

Normal Work Hours: Those hours a unit employee is normally scheduled to work during a given deployment period.

Days: Regularly scheduled deployment period consisting of ten (10) hours.

Full-Time Employment: Employment in which the employee works the standard work week consisting of four (4) ten (10) hour days, totaling forty (40) hours.

Job-share Employment: Employment in which the employee works the standard work week consisting of two (2) ten (10) hour days, totaling twenty (20) hours.

ARTICLE 3 - MANAGEMENT RIGHTS

Except to the extent that the rights are specifically limited by the provisions of this Agreement, the Authority retains all its exclusive rights and authority under the state law (and charter), and expressly and exclusively retains its management rights, which include, but are not limited to, the right to: direct its employees; determine the content of job classifications; assign work to and schedule employees in accordance with requirements as determined by the Authority and establish and change work schedules and assignments upon reasonable notice; determine the procedures and standards of selection for employment and promotion; reclassify employees; determine and/or change the facilities, methods, means, organizational structure and size and composition of the work force and allocate and assign work by which the Authority operations are to be conducted; determine the methods and means to relieve its employees from duty because of lack of work or other lawful reasons; discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline employees in accordance with applicable laws and the provisions of this Agreement; make and enforce work rules; set standards and levels of service; establish employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith; determine style and/or types of Airport-issued wearing apparel, equipment, or technology to be used; establish and enforce dress and grooming standards; determine and change the number of locations, relocations and type of operations, processes and materials to be used in carrying out all Authority functions, including, but not limited to, the right to contract for or subcontract any work or operations of the Authority; maintain the efficiency of Authority operations; take all necessary actions to carry out the Authority's mission in an emergency; exercise complete control and discretion over its organization and the technology of performing its work; and maintain the exclusive right to determine the necessity, merits, mission, and organization of any service or activity of any Authority department, agency, or unit.

The Association recognizes that the Authority has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage its airport services and workforce performing those services in all respects, subject to this Agreement.

Management has and will continue to retain exclusive decision-making authority on matters not officially and expressly modified by specific provisions of this Agreement and such decision-making shall not be subject in any way, directly or indirectly, to any grievance procedure.

Nothing contained in this provision shall be deemed to supersede the provisions of existing Federal, State, or County laws, or the ordinances, rules, and resolutions that established the Authority.

ARTICLE 4 - NONDISCRIMINATION

The provisions of this Agreement shall be applied by both the Association and the Authority without unlawful discrimination against any employee or applicant for employment. Discrimination is prohibited on the basis of the following protected classifications, without limitation:

- Age (40 and over);
- Sex, gender, gender identity, gender expression;
- Pregnancy, childbirth, breastfeeding, or related medical conditions;
- Marital status;
- Race, color, ancestry, national origin;
- Religion or religious creed;
- Physical or mental disability;
- Medical condition;
- Genetic information;
- Sexual orientation;
- Military or veteran status;
- Reproductive health decision-making;
- Victims of qualifying acts of violence;
- Required to respond to a court order;
- Required to serve on jury duty.

The Association and the Authority shall ensure that all employment practices, including recruitment, selection, promotion, and discipline, are conducted in a manner that is free from unlawful discrimination. This clause shall be interpreted consistent with the California Fair Employment and Housing Act (FEHA), Government Code §12900 et seq., and applicable regulations.

ARTICLE 5 - AUTHORIZED REPRESENTATIVES

For purposes of administering the terms and provisions of the various ordinances, resolutions, rules, and regulations adopted pursuant to this Agreement, Management's principal authorized agent shall be the Chief of Police or the employee's duly authorized representative. The Association's principal authorized agent shall be any member of the Board.

The Association may hold meetings in space on Authority premises as designated by the Authority, provided however that the space so designated shall be suitable for holding Association meetings in a comfortable and confidential setting at least equivalent to the Sky Room of the existing passenger terminal.

Meetings may also be held in the roll-call conference room, as long as such meeting does not interfere with other Authority personnel or the Authority's normal course of business. The Authority shall permit the Association to use the Authority's duplicating equipment to make copies of brief documents, which are related to day-to-day Association responsibilities.

ARTICLE 6 - PEACE OFFICER STATUS

Sworn employees subject to this Agreement will have peace officer status in accordance with California Penal Code Section 830.33, or any superseding statute. While off duty, employees may not wear their uniform, or identify themselves as peace officers, except as permitted by law.

The Authority will not be responsible for, and will not indemnify any employee for, any off-duty employee's actions that are not within the course and scope of the employee's duties at the Authority, except as required by law, unless such actions are taken for the immediate preservation of life or property through the lawful application of peace officer powers and where the law enforcement agency with jurisdiction cannot be summoned to perform such actions due to the exigency of the moment.

ARTICLE 7 - SENIORITY

7.1 Computation of Seniority

- A. Seniority will be based on the date of hire with the Authority (referred to as "seniority based on date of hire"), except that for the purpose of bidding for vacation, holidays, and shifts, seniority will be based on the date of hire in the employee's specific classification (referred to as "seniority within classification"). The classifications covered under the scope of this Agreement are Police Officer Full-Time, Police Officer Job-Share, and Sergeant.
- B. Probationary employees shall not earn seniority rights until the completion of their probationary period. Upon successful completion of probation, the employee will gain full seniority rights retroactive to the employee's date of hire.
- C. Seniority is based on "service time," which is defined as those days worked by an employee, including holidays and regular days off during weeks worked, and days on paid vacation or sick leave. Service time shall also include days off work due to occupational injury or occupational illness if the employee returns upon recovery to the active payroll of the Authority, provided that such days off shall not exceed twelve (12) consecutive months. Service time shall not include days when an employee is severed from the active payroll due to termination, or layoff.
- D. Employees on approved leaves of absence for twelve (12) weeks or less will continue to accrue seniority. Seniority will not accrue for leaves of absence longer than twelve weeks unless otherwise specified by law.

7.2 Loss of Seniority

An employee shall lose seniority upon any of the following events:

- A. Resignation;
- B. Discharge (for just cause);
- C. Layoff for a period of twelve (12) consecutive months;
- D. Failure to report for layoff recall in a reasonable amount of time (as set forth in Article 17).

ARTICLE 8 - HOURS OF WORK AND OVERTIME

8.1 Work Schedule

The work week shall be seven (7) days commencing at 12:01 a.m. Friday and ending at 12:00 midnight the following Thursday. The workday, for pay purposes, shall be a 24-hour period commencing with the beginning of the employee's regularly scheduled 10-hour shift. During each shift, there is a thirty (30) minute paid meal period and two paid 15-minute rest periods. Officers shall not work overtime and/or undertake any pre or post shift work duties unless authorized in writing.

The normal full-time work schedule shall be forty (40) hours consisting of four (4) days of ten (10) hours each and three (3) consecutive days off. The normal job-share work schedule shall be twenty (20) hours consisting of two (2) days of ten (10) hours each and five (5) days off, not necessarily consecutive. The Authority reserves the right to establish a work schedule other than a 4-day or 2-day, 10- hour per day schedule, according to the needs of the department, as determined by Management.

8.2 Overtime

Full-Time Employees

Overtime work is work performed by a full-time employee of the Authority in excess of the employee's regularly scheduled hours, or on a holiday, or at times other than those normally required for their employment. No employee shall work overtime and/or undertake any pre or post shift duties unless authorized in writing in advance by the on duty sergeant.

Job-Share Employees

Overtime work is work performed by a job-share employee of the Authority in excess of ten (10) hours per day, or in excess of forty (40) hours per week, or on a holiday. No employee shall work overtime and/or undertake any pre or post shift duties unless authorized in writing in advance by the on duty sergeant.

For all employees, overtime shall be compensated at the rate of time and one-half ($1\frac{1}{2}$) of the employee's base hourly rate. Overtime worked in any workday shall be paid in one-tenth ($\frac{1}{10}$) of an hour increments, rounded up to the next tenth of an hour, except as otherwise required under the FLSA.

When overtime is needed, volunteers will be sought first from among the other employees in the same rank. If there are no volunteers from the same rank, volunteers will be sought from other ranks. Management may, at its discretion, mandate overtime within the same rank before offering the overtime to employees in other ranks.

Overtime will be made available to volunteers based on seniority, as described in Article 7, within rank and the needs of operations. Management reserves the right to deny overtime to any employee who either: (i) would be working a seventh consecutive day if they were to work the overtime; (ii) has been placed on a performance improvement program; or (iii) has medical restrictions.

If there are no volunteers, employees will be assigned to mandatory overtime. The Department will maintain a list of officers for mandatory overtime. Initially, the list will be ordered with the least senior officer at the top down to the most senior. The employee whose name appears at the top of the list will be assigned the overtime work. After the employee completes the overtime assignment, the employee's name will be put at the bottom of the list.

Qualifying overtime shall, at the employee's election, be compensated in either cash or by accrual of Compensatory Equivalent Time Off ("CETO") in lieu of cash payment, provided, however, that CETO accrual shall be limited to two hundred (200) hours of accrued time off. If an employee elects CETO in lieu of cash payment for overtime, and this election would cause the employee's accrued CETO to exceed two hundred (200) hours, such overtime, or that portion which would exceed the CETO limit of two hundred (200) hours, shall be compensated by cash payment.

Job-share employees working hours in addition to their scheduled twenty (20) hour work week may be compensated in cash or may elect to have those hours deposited into their CETO bank. All additional hours worked shall be compensated at straight time unless it meets the criteria for overtime listed above.

All CETO hours that any employee has accrued over two hundred (200) hours on July 1, 2026, and on July 1st of each subsequent year shall be paid out by cash payment to that employee.

Movie Details

All members working a movie detail will be paid at the rate of time and one-half ($1\frac{1}{2}$) of the employee's base hourly rate regardless of full-time or job-share status. Hours worked on a movie detail are **NOT** subject to accrual of CETO and must be paid as cash payment. Members shall receive a minimum of four (4) hours pay at the rate of time and one-half ($1\frac{1}{2}$) of the employee's base hourly rate. If a movie detail is canceled less than twenty-four (24) hours prior to the scheduled start time, the assigned member(s) will receive four (4) hours pay at the rate of time and one-half ($1\frac{1}{2}$) of the employee's base hourly rate.

8.3 Shift Selection

Annual Request Submission Active Duty

Once per year, all employees shall have the opportunity to submit requests for three

(3) separate shift assignments for rotation periods of approximately four (4) months each. Rotations shall commence on the first or second Friday in January, May, and September.

Shift request approvals will be granted based on seniority, as defined in Article 7, and will be contingent upon active-duty status during the rotation. The process shall follow a 2–1 shift pick.

The shift selection process for Officers and Sergeants shall be conducted independently; however, both groups shall follow the same procedure:

- The most senior member within each classification (Officer full-time, Officer job-share, and Sergeant) shall select shifts for any two (2) of the three (3) rotations for the year.
- Selection shall then move to the next most senior active-duty member within that classification and continue until all members have selected two (2) shifts.
- After all members have selected two (2) shifts, the process shall return to the most senior member in each classification to select a shift for the remaining rotation and continue in seniority order until all shifts are filled.

For Sergeants, provided they unanimously agree, management may allow the selection process to occur outside of strict seniority defined in Article 7.

There shall be no bumping rights outside of this process, except as otherwise may be approved by management on a case-by-case basis.

Annual Request Submission Non-Active Duty

For those classified as non-active duty (personnel with any type of work restriction, on any type of leave of absence, or Totally Temporarily Disabled (TTD)) the Scheduling Sergeant must receive notice and medical clearance, if applicable, three (3) business days before the shift selection is scheduled to begin. Employees who are not on active-duty status will not participate in the shift selection process. Instead, non-active-duty status employees will notify the scheduling Sergeant of the shift assignment they would choose, based on their seniority. Upon the employee's medical clearance for return to active-duty status, Management will make shift assignments for the employee taking into consideration their shift requests and the Authority's needs. Depending upon the needs of the department, employees may be assigned shifts other than the shift they originally requested.

Management Discretion

Management retains the right to approve or deny shift requests and to change an employee's shift, at any time as necessary for the best interest of the Authority. In the

case of a shift request denial, Management will, upon request from the affected employee, meet with the employee and give a written explanation for the shift denial. When possible and when consistent with the needs of operations, Management will provide reasonable notice before changing an employee's shift. Management may issue a Department Policy to provide further guidance on the shift assignment process.

8.4 Light-Duty Assignments

At the discretion of Management, a limited number of temporary light-duty positions may be identified. Light-duty assignments may occur outside the Police Department and may involve a change of work hours and/or days off.

Employees injured on duty may be assigned light-duty positions by Management. Employees injured off-duty may request assignment to light-duty positions. Requests involving off-duty injury may be approved by Management, in its discretion. On-duty injuries shall take precedence, however.

Light-duty assignments arising from off duty injuries shall be limited to sixty (60) calendar days.

In addition, employees who are injured or ill from causes unrelated to the job may apply for a waiver of the sixty (60) calendar day limit when:

1. There is a predictable time frame for a return to full duty, and,
2. The Department has specific work for the employee to perform.

If a waiver is granted, such waiver does not create a permanent light-duty position, but is rather, intended solely to reasonably accommodate an employee on a temporary basis. Each granted waiver shall be for no more than sixty (60) calendar days.

ARTICLE 9 - WAGES, BENEFITS AND SPECIAL PAY

9.1 Salary

Effective July 1, 2026, base pay will be increased by 5.0%.

Effective July 1, 2027, base pay will be increased by 5.5%.

Effective July 1, 2028, base pay will be increased by 6%.

Pay Scale: The Authority will establish the initial salary for any newly hired Police Officer based on the employee's total prior full-time sworn law enforcement experience, in accordance with the established salary schedule. The Authority will establish the initial salary for any newly hired or promoted full-time permanent Sergeant based on the employee's total prior sworn experience as a Sergeant, in accordance with the established salary schedule.

[The salary schedule for all employees is listed in Exhibit 1.]

9.2 Shift Differential

Personnel regularly assigned to work a graveyard shift that includes all or any of the hours between 8:00 p.m. to 8:00 a.m. shall be paid a night differential of 3.5% per hour in addition to their base hourly rate of pay for all such hours worked between those hours where the employee works at least one (1) full hour between those hours.

9.3 Standby Pay/On-Call Court

Affected employees shall receive one (1) hour of straight time for the period from 8 a.m. to 12 noon, and one (1) hour of straight time for the period from 1 p.m. to 5 p.m. when the affected employee is placed on an "on-call" status for court on either a workday or day off, except for those employees actually working during the time the on-call subpoena is in effect. Employees must be immediately contactable and able to respond within one (1) hour to any "call-in" to receive such payment. Employees may not receive both "standby" and "call-in" pay, as explained in section 9.4, for the same four (4) hour period.

9.4 Call-in Pay/Training Pay

If an employee is called in to work and reports to the work location, and the total time worked is less than four (4) hours, the employee shall receive a minimum of four (4) hours of pay at one and one-half (1½) times their regular hourly rate. Pay shall commence when the employee reports to the work location or enters service. Employees shall not receive both "standby" pay, as described in Section 9.3, and "call-in" pay for the same four (4) hour period.

"Call-in" refers to work that is immediate and not scheduled more than four (4) hours in advance. If an employee is required to report for training on a regularly scheduled day off, the employee shall receive a minimum of four (4) hours pay. Overtime, if applicable, for such training will be paid according to the provisions of Section 8.2.

9.5 Range Qualification Pay

All employees who are required to complete department-required range qualification and classroom training outside of regularly scheduled hours shall be compensated at time and one-half base hourly rate of pay or CETO for actual hours training with a two (2) hour minimum. This applies to full-time and job-share classifications. If an employee elects to shoot additional qualification exceeding the mandated once quarterly scheduled qualification, the employee will be compensated at time and one-half (1.5) base hourly rate of pay for two (2) hours. All additional qualification must be approved and certified by the employee's supervisor and is limited to once per month.

9.6 Working in a Higher Classification

Upon specific assignment by the Chief of Police or their designated representative, a Police Officer may be required to perform the duties of Acting Watch Commander when the position of Sergeant is not actively occupied due to the temporary absence of the regularly appointed Sergeant. When a Police Officer is working in a higher classification for more than one (1) hour, they will be paid at a rate 7.5% above their regular hourly compensation for all hours actually worked in the classification, rounded up to the next hour, provided; however, that if the acting Watch Commander is also serving as the Field Training Officer ("FTO") pursuant to Section 9.13, the Police Officer will receive only a 2.5% increase above the compensation they receive as the FTO. No employee shall temporarily work in a higher classification for longer than one (1) year.

9.7 Uniforms and Equipment

- A. Newly hired full-time peace officers will be provided with the following as uniforms and equipment: three (3) pairs of pants, six (6) shirts, standard peace officer footwear for Class A and B uniforms, gun, utility belt, belts, badge, vest, hats (baseball style and rim hat), flat badge for wallets, and any other item needed for the job. Thereafter, the Authority will replace any worn out items turned in by the employee or any items that have been damaged or lost during employment.
- B. Newly hired job-share peace officers will be provided with the following as uniforms and equipment: three (3) pairs of pants, three (3) shirts, standard peace officer footwear for Class A and B uniforms, utility belt, belts, badge, hats (baseball style and rim hat), and any other item needed for the job. Thereafter, the Authority will replace any worn-out items turned in by the employee or any items that have been damaged or lost during the course of employment.

- C. The Authority will provide for uniforms to be cleaned. Employees are responsible for ensuring that they have clean uniforms to wear. In the event that an employee does not have a clean uniform to wear, through their own fault, the employee may be withheld from duty without pay, until those circumstances are corrected.
- D. The Authority shall provide employees with any necessary equipment to perform their duties and shall provide employees with lockers that are adequate to contain uniforms and all equipment.
- E. An employee will be disciplined for any equipment that is lost or damaged due to the employee's negligence or intentional acts.
- F. Upon termination of employment, the employee must return all issued uniforms and equipment received in the course of employment or be charged for the value of such uniforms and equipment.
- G. All off-duty and secondary or backup weapons must be approved by and must meet all qualifications of Management, to include the demonstration of proficiency and safe handling.
- H. Off-duty weapons may be approved by Management for on-duty use when the employee is authorized to wear "plain clothes" for a particular duty assignment.

9.8 Health Insurance

Employee contributions to health insurance premiums will continue to be locked- in with the Hollywood Burbank Airport personnel rates of TBI Airport Management, Inc. or any successor or assignee thereof ("TBI Airport Management, Inc."). Current bi-weekly levels are as follows:

Single: \$40.00
Employee + 1: \$60.00
Employee + 2 or more: \$90.00

Any Police Officer or Sergeant who elects not to enroll in medical insurance through TBI Airport Management, Inc. will receive a bi-weekly \$115.38 (before tax withholdings) medical insurance payment in addition to their salary.

9.9 Dental Insurance

The Authority will provide dental coverage for eligible employees and their dependents in accordance with the dental plan or plans currently offered within TBI Airport Management, Inc. for Hollywood Burbank Airport personnel. Employee contributions

to dental insurance premiums will be equal to the rates currently paid by such TBI Airport Management, Inc. personnel and be locked-in with such TBI Airport Management, Inc. personnel rates. Current bi-weekly levels are as follows:

Single: \$8.00

Employee +1 or more: \$16.00

Any increase in the dental insurance premium contributions for such TBI Airport Management, Inc. personnel will be passed on to employees.

9.10 401(a), 457(b), and 401(k)

The Authority will be responsible for the management of the Airport Police Officers 401(a) and 457(b) plans. The Authority will continue to be responsible for the management of the Airport Police Officers 401(k) frozen plan. The Authority will contribute to the employee's 401(a) account as follows:

Effective July 1, 2026, the Authority will contribute 8.5% of the employee's gross earnings to the employee's 401(a) account.

Effective July 1, 2027, the Authority will contribute 9% of the employee's gross earnings to the employee's 401(a) account.

Effective July 1, 2028, the Authority will contribute 9.5% of the employee's gross earnings to the employee's 401(a) account.

The maximum amount a person can contribute to a Section 457(b) deferred compensation plan is set each year by the Internal Revenue Service (IRS). Employees may elect to contribute to the 457(b) and the Authority will match the employee's contribution to the 457(b) up to a maximum of 6%.

Total contributions to a 457(b) plan cannot exceed 100 percent of compensation for the year or the IRS annual limit. The Authority will match an employee's contribution, but the Authority match will count toward an employee's annual limit.

9.11 Retirement

Employees shall be eligible for a normal service retirement in either of the following situations: (i) after a minimum of five (5) years of honorable service with the Authority **and** a minimum of five (5) years of service with another POST-certified agency as a sworn police officer; or (ii) after ten (10) years of honorable service with the Authority. Only employees with ten (10) years of total service who leave the Authority in good standing shall be eligible for a retirement Identification Card with concealed carry weapons (CCW) endorsement in a manner and under conditions consistent with current state law governing the carrying of concealed firearms by police retirees.

Retirees with CCW endorsements shall submit proof of demonstrated firearms proficiency every five (5) years. Employees retired because of a job-incurred disability before their 10th year may be awarded a retirement Identification Card with CCW endorsement at Management's discretion.

The Authority reserves the right to revoke the CCW endorsement and demand the surrender of any retirement Identification Card for cause pursuant to current state law. All retired employee ID cards remain the property of the Authority.

9.12 Jury Duty

Any employee assigned to jury duty in state or federal court must notify their immediate supervisor as soon as possible. The employee will be reassigned to day shift for the period they are scheduled to be on jury duty. Management will reassign day shift employee(s) of the same classification to cover the vacated shift during the length of the jury duty.

Before 5:00 p.m. on the day prior to each expected day of jury service, the employee will determine if they are expected to report to jury service and inform their immediate supervisor of the determination. If the employee is not expected to report to jury service, the employee will report to work as assigned. If the employee reports to work and is then required to report to jury service, the employee will be excused from the remainder of their shift. If the employee reports to jury service and is released by the court prior to 10:00 a.m., the employee will report to work for the remainder of the shift.

An employee will be compensated while on jury duty at their regular base compensation. If the employee is not expected to report to jury service on a particular day or is released by the court, the employee must notify the on-duty Watch Commander. The employee may be required to report to work at Management's discretion.

9.13 Witness Leave

Upon service of a subpoena, an employee shall advise their immediate supervisor as soon as practical.

Each employee of the Authority who is required, under subpoena, to take time off duty to appear as a witness because of employment with the Authority in any case or proceeding in an administrative action, local, state, or federal court shall receive their regular salary at the appropriate rate during the actual time of service as a witness under subpoena. Any employee of the Authority who is required, under subpoena, to appear as a witness because of personal or non-Authority employment, shall not receive their regular salary for the time of service as a witness.

Each employee who is called from off-duty status to testify in any court or proceeding, under subpoena, on any subject connected with employment with the Authority, shall be credited with overtime for the actual time spent by the employee in court, rounded up to the next full hour with a four (4) hour minimum. If offered, the employee may receive payment for actual expenses only, and may not accept fees or any other payment.

Each employee who is on their regular day off who is required by the court, under subpoena, to be on-call to testify on any subject connected with employment with the Authority, but who is not in fact called as a witness, shall receive four (4) hours overtime at the rate of time and a half. It shall be the responsibility of the employee to inquire of the court each day if an "on-call" subpoena is trailing and if the employee will continue to be "on call" for the following day.

9.14 Qualifying Acts of Violence

- (i) Any employee who is the victim or a family member of a victim of a "qualifying act of violence" will be provided a reasonable accommodation and may use sick, vacation, or CETO leave. "Qualifying act of violence" means any of the following, regardless of whether anyone is arrested for, prosecuted for, or convicted of committing any crime: (A) Domestic violence; (B) Sexual assault; (C) Stalking; (D) An act, conduct, or pattern of conduct that includes any of the following: (i) an individual causes bodily injury or death to another individual; (ii) an individual exhibits, draws, brandishes, or uses a firearm, or other dangerous weapon, with respect to another individual; (iii) an individual uses, or makes a reasonably perceived or actual threat to use, force against another individual to cause physical injury or death. "Family members" has the same meaning as defined in Article 14.
- (ii) Employees will not be discharged, discriminated, or retaliated against for any of the following reasons:
 - a. To obtain or attempt to obtain any relief for the family member. Relief includes, but is not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the family member of the victim.
 - b. To seek, obtain, or assist a family member to seek or obtain medical attention for, or to recover from, injuries caused by a qualifying act of violence.
 - c. To seek, obtain, or assist a family member to seek or obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of a qualifying act of violence.
 - d. To seek, obtain, or assist a family member to seek or obtain psychological counseling or mental health services related to an experience of a qualifying act of violence.

- e. To participate in safety planning or take other actions to increase safety from future qualifying acts of violence.
- f. To relocate or engage in the process of securing a new residence due to the qualifying act of violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare.
- g. To provide care to a family member who is recovering from injuries caused by a qualifying act of violence.
- h. To seek, obtain, or assist a family member to seek or obtain civil or criminal legal services in relation to the qualifying act of violence.
- i. To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to the qualifying act of violence.
- j. To seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult as a result of the qualifying act of violence.

(iii) Employees who take leave pursuant to this section must provide reasonable advance notice before such leave shall be taken. If advance notice is impossible, Authority shall request certification from the employee in any of the following formats:

- a. A police report indicating that the employee or a family member of the employee was a victim.
- b. A court order protecting or separating the employee or a family member of the employee from the perpetrator of the qualifying act of violence, or other evidence from a court or prosecuting attorney that the employee or a family member of the employee has appeared in court.
- c. Documentation from a licensed medical professional, domestic violence counselor, as defined in California Evidence Code Section 1037.1, a sexual assault counselor, as defined in California Evidence Code Section 1035.2, victim advocate, licensed health care provider, or counselor that the employee or a family member of the employee was undergoing treatment or seeking or receiving services directly related to the qualifying act of violence.
- d. Any other form of documentation that reasonably verifies that the qualifying act of violence occurred, including, but not limited to, a written statement signed by the employee, or an individual acting on the employee's behalf, certifying that the absence is for a purpose authorized under this section.

9.15 Specialty Pay: Field Training Officer, Department Armorer, and Department Range Master

An Officer or Sergeant who is appointed and performs as a Field Training Officer (FTO), Department Armorer, or Department Range Master shall receive additional compensation equal to 5% of their appropriate hourly rate. An FTO is an officer who has primary responsibility for the training of new officers. A Department Armorer is an officer who has primary responsibility for the department's weapons inventory and to maintain and repair department owned weapons. A Department Rangemaster is an officer who has primary responsibility for the oversight of the police department firing range, to supervise range personnel, and to design and facilitate the training in lethal and less-lethal weapons and tactics.

The duration of appointment to these special assignments shall not exceed two years. One (1) single extension may be granted by the Police Chief should officers in these special assignments receive overall "Meets or Exceeds Expectations" evaluations. Officers who do not obtain the level of an overall "Meets or Exceeds Expectations" evaluation shall be required to re-test for the respective assignment when a list expires. FTO's not assigned a trainee will be required to work with the Training Sergeant to enhance the Department's training program. FTO's, Department Armors and Department Rangemasters must sign a Letter of Understanding at the execution of this agreement and before appointment that this appointment is "at-will" and may be removed at any time.

An officer who is appointed to serve as a temporary FTO for a period of one (1) day or more shall receive additional compensation equal to 5% of their hourly rate on a day-for-day basis for each day worked as a training officer.

The duration of appointment to FTO shall not exceed two years. Exceptions may be granted by the Police Chief should an FTO receive overall "Meets or Exceeds Expectations" evaluations. FTO's who do not obtain the level of an overall "Meets or Exceeds Expectations" evaluation shall be required to re-test for the assignment when a list expires.

9.16 Parking

Management will provide free parking for employees in a location designated by Management. Management may change parking assignments if the needs of business warrant, after meeting and conferring with the designated representative of the Association.

9.17 Training

Newly hired Police Officers must complete a course of training relative to airport security approved by the Commission on Peace Officers Standards and Training ("POST") within ninety (90) days after employment. All Sergeants and Police Officers

must attend range qualifications as required by the Airport Police Department's Policy No. **306** as directed by the Chief of Police. Any requests for additional training must be submitted and approved by the Chief of Police or their designee.

Subject to the approval of Management, employees may attend POST-certified seminars, to be paid for by the Authority. Days spent in an approved seminar will be paid by the Authority as a regular ten-hour shift at the employee's regular hourly rate, provided the employee submits a form certifying attendance at the training. An employee will also receive their regular hourly rate for actual travel time to and from an approved seminar.

Management reserves the right to adjust shift assignments to accommodate the training of employees.

9.18 Long-Term Disability

The Authority will pay for each employee the full premium cost for employee coverage under the Safety Members Disability Program Gold Plan offered by the Insurance & Benefit Trust of the Peace Officers Research Association of California ("PORAC"). All employees participating in the Safety Members Disability Program Gold Plan offered by PORAC must maintain membership in PORAC at their own expense.

The Authority will also cover payroll deductions for one (1) additional insurance program that may be selected by the Association for disability coverage provided that the Authority will make no contributions towards the premium costs for that policy as these are the responsibility of the employee. The Authority is only responsible for the payroll deduction costs to facilitate the employee's ability to make the premium payments on the policy from their own funds.

9.19 Tuition Reimbursement

Employees may choose to participate in higher education programs on their own time and at their own expense. Employees may be reimbursed at a rate of 50% for tuition, lab fees, and textbooks for that private effort if:

- A. The employee is participating in a program leading to a degree at an accredited (according to the Western Association of Schools and Colleges Accrediting Commission for Schools or equivalent) college or university;
- B. If not related to a program intended to produce a degree, that the instruction is job-related as determined by the Authority;

- C. The program cap for each individual employee is \$5,000 in reimbursements;
- D. The employee seeks approval of reimbursement prior to taking the instruction, provides suitable proof of satisfactory completion, and submits the application for reimbursement after completion; and
- E. Any employee who leaves the employment of the Authority less than one (1) year after being reimbursed shall return those funds to the Authority as a condition of accepting the reimbursement.

9.20 POST Certificate Pay

Effective July 1, 2026, Intermediate POST Certificate pay shall be paid at the rate of \$828.00 per month. Advanced POST Certificate pay shall be paid at the rate of \$1,076.40 per month. Supervisory POST Certificate pay shall be paid at the rate of \$1,273.61 per month.

Effective July 1, 2027, Intermediate POST Certificate pay shall be paid at the rate of \$952.20 per month. Advanced POST Certificate pay shall be paid at the rate of \$1,237.86 per month. Supervisory POST Certificate pay shall be paid at the rate of \$1,464.01 per month.

Effective July 1, 2028, Intermediate POST Certificate pay shall be paid at the rate of \$1,095.03 per month. Advanced POST Certificate pay shall be paid at the rate of \$1,423.54 per month. Supervisory POST Certificate pay shall be paid at the rate of \$1,683.61 per month.

Such pay shall commence on the pay period following the date POST issues the applicable certificate.

9.21 Qualification and Training Pay

All affected employees shall attend range qualifications as required by the Airport Police Department's Policy No. **306, Firearms**, and shall participate in all required departmental training. All employees who complete all required training each month shall receive training pay at the rate of \$50.00 per month.

9.22 Flexible Spending Accounts (FSAs)

Flexible Spending Accounts will be offered to all employees where the employee's contributions are payroll deducted, pre-taxed, and deposited to an account maintained by the Authority or TBI Airport Management, Inc. as applicable.

The plan year begins each year in January. Any remaining balance at the end of the

plan year will be forfeited.

Health Care Spending Account

Employees may elect to contribute up to \$3,400 per year pursuant to Internal Revenue Code Section 125.

Dependent Care Assistance Program (DCAP)

Employees may elect to contribute up to \$7,500 per year pursuant to Internal Revenue Code Section 125.

Commuter Benefits (Transit & Parking)

Employees may elect to contribute up to \$340.00 per month for transit passes and vanpooling expenses and may contribute up to \$340.00 per month for qualified parking benefits pursuant to Internal Revenue Code Section 132(a)(5).

9.23 PORAC Retiree Medical Trust

- A. Established. The Association desires to participate in the Retiree Medical Trust ("Trust") administered by the Peace Officers Research Association of California ("PORAC"). The Trust shall be in conformance with those applicable Internal Revenue Code requirements that allow for the Authority to make contributions to the PORAC Trust on a tax-free basis.
- B. Funding. The Authority shall make monthly contributions to the PORAC-administered Trust in the amount of \$150.00 for each employee subject to this Agreement. The Trust shall be and remain separate and apart from any Authority health insurance funding program unless changed by mutual agreement of the parties to the Agreement.

The Association shall have the option during the life of this Agreement to direct the Authority to make a monthly pre-tax contribution from the base salaries for all employees covered by the Agreement, at which time the Authority shall commence making an ongoing monthly contribution to the Trust.

- C. Accrued Leave Cash out to Retiree Medical Trust Account. Upon the retirement of an employee, the Authority shall make contributions into the Trust in an amount equal to 100% of the employee's total accrued leave cash out which includes Sick Leave and Vacation. The Association represents that the Trust is established in accordance with applicable federal and state laws, and therefore the Authority shall contribute the

monies on a pre-tax basis.

- D. Purpose and Restrictions. The Association shall be responsible for payment of all costs associated with the maintenance of the Trust. The sole purpose of the Trust is to provide funding for medical expenses and health insurance costs for eligible retirees, or qualified family members of eligible retirees, as established and restricted by PORAC. The Authority's only obligation is to make the contributions to the Trust as set forth above.

If at any time, the Trust is deemed by the Internal Revenue Service (IRS) to not have tax-exempt status, in relation to Authority contributions, then the Authority shall hold further contributions to the Trust in an escrow account until such time that the Association can reestablish a tax-exempt contribution Trust that meets the intended purposes outlined above. The Authority makes no guarantee, either direct or implied, that payments for medical expenses and health insurance for eligible retirees, or qualified family members of eligible retirees as established by the Trust, would exist or continue beyond the financial resources of the Trust.

9.24 Supplemental Life Insurance and AD&D

Employees may elect to obtain additional Life insurance for themselves and purchase coverage for their spouse and/or children on an employee-paid basis.

- Employee: Increments of \$10,000 to a maximum of the lesser of \$500,000 or 5 X annual earnings.
- Spouse or domestic partner: Increments of \$5,000 to a maximum of the lesser of \$250,000 or 50% of the employee coverage election.
- Child(ren): Under 15 days: \$100; Child 15 days to 6 months old: \$2,000; Child more than 6 months old: Options of \$1,000, \$2,000, \$4,000, \$5,000, or \$10,000.

9.25 Payroll

The Association acknowledges that payroll services are provided by TBI Airport Management, Inc. and that employees shall be paid on the same schedule as TBI Airport Management, Inc. Hollywood Burbank Airport personnel.

9.26 Dues Deduction

The Authority shall deduct from Association members' bi-weekly earnings and remit monthly to the Association dues required of such employees as certified by a duly authorized representative of the Association. BAPOA hereby certifies that it has and

will maintain individual employee authorizations. The Authority shall rely on representations made by BAPOA regarding the authorization to make, revoke, cancel, or change deductions for employees represented by BAPOA. All such dues deductions shall be authorized in writing to BAPOA by the individual employee. If an employee wishes to cancel, revoke, or change the dues deduction, such requests shall be directed in writing to BAPOA, which shall promptly provide written notice to the Authority. The Authority shall stop or change dues upon receipt of the written notice. Dues deduction shall continue unless BAPOA provides the Authority written notice of cancellation. Should there be a dispute regarding the deduction of dues, BAPOA shall provide the Authority with a copy of the authorization(s) signed by the BAPOA represented employee.

The Authority shall have no liability to collect Association dues for any month in which the employee, in their last full pay period, receives, after legal deductions, pay less than the amount of such dues. Additionally, the Association shall indemnify and save or hold the Authority harmless from any liability resulting from all claims, demands, suits or other actions arising from compliance with this section of the Article.

ARTICLE 10 - EMPLOYEE DISCIPLINE

10.1 Personnel Complaints

All complaints of employee misconduct or poor performance shall be referred to the on-duty Watch Commander, who shall advise the Chief of Police. As used herein, a complaint of misconduct is defined as a complaint which, if true, would constitute a violation by the employee of a state or federal law, or a rule, regulation or standard of conduct of the Authority.

All complaints, whether written, verbal, or anonymous in nature, by citizens of employee misconduct or poor performance shall be forwarded or referred to the Chief of Police. The Chief of Police will request that all complaints of misconduct (i) be put in writing, (ii) identify the employee(s) involved, and (iii) be signed (if possible) by the complainant. Such complaints will be sealed in an envelope marked "Confidential" and forwarded to the Chief's office. Upon receipt of such a written complaint, the Chief of Police or their designee will decide whether the complaint constitutes a "service complaint" or a "misconduct complaint" and conduct an investigation according to the guidelines set forth in Section 10.2 below.

Complaints by employees of employee misconduct or poor performance shall be written either by the complaining employee or by the supervisor receiving the complaint and given to the Chief. Upon receipt of such a written complaint, the Chief of Police or their designee will conduct an investigation according to the guidelines set forth in Section 10.2 below.

A service complaint shall be one in which the complainant is dissatisfied with the performance of the employee or the department but which on its face does not constitute misconduct as defined above.

10.2 Investigation

When the employee who is the subject of the complaint is to be questioned during an investigation, the following conditions will be met:

- A. The employee will be questioned while on duty, if possible. Otherwise, if the employee is questioned while off duty, the employee will be given overtime pay for the period that they are being questioned.
- B. Prior to the interview, the accused employee will be informed of the nature of the investigation.

- C. The interview may be recorded or transcribed by a stenographer at the discretion of either party, at the expense of the requesting party.
- D. The accused employee has the right to have a representative of their choice present during the interview; however, this individual may not be a person subject to the same investigation, nor will the unavailability of the chosen representative be cause for undue delay in the scheduling of the interview.

When the Chief of Police receives the completed investigatory report, they shall review it to determine if any grounds exist for invoking disciplinary procedures and make a formal finding.

10.3 Alternate Complaint Resolution

The Department offers an alternative approach to resolving public complaints through discussions between the complainant, the involved employee(s), and/or the assigned supervisor, with the goal of arriving at mutual understanding.

10.4 Discipline

All disciplinary actions for sworn officers will be in full accord with existing law. Grounds for discipline shall be as set forth in Policy No. 319, "Standards of Conduct."

An emergency disciplinary situation may exist when the continuation on the job by the subject employee has an immediate adverse effect on efficient and/or safe operation or may interfere with the investigation. Under such circumstances, a supervisor may suspend an employee with pay, pending investigation, without first holding a pre-suspension hearing, with Management's approval.

10.5 Appeal from Discipline

Any permanent, non-probationary employee may appeal from the imposition of discipline by the Chief of Police. The appeal shall be to the Executive Director of the Authority. The Executive Director must receive the appeal in writing within seven (7) calendar days of the date on which the employee received notice of the discipline from the Chief of Police. Appeals not made in writing within this time period shall be deemed waived and the discipline shall take effect.

The Executive Director may elect to hear the appeal or refer the matter out for hearing before a neutral hearing officer selected by the Executive Director. The findings and recommendations of the hearing officer shall be advisory to the Executive Director.

The hearing of the appeal, whether by the Executive Director or before a neutral hearing officer, shall occur within a reasonable time of the appeal, considering the schedules of the parties and the hearing officer. The hearing officer's report, if any, to the Executive

Director shall be made within sixty (60) days of the matter having been taken under submission by the hearing officer.

The Executive Director shall render their decision in writing within thirty (30) days of taking the matter under submission if they conducted the hearing, or within thirty (30) days of receipt of the hearing officer's report.

The decision of the Executive Director shall be the final administrative decision and action of the Authority, subject only to review pursuant to Code of Civil Procedure Section 1094.5.

10.6 Probationary Employees

During their first twelve (12) months of employment, and/or the first twelve (12) months following promotion to Sergeant, employees are on probation and may be terminated or returned to previously held rank without cause at the discretion of Management, notwithstanding any other provision of this Agreement.

Management may extend the probationary period for an additional six (6) months.

10.7 Medical Examination

If Management has reasonable and just cause to believe that an employee is not fit for duty either mentally or physically, Management may place the employee on administrative leave with pay until the employee is examined by a physician or psychologist designated by Management, unless Management finds sufficient existing medical evidence available from the employee's own physicians. The exam shall be paid for by the Authority.

If an employee is deemed to be unfit for duty, they shall abide by the sick leave policy and procedure established by the Authority. An employee shall not be permitted to return to duty until an examination by the physician or psychologist designated by Management finds the employee has recovered from such illness or injury.

10.8 Personnel Files

All written documentation of any verbal reprimand shall be removed from the officer's official personnel file if the officer does not receive additional warnings, counseling or other formal disciplinary action for a period of twenty-four (24) months. It shall, however, be the responsibility of the concerned employee to request any such removal of material from their personnel file.

ARTICLE 11 - SAFETY AND HEALTH

11.1 Safety

The Authority shall provide a reasonably safe and healthy working environment in accordance with applicable OSHA, state and federal laws and regulations. The Association agrees that where safety devices or protective equipment is required or furnished, its use shall be mandatory. The Authority also agrees to provide a yearly hearing test, paid for by the Authority.

The Association may designate one or more of its members to serve as a Safety Representative who may present safety issues on behalf of the Association to the Airport Police Command Staff or their designee. A Safety Representative working the day shift also may attend the monthly tenant/employee safety meeting and express any concerns regarding safety. The Safety Representative shall not lose pay for participating in these meetings.

11.2 Critical Incident Stress Debriefing (CISD)

The Authority will provide at no expense a Critical Incident Stress Debriefing (CISD). The CISD Service will be implemented when determined to be necessary by Management for stress debriefings or post-traumatic stress syndrome.

Critical incidents are traumatic events that cause powerful emotional reactions in people who are exposed to those events. Examples of these are line-of-duty deaths, co-worker suicide, multiple event incidents, delayed intervention, and multi-casualty incidents.

When employees require stress debriefing under the above paragraph, and it is recommended by CISD personnel or Airport Management that they not continue working for the remainder of their shift, they will be sent home with pay for that shift.

At Management's discretion, additional psychological treatment and/or psychological fitness for duty examination may be ordered at Authority expense.

ARTICLE 12 - SICK LEAVE

12.1 Use

Sick leave is intended to provide protection against loss of earnings due to illness, injury, illness in the immediate family, or for pre-approved medical or dental appointments. Twice per year, an employee may use up to two (2) ten-hour shifts per year of accrued sick leave for unanticipated personal reasons. For purposes of sick leave used for personal reasons, sections 12.2 (notice) and 12.10 (Absent Without Notification) shall still apply. Sick leave may be granted by the Police Chief, or his designee, if an employee is disabled from a job incurred injury after exhausting their industrial accident leave.

12.2 Notice

An employee taking sick leave because of illness or injury or illness in the immediate family, shall notify the Police Chief or his designated representative no later than one (1) hour before the beginning of their scheduled shift or watch.

An employee taking sick leave for a medical appointment shall notify their supervisor not later than the workday before that appointment.

12.3 Health Care Provider Note

Request for sick leave with pay in excess of five (5) consecutive workdays must be supported by a statement from a licensed medical practitioner who is eligible for third-party reimbursement. The appointing authority may require such a supporting statement for absences less than five (5) days when there is reasonable cause of misuse.

12.4 Sick Leave Investigation

If an employee's sick leave usage shows an array of frequency, pattern or timing, e.g., "Friday-Monday," that the Police Chief finds inconsistent to expected usage, Police Chief shall have an interview with the employee and their supervisor to determine if the actual circumstances justify further action. Further actions are:

- Counsel the employee as to the purpose of sick leave, or to recommend or direct the employee to visit their personal physician, as appropriate.

- Request a special medical evaluation.

- Direct personal visits by the employee's supervisor on subsequent absences.

Other procedures the Police Chief considers appropriate.

12.5 Sick Leave Revoked

The Chief of Police shall revoke sick leave, if it is determined that the employee is not, in fact, sick or incapacitated from performing their duty, or if they have engaged in private or other public work while on such sick leave, or if it is determined that the employee is not in compliance with the provisions of "Use" and "Notice" of this Article.

12.6 Sick Leave Without Pay

Sick leave without pay may be granted by the Police Chief after accumulated sick leave is exhausted. The application must include a physician's statement in writing showing the need and the duration.

12.7 Sick Leave Accrual

A full-time employee shall be entitled to ten (10) days, or one hundred (100) hours, sick leave with pay during each year. A newly hired full-time employee or a full-time employee rehired without seniority shall accrue three (3) days, or thirty (30) hours of sick leave credit at the date of hire and another seven (7) days, or seventy (70) hours of sick leave after completing ninety (90) days of employment. Concerning years after hiring, an employee accrues this sick leave credit on their anniversary date.

A job-share employee shall be entitled to five (5) days, or fifty (50) hours, sick leave with pay during each year. A newly hired job-share employee or a job-share employee rehired without seniority shall accrue three (3) days, or thirty (30) hours of sick leave credit at the date of hire and another two (2) days, or twenty (20) hours of sick leave after completing ninety (90) days of employment. Concerning years after hiring, an employee accrues this sick leave credit on their anniversary date.

For all employees, 100% of an employee's current Personal Leave accrual balance will roll over to the new sick time bank.

12.8 Utilization of Leave

If an employee does not utilize all their sick leave at the end of the year, the entire unused amount of sick leave may be carried over to the next year. An employee may accrue an unlimited amount of sick leave. In the alternative, an employee, once per calendar year, upon written request to the Chief of Police, shall be eligible to receive 100% payment for any unused portion of accrued sick leave in excess of the minimum required sick leave balance.

Full-time employees shall maintain a minimum sick leave balance of ten (10) days, which

is equal to one (1) year of sick leave accrual.

Job-share employees shall maintain a minimum sick leave balance of five (5) days, which is equal to one (1) year of sick leave accrual.

Sick leave hours below the applicable minimum balance shall not be eligible for payment.

In the event an employee submits a retirement or resignation date to the Chief of Police and elects to receive payment for one hundred percent (100%) of their unused accrued sick leave balance, the employee shall be entitled to payment of the entire unused sick leave balance without the requirement to retain one year of accrual in their leave bank.

12.9 Resignation or Layoff

An employee who is terminated, resigns, or is laid off shall receive 100% payment for unused accrued sick days.

12.10 Absent Without Notification

Any employee who is absent without notification to the Watch Commander or other designated authority, for two (2) consecutive work shifts, shall be terminated unless the failure to report is due to extenuating circumstances beyond the control of the employee.

12.11 Temporary Disability / Injured On-Duty Leave

If an employee is temporarily disabled from work by injury or illness arising out of and in the course of their duties, they shall become entitled, regardless of their period of service with the Authority, to a leave of absence while so disabled without loss of salary for the period of the disability, but not exceeding one year pursuant to California Labor Code 4850. During such leave of absence, the employee shall comply with the Airport Police Department's Policy No. 1019, "Occupational Disease and Work-Related Injury Reporting."

12.12 Injured On-Duty Doctor's Appointments

If an employee is required to attend doctor's appointments or associated procedures related to an accepted Workers' Compensation injury and the employee is not considered Totally Temporarily Disabled (TTD), that employee will receive pay for the actual time spent at the appointment. Overtime for such appointments will be paid according to the provisions of Section 8.2. Hours worked under this provision are not subject to accrual of CETO and must be paid as cash payment.

ARTICLE 13 - HOLIDAYS

During the term of this Agreement the following days are designated as holidays:

- January 1, known as "New Year's Day"
- Third Monday in January, known as "Martin Luther King Day"
- Third Monday in February, known as "President's Day"
- Last Monday in May, known as "Memorial Day"
- July 4, known as "Independence Day"
- First Monday in September, known as "Labor Day"
- November 11, known as "Veterans Day"
- Fourth Thursday in November, known as "Thanksgiving Day"
- Friday after the fourth Thursday in November, known as the "Day after Thanksgiving"
- December 25, known as "Christmas Day"
- December 31, known as "New Year's Eve"

Employees will also be allowed one floating holiday, the date of which must be approved in advance by Management.

Regardless of whether a full-time employee works a designated holiday or not, the employee will receive ten (10) hours of pay for that holiday. For employees working in the classification of job-share, the employee will receive five (5) hours pay for all department paid holidays unless the employee works the holiday where they will be paid a minimum of five (5) hours pay then hour for hour not to exceed ten (10) hours. Holiday pay hours are not subject to accrual of CETO and must be paid as cash payment.

In order to receive holiday pay for a holiday not actually worked, however, an employee must have worked (or been on an approved day off) on the employee's last assigned workday before, and the employee's first assigned workday after the holiday.

If the employee actually works on a designated holiday, the employee will receive additional pay at time and a half for the hours actually worked.

If an employee is on an approved day off on a holiday, the employee is not required to utilize leave time for the day off and may elect to only receive holiday pay for that holiday. For employees working in the classification of job-share, the employee will receive five (5) hours pay for the department paid holiday and would be required to utilize five (5) hours of leave time for a total of ten (10) hours pay.

ARTICLE 14 - FUNERALS

14.1 Funeral Leave

Each full-time employee shall be granted funeral leave with full pay not to exceed four (4) days in the event of the death of any of the following listed relatives of such employee or employee's current spouse if the funeral is held in California, and six (6) days if the funeral is held out of California. For employees hired in the classification of job-share, they shall be granted funeral leave with full pay not to exceed two (2) days in the event of the death of any of the following listed relatives of such employee or employee's spouse if the funeral is held in California, and three (3) days if the funeral is held out of California. Full-time employees may take up to one additional day of bereavement leave, provided that they use sick, vacation, or CETO leave to cover the additional day. Job-share employees may take up to three additional days using sick, vacation, or CETO leave. If all applicable leave is not taken, the unused days will be forfeited.

- A. Parents
- B. Stepparents
- C. Spouse
- D. Child
- E. Stepchild
- F. Brother
- G. Sister
- H. Grandparents
- I. Mother-In-Law
- J. Father-In-Law
- K. Grandchildren

For the purposes of this section only, "spouse" shall include any person who has lived in the same household for more than one (1) year, and who has established "joint tenancy" with the employee and with whom the employee asserts they have a conjugal relationship.

14.2 Funeral Cost

If an employee is killed in the line of duty, the Authority will pay funeral costs in an amount not to exceed \$10,000.

ARTICLE 15 - VACATIONS

15.1 Vacation Accrual

Under this schedule, full-time employees will receive eighty (80) hours of vacation up to the beginning of their fifth year of service; one hundred twenty (120) hours of vacation up to the beginning of their tenth year of service; and, one hundred sixty (160) hours of vacation after their tenth year of service.

For all employees classified as job-share employees, the vacation will be accrued as follows: employees will receive forty (40) hours of vacation up to the beginning of their fifth year of service; sixty (60) hours of vacation up to the beginning of their tenth year of service; and eighty (80) hours of vacation after their tenth year of service.

The accrual of the additional week of vacation for the fifth and tenth years of service begins on the employee's fourth- and ninth-year anniversary dates, but the additional vacation time is not vested and cannot be taken until the employee's actual fifth and tenth-anniversary dates.

An employee who has become entitled to a fully earned vacation with pay, which has not been used at the time of resignation, layoff, leave of absence, entering the Armed Forces, or termination shall receive pay for such unused vacation.

Management believes that it is important for employees to take earned vacation. This period of rest and relaxation is important to each employee's health and successful performance. Therefore, Management encourages employees to take their vacation time each year. An employee will not be allowed to accrue more than four hundred (400) hours of vacation unless expressly approved in writing by Management.

15.2 Utilization of Vacation Leave

If an employee does not utilize all of their vacation leave at the end of the year, the entire unused amount of vacation leave may be carried over to the next year, provided the total leave does not accrue more than maximum allowable hours specified in 15.1 above. In the alternative, an employee, upon written request to the Chief of Police, shall be eligible to receive 100% payment once per year for any unused portion of the vacation leave days.

All Vacation hours that any employee has accrued over the maximum allowable hours specified in 15.1 above on July 1st of each year shall be paid out by cash payment to that employee.

ARTICLE 16 - LEAVES OF ABSENCE

16.1 General provisions

At the discretion of Management, employees may, upon written application, be granted leaves of absence, or extensions thereof, for up to a four (4) month period. An employee on medical leave may be required to furnish the Authority with a diagnosis and/or prognosis of their condition from the attending physician every thirty (30) days. After receiving the employee's physician's report or if the employee fails to furnish such a report, if Management has any doubt regarding the diagnosis and/or prognosis of the employee's condition, the Authority reserves the right to request a physical examination by a doctor selected by Management.

Except as provided herein, all leaves of absence shall be without pay or other benefits. If the insurer permits, the employee shall be allowed to continue health and life insurance coverage by making satisfactory arrangements to pay the full cost thereof.

Employees who return from a leave of absence of four (4) months or less will be returned to their former or substantially equivalent position unless, but for the leave of absence, the employee would have been placed on layoff status or taken another position in accordance with Section 17.1. The employee will be placed on the shift(s) designated by Management. Thereafter, the employee will bid for shift assignments in accordance with Section 8.3. Sections 7.1 and 7.2 will govern seniority accrual and loss of seniority, respectively.

16.2 Maternity Leave

Maternity leave shall be granted for the period of disability resulting from pregnancy. A pregnant employee shall be permitted to continue to work during the period of pregnancy in a light-duty capacity for so long as the employee can safely perform all of the duties of the job as determined by medical authority, and shall be permitted to return to work at such time as the employee can again safely perform all of the duties of the job. Health Care Provider's certification may be required.

Upon commencement of maternity leave, and in accordance with the Family Medical Leave Act and Pregnancy Disability Leave Act, an employee will be permitted to take any sick leave or vacation time to which the employee is entitled. Upon completion of maternity leave of absence, the employee shall be reinstated to the employee's former position or to a substantially equivalent position unless, but for the leave of absence, the employee would have been placed on layoff status or taken another position in accordance with Section 17.1.

16.3 Catastrophic Illness Program

The purpose of the Catastrophic Illness Program is to address the need of an individual who has been incapacitated and who is facing extreme hardship as a result of the exhaustion of sick and vacation days. The program may be implemented when a catastrophic illness is expected to incapacitate an employee or their spouse or child for at least thirty (30) days. Fellow employees may voluntarily donate any accrued hours to that employee under the following specific requirements and limitations:

- A. An employee who is, or whose spouse or child is, suffering from a catastrophic illness may request donations of accrued sick days or vacation days under the Catastrophic Illness Program.
- B. "Catastrophic illness" means an illness that is expected to incapacitate the employee for at least thirty (30) days, or that incapacitates a spouse or child of the employee, which requires the employee to take time off from work for at least thirty (30) days to care for that family member and taking extended time off work creates a financial hardship for the employee because they have exhausted all of their sick and vacation days.
- C. Upon requesting donations under this program, the employee shall verify the catastrophic illness. Verification shall be made through a letter, dated and signed by the attending physician, indicating the incapacitating nature and probable duration of the illness.
- D. Management or its designees shall determine:
 - 1. That the employee is unable to work due to the employee's or employee's spouse's or child's catastrophic illness and
 - 2. That the employee has exhausted all accrued paid leave.
- E. When the above verification and determinations are made, the Chief of Police or their designee may approve the transfer of donated accrued sick days.
- F. An employee who receives donated sick days or vacation days pursuant to this program shall use any sick or vacation days that they continue to accrue monthly before receiving paid leave pursuant to this program.
- G. Management or its designee shall inform employees of how donations may be made in response to the employee's request.
- H. To ensure that employees retain sufficient accrued sick days or vacation days to meet needs that normally arise, donors shall not reduce their sick

days to less than (7) days or their vacation days to less than (10) days. Each donating employee is individually responsible for their awareness and understanding of the consequences to retirement.

- I. Recipient employees may use donated leave credits for a maximum of six (6) consecutive months.
- J. Employees who have submitted a letter of resignation may, upon separation, donate any remaining sick days or vacation days to any other employee who is seeking donations under this program.
- K. Any dispute regarding the allocation or non-allocation of catastrophic leave credits shall be presented in writing to the Executive Director, whose decision will be final. Such allocations will not be unreasonably withheld. Disputes under this section will not be subject to the grievance procedure.
- L. Any donated leave that is not used by the recipient will revert back to the donor employee.

ARTICLE 17 – LAYOFF, DISPLACEMENT, AND RECALL

17.1 Order of Layoff

When one (1) or more employees are to be laid off for lack of work, purposes of economy, curtailment of positions, or other reason, the order of layoff shall be as follows:

- A. Probationary employees, in an order to be determined by the date of hire (last hired will be the first laid off).
- B. Employees who have successfully completed probation, in inverse order of seniority determined by the date of hire or adjusted date of hire due to one or more leaves of absence.

17.2 Layoff Reinstatement Eligible List

The names of such persons laid off in accordance with the provisions of this Article shall be placed upon a Reinstatement Eligible List in inverse order of seniority. When a vacancy exists in a position, the most senior person on the list who held the position prior to layoff will be offered reinstatement, except that a laid-off employee who held the position of Sergeant and who is at the top of the list may be offered reinstatement to a Police Officer position. In the event the person refuses the offer of reinstatement, such person's name shall be removed from the Reinstatement Eligible List unless such person has reinstatement rights under the provisions of this Article to a Sergeant and they were offered a position as a Police Officer.

In the event a person on layoff cannot be contacted by the Authority through usual and customary channels within ten (10) days, such person's name shall be removed from the Reinstatement Eligible List; provided, however, that such person within the three (3) year period specified herein may request that their name be reinserted on the Reinstatement Eligible List and such person's name will be returned to the Reinstatement Eligible List.

In no event shall the names of any person laid off pursuant to the provisions of this Article remain on a Reinstatement Eligible List for a period longer than three (3) years from the effective date of such person's most recent layoff.

Upon reinstatement to any classification to which the employee is entitled pursuant to the provisions of this Article, all benefits acquired by the employee prior to the layoff shall also be reinstated. An employee shall not receive credit for time spent on layoff in computing time for any benefit entitlement.

17.3 Benefit Considerations

- A. For layoffs under thirty (30) days, all benefits will be retained.
- B. For layoffs of thirty (30) days up to three (3) years, there is no accrual of seniority, vacation, sick leave, or other benefits for the period of the layoff.
- C. For layoffs of three (3) years or more, recall privileges cease at three (3) years.
- D. Any employee recalled following a layoff shall be entitled to receive at least the same level of benefits that they were receiving at the time the layoff occurred; provided, however, any reduction or increase in benefits for all employees in the recalled employee's represented group during the layoff period shall apply to the recalled employee.

ARTICLE 18 - BULLETIN BOARDS

Space shall be provided on Authority bulletin boards at their present locations for posting of notices and bulletins of the following types:

1. Notices of recreational, social affairs, and related business news;
2. Notices of elections, provided that this shall not include campaign material;
3. Notices of appointments and results of elections;
4. Notices of meetings;
5. Constitution, by-laws, and proposed amendments thereto;
6. Such other notices as may be mutually agreed upon.

All materials posted on bulletin boards shall indicate the name of the organization responsible for the material and clearly indicate the author's identity, preferably by signature by an official of the Association. It must be clearly understood that such material is not official material or endorsed by the Authority, and the material must not contain anything that would identify it as such.

In no case shall obscene material or personal attacks on any Authority employee or jokes at the expense or embarrassment of another employee be placed on any bulletin board. Copies of all information posted on any bulletin board shall be submitted to the Police Chief, or their designee, at the time of their posting.

Any false or misleading statement posted is cause for loss of use of notification procedures on Authority property. In the event non-compliant material is posted, the Authority representative will so inform the Association, stating the nature in which such material violates this Article, and such material shall be removed from the bulletin board immediately.

The Association shall not post, nor authorize its members to post, any material anywhere upon the Authority's property except as herein provided. The Authority may remove or relocate any of its bulletin boards in the event of violations of this section or for reasons such as alterations in the physical facilities, etc., and will inform the Association whenever the Authority removes such bulletin boards.

ARTICLE 19 - NO STRIKE/NO LOCKOUT

A. Prohibited Conduct

When on duty, the Association, its officers, agents, representatives, and/or members agree they will not call, cause, engage, or condone any strike, walk-out, sit down, work stoppage, slowdown, sickout, blue flu, fabricated illness, or engage or honor any other form or type of job action by unit employees or by any other employees of the Authority or employees of any other employer by withholding or refusing to perform services or honor any type or form of picket line of any union or employee organization.

B. Employee Termination

Any unit employee who participates in any conduct prohibited in Section A above, Prohibited Conduct, shall be considered an unauthorized absence and shall be subject to discharge or other disciplinary action by the Authority, regardless of whether the Association carries out in good faith its responsibilities set forth below.

C. Association Responsibilities

1. In the event that the Association, its officers, agents, representatives, and/or members engage in any of the conduct prohibited in Section A above, Prohibited Conduct, the Association shall immediately instruct any persons engaging in such conduct that their conduct is in violation of this Memorandum of Understanding and unlawful, and they must immediately cease engaging in conduct prohibited in Section A above, Prohibited Conduct, and return to work.
2. If the Association performs all of the responsibilities in good faith set forth in Section C (1) above, its officers, agents, and representatives shall not be liable for damages for prohibited conduct performed by unit employees who are covered by this Agreement in violation of Section A above, Prohibited Conduct.

During the term of this Agreement, the Authority agrees that it will not employ a lockout of its employees in furtherance of a labor dispute with the Association.

ARTICLE 20 - GRIEVANCE PROCEDURE

20.1 Grievance Defined

A grievance is defined in Article 2 "Definitions". This grievance procedure shall not be used for disputes regarding performance evaluations or disciplinary matters.

20.2 General provisions

The term "days" as used herein shall refer to Monday through Friday between 8:00 a.m. and 5:00 p.m., excluding any holiday recognized by Management or this Agreement. The time limits indicated hereunder will be considered maximum limits unless extended by mutual agreement between the Association and the Authority. The time limits of any step of this grievance procedure may be extended once, and this extension must be confirmed in writing within the time limits set forth. Any grievance not filed or appealed within the time limits specified shall be considered settled on the basis of the last disposition given. In the event the grievance is not answered within the time limits set forth herein, either the employee or the Association representative may appeal the grievance to the next step within the time limits provided. The parties agree to arrange grievance meetings, which will accommodate the schedule of all participants.

Any employee who has a grievance is encouraged, before instituting the steps of the Grievance Procedure hereinafter provided, to attempt to resolve the matter informally with their immediate supervisor.

20.3 Grievance

Statement/Limitations

The purpose of the grievance procedure is to establish channels of communication between employees, supervisors, and Airport Management. The Authority encourages any employee having a grievance related to working conditions to informally discuss the matter with their immediate supervisor without undue delay. The informal discussion need not be reduced to writing and no records need be kept. The purpose of informal discussion is to settle grievances fairly and as quickly as possible. The employee may represent themselves, be represented by the Association, or be represented by counsel.

No grievance shall be considered and/or processed unless it is submitted within fifteen (15) working days after the employee concerned has become aware or should have become aware, through the use of reasonable diligence, of the occurrence of the event giving rise to the alleged grievance. If a grievance is not presented within the time limits set forth above, it shall be considered waived. If a grievance is not appealed to the next step within the specified time limit or any

mutually agreed extension thereof, it shall be considered settled on the basis of the Department's last answer. If the Department does not answer a grievance or an appeal thereof within the specified time limits, the Association and/or the employee may elect to treat the grievance as denied at that step and immediately appeal to the next step of the grievance procedure. The time limit(s) in each step may be extended by mutual written agreement of the Authority and the Association representative and/or the employee involved in each step. The term working days as used in this Article shall mean the days Mondays through Fridays inclusive and excludes Saturdays, Sundays, holidays and/or other days on which Authority offices are closed.

Procedure

Step One

If an employee feels that they have a grievance, then they shall, within fifteen (15) working days of the incident or condition giving rise to the grievance or within fifteen (15) working days of the time when they should have reasonably been aware of the grievance, contact their immediate supervisor to informally discuss the matter. The immediate supervisor should thoroughly discuss the grievance with the employee, endeavoring to reach a mutual understanding on the matter. If the employee's grievance concerns the immediate supervisor and cannot be resolved through informal discussion, the employee may request an informal meeting with the next level of supervision and their immediate supervisor. The immediate supervisor shall respond verbally within five (5) working days.

Step Two

If an employee's grievance cannot be satisfactorily resolved through informal discussion with their immediate supervisor, the employee may submit to the division commander within ten (10) working days of the informal response a written statement which shall set forth in detail: the exact incident or condition as to which the grievance is made and the remedy requested by the employee. The division commander shall have five (5) working days to meet with the employee. The division commander shall inform the employee and the Association in writing of their decision within five (5) working days after the meeting. The division commander shall include findings relating to the incident or condition as to which the inquiry is made, and the action taken or to be taken or the reasons for the refusal to act.

Step Three

If the grievance cannot be satisfactorily resolved at the second step, the employee may submit a written request to the Chief of Police within ten (10) working days of the response from the division commander. The Chief of Police or their designee will meet with the employee within five (5) working days of the request. The Chief of

Police or designee will inform the employee and the Association in writing of their decision within five (5) working days of the meeting. Step Four

If the Association is not satisfied with the response given by the Chief of Police, the Association may submit the grievance to the Executive Director within five (5) business days after the Chief of Police has issued their response, together with a request of a meeting between the Executive Director and an Association representative. The aggrieved employee and any other employee involved, and the Chief of Police shall be present at the request of either party. The Executive Director shall set the joint meeting for not later than five (5) business days after receiving the request, unless otherwise agreed by the Association and Management. The Executive Director shall render a written decision within five (5) business days after the hearing.

Step Five

If the Association is not satisfied with the response given by the Executive Director, the Association may submit the grievance to arbitration by notifying management in writing of its intent to proceed to arbitration. If the parties are unable to agree on an arbitrator, an arbitrator shall be selected by alternately striking from a list supplied by the California Mediation & Conciliation Services.

The party to strike first shall be determined by the flip of a coin.

The arbitrator shall not have jurisdiction or authority to modify, add to, subtract from, change, or amend in any way any term or condition of this Agreement or to render an award that is in conflict with any provision of this Agreement.

The arbitrator's decision will be final and binding on all parties. The fees and expenses of the arbitrator and the cost of the reporter's transcript, if either party requests same, shall be borne by the party whose principal contention is not sustained by the arbitrator's decision. If there is a dispute as to which party's principal contention is not sustained, the arbitrator shall resolve such dispute.

20.4 Exclusive Remedy

The Association agrees that it will exhaust the remedies of this article prior to initiating legal action against the Authority on any matters covered in this Agreement.

ARTICLE 21 – WORKING CONDITIONS

21.1 Alcohol and Substance Abuse

Employees shall be subject to drug and/or alcohol tests following an accident of any kind where objective signs of impairment exist, involvement in any incident involving the significant injury of another, or upon reasonable suspicion that an employee is under the influence of, or impaired by, drugs and/or alcohol.

When a specimen is obtained, the container or test tubes must remain in full view of the employee, and in the presence of the employee, must be sealed and labeled. Upon request, the employee may initial the container. All tests shall be performed by an off-site testing facility according to its standards, procedures, and policies.

Management and supervisors are to restrict communications concerning test results to persons who have an absolute need to know. The test results are to be reported to an appointed management official, and all files are to be kept confidential and locked in accordance with established procedures.

Employees who are subject to drug and/or alcohol testing will be placed on paid administrative leave pending the results of the laboratory tests. Following these tests, employees found to test positive for the use of drugs or alcohol (in accordance with National Institute of Drug Abuse Standards) will be subject to immediate discharge for cause. Employees found to be free of any intoxicating substance (in accordance with National Institute of Drug Abuse standards) will be immediately reinstated to their position. Employees who refuse to undergo drug and/or alcohol testing pursuant to this Article shall be subject to immediate discharge for cause.

Any employee not subject to drug and/or alcohol testing pursuant to this Article and who voluntarily requests assistance for drug and/or alcohol rehabilitation shall be allowed an unpaid leave of absence to attend rehabilitation at a program covered by that employee's health insurance. Upon successful completion of the program (verified by medical authority selected by Management), the employee shall be returned to work. In addition, after completion of a rehabilitation program, the employee, as a condition of employment, shall submit to random drug testing up to six (6) times in a one (1) year period, at the expense of the Authority. If all tests are negative, then the employee shall be deemed rehabilitated and the employee will be dealt with in the same manner as all other employees. If any test is positive during the one (1) year period after return from rehabilitation, the employee shall be terminated immediately.

21.2 Employee Driver's License Requirements

All employees must possess and maintain a valid California driver's license and are required to inform management of any restrictions, suspensions, or revocation of their

driver's license.

Failure by department employees to comply with any of the provisions set forth in this Section shall be grounds for disciplinary action up to and including removal.

ARTICLE 22 - PROMOTIONS

Opportunities for promotion from Police Officer to Sergeant will be announced, and employees will be given an opportunity to submit a letter of interest. Promotions will be based on a written exercise and oral interviews. A recommendation will be made to the Chief of Police, who will make the final decision. Management retains the discretion to use an open promotional process. See the Airport Police Department's Policy Manual for full procedure regarding the procedure for selection.

Opportunities for advancement from Police Officer to Sergeant, and from Sergeant to Commander, will be publicly announced. Interested employees will be invited to submit a letter of interest for consideration. The promotional process will include a written exercise and oral interviews. Based on the results, a recommendation will be submitted to the Chief of Police, who will make the final determination regarding promotions.

Management reserves the right to implement an open promotional process at its discretion.

To be eligible for promotion to the rank of **Sergeant**, an employee must currently hold a POST Advanced Certificate and must be capable of obtaining a POST Supervisory Certificate within two (2) years of the promotion date.

To be eligible for promotion to the rank of **Commander**, an employee must currently hold a POST Supervisory Certificate and must obtain a POST Management Certificate within two (2) years of the promotion date.

ARTICLE 23 - FULL UNDERSTANDING, MODIFICATION, AND WAIVER

This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any and all prior or existing understandings or agreements, whether formal or informal, are hereby superseded and terminated in their entirety. No amendment or change to the provisions of this Agreement shall be valid or binding unless reduced to writing and signed by duly authorized representatives of the parties. Any agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions of this Agreement by either party does not constitute a precedent for other action under the same provisions, nor does it constitute a waiver of any other provisions of this agreement.

Although nothing in this Agreement shall preclude the parties from mutually agreeing to meet and confer or negotiate on any subject within the scope of representation during the term of this Agreement, it is understood and agreed that neither party may require the other party to meet and confer or negotiate on any subject matter covered herein during the term of this Agreement.

The Authority agrees that existing benefits will not be changed unilaterally without negotiating with the Association.

ARTICLE 24 - SEVERABILITY

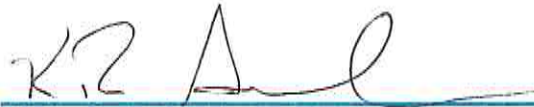
In the event that any Article or subsection of this Agreement shall be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by a decree of a court of competent jurisdiction, such invalidation shall not invalidate the remaining portions hereof and all other provisions of this Agreement not affected shall continue in full force and effect.

ARTICLE 25- COPIES OF AGREEMENT

Management will post a copy of the current negotiated agreement on the Authority website.

ARTICLE 26 - PERIOD OF AGREEMENT

This Agreement shall become effective July 1, 2026, and remain in effect through June 30, 2029.



Keith Soboleski
President of the Association

1-6-26

Date

Jess A. Talamantes
President of the Authority

Date

EXHIBIT 1

Burbank-Glendale-Pasadena Airport Police Officers' Association Represented Classifications And Schedule of Compensation Rate

Effective July 1, 2026

<u>Classification</u>	<u>Tier 1</u> <u>1-2 Yrs.</u>	<u>Tier 2</u> <u>3-4 Yrs.</u>	<u>Tier 3</u> <u>5-6 Yrs.</u>	<u>Tier 4</u> <u>7+ Yrs.</u>
Police Officer	\$53.9902	\$56.1498	\$58.3959	\$60.7317
Sergeant	<u>Year 1</u> \$66.7236	<u>Year 2</u> \$69.3925	<u>Year 3</u> \$72.1682	

Effective July 1, 2027

<u>Classification</u>	<u>Tier 1</u> <u>1-2 Yrs.</u>	<u>Tier 2</u> <u>3-4 Yrs.</u>	<u>Tier 3</u> <u>5-6 Yrs.</u>	<u>Tier 4</u> <u>7+ Yrs.</u>
Police Officer	\$56.9596	\$59.2380	\$61.6076	\$64.0719
Sergeant	<u>Year 1</u> \$70.3934	<u>Year 2</u> \$73.2091	<u>Year 3</u> \$76.1374	

Effective July 1, 2028

<u>Classification</u>	<u>Tier 1</u> <u>1-2 Yrs.</u>	<u>Tier 2</u> <u>3-4 Yrs.</u>	<u>Tier 3</u> <u>5-6 Yrs.</u>	<u>Tier 4</u> <u>7+ Yrs.</u>
Police Officer	\$60.3772	\$62.7923	\$65.3041	\$67.9162
Sergeant	<u>Tier 1</u> \$74.6170	<u>Tier 2</u> \$77.6016	<u>Tier 3</u> \$80.7057	

Any pay increase for a Police Officer or Sergeant moving to a higher tier based on experience shall take effect at the start of the pay period following eligibility.

Experience credited for the above tiers includes all cumulative POST-certified sworn time, excluding reserve service.

Software License Agreement

NEXGEN Asset Management Software License Agreement

Hollywood Burbank Airport

This Agreement, effective as of January 20, 2026, ("Agreement") is between NEXGEN Asset Management, a Nevada corporation ("NEXGEN"), and Burbank-Glendale-Pasadena Airport Authority, a California joint powers authority located at 2627 N Hollywood Way, Burbank, CA 91505 ("Licensee").

RECITALS

Whereas, NEXGEN owns certain software programs, referred to collectively as the NEXGEN Asset Management® (NEXGEN AM) products; and

Whereas, Licensee desires to use those programs, while protecting the copyrights, trade secrets, confidential information, and other valuable intellectual property contained in the programs, subject to the terms of this Agreement.

Now, therefore, NEXGEN and Licensee agree as follows:

1. DEFINITIONS

"Program(s)" means the object code version of the software programs and related documentation provided by NEXGEN to Licensee at any time under terms of this Agreement.

"Users" means the number of users (i.e., the number of users using the Program at one time) permitted to use a Program.

"Domains" means the number of individual database setups that can be accessed by a Program.

2. LICENSE GRANT

- ☒ License of Program(s). Subject to the terms and conditions of this Agreement NEXGEN grants Licensee a nonexclusive, nontransferable license to use the object code version of the Program(s) during the term of this Agreement.
- ☒ Limited Grant. Except as expressly set forth in this Section 2, NEXGEN grants and Licensee receives no right, title or interest in or to the Program(s) or any other deliverables provided by NEXGEN in connection with this Agreement.

3. LICENSE RESTRICTIONS

- ☒ No Reverse Engineering. Licensee will not disassemble, decompile, reverse analyze, or reverse engineer the Program(s).
- ☒ No Modification. Licensee will not modify the Program(s).
- ☒ No Copying. Licensee will not copy the Program(s), in whole or in part.
- ☒ No Third Party Use. Licensee will not use the Program(s) in any manner to provide services to any third parties.

4. PROPRIETARY RIGHTS

- ∞ NEXGEN Property. The Program(s), in whole and in part and all copies thereof, are and will remain the sole and exclusive property of NEXGEN.
- ∞ Proprietary Notices. Licensee will not delete or alter any copyright, trademark, and other proprietary rights notices of NEXGEN and its licensors appearing on the Program(s). Licensee agrees to reproduce such notices on all copies it makes of the Program(s).

5. CONFIDENTIAL INFORMATION

- ∞ Definition. "Confidential Information" refers to: (i) the Program(s), including, but not limited to their software source code, and any related documentation or technical or design information related to the Program(s); (ii) the business or technical information of NEXGEN, including but not limited to any information relating to NEXGEN's product plans, designs, costs, product prices and names, finances, marketing plans, business opportunities, personnel, research, development or know-how; (iii) any information designated by NEXGEN as "confidential" or "proprietary" or which, under the circumstances taken as a whole, would reasonably be deemed to be confidential; and (iv) the terms and conditions and existence of this Agreement. For avoidance of doubt any and all data and information provided and processed by Licensee using any of the Program(s), and/or otherwise made accessible to NEXGEN ("Licensee Data"), is Confidential Information. NEXGEN is provided a limited license to use, store and/or process Licensee Data solely for purposes of providing the services to Licensee required hereunder ("Services"). NEXGEN shall not sell, disseminate or share Licensee Data except as required to provide the Services.
- ∞ Confidential Information will not include information that: (i) is in or enters the public domain without Licensee's breach of this Agreement; (ii) Licensee receives from a third party without restriction on disclosure and without breach of a nondisclosure obligation; or (iii) Licensee develops independently, which it can prove with clear and convincing written evidence.
- ∞ Confidentiality Obligations. Licensee agrees to take all measures reasonably required in order to maintain the confidentiality of all Confidential Information in its possession or control, which will in no event be less than the measures Licensee uses to maintain the confidentiality of its own information of equal importance. Notwithstanding the provisions of this Section 5, Licensee may disclose Confidential Information in response to a subpoena, court order, California Public Records Act request, or otherwise as required by law provided Licensee shall utilize reasonable efforts to provide NEXGEN with not less than five business days' prior, written notice of the intended disclosure date.

NEXGEN shall be responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that comply with or are substantially similar to the security controls identified in the current version of NIST SP800-53, and that is designed to: (a) ensure the security and confidentiality of Licensee Data; (b) protect against any anticipated threats or hazards to the security or integrity of Licensee Data; (c) protect against unauthorized disclosure, access to, or use of Licensee Data; (d) ensure the proper

disposal of Licensee Data; and, (e) ensure that all employees, agents, and subcontractors of NEXGEN performing any of the Services, comply with all of the foregoing. All Licensee Data, whether in motion, in use, or at rest, shall be encrypted from end to end.

- ⌘ Injunctive Relief. Licensee acknowledges that NEXGEN is a beneficiary of this Agreement and is specifically a beneficiary of this Section. Licensee further acknowledges that the Confidential Information of NEXGEN includes trade secrets of NEXGEN, the disclosure of which would cause substantial harm to NEXGEN that could not be remedied by the payment of damages alone. Accordingly, Licensee agrees that NEXGEN will be entitled to preliminary and permanent injunctive relief and other equitable relief for any breach of this Section.

6. MAINTENANCE SERVICE LEVEL AGREEMENT AND WARRANTY

Maintenance and support is provided assuming the LICENSEE pays the annual maintenance and support fees in advance. NEXGEN warrants availability of the Program(s) with an Uptime Guarantee, and agrees to provide technical support and incident management response and resolution times, and support service levels, including required response times and recovery time objectives, as set forth in the "NEXGEN Asset Management Service Level Agreement & Warranty" attached hereto as Exhibit "A" and incorporated by reference herein. Any new versions or modules of software provided to Licensee are automatically licensed according to provisions of this Agreement.

7. LIMITATIONS OF LIABILITY

- ⌘ Licensee agrees that, as material consideration for NEXGEN extending to Licensee the license rights provided herein, in no event will NEXGEN be liable to Licensee or any third party under this Agreement for any Direct, Indirect, Special, Incidental, or Consequential Damages, whether based on breach of contract, tort (including negligence), product liability, or otherwise, and whether or not NEXGEN has been advised of the possibility of such damage.
- ⌘ Notwithstanding the foregoing, nothing in this Section 7 shall apply to NEXGEN's indemnity or insurance obligations herein, or claims arising out of NEXGEN's violation of law or willful misconduct.
- ⌘ The parties have agreed that the limitations specified in this Section 7 will survive and apply even if any limited remedy specified in this Agreement is found to have failed of its essential purpose.

8. TERM AND TERMINATION

- ⌘ Term. This Agreement shall be for the period of five years from the effective date above ("initial term") and shall automatically renew for an additional five year term, unless Licensee provides NEXGEN with written notice of non-renewal at least thirty days prior to the end of the initial term. Licensee may terminate this Agreement at any time at its sole discretion after the first year of the initial term, by providing not less than sixty days' prior, written notice. This Agreement may be terminated by NEXGEN at any time at its sole discretion for any reason including but not limited to: (i) Licensee breaches any material term or condition of this Agreement; (ii) Licensee becomes the subject of a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors; or (iii) Licensee becomes the subject of an involuntary petition in bankruptcy or any involuntary

proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if such petition or proceeding is not dismissed within sixty (60) days of filing. If NEXGEN terminates for no fault of Licensee, NEXGEN shall return any and all sums prepaid by Licensee on a prorata basis based on the number of months remaining in the prepaid term.

- ⌘ Effect of Termination. Subject to records retention laws applicable to Licensee, on termination of this Agreement, Licensee will immediately return to NEXGEN or (at NEXGEN's request) destroy all copies of the Program(s) in its possession or control, and an officer of Licensee will certify to NEXGEN in writing that it has done so.
- ⌘ Survival. The provisions of Sections 4 (Proprietary Rights) and 6 (Confidential Information) will survive termination of this Agreement for any reason.
- ⌘ Nonexclusive Remedy. The exercise by NEXGEN of any remedies under this Agreement will be without prejudice to its other remedies under this Agreement or otherwise.

9. GENERAL PROVISIONS

- ⌘ Assignment. The parties shall not assign this Agreement, and any attempted assignment shall be void.
- ⌘ Modifications. This Agreement may only be modified, or any rights under it waived, by a written document executed by NEXGEN and Licensee.
- ⌘ Conflicting Terms. Purchase orders or similar documents, and online terms and conditions relating to the Program(s) will have no effect on the terms of this Agreement.
- ⌘ Notices. All notices under this Agreement will be deemed given when delivered personally or sent by U.S. certified mail, return receipt requested, to the address shown below or as may otherwise be specified by either party to the other in accordance with this Section.
- ⌘ Severability. If any provision of this Agreement is found illegal or unenforceable, it will be enforced to the maximum extent permissible, and the legality and enforceability of the other provisions of this Agreement will not be affected.
- ⌘ Waiver. No failure of either party to exercise or enforce any of its rights under this Agreement will act as a waiver of such rights.
- ⌘ Entire Agreement. This Agreement is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and replacing any and all prior agreements, communications, and understandings (both written and oral) regarding such subject matter.
- ⌘ Choice of Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California applicable to agreements entered into, and to be performed entirely, within California between California residents. Venue for any legal action arising out of this Agreement shall be the County of Los Angeles, California.
- ⌘ Compliance with All Laws. At all times during the term of this Agreement, NEXGEN and Licensee shall comply with any and all applicable local, state, and federal laws, statutes, regulations and orders.

10. INDEMNITY AND INSURANCE

A. Infringement. NEXGEN agrees to indemnify, defend, and hold harmless Licensee, its elected officials, officers, employees, and agents from and against any and all claims and liabilities, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be asserted against Licensee alleging that Licensee's use of any of the Programs infringes any United States or foreign patent, copyright, trade secret, trademark, or other proprietary right. In the event Licensee is prevented from using any of the Programs as a result of such claim, then NEXGEN shall, at its expense: (a) obtain for Licensee the right to continue using such Program(s); (b) replace or modify such Program so that they do not infringe; or (c) reimburse Licensee any prepaid fees.

B. On-Premises Activities. With respect to any and all activities performed by NEXGEN, its officers, employees, agents and/or contractors ("NEXGEN Parties") in connection with this Agreement, while present on property owned or managed by, or under the control of, Licensee, NEXGEN will defend and pay reasonable attorneys fees, indemnify and hold Licensee, its officials, officers, employees, contractors and agents ("Licensee Parties") harmless from and against any and all claims and liabilities, including claims and liabilities for wrongful death, bodily injury, property damage, and/or any and all other damages, losses, costs, penalties, liens and stop notices ("Claims"), to the extent actually or allegedly arising out of the acts, omissions, or willful misconduct of any of the NEXGEN Parties, to the maximum extent permitted by law.

C. Insurance. At all times while performing services in connection with this Agreement while present on property owned or managed by, or under the control of, Licensee, NEXGEN will possess and maintain commercial general and auto liability, workers compensation, and such other insurance, in such form and with such limits, as set forth in Exhibit "B" attached hereto and incorporated by reference herein.

11. SOFTWARE COSTS

- ∞ The software will be hosted by Microsoft Azure. The following annual cost is for 2026. Licensee has an unlimited users, 10 TB storage and 100 GB/Month data transfer limit. The costs include every module on the web and mobile applications. The 311 Service Request Portal and mobile application are separate implementation, support and annual software fee. The annual maintenance and support fees include all the upgrades and technical support.
- ∞ Fees are set forth in the Fee Schedule, Exhibit C attached hereto and incorporated by reference herein.

[Signature page follows.]

In Witness Whereof, the parties have caused this Agreement to be executed by their duly authorized representatives.

Nexgen Asset Management

<i>Vincent Ghee</i> _____	<i>Vincent Ghee</i> _____
<input type="checkbox"/> Chairperson <input checked="" type="checkbox"/> President <input type="checkbox"/> Vice President	<input checked="" type="checkbox"/> Secretary <input type="checkbox"/> Asst. Secretary <input type="checkbox"/> Chief Finance Officer <input type="checkbox"/> Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

Burbank-Glendale-Pasadena Airport Authority

Jess A. Talamantes, President

Approved as to form:

Richards, Watson & Gershon
A Professional Corporation

EXHIBIT A
ASSET MANAGEMENT SERVICE LEVEL AGREEMENT AND WARRANTY

NEXGEN Asset Management Service Level Agreement & Warranty

Uptime, Availability and Accountability

Service Availability Commitment

Uptime Guarantee. NEXGEN will make the NEXGEN available 99.9% of the time, measured on a monthly basis ("Service Availability").

Measurement Method. Service Availability is calculated as:

Availability (%) = $[1 - (\text{Total Minutes in the Month} / (\text{Total Unplanned Downtime}))] \times 100$

Planned maintenance, emergency security maintenance, outages caused by third-party service providers, and downtime due to Licensee's actions are excluded from this calculation.

Scheduled and Emergency Maintenance

Scheduled Maintenance. NEXGEN may perform scheduled maintenance with at least 48 hours' notice to Licensee. Scheduled maintenance will not exceed 4 hours per month and will occur during non-peak hours.

Emergency Maintenance. NEXGEN may perform emergency maintenance at any time without advance notice to address critical issues, security vulnerabilities, or outages, and will promptly notify and update Licensee as to the status of any such maintenance.

Service Level Credits

Eligibility. If Service Availability falls below the guaranteed level in any given calendar month, Licensee may request service credits ("Service Credits").

Credit Schedule.

Service Credits will be issued based on the following:

Monthly Availability	Service Credit
≥ 99.9%	0%
99.0% - 99.89%	5% of monthly fee
< 98.89%	1% of monthly fee

Credit Request Process. To receive Service Credits:

- Licensee must request them within 30 days of the affected month;
- NEXGEN will verify the reported downtime;
- Credits apply only to future invoices and are not refundable.

Limitations. Service Credits are Licensee's sole and exclusive remedy for any failure to meet the uptime commitment.

Reporting. Upon Licensee's request, NEXGEN shall make available a report documenting Service Availability (Uptime) for any 30 day period of an affected month.

Exclusions

Availability and Service Credits do not apply to downtime caused by:

- Licensee's equipment, systems, or networks
- Internet traffic or general connectivity issues outside NEXGEN's control
- Third-party platforms or integrations not hosted by NEXGEN
- Misuse, unauthorized modifications, or violation of the Agreement by Licensee
- Force majeure events such as natural disasters, war, or widespread cloud provider outages

Warranty and Disclaimers

Limited Warranty. NEXGEN warrants that the NEXGEN will materially conform to the Documentation provided to Licensee.

Exclusions. This warranty does not apply to errors caused by misuse, third-party systems, internet issues, or modifications not made by NEXGEN.

Remedies. Licensee's exclusive remedy for breach of this warranty is correction of the nonconformity or, if not feasible, a prorated refund for the unused Subscription Term.

Disclaimer. Except for the express warranty above, NEXGEN is provided "AS IS". NEXGEN disclaims all implied warranties, including merchantability, fitness for a particular purpose, and non-infringement.

Technical Support & Incident Management

The NEXGEN Client Success team can be contacted via email, phone, or ZOHO Portal Monday - Friday 7:00 AM – 3:30 PM PST. If you are reporting a Critical/High issue, please call our support line in addition to sending in a support email if experiencing an issue after 3 PM PST.

- Email: support@nexgenam.com
- Phone: 916-564-8000 x2
- NEXGEN advises reaching out to NEXGEN Client Success by phone after business hours in the event of an emergency.
- NEXGEN observed holidays:
 - New Year's Day – January 1
 - Birthday of Martin Luther King, Jr. – Third Monday in January
 - Washington's Birthday (Presidents Day) – Third Monday in February
 - Memorial Day – Last Monday in May
 - Juneteenth National Independence Day – June 19
 - Independence Day – July 4
 - Labor Day – First Monday in September
 - Columbus Day / Indigenous Peoples Day (Federal: Columbus Day) – Second Monday in October
 - Veterans Day – November 11
 - Thanksgiving Day – Fourth Thursday in November
 - Christmas Day – December 24 & 25

Initiation of an Incident

The Licensee's Designated Help Desk Contact Person may contact NEXGEN Support via telephone or may log an incident online via NEXGEN Ticketing System Portal to initiate a Support request referred to as an "incident". The general definition of a Support incident is a single, reproducible issue, problem, or symptom, a request for assistance, or a question fully and accurately logged with the NEXGEN Ticketing System Portal that is related to the hosted Software.

To help ensure a timely response to a Support incident, the Designated Help Desk Contact Person shall provide the following information: (a) the NEXGEN Licensee Number and contact details, (b) applicable hosted Software name, (c) severity level of the Support incident, (d) details of the Support incident, including error messages and error reproduction steps if any, and applicable screen shots and output examples if logging online, (e) description of the incident impact and frequency.

Assignment of Severity Levels

The Licensee's Designated Help Desk Contact Person will use reasonable business judgment to identify the severity of the Support incident according to the following severity level descriptions:

Severity Level 1 Critical Business Impact

- Licensee's production use of software on a primary business service, major application or mission-critical system is stopped or so severely impacted that the Licensee cannot reasonably continue work.
- For Severity Level 1 problems, NEXGEN will begin work on the problem within one hour of notification and handle as the highest priority until the Licensee is given a fix or workaround. Licensee resources must be made available in Severity Level 1 situations and reasonably cooperate to help resolve the issue.
- Severity Level 1 problems could have the following characteristics:
 - System hangs or crash situations
 - Data loss or data corruption
 - Critical functionality not available

Severity Level 2 High Business Impact

- Important product features are unavailable with no acceptable workaround. Licensee's implementation or production use of software in a primary business service, major applications or mission critical systems are functioning with limited capabilities or are unstable with periodic interruptions. The software may be operating but is severely restricted.
- Severity Level 2 problems could have the following characteristics:
 - Software error or failure forcing a restart
 - Severely degraded performance
 - Data loading errors
 - Functionality unavailable but the system is able to operate in a restricted fashion.
 - Inaccuracies and errors in existing reports

Severity Level 3 Medium Business Impact

- Product features are unavailable but a workaround exists and the majority of software functions are still useable. Minor function/feature failure that the Licensee can easily circumvent or avoid. Licensee's work has minor loss of operational functionality.
- Severity Level 3 problems could have the following characteristics:
 - Error message with workaround
 - Minimal performance degradation
 - Incorrect product behavior with minor impact
 - Questions on product functionality or configuration during implementation
 - Third party integration errors

Severity Level 4 Low Business Impact

- Product features are unavailable but does not impact core business functions. Cosmetic or insignificant failures that have very little impact on workflows. Licensee's work has very limited loss of operational functionality.
 - Severity Level 4 problems could have the following characteristics:
 - Captions or labels that are incorrect
 - User interface is not optimal
 - No performance degradation

Response & Resolution Times

Response times for all ticket types are based on the severity of the ticket request and the resulting business impact. Once contact has been made by a NEXGEN Client Success Team Member, the impact of the issue will be further evaluated, assigned a priority and resolution time will be set by NEXGEN following the below Business Impact Matrix.

- Response time refers to the time between ticket submission and the NEXGEN Client Success Team Member response during business hours.
- Resolution time refers to a fix provided for the software issue.

The service level metrics for NEXGEN's response & resolution times are as follows:

Incident Severity Level	NEXGEN Response & Resolution Times
1 – Critical Business Impact - NEXGEN application is severely impacted so client cannot reasonably continue work.	Response Time: 1 hours Resolution Time: 48 hours
2 – High Business Impact - NEXGEN application may be operating but is severely restricted and affects day-to-day functionality.	Response Time: 4 hours Resolution Time: 3 days
3 – Medium Business Impact - Product features are unavailable, but most business operations and user productivity continue	Response Time: 1 day Resolution Time: 90 days
4 – Low Business Impact - Cosmetic or insignificant failures that have very little impact on workflows and user productivity is not affected.	Response Time: 2 days Resolution Time: 180 days

(1) For mobile application bugs, it may take approximately 7+ days for the App Store approval process to resolve issues.

(2) Resolution time will vary on locally hosted sites when server access is not provided in a timely manner.

Escalation

If the need ever arises to **escalate** a ticket request, Licensee can send a follow up email to the specific ticket or add a comment onto the ticket record in ZOHO indicating why a ticket's resolution time must be escalated. While not all escalation requests are accepted, a client's request for escalation is recorded in the system.

For an **update** on a ticket to check the process of the item, please send a follow up email to the specific ticket or add a comment on the ticket record in ZOHO asking for an update.

The NEXGEN internal team defines an **escalation** as an official request to expedite a ticket's resolution time and does not view a request for an **update** as a form of escalation.

When escalating a ticket, please provide the NEXGEN Success Team with the following information and indicate in the email/comment the desire to escalate the ticket.

Escalation Details Needed:

1. Reason for escalation.
 - a. Please provide a summary of the reason for escalation. Reasons can also include the explanation as to how a lack of resolution is affecting the organization and end-user workflows.
2. Impact on business process. Please indicate if the impact is Critical, High, Medium, or Low (definitions below).
 - a. **Critical:** Business process will be critically impacted resulting in major loss of productivity and/or no use of the NEXGEN system.
 - b. **High:** Business process will be greatly impacted resulting in a loss of productivity and/or use of NEXGEN system will be negatively impacted.
 - c. **Medium:** Business process will be impacted and lead to some loss of productivity, however a work around is acceptable for the time being and NEXGEN system is still in use for the impacted business process.
 - d. **Low:** Business process will not be impacted and/or loss of productivity will be minimal.
3. Suggested Due Date.
 - a. Please indicate a desired resolution. The NEXGEN team cannot guarantee escalated tickets will be completed by the suggested due date, but it can assist the NEXGEN team prioritize client needs.

Support Service Level Requirements

1. LICENSEE shall classify its request for Service Error corrections in accordance with the descriptions set forth in Table 1, below (each a "Support Request"). The LICENSEE project manager shall notify NEXGEN of Support Requests by e-mail, telephone, or such other means as the Parties may agree to in writing.
2. Response and Resolution times shall be measured from the time NEXGEN receives a Support Request until the respective times NEXGEN has (a) responded to, in the

case of response time and (b) Resolved such Support Request, in the case of Resolution time. NEXGEN shall respond to and Resolve all Service Errors within the following times based on the severity of the Service Error.

Table 1. Support Request Classification, Response Time, and RTO

Priority Level	Support Request Classification	Any Service Error Comprising or Causing Any of the Following Events or Effects	Required Response Time	Level of Effort	Recovery Time Objective (RTO)
1	Critical Business Impact	<ul style="list-style-type: none"> The Service Software is not Available, inaccessible or non-operational; Issue affecting entire system or single critical production function; Data integrity at risk; Material financial impact; Declared a critical Support Request by LICENSEE; or Widespread access interruptions 	1 Hours	Continuously (24 hours per day, 7 days per week)	48 Hours
2	High Business Impact	Service Software is Available for access except: <ul style="list-style-type: none"> Performance of the Service Software is severely degraded or is negatively impacting business operations; or Data entry or access is materially impaired on a limited basis 	4 Hours	Continuously (Not necessarily 24 hours per day, 7 days per week)	3 Days
3	Medium Business Impact	Service Software is Available for access except: <ul style="list-style-type: none"> An aspect of the Service Software has been designed that is interfering with work; or Service Software is operating with minor issues that can be addressed with a work around 	1 Day	As Appropriate (During normal business hours)	90 Days
4	Low Business Impact	Service Software is Available for access except: <ul style="list-style-type: none"> Requests that do not impact work; or Requests for assistance, information or services that are routine in nature 	2 Days	Varies	180 days

Table 2. Response Time and RTO Credits

Priority Level	Support Request Classification	Service Level Credits (For Failure to Respond Within the Corresponding Required Response Time)	RTO Service Level Credits (For Failure to Resolve Within the Corresponding RTO)
1	Critical Business Impact	Five percent (5%) of the fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly fees for each additional hour or portion	Five percent (5%) of the fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly fees for the first additional hour or portion thereof that the

		thereof that the corresponding Service Error is not responded to within the required response time.	corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one (1) hour increment.
2	High Business Impact	Five percent (1%) of the fees for the month in which the initial Service Level Failure begins and one percent (1%) of such monthly fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	One percent (1%) of the fees for the month in which the initial Service Level Failure begins and one percent (1%) of such monthly fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one (1) hour increment.
3	Medium Business Impact	NA	NA
4	Low Business Impact	NA	NA

Data Breach

Pursuant to California Civil Code sections 1798.29 and 1798.82 NEXGEN will give written notice to residents of California affected by any data breach that results or could result in the unauthorized acquisition of unencrypted personal information. NEXGEN will indemnify, defend and hold Licensee Parties harmless from all claims and liabilities arising out of any data breach to the extent caused by the negligence or willful misconduct of any of the NEXGEN Parties.

- Notification must be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement and any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.
- Substitute notice is permitted in specific circumstances and notification may be delayed for law enforcement purposes.
- Entities must notify the Attorney General if the entity is required to notify more than 500 California residents. The entity can electronically submit a sample copy of the notification.
- Breached third parties must notify the relevant data owners or licensees immediately following discovery of the unauthorized acquisition.
- Entities that maintain their own notification procedures are deemed to comply with the notification requirements of this law if the procedures are consistent with statute and are followed in the event of a breach.
- HI PAA-covered entities are deemed to comply with the notice requirements of this law if they comply with the notice requirements of HIPAA.
- Any customer injured by a violation of this title may institute a civil action to recover damages.

EXHIBIT B INSURANCE REQUIREMENTS

EXHIBIT B
Insurance Requirements

1. Consultant shall obtain, provide, and maintain policies of insurance as specified below.

A. General Liability Insurance. Consultant shall maintain commercial general liability insurance in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage.

B. Automobile Liability Insurance. Consultant shall maintain automobile insurance covering bodily injury and property damage for all activities of Consultant arising out of or in connection with the Services, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

C. Professional Liability (Errors and Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the commencement date and Consultant shall maintain continuous coverage through a period of no less than three years after expiration or termination of this Agreement.

D. Workers' Compensation/Employer's Liability Insurance. Consultant shall maintain workers' compensation insurance (statutory limits) and employer's liability insurance with limits of at least \$1,000,000.

E. Cyber Liability Insurance. Concessionaire shall procure and maintain Cyber Liability coverage in an amount not less than \$5,000,000 that will cover claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion, and network security.

2. The insurance policy or policies shall contain, or shall be endorsed to contain, the following provisions:

A. General liability policies shall provide or be endorsed to provide: (i) that the Indemnitees shall be additional insureds; and (ii) a waiver of subrogation in favor of additional insureds. This provision shall also apply to any excess/umbrella liability policies.

B. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

C. The coverage shall contain no special limitations on the scope of protection afforded to the Indemnitees.

D. For any claims related to this Agreement, Consultant's insurance coverage shall be primary insurance as respects the Indemnitees. Any insurance or self-insurance maintained by the Indemnitees shall be excess of Consultant's insurance and shall not contribute with it.

E. The limits of insurance may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of each Indemnatee before the Indemnatee's own insurance or self-insurance shall be called upon to protect it as a named insured.

F. Any failure to comply with reporting or other provisions of the policy, including breaches of warranties, shall not affect coverage provided to the Indemnitees.

G. Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

H. The policy shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, or reduced in coverage or in limits except after 30 calendar days (10 calendar days in the event of non-payment of premium) prior written notice by certified mail, return receipt requested, has been given to the Authority.

I. Insurance is to be placed with insurers authorized to conduct business in the State of California with a minimum current A.M. Best's rating of no less than A:X, unless waived by the Contract Administrator. An exception to this standard will be made for the State Compensation Insurance Fund when not specifically rated.

J. Any deductibles or self-insured retentions must be declared to and approved by the Contract Administrator. At the option of the Contract Administrator, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Indemnitees, or Consultant shall provide a financial guarantee satisfactory to the Contract Administrator guaranteeing payment of losses and related investigations, claim administration and defense expenses.

K. The workers' compensation insurer agrees to waive all rights of subrogation against the Authority for injuries to employees of Consultant resulting from work for the Authority or use of the Airport.

3. Requirements of specific coverage features or limits are not intended as a limitation on coverage, limits, or other requirements, or as a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for clarification purposes only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If Consultant maintains higher limits than

the minimum specified above, the Authority requires and shall be entitled to coverage for the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Authority.

4. Consultant shall furnish to the Authority an original certificate or certificates of insurance and amendatory endorsements showing that required policies are in effect in the required amounts and, as to the workers' compensation insurance, with the required waiver of subrogation. The certificates and endorsements must be received and approved by the Contract Administrator prior to commencement of work. The Authority reserves the right to require complete, certified copies of all required insurance policies at any time.

5. Consultant shall ensure that its subcontractors provide the same minimum insurance coverage and endorsements required of Consultant. Consultant shall monitor and review all such coverage, and Consultant assumes all responsibility for ensuring that such coverage is provided. Upon request, Consultant shall submit all subcontractor agreements to the Authority for review.

6. In the event any policy of insurance does not comply with these requirements or is cancelled and not replaced, the Authority has the right but not the duty to obtain the insurance it deems necessary. Any premium paid by the Authority in such event shall be promptly reimbursed by Consultant or the Authority shall withhold from its payments to Consultant an amount sufficient to pay that premium.

7. The Authority reserves the right at any time to change the amounts and types of required insurance by giving Consultant 90 days notice of such change. If such change results in substantial additional cost to Consultant, then the parties shall renegotiate Consultant's compensation.

**EXHIBIT C
FEE SCHEDULE**

Exhibit C – Fee Schedule

Company Name:	NEXGEN Asset Management
Contact	Joseph Klegseth, VP Business Development
Phone	916.606.2789
Email Address	jklegseth@nexgenam.com

Implementation Costs

The following deliverables are defined per task listed in the scope of work in Attachment A.

Scope #	Scope Title Reference	Labor Cost	Expense Cost	Total Cost
Implementation of the Scope of Work				
Phase I – Project Definition				
1.1	Project Management Plan	\$ 81,880	\$ -	\$ 81,880
1.2	Project Kickoff	\$ 11,040	\$ -	\$ 11,040
Phase II - Blueprinting				
2.1	Business Process Mapping	\$ 34,040	\$ -	\$ 34,040
2.2	Functional and Technical System Requirements	\$ 41,400	\$ -	\$ 41,400
2.3	System Integration Plan	\$ 26,680	\$ -	\$ 26,680
2.4	System Implementation Plan	\$ 32,660	\$ -	\$ 32,660
Phase III - Realization				
3.1	Realization of Confirmation Specifications	\$ 70,840	\$ -	\$ 70,840
3.2	Configuration Sprints	\$ 63,480	\$ -	\$ 63,480
3.3	Data Migration	\$ 77,280	\$ -	\$ 77,280
3.4	Master Testing Plan	\$ 19,780	\$ -	\$ 19,780
3.5	Build Test	Included	\$ -	Included
3.6	Defect Retest	Included	\$ -	Included
3.7	System Integration Testing	\$ 60,260	\$ -	\$ 60,260
Scope #	Scope Title Reference	Labor Cost	Expense Cost	Total Cost
3.8	Full System Regression Testing	Included	\$ -	Included
3.9	Functional Testing	Included	\$ -	Included

3.10	User Acceptance Testing	\$ 38,070	\$ -	\$ 38,070
3.11	Training	\$ 49,160	\$ -	\$ 49,160
Phase IV – GO-LIVE				
4.1	Cut Over Plan	\$ 22,310	\$ -	\$ 22,310
4.2	GO-LIVE Support	\$ 37,720	\$ -	\$ 37,720
Total Implementation Cost				\$ 666,600

Software/Interface Costs (Year 1):

Description	Total
Software (Year 1 - as part of software implementation and use)	
Enterprise Asset Management System – including four environments – Dev; Test; Training; Production.	No Charge until Go-Live
Interfaces (See the technology diagram in “Project Objectives” of the RFP)	
Desired	
ESRI ArcGIS Cloud (Two-Way)	\$ 6,900
Sage 300 (One-Way) (Future potential Sage Intacct)	\$ 60,260
Document Management System – Sharepoint or Archives Management System (Two-Way)	\$ 12,420
Security System (One-Way)	\$ 13,800
Building Management System (One-Way)	\$ 13,800
Communications Center CAD (One-Way)	\$ 12,420
Facilities Maintenance Control System (One-Way)	\$ 13,800
If Needed (because proposed EAM needs to interface with existing technology)	
AeroSimple (Two-Way)	Replace with NEXGEN
TrackIt or other IT Service Request Mgmt System (Two-Way)	Replace with NEXGEN SR Portal

Ongoing Software/Interface Cost (Post Year 1):

Software	Year 2	Year 3	Year 4	Year 5
NEXGEN Cloud 10100 (10TB/100GB), Unlimited Users	\$ 100,000	\$ 105,000	\$ 110,250	\$ 115,763
NEXGEN Service Request Portal & Mobile Application (optional)	\$ 20,000	\$ 21,000	\$ 22,050	\$ 23,153
NEXGEN Contractor Portal & Mobile Application (optional)	\$ 20,000	\$ 21,000	\$ 22,050	\$ 23,153

Hollywood Burbank Airport NEXGEN Asset Management Implementation Scope and Budget

Objective

Burbank-Glendale-Pasadena Airport Authority (Authority) is interested in implementing NEXGEN Asset Management software to support its asset management, maintenance and operations. The purposes of this document are to present Authority with the implementation approach, cost for the software and implementation services.

Software Cost

Authority is considering the Software as a Service (SaaS) Cloud for over 120 users. We have presented the Authority 2 unlimited user options to host the application on Microsoft Azure Commercial Cloud or Microsoft Azure Government Cloud. The Microsoft Azure Government Cloud is required if the Authority would want the FedRAMP security compliance, which is the highest level of security clearance in the US. The costs include every module on the desktop and mobile applications. The annual maintenance and support fees include all the upgrades and technical support. NEXGEN has 2 major releases a year in April and October.

Cloud Cost

The software will be hosted by Microsoft Azure. The software cost will be billed when Authority goes live on NEXGEN.

Tier	Concurrent Users	Storage Limit	Data Transfer Limit	FY 2026 Cost(\$)
1. NEXGEN Cloud 10100 (10TB/100GB) Commercial Cloud	Unlimited	10 TB	100 GB/Month	\$100.000
2. NEXGEN Cloud 10100 (10TB/100GB) Government Cloud – <i>FedRAMP Compliant</i>	Unlimited	10 TB	100 GB/Month	\$120.000

Note that the annual cost could increase no more than 5% a year

NEXGEN 311 Service Request Portal (optional)

The NEXGEN 311 Service Request Portal is for Authority's customers to create service request that will automatically be generated in the NEXGEN Asset Management software and notify the appropriate staff to respond.

Tier	Users	FY 2026 Cost (\$)
Service Request Portal	Unlimited	\$20,000

Note that the annual cost could increase no more than 5% a year.

Contractor Portal and Mobile Application (optional)

The Contractor Portal is to be used in conjunction with NEXGEN Asset Management to assigned work orders to contractors. Contractors will be using the contractor portal to complete the work orders that will automatically updated in NEXGEN Asset Management.

Item	Users	FY 2026 Cost (\$)
1. NEXGEN Contractor Portal	Unlimited	\$20,000

Note that the annual cost could increase no more than 5% a year.

Five Year Software Cost

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
\$100,000	\$105,000	\$110,250	\$115,763	\$121,551

Implementation Services Costs

Task	Cost(\$)
1-1. Project Management Plan	\$81,880
1-2. Project Kickoff	\$11,040
2-1. Business Process Mapping	\$34,040
2-2. Functional & Technical System Requirements	\$41,400
2-3. System Integration Plan	\$26,680
2-4. System Implementation Plan	\$32,660
3-1. Configuration Specifications	\$70,840

3-2. Configuration Sprints	\$63,480
3-3. Data Migration	\$77,280
3-4. System Integrations	\$133,400
3-4.1. ESRI ArcGIS (GIS) \$6,900	
3-4.2. Sage 300 (ERP) \$60,260	
3-4.3. Sharepoint (Document Management) \$12,420	
3-4.4. Security System \$13,800	
3-4.5. Building Management System \$13,800	
3-4.6. Communications Center CAD \$12,420	
3-4.7. Facilities Maintenance Control System. \$13,800	
3-5. Master Testing Plan	\$19,780
3-6. System Integration Testing	\$60,260
3-7. User Acceptance Testing	\$38,070
3-8. Training Plan	\$49,160
4-1. Cut Over Plan	\$22,310
4-2. Go Live & Post Deployment Support	\$37,720
Implementation Services Total =	\$800,000

Total Costs

Task	Cost(\$)
NEXGEN Cloud 10100 (10TB/100GB), Unlimited Users	\$100,000
Implementation Services	\$800,000
Total =	\$900,000
311 Service Request Portal & Mobile Application (optional)	\$20,000
Contractor Portal & Mobile Application (optional)	\$20,000

EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT
BETWEEN
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
AND
BURBANK AIRLINE CONSORTIUM, LLC
AT
HOLLYWOOD BURBANK AIRPORT

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EXHIBIT LIST

Exhibit A	Consortium Equipment
Exhibit B	BAC Property
Exhibit C	Maintenance Standards
Exhibit D	Form of Promissory Note
Exhibit E	Federal Requirements

EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT

This Equipment Maintenance and Operating Agreement (“Agreement”) is dated January 20, 2026 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency (“Authority”), and Burbank Airline Consortium, LLC, a California limited liability company (“BAC”), which is duly designated to perform certain duties and obligations on behalf of the Member Air Carriers (defined below) serving Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”).

RECITALS

A. The Authority owns and operates the Airport and has the power to grant rights and privileges with respect thereto.

B. The Authority is constructing a new passenger terminal (“Replacement Passenger Terminal”) in the northeast quadrant of the Airport, which will replace the existing passenger terminal in the southeast quadrant of the Airport.

C. The Authority has entered into, and may from time to time enter into additional, Airport Use Agreements (“AUAs”) with air carriers (“Signatory Airlines”), under which the Signatory Airlines have long-term leases at the Replacement Passenger Terminal for their operation of passenger flight services to and from the Airport.

D. BAC is a consortium comprised of Signatory Airlines as BAC’s members.

E. BAC is formed to provide equipment maintenance and operation services to the Signatory Airlines and other air carriers operating at the Airport, subject to the terms of BAC’s member agreements and this Agreement.

F. BAC desires to obtain from the Authority, and the Authority desires to grant to BAC, the right to maintain, operate, and use certain Authority-owned equipment and systems (“Consortium Equipment”).

G. BAC additionally desires to obtain a loan from the Authority, up to \$2 million at a simple interest rate of 2% per annum, for start-up cost assistance.

H. The AUAs follow a “residual” model under which each fiscal year: (i) the rates and charges payable to the Authority by the Signatory Airlines will be in sufficient amounts to cover the Authority’s operational costs; and (ii) the Authority’s revenues (from sources other than the AUAs) in excess of the Authority’s operational costs and permitted allowances will result in a lowering of the rates and charges payable by the Signatory Airlines.

I. The Authority is willing to approve BAC’s loan request due to the residual model of rates and charges under the AUAs.

NOW, THEREFORE, in consideration of the promises, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and BAC, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS; INTERPRETATION

1.01 Definitions.

The following terms and phrases shall have the following meanings for purposes of this Agreement:

“Agency” means any federal, state, or local government agency, other than the Authority.

“Agreement” means this Equipment Maintenance and Operating Agreement (including all exhibits, attachments, and schedules).

“Air Carrier” means an “air carrier” or “foreign air carrier” as such terms are defined in 49 U.S.C. § 40102, and which is operating at the Airport.

“Airport” means Bob Hope Airport (commonly known as Hollywood Burbank Airport).

“Airport Manager” means the person designated by the Authority to exercise functions with respect to the rights and obligations of the Authority under this Agreement. As of the execution of this Agreement, the Airport Manager is TBI Airport Management, Inc. a Delaware corporation.

“Airport Rules and Regulations” means the July 1, 2023 Airport Rules and Regulations or any successor adopted by the Authority Commission. The Airport Rules and Regulations are available on the Authority’s webpage (hollywoodburbankairport.com).

“Airport Terminal” means the Replacement Passenger Terminal (under construction as of the execution of this Agreement) in the northeast quadrant of the Airport, including all user movement areas, public areas, baggage claim areas, interconnecting hallways, and concourses.

“Airport Use Agreement” or “AUA” means the Airport Use Agreement (or similar agreement) between the Authority and an Air Carrier, under which the Air Carrier has a long-term lease (i.e., of multiple years and not on a month-to-month basis) of Airport space for the Air Carrier’s operations to provide scheduled air transportation of persons or property to and from the Airport.

“Authority” means the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency.

“Authority Commission” means the Burbank-Glendale-Pasadena Airport Authority Commission.

“Authority Parties” means the Authority, the Airport Manager, the Cities of Burbank, Glendale, and Pasadena, California, and their respective commissioners, officials, directors, officers, employees, agents, representatives, contractors, successors, and assigns.

“BAC” means Burbank Airline Consortium, LLC, its successors, and permitted assigns.

“BAC Agents” means BAC’s employees, consultants, subcontractors, licensees, vendors, affiliates, invitees (not including Air Carrier passengers), servicepersons, or contractors, or other persons performing services on behalf of or for the benefit of BAC, regardless of location.

“BAC Member Committee” means the Member Committee established under the Member Agreement to manage BAC.

“BAC Property” means the equipment, systems, furnishings, and fixtures owned by BAC and used at the Consortium Operation Areas in connection with BAC’s performance of its obligations under this Agreement. BAC Property is listed in Exhibit B.

“Commencement Date” has the meaning specified in Section 2.02.

“Confidential Information” means information of a proprietary or otherwise confidential nature, but excludes any information relating to a party to the extent that the information: (i) was already known by the other party at the time of disclosure to the other party; (ii) is or becomes publicly available through no fault of the other party; or (iii) is disclosed by the other party to a third party, provided that at the time of such disclosure such third party was lawfully in possession of such information.

“Consortium Equipment” means the Authority-owned equipment and systems to be operated, maintained, and used by BAC in accordance with this Agreement, and as described on Exhibit A.

“Consortium Equipment Refurbishment and Replacement Plan” or “Plan” has the meaning specified in Section 3.09(c).

“Consortium Manager” has the meaning specified in Section 3.11(a).

“Consortium Manager Agreement” means a contract between BAC and a counterparty pursuant to which the counterparty assumes the duties of a Consortium Manager.

“Consortium Operation Areas” means the areas in the Airport for BAC’s operation, maintenance, and use of the Consortium Equipment pursuant this Agreement, as designated by the Authority.

“Consortium Vendor” means one or more vendors or service providers engaged by BAC to: (i) maintain, repair, or operate the Consortium Equipment; (ii) procure or install replacement Consortium Equipment; (iii) procure parts for the Consortium Equipment; or (iv) provide other services relating to the Consortium Equipment and the BAC Property.

“Consortium Vendor Agreement” means a contract between BAC and a Consortium Vendor pursuant to which the Consortium Vendor provides services relating to the Consortium Equipment and the BAC Property.

“Contamination” means any spilling, discharging, releasing, or disposing of Hazardous Substances on, in, under, or about the Airport, or any other contamination or deterioration of groundwater, subsoil, or soil in, on, under, or originating from the Airport.

“CUPPS” means an IATA-certified common use passenger processing system.

“CUSS” means an IATA-certified common use self-service system.

“Disbursement Period” has the meaning specified in Section 4.01(g).

“Effective Date” has the meaning specified in Section 2.01.

“Environmental Law” means any applicable law or court order pertaining to the environment, Hazardous Substances, pollutants, occupational safety and health, industrial hygiene, or environmental conditions on, under, or about the Airport.

“Equipment Access Agreement” means a contract between BAC and a Handler to allow access to the Consortium Equipment by the Handler.

“Equipment Use Agreement” means a contract between BAC and any Non-Member Air Carrier seeking to use the Consortium Equipment and the Services.

“Event of Default” shall have the meaning specified in Section 10.01.

“Executive Director” means Burbank-Glendale-Pasadena Airport Authority Executive Director (or, in the absence of the Executive Director, such other Authority officer designated by the Authority Commission) or such person’s designee.

“Expiration Date” the date on which this Agreement is scheduled to expire, as specified in Section 2.04.

“FAA” means the Federal Aviation Administration or its successor.

“Federal Requirements” means the federal requirements set forth in the attached Exhibit E, which requirements are applicable to projects not funded by an Airport Improvement Program grant from the Federal Aviation Administration.

“Fiscal Year” means the annual period from July 1 through June 30.

“GSE” or “Ground Support Equipment” means ground support equipment (whether powered or non-powered) that is used to perform ground functions to support Air Carriers on Airport premises.

“Handler” means any person that: (i) executes an Equipment Access Agreement; and (ii) obtains all necessary approvals from the Authority to perform handling services for one or more Air Carriers.

“Hazardous Substances” means any hazardous or toxic substance, material, or waste that is or shall become regulated by an Agency. Hazardous Substances includes any material or substance that is: (i) defined or listed as a “hazardous waste,” “extremely hazardous waste,” “restrictive hazardous waste,” or “hazardous substance;” (ii) considered a waste, condition of pollution, or nuisance under Environmental Law; (iii) petroleum or a petroleum product or fraction thereof; (iv) asbestos or asbestos-containing materials; (v) flammable or explosive substances; (vi) mold, mold spores, or fractions thereof; or (vii) substances designated by an Agency to cause cancer or reproductive toxicity.

“IATA” means the International Air Transport Association or its successor.

“License Agreement” means a “Non-Exclusive License Agreement” (or similar agreement) between a licensee and the Authority, under which the Authority grants the licensee the right to operate at the Airport.

“Loan” means the loan extended by the Authority to BAC for start-up cost assistance pursuant to Section 4.01.

“Maintenance Standards” means the maintenance standards set forth in the attached Exhibit C.

“Member Air Carrier” means an Air Carrier that is a party to the Member Agreement and is a member of BAC.

“Member Agreement” means the Burbank Airline Consortium Member Agreement between the Member Air Carriers pertaining to the allocation of rates, fees, and charges established pursuant to this Agreement and other expenses of BAC, and covering other related issues such as membership, governance, default, withdrawal, insurance, and indemnification.

“MUFIDS” means an IATA-certified multi-use flight information display and paging system.

“Non-Member Air Carrier” means an Air Carrier that: (i) uses the Airport; (ii) is not a party to the Member Agreement and is not a member of BAC; and (iii) has executed an Equipment Use Agreement.

“Note” means the promissory note, in the form set forth in attached Exhibit D, executed by BAC to memorialize the Loan.

“Operating Permit” means a contract between the Authority and an Air Carrier (other than an Airport Use Agreement) under which the Air Carrier leases space for the Air Carrier’s operations to provide air transportation of persons or property to and from the Airport.

“Operating Reserve Account” means the operating account established and maintained by BAC pursuant to Section 4.06.

“ORAT” means Operational Readiness and Airport Transfer processes, as determined by the Authority, to be undertaken in preparation of the RPT Opening Date.

“Required Insurance” means insurance requirements specified in Article 9.

“RPT Opening Date” means the first date on which the Airport Terminal is opened to the travelling public and serves commercial flights. As of the execution of this Agreement, the RPT Opening Date is anticipated to be October 13, 2026.

“Services” means the services to be performed by BAC pursuant to this Agreement.

“Signatory Airline” means an Air Carrier that has executed an Airport Use Agreement.

“State” means the State of California.

“TSA” means the Transportation Security Administration or its successor.

“User” means any Member Air Carrier, Non-Member Air Carrier, or Handler.

1.02 Interpretation.

Unless otherwise expressly indicated or apparent from the context:

- (a) Article and Section references are to provisions of this Agreement.
- (b) The word “person” shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public agencies, as well as natural persons.
- (c) Words importing the singular shall include the plural and vice versa.
- (d) References to a contract or instrument shall mean such contract or instrument as the same may from time to time be supplemented or amended.
- (e) References to a statute, regulation, or ordinance shall be deemed to refer to the then-current version of the statute, regulation, or ordinance.
- (f) The words “including,” “includes” and “include” shall be deemed to be followed by words “without limitation” or “but not limited to” or words of similar import.
- (g) In the event of conflicts between this Agreement and the Airport Use Agreement, the Airport Use Agreement shall control.
- (h) Use of the word “or” in a series such as a, b, or c means any one or more of the items in the series.

- (i) The word “shall” is mandatory and the word “may” is permissive.

1.03 Exhibits.

(a) The attached Exhibits A through E are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibits A through D, the provisions of this Agreement shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit E, the provisions of Exhibit E shall prevail.

(b) Whenever information in an exhibit becomes outdated, the parties may substitute an updated exhibit. Such substitution shall not require Authority Commission approval.

**ARTICLE 2
TERM; USE OF AIRPORT PREMISES**

2.01 Effective Date.

The Effective Date of this Agreement is January 20, 2026.

2.02 Rights as of Commencement Date.

BAC shall have the right to operate, maintain, and use the Consortium Equipment at the Airport as of the Commencement Date. “Commencement Date” means a date to be designated by the Authority once the City of Burbank issues a temporary certificate of occupancy for the Airport Terminal. The Authority shall notify BAC of the Commencement Date at least five days in advance. As of the execution of this Agreement, the Commencement Date is expected to occur in May 2026.

2.03 Cooperation Before RPT Opening Date.

BAC shall cooperate with the Authority with respect to preparation for the RPT Opening Date. BAC, at its sole expense, shall participate in ORAT activities as requested by the Authority.

2.04 Expiration Date.

The initial Expiration Date of this Agreement shall be June 30, 2035. No later than one June 30, 2034, the Authority may deliver to BAC a request for a five-year extension. If BAC approves such request by August 15, 2034, then the term of this Agreement shall be extended to June 30, 2040. Authority Commission approval shall be required for exercise of the extension option.

2.05 Use of Airport Premises.

(a) From the Commencement Date to the Expiration Date (or earlier termination of this Agreement), BAC shall be granted: (i) a revocable non-exclusive license to use the Consortium Operation Areas; and (ii) the rights of ingress to and egress from the Consortium Operation Areas via the public areas of the Airport, Airport roadways, and common-use roadways, exercised in a reasonable manner. BAC shall obtain the Authority's prior approval before accessing other areas of the Airport. However, no Authority approval is needed for BAC to enter into an Airport tenant's leased space as that tenant's invitee.

(b) Before the Commencement Date, the Authority shall specify the Consortium Operation Areas to BAC. The Authority may from time to time designate a different location for any portion of the Consortium Operation Areas. Unless required for urgent health, safety, or legal reasons (as determined by the Executive Director), the Authority shall give 30-days notice of such a relocation. BAC accepts the Consortium Operation Areas in their "as is, where is, and with all faults" conditions, without any Authority warranty.

ARTICLE 3 USE AND OPERATION OF CONSORTIUM EQUIPMENT

3.01 Right to Operate, Maintain and Use Consortium Equipment.

BAC shall have the right and obligation to operate, maintain, and use the Consortium Equipment in accordance with this Agreement.

3.02 Permitted Uses.

BAC shall operate the Consortium Equipment and the BAC Property at the Consortium Operation Areas for the handling of flights and passengers by Member Air Carriers and other Air Carriers using the Consortium Equipment, and for the performance of activities reasonably necessary or convenient in connection with the foregoing.

3.03 Limitations Upon Use.

BAC shall not operate the Consortium Equipment for purposes other than the purposes specified in this Agreement. BAC shall not do, or cause or permit anything to be done, in connection with the Consortium Equipment, or bring or keep anything which will increase the risk of fire or explosion on Airport property; shall not create a nuisance; shall not obstruct or interfere with the rights of others on Airport property; shall not commit or suffer to be committed any waste in relation to the Consortium Equipment; and shall not use or allow the Consortium Equipment to be used for any unlawful purposes or to be operated in such a way as to interfere with Airport safety.

3.04 Compliance With Laws and Regulations; Licenses and Permits.

At all times, BAC shall comply with the Airport Rules and Regulations and all applicable laws. Violations of the Airport Rules and Regulations by BAC or BAC Agents shall be punishable

as stated in the Airport Rules and Regulations including by administrative fines. BAC shall comply with the Federal Requirements set forth in the attached Exhibit D. BAC shall, at its own expense, obtain and keep current all licenses, permits, approvals, and certificates required for its operation at the Airport and pay all fees promptly when due, subject to BAC's right to contest such fees.

3.05 Authority's Disclaimer of Liability.

The Authority shall have no liability for any damage to persons or property as a result of the operation, maintenance, use, or misuse of any Consortium Equipment unless, and only to the extent that, such damage results from the sole negligence or willful misconduct of the Authority.

3.06 Access to Consortium Equipment.

(a) BAC shall operate, maintain, and use the Consortium Equipment, affording all Air Carriers access to the Consortium Equipment, subject to non-discriminatory reasonable rules and fees established by BAC.

(b) BAC may require the following conditions precedent to the use of the Consortium Equipment:

(i) For a Non-Member Air Carrier, such Air Carrier has a current Operating Permit to operate at the Airport and has entered into an Equipment Use Agreement with BAC.

(ii) For a Handler, such Handler has a current License Agreement to operate at the Airport and has entered into an Equipment Access Agreement with BAC.

(iii) The related Equipment Use Agreement or Equipment Access Agreement addresses payment of fees, insurance, indemnification, and other matters as may reasonably be required by BAC.

(c) BAC shall provide notice to the Executive Director of any default under an Equipment Use Agreement or an Equipment Access Agreement.

3.07 Acceptance of Consortium Equipment.

BAC accepts the right and obligation to operate and use the Consortium Equipment in its "as-is" condition with no representation or warranty by the Authority. The Authority shall assign any rights under a warranty provided by a third party in connection with the Consortium Equipment. No provision of this Agreement shall restrict or otherwise limit the right of BAC to pursue a claim or exercise any right under such third-party warranties. At the request of BAC, the Authority shall cooperate and provide reasonable assistance (including the provision of relevant information) for BAC to pursue any claim or exercise any right under any such third-party warranty. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS

FOR USE OF THE CONSORTIUM EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. BAC ACKNOWLEDGES THAT THE AUTHORITY IS NOT A CONTRACTOR OR A MANUFACTURER OR A DEALER OF THE CONSORTIUM EQUIPMENT (OR ANY COMPONENT THEREOF). BAC ACCEPTS THE CONSORTIUM EQUIPMENT AS IS-WHERE IS.

3.08 Consortium Equipment Maintenance.

BAC shall maintain the Consortium Equipment (including the performance of inspections and testing) in a manner consistent with legal requirements, manufacturer guidelines, prevailing industry standards, and the Maintenance Standards.

3.09 Consortium Equipment Refurbishment, Alterations or Replacement.

(a) BAC may, subject to compliance with all applicable permitting requirements, at its own cost and with prior approval of the Authority, refurbish the Consortium Equipment. For the purposes of this Agreement, “refurbish” shall mean the process to renew, repair, or restore the operational or aesthetic condition of the Consortium Equipment during which components are inspected and replaced as necessary, but does not include performance of routine preventative maintenance or cleaning tasks. Any Consortium Equipment that is refurbished by BAC shall remain the property of the Authority. BAC shall assure that: (i) no refurbishment shall result in any lien being placed on the Consortium Equipment; and (ii) no refurbishment shall reduce the Consortium Equipment’s useful life, violate any warranty condition on the Consortium Equipment, or otherwise reduce the value of the Consortium Equipment.

(b) BAC may, subject to compliance with all applicable permitting requirements, at its own cost and with prior approval of the Authority, install any improvement or do any remodeling, construction, or modification to the Consortium Equipment. Any such installation, remodeling, construction or modification (“Alteration”) shall be part of the Consortium Equipment and all Consortium Equipment shall remain the property of the Authority. BAC shall assure that: (i) no Alteration shall result in any lien placed on the Consortium Equipment; and (ii) no Alteration shall reduce the Consortium Equipment’s useful life, violate any warranty condition on the Consortium Equipment, or otherwise reduce the value of the Consortium Equipment.

(c) BAC shall submit to the Authority: (i) a Consortium Equipment Refurbishment and Replacement Plan (as described below) on or before September 1 after the first anniversary of the Effective Date; and (ii) an updated Plan each September 1 thereafter. During each Fiscal Year, BAC shall, at its own cost and without reimbursement from the Authority, replace or refurbish Consortium Equipment according to the then-current Plan.

(i) Each Consortium Equipment Refurbishment and Replacement Plan shall specify, for the ensuing five Fiscal Years: a list of Consortium Equipment expected to be in need of refurbishment or replacement, the proposed scope of refurbishment, suggested replacement equipment, a refurbishment or replacement schedule, proposed budget, and stated

reason(s) for refurbishment or replacement (e.g., obsolescence, end of useful life, no longer cost effective to repair, etc.).

(ii) The Authority shall have the right to expand the list of Consortium Equipment that should be upgraded (as defined below). In the event BAC objects to the upgrades, BAC shall give notice of such objection, the parties shall discuss the resolution, and the Plan shall be revised to include such resolution. Should the parties fail to reach a consensus, the Plan shall be revised according to the Authority's list of upgrades.

(iii) For purposes of this Agreement, an "upgrade" is defined as a refurbishment or replacement of an item of Consortium Equipment (including systems, sub-systems, or system components) that significantly changes the capability of such Consortium Equipment (system, sub-system, or system component), and that is being made specifically to effect a change in capability and to benefit Users. The term "upgrade" does not include any refurbishment or replacement that is required to maintain Consortium Equipment in good condition or good working order ("Like-Kind Replacement"). Replacement of an item of Consortium Equipment or component by a similar item of Consortium Equipment or component will be deemed a Like-Kind Replacement regardless of whether such replacement changes the capability of the Consortium Equipment or component, provided that: (i) the same item of Consortium Equipment or component is no longer available from the manufacturer or broader marketplace; and (ii) the replacement or refurbishment is required to maintain such item of Consortium Equipment or component in good condition or good working order.

(iv) In its sole discretion, the Authority may agree to a re-scheduling, temporary delay, or permanent deferral of any items included in the Plan.

(d) In the event additional Consortium Equipment is required to meet new customer service or technology requirements or to support changes in aviation security pursuant to legal requirements, BAC shall submit a plan (including description of the additional Consortium Equipment, budget, schedule, and scope of work for installation) to the Authority for approval. BAC shall incorporate into the plan such changes as required by the Authority. BAC, at its own cost and without reimbursement from the Authority, shall procure and install the additional Consortium Equipment according to the plan approved by the Authority.

3.10 Title to Consortium Equipment.

Unless expressly stated otherwise in Exhibit A the Authority shall be the owner of, and have full title to, the Consortium Equipment (in their original form, or as refurbished or upgraded and including any replacement), regardless whether any procurement was accomplished using Authority or BAC funds.

3.11 Consortium Manager, Consortium Vendors; Adequate Staffing.

(a) BAC shall at all times retain a qualified, competent and experienced manager ("Consortium Manager") who shall manage and supervise BAC's operations, with authorization to make representations and take ordinary actions with respect to such operations (including control of on-site personnel) on BAC's behalf. All approvals, consents, representations

and commitments of such Consortium Manager shall be binding upon BAC and notices to the Consortium Manager shall constitute notice to BAC. The Consortium Manager shall generally be available to be contacted by the Authority during regular business hours (between 8:00 AM to 5:00 PM PST). A qualified, competent, and experienced subordinate shall be in charge and available at all times during the Consortium Manager's absence. Subject to Section 3.12, BAC may enter into a Consortium Manager Agreement to retain a third-party to serve as the Consortium Manager. BAC shall provide the Authority the name and relevant contact information before any Consortium Manager assumes the post, and shall furnish advance notification to the Authority regarding any changes. BAC shall give 30-days notice to the Executive Director before removing or replacing a Consortium Manager.

(b) In addition to Consortium Manager Agreements, BAC may enter into other subcontracts, in the form of Consortium Vendor Agreements, to carry out BAC's responsibilities under this Agreement.

(c) If the Executive Director determines that the Consortium Manager or any Consortium Vendor is not performing under its respective agreement or whose performance is detrimental to the Consortium Equipment, the Airport, passengers, public safety, or security, the Executive Director shall notify BAC. BAC shall promptly propose remedial actions. BAC shall terminate and replace such non-performing party with a qualified replacement satisfactory to the Executive Director, if either: (i) BAC fails to respond within five days of the Executive Director's notice (provided that the Executive Director may specify a shorter deadline if the Executive Director deems appropriate in view of the circumstances), or (ii) if the Executive Director determines that BAC's proposed remedial actions are inadequate, or (iii) the problem persists after implementation of the remedial actions.

(d) At all times, a subcontractor's performance under its subcontract with BAC at or around the Airport (or otherwise relating to BAC's responsibilities under this Agreement) shall be deemed to be under BAC's supervision. All acts or omissions of such subcontractor shall be deemed to be those of BAC. The Authority shall have the right to enforce any violation by a subcontractor as if the violation was committed by BAC, and accordingly exercise remedies against BAC pursuant to this Agreement. Any such delegation of duties under a subcontract shall not limit or reduce the obligations and responsibilities of BAC under this Agreement. BAC shall notify the Executive Director of any default under the Consortium Manager Agreement or Consortium Vendor Agreements. BAC shall enforce the terms and conditions of the Consortium Manager Agreement and all Consortium Vendor Agreements at its own expense and in a diligent manner.

(e) BAC, by itself or through subcontractors, shall have available qualified and properly trained personnel in adequate numbers to perform its responsibilities under this Agreement.

3.12 Forms of Consortium Contracts.

(a) As used below, “Consortium Contracts” mean the Equipment Use Agreements, the Equipment Access Agreements, the Consortium Vendor Agreements, and the Consortium Manager Agreement.

(b) With respect to each category of Consortium Contract, BAC shall provide the Authority a form of the contract no later than 30 days before executing the first of such contracts. Each Consortium Contract shall contain indemnification of the Authority Parties, in the form acceptable to the Authority. BAC shall make such modifications as the Authority may reasonably request. Thereafter, BAC shall: (i) provide the Authority at least 30 days to review any substantive changes to the form or any material amendments to the then-existing Consortium Contracts, and (ii) incorporate such changes as the Authority may reasonably request. BAC shall only enter into Consortium Contracts that substantially conform to forms approved by the Authority.

3.13 Security Program.

(a) BAC shall adopt and implement a security program that: (i) complies with applicable laws; (ii) is consistent and compatible in all respect with Authority’s overall security program for the Airport; and (iii) is acceptable to the Authority and the TSA. Modifications to the security program shall be subject to the Authority’s advance approval. Upon receipt of the Authority’s request, BAC shall amend the security program in accordance with such request within 30 days (or such shorter time period as the Authority may, in its sole discretion, require).

(b) In connection with its operations, BAC may receive, gain access to or otherwise obtain certain knowledge and information related to the Authority’s overall Airport security program. BAC acknowledges that all such knowledge and information is of a highly confidential nature. BAC covenants and agrees that no person, whether a BAC employee or a third party, shall be permitted or gain access to such knowledge and information, unless such person has been approved by the Authority in advance in writing, which approval may be granted or withheld by the Authority in its sole discretion. Subject to the foregoing, BAC is permitted to direct such security knowledge and information to its employees who require same to conduct BAC operations or to comply with any law or with the Airport Rules and Regulations.

(c) Without limiting Section 9.07, BAC shall be responsible for any breach of security that occurs as a result of BAC’s or any BAC Agent’s negligence or willful misconduct. BAC shall indemnify and hold harmless the Authority Parties from and against any and all fines, claims, costs, expenses, damages and liabilities, including all attorneys’ fees and costs resulting directly or indirectly from such breach or any violation of this Section. The Authority shall provide BAC notice of and consult with BAC regarding any claims that the Authority has knowledge of and are related to BAC shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas.

3.14 Annual Meeting.

The Executive Director and BAC shall meet at least annually on or about February 1 to review matters of interest to the parties and to review BAC's performance over the last Fiscal Year.

3.15 Authority Representative for BAC Member Committee Meetings.

(a) The Executive Director's designee ("Authority Representative") shall be invited to participate in, and shall be provided with agendas of, meetings of the BAC Member Committee. The Executive Director shall designate the Authority Representative in writing.

(b) Except as otherwise provided in the Member Agreement, the Authority Representative shall be able to participate in meetings of the BAC Member Committee; however, the Authority Representative shall not be vested with voting privileges, or any other privileges or responsibilities of membership, at the Member Committee meetings.

(c) Except as otherwise provided in the Member Agreement, the Authority Representative shall be provided copies of any reports provided to members of the BAC Member Committee.

ARTICLE 4 START-UP LOAN; FINANCIAL OBLIGATIONS

4.01 Start-Up Loan.

(a) To assist BAC with its start-up costs, the Authority is willing to extend a Loan of up to \$2 million, subject to the conditions set forth in this Section.

(b) BAC shall use Loan proceeds only for its operations related to the Airport Terminal as contemplated in this Agreement.

(c) To initiate the Loan, BAC shall deliver to the Authority, a duly executed Note, in the form set forth in Exhibit E. All terms and provisions of the Note are incorporated and made a part of this Agreement.

(d) To request a disbursement of Loan funds, BAC shall submit to the Authority all of the following: (i) a written request, specifying the amount for the disbursement, (ii) related invoices or evidence of contractual commitments; and (iii) such other supporting documents as the Executive Director may require.

(e) Within 15 days of the Authority's receipt of a disbursement request, the Executive Director shall notify, or cause the Authority's Director of Financial Services to notify, BAC whether the request has been denied (and, in such case, include an explanation for the denial) or granted (and, in such case, specify a disbursement date).

(f) Each disbursement shall be in the form of a check issued by the Authority and shall be either: (i) given to BAC's authorized representative at the office of the Authority's Director of Financial Services at a mutually acceptable time; or (ii) at BAC's request, sent to a physical address (and not a P.O. Box) specified by BAC by registered mail (or by FedEx or another

overnight courier), receipt required. BAC shall designate, in writing, its representative(s) authorized for in-person collection of the disbursement checks. Once a check is given to a BAC authorized representative (for in-person pick-up) or mailed, BAC assumes all risks for any delays, mis-delivery or other related losses. BAC shall reimburse the Authority, on demand, for any expense relating to stop-payment or re-issuance of checks.

(g) All Loan disbursements shall be made during the “Disbursement Period” – which begins on the day that the Note is delivered to, and accepted by the Executive Director, and ends on the thirtieth day after the RPT Opening Date. BAC shall submit its final disbursement request at least five days before the close of the Disbursement Period.

4.02 Financial Obligations.

(a) BAC shall be responsible for all cost of the operation, maintenance, and use of the Consortium Equipment.

(b) BAC shall pay all cost of any refurbishment, upgrade, or replacement of Consortium Equipment and all cost of additional Consortium Equipment pursuant to Article 3.

(c) BAC shall pay all cost of utilities required for performing its obligations under this Agreement. BAC shall be responsible for paying bills sent directly to BAC by a utility provider. For usage through the Authority’s account with a utility provider, the Authority shall invoice BAC for use based on the rates charged to the Authority by the utility provider (and may include administrative charges established by the Authority from time to time). Notwithstanding the foregoing, if a utility service is not separately metered, the cost for such utility will be charged to BAC and the Authority shall recapture such cost through the rates and charges process under the Airport Use Agreement.

(d) The Authority’s undertaking of maintenance or repair, or remedial actions for which BAC is otherwise responsible under this Agreement (including those pursuant to Section 6.01 or at BAC’s request) shall be at BAC’s cost. Related Authority invoices shall be paid within 30 days of receipt.

(e) The Authority has no obligation to provide vehicle parking spaces to any BAC Agent. Upon BAC’s request, the Authority has the discretion to make spaces available at locations in common with employees of Airport tenants. To the extent that the Authority provides parking spaces, the Authority shall charge BAC a monthly fee based on the then-current rate for such spaces. Parking fees shall be due upon receipt of each Authority invoice.

(f) BAC shall pay an allocable share of the cost for trash removal and recycling services based on the cost to the Authority, as allocated in any manner that the Authority deems reasonable. Trash removal and recycling charges shall be due 30 days of invoice from the Authority.

(g) The foregoing list does not limit BAC’s obligation to pay as required under other provisions of this Agreement.

4.03 Payments to Authority.

(a) On demand, BAC shall pay any costs which it is obligated to make to the Authority unless otherwise specified in this Agreement or in an Authority invoice. BAC shall be responsible for attorneys' fees and costs incurred by the Authority for collection of overdue payments.

(b) All payments to the Authority shall be paid in lawful money of the United States of America without presentment, abatement, setoff, or deduction. The Authority may accept payment without prejudice to its right to recover the balance of such amount due and to pursue any other available remedies.

(c) Each payment shall be accompanied with a detailed remittance advice, or clear instructions, outlining what charges are being paid. BAC shall be responsible for any charges imposed by an intermediary financial institution for the transmission of a payment to the Authority. Unless otherwise directed by the Authority in writing, payment (or remittance advice, if payment made via Automated Clearing House (ACH) or Electronic Fund Transfer (EFT) or similar method) required by this Agreement shall be made payable to "Burbank-Glendale-Pasadena Airport Authority" and delivered to the Authority's Accounting/Finance Department at the address set forth in Section 15.01, with an electronic copy to AR@bur.org.

4.04 Security Deposit.

(a) BAC shall, on or before the Commencement Date, deposit with the Authority cash ("Security Deposit") in the amount of \$10,000 to guarantee the faithful performance and payments due to the Authority. The Authority may use the Security Deposit to pay delinquent charges payable by BAC.

(b) The Authority, in its sole discretion, may adjust such Security Deposit requirement from time to time upon a determination that an additional amount is reasonably necessary to protect the Authority and the Airport from changed circumstances. After the Loan has been repaid in full, at BAC's request, the Authority may, in its sole discretion, lower the Security Deposit requirement to an amount not less than \$1,000.

(c) The Authority shall not pay interest on the Security Deposit and shall not be required to keep the Security Deposit separate from its other funds and accounts. If BAC shall have fully performed all terms and conditions of this Agreement, any cash constituting the Security Deposit shall be paid to BAC no later than 30 days after the Expiration Date, without interest; provided, however, if BAC does not timely vacate the Airport premises, the Authority shall retain the Security Deposit but such retention shall not limit any rights of the Authority arising from BAC's violation of Section 5.02.

(d) BAC's obligation to provide and maintain the Security Deposit shall be a continuing obligation in the nature of a payment obligation. In the event the Authority is required to draw down or collect against the Security Deposit for any reason, BAC shall, within 10 business days after the Authority's written notice to BAC of such draw down or collection, take such action as may be necessary to replenish the Security Deposit to its required amount. The Authority shall

not be barred from drawing down or collecting against BAC's Security Deposit by: (i) BAC's insolvency; (ii) BAC's election to take the benefit of any present or future insolvency statute; (iii) a general assignment by BAC for the benefit of creditors; or (iv) any action of BAC to seek a reorganization or the readjustment of its indebtedness under any law including the filing by BAC of a voluntary petition of bankruptcy or the institution of proceedings against BAC or the adjudication of BAC as bankrupt.

4.05 BAC Accounting and Records.

(a) BAC shall maintain separate books and records that shall show a true and accurate record of all income (including payments collected from Members and Non-Member Air Carriers), and all cost and expenses incurred in connection with BAC's operation under this Agreement.

(b) All such books and records shall be kept in accordance with generally accepted accounting principles (GAAP), consistently applied.

(c) The Authority shall have the right, through its representatives, to inspect such books and records upon written request made at least 36 hours before the inspection. BAC shall maintain the books and records in a physical location readily accessible by the Authority for at least six years after the end of the Fiscal Year to which they pertain or, in the event of a claim by the Authority, until such claim for payments shall have been resolved. This provision shall survive the expiration or termination of this Agreement.

4.06 Operating Reserve Account.

BAC shall establish and maintain an operating reserve account ("Operating Reserve Account") and shall draw upon the Operating Reserve Account to pay operating expenses, including amounts payable to the Authority, as they become due when no other funds are immediately available. BAC warrants that the Member Agreements provide for: (i) each Member's required contribution for the initial deposits into the Operating Reserve Account; and (ii) the prompt replenishment of the Operating Reserve Account whenever there is such a withdrawal.

ARTICLE 5 TRANSFERS UPON TERMINATION; HOLDOVER

5.01 Transfer of Work-in-Progress; Assignment of Warranty Rights.

Upon expiration or termination of this Agreement, BAC shall transfer title to the Authority, and deliver in the manner, at the times, and to the extent, if any, directed by the Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to the Authority. With respect to any warranty relating to the Consortium Equipment that runs to the benefit of BAC, BAC shall assign its rights under such warranty to the Authority upon the termination of this Agreement.

5.02 Peaceable Vacation of Premises and Cessation of Rights.

On expiration or termination of this Agreement, BAC's license to use the Consortium Operating Areas (and related ingress and egress rights) shall cease and no notice to vacate shall be given by the Authority. All of BAC's rights and privileges with respect to the operation, maintenance, and use of the Consortium Equipment and access to Airport facilities in connection therewith shall cease as of such date. BAC shall peaceably leave the Consortium Equipment at the Airport locations designated by the Authority in a condition similar to that which existed at the Commencement Date or at the time of installation, if later, except for reasonable wear and tear, damage due to casualty (subject to Article 11), and other events outside of the control of BAC. All paper and electronic documents and records related to the operation, use, and maintenance of the Consortium Equipment, including all original equipment manufacturer's manuals, bulletins, and other documents and all records, reports and other documentation produced by BAC or the Consortium Vendors shall be delivered to the Authority. At all times the Authority shall retain full title to the Consortium Equipment.

5.03 Removal of BAC Property.

(a) No later than expiration or termination of this Agreement, BAC shall remove, or caused to be removed, all BAC Property and other BAC personal property from the Consortium Operation Areas and other Airport facilities. If such removal causes damage to any Authority property, BAC shall be responsible for cost to repair such damages to restore the Authority property to the condition as it existed before the damage.

(b) Any BAC Property and other BAC personal property not so removed by the expiration or termination of this Agreement shall be a "Holdover Property." The Authority shall have the right to move any Holdover Property to a location at the Airport or a warehouse for temporary storage, and charge BAC for storage cost, at a rate determined by the Authority, due upon invoice. The Authority shall not have any liability relating to the Holdover Property, and BAC shall indemnify and hold harmless the Authority from and against all liability relating thereto. The Holdover Property shall be deemed abandoned after BAC's failure to remove such property within 60 days after expiration or termination of this Agreement. Thereafter, the Authority shall have the right to sell the same. The Authority may either: (i) keep such proceeds; or (ii) apply the proceeds first to the expenses (inclusive of Authority administrative cost) of such removal, storage and sale, second to any sum owed by BAC to the Authority, and any balance remaining shall be paid to BAC.

5.04 Survival.

This Article shall survive expiration or termination of this Agreement.

ARTICLE 6

AUTHORITY INSPECTIONS; EQUIPMENT WARRANTIES; TECHNICAL LIAISONS

6.01 Inspections by Authority; Performance by the Authority upon Failure by BAC.

(a) The Authority shall have the right, without any obligation to do so, at any reasonable time after reasonable notice to be provided in writing no less than 24 hours, and as often as it considers necessary, to inspect the Consortium Equipment so long as such inspection does not unreasonably interfere with the Users' permitted use of the same. In the event the Authority identifies a maintenance or repair need, it shall give written notice thereof to BAC.

(b) The Authority may, by notice to BAC, direct BAC to perform such maintenance and repair of the Consortium Equipment at BAC's cost within a reasonable period of time determined by Authority, which could be immediate if the situation requires. If BAC fails to perform such maintenance or repair by the deadline, the Authority may perform such maintenance and repair, at BAC's cost.

(c) In the event the Authority reasonably believes that there is a Consortium Equipment problem that interferes with essential facilities or endangers the safety of operations at the Airport, the Authority may, by written or verbal notice (followed up in writing) to BAC, direct BAC to take immediate remedial action to protect such facilities and eliminate such danger. If BAC will not or is unable to do so immediately, then the Authority may do so at BAC's cost.

6.02 Authority Property.

If the Authority permits BAC to use any property owned by the Authority, including fixtures, furnishings, or equipment, BAC shall use such property for its intended purposes and with due care, according to applicable legal and safety standards. If such usage results in any damage to the Authority property (other than reasonable wear and tear), then BAC shall, at the Authority's option, either: (i) repair, and as necessary, replace such property at BAC's expense; or (ii) reimburse the Authority for the cost of the repair or replacement.

6.03 Warranties.

BAC shall reasonably obtain on the Authority's behalf all customary warranties for the Consortium Equipment in connection with BAC's repair, maintenance, and replacement obligations. The parties shall reasonably cooperate with each other to enforce all warranties on the Consortium Equipment. BAC, as the entity responsible for maintenance, and the Authority, as owner, shall both cooperate to take all reasonable steps to enforce such warranties.

6.04 Liaisons.

Each party shall designate a technical representative to liaise with the other party on technical and operational issues, as appropriate. Each party shall cooperate and permit the other party's representative to participate in technical and operational activities, including periodic inspections and Consortium Equipment problem-solving.

ARTICLE 7
BAC MEMBERSHIP, RATES AND CHARGES, OTHER EQUIPMENT USAGE

7.01 BAC Membership.

Status as a Signatory Airline is a prerequisite that must be achieved before an Air Carrier may become a Member Air Carrier. All Member Air Carriers will join BAC pursuant to the terms of the Member Agreement. Every Signatory Airline shall be given an opportunity to become a Member Air Carrier, subject to the terms of the Member Agreement. The Member Agreement shall provide that an Air Carrier will lose its membership to BAC upon the loss of its Signatory Airline status.

7.02 Rates and Charges.

(a) BAC shall operate and maintain the Consortium Equipment and shall, subject to applicable restrictions or requirements imposed by law, fix, charge and collect such rates, fees and charges, including those payable pursuant to the Member Agreement, for the use of and services provided for the use of the Consortium Equipment, which will, together with any other available funds, be sufficient to pay the cost of operating, maintaining, repairing, refurbishing, and replacing the Consortium Equipment and to make all payments and to pay all other obligations of BAC. BAC may fix, charge and collect rates, fees and charges for the use of the Consortium Equipment and services provided by BAC to Non-Member Air Carriers at an effective rate not to exceed 135% of the highest effective rate charged to any Member Air Carrier prior to any adjustments made pursuant to the Member Agreement. No Non-Member Air Carrier shall be charged at an effective rate less than the rate charged to any Member Air Carrier.

(b) BAC warrants that the Member Agreement provides for the following:

(i) Member Air Carriers' extraordinary contributions in a timely manner whenever the revenues from the rates and charges described in subsection (a), together with the amount available to be drawn in the Operating Reserve Account, are insufficient to pay for all of BAC's obligations under the Note and this Agreement.

(ii) Member Air Carriers' consent to BAC's assignment under Section 10.03 and the Authority's right to collect directly from Member Air Carriers upon an Event of Default.

7.03 Member Agreement.

BAC represents and warrants that BAC has furnished to the Authority a true and correct form of its Member Agreement. BAC shall give the Authority at least 60 days to review prior to making any substantive change to the form or executing any material amendment to the then-existing contracts, and BAC shall incorporate changes to the form as the Authority may reasonably request.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

8.01 Representations of BAC.

BAC represents and warrants to the Authority that:

- (a) BAC is a duly formed California limited liability company and is authorized to do business in the State of California.
- (b) This Agreement is duly authorized, valid, binding and enforceable on BAC.
- (c) All consents, approvals and authorizations of government entities or by or on behalf of any creditors or any other third party for the valid execution and delivery of this Agreement by BAC, and BAC's performance of its obligations under and compliance with this Agreement, have been obtained and are in full force and effect.
- (d) No other approvals of BAC's governing body, the BAC Member Committee, or any Member Air Carrier are required for BAC to execute and perform this Agreement.
- (e) Except as disclosed in writing to the Authority before execution of this Agreement, there are no actions, suits, or proceedings pending with service of process accomplished or, to BAC's best knowledge, threatened in writing against or affecting BAC, by or before any court, arbitrator, or government entity that: (i) would adversely affect BAC's ability to perform its obligations under this Agreement; or (ii) relate to BAC's execution, delivery or performance of this Agreement.
- (f) BAC's execution, delivery, and performance of this Agreement do not conflict with or would not result in a violation of, or breach of, or constitute a default under, any agreement or instrument to which BAC is a party or by which it is bound.

8.02 Representations of the Authority.

The Authority represents and warrants to BAC that:

- (a) This Agreement is duly authorized, valid, binding and enforceable on the Authority.
- (b) All consents, approvals and authorizations of government entities or any other third party for the valid execution and delivery of this Agreement, and the Authority's performance of its obligations under and compliance with this Agreement, have been obtained and are in full force and effect.
- (c) No other approvals of the Authority Commission are required for the Authority to execute and perform this Agreement.

ARTICLE 9 INSURANCE AND INDEMNIFICATION

9.01 Obligation to Maintain Insurance.

BAC shall maintain in effect the insurance coverage and limits of liability as provided in this Article ("Required Insurance"). In the event that BAC fails to maintain any of the Required Insurance, the Authority shall have the right (but not the obligation) to obtain some or all of the Required Insurance at BAC's sole expense. In the event the Authority elects to maintain some or all of the Required Insurance, BAC shall pay to the Authority its proportionate share of the premiums for all Required Insurance maintained by the Authority, and payment shall be remitted within 10 days following the delivery to BAC of each written statement setting forth the amount of such premiums and the applicable premium period.

9.02 General Liability and Workers' Compensation Coverages.

BAC shall maintain in effect insurance protecting BAC from and against claims arising out of, resulting from, or relating to the conduct by BAC of its business and otherwise relating to BAC's use of the Airport pursuant to this Agreement as follows:

(a) Comprehensive General Liability Insurance. Comprehensive General liability covering bodily injury, death, property damage and passenger liability insurance, including war and allied perils coverage under extended coverage endorsement AVN52D or equivalent, airport premises and operations liability, contractual liability, products and completed operations liability and independent contractors liability, all written on an occurrence basis in an amount not less than \$50,000,000 combined single limit for bodily injury, death, property damage and passenger liability each occurrence, and, with respect to products and completed operations liability, in the annual aggregate, and, provided that BAC has complied with the requirements of subsection (b) below, as respects the coverage provided for bodily injury and property damage under extended coverage endorsement AVN52D or equivalent (war and allied perils coverage), subject to a sub-limit of \$25,000,000 any one occurrence and in the annual aggregate, as respects non passenger third party liability only, within the full policy limit and not in addition thereto.

(b) Automobile Liability Insurance. Automobile liability insurance covering all owned, non-owned, and hired vehicles written on an occurrence basis in an amount not less than \$5,000,000 combined single limit for each occurrence for bodily injury, death and property damage.

(c) Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance written in accordance with California statutory limits and employer's liability insurance, in amounts not less than the following:

- (1) Bodily injury by accident - \$1,000,000 - each accident
- (2) Bodily injury by disease - \$1,000,000 - policy limit
- (3) Bodily injury by disease - \$1,000,000 - each employee

The employer's liability insurance shall not contain an occupational disease exclusion.

(d) War Risk Liability Coverages. All policies of liability insurance shall include war risk liability extensions.

9.03 Property Insurance.

BAC shall maintain in effect property insurance written on an all risk of direct physical loss basis covering BAC's fixtures, tenant improvements and betterments, personal property, and equipment located at the Airport in an amount not less than 100% of the replacement value. The proceeds of such insurance shall be used to repair or replace the insured property.

9.04 Adjustment of Required Insurance.

BAC acknowledges that the types and amounts of Required Insurance may become inadequate. BAC shall add such insurance or coverage and increase such minimum limits of liability by such amounts as may be required at any time by the Authority, if the Authority shall adopt a resolution or other written policy requiring such additional insurance coverage or limits of liability.

9.05 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 the State and having a rating of not less than A X in A.M. Best's Insurance Guide or otherwise acceptable to the Authority. Within 10 days prior to the Commencement Date and 10 days prior to policy renewal dates thereafter, BAC shall deliver to the Authority certificates of insurance issued by the insurance companies and evidencing that all Required Insurance has been obtained and is being maintained by BAC, together with copies of endorsements: (i) requiring the insurers to give the Authority at least 30 days' prior written notice of the cancellation or non renewal of any Required Insurance; (ii) with respect to the "all risk" property insurance, naming the Authority as a loss payee; (iii) providing that all Required Insurance is primary insurance without right of contribution of any other insurance carried by or on behalf of any Authority Party; (iv) requiring insurers to provide a waiver of subrogation in favor of the Authority Parties; and (v) with respect to the comprehensive general liability, automobile liability and employer's liability insurance, naming (A) BAC and the Member Air Carriers as named insureds, and (B) except for workers' compensation insurance, all of the Authority Parties as "additional insureds." Unless otherwise approved in writing by the Authority, the definition of "additional insured" and the coverage of the Authority as an additional insured under BAC's liability insurance policies shall be as provided in the 1997 Insurance Services Office CG 20 10 Additional Insured endorsement. The failure of BAC to provide such certificates of insurance, together with such endorsements, or, if a notice of cancellation or non renewal of any Required Insurance has been delivered to BAC, the failure of BAC 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. In no event shall any Authority Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by BAC.

9.06 No Limitation of Liability.

BAC acknowledges and agrees that the limits of liability provided in the Required Insurance shall in no event be considered as limiting the liability of BAC under this Agreement.

9.07 Indemnification of Authority.

(a) To the fullest extent provided by law, excluding however any act caused by the Authority's sole negligence or willful misconduct, BAC shall indemnify, defend and hold harmless the Authority Parties from and against all liability for claims, suits, causes of action, liabilities, losses, costs and expenses (including attorneys' fees) (collectively, "Losses") for which the Authority Parties may be held liable by reason of injury (including death) to any person (including BAC's employees, if any) or damage to any property whatsoever kind or nature of every kind relating to or arising in connection with:

(i) Any act or omission of BAC or a BAC Agent arising out of or in any manner connected with the Consortium Equipment and its operations pursuant to this Agreement or its activities at and around the Airport.

(ii) Any material breach, violation or nonperformance of any covenant, term or condition of this Agreement to be performed or observed by BAC, or of any restrictions of record or of any applicable laws affecting the Consortium Equipment or BAC Property, or the ownership, occupancy or use thereof.

(b) In case any action or proceeding is brought against the Authority by reason of any matter referred to in this Section, BAC, upon written notice from the Authority (which shall be promptly given), shall: (i) respond to the Authority in writing regarding BAC's plan of action within seven days of the Authority's notice, and (ii) at BAC's sole cost and expense, resist or defend such action or proceeding by counsel approved by the Authority in writing (which approval shall not be unreasonably withheld), provided that no approval of counsel shall be required in each instance where the action or proceeding is resisted or defended by counsel of an insurance carrier obligated to resist or defend such action or proceeding, and further provided that the Authority may engage at its own expense its own counsel to participate in the defense of any such action.

(i) If BAC determines that the defense of such action is not covered by this Section, BAC shall immediately notify the Authority.

(ii) If BAC fails to defend such action as required by this Article, BAC will be responsible for all defense costs and actual expenses incurred by the Authority insofar as permitted by law as well as any settlement amounts paid or payable by the Authority and/or damages awarded against the Authority by a court of competent jurisdiction.

(iii) The Authority shall be notified in advance of any potential settlements of any action defended herein and BAC shall also be notified of any potential settlements in the event of an Authority defense of such action.

(iv) The provisions of Section as they apply to occurrences or actual or contingent liabilities arising during the term of this Agreement shall survive the expiration or any earlier termination of this Agreement for the applicable statute of limitations, but no longer than six years.

9.08 Indemnification of BAC.

(a) To the fullest extent provided by law, excluding however any act caused by BAC's negligence or willful misconduct, the Authority shall indemnify, defend and hold harmless BAC and its officers, agents, employees, representatives, successors and assigns (collectively, "Representatives") from and against all Losses for which BAC or its Representatives may be held liable by reason of injury (including death) to any person (including Authority's employees, if any) or damage to any property whatsoever kind or nature relating to or arising in connection with:

(i) Any negligent, reckless or intentional act or omission of the Authority, its agents, employees, contractors or sublessees arising out of or in any manner connected with the Consortium Equipment (or the Airport premises on which such Consortium Equipment is stored or used).

(ii) Any material breach, violation or nonperformance of any covenant, term or condition of this Agreement to be performed or observed by the Authority, or of any restrictions of record or of any applicable laws, ordinances, statutes, rules, codes or regulations, affecting the Consortium Equipment, or the ownership, occupancy or use thereof.

The indemnification contained in this Section applies to this Section only. Said indemnification does not apply to BAC-maintained equipment or property, except to the extent caused by the Authority's gross negligence.

(b) In case any action or proceeding is brought against the Authority by reason of any matter referred to in this Section, the Authority, upon written notice from BAC (which shall be promptly given), shall at Authority's sole cost and expense, resist or defend such action or proceeding by counsel approved by BAC in writing (which approval shall not be unreasonably withheld), provided that no approval of counsel shall be required in each instance where the action or proceeding is resisted or defended by counsel of an insurance carrier obligated to resist or defend such action or proceeding, and further provided that BAC may engage at its own expense its own counsel to participate in the defense of any such action.

(i) If the Authority determines that the defense of such action is not covered by this Agreement, the Authority shall immediately give BAC notice thereof.

(ii) If the Authority fails to defend such action as required by this Section, the Authority will be responsible for all defense costs and actual expenses incurred by BAC insofar as permitted by law as well as any settlement amounts paid or payable by BAC and/or damages awarded against BAC by a court of competent jurisdiction.

(iii) BAC shall be notified in advance of any potential settlements of any action defended herein and the Authority shall also be notified of any potential settlements in the event of BAC defense of such action.

(iv) The provisions of this Section as they apply to occurrences or actual or contingent liabilities arising during the term of this Agreement shall survive the expiration or any earlier termination of this Agreement for the applicable statute of limitations, but no longer than six years.

ARTICLE 10

DEFAULT AND RIGHTS AND REMEDIES UPON DEFAULT

10.01 Events of Default.

The occurrence of any of the following shall constitute a material breach of the Agreement by BAC and an Event of Default:

(a) BAC voluntarily abandons, deserts or vacates the Airport and ceases operation of the Consortium Equipment without the consent of the Authority; provided, however, BAC shall be excused if such cessation or failure to use the Consortium Equipment is caused by reason of war, strike, embargo, riot, civil commotion, acts of public enemies, earthquake, other natural disasters, governmental order, action of the elements, or any other similar cause beyond BAC's control.

(b) Any principal or interest payment under the Note is 10 days past due.

(c) BAC's failure to make payment due under this Agreement (other than principal or interest pursuant to the Note), if such failure continues for 30 days after receipt of notice to BAC.

(d) BAC's failure to observe and comply with the requirements of Section 3.13, Article 9, or Article 13.

(e) BAC's failure to observe and perform any other provision or covenant of this Agreement to be observed or performed by BAC, where such failure continues for 30 days after notice to BAC; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within such 30 day period, BAC shall not be deemed to be in default if BAC shall within such period commence such cure and thereafter diligently prosecute the same to completion, and advise the Authority of same, but in no event for longer than 60 days after notice to BAC without the consent of the Authority.

(f) The filing of a petition by or against BAC for relief in bankruptcy or insolvency or for its reorganization or for the appointment pursuant to any local, state or federal bankruptcy or insolvency law of a receiver or trustee of any part of BAC's property; or, an assignment by BAC for the benefit of creditors; or the taking possession of the property of BAC by any local, state or federal governmental officer or agency or court-appointed official for the dissolution or liquidation of BAC or for the operating, either temporarily or permanently, of

BAC's business. If any such action is commenced against BAC the same shall not constitute a default if BAC files a motion to dismiss such action within 30 days after its filing and such action is dismissed or discharged within 90 days after the action against BAC was commenced.

(g) Notwithstanding anything set forth in Section 10.01(a), (b), (c), and (d) above to the contrary, in no event shall the Authority be obligated to send more than two notices for any single default in any 12 month period for any of the failures described in those subsections. The same default occurring after the Authority has sent two notices for such default within a 12 month period shall be an automatic Event of Default. In any event, more than six Events of Default in any 12 month period will render the next default an automatic Event of Default.

(h) A default by BAC, not cured within the applicable cure period, under any other contract with the Authority.

10.02 Remedies of Authority.

Upon the occurrence and during the continuance of an Event of Default, the Authority shall have the following rights and remedies in addition to all other rights and remedies available at law or in equity:

(a) The Authority may declare all outstanding principal of the Loan, and interest accrued thereon, immediately due and payable pursuant to the terms of the Note.

(b) The Authority may terminate this Agreement and BAC's rights hereunder at any time by written notice to BAC. BAC expressly acknowledges that in the absence of such written notice from the Authority, no other act of the Authority (including its use of the Consortium Equipment, its leasing or re-licensing of the Consortium Equipment and use of the Consortium Equipment for BAC's account, its exercise of any other rights and remedies under this Section), shall constitute an acceptance of BAC's surrender, or constitute a termination, of this Agreement. Upon such written notice, this Agreement shall terminate and Authority shall be entitled to recover any and all actual damages from BAC for such breach, including:

(i) The reasonable cost of recovering the use of the Consortium Equipment; plus

(ii) The reasonable cost of removing any Alterations to the Consortium Equipment; plus

(iii) Any other amount not otherwise covered by the foregoing provisions necessary to compensate the Authority for all the detriment proximately caused by BAC's failure to perform its obligations under this Agreement.

(c) The Authority may continue this Agreement in full force and effect and may enforce all of its rights and remedies under this Agreement, including the right to recover fees as they become due. During any period when an Event of Default remains uncured, the Authority may use, lease or license all or any part of the Consortium Equipment for BAC's account to any person, for such term (which may be a period beyond the remaining term of this Agreement), at

such fees and on such other terms and conditions as the Authority deems advisable without terminating this Agreement. In the event of any use, lease or license, monies and rents received by the Authority from such use, lease or license shall be applied as follows: (1) to the payment of fees then due and payable hereunder; (2) to the payment of future fees as the same may become due and payable hereunder; (3) to the payment of the costs of maintaining, preserving, altering and preparing the Consortium Equipment for use, lease or license, the other costs of use, lease or license, including brokers' commissions, attorneys' fees and expenses of removal of BAC's personal property, trade fixtures and Alterations; and (4) the balance, if any, shall be paid to BAC upon (but not before) expiration of this Agreement.

(d) During the continuance of an Event of Default, the Authority may, without terminating this Agreement, remove and store all of BAC's personal property, Alterations and trade fixtures from the Airport and the Consortium Equipment. If the Authority removes and stores such property, and if BAC fails to pay the cost of such removal and storage after written demand therefor or to pay any rent then due, then after the property has been stored for a period of 30 days or more, the Authority may sell such property at public or private sale, in the manner and at such times and places as the Authority deems commercially reasonable following reasonable notice to BAC of the time and place of such sale. The proceeds of any such sale shall be applied first to the payment of the expenses for removal and storage of the property, the preparation for and the conducting of such sale, reasonable attorneys' fees and other legal expenses incurred by the Authority in connection therewith, and the balance shall be applied as provided in Section 10.02(b) above. BAC waives all claims for damages that may be caused by the Authority's actions pursuant to this Section, and BAC shall hold the Authority harmless from and against any loss, cost or damage resulting from any such act, except to the extent caused by the Authority's gross negligence or willful misconduct.

(e) The Authority may require BAC to remove any and all Alterations from the Consortium Equipment or, if BAC fails to do so within 30 days after the Authority's request, the Authority may do so at BAC's expense.

(f) The Authority may cure the Event of Default at BAC's expense. If the Authority pays any sum or incurs any expense in curing the Event of Default, BAC shall reimburse the Authority upon demand for the amount of such payment or expense with interest at the rate of the lower of 1.5% per month and the highest rate permitted by law from the date the sum is paid or the expense is incurred until the Authority is reimbursed by BAC.

10.03 Assignment of Rights to Collect Member Fees and Charges.

BAC assigns to the Authority the right, during any period when an Event of Default remains uncured and money is then owing to the Authority, to collect fees and charges due from Member Air Carriers, and to call for and collect extraordinary contributions from Member Air Carriers, pursuant to the Member Agreements, until all amounts owed to the Authority have been paid.

10.04 No Waiver.

No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power occurring upon any default shall impair any right or power or be construed to be a waiver, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

10.05 Disputed Obligations.

Notwithstanding anything to the contrary in this Agreement, if a dispute arises between the parties with respect to any obligation or alleged obligation of BAC to pay money, the payment under protest by BAC of the amount claimed by Authority to be due shall not waive any of BAC's rights, and if any court or other body having jurisdiction including Authority determines that all or any part of the protested payment was not due, then Authority shall as promptly as reasonably practicable reimburse BAC any amount determined as not due together with interest at the rate of the lower of 1.5% per month and the highest rate permitted by law from the date such amount was paid by BAC until BAC is reimbursed by the Authority.

ARTICLE 11 DAMAGE, DESTRUCTION, AND CONDEMNATION

11.01 Damage, Abandonment or Destruction.

(a) If the Consortium Equipment, or any portion thereof, is damaged or destroyed by fire or other casualty, the proceeds of insurance shall be available to BAC, and BAC shall, to the extent of such proceeds, and subject to such reasonable terms and conditions as may be imposed by the Authority: (i) repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed Consortium Equipment, to substantially the same condition, character and utility value as existed prior to the event causing such damage or destruction; or (ii) such other condition, character and value as may be agreed upon by the Authority and BAC.

(b) BAC shall not destroy or cause to be destroyed, injure, deface, or disturb in any way, property of any nature on the Airport, nor willfully abandon any personal property or BAC Property on the Airport.

(c) If, for any reason other than damage or destruction caused by BAC's gross negligence or intentional misconduct or BAC's failure to meet the requirements of Section 9.01, the net proceeds of insurance on account of such damage or destruction are insufficient to restore or replace the Consortium Equipment, BAC may terminate this Agreement by giving notice to the Authority within 90 days after the event causing such damage or destruction; provided, however, in the event BAC is diligently seeking a determination as to insurance coverage, such 90-day period will be extended at BAC's request, for up to 120 days after the event. In the event BAC fails to give such termination notice, then BAC will be deemed to have waived the right to terminate this Agreement. In the event BAC timely gives such notice of termination, the Authority may, at its sole option, restore or replace the Consortium Equipment at the Authority's cost (without right to reimbursement by BAC), by giving notice of such election to BAC within 60

days after BAC's notice of termination. In the event the Authority timely gives such notice, then BAC's right to terminate and exercise thereof shall be deemed null and void; this Agreement shall continue in full force and effect; and the Authority shall proceed to cause such restoration and repair promptly, at its cost (without right to reimbursement by BAC). Absent such election, the Authority shall have no obligation to perform such restoration or repair.

11.02 Condemnation.

(a) Any condemnation or taking of a substantial part of the Consortium Equipment that results in the Consortium Equipment being unsuitable, or the use thereof being economically unfeasible, is herein referred to as a "Total Taking." In the event of a taking of the Consortium Equipment other than a Total Taking (a "Partial Taking"), and other than a condemnation or taking where the Authority is the condemnor, this Agreement shall remain in effect and, if the net proceeds of any award received by the Authority on account of such Partial Taking are sufficient for the purpose, the Authority shall make such net proceeds available to BAC, and BAC shall forthwith (subject to unavoidable delays) apply such net proceeds to the restoration or replacement of such portion of the Consortium Equipment so taken as nearly as possible to (i) such condition, character and utility value as existed prior to such Partial Taking, or (ii) to such other condition, character and value as may be agreed upon by the Authority and BAC.

(b) In the event of a Partial Taking, if the net proceeds of any award received by the Authority on account of such Partial Taking are insufficient to restore or replace the portion of the Consortium Equipment so taken, or in the case of any taking where the Authority is the condemnor, BAC may terminate this Agreement.

(c) In the event of a Total Taking, this Agreement shall terminate and the net proceeds received by the Authority on account of such Total Taking shall be retained by the Authority.

ARTICLE 12 TAXES AND LIENS

12.01 Taxes, Assessments and Other Charges and Related Liens.

(a) BAC shall pay all taxes, assessments, and charges that may be levied against BAC or become a lien by virtue of any levy, assessment, or charge against BAC by any Agency upon or in respect of any Consortium Operation Area or such other Airport facilities as are made available for use by BAC, or in respect to or upon any personal property belonging to BAC situated on any Airport facilities. Payment of such taxes, assessments, and charges shall be made by BAC directly to the Agency with jurisdiction.

(b) The Authority makes no representation regarding whether BAC might be subject to any possessory interest tax. If a possessory interest tax is levied or imposed, then BAC shall pay such tax when due without any credit or offset to the moneys that are due and payable to the Authority.

(c) BAC may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of any Consortium Operation Area or such other Airport facilities as taxable or assessable property, directly against the taxing or assessing Agency.

(d) Upon expiration or termination of this Agreement, all lawful taxes then levied, or that constitute a lien upon any Consortium Operation Area or such other Airport facilities made available for use by BAC or any taxable interest therein, as appropriately prorated if applicable, shall be paid in full by BAC immediately, or as soon as a statement of taxation has been issued by the appropriate taxing Agency if termination occurs during the interval between the attachment of the lien and the issuance of a statement.

(e) To the extent that the Authority forwards to BAC a bill or assessment notice relating to a tax, assessment, or charge coming due for which BAC is responsible, BAC shall pay the tax, assessment, or charge promptly before the due date (and concurrently notify the Authority of such payment).

(f) If BAC fails to pay any tax, assessment, or charge, the Authority may (but has no obligation to), after five days' notice to BAC, pay, discharge, or adjust such tax, assessment, or charge for BAC's benefit. In such event, BAC, on receipt of written demand of the Authority, shall reimburse the Authority promptly for the full amount with interest at the rate of 1.5% per month (subject to the maximum rate permitted by law). Any receipt showing payment by the Authority shall be prima facie evidence that the amount of such payment was necessary and reasonable and made by the Authority on BAC's behalf.

12.02 Other Liens Upon Consortium Equipment.

(a) BAC shall not to permit or suffer any vendors', mechanics', laborers', materialmen's, statutory or other liens to be imposed upon the Consortium Equipment or any part thereof or on BAC's interest therein as a result of its activities without promptly discharging the same. BAC may, if it so desires, contest any such lien in good faith.

(b) BAC shall in no event permit any lien to be imposed on the Authority's interest as licensor and fee owner of the Consortium Equipment as a consequence of any act or omission of BAC or as a consequence of the existence of BAC's interest under this Agreement without promptly discharging the same.

(c) In the event of a contest, BAC shall provide a bond in an amount and form acceptable to Authority in order to clear the record of any such lien.

(d) BAC shall assume the defense of and indemnify and hold harmless the Authority against any and all liens and charges of any and every nature and kind which may at any time be established against such Consortium Equipment and improvements thereto and thereon owned by the Authority, subject to this Agreement, or any part thereof, as a consequence of any act or omission of BAC or as a consequence of the existence of BAC's interest under this Agreement.

12.03 Liens Upon Airport Property.

(a) BAC shall not directly or indirectly create or permit or suffer to be created or to remain any lien upon any Airport real property, including any fixtures, improvements or appurtenances. In the event any such lien is created by or permitted by BAC, BAC shall within 10 days of the filing, cause the lien to be discharged as of record, by bond or as otherwise allowed by law. Nothing herein impedes the Authority's right to post and keep Airport property any notices that may be required by law or which Authority may deem proper for the protection of Authority and the Airport property from such liens.

(b) In the event of BAC's failure to clear the record of any such lien within such time period, the Authority may (but is not required to) remove such lien by paying the full amount or by bonding or in any other manner the Authority deems appropriate, without investigating the validity of such lien, and irrespective of the fact that BAC may contest the propriety, and BAC, upon demand, shall pay the Authority the amount so paid by the Authority in connection with the discharge of such lien, together with interest thereon at the rate of 1.5% per month or the maximum legal rate, whichever is greater, and reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, which amounts are due and payable to the Authority.

12.04 No Consent by Authority.

Nothing contained in this Agreement shall be construed as a consent on the part of the Authority to subject the Authority's estate in any portion of the Airport to any lien or liability under the laws of the State of California.

12.05 Survival.

This Article shall survive termination and expiration of this Agreement.

ARTICLE 13 ENVIRONMENTAL MATTERS

13.01 Hazardous Substances and Environmental Compliance.

(a) BAC shall carry no Hazardous Substances onto the Airport that are not permitted by law to be carried by passenger aircraft except those items required to maintain the Consortium Equipment.

(b) BAC shall comply with all Environmental Law and shall not engage in any activity on or about the Airport that violates any Environmental Law. In conducting its operations and maintenance on the Airport, BAC shall comply with such regulations regarding the storage, distribution, processing, handling, and disposal (including storm water discharge requirements) of Hazardous Substances including gasoline, aviation fuel, jet fuel, diesel fuel, lubricants and/or solvents, regardless of whether the obligation for such compliance is placed on the owner of the land, owner of the improvements or user of the improvements.

(c) BAC shall at its own expense take all investigatory and remedial action required or ordered by any Agency or Environmental Law for clean-up and removal of any Contamination caused by BAC.

(d) BAC shall not allow or cause the entry of any Hazardous Substances under its control into the Airport's storm water drainage system unless authorized by Environmental Law and the Airport's Storm Water discharge permit. BAC shall not allow or cause the entry of any unauthorized Non-Storm water discharge that is under its control into the Storm Water drainage system of the Airport or into the storm water drainage system of any of its surrounding communities, unless such substances are first properly treated by equipment installed with the approval of the Authority for that purpose, and BAC complies with recommendations made by the State and/or federal Environmental Protection Agency and the Airport's storm water discharge permit requirements. BAC shall bear all costs and any other expenses related to the prohibited entry of such oil, fuel or other Hazardous Substances into such drainage systems prohibited by Environmental Law.

(e) BAC shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code Section 25249 et seq. BAC shall provide prompt written notice to the Authority within five days of receipt of all written notices of violation of any Environmental Law received by BAC.

13.02 Environmental Indemnification.

(a) To the fullest extent authorized by law, the BAC shall indemnify, defend, and hold harmless the Authority Parties from and against any and all Environmental Law Claims arising out of any actions by BAC, BAC Agents or any action arising from and which involve BAC, including the following:

(1) BAC's placing, disposing, allowing or releasing of Hazardous Substances upon or within the Airport including any such claims, demands, liabilities and/or obligations related to BAC's release of Hazardous Substances on the Airport since the time BAC first occupied the Airport.

(2) BAC's release of Hazardous Substances upon or within the Airport.

(3) BAC's violation of any Environmental Law, except that BAC's obligations under this paragraph shall not extend to known conditions that are, as of the date of this Agreement, the subject of investigation and remediation by Lockheed or others, or remediation conditions that arise from operations of third parties that are not affiliated with BAC that take place off of the Airport. A party shall be deemed to be affiliated with BAC if it is an employee, officer, director, agent, subtenant, contractor or subcontractor of BAC or if it is controlled by, or under common control with, BAC.

(4) BAC's causing or allowing any prohibited discharge into the Airport storm water drainage system that is prohibited by Section 13.01.

(b) This indemnification includes attorneys' fees/costs and other costs incurred by the Authority in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Agency because of any Hazardous Substances being present in the soil or groundwater under the Airport. However, BAC's indemnity obligation shall not apply in the event of any claims for any loss, damage or expense arising from the sole or active

negligence or willful misconduct of the Authority or agents, servants or independent contractors who are directly responsible to the Authority.

(c) In the event the Authority Parties are named as defendants or respondents in any lawsuit or administrative proceeding, BAC shall, at the request of the Authority, represent the indemnitee with qualified counsel that the Authority determines, in its sole and exclusive discretion, is acceptable, unless the Authority, at its sole and exclusive discretion, undertakes legal representation, in which event BAC shall reimburse the Authority for the reasonable costs incurred by it in defending such lawsuit or administrative proceeding, including reasonable attorneys' fees, expert and consultant's fees, and investigative and court costs.

(d) In the event that a monetary judgment is awarded against the Authority and BAC because of the concurrent negligence of the Authority and BAC or their respective officers, subcontractors, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

(e) The provisions of this Article shall survive expiration and termination of this Agreement.

13.03 Disclosure.

(a) Records. BAC shall keep sufficient records such that, within 15 days of the Authority's written request, BAC shall submit to the Authority the following documents: (i) an inventory or list of all compounds or products that contain Hazardous Substances which were used, stored or disposed of by BAC on or about the Airport during the prior year; (ii) all Material Safety Data Sheets for such compounds or products containing Hazardous Substances; (iii) an estimate of the quantity or volume of such products or compounds used, stored or disposed of on or about the Airport during the prior year; and (iv) copies of all hazardous waste manifests for wastes generated on the Airport and sent offsite for treatment, storage, disposal or recycling.

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

(c) Notice. If BAC is required by law to give notice to any Agency about any Contamination, BAC shall immediately give notice of such Contamination to the Authority's Director of Noise and Environmental Affairs or such other person as may be designated by the Authority. Notice shall be provided immediately by telephone at (818) 840-8840 and shall be confirmed by written notice not later than the next business day. This obligation to notify the Authority shall also extend to any personal injuries or property damage to third parties resulting directly or indirectly from such Contamination. If BAC becomes aware of the presence of or use of any Hazardous Substances not authorized in accordance with the terms of this Agreement, or of any Contamination not subject to the notification provisions of the first sentence of this Section,

Airline shall immediately give written notice of such condition to the Authority to the extent required by Health and Safety Code Section 25359.7.

13.04 Annual Site Investigation.

Without limiting its other rights, the Authority shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Airport, and to utilize the services of an environmental consultant or consulting firm for such inspection and assessment. BAC shall pay its share (as determined by the Authority) of the reasonable cost of each such annual inspection of the Airport. If the environmental inspection and assessment of the Airport discloses the existence of any BAC Contamination, Airline shall take any and all action as provided in Section 13.01. In the event that the Authority elects not to conduct an annual environmental inspection and assessment, or if the Authority's environmental inspection and assessment fails to discover or disclose any BAC's Contamination, BAC shall not be excused from performing its obligations or relieved from liability to the Authority under this Article.

13.05 Air Quality Improvement Plan.

BAC shall comply with the following provisions of the Authority's Air Quality Improvement Plan:

(a) Ground Support Equipment Emissions Policy. Airlines and other entities own and operate GSE to support arriving, departing, and parked aircraft at the Airport. The Authority's GSE policy will ensure that the Authority achieves airport-wide GSE emissions targets. BAC will use commercially available efforts to 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 NO_x) by January 1, 2023, and 0.74 g/hp-h of NO_x by January 1, 2031. Upon achieving the 2023 and 2031 emissions targets, BAC shall be required to ensure its fleet average continues to meet the Airport emissions targets. BAC'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. BAC'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.

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

(c) Burbank Airport Employee Ride Share Policy. The Authority has joined the BTMO, which serves all Airport employees and all Airport tenant employers, including

employers with less than 250 employees. BAC is encouraged to also join and to actively participate in the BTMO as an individual member.

ARTICLE 14 CONFIDENTIAL INFORMATION

14.01 Prohibition Against Disclosure.

Each party covenants and agrees, for itself and its employees, agents, representatives and contractors, that, except as provided in Section 14.02, such party and its employees, agents, representatives and contractors shall maintain and keep in strict confidence and shall not disclose to any other person or entity any Confidential Information relating to the other party or the other party's business or properties. Each party acknowledges and understands that legal remedies may not be adequate in connection with a breach of the provisions of this Article, and, therefore, each party consents to injunctive relief in connection with the enforcement of this Article.

14.02 Permitted Disclosures.

Notwithstanding the provisions of Section 14.01, each party shall have a right to disclose Confidential Information: (i) to such party's officers, employees, agents, representatives, contractors and consultants as may be necessary in connection with the performance of this Agreement and of such persons' duties; (ii) in connection with litigation, including in response to discovery requests (unless otherwise legally protected from such disclosure); (iii) to the extent required in connection with any applicable law or any Agency, including any and all notices, plans or other documents required to be filed with any regulatory agency; (iv) in connection with the California Public Records Act; (v) in connection with a bond issuance by the Authority; (vi) to the extent required in connection with the Authority's application for or compliance with the requirements of any funding program, grant or other financing; (vii) to the extent required in connection with the preparation and issuance of financial statements of such party; or (viii) as otherwise is required by law.

14.03 Survival.

The provisions of this Article shall survive expiration or termination of this Agreement.

ARTICLE 15 MISCELLANEOUS PROVISIONS

15.01 Notices.

Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing. Any notice delivered by e-mail that concerns breach or termination of this

Agreement shall concurrently be sent by deposit in the United States mail, postage prepaid but such notice shall be deemed received on the day of e-mail delivery.

(a) For the Authority: **Burbank-Glendale-Pasadena Airport Authority**

Before RPT Opening Date:

2627 N. Hollywood Way
Burbank, CA 91505

On and After RPT Opening Date:

2827 N. Hollywood Way
Burbank, CA 91505
Attention: Executive Director

(b) For BAC: **Burbank Airline Consortium, LLC**

Before RPT Opening Date:

300 N. Continental Blvd., Suite 510
El Segundo, CA 90245

On and After RPT Opening Date:

2827 N. Hollywood Way
Burbank, CA 91505

15.02 Governing Law; Litigation.

(a) This Agreement shall be governed by and construed pursuant to the law of the State of California.

(b) In the event that either party shall commence legal action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California. The interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

15.03 No Waiver.

No waiver of any breach or default shall be construed as a continuing waiver of any provision or as a waiver of any other or subsequent breach of any provision contained in this Agreement. The waiver by either party of any provision of this Agreement 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. The Authority's consent to any act by BAC requiring the Authority's consent shall not be deemed to render unnecessary the obtaining of the Authority's consent to any subsequent act by BAC, whether or not similar to the act so consented. The subsequent acceptance by the Authority of any amount due from BAC shall not be deemed to be a waiver of any preceding breach or Event of Default by BAC of any provision of this Agreement, other than the failure of BAC to pay the particular amount so accepted, regardless of the Authority's knowledge of such preceding breach at the time of acceptance of such amount. No waiver on the part of either party with respect to any provision of this Agreement shall be effective unless such waiver is in writing.

15.04 Nonliability of Individuals.

No commissioner, councilman, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any provision of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

15.05 Generally Accepted Accounting Principles.

Whenever any report or disclosure referred to in this Agreement consists, either in whole or in part, of financial information, such report or disclosure shall be prepared in accordance with generally accepted accounting principles.

15.06 No Representations by Authority.

BAC acknowledges that neither the Authority nor any of the Authority Parties have made any representations, warranties or promises with respect to the Consortium Equipment, except as herein expressly set forth. BAC acknowledges that it has not executed this Agreement in reliance upon any representations, warranties or promises of the Authority or any of the Authority Parties with respect to the Consortium Equipment, except as herein expressly set forth.

15.07 Relationship of Parties.

(a) Nothing contained in this Agreement shall be construed to create the relationship of principal and agent, partnership, joint venture or any other similar relationship between the parties hereto, other than the relationship of licensor and licensee. Neither the Authority nor BAC 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 Agreement shall not be construed as constituting or creating a partnership between the Authority and BAC or as creating any other form of legal association between the Authority and BAC which would impose liability upon one party for the act or the failure to act of the other party.

(b) BAC is and shall remain an independent contractor with respect to all services performed under this Agreement. BAC has full and exclusive liability for the payment of any and all contributions or taxes for social security; unemployment insurance, or old age

retirement benefits pensions or annuities now or hereafter imposed under any law that are measured by the wages, salaries, or other remuneration paid to persons employed by BAC on work performed under this Agreement.

(c) This Agreement is intended for the sole protection and benefit of the parties and their successors, and permitted assigns. No other person shall have any right of action based this Agreement.

15.08 Force Majeure.

Neither the Authority nor BAC shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations imposed under this Agreement by reason of strikes, boycotts, labor disputes, embargoes, shortage of energy or materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, pandemic or epidemic, or any other circumstances for which it is not responsible or which is beyond its control. The Authority shall be under no obligation to furnish any service or supply any utility if and to the extent and during any period that the furnishing of any such service or the supplying of any such utility, or the use of any device or component necessary therefore, shall be prohibited or rationed by any federal or state law, rule, regulation, requirement, order or directive. Under no circumstances shall the happening of any event provided for in this section excuse BAC from paying the rentals, fees and charges payable to the Authority by BAC.

15.09 Successors and Assigns.

BAC may not assign any of its interests, rights or obligations under this Agreement without the Authority's express written consent. No rights shall inure to the benefit of any successors of BAC unless the Authority's prior approval for the transfer to such successor has first been obtained. Subject to the foregoing restrictions, all of the covenants, conditions and agreements contained herein shall extend to and be binding upon the legal representatives, successors and assigns of the respective parties hereto.

15.10 Entire Agreement.

This Agreement (and the attached Exhibits) and the Note, upon its delivery, represent the entire and integrated contract between the parties regarding its subject matter. No other agreements or promises, written or oral, are incorporated except as specifically set forth in this Agreement. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

15.11 Agreement Subordination.

In the event of conflicts between this Agreement and the Airport Use Agreement, the Airport Use Agreement shall control. This Agreement is also subject and subordinate to all mortgages, deeds of trust, bond indentures, liens and other encumbrances, security interests now or hereafter affecting the Airport premises, and to all renewals, modifications, replacements, consolidations and extensions thereof.

15.12 Executive Director.

The exercise of the extension option under Section 2.04 shall require Authority Commission approval. For other cases where the Authority's approval or consent is required pursuant to this Agreement, the Executive Director is authorized to give or withhold such approvals and consents on behalf of the Authority. The Executive Director, without additional Authority Commission action, is also authorized to execute amendments to this Agreement that do not have a negative financial impact on the Authority.

15.13 No Waiver By Virtue of Authority Review.

No Authority review or approval of any act of BAC or document provided by BAC shall in any way serve to attenuate, diminish or limit BAC's obligations, nor shall such review or approval constitute a waiver of non-compliance with the terms of this Agreement.

15.14 Electronic Signatures.

Each party agrees, and affirms its intent, that if it signs this Agreement using an electronic signature, such party is signing, adopting, and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

15.15 Counterparts.

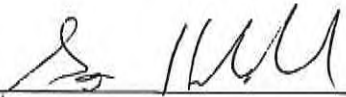
This Agreement may be executed by each party on separate counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement between BAC and the Authority to be executed as of the dates set forth below.

EXECUTED:

Burbank Airline Consortium, LLC

By: 

Print Name: Steve Hubbell

Title: ~~Manager~~ Chair Person

Date: 12/10/25

By: _____

Print Name: _____

Title: Manager

Date: _____

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

Burbank-Glendale-Pasadena Airport Authority

Jess A. Talamantes, President

Date: _____

Approved as to form:

Richards, Watson & Gershon
A Professional Corporation

EXHIBIT A
Consortium Equipment and Tasks

As outlined in Exhibit I of the Airport Use Agreement, dated March 4, 2024, the following equipment and systems shall constitute Consortium Equipment. To the maximum extent allowed by law, BAC shall give vendors in the Cities of Burbank, Glendale, and Pasadena a preference when procuring Consortium Equipment and supplies. BAC shall annually give the Authority a written report on the locations from which Consortium Equipment and supplies have been procured.

- Out-bound Baggage Conveyor Systems
- In-line Baggage Screening Conveyor Systems
- In-bound Baggage Conveyor Systems
- Baggage Claim Carousels
- Electric Battery Charger System for Ground Service Equipment (Airside)
- Common Use Passenger Processing System hardware (including but not limited to desktop computers, keyboards, monitors, printers, reading devices, self-service kiosks, flight and baggage flight information displays, ticket counter baggage scales and telephone support systems) and software
- Aircraft Boarding Equipment
- Spare Parts Inventory
- Curbside Skycap Counter and Baggage Conveyor
- Pre-Conditioned Air Systems
- 400Hz Ground Power Systems

Pursuant to Section 8.03 of the Airport Use Agreement, BAC shall perform the following tasks at no less than “Optimum” IATA Level of Service:

- 1) Operation and maintenance of the Consortium Equipment, baggage makeup areas and the inline explosive detection system (portion of which is not maintained by the TSA and subject to funding by TSA to include such system at the Airport).
- 2) Operation and maintenance of the CUPPS, CUSS, baggage scales and the electrical charging system for ground equipment that serves the Airport Terminal.
- 3) Construction, operation, and maintenance of MUFIDS.

Consortium responsibilities shall include: operations; preventative maintenance; repair; replacement; cleaning; spare parts management; and on-call response and service.

EXHIBIT B
BAC Property

None at the time of Agreement execution. To be updated from time to time.

EXHIBIT C

Maintenance Responsibilities and Standards

Overview

These Maintenance Responsibilities and Standards (“Maintenance Standards”) establish the minimum requirements to be maintained by BAC for the Consortium Equipment. Provisions of the Maintenance Standards must be met or exceeded by BAC and all Consortium Vendors. Failure to maintain the Maintenance Standards specified herein may constitute a default in accordance with this Agreement.

Standard of Performance

BAC will perform, or cause to be performed, all services required of it under the terms and conditions of this Agreement with that degree of skill, care, and diligence normally exercised by those performing similar types of services in projects of a comparable scope and magnitude. BAC will use its best efforts to assure timely and satisfactory performances of services in the manner that fulfills the stated purposes of this Agreement. BAC will at all times act in the best interest of the Authority and Member Air Carriers, consistent with the obligations assumed by it in entering into this Agreement.

BAC will require its contractors and subcontractors (collectively, “BAC Contractors”) of any tier to perform all services required of them in accordance with these standards. BAC will further require BAC Contractors of any tier to perform again, or cause to be performed again, at their own expense, any and all services which are required to be re-performed as a direct or indirect result of such failure.

Goals and Objectives

The purpose of the Maintenance Standards is to establish the minimum service requirements and quality standards to be maintained by BAC for Consortium Equipment to extend their useful life.

The goal of the Maintenance Standards is to ensure excellent services levels for the Authority and all Member Air Carriers.

The objectives of the Minimum Standards are to:

- Provide clear delineation of services ownership, accountability, roles and/or responsibilities.
- Present a clear, concise, and measurable description of services provision to the Airport.
- Match perceptions of expected service provision with actual service support and delivery.
- Provide the Authority with transparent and accessible maintenance records.

BAC Requirements related to the Maintenance Standards include:

- Meeting response times associated with service-related incidents
- Generating reports on service levels for the Authority
- Training required staff on equipment and associated service support tools
- Maintaining, storing and procuring spare parts, tools, and accessories for Consortium Equipment
- Providing and maintaining a Computerized Maintenance Management System (“CMMS”) to be used for record maintenance of Consortium Equipment maintained by BAC
- Providing appropriate notification to the Authority and all affected stakeholders regarding scheduled maintenance
- Facilitating all service support activities involving incidents, problems, changes, releases, and configuration management
- Providing Consortium Vendor personnel with the appropriate qualifications and security credentials to perform their work
- Performing all manufacturer-recommended preventative maintenance in accordance with the manufacturer’s recommended schedule and specifications
- Performing maintenance in the public circulation areas between the hours of 2100 and 0500 when practical to minimize passenger inconvenience and disruptions
- Maintaining and repairing Consortium Equipment in proper working order in accordance with manufacturer recommendations, specification or standard industry practice, whichever is most stringent
- Maintaining a complete set of all maintenance records, including preventative maintenance, reactive maintenance, corrective maintenance records, and inventory levels, and providing same to the Authority upon request
- Maintaining records of all user and maintenance training activities including trainer and trainees
- Logging maintenance work orders in the CMMS
- Staffing and maintaining a 24/7/365 dispatch office located in the terminal complex to provide support to all users and stakeholders

Service Exceptions

BAC will meet or exceed all service levels and standards contained herein. However, certain events are outside the control of BAC and will affect the level of service that BAC is able to provide.

Unless caused by a Consortium Vendor the following issues will be deemed outside the control of BAC and will not be factored in determining BAC’s achievement of service levels, including but not limited to:

- An act of negligence by tenants using or operating Consortium Equipment
- Loss of terminal utility infrastructure that affects Consortium Equipment
- Fire or security event requiring the shutdown of the terminal facilities, system, or equipment.

Although BAC cannot control or eliminate these types of issues, BAC will mitigate them by providing refresher training to the responsible parties or take alternative actions to mitigate future

similar incidents. BAC will be responsible for notifying the responsible parties and providing support information to the Authority as needed.

Service Management

The effective provision of the in-scope services will result in consistent service levels. The following sections provide relevant detail defining Maintenance Standard requirements for service availability, monitoring, measurement, reporting, and other related components of in-scope services.

Service Maintenance Window

All system equipment, and/or related components require regularly scheduled maintenance in order to meet established service levels. These activities will render system and/or applications unavailable for normal use. BAC will coordinate all scheduled maintenance with the affected parties to minimize disruptions. Maintenance that impacts the public will be performed between the hours of 2100 and 0500 when practical.

Availability Restrictions

Scheduled maintenance must be coordinated with all tenants and stakeholders and accommodate regular and irregular operations. Tenants and the Authority must be provided the opportunity to make a proceed/abort decision prior to the start of scheduled maintenance and preventive maintenance.

Reporting

As part of the Maintenance Standards, BAC will be responsible to provide the Authority with reports related to Consortium Equipment, each containing the information below.

Quarterly

BAC will submit to the Authority a quarterly status report on the Consortium Equipment. The quarterly status report will be provided within 90 days of the end of each quarter, and will include, at a minimum the following information:

System and Equipment Status Report

- Number of service requests by category
- Number of open service requests
- Number of closed service request by category
- Scheduling of major maintenance activities for the next 90 days
- Overall availability of Consortium Equipment
- Recurring issues and mitigation plan(s)
- Training activities

- Inventory levels

Annual Report

BAC will submit to the Authority an annual status report for the Consortium Equipment. The annual status report will be provided 90 days after the end of each Fiscal Year, and will include, at a minimum, a summary of the quarterly status reports for each month of the year, and the following information:

Incident Reporting

An incident report will be provided for any incident that occurs in the area of responsibility of BAC. The incident report will provide a copy of the service request and will include, at a minimum, the following information:

- Incident number
- Date of incident
- Time of incident
- Duration of incident
- Location of incident
- Description of incident
- Cause of incident
- Effect of incident
- Resolution of incident
- Action to be taken against offending party, as appropriate
- Mitigation plan to prevent future similar incidents

EXHIBIT D
FORM OF PROMISSORY NOTE

PROMISSORY NOTE

DATE: _____, 202__

PRINCIPAL AMOUNT: An amount to exceed \$2 million.
Actual principal amount, as of close of the Disbursement Period (defined below), shall be inserted in Annex-1 pursuant to Section 1(b) below

INTEREST RATE: Simple interest at 2% per annum, accruing from first day after close of the Disbursement Period (except when Default Rate applies pursuant to the terms below)

PAYMENT SCHEDULE As set forth in Annex-2.
Payment due on the 1st day of each calendar month, commencing the third month after RPT Opening Date, and continuing for 10 years (subject to prepayment or other adjustments as provided herein).

* * *

For value received, **Burbank Airline Consortium, LLC**, a California limited liability company (“**BAC**”), promises to pay to **Burbank-Glendale-Pasadena Airport Authority**, a California joint power agency (“**Authority**”), the Principal Amount described above, plus accrued interest and other charges owing, in accordance with the terms and schedule set forth herein.

This Promissory Note (the “**Note**”) evidences the Loan made pursuant to Section 4.01 of the Equipment Maintenance and Operating Agreement, dated as of _____, 202_ (“**Agreement**”), between BAC and the Authority. Capitalized terms used but not defined herein have the meanings ascribed in the Agreement. The Agreement (as the same may be amended and supplemented from time to time) is incorporated as though set forth herein.

So long as any amount owed hereunder remains outstanding, this Note shall be kept in the offices of Authority’s Director of Financial Services (“**Director of Financial Services**”), or such other location designated by the Authority’s Executive Director.

1. Draw-Downs; Principal Amount

(a) Upon each disbursement of Loan funds pursuant to Section 4.01 of the Agreement, the Director of Financial Services shall record the disbursement amount in Annex-1. The Authority shall make disbursements only during the Disbursement Period. “**Disbursement Period**” means

the period between (i) the day on which the Note is delivered to, and accepted by, the Executive Director, and (ii) the 30th day after RPT Opening Date.

(b) Within 10 days after the close of the Disbursement Period, the Director of Financial Services shall: (i) complete Section II of Annex-1, and (ii) insert the Payment Schedule in Annex-2. The Payment Schedule shall specify the Principal Amount, the interest, and the total due on each Payment Date (defined below). The Director of Financial Services shall promptly transmit copies of the completed Annex-1 and Annex-2 to BAC. Within five days after receiving such transmission, BAC shall send written notification to the Director of Financial Services of any objection to the Authority's calculations and specify the proposed correction. If the Director of Financial Services agrees with BAC's proposed correction, the Director of Financial Services shall promptly revise and send copies of the corrected Annex 1 and Annex-2 to BAC. In the absence of any written objection from BAC within five days, the Principal Amount shown in Annex-1 and the Payment Schedule in Annex-2, as transmitted by the Authority Director to BAC, shall be final and conclusive.

(c) The Principal Amount due each month shall be the same (or approximately the same, to the extent practicable) throughout the repayment period.

(d) At any time during the Disbursement Period, the outstanding Principal Amount shall equal the most recently recorded "Draw-Down Total," as shown in Annex-1.

(e) At any time after the Disbursement Period, the outstanding Principal Amount shall equal the last "Draw-Down Total" shown in Annex-1, less the aggregate Principal Amount paid or pre-paid based on the Authority's records. Upon BAC's request, with respect to any payment, the Authority shall furnish a receipt to BAC specifying the principal and interest received.

2. Interest; Payment Dates; Payment Method

(a) Interest shall begin to accrue on the 31st day after RPT Opening Date (i.e., the first day after the close of the Disbursement Period), at the simple interest rate of 2% per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

(b) BAC shall make principal and interest payments according to the Payment Schedule, without demand or offset.

(c) Payments shall be due on the first day of each month, commencing the third calendar month after RPT Opening Date (each, a "**Payment Date**"). (For illustration: Assuming that the RPT Opening Date is in October 2026, then the first Payment Date shall be January 1, 2027).

(d) BAC shall deliver payments to the Authority in the manner prescribed in Section 4.03(b) and (c) of the Agreement.

3. Prepayment

(a) No prepayment shall be accepted during the Disbursement Period. After the Disbursement Period, subject to the requirements of this Section 3, BAC may prepay, without penalty, all or a portion of the outstanding Principal Amount on any Payment Date, in addition to the scheduled principal and interest payment due on that Payment Date.

(b) Any partial prepayment shall be applied to scheduled principal payments in inverse order of maturity (i.e., with the latest due date) and shall have the effect of shortening the repayment term of this Note. Prepayment shall only be in an amount sufficient to shorten the repayment period by one or more whole years. (*For illustration:* At the end of the Disbursement Period, if the Principal Amount of the Note is \$2 million, then the Principal Amount due each year will be \$200,000 (or \$16,667 each month) and the last principal and interest payment date will be December 1, 2026. Later, BAC makes a prepayment of \$600,000. Then, upon such prepayment, the repayment term will be shortened by three years, and the last principal and interest payment due date will December 1, 2023.)

(c) At least 30 days before any proposed prepayment, BAC shall send to the Authority's Executive Director (and copying the Director of Financial Services) a written notice specifying the prepayment amount.

(d) Within 15 days after receiving a prepayment notice, the Director of Financial Services shall send to BAC a draft of the Payment Schedule that will take effect after the prepayment. No later than 10 days before the proposed prepayment date, BAC shall either, by writing to the Director of Financial Services: (i) state BAC's objection to the draft Payment Schedule and specify the alleged error, or (ii) confirm its acceptance of the draft Payment Schedule. No prepayment shall be made or accepted until the BAC and the Director of Financial Services mutually agree on the new Payment Schedule. Upon the Authority's receipt of the prepayment, the agreed-upon new Payment Schedule shall be inserted into Annex-2 to replace the outdated Payment Schedule.

4. Event of Default; Remedies; Acceleration Upon Default or Agreement Termination

(a) Upon an Event of Default and so long as it is continuing and remains uncured, this Note shall bear interest at the Default Rate.

(b) "Default Rate" means the lesser of: (i) 2% plus the Prime Rate (defined below) as of noon New York time on the date that Event of Default first occurred, or (ii) the highest rate permitted by law.

(c) "Prime Rate" means: (i) the rate under the heading "Bank Prime Loan" published in H.15(519) (weekly statistical release by the Board of Governors of the Federal Reserve System, titled "Selected Interest Rates"), or (ii) if such rate is no longer published, the prime lending rate of the-then largest lending institution (by assets) in the United States.

(d) Upon an Event of Default, or upon the termination of the Agreement for any reason, the Authority may declare the entire outstanding Principal Amount, all accrued interest and any

other charges due hereunder, to be due and payable immediately. Upon the Authority's written notice to BAC of the declaration, all such amounts shall be immediately due and payable, without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which BAC expressly waives.

(e) Pursuant to Section 10.03 of the Agreement, upon an Event of Default, the Authority shall have the right, as BAC's assignee, to collect fees and charges due from Member Air Carriers, and to call for and collect extraordinary contributions from Member Air Carriers, pursuant to the Member Agreements, until all amounts owed to the Authority under this Note and the Agreement have been paid.

(f) The Authority may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights under this Note and the Agreement. No remedy conferred upon or reserved to the Authority in this Note and the Agreement is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note and the Agreement or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by law.

5. Late Charge; Authority Recovery of Costs

(a) If any Principal Amount or interest payable under this Note is 10 or more days past due (whether due at stated maturity, upon acceleration or otherwise), BAC shall pay a late charge equal to 5% of the amount past due.

(b) BAC shall, on demand, pay the out-of-pocket expenses and disbursements of the Authority, including reasonable attorney fees, and related expenses and disbursements, in connection with: (i) the preparation, execution, delivery, administration, defense and enforcement or preservation of rights in connection with any workout, restructuring or waiver with respect to the Loan, and (ii) the occurrence of an Event of Default and collection and other enforcement proceedings resulting therefrom.

6. No Waiver by Authority

A waiver by the Authority of any default or breach of duty or contract hereunder or under the Agreement shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by the Authority to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence in such default, and every power and remedy conferred upon the Authority hereby or this Note or the Agreement may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

7. Severability; Governing Law; Amendment

(a) The unenforceability or invalidity of any provision or provisions of this Note (as determined by a court of competent jurisdiction) as to any persons or circumstances shall not

Equipment Maintenance and Operating Agreement
Burbank Airline Consortium, LLC

render that provision or those provisions unenforceable or invalid as to any other provisions or circumstances, and all provisions of this Note, in all other respects, shall remain valid and enforceable.

(b) This Note shall be governed and construed in accordance with the laws of the State of California. In the event that either party shall commence legal action to enforce or interpret this Note, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California.

(c) Neither this Note nor any term hereof may be waived, amended, discharged, modified, changed, or terminated orally; nor shall any waiver of any provision hereof be effective except by an instrument in writing signed by BAC and Authority.

8. Certain Waivers by BAC

BAC waives for itself and any person or entity who now or may hereafter become liable with respect to this Note, to the fullest extent permitted by law, diligence, presentment, protest and demand, notice of dishonor and all other notices and demands without in any way affecting the liability of BAC and any other person or entity who now or may hereafter become liable with respect to this Note. BAC further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations.

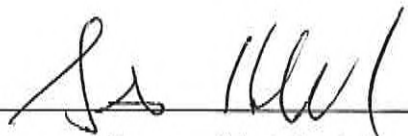
9. Assignment

BAC may not assign this Note (or delegate any obligations hereunder) without the Authority's prior written consent, which may be given or withheld in the Authority's sole and absolute discretion.

IN WITNESS WHEREOF, BAC has caused this Note to be executed in its name and on its behalf by its duly authorized representatives.

EXECUTED:

Burbank Airline Consortium, LLC

By: 
Print Name: Steve Hubbell
Title: Chairperson

By: _____
Print Name: _____
Title: _____

ACCEPTED:

Burbank-Glendale-Pasadena Airport Authority

By: _____
John T. Hatanaka
Executive Director

Date: _____

[All signatures to be notarized]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

On 12-10-2025 before me, Leslie Whitmore, Notary Public
(insert name and title of the officer)

personally appeared Steven Guy Hubbell,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Leslie Whitmore (Seal)



ANNEX-1

(Promissory Note, dated _____, 202____, by Burbank Airline Consortium, LLC,
in favor of Burbank-Glendale-Pasadena Airport Authority)

I. DISBURSEMENTS:

Date	Disbursement Amount:	Draw-Down Total (i.e., sum of all Disbursements)

II. PRINCIPAL; FIRST PAYMENT DATE:

RPT Opening Date: _____, 20____

Last Date of Disbursement Period: _____, 20____

Principal Amount as of Close of Disbursement Period: \$ _____

First Payment Date: _____, 20____

ANNEX-2

(Promissory Note, dated _____, 202____, by Burbank Airline Consortium, LLC,
in favor of Burbank-Glendale-Pasadena Airport Authority)

PAYMENT SCHEDULE

[to be attached after close of Disbursement Period]

EXHIBIT E
NON-AIP PROJECT FEDERAL REQUIREMENTS

References in this Exhibit to “Contractor” shall be deemed to refer to BAC. References in this Exhibit to “Sponsor” shall be deemed to refer to the Authority. BAC shall: (i) insert these provisions in each lower tier contract; (ii) incorporate the requirements of these provisions by reference for work done under any purchase orders, rental agreements, and other agreements for supplies or services; and (iii) be responsible for compliance with these provisions by any subcontractor, lower-tier subcontractor, or service provider.

1. General Civil Rights Provisions

A. In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

B. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

C. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

2. Civil Rights – Title VI Assurance

A. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964) including amendments thereto;

3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

4. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

5. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.) (prohibits discrimination on the basis of age);

6. Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

7. The Civil Rights Restoration Act of 1987 (P.L. 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

9. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681, et seq).

B. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin, creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the Contractor’s obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

Hollywood Burbank Airport Replacement Passenger Terminal



Safety

- Work Craft Hours to Date – 2,158,156 Hours
- Safety Orientations to Date – 3,337
- Daily Average Workers Onsite – 940
- Pre-Task-Plans to Date – 13,718
- Site Security Incidents to Date – 0

Current Construction Statistics

- Terminal Concrete Poured to Date – 18,250 cubic yards
- Garage Concrete Poured to Date – 37,000 cubic yards
- Terminal Steel Erected to Date – 4,200 tons
- Total Virtual Design and Construction Clashes Resolved to Date – 11,300

Current Construction Activities

Terminal

- Ongoing Ceiling Install
- Ongoing Interior Buildout
- Ongoing Mechanical, Electrical and Plumbing Install
- Ongoing Exterior Skin Install

Garage

- Ongoing Vertical Construction
- Ongoing Framing
- Ongoing Overhead Mechanical, Electrical and Plumbing Install
- Started In-Wall Mechanical, Electrical and Plumbing Install

Civil

- Continued Electrical Ductbank Install
- Continued Airside Paving
- Continued Landside Utility Install
- Started Panhandle Fine Grading for Roadways

Photos



Area C Glazing Looking East

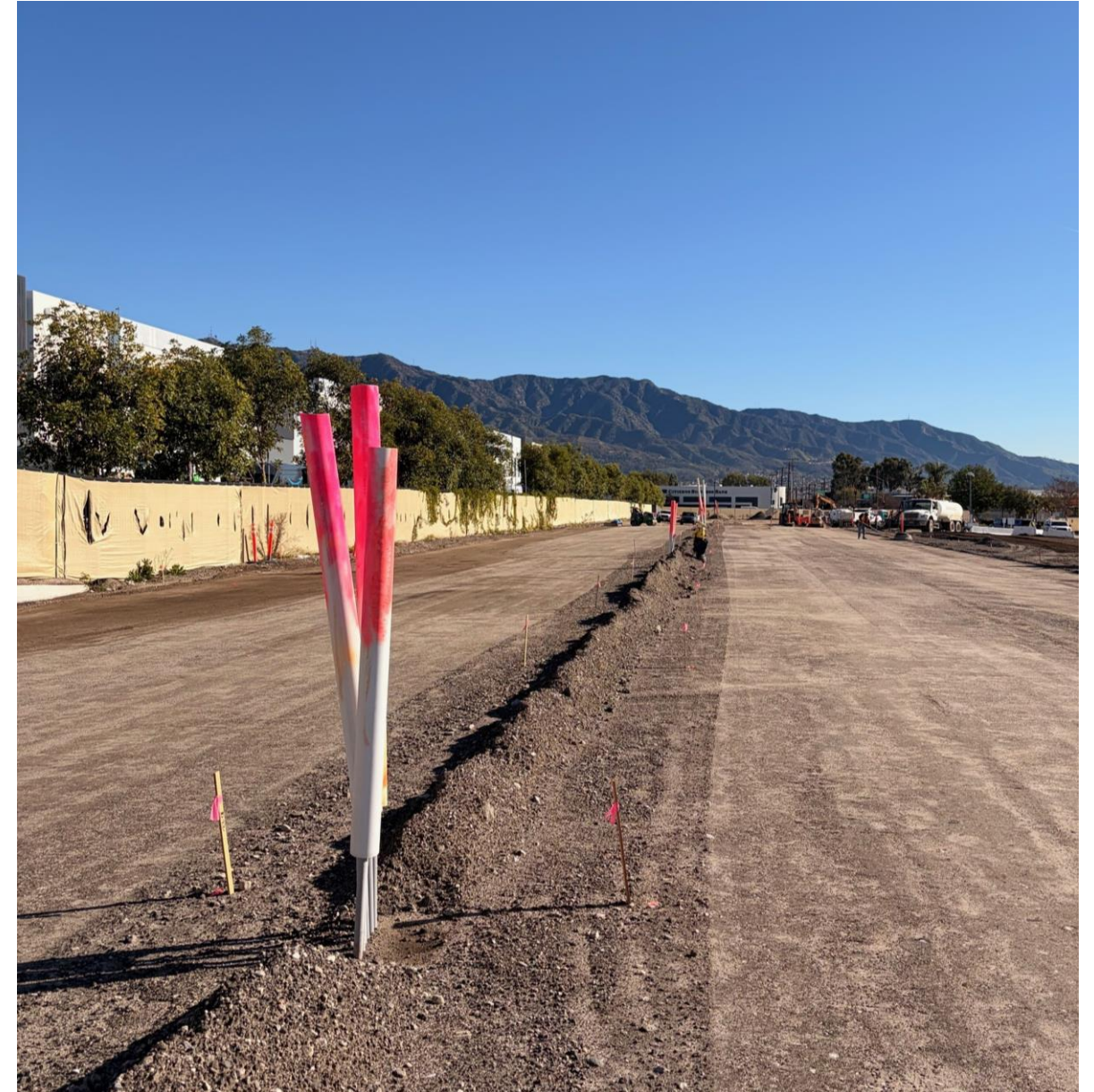


Terminal Level 2 Curved Framing

Photos



Basement Baggage Handling Conveyors



Panhandle Grading

[Photos](#)



Area A Bathroom Tiling



Area C Glazing and Ceiling

Photos



Silver Screen Steel Connections to Garage



Garage Helix Ramp Foundations

Local Hire Information

Local Hire Performance by Tier (40% Goal)		
	Project Cumulative	%
Project Total	1,467,120.23	-
Local Workforce Hours	1,176,170.11	80.17%
Tier 1 Hours	371,827.43	25.34%
Burbank Hours	20,800.00	1.42%
Glendale Hours	16,239.68	1.11%
Pasadena Hours	20,652.50	1.41%
* Tier 1 Hours Minus Core Cities	314,135.25	21.41%
Tier 2 Hours	516,980.90	35.24%
Tier 3 Hours	287,361.78	19.59%
Non-Local Hours	290,950.12	19.83%

Notes:
* Core Cities are Burbank, Glendale, Pasadena
Non-local hours are those worked by the workforce from zip codes outside a 50-mile radius of the airport.

- Local Workforce Tier description:
- Tier 1 – Zip Codes from within a 15-mile radius of Airport
 - Tier 2 – Zip codes within a 30-mile radius
 - Tier 3 – Zip Codes within a 50-mile radius

