



P.O. Box 755
Big Bear City, CA 92314
(909) 585-3219
(909) 585-2900 fax
FlyBigBear.com

"The Big Bear Airport District provides Big Bear Valley with a safe, efficient and superior venue for aviation operations"

REGULAR BOARD OF DIRECTORS MEETING

Big Bear Airport District
Terminal Building – West Wing Board Room

WEDNESDAY, May 11, 2022

4:00 P.M.

In accordance with AB361, which modifies Government Code Section 54963, members of the Big Bear Airport District Board of Directors and Members of the Public may attend this meeting in person and via Zoom teleconference. To participate, the public should visit:

<https://us06web.zoom.us/j/82739562283?pwd=V3UyZjJoUU15cVIYVEZWekJsb0FmZz09>

Meeting ID: 827 3956 2283

Passcode: 532410

Dial by your location

+1 669 900 6833 US (San Jose)

If participating via teleconference, you MUST mute your audio during the meeting except when making a public comment.

The Board President will call for public comment during the public comment period.

BOARD MEMBERS:

Wes Krause, President

Julie Smith, Vice President

Steve Castillo

Marikay Lindstrom

Rick Seifert

Unless you are a public safety official, please turn off your cell phone or place it on vibrate mode during the Meeting.

This Agenda is prepared and posted pursuant to the requirements of the California Government Code Section 54954.2, which is a portion of California's Open Meeting Law called the "Brown Act". The Agenda contains a brief, general description of each item of business to be discussed and/or transacted. Prior to acting on any Agenda item, the Board will consider public comments.

1. CALL TO ORDER

2. FLAG SALUTE

MISSION STATEMENT: The Big Bear Airport District serves the Big Bear Valley by providing a safe, efficient, and exceptional venue for aviation operations.

3. SPECIAL PRESENTATIONS AND PROCLAMATIONS: None

4. ROLL CALL AND INTRODUCTIONS

5. APPROVAL OF AGENDA

PUBLIC COMMENTS: A person wishing to comment on an Agenda item should wait for the President to request comments and then unmute his or her phone, ask to make a comment, and wait for the President to recognize him/her. You have (3) minutes to complete those comments, unless a longer time is granted. No speaker may allot his or her time to others.

Comments on Agenda items: Comments concerning matters on the Agenda will be heard at the time the matter is considered.

Comments on non-Agenda items: Comments concerning matters not on the Agenda will be heard during the Public Comment section of the Agenda. A speaker's comments should be within the subject matter jurisdiction of the Big Bear Airport District Board.

Please note that if you are addressing the Board on items not on the Agenda, the Brown Act does not allow Board discussion of such items because they are not on the Agenda and thus were not noticed publicly. Therefore, the Board may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response. Your comments may be placed on the Agenda for future discussion. Non-Agenda comments are limited to 3 minutes each with a total of 15 minutes.

6. CIVIL AIR PATROL

7. BIG BEAR PILOTS ASSOCIATION

8. CONSENT AGENDA

8.1. Approval of Draft Minutes (Pages 5-7)

8.1.a. Regular Board Meeting 4:00 PM, Wednesday, April 13, 2022

8.2. YTD Financial Reports (Pages 8-14)

9. PULLED CONSENT AGENDA ITEMS

10. BUSINESS MATTERS

10.1. Discussion and possible approval of items pertaining to the Terminal Building financing

10.1.a Presentation and review of proposed Installment Purchase Contract and related documents by Albert Reyes, Bond Counsel with Kutak Rock LLP. Providing additional information are Jim Pritchard, Shannon Harris and Mike Williams of Columbia Capital.
(Pages 15-55)

10.1.b. Resolution 2022-06, adopting the Installment Purchase Contract (Pages 56-60)

10.2. Administration Manager's Agenda Report (Page 61)

10.3. Discussion and review of Draft 1 of 2022-2023 District Budget. (Worksheets inserted)

11. MANAGERS' REPORTS (Pages 62-64)

12. DIRECTORS' COMMENTS

13. ADJOURN TO CLOSED SESSION

13.1. PURSUANT TO GOVERNMENT CODE SECTION 54957

Public Employee Performance Evaluation
Position: General Manager

PURSUANT TO GOVERNMENT CODES SECTION 54957.6

Conference with Labor Negotiators

Agency designated representatives - Big Bear Airport District Board of Directors
Negotiating with – Unrepresented Employee- General Manager

13.2. PURSUANT TO GOVERNMENT CODES SECTION 54957.6

Conference with Labor Negotiators

Agency designated representatives - Big Bear Airport District Board of Directors
Negotiating with – Ryan Goss, General Manager, for Unrepresented Exempt and
Non-Exempt Employees

14. RECONVENE TO OPEN SESSION

15. REPORT FROM CLOSED SESSION

NEXT MEETING DATE:

Wednesday, June 8, 2022 at 4:00 P.M. – Regular Board of Directors Meeting

Location: Terminal Building – West Wing Board Room

16. ADJOURNMENT

CERTIFICATION: I, Diane Cartwright, Board Secretary of the Big Bear Airport District, do hereby certify that I posted a copy of the foregoing Agenda on May 8, 2021, at least 72 hours in advance of the Big Bear Airport Board of Directors Special Meeting (Government Code Section 54954.2).


Diane Cartwright
Certified Board Secretary
Big Bear Airport District

The Big Bear District Board Meeting area is handicapped accessible. Persons with disabilities can receive this Agenda in an alternative format and should call the Airport Office at (909) 585-3210. Notification of 48 hours prior to the Meeting will enable the District to make arrangements to assure accessibility to the Meeting. The Agenda is available for review. Agenda items are posted on the District website at www.flybigbear.com. If access to the website is not available, copies may be obtained by calling the Airport Office.



MINUTES

REGULAR BOARD OF DIRECTORS MEETING

Wednesday, April 13, 2022

4:00 P.M.

*"The Big Bear Airport District serves the Big Bear Valley
by providing a safe, efficient, and exceptional venue for aviation operations"*

BOARD OF DIRECTORS

Wes Krause, President | Julie Smith, Vice-President
Director Steve Castillo | Director Marikay Lindstrom
Director Rick Seifert

MEETING LOCATION

Teleconference

1. **CALL TO ORDER:** President Wes Krause, called to order the Regular Meeting of the Big Bear Airport District Board of Directors on Wednesday, April 13, 2022 at 4:00 P.M.
2. **FLAG SALUTE:** President Krause invited the Board and those present, to join in the flag salute, and the salute followed.

MISSION STATEMENT: President Krause recited the Mission Statement.

3. **SPECIAL PRESENTATIONS AND PROCLAMATIONS:** None.
4. **ROLL CALL AND INTRODUCTIONS:** Board Secretary, Diane Cartwright, recorded the following:
DIRECTORS PRESENT: Julie Smith, Marikay Lindstrom, Rick Seifert, and Wes Krause.
Steve Castillo was absent with cause.

OTHERS PRESENT: Shannon Harris, in person, Jim Prichard and Mike Williams of Columbia Capital, via Zoom, General Manager, Ryan Goss and Administration Manager and Board Secretary, Diane Cartwright. Also present, via Zoom, was Albert Reyes, Bond Counsel with Kutak Rock LLP.

5. **APPROVAL OF AGENDA:** No changes. Approved by consensus.

There were no public comments.

6. **CIVIL AIR PATROL:** None.
7. **BIG BEAR PILOTS ASSOCIATION:** None.
8. **CONSENT AGENDA:** Director Smith moved to approve, with one minor correction, the Draft Minutes of the Regular Board of Directors Meeting of March 9, 2022. YTD financial reports were noted as received and filed. Director Lindstrom seconded the motion. The motion to approve the consent agenda, was passed, with all members present voting AYE.
9. **PULLED CONSENT AGENDA ITEMS:** None.
10. **BUSINESS MATTERS**
 - 10.1. Jim Prichard of Columbia Capital briefed the Board regarding the tax-exempt loan with First Foundation Bank, procured with the help of Albert Reyes, Bond Counsel of Kutak Rock LLP. Questions from the Board were asked and answered. Final details and loan documents will be presented at the May meeting for Board approval.
 - 10.2. Following review and discussion of the revised Debt Management Policy, Director Smith moved to approve Resolution 2022-05, adopting said Policy. Director Lindstrom seconded the motion. The motion was passed, with all members present voting AYE.
11. Reports highlighting airport business since the last Board meeting were presented by General Manager, Ryan Goss and Administration Manager, Diane Cartwright.
12. **DIRECTORS COMMENTS:** All attending Directors contributed.
13. **THE MEETING ADJOURNED TO CLOSED SESSION AT 4:35 P.M.**
PURSUANT TO GOVERNMENT CODE SECTION 54957
Public Employee Performance Evaluation
Position: General Manager

PURSUANT TO GOVERNMENT CODE SECTION 54957.6
Conference with Labor Negotiators

Agency designated representatives – Big Bear Airport Board of Directors
Negotiating with – Unrepresented Employee – General Manager
14. **REPORT FROM CLOSED SESSION:** The Board reconvened to open session at 6:25 P.M. There was no reportable action.

15. NEXT MEETING DATE:

Wednesday, May 11, 2022 at 4:00 P.M. - Regular Board of Directors Meeting
Location: West Wing Board Room, Terminal
(Optional participation by Members of the Public via Zoom Teleconference)

14. ADJOURNMENT:

6:30 P.M.

Wes Krause, President
Board of Directors

ATTEST:

Diane Cartwright
Board Secretary

DRAFT

Big Bear Airport District
Profit & Loss Budget Performance
March 2022

	Mar 22	Budget	Jul '21 - Mar 22	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
4054 · State Subsidy			10,000		10,000
4055 · Tax Revenues	94,093	128,200	1,098,712	1,200,200	1,800,000
4110 · Sales-Aircraft Fuel	56,900	48,240	466,451	385,680	600,000
4200 · Auto Parking	456	700	4,606	6,300	8,400
4205 · Air Fair Revenue					10,000
4206 · Events Revenue	995		6,480	6,500	10,000
4210 · Commercial Leases	7,581	8,083	107,148	72,750	97,000
4220 · Ground Lease	3,912	3,750	34,667	33,750	45,000
4230 · Hangar Rentals	30,060	36,250	296,600	326,250	435,000
4254 · Gate Access Remote Sales		40	400	380	500
4255 · Aircraft Oil Sales	333	415	3,498	3,745	5,000
4256 · Aircraft Stores Sales	234	130	1,525	1,180	1,550
4260 · Souvenir Sales	274	500	3,277	3,900	5,100
4270 · Storage Units	474	650	4,455	5,850	7,800
4280 · Tiedown Rents	811	915	7,704	8,240	11,000
4290 · Tiedown Transient	30	175	1,552	1,875	2,500
4300 · RV/Camper Storage	1,061	800	9,356	7,500	10,000
4305 · SDRMA Reimbursement			1,000		1,000
4320 · Late Fees-Tenant Rentals	96	80	778	642	884
4331 · CERBT (PERS) Reimbursement					72,500
Total Income	236,113	228,928	2,176,964	2,064,722	3,133,234
Cost of Goods Sold					
5000 · COGS- Aircraft Fuel	47,032	39,557	412,397	304,331	470,000
5005 · COGS-Souvenirs	189	420	2,372	3,780	5,040
5010 · COGS - Oil	140	367	1,629	3,300	4,400
5015 · COGS - Aircraft Stores	175	141	1,065	1,252	1,875
Total COGS	47,536	40,485	417,463	312,663	481,115
Gross Profit	188,576	188,443	1,759,501	1,752,059	2,652,119
Expense					
5040 · Marketing	1,376	4,200	82,329	48,800	125,000
5061 · Bank Charges/Credit Card Fees	2,359	1,971	20,817	17,745	23,660
5090 · Contract Services	4,427	5,825	48,395	50,625	67,500
5110 · Motorized Vehicle Fuel	3,064		17,624	6,350	10,220
5125 · Directors' Expenses	630	1,750	6,597	15,750	21,000
5140 · Dues & Subscriptions	232	1,042	12,384	9,375	12,500
5150 · Staff Expenses	265	2,250	6,010	9,750	13,000
5160 · Fees/Permits/Licenses	603	735	17,405	18,545	20,750
5162 · Gate Access Cards & Clickers			2,385	3,000	3,000
5170 · Hazardous Waste Pickup	425		1,040	3,400	5,000
5180 · Insurance-Liability Expense	7,278	6,936	64,723	62,426	83,235
5182 · Insurance-Worker's comp	1,168	1,150	10,509	10,346	13,794
5210 · Janitorial Supplies	734	650	4,152	5,850	7,800
5215 · Manager's Expenses	50	450	704	3,750	5,000
5230 · Office Operational Expense	42	575	2,991	5,175	6,900
5240 · Air Fair Expense					115,000
5250 · Professional Services	2,768	7,100	48,453	63,700	85,000
5260 · Repair & Maintenance-AWOS			2,751	2,650	3,650
5271 · Repair & Maintenance-Computer	2,579		5,326	4,800	6,800
5275 · R & M - Aircraft Fuel Farm	84	500	898	4,500	6,000
5280 · Repair & Maintenance-Grounds	129	3,000	38,984	42,500	47,000
5285 · Repair & Maintenance-Hangars	6	425	1,823	3,825	5,100
5290 · Repair & Maintenance-Lighting		360	5,478	6,920	8,000
5295 · R & M - Terminal Building	59	500	1,188	4,500	6,000

Big Bear Airport District
Profit & Loss Budget Performance
March 2022

	Mar 22	Budget	Jul '21 - Mar 22	YTD Budget	Annual Budget
5300 · R & M - Motorized Equipment	383	280	5,828	4,160	5,000
5305 · Repair & Maint Fire Extinguish			3,311	2,000	2,000
5310 · Emerg Equip/Supplies	51	188	4,490	1,898	2,250
5350 · CDTFA Dealer Tax	104	88	475	600	800
5360 · Office Communications	722	708	6,570	6,375	8,500
5373 · Tools/Small Maint Equipment	198	175	1,988	1,980	2,500
5390 · Winter Ops Contingency				6,000	6,000
5400 · Utilities	18,605	14,500	111,380	113,800	140,000
6565 · Salaries	44,827	41,500	393,914	410,500	535,000
6586 · Vacation Expense	2,274	2,329	21,054	20,963	27,950
6587 · Sick Leave Expense	1,928	1,650	17,645	15,050	20,000
6570 · FICA-Employer			180	244	325
6575 · Medicare-Employer	721	682	6,826	8,000	8,000
6585 · Health, Life, Dent.& Vision Ins	18,078	13,600	154,818	122,400	183,200
6590 · 457 Contribution-ER Match	3,750	4,187	34,597	37,500	50,000
6594 · Survivor Benefit Expense		39		352	470
6595 · Pension Expense	8,661	7,208	77,556	64,875	86,500
6598 · Pension - ER Paid for EE	1,398	1,375	12,781	12,375	16,500
6597 · GASB 68 Report Fee			700	700	700
Total Expense	129,975	127,665	1,260,740	1,233,743	1,776,604
Net Ordinary Income	58,602	60,778	498,762	518,316	875,515
Other Income/Expense					
Other Income					
4330 · Investment Revenue			8,738	5,825	7,500
Total Other Income			8,068	5,825	7,500
Other Expense					
5039 · Capital Improvement Projects 22	1,605		258,269		385,000
Total Other Expense	1,605		246,839		385,000
Net Other Income	-1,605		-238,771	5,825	-377,500
Net Income	56,996	60,778	259,991	523,941	498,015

Big Bear Airport District
Balance Sheet
As of March 31, 2022

	Mar 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1131 • Union Bank	453,345
Total Checking/Savings	453,345
Accounts Receivable	
1140 • Accounts Receivable	32,436
Total Accounts Receivable	32,436
Other Current Assets	
1001 • Petty Cash	350
1125 • LAIF	5,819,123
1160 • Prepaid Medical/Life Insurance	9,624
1181 • Prepaid Insurance-Liability	22,208
1182 • Prepaid Insurance-Wkrs.Comp.	3,503
1184 • Pre Paid Jet A Fuel Tax	5,478
1181 • Inventory-Souvenirs	4,242
1182 • Inventory-Fuel	97,895
1183 • Inventory - Oil	9,267
1185 • Inventory - Aircraft Stores	4,007
1499 • Undeposited Funds	7,314
Total Other Current Assets	6,782,929
Total Current Assets	7,269,710
Fixed Assets	
1201 • Land	3,892,512
1220 • Land Improvements	18,038,846
1240 • Structure Improvements	5,857,061
1241 • Building	2,848,000
1250 • Operating Equipment	4,158,928
1280 • Office Furniture and Equipment	48,480
1270 • Accumulated Depreciation	-14,931,853
1300 • Construction In Progress	159,374
Total Fixed Assets	18,890,069
Other Assets	
1180 • Deferred Outflows of Resources	745,842
Total Other Assets	745,842
TOTAL ASSETS	27,704,612
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 • Accounts Payable	57,887
Total Accounts Payable	57,887
Other Current Liabilities	
2122 • Accrued Payroll Tax	-71
2123 • Accrued Vacation	81,188
2124 • Accrued Sick Leave	75,918
2200 • Sales Taxes Payable	8,423
2250 • Retirement Contribution Payable	-819
2255 • Survival Benefit Payable	-532
2265 • FERS 457 Payable	-482
2301 • Deposits-Tenant Security	32,843
2302 • Deposits-Gate Access	5,470
2303 • Deposits-Wait List	7,580
2320 • Prepaid Rent	82,335
Total Other Current Liabilities	272,063
Total Current Liabilities	329,961
Long Term Liabilities	
2600 • Net Pension Liability	598,805
2620 • Net OPEB Obligation	1,392,882
2626 • Deferred Inflows of Resources	206,588
Total Long Term Liabilities	2,497,055
Total Liabilities	2,827,006
Equity	
3900 • Retained Earnings	24,017,615
Net Income	258,991
Total Equity	24,377,606
TOTAL LIABILITIES & EQUITY	27,704,612

Big Bear Airport District
VISA Expense-8645 Detail
March 2022

Date	Memo	Amount
Visa - 8645		
03/18/2022	BHI newsletter	60.00
03/18/2022	Intuit data protect, HD on tap,msft	173.95
03/18/2022	COPY stamps	21.52
03/18/2022	Zoom mtg subscription	69.98
03/18/2022	Battery back-up	174.50
03/18/2022	park fence repair parts	45.68
03/18/2022	hose reels	83.64
03/18/2022	coffee bar supplies	579.51
03/18/2022	electronic protection plan, Teramind	231.99
03/18/2022	QuickBooks trng. - Abby	29.95
03/18/2022	key blanks, cord covers	59.46
03/18/2022	On-line supervisor trng.-John-refund	-115.00
03/18/2022	camera systems for Bdrm.- 1220.24 pending refund	2,404.40
03/18/2022	pipe wrenches	140.89
03/18/2022	interest charged on purchases	18.64
Total Visa - 8645		3,979.11
TOTAL		3,979.11

Big Bear Airport District Monthly Check Report March 2022

Date	Num	Name	Memo	Amount
03/08/2022	ACH ...	PERS 457 Plan - VOYA	PP ending 3/5/22	-3,308.96
03/19/2022	ACH ...	PERS 457 Plan - VOYA	PP ending 3/19/22	-3,308.96
*** Missing numbers here ***				
03/07/2022	ACH ...	CDTFA (State BOE) 33-000760	Jet A Dir Tax Return - February	-80.00
*** Missing numbers here ***				
03/09/2022	DD13...	Abby Erickson	Direct Deposit	0.00
03/09/2022	DD13...	Christopher T. Hearn	Direct Deposit	0.00
03/09/2022	DD13...	Deborah Diane Cartwright	Direct Deposit	0.00
03/09/2022	DD13...	Hugo Medel-Valdes	Direct Deposit	0.00
03/09/2022	DD13...	James Ryan Goss	Direct Deposit	0.00
03/09/2022	DD13...	John R Melissa	Direct Deposit	0.00
03/09/2022	DD13...	Patricia G. Lopez	Direct Deposit	0.00
03/09/2022	DD13...	Seth Martin	Direct Deposit	0.00
03/23/2022	DD13...	Abby Erickson	Direct Deposit	0.00
03/23/2022	DD13...	Christopher T. Hearn	Direct Deposit	0.00
03/23/2022	DD14...	Deborah Diane Cartwright	Direct Deposit	0.00
03/23/2022	DD14...	Hugo Medel-Valdes	Direct Deposit	0.00
03/23/2022	DD14...	James Ryan Goss	Direct Deposit	0.00
03/23/2022	DD14...	John R Melissa	Direct Deposit	0.00
03/23/2022	DD14...	Patricia G. Lopez	Direct Deposit	0.00
03/23/2022	DD14...	Seth Martin	Direct Deposit	0.00
*** Missing numbers here ***				
03/01/2022	4188	PERS - Medical	PERS Medical Premium - March	-17,522.69
*** Missing numbers here ***				
03/05/2022	4204	PERS - Retirement	PP ending 3/5/22	-3,941.37
*** Missing numbers here ***				
03/19/2022	4219	PERS - Retirement	PP ending 3/19/22	-3,941.37
*** Missing numbers here ***				
03/02/2022	6852	ADB Safegate Americas, LLC	Runway/taxiway lts.	-2,385.40
03/02/2022	6853	Cintas Corporation	Emergency supplies February	-85.87
03/02/2022	6854	Endura Steel	Galv. Pipe for fence repair	-969.20
03/02/2022	6855	Shred-It, Inc.	Monthly shredding service-Feb	-101.27
03/10/2022	6856	Advanced Copy Systems	Contract usage chg.	-111.44
03/10/2022	6857	Comlock Security Group	Quarterly Access Control Servicing	-585.00
03/10/2022	6858	DIY Home Center	Misc. Supplies	-87.22
03/10/2022	6859	Geiger Supply, Inc.	Plumbing supplies for modular bldgs.	-23.64
03/10/2022	6860	ProDIGIQ	Maint., Svc. & Support April-June	-900.00
03/17/2022	6861	Big Bear Grizzly	Job vacancy ads	-171.02
03/17/2022	6862	C & D Termite & Pest Control	Monthly Pest Maint. Svc.- March	-184.00
03/17/2022	6863	Connelly Pumping Services, LLC	Toilet, handicap/sink/HT rental-Feb 2022	-430.00
03/17/2022	6864	Mountain Water Company	Hot/cold H2O & dispenser	-64.00
03/24/2022	6865	Butcher's Block	March charges	-37.96
03/24/2022	6866	Cintas Corporation	Emergency supplies March	-51.17
03/24/2022	6867	DIY Home Center	Misc. Supplies	-57.19
03/24/2022	6868	Geiger Supply, Inc.	Plumbing supplies for modular bldgs	-263.93
03/24/2022	6869	Shred-it, Inc.	Monthly shredding service-March	-101.96
03/24/2022	6870	Spectrum Business (Charter)	3/8/22 - 4/7/22	-526.40
03/31/2022	6871	Advanced Copy Systems	Contract usage chg.	-73.00
03/31/2022	6872	Aircraft Spruce & Specialty Co.	Tire/tube for resale	-229.66
03/31/2022	6873	All Valley Environmental	Waste oil pickup & disposal	-425.00
03/31/2022	6874	Butcher's Block	March charges.2	-3.10
03/31/2022	6875	Carquest of Big Bear, Corp.	Vehicle maintenance supplies	-308.10
03/31/2022	6876	DIY Home Center	Door handle-north restroom	-24.23
03/31/2022	6877	Fed-Ex	Mar. Shipping Charges	-20.20
03/31/2022	6878	Flyers Energy LLC	420 gal Unleaded gas/125 gal. Diesel	-3,063.95
*** Missing numbers here ***				
03/01/2022	32963	Cartwright, Diane.	VOID: March cell phone	0.00
03/01/2022	32964	Castillo, Steve	Monthly reimbursement - March 2022	-100.00
03/01/2022	32965	Erickson, Abby.	March cell phone	-50.00
03/01/2022	32966	Goss, Ryan	March cell phone	-50.00
03/01/2022	32967	Hearn, Chris.	March cell phone	-50.00
03/01/2022	32968	Krause, Wesley	Monthly reimbursement - March 2022	-100.00
03/01/2022	32969	Lindstrom, Marikay.	Monthly reimbursement - March 2022	-100.00
03/01/2022	32970	Lopez, Patty	March cell phone	-50.00
03/01/2022	32971	Martin, Seth.	March cell phone	-50.00
03/01/2022	32972	Medel, Hugo	March cell phone	-50.00
03/01/2022	32973	Melissa, John	March cell phone	-50.00

Big Bear Airport District
Monthly Check Report
March 2022

Date	Num	Name	Memo	Amount
03/01/2022	32974	Seifert, Rick	Monthly reimbursement - March 2022	-100.00
03/01/2022	32975	Smith, Julie	Monthly reimbursement - March 2022	-100.00
03/01/2022	32976	Bear Backers	Sports Calendar/Poster	-625.00
03/01/2022	32977	Chem-Pak, Inc.	B1017	-299.82
03/01/2022	32978	Rauch Comm.Consultants Inc.	BBAD	-491.25
03/01/2022	32979	Southwest Gas	1/15/22 - 2/15/22	-2,255.37
03/01/2022	32980	Visa - 8645	4294361020788645	-3,067.82
03/01/2022	32981	WSP USA	SRE Concept Design-04FEB22	-619.00
03/01/2022	32982	Rauch Comm.Consultants Inc.	BBAD	-52.50
03/08/2022	32983	ADB Safegate Americas, LLC	1002015	-2,431.89
03/08/2022	32984	Bear Valley Electric	Airport accounts	-10,264.89
03/08/2022	32985	Big Bear City CSD.	BBAD	-974.97
03/08/2022	32986	Butcher's Block	101970	-564.00
03/08/2022	32987	Carquest of Big Bear, Corp.	660	-132.58
03/08/2022	32988	Frontier Communications	909-565-2900-031710-5	-196.06
03/08/2022	32989	Geiger Supply, Inc.	BBAI	-1,682.37
03/08/2022	32990	Goss, Ryan	Steering knob-plov truck (reimbursement)	-24.73
03/08/2022	32991	Graybar Financial Services, LLC	046-0024053-000	-98.37
03/08/2022	32992	Melissa, John	Reimbursement for fuel for work truck	-50.00
03/15/2022	32993	Big Bear City CSD.	BBAD	-447.45
03/15/2022	32994	Cole Huber LLP	10443	-460.00
03/15/2022	32995	De Lage Landen	345023	-118.12
03/15/2022	32996	Mead & Hunt	R3228400	-1,084.50
03/15/2022	32997	Sonlrol of San Bernardino	23424,237693	-940.67
03/15/2022	32998	France, Lee Nicole TD-26W	TD-26W - Security Deposit refund	-40.00
03/22/2022	32999	Principal Financial Group	1014239-10001	-1,367.14
03/22/2022	33000	Reliance Standard	GL160580, LTD 130861	-457.03
03/22/2022	33001	WSP USA	SRE Concept Deslgn - 2/5/22-3/4/22	-1,391.75
03/28/2022	33002	Nye, Bob/Griffin, Bob - H-ExecG	H-ExecG	-997.50
03/29/2022	33003	Big Bear City CSD.	BBAD	-435.00
03/29/2022	33004	Southwest Gas	2/15/22 - 3/17/22	-2,182.67
*** Missing numbers here ***				
03/10/2022	6358...	Accent Computer Solutions, Inc.	Computer Support	-2,764.41

NO.	APPORTIONMENT	COLLECTION PERIOD	APPORTIONMENT DATE	FUNDS AUTOMATICALLY DEPOSITED	CHECK AMOUNT
1.	Tax Roll Revenues	7/1/21 - 11/5/21	11/10/2021	11/15/2021	\$210,524.39
2.	Tax Roll Revenues	11/6/21 - 11/19/21	11/23/2021	11/29/2021	\$68,892.66
3.	Homeowners' Exemption Reimbursement - 15%	7/1/21 - 11/30/21	12/7/2021	12/9/2021	\$1,712.17
4.	Tax Roll Revenues	11/20/21 - 12/14/21	12/17/2021	12/21/2021	\$581,471.86
5.	Tax Roll Revenues - RPTTF Distribution*	5/1/21 - 12/14/21	12/27/2021	12/29/2021	\$74,346.84
6.	Tax Roll Revenues	12/15/21 - 1/3/22	1/6/2022	1/10/2022	\$19,861.80
7.	Homeowners' Exemption Reimbursement - 35%	12/1/31 - 12/31/21	1/7/2022	1/11/2022	\$3,995.07
8.	Tax Roll Revenues - Including VLF**	1/4/22 - 1/10/22	1/15/2022	1/19/2022	\$5,674.52
9.	Tax Roll Revenues - Including Unitary	1/11/22 - 1/28/22	2/7/2022	2/10/2022	\$38,139.71
10.	Tax Roll Revenues	1/28/22 - 2/18/22	3/1/2022	3/3/2022	\$28,399.40
11.	Tax Roll Revenues	2/19/22 - 3/18/22	3/29/2022	3/31/2022	\$65,693.16
12.	Tax Roll Revenues				
13.	Tax Roll Revenues				
14.	Homeowners' Exemption Reimbursement - 35%				
15.	Tax Roll Revenues - Including VLF and Unitary				
16.	Tax Roll Revenues - RPTTF Distribution*				
17.	Homeowners' Exemption Reimbursement - 15%				
19.	Tax Roll Revenues				
20.	FY 2021-2022 Year-End Reconciliation				
21.	Tax Roll Revenues				
22.	FY 2021-2022 Teeter Plan Adjustment				
	* Redevelopment Property Tax Trust Fund			Total	\$1,098,711.58

Local Agency Investment Fund

March 2022 Statement

Account Summary

Total Deposit: 0.00 Beginning Balance: 6,619,123.42
Total Withdrawal: 0.00 Ending Balance: 6,619,123.42

INSTALLMENT PURCHASE CONTRACT

by and between

BIG BEAR AIRPORT DISTRICT

and

CSDA FINANCE CORPORATION

Dated as of May 1, 2022

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS

Section 1.1. Definitions..... 1

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations by the District 8
Section 2.2. Representations and Warranties by the Corporation 8

ARTICLE III
ACQUISITION AND CONSTRUCTION OF THE TERMINAL PROJECT

Section 3.1. Acquisition and Construction of the Terminal Project 9
Section 3.2. Changes to the Terminal Project..... 11
Section 3.3. Acquisition Fund..... 11
Section 3.4. Disclaimer of Warranties 12

ARTICLE IV
INSTALLMENT PAYMENTS

Section 4.1. Installment Payments 12

ARTICLE V
SECURITY

Section 5.1. Pledge of Revenues 13
Section 5.2. Allocation of Revenues..... 13
Section 5.3. Additional Contracts and Bonds 14
Section 5.4. Investments 14

ARTICLE VI
COVENANTS OF THE DISTRICT

Section 6.1. Compliance with Agreement and Ancillary Agreements 15
Section 6.2. Against Encumbrances..... 15
Section 6.3. Against Sale or Other Disposition of Property 15
Section 6.4. Against Competitive Facilities..... 16
Section 6.5. Tax Covenants 16
Section 6.6. Maintenance and Operation of the Airport 17
Section 6.7. Payment of Claims..... 17
Section 6.8. Compliance with Contracts..... 17
Section 6.9. Insurance 17

TABLE OF CONTENTS
(continued)

		Page
Section 6.10.	Accounting Records; Financial Statements and Other Reports	18
Section 6.11.	Protection of Security and Rights of the Corporation.....	18
Section 6.12.	Payment of Taxes and Compliance with Governmental Regulations	19
Section 6.13.	Further Assurances.....	19
Section 6.14.	Enforcement of Contracts	19
Section 6.15.	Observance of Laws and Regulations.....	19

ARTICLE VII
PREPAYMENT OF INSTALLMENT PAYMENTS

Section 7.1.	Prepayment	19
Section 7.2.	Method of Prepayment.....	20

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF THE CORPORATION

Section 8.1.	Events of Default and Acceleration of Installment Payments	20
Section 8.2.	Application of Funds Upon Acceleration	21
Section 8.3.	Other Remedies of the Corporation	21
Section 8.4.	Non-Waiver.....	22
Section 8.5.	Remedies Not Exclusive.....	22

ARTICLE IX
DISCHARGE OF OBLIGATIONS

Section 9.1.	Discharge of Obligations	23
--------------	--------------------------------	----

ARTICLE X
MISCELLANEOUS

Section 10.1.	Liability of District Limited.....	23
Section 10.2.	Benefits of Agreement Limited to Parties	24
Section 10.3.	Successor Is Deemed Included in all References to Predecessor	24
Section 10.4.	Waiver of Personal Liability.....	24
Section 10.5.	Article and Section Headings, Gender and References	24
Section 10.6.	Partial Invalidity.....	24
Section 10.7.	Net Contract.....	24
Section 10.8.	California Law	25
Section 10.9.	[Notices].....	25
Section 10.10.	Effective Date	25
Section 10.11.	Execution in Counterparts.....	25
Section 10.12.	Indemnification of Corporation	25
Section 10.13.	Transfer	25
Section 10.14.	Amendments Permitted.....	26

TABLE OF CONTENTS
(continued)

Page

EXHIBIT A	INSTALLMENT PAYMENT SCHEDULE DRAW DOWN SCHEDULE AND INSTALLMENT PAYMENTS	
EXHIBIT B	THE TERMINAL PROJECT	
EXHIBIT C	FORM OF DRAW REQUEST	
EXHIBIT D	FORM OF SUBSTITUTION STATEMENT	

INSTALLMENT PURCHASE CONTRACT

This INSTALLMENT PURCHASE CONTRACT, made and entered into as of May 1, 2022 by and between BIG BEAR AIRPORT DISTRICT (the "District"), a public corporation organized and existing under the California Airport District Act (Part 2 of Division 9, commencing with Section 22001, of the California Public Utilities Code) (the "Act"), and CSDA FINANCE CORPORATION (the "Corporation"), a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

WITNESSETH:

WHEREAS, the District proposes to finance improvements to the District's airport, primarily consisting of construction of a new terminal for general aviation purposes, as described in Exhibit B hereto (the "Terminal Project");

WHEREAS, the Corporation has agreed to assist the District in financing the acquisition and construction of the Terminal Project;

WHEREAS, the District is authorized by the Act, including but not limited to Section 22553 thereof, to acquire property for District purposes and to enter into contracts in connection therewith;

WHEREAS, the District and the Corporation have duly authorized the execution of this Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

Accountant's Report. The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Acquisition Fund. The term "Acquisition Fund" means the Acquisition Fund by that name created pursuant to Section 3.3 hereof.

Act. The term "Act" means the California Airport District Act (Part 2 of Division 9, commencing with Section 22001, of the California Public Utilities Code), and all laws amendatory thereof or supplemental thereto.

Advance. The term "Advance" means each advance made by the Assignee, pursuant to this Agreement, to the District, in accordance with the procedures set forth in this Agreement, on the corresponding Draw Down Date, subject to the terms and conditions of this Agreement.

Agreement. The term "Agreement" means this Installment Purchase Contract, dated as of May 1, 2022, by and between the District and the Corporation, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Airport. The term "Airport" means: the whole and each and every part of (a) Big Bear Airport, a public airport located in the County of San Bernardino, California; (b) all land, buildings, structures and other facilities thereof or related thereto of whatsoever character and wherever situated, and all future enlargements thereof and improvements thereto and substitutions therefor; and (c) all properties, whether real, personal, mixed or otherwise, now owned or hereafter acquired by the District and used in connection therewith and in any way pertaining thereto.

Assignee. The term "Assignee" means initially First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank, and thereafter any successor or assign thereof.

Available Commitment. The term "Available Commitment" means, on the Closing Date, an initial amount equal to \$7,920,000 less the initial Advance of \$1,000,000.00 on the Closing Date, and thereafter as adjusted from time to time as follows: (a) downward in an amount equal to any Advance (other than the initial Advance) made hereunder; and (b) downward to zero upon termination of the Commitment in accordance with the terms hereof.

Bond Counsel. The term "Bond Counsel" means a firm of attorneys, selected by the District, who are nationally recognized as experts in the area of municipal finance and who are familiar with the transactions contemplated under this Agreement.

Bonds. The term "Bonds" means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the Installment Payments and which are secured by a pledge of and lien on the Revenues as described in Section 5.1 hereof.

Business Day. The term "Business Day" means a day other than: a Saturday or Sunday or a day on which: (i) banks located in San Francisco are not required or authorized to remain closed; and (ii) the New York Stock Exchange is not closed.

Closing Date. The term “Closing Date” means May 18, 2022.

Code. The term “Code” means the Internal Revenue Code of 1986, as amended.

Commitment. The term “Commitment” means the obligation of the Assignee, pursuant to this Agreement, to make future Advances of the unfunded portion of the Available Commitment, subject to the terms and conditions of this Agreement.

Commitment Termination Date. The term “Commitment Termination Date” means the earliest to occur of (a) May 18, 2023, and (b) the date that Commitment terminates or the date the Available Commitment is reduced to zero in accordance with the terms hereof.

Contracts. The term “Contracts” means and is limited to: (1) this Agreement and any amendments and supplements hereto; and (2) all contracts of the District hereto or hereafter authorized, the Parity Installment Payments with respect to which are payable from Net Revenues on a parity with the Installment Payments and which are secured by a pledge and lien on the Revenues as described in Section 5.1 hereof.

Corporation. The term “Corporation” means CSDA Finance Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, and any successor thereto. Whenever in this Agreement any reference is made to the Corporation and such reference concerns rights that the Corporation has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

Date of Taxability. The term “Date of Taxability” means the date from and for which interest on the Installment Payments or any Bonds (the interest on which is exempt from federal income taxation) are subject to federal income taxation as a result of a Determination of Taxability.

Debt Service. The term “Debt Service” means, for any period of calculation, the sum of:

(a) the interest payable on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to any program similar to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009));

(b) those portions of the principal amount of all outstanding serial Bonds maturing in such period;

(c) those portions of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period; and

(d) those portions of the Contracts required to be paid during such period (except to the extent that the interest evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to any program similar to Section 54AA of the Code (Section 1531 of Title I of Division B of the

American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009));

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts; provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

(i) the then current variable interest rate borne by such Bonds or Contracts plus one percentage point; and

(ii) the highest variable rate borne over the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

(e) provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

Default Rate. The term "Default Rate" means the then applicable interest rate on the principal amount of the Installment Payments plus 3.00% per annum.

Delivery Costs. The term "Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the District or the Assignee relating to the financing and refinancing of the Terminal Project, including but not limited to filing costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Assignee and its counsel, financing discounts, California Debt Investment Advisory Commission fees, legal fees and charges, financial and other professional consultant fees, and charges and fees in connection with the foregoing.

Determination of Taxability. The term "Determination of Taxability" means (a) the occurrence of any action that, in the judgment of the District, in reliance on the advice of Bond Counsel, will adversely affect the tax-exempt status of the Installment Payments, (b) the failure to take any action that, in the judgment of the District, in reliance on the advice of Bond Counsel, is necessary to preserve the exemption from income taxation of interest on the Installment Payments, (c) a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest on the Installment

Payments is includable for Federal income tax purposes in the gross incomes of the recipients thereof, or (d) the enactment of Federal legislation that would cause the interest on the Installment Payments to be includable for Federal income tax purposes in the gross incomes of the recipients thereof. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such right of appeal or action has expired.

District. The term "District" means Big Bear Airport District, a public corporation organized and existing under the Act.

Draw Down Date. The term "Draw Down Date" means each date for funding a deposit to the Acquisition Fund following the submission of a Draw Request to the Assignee in the form set forth in Exhibit C.

Draw Request. The term "Draw Request" means a request for deposit by the Assignee to the Acquisition Fund in substantially the form of Exhibit C attached hereto.

Event of Default. The term "Event of Default" means an event described in Section 8.1.

Environmental Regulations. The term "Environmental Regulations" means all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, "Title III"), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, "CAA") and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, "TSCA"), and any state or local similar Laws and Regulations and any so-called local, state or federal "superfund" or "superlien" law and any other applicable state, local or federal environmental laws or regulations.

Fiscal Year. The term "Fiscal Year" means the twelve-month period selected and designated as the official Fiscal Year of the District (currently, the period beginning on July 1 of each year and ending on June 30 of the succeeding year).

Independent Certified Public Accountant. The term "Independent Certified Public Accountant" means any firm of certified public accountants appointed by the District, each of whom is independent of the District and the Corporation pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Financial Consultant. The term "Independent Financial Consultant" means a financial consultant or firm of such consultants appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; and (3) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

Installment Payment Date. The term “Installment Payment Date” means the dates set forth in Exhibit A hereto (and includes any Interest Payment Date); or (ii) any other date upon which Installment Payments become due and payable, whether by acceleration, prepayment or otherwise.

Installment Payments; Parity Installment Payments. The term “Installment Payments” means the installment payments of interest and principal scheduled to be paid by the District under and pursuant hereto. The term “Parity Installment Payments” means the payments of interest and principal scheduled to be paid by the District under and pursuant to other Contracts.

Interest Payment Date. The term “Interest Payment Date” means February 1 and August 1 in each year, commencing August 1, 2022.

Last Disbursement Request Date. The term “Last Disbursement Request Date” means the Business Day which is five (5) Business Days immediately prior to the day of the requested Disbursement and at least five (5) Business Days immediately preceding the Commitment Termination Date.

Laws and Regulations. The term “Laws and Regulations” means federal, regional, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other governmental authority having jurisdiction as may be in effect from time to time.

Manager. The term “Manager” means the General Manager of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

Material Adverse Effect. The term “Material Adverse Effect” means a material adverse change in (a) the ability of the District to perform or comply with any of its material obligations under this Agreement, (b) the validity or priority of the liens on the Net Revenues and the funds and accounts pledged hereunder in favor of the Assignee or (c) the Assignee’s rights or benefits available under this Agreement or the Assignment Agreement.

Net Revenues. The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year.

Operation and Maintenance Costs. The term “Operation and Maintenance Costs” means (a) all costs spent or incurred for the maintenance and operation of the Airport, calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Airport in good repair and working order, (b) administrative costs of the District, including but not limited to salaries and wages of employees, payments to the District’s pension plan (if any), overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers, and insurance premiums, and (c) all other reasonable and necessary costs of the District or charges (other than Debt Service and capital expenditures) required to be paid by it to comply with the terms of this Agreement or any other Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; but excluding (x) any allowance for depreciation, (y) reserves for capital replacement, operations, maintenance and repairs, and (z) liabilities that are not based on the District’s contracts.

Permitted Investments. The term "Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein and are authorized investments under the District's investment policy in effect at the time of such investment:

(a) for all purposes, including but not limited to discharge of Installment Payments in accordance with Section 9.1: (1) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (2) hereof); or (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America; and

(b) for all purposes other than discharge of Installment Payments in accordance with Section 9.1: (1) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including the Export - Import Bank; Farmers Home Administration; General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); U.S. Department of Housing & Urban Development (PHAs); and Federal Housing Administration; (2) bonds, notes or other evidences of indebtedness rated "AAA" and "Aaa" by the applicable rating agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years; (3) U.S. dollar denominated deposit accounts, certificates of deposit, federal funds and banker's acceptances with domestic commercial banks (including the Corporation and its affiliates) which are either insured by the Federal Deposit Insurance Corporation or have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the Assignee); (4) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and which matures not more than 270 days after the date of purchase; (5) investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including such funds for which the Corporation or an affiliate acts as investment advisor or provides other services; (6) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on the escrow, in the highest rating category of S&P or any successor thereto; (7) the State of California Local Agency Investment Fund, (8) the San Bernardino County Investment Pool or any similar investment pool managed by the Treasurer of San Bernardino County and (9) any other investment approved in writing by the Corporation; provided that amounts on deposit in the Acquisition Fund shall not be invested pursuant to clause (3) of this subparagraph (b) without the written permission of the Corporation.

Revenue Fund. The term "Revenue Fund" means the General Fund of the District, together with other accounts created in the future and designated by action of the Board of Directors as a part of the Revenue Fund by that name established pursuant to Section 5.2 hereunder.

Revenues. The term "Revenues" means (a) the proceeds of 1% *ad valorem* property taxes received by the District, any tax increment revenues or redevelopment property taxes received by the District and any other revenues derived from the ownership and or operation of the Airport and

(b) the earnings on and income derived from the investment of the amounts described in clause (a) hereof; and on the general unrestricted reserves of the District; but excluding (x) any proceeds of taxes or assessments restricted by law to be used by the District to pay obligations of the District other than Bonds or Contracts, (y) any Bond proceeds and any other money credited to the Acquisition Fund or any like account for financing the acquisition or construction of capital improvements to the Airport, and (z) grant proceeds the use of which is restricted to particular purposes by the grantor, including but not limited to grants from the Federal Aviation Administration related to annual projects funded by it.

Taxable Rate. The term "Taxable Rate" means 4.15%.

Terminal Project. The term "Terminal Project" has the meaning ascribed thereto in the first WHEREAS clause herein.

Written Consent of the Corporation or District, Written Order of the Corporation or District, and Written Request of the Corporation or District. The terms "Written Consent of the Corporation or District," "Written Order of the Corporation or District," and "Written Request of the Corporation or District," mean, respectively, a written consent, order or request signed by or on behalf of: (a) the Corporation by its Authorized Representative; or (b) the District by the President of its Board of Directors or its Manager.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations by the District. The District makes the following representations:

(a) The District is public corporation duly organized and existing under and pursuant to the Act and the laws of the State of California.

(b) The District has full legal right, power and authority to enter into this Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Agreement, and the District has complied with the provisions of the Act in all matters relating to such transactions.

(c) By proper action, the District has duly authorized the execution, delivery and due performance of this Agreement.

(d) The District will not take or, to the extent within its power, permit any action to be taken which results in the interest paid for the installment purchase of the Terminal Project under the terms of this Agreement being included in the gross income of the Corporation for purposes of federal income taxation or not being exempt from California income taxation.

(e) The District has determined that it is necessary and proper for District uses and purposes within the terms of the Act that the District acquire and construct the Terminal Project in the manner provided for in this Agreement.

(f) This Agreement and the pledge of Net Revenues is a first lien and pledge on Net Revenues.

(g) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under either of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District.

(h) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Installment Payments or the consummation of the other transactions effected or contemplated herein or hereby. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

(i) The District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Agreement or otherwise with respect to the Installment Payments. To the extent the District has or hereafter may acquire under any applicable law any rights to immunity from legal proceedings on the grounds of sovereignty, the District hereby waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement or otherwise with respect to the Installment Payments.

(j) All information, reports and other papers and data furnished by the District to the Assignee, at the time the same were so furnished, were complete and accurate in all material respects and insofar as necessary to give the Assignee a true and accurate knowledge of the subject matter and were provided in expectation of the Assignee's reliance thereon in entering into the transactions contemplated by this Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Assignee or in other such information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Assignee in connection with the negotiation, preparation or execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(k) The District shall further provide to the Assignee: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly

confirmed in writing, of any event that constitutes an Event of Default under this Agreement, together with a statement by the Manager of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Assignee, updates, if any, of the information described in Section 6.10 of this Agreement; and (d) within ten (10) days after receipt of request therefor by the Assignee, such additional information as the Assignee may reasonably request.

(l) The District reasonably believes that sufficient funds can be obtained to make all Installment Payments and all other amounts required to be paid pursuant to this Agreement.

(m) The District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing contract of the same general nature as this Agreement, or under any of its bonds, notes, or other debt obligations.

(n) The District is in full compliance with all Laws and regulations, including Environmental Regulations, and the District shall remain in compliance with such Laws and regulations, including Environmental Regulations.

(o) The District acknowledges that (i) the Assignee is acting solely as Assignee of the Corporation's right, title and interest in this Agreement for its own account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor, (ii) the Assignee has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the District with respect to its purchase of the Corporation's right, title and interest in this Agreement, (iii) the Assignee has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to any placement agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to any placement agent with respect to any such matters, and (iv) the District has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing effectuated through this Agreement and the Assignment Agreement from its financial, legal and other advisors (and not the Assignee) to the extent that the District desired to obtain such advice.

(p) Since the most current date of the information, financial or otherwise, supplied by the District to the Assignee:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect;

(ii) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and

(iii) The District has not (1) incurred any material indebtedness, other than the payments and trade accounts payable arising in the ordinary course of the

District's business and not past due, or (2) guaranteed the indebtedness of any other person.

Section 2.2. Representations and Warranties by the Corporation. The Corporation represents, warrants and covenants to the District as follows:

(a) The Corporation is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California.

(b) The Corporation is entering into this Agreement as an arm's length commercial transaction and is not acting as a fiduciary or a "Municipal Advisor" as such term is defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended.

(c) The laws of the State of California authorize the Corporation to enter into this Agreement, to enter into the transactions contemplated hereby and thereby and to carry out its obligations under this Agreement; and the Board of Directors of the Corporation has duly authorized the execution and delivery of this Agreement.

(d) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation.

(e) The Corporation will not assign this Agreement, its right to receive Installment Payments from the District or its duties and obligations hereunder to any person, firm or corporation other than the Assignee.

ARTICLE III

ACQUISITION AND CONSTRUCTION OF THE TERMINAL PROJECT

Section 3.1. Acquisition and Construction of the Terminal Project.

(a) The Corporation hereby agrees to cause the Terminal Project, and any additions or modifications thereto to be constructed, acquired or installed, as applicable, by the District as its agent, and the District shall enter into contracts and provide for, as agent of the Corporation, the complete acquisition and construction of the Terminal Project. The District hereby agrees that it will cause the construction, acquisition and installation of the Terminal Project to be diligently performed upon satisfactory completion of design work and compliance with the California Environmental Quality Act and approval by the Board of Directors of the District, unforeseeable delays beyond the reasonable control of the District only excepted. It is hereby expressly understood and agreed that the Corporation shall be under no liability of any kind or character whatsoever for the payment of any cost of the Terminal Project and that all such costs and expenses shall be paid by the District, regardless of whether the funds deposited in the Acquisition Fund are sufficient to cover all such costs and expenses.

(b) In consideration for the Corporation's assistance in acquiring the Terminal Project, the District agrees to sell, and hereby sells, to the Corporation, and the Corporation agrees to purchase, and hereby purchases, from the District, from time to time, components of the Terminal Project on the Draw Down Dates set forth on the draw down schedule attached as Exhibit A hereto, in the manner and in accordance with the provisions of this Agreement. In consideration for the Installment Payments as set forth in Article IV, the Corporation agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Corporation, from time to time components of the Terminal Project on the Draw Down Dates set forth on the draw down schedule attached as Exhibit A hereto, at the purchase prices set forth opposite such Draw Down Date on the draw down schedule attached as Exhibit A hereto and otherwise in the manner and in accordance with the provisions of this Agreement. The District and the Assignee, in their sole discretion, may jointly agree to modify any Draw Down Date or the amount of any Advance and any related changes to the draw down schedule by each indicating its consent thereto in writing on such new draw down schedule to be attached as Exhibit A hereto, and each such new draw down schedule shall be deemed to be an amendment to this Agreement. Notwithstanding the foregoing, the District shall be obligated after the Closing Date and prior to the Commitment Termination Date to draw on the entire Available Commitment.

Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and agreements set forth herein, including without limitation satisfaction of the conditions set forth below, and in consideration of the assignment made under the Assignment Agreement by the Corporation to the Assignee, the Corporation agrees to cause the Assignee, pursuant to the Assignment Agreement, to make Advances to the District, as agent of the Corporation, on each Draw Down Date set forth on Exhibit A attached hereto occurring after the Closing Date and prior to the Commitment Termination Date, in the amount set forth opposite such Draw Down Date set forth on Exhibit A attached hereto (which shall be the purchase price of such component of the Terminal Project) but in any event not to exceed at any time outstanding the then-outstanding Available Commitment, in accordance with the procedures set forth below. In no event shall any Advance be made to District in an amount that is less than \$1,000,000.

The obligation of the Assignee, pursuant to the Assignment Agreement, to make an Advance on any date is subject to the following conditions precedent: (a) all representations and warranties of the District set forth in this Agreement are true and correct as though made on the corresponding Draw Date, no Default or Event of Default shall have occurred and be continuing, and no event or change shall be in effect or shall have occurred that could reasonably be expected to have a Material Adverse Effect; (b) the Commitment and the obligation of the Assignee, pursuant to the Assignment Agreement, to make Advances hereunder shall not have terminated pursuant to the terms of this Agreement; and (c) the aggregate amount of the Advance does not exceed the Available Commitment. Unless the District shall have otherwise previously advised the Assignee in writing, the District shall be deemed to represent and warrant on each Draw Date that each such condition is satisfied on such Draw Date.

Subject to satisfaction of the conditions precedent set forth above, the Assignee shall fund each Advance on the corresponding Draw Down Date into the Acquisition Fund.

Upon funding of each Advance, the District agrees to sell, and hereby sells to the Corporation, and the Corporation agrees to purchase, and hereby purchases, from the District, the component of the Terminal Project described in Exhibit A attached hereto with respect to the related Draw Down Date.

(c) The District hereby covenants to use the proceeds received from the Corporation for the costs and expenses of the Acquisition of the Terminal Project. The District may change the specifications of the Terminal Project, so long as such change does not substantially alter the nature of the Terminal Project; provided, however, that the District and the Assignee, as assignee of the Corporation under the Assignment Agreement, in their sole discretion, may jointly designate an Alternate Project. In the event an Alternate Project is designated, the District shall certify in writing to the Assignee that Acquisition Costs shall not materially increase as a result from such change. In the event Acquisition Costs shall materially increase as a result of the designation of an Alternate Project, prior to designating such Alternate Project the District shall either deposit in the Acquisition Fund an amount sufficient to pay such increase or shall certify in writing to the Assignee that funds sufficient to pay such increase in Acquisition Costs are otherwise available to the District.

The Corporation, on each Draw Down Date, agrees to cause the Assignee to deposit in the Acquisition Fund the proceeds of the Advance made by the Assignee pursuant to the Assignment Agreement.

All right, title and interest in each component of the Terminal Project purchased and sold in connection with an Advance shall vest in the District immediately upon funding of such Advance. Such vesting shall occur without further action by the Corporation or District and the Corporation shall, if requested by the District, if necessary, to assure such automatic vesting, deliver any and all documents required to assure such vesting.

(d) In the event the Corporation fails to observe or perform any agreement, condition, covenant or term contained herein required to be observed or performed by it, the District may institute such action or proceeding against the Corporation as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Agreement as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Corporation agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Corporation in any action or proceeding if the District shall so request.

Section 3.2. Changes to the Terminal Project. The District may substitute other improvements for those listed as components of the Terminal Project in Exhibit B hereto, but only if the District first files with the Corporation and the Assignee a statement of the District in the form attached as Exhibit D:

(a) identifying the improvements to be substituted and the improvements to District facilities they replace in the Terminal Project;

(b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned; and

(c) stating that, in reliance on the advice of Bond Counsel, the improvements described in 3.2(a) above will not affect the tax-exempt status of the Installment Payments.

Section 3.3. Acquisition Fund. There is hereby established with the District the Acquisition Fund. On the Closing Date, \$1,000,000.00 shall be deposited into the Acquisition Fund. The moneys in the Acquisition Fund shall be held by the District in trust and applied to the payment of the costs of acquisition and construction of the Terminal Project and of expenses incidental thereto and Delivery Costs. As long as there is any balance remaining on deposit in the Acquisition Fund, the District shall pay for such costs and expenses solely from the Acquisition Fund and not from any other funds of the District, provided that the District may advance any such other funds to pay for such costs and expenses and reimburse itself therefor from the Acquisition Fund.

When the Terminal Project shall have been constructed and acquired in accordance with this Agreement, a statement of the District stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered by the Manager to the Assignee. Upon the delivery of such statement, the Manager shall transfer any remaining balance in the Acquisition Fund not needed for Acquisition Fund purposes (but less the amount of any such retention which shall be certified to by the Manager) to the Assignee, which shall apply such amounts as either as a credit against the next succeeding Installment Payment or as prepayment of Installment Payments in accordance with Section 7.1(b), as directed by the District.

Section 3.4. Disclaimer of Warranties. THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OF THE TERMINAL PROJECT OR ANY PART THEREOF, OR AS TO THE FITNESS FOR ANY PARTICULAR USE OF THE TERMINAL PROJECT OR ANY PART THEREOF OR AS TO THE FITNESS OF THE TERMINAL PROJECT OR ANY PART THEREOF FOR THE USE CONTEMPLATED BY THE DISTRICT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION IS NOT A CONTRACTOR OF THE TERMINAL PROJECT, THAT THE DISTRICT PURCHASES THE TERMINAL PROJECT "AS-IS," IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. IN NO EVENT SHALL THE CORPORATION BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE ACQUISITION,

CONSTRUCTION, EXISTENCE, FURNISHING, FUNCTIONING OR THE DISTRICT'S USE OF ANY ITEM OR PRODUCTS OR SERVICES PROVIDED FOR IN THIS AGREEMENT. THE DISTRICT ACKNOWLEDGES THAT IT IS SOLELY RESPONSIBLE FOR DETERMINING THE SUITABILITY OF THE TERMINAL PROJECT FOR ITS INTENDED USE.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.1. Installment Payments. The total principal amount of the Installment Payments owed and to be paid by the District to the Assignee, as assignee of the Corporation under the Assignment Agreement, for the Acquisition of the Terminal Project shall not exceed \$7,920,000, plus interest thereon, calculated at the rate of 2.99% per annum (the "Interest Rate"), or the Default Rate or Taxable Rate as provided in this Agreement. The regularly scheduled Installment Payments shall, subject to any rights of prepayment of the District provided in Article VII, be due in installments in the amounts and on the dates described in the payment schedule set forth in Exhibit A attached hereto (with the final Installment Payment due and payable on August 1, 2047). In the event of an Event of Default hereunder, the interest component of the portion of the Installment Payment shall be calculated based on the Default Rate. In the event of a Determination of Taxability, the rate of interest on the Installment Payments shall be the Taxable Rate.

Each Installment Payment shall be payable to the Assignee in accordance with the terms hereof and at the times required by this Section 4.1 in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this Section 4.1, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with interest thereon at the Default Rate until such amount shall have been fully paid.

The obligation of the District to make the Installment Payments is absolute and unconditional, whether or not the Terminal Project shall be acquired, and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VII hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 4.1 when due, whether or not the Airport or any part thereof is operating or operable or has been completed, or whether or not the Airport is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.1. Pledge of Revenues. All Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of Operation and Maintenance Costs and the Installment Payments as provided herein, and the Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a first lien on Revenues and, subject to application of Revenues and all amounts on deposit in the Revenue Fund as permitted herein, on the Revenue Fund and other funds and accounts created hereunder for the payment of Operation and Maintenance Costs and Installment Payments and all other Contracts and Bonds in accordance with the terms hereof.

Section 5.2. Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby established and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Contracts or Bonds remain unpaid.

The District shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as such Operation and Maintenance Costs become due and payable. Thereafter, all remaining moneys in the Revenue Fund shall be applied by the District at the following times for the transfer to the following respective special funds and accounts in the following order of priority; and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes set forth in this section.

(a) Installment Payments. On or before each Installment Payment Date, the District shall, from the moneys in the Revenue Fund, transfer (i) to the Corporation the portion of each Installment Payment due and payable on that Installment Payment Date and (ii) to the applicable trustee, fiscal agent or other applicable party for deposit in the respective payment fund any other Debt Service then due and payable in accordance with the provisions of any Bond or Contract, in each case without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference.

(b) Reserve Funds. On or before each Installment Payment Date, the District shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer for deposit to the applicable recipient for such other reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts other than this Agreement, the amount required to be deposited therein pursuant to such Bonds or Contracts, as applicable.

(c) Surplus. Moneys on deposit in the Revenue Fund on each Installment Payment Date not necessary to make any of the payments required above may be expended by the District at any time for capital expenditures or for any other purpose permitted by law.

Section 5.3. Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided the Net Revenues for either: (i) the most recent audited Fiscal Year; or (ii) any twelve consecutive months occurring in the last eighteen months, in each case preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by a calculation prepared by the Manager and a report verifying the accuracy of such calculation prepared by an Independent Certified Public Accountant or Independent Financial Adviser, shall have produced a sum equal to at least one hundred fifty percent (150%) of the Debt Service for such Fiscal Year or twelve month period, as the case may be, taking into account (a) all Contracts executed and Bonds issued subsequent to the first day of such Fiscal Year or twelve month period and (b) the Contract then proposed to be executed or the Bonds then proposed to be issued as if all such Contract and/or Bonds existed as of the first day of such Fiscal Year or twelve consecutive month period.

Notwithstanding the above, the District may incur debt payable from Net Revenues (i) to cause a defeasance of the Installment Payments pursuant to Article VII hereof or a defeasance of any outstanding Bonds or Contracts, or (ii) which is payable on a basis which is subordinate to the payment of the Installment Payments.

Section 5.4. Investments. All moneys held by the District in the Revenue Fund and the Acquisition Fund shall be invested in Permitted Investments, and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.1. Compliance with Agreement and Ancillary Agreements. The District will punctually pay the Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Terminal Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Corporation to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Corporation or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The District will faithfully observe and perform all of the agreements, conditions, covenants and terms required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.2. Against Encumbrances. The District will not make any pledge of or place any lien on the Revenues except as provided in Sections 5.1 and 5.3 hereof. The District will not make any pledge of or place any lien on any other Revenues or the moneys in the Revenue Fund prior to the lien created in Section 5.1 hereof. The District will not make any pledge of or place any lien on any other Revenues or the moneys in the Revenue Fund on a parity with the lien created in Section 5.1 hereof except as provided in Section 5.3. The District may at any time, or from time to time: (i) incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of or lien on Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein; or (ii) execute Contracts or issue Bonds as permitted herein.

Section 6.3. Against Sale or Other Disposition of Property. The District will not enter into any agreement for the sale or lease of the Airport or any portion thereof which would reasonably foreseeably impair its ability to pay Debt Service as the same becomes due. Any real or personal property which is part of any of the Airport and which has become inoperative or which is not needed for the efficient and proper leasing or other operation of the Airport, or any material or equipment which has become worn out, may be sold if (i) such sale will not reasonably foreseeably impair the ability of the District to pay Debt Service as it becomes due and (ii) the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the District to sell or lease any portion of the Airport if such portion is immediately repurchased or leased back by the District and if such arrangement cannot by its terms result in: (i) the purchaser or lessee of such portion of the Airport exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Airport; or (ii) the creation of a payment obligation of the District structurally or contractually senior to the obligation to make Installment Payments.

Section 6.4. Against Competitive Facilities. To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate any other airport facility within the District; provided that nothing contained herein shall prevent the District from acquiring or constructing enlargements of or additional improvements or other betterments to, the Airport.

Section 6.5. Tax Covenants. Notwithstanding any other provision of this Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest component of the Installment Payments will not be adversely affected for federal income tax purposes, the District and the Corporation covenant to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District and the Corporation will not take or omit to take any action or make any use of the moneys deposited in the Acquisition Fund or of any other moneys or property which would cause the Installment Payments to be “private activity bonds” within the meaning of Section 141 of the Code. In particular, the District will not enter into any lease of space within any structure included in the Terminal Project that cannot be terminated without penalty or cause at the option of the District upon not less than fifty (50) days’ notice unless such lease is (i) to a natural person or to the State of California or any department of agency or political subdivision thereof, (ii) prohibits the use of any such space for private business purposes and (iii) cannot be assigned or sublet to any person or entity other than one described in clause (i) above.

(b) Arbitrage. The District and the Corporation will make no use of the moneys deposited in the Acquisition Fund or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Installment Payments to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The District and the Corporation will make no use of the moneys deposited in the Acquisition Fund or take or omit to take any action that would cause the Installment Payments to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The District and the Corporation will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code.

(e) Hedge Bonds. The District and the Corporation will make no use of the moneys deposited in the Acquisition Fund or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Installment Payments to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of the interest component of the Installment Payments for federal income tax purposes.

(f) Bank Qualified. The District hereby designates this Agreement as “bank-qualified” for purposes of paragraph (3) of Section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding: (i) private activity bonds, as defined in Section 141 of the Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Code; and (ii) current funding obligations to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2022.

(g) Miscellaneous. The District and the Corporation will take no action, or omit to take any action, inconsistent with the expectations stated in any tax certificate executed in connection with the Installment Payments and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the District and the Corporation from causing to be executed and delivered Contracts or to issue Bonds, the interest with respect to which has been determined by nationally recognized bond counsel not to be subject to federal income taxation.

Section 6.6. Maintenance and Operation of the Airport. The District will maintain and preserve the Airport in good repair and working order at all times and will operate the Airport in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.7. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the Installment Payments or to the Owners prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Payments.

Section 6.8. Compliance with Contracts. The District will neither take nor omit to take any action under any contract, if the effect of such act or failure to act would in any manner materially adversely impair the ability of the District to pay Installment Payments; and the District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Airport to the extent that the District is a party thereto.

Section 6.9. Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Airport with responsible insurers in such amounts and against such risks (including damage to or destruction of the Airport or any portion thereof) as are usually covered in connection with structures similar to the Airport so long as such insurance is available from reputable insurance companies.

In the event of any damage to or destruction of the Airport or any portion thereof caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Airport. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Airport shall be free and clear of all claims and liens.

(b) The District will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with structures similar to the Airport.

(c) Any insurance required to be maintained by paragraph (a) above and, if the District determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is

maintained in the amounts and manner usually maintained in connection with structures similar to the Airport and is, in the opinion of an accredited actuary, actuarially sound.

(d) On the Closing Date and at least once in each Fiscal Year thereafter the District will deliver to the Corporation and the Assignee evidence of the insurance coverage then maintained by the District pursuant to this Section.

Section 6.10. Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the District, which records shall be available for inspection by the Corporation at reasonable hours and under reasonable conditions.

(b) The District will prepare and file, to the extent not available on the District's website, with the Corporation and the Assignee annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the first Fiscal Year ending subsequent to the execution and delivery of this Agreement by the District) audited financial statements of the District for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon.

(c) The District will deliver, to the extent not available on the District's website, a copy of its operating budget, or evidence of the District's appropriation of moneys sufficient to pay the Installment Payments due in such Fiscal Year, to the Corporation and the Assignee annually within thirty (30) calendar days after adoption of the District's operating budget.

Section 6.11. Protection of Security and Rights of the Corporation. The District will preserve and protect the security hereof and the rights of the Corporation to the Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.12. Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Airport or any part thereof or upon the Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the leasing or other operation of the Airport or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.13. Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it herein.

Section 6.14. Enforcement of Contracts. The District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into, if such rescission or amendment would result in a default by the District in the payment of Installment Payments.

Section 6.15. Observance of Laws and Regulations. To the extent necessary to assure its performance hereunder, the District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, respectively, including its right to exist and carry on its business, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 7.1. Prepayment.

(a) The District may prepay the unpaid principal balance of the Installment Payments in whole or in part, on any Installment Payment Date, by paying a prepayment price equal to the principal amount of the Installment Payments to be prepaid, plus accrued interest to the date of prepayment, plus a prepayment premium as follows:

<u>Prepayment Date</u>	<u>Prepayment Premium</u>
Any Installment Payment Date from August 1, 2022 to August 1, 2024	3%
Any Installment Payment Date from February 1, 2025 to August 1, 2026	2%
Any Installment Payment Date from February 1, 2027 to August 1, 2028	1%
Any Installment Payment Date from February 1, 2029 and thereafter	0%

(b) Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Assignee, shall have been fully paid and the Installment Payments are no longer due hereunder.

Section 7.2. Method of Prepayment. Before making any prepayment pursuant to Section 7.1, the District shall give written notice to the Corporation specifying the date on which the prepayment will be made, which date shall be not less than thirty (30) days from the date such notice is given. Such written notice may be conditional upon the deposit of such funds necessary for such prepayment on the specified prepayment date within such notice. If the amount necessary to prepay such Installment Payments is not available upon the date of such anticipated prepayment, such notice shall be cancelled and such prepayment shall not proceed as described in such notice.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE CORPORATION

Section 8.1. Events of Default and Acceleration of Installment Payments. If one or more of the following Events of Default shall happen:

(a) if default shall be made by the District in the due and punctual payment of any Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(b) if default shall be made by the District in the performance of any of the other agreements or covenants required herein or in any Contract or Bond to be performed by it, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Assignee;

(c) if the District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property;

(d) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms;

(e) if any representation, warranty or certification of the District shall have been false in any material respect when made; or

(f) an event of default shall have occurred with respect to any Bonds or Contracts;

then and in each and every such case during the continuance of such Event of Default specified above, the Assignee may, by notice in writing to the District, adjust the Available Commitment downward to zero and declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This section however, is subject to the condition that, if at any time after the entire principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Assignee a sum sufficient to pay the unpaid principal amount of the Installment Payments and/or the unpaid payment of any other Contract or Bond referred to in clause (a) above due prior to such declaration and the accrued interest thereon, with any interest due on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the

Assignee, and any and all other defaults known to the Assignee (other than in the payment of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Assignee, or provision deemed by the Assignee to be adequate shall have been made therefor, then and in every such case the Assignee, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.2. Application of Funds Upon Acceleration.

All moneys and investments in the funds and accounts held upon the date of the declaration of an Event of Default as provided in Section 8.1 and all Revenues thereafter received shall be applied as follows:

(a) Unless the principal of all Installment Payments shall have become or shall have been declared due and payable:

First: To the payment to the persons entitled thereto of the interest portion of all Installments Payments, with interest on overdue installments, if lawful, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If all of the Installment Payments shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Installment Payments, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Section 8.3. Other Remedies of the Corporation. The Corporation or the Assignee, as the assignee thereof, as applicable, shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his duties under the Act and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Corporation; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Corporation shall have no security interest in or mortgage on the Terminal Project or any other asset of the District, and no default hereunder shall result in the loss of the Terminal Project or any other asset of the District.

Section 8.4. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Corporation at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund and any other funds herein pledged for such payment, or shall affect or impair the right of the Corporation, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Corporation 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 of duty or contract. No delay or omission by the Corporation to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Corporation by the Act or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Corporation.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the District and the Corporation shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.5. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Assignee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

If any remedial action is discontinued or abandoned, the Assignee shall be restored to their former positions.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.1. Discharge of Obligations.

(a) When all or any portion of the Installment Payments shall have become due and payable in accordance herewith or a written notice of the District to prepay all or any portion of the Installment Payments shall have been filed with the Corporation; and

(b) there shall have been deposited with the Corporation at or prior to the Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Corporation or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Installment Payments, sufficient moneys and non-callable Permitted Investments, issued by the United States of America and described in clause (a) of the definition thereof, the principal of and interest on which when due will provide money sufficient, without reinvestment, to pay all principal, prepayment premium, if any, and interest of such Installment Payments to their respective Installment Payment Dates or prepayment date or dates as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant or Independent Financial Consultant addressed to the Corporation and the Corporation has received an opinion addressed to it in form and substance satisfactory to the Corporation in its sole discretion of qualified counsel to the effect that such deposit and prepayment will not cause the interest component of Installment Payments to be included in gross income for federal income tax purposes; then and in that event, the right, title and interest of the Corporation herein and the obligations of the District hereunder shall, with respect to all or such portion of the Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Corporation and the obligation of the District to have such moneys and such Permitted Investments applied to the payment of such Installment Payments, and the obligation of the District to pay any deficiency in such moneys and Permitted Investments).

Upon payment in full of the principal component of all Installment Payments plus interest thereon to the date of payment, the Corporation shall pay over to the District as an overpayment of Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Installment Payments, which moneys and Permitted Investments shall continue to be held by the Corporation in trust for the payment of the Installment Payments and shall be applied by the Corporation to the payment of the Installment Payments of the District.

ARTICLE X

MISCELLANEOUS

Section 10.1. Liability of District Limited. The obligation of the District to make the Installment Payments is a special obligation of the District payable solely from Net Revenues, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Revenues and the Revenue Fund for the payment of amounts due hereunder or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Section 10.2. Benefits of Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District and the Corporation any right, remedy or claim under or pursuant hereto, and any agreement or covenant required

herein to be performed by or on behalf of the District or the Corporation shall be for the sole and exclusive benefit of the other party.

Section 10.3. Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Corporation is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Corporation, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.4. Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.5. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby", "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.6. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Corporation shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.7. Net Contract. This Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof the Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.8. California Law. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.9. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the District: Big Bear Airport District
501 Valley Boulevard
Big Bear City, CA 92314
Attention: General Manager

If to the Corporation: CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
Attention: Administrator

If to the Assignee: First Foundation Public Finance
2233 Douglas Blvd., Suite 300
Roseville, California 95661
Attention: Trevor Mael

Section 10.10. Effective Date. This Agreement shall become effective upon its execution and delivery and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Assignee pursuant to Article VII hereof).

Section 10.11. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.12. Indemnification of Corporation and Assignee. (a) The District hereby agrees to indemnify and hold harmless the Corporation, its shareholders, owners, officers, directors, and assigns if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder by the Corporation.

(b) The District shall, to the extent permitted by law, indemnify and save the Assignee, and its respective officers, agents, directors and employees, harmless from and against all claims, losses, liabilities, costs, expenses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management or operation of, or from any work or thing done on, the Project or the Airport by the District, including injury or damages to any persons or property arising therefrom, (b) any breach or default on the part of the District in the performance of any of its obligations under this Agreement, or (c) any act of gross negligence of the District or of any of its agents, servants, or employees with respect to the Project or the Airport. No indemnification is made under this Section for willful misconduct or gross negligence by the Assignee or its officers, agents, directors or employees. The provisions of this Section shall continue in full force and effect, notwithstanding the termination of the term of the Agreement for any reason.

Section 10.13. Transfer. This Agreement is not subject to transfer or assignment by the District. The District acknowledges the assignment of this Agreement by the Corporation to the Assignee. The District further acknowledges that the Assignee may transfer or assign this Agreement in whole and not in part provided that:

(a) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations; and

(b) the transferring holder thereof can transfer this Agreement only to a transferee who executes and delivers to the Issuer a letter of the transferee substantially to the effect of this letter and who qualifies as an:

(i) a qualified institutional buyer pursuant to Rule 144A of the 1933 Securities Act; or

(ii) an "accredited investor" within the meaning of Section 2(15) of the 1933 Securities Act; and

(iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the District without the prior review and written consent of the District, in the District's sole discretion.

Section 10.14. Amendments Permitted. This Agreement and the rights and obligations of the Corporation and the District may be modified or amended at any time by an amendment hereto which shall become binding when the written consents of the Corporation and the District.

Section 10.15. Restrictions on Agreement. The District and the Assignee understand that this Agreement shall not be, and the District and the Assignee shall not cause this Agreement to be, (a) assigned a rating by any credit rating agency, (b) registered with The Depository Trust Company or any other securities depository, (c) offered pursuant to any type of offering document or official statement, (d) assigned a DTC-registered CUSIP number by Standard & Poor's CUSIP Service or (e) listed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website.

Section 10.16. Third-Party Beneficiary. The Assignee shall be a third-party beneficiary of this Agreement.

Section 10.17. Dispute Resolution.

(a) Prior to the initiation of any action, proceeding or hearing (hereinafter, a "Claim") based upon or arising out of, directly or indirectly, this Agreement or any of the related documents, any dealings between the District or the Assignee relating to the subject matter of the transactions contemplated by this Agreement or any related transactions, and/or the relationship that is being established between the District and the Assignee, the District and the Assignee may agree to participate in nonbinding mediation of the Claim in San Bernardino County before a retired state or federal judge mutually agreed to by the parties. If the District and the Assignee agree to such nonbinding mediation, the mediation proceeding shall be conducted within thirty (30) days or any mutually agreed upon longer time after referral by District or Assignee, and shall continue until such times as (1) the dispute is resolved; or (2) the date either party concludes, in good faith, that mediation is no longer a satisfactory remedy. All costs of mediation shall be shared equally by both parties involved. Each party shall bear its own attorney fees and costs related to the mediation. In the event the parties are unable to resolve the dispute through mediation, then in addition to any other remedies, either party may initiate a legal action.

(b) No provision of this Section 10.17 shall limit the right of either the District or the Assignee, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any mediation. The exercise of, or opposition to, any such remedy does not waive the right of the District or the Assignee to participate in the nonbinding mediation pursuant to Section 10.17(a).

IN WITNESS WHEREOF, the parties hereto have executed and attested this Agreement by their officers thereunto duly authorized as of the day and year first written above.

BIG BEAR AIRPORT DISTRICT

Ryan Goss, General Manager

ATTEST

Diane Cartwright,
Secretary of the Board of Directors

CSDA FINANCE CORPORATION

Chief Executive Officer

EXHIBIT A

**INSTALLMENT PAYMENT SCHEDULE
DRAW DOWN SCHEDULE AND INSTALLMENT PAYMENTS**

**As of Initial Draw Down Date: May 19, 2022
Assumes that \$7,920,000 of the Commitment Will be Advanced**

<u>Draw Down Date/Installment Payment Date</u>	<u>Draw Amount¹</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest*</u>	<u>Total</u>
5/19/2022	\$1,000,000.00	\$0.00	\$0.00	\$0.00
8/1/2022	\$0.00	\$35,000.00	\$5,980.00	\$40,980.00
2/1/2023	\$0.00	\$0.00	\$14,426.75	\$14,426.75
5/19/2023	\$6,920,000.00	\$0.00	\$0.00	\$0.00
8/1/2023	\$0.00	\$275,000.00	\$55,808.35	\$330,808.35
2/1/2024	\$0.00	\$0.00	\$113,769.50	\$113,769.50
8/1/2024	\$0.00	\$220,000.00	\$113,769.50	\$333,769.50
2/1/2025	\$0.00	\$0.00	\$110,480.50	\$110,480.50
8/1/2025	\$0.00	\$230,000.00	\$110,480.50	\$340,480.50
2/1/2026	\$0.00	\$0.00	\$107,042.00	\$107,042.00
8/1/2026	\$0.00	\$235,000.00	\$107,042.00	\$342,042.00
2/1/2027	\$0.00	\$0.00	\$103,528.75	\$103,528.75
8/1/2027	\$0.00	\$240,000.00	\$103,528.75	\$343,528.75
2/1/2028	\$0.00	\$0.00	\$99,940.75	\$99,940.75
8/1/2028	\$0.00	\$245,000.00	\$99,940.75	\$344,940.75
2/1/2029	\$0.00	\$0.00	\$96,278.00	\$96,278.00
8/1/2029	\$0.00	\$255,000.00	\$96,278.00	\$351,278.00
2/1/2030	\$0.00	\$0.00	\$92,465.75	\$92,465.75
8/1/2030	\$0.00	\$260,000.00	\$92,465.75	\$352,465.75
2/1/2031	\$0.00	\$0.00	\$88,578.75	\$88,578.75
8/1/2031	\$0.00	\$275,000.00	\$88,578.75	\$363,578.75
2/1/2032	\$0.00	\$0.00	\$84,467.50	\$84,467.50
8/1/2032	\$0.00	\$280,000.00	\$84,467.50	\$364,467.50
2/1/2033	\$0.00	\$0.00	\$80,281.50	\$80,281.50
8/1/2033	\$0.00	\$290,000.00	\$80,281.50	\$370,281.50
2/1/2034	\$0.00	\$0.00	\$75,946.00	\$75,946.00
8/1/2034	\$0.00	\$295,000.00	\$75,946.00	\$370,946.00
2/1/2035	\$0.00	\$0.00	\$71,535.75	\$71,535.75
8/1/2035	\$0.00	\$310,000.00	\$71,535.75	\$381,535.75
2/1/2036	\$0.00	\$0.00	\$66,901.25	\$66,901.25

8/1/2036	\$0.00	\$315,000.00	\$66,901.25	\$381,901.25
2/1/2037	\$0.00	\$0.00	\$62,192.00	\$62,192.00
8/1/2037	\$0.00	\$325,000.00	\$62,192.00	\$387,192.00
2/1/2038	\$0.00	\$0.00	\$57,333.25	\$57,333.25
8/1/2038	\$0.00	\$335,000.00	\$57,333.25	\$392,333.25
2/1/2039	\$0.00	\$0.00	\$52,325.00	\$52,325.00
8/1/2039	\$0.00	\$345,000.00	\$52,325.00	\$397,325.00
2/1/2040	\$0.00	\$0.00	\$47,167.25	\$47,167.25
8/1/2040	\$0.00	\$355,000.00	\$47,167.25	\$402,167.25
2/1/2041	\$0.00	\$0.00	\$41,860.00	\$41,860.00
8/1/2041	\$0.00	\$365,000.00	\$41,860.00	\$406,860.00
2/1/2042	\$0.00	\$0.00	\$36,403.25	\$36,403.25
8/1/2042	\$0.00	\$375,000.00	\$36,403.25	\$411,403.25
2/1/2043	\$0.00	\$0.00	\$30,797.00	\$30,797.00
8/1/2043	\$0.00	\$390,000.00	\$30,797.00	\$420,797.00
2/1/2044	\$0.00	\$0.00	\$24,966.50	\$24,966.50
8/1/2044	\$0.00	\$400,000.00	\$24,966.50	\$424,966.50
2/1/2045	\$0.00	\$0.00	\$18,986.50	\$18,986.50
8/1/2045	\$0.00	\$410,000.00	\$18,986.50	\$428,986.50
2/1/2046	\$0.00	\$0.00	\$12,857.00	\$12,857.00
8/1/2046	\$0.00	\$420,000.00	\$12,857.00	\$432,857.00
2/1/2047	\$0.00	\$0.00	\$6,578.00	\$6,578.00
8/1/2047	\$0.00	\$440,000.00	\$6,578.00	\$446,578.00
	<u>\$7,920,000.00</u>	<u>\$7,920,000.00</u>	<u>\$3,241,578.60</u>	<u>\$11,161,578.60</u>

*Assuming No Event of Default or Event of Taxability.

¹ Project component description for each draw is as follows:

May 19, 2022 Draw:

May 19, 2023 Draw:

EXHIBIT B

THE TERMINAL PROJECT

The Terminal Project comprises the following:

<u>Project Component</u>	<u>Approximate Cost</u>
	\$
Totals	<hr/> \$

EXHIBIT C

FORM OF DRAW REQUEST

The undersigned hereby states and certifies:

(i.) that the undersigned is the duly appointed, qualified and acting General Manager of the Big Bear Airport District (the "District"), a public corporation organized and existing under the California Airport District Act (Part 2 of Division 9, commencing with Section 22001, of the California Public Utilities Code), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii.) that, pursuant to Section 3.5 of that certain Installment Purchase Contract dated as of May 1, 2022 (the "Installment Purchase Contract"), by and between the District and CSDA Finance Corporation, the undersigned hereby requests the Assignee as defined in the Installment Purchase Contract to disburse within five (5) Business Days \$ _____ to the Acquisition Fund established under the Installment Purchase Contract;

(iii.) that each obligation mentioned herein has been incurred by the District and is a proper charge against the Acquisition Fund; and

(iv.) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit 1 has been received and is final.

Dated: _____, 20__

BIG BEAR AIRPORT DISTRICT

Ryan Goss, General Manager

EXHIBIT D

FORM OF SUBSTITUTION STATEMENT

Big Bear Airport District
501 Valley Boulevard
Big Bear City, CA 92314
Attention: General Manager

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
Attention: Administrator

The undersigned General Manager of the Big Bear Airport District (the "District") hereby states pursuant to Section 3.2 of the Installment Purchase Contract, dated as of May 1, 2022 (the "Installment Purchase Contract"), by and between CSDA Finance Corporation and the District, that each component of the Terminal Project (as defined in the Installment Purchase Contract) described in the first column of Exhibit 1 attached hereto, with an estimated cost set forth in the second column of Exhibit 1, will be replaced by the corresponding improvement described in the third column of Exhibit 1 with an estimated cost set forth in the fourth column of Exhibit 1.

Dated: _____, 20__

Ryan Goss, General Manager

EXHIBIT 1

<u>Prior Terminal</u> <u>Project Component</u>	<u>Estimated Cost</u>	<u>New Terminal</u> <u>Project Component</u>	<u>Estimated Cost</u>
	\$		\$

RESOLUTION NO. 2022-06

A RESOLUTION OF THE BIG BEAR AIRPORT DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF AN INSTALLMENT PURCHASE CONTRACT AND AUTHORIZING THE EXECUTION OF OTHER NECESSARY DOCUMENTS AND RELATED ACTIONS

WHEREAS, the Big Bear Airport District (the "District") is a public corporation organized and existing under the California Airport District Act (Part 2 of Division 9, commencing with Section 22001, of the California Public Utilities Code) organized and validly existing under the laws of the State of California; and

WHEREAS, the District proposes to finance improvements to the District's airport, primarily consisting of construction of a new terminal for general aviation purposes (the "2022 Project"); and

WHEREAS, to provide funds necessary to finance the 2022 Project, the District desires to enter into that certain Installment Purchase Contract (the "Installment Purchase Contract") with the CSDA Finance Corporation (the "Corporation") in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution; and

WHEREAS, there has been presented at this meeting the form of Installment Purchase Contract relating to such action; and

WHEREAS, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution's interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

WHEREAS, the District wishes to designate the Installment Purchase Contract as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code; and

WHEREAS, First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (the "Bank") agreed to provide financing to the District to finance the 2022 Project by accepting an assignment of the Installment Purchase Contract from the Corporation; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all

debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract; and

WHEREAS, in compliance with SB 450, the Board obtained the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The form of Installment Purchase Contract submitted to this meeting and made a part hereof as though set forth herein is hereby approved. The President of the Board, and such other member of the Board as the President may designate, the General Manager of the District, and such other officers of the District as the General Manager of the District may designate (each an "Authorized Officer") are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Contract in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of the District's General Counsel and Special Counsel, such requirement or approval to be conclusively evidenced by the execution and delivery of the Installment Purchase Contract by such Authorized Officer. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity of the Installment Payments (as defined in the Installment Purchase Contract) does not exceed August 1, 2047, the interest rate with respect to the Installment Payments at the time of entering into the Installment Purchase Contract does not exceed 3.25%, and the principal amount of the Installment Payments does not exceed \$8,000,000.

Section 3. The District hereby approves the assignment of the Installment Payments by the Corporation to the Bank, by a private placement pursuant to and in accordance with an assignment agreement.

Section 4. The Installment Payments due under the Installment Purchase Contract are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The District hereby finds and determines that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2022 is not expected to exceed \$10,000,000.

Section 5. In accordance with SB 450, good faith estimates of the following have been obtained from Columbia Capital Management, LLC and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to

third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract.

Section 6. The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a fee agreement, costs of issuance agreement, custodian agreement or other similar agreements, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting held on May 11, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

Wes Krause, President
Board of Directors

ATTEST:

Diane Cartwright
Certified Board Secretary

Exhibit A

GOOD FAITH ESTIMATES

The following information is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Installment Purchase Contract:

1. *True Interest Cost of the Installment Purchase Contract.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued (\$7,920,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Installment Purchase Contract, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Installment Purchase Contract, is 2.99%.

2. *Finance Charge of the Installment Purchase Contract.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued (7,920,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the District's finance charge of the Installment Purchase Contract, which means the sum of all fees and charges paid to third parties from the principal amount of the Installment Purchase Contract, is \$120,000.

3. *Amount of Proceeds to be Received by the District.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued (\$7,920,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the District for sale of the Installment Purchase Contract less the finance charge of the Installment Purchase Contract described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, is \$7,800,000.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Installment Purchase Contract authorized to be issued (\$7,920,000) is sold, and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Purchase Contract plus the finance charge of the Installment Purchase Contract described in paragraph 2 above not paid with the proceeds of the Installment Purchase Contract, calculated to the final maturity of the Installment Purchase Contract, is \$11,292,690.10.

Agenda Report



Date: May 11, 2022
To: Board of Directors
Prepared By: Diane Cartwright, Administration Manager

Some of the income and expense accounts for the next fiscal year have been budgeted somewhat conservatively for the next fiscal year due to the current volatile economic situation.

Cost of goods sold, for example, is budgeted using our most recent fuel costs. Those costs, of course, are difficult to project.

The CDC is warning against another potential COVID surge this fall and winter. Income accounts could be affected like fuel sales, transient tiedown parking, souvenir sales, etc.

Please present any questions regarding the budget to me no later than May 25th, so that changes can be made in time for final approval at the next Board meeting on June 8th.

Agenda Report



Date: May 11, 2022

To: Board of Directors

Prepared By: Ryan Goss CM, General Manager

- **Temporary Terminal Building:**
Progress continues. I met with John Taylor Construction Inc. who specializes in modular building approval through the California State Department of Housing and Community Development. A site visit was conducted to gather information for an engineering report that will be submitted to the State for review and approval. An energy envelope analysis inspection and report were done which confirmed that the building meets the requirements with minimum improvements needed. Dave Mlynarski from Transtech has been guiding the airport through the approval process with the County for a temporary use permit so we can occupy the buildings in the future.
- **Snow Removal Equipment Building Update:**
After careful consideration, I have decided to stop the progress on the SRE design and construction. In 2018, the District received a grant to design the building totaling \$300,000. With the change in engineering firms in the middle of this project and many delays within the FAA, the cost for design has increased by roughly \$600,000. With so many unknowns and the potential direct costs to the District, I felt it necessary to reevaluate the project and at this time, it does not make sense to continue. Letters have been drafted and delivered to the FAA and WSP halting any more work at this time.
- **Terminal Building Update:**
Work continues. Knight Building Systems and SAA continues design work and are still on schedule. On Monday April 25, soil testing and percolation tests were completed. Site surveying will be conducted in the coming weeks and the results will be delivered to the architectural firm.
- **Possible additional cellular carrier at Greenspot tower:**
A draft agreement has been returned to the cellular company. Airport legal Counsel, Airport Management and our consultant responded with comments that fill the needed requirements of the District. The current agreement of fees, if approved, are as follows:

Agenda Report

\$1950.00 per month with a 3% CPI increase annually. 5-year term with (4) five extensions.

I hope to have the agreement ready for review and possible approval at the June Regular Board of Directors Meeting.

- Fence realignment (RPZ area):
The fence project was completed on April 11, 2022. This project closes off access to an area that was being used by vandals accessing the Historical Society.
- Maintenance staff has begun switching to summertime activities - weed mitigation, culvert and drainage cleaning, pavement maintenance and vehicle maintenance.
- May 28, 2022, I will be the guest speaker at the Sugarloaf Property Owners Association. I will be reporting on the terminal building construction, loan details, temporary buildings and the goals for the Airport in the coming years.

Agenda Report



Date: May 11, 2022

To: Board of Directors

Prepared By: Diane Cartwright, Administration Manager

Administration:

- FYI - The two candidates selected by our Board of Directors were both elected to their respective positions on the Local Agency Formation Commission (LAFCO): Steven Farrell, President, Crestline Village Water District for the Regular Special District Member position, and Kevin Kenley, Director of the Cucamonga Valley Water District for the Alternate Special District Member Position.
- The Admin. staff has been very busy with hangar movements. During the last month, 4 hangar tenants have vacated their hangars, with current hangar tenants moving into them. Four pilots on the Wait List became permanent tenants. Two applicants were added to the Wait List for a current total of 30.

HR – Staffing:

- We are happy to welcome our newest employee, John Egerer to our Maintenance staff. John is a Big Bear native and brings a wealth of knowledge and experience from his many years as a dry-wall contractor. He fits right in with the rest of the crew and we're happy he's here!

Budget Worksheets - FY2022-2023		19-'20	20-'21	21-'22	Actual	Projected	Projected	Notes	Proposed	
Draft #1 - May 11, 2022		Actual	Actual	Budget	Jul '21-Apr '22	May-June '22	21-'22 Total		22-'23 Budget	NOTES/QUESTIONS
Revenue										
	4054 · State Subsidy	10,000	10,000	10,000	0	10,000	10,000	Utilities reimb.-CA Aid to Airports Program	10,000	
	4055 · Tax Revenues	1,661,553	1,660,087	1,800,000	1,645,172	133,392	1,778,564	Increase based on projected property values ->	1,910,000	
	4110 · Sales-Aircraft Fuel	529,213	578,019	600,000	518,329	130,844	649,173		625,000	
	4200 · Auto Parking	8,138	7,625	8,400	4,931	960	5,891		6,500	
	4205 · Air Fair Revenue	10,988	0	10,000	0	0	0	Postponed indefinitely	0	
	4206 · Events Revenue	6,475	10,500	10,000	6,978	2,000	8,978	Auto testing/Autocross	8,000	
	4210 · Commercial Leases	90,931	104,588	97,000	114,729	15,161	129,890	Fewer tenants>	91,120	
	4220 · Ground Lease	44,897	45,490	45,000	38,551	7,824	46,375	CSD, AQMD, Sprint, Amer.Tower, A T & T(Increase 9150)	56,125	
	4230 · Hangar Rentals	435,393	436,888	435,000	323,770	62,116	385,886		400,000	
	4254 · Gate Access Remote Sales	510	600	500	400	100	500		500	
	4255 · Aircraft Oil Sales	5,189	3,812	5,000	3,807	620	4,427		4,120	
	4256 · Aircraft Stores Sales	1,335	2,322	1,550	1,525	305	1,830		2,000	
	4260 · Souvenir Sales	4,563	1,717	5,100	3,630	744	4,374		3,050	
	4270 · Storage Units	9,133	7,006	7,800	4,835	948	5,783		5,800	
	4280 · Tiedown Rents	9,698	11,752	11,000	8,264	1,460	9,724		9,000	
	4290 · Tiedown Transient	2,220	1,772	2,500	1,661	240	1,901		1,800	
	4300 · RV/Camper Storage	10,905	11,745	10,000	10,236	2,121	12,357		11,000	
	4305 · SDRMA Reimbursement	1,000	1,000	1,000	1,000	0	1,000		1,000	
	4312 · Call-out Fees		*400		*1,332	0	0	*not budgeted/not included in totals	0	
	4320 · Late Fees-Tenant Rentals	1,005	951	884	800	44	844		800	
	4330 · Investment Revenue	84,720	9,739	7,500	6,736	3,500	10,236	<-LAIF interest only		TBD
	4331 · CERBT (PERS) Reimbursement	58,308	61,485	73,560	0	51,638	51,638		60,000	
	4335 · Grant Income		*30,634		*45,000	0	0	CARES Act *not budgeted/not included in totals	0	
	Total Revenue	2,986,174	2,967,098	3,141,794	2,695,311		3,119,371		3,205,815	

Expense	19-'20	20-'21	'21-'22 Budget	Actual	Projected	Projected	Notes	Proposed	NOTES/QUESTIONS
	Actual	Actual		Jul '21-Apr '22	May-June '22	21-'22 Total		22-'23 Budget	
5035 · Terminal Bldg. Loan Expense	0	0	0	0	0	0	Principal Payment	35,000	
5038 · COVID-19 Expenses	0 *585		0	*3730	0	0	*not budgeted/not included in totals	0	
5040 · Marketing	12,704	3,834	125,000	83,808	656	84,464	<-includes MARTA - 65K	110,000	
5061 · Bank Charges, Credit Card Fees	22,123	24,786	23,660	22,461	4,800	27,261		27,000	
5070 · Board Election Costs	0	9,005	0	0	0	0		9,000	
5090 · Contract Services	74,280	65,620	67,500	54,054	11,318	65,372		70,452	Increases - Nativescapes + Kaymark
5100 · Depreciation Expense	*1,588,644	*1,321,563	N/A	N/A	0	0	TBD by Auditor *not budgeted/not included in totals		
5110 · Motorized Vehicle Fuel	12,131	9,117	10,220	17,624	0	17,624	<increased fuel costs	17,000	
5125 · Directors' Expenses	18,349	15,538	21,000	10,827	4,460	15,287		16,000	
5140 · Dues & Subscriptions	10,436	12,865	12,500	12,959	1,150	14,109		12,500	
5150 · Staff Expenses	12,118	10,422	13,000	6,471	450	6,921		12,000	Employee training seminars
5160 · Fees/Permits/Licenses	17,622	18,039	20,750	19,994	1,400	21,394		21,000	Minus elevator fees
5162 · Gate Access Cards & Clickers	0	0	3,000	2,385	0	2,385		0	
5170 · Hazardous Waste Pickup	250	5,221	5,000	785	1,970	2,755		3,000	
5180 · Insurance-Liability Expense	70,313	97,302	109,000	72,001	14,556	86,557	Estimated increase->	98,299	
5182 · Insurance-Worker's comp	13,779	14,391	15,400	11,677	2,336	14,013	Estimated increase->	15,431	
5205 · Interest Term.Bldg. Loan	N/A	N/A	N/A	N/A	0	0	Terminal Building Loan Interest Expense	20,407	
5210 · Janitorial Supplies	7,890	6,916	7,800	4,276	855	5,131		6,000	
5215 · Manager's Expenses	2,089	727	5,000	754	100	855		2,500	AAAE Seminar
5230 · Office Operational Expense	10,862	4,739	6,900	3,027	800	3,827		4,500	
5240 · Air Fair Expense	114,300	0	115,000	0	0	0	Postponed indefinitely	0	
5250 · Professional Services	171,833	67,919	65,000	48,660	14,400	63,060		65,000	
	(Knight 121K)								
5260 · Repair & Maintenance-AWOS	5,287	1,843	3,650	2,751	575	3,326		3,650	
5271 · R & M - Computer	1,862	2,895	6,800	4,261	750	5,011		6,000	

	19-'20	20-'21		Actual	Projected	Projected	Notes	Proposed	
	Actual	Actual	'21-'22 Budget	Jul '21-Apr '22	May-June '22	21-'22 Total		22-'23 Budget	NOTES/QUESTIONS
5275 · R & M - Aircraft Fuel Farm	5,957	3,971	6,000	910	2,000	2,910		4,500	
5280 · Repair & Maintenance-Grounds	24,096	11,087	47,000	43,116	6,300	49,416		45,000	
5285 · Repair & Maintenance-Hangars	6,578	6,833	5,100	1,885	1,000	2,885		5,000	
5290 · Repair & Maintenance-Lighting	3,895	2,131	8,000	5,478	200	5,678		5,000	
5295 · R & M - Terminal Building	5,741	27,857	6,000	1,188	200	1,288		2,500	
5300 · R & M - Motorized Equipment	13,159	5,447	5,000	5,828	12,200	18,028	<truck repair	5,000	
5305 · Repair & Maint Fire Extintguish	4,272	1,749	2,000	3,311	0	3,311		3,500	
5310 · Emerg Equip/Supplies	1,930	2,128	2,250	813	125	938		1,100	
5350 · BOE Dealer Tax	773	452	800	540	150	690		700	
5360 · Office Communications	8,089	8,327	8,500	7,293	1,446	8,739	Minus 2400 - Spectrum >	6,350	
5373 · Tools/Small Maint Equipment	689	733	1,900	2,114	50	2,164		2,500	Drill press, tool kits
5390 · Winter Ops Contingency	0	0	6,000	0	0	0		6,000	
5400 · Utilities	123,922	126,450	140,000	116,833	10,908	127,741		130,000	
6565 · Salaries	512,608	537,537	535,000	435,374	82,920	518,294		609,970	
6566 · Vacation Expense	31,670	29,188	27,950	19,522	10,635	30,157	<Employee separation buy-out-3775	27,950	
6567 · Sick Leave Expense	32,089	10,027	20,000	17,276	5,824	23,100		20,000	
6570 · FICA-Employer	792	440	325	279	0	279		325	
6575 · Medicare-Employer	9,007	9,060	8,000	7,331	1,394	8,725		9,000	
6580 · SUI/SDI Employer	*7118	*1502	N/A	N/A	0	0	*not budgeted/not included in totals		
6585 · Health, Life, Dent.& Vision Ins	169,702	158,230	185,000	130,950	36,219	167,169		175,000	
6590 · 457 Contribution-ER Match	50,913	54,619	50,000	38,346	7,500	45,846		50,000	

