



September 16, 2021

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

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, September 20, 2021, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Commission or staff may participate in this meeting via teleconference. In the interest of maintaining appropriate social distancing, members of the public may observe and participate in the meeting telephonically through the following number:

*Dial In: (818) 862-3332*

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

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Airport Skyroom

Regular Meeting of Monday, September 20, 2021

9:00 A.M.

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



*Members of the public are requested to observe the following decorum when attending or participating in meetings of the Commission:*

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



*The following activities are prohibited:*

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



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



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

# AGENDA

Monday, September 20, 2021

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
  - a. Committee Minutes  
(For Note and File)
    - 1) Operations and Development Committee  
      - (i) July 19, 2021 **[See page 1]**
    - 2) Finance and Administration Committee  
      - (i) July 19, 2021 **[See page 4]**
    - 3) Legal, Government and Environmental Affairs Committee  
      - (i) July 19, 2021 **[See page 6]**
  - b. Commission Minutes  
(For Approval)
    - 1) August 16, 2021 **[See page 8]**
    - 2) August 23, 2021 **[See page 15]**
  - c. Treasurer's Report
    - 1) June 2021 **[See page 17]**
6. ITEMS FOR COMMISSION APPROVAL
  - a. Amendment No. 1 to Inspection Services Reimbursement Agreement and Amendment No. 2 to Professional Services Agreement for Airport Consumer Goods Inspections **[See page 43]**
  - b. First Amendment to Services Agreement with the Regents of the University of California, on Behalf of the UCLA Center for Prehospital Care for EMT Continuing Education and Quality Improvement Care **[See page 49]**
  - c. Transit Station Access License **[See page 53]**  
Los Angeles County Metropolitan Transportation Authority

d. Award of Hangar Lease Thornton Aviation (Hangar 89) Sublease Consents **[See page 58]**

e. Award of Professional Services Agreement Trifiletti Consulting, Inc. **[See page 60]**

f. Award of Professional Services Agreements Replacement Passenger Terminal Program and Approval of Additional Appropriations for Program Manager Services **[See page 62]**

## 7. ITEMS FOR COMMISSION INFORMATION

a. Federal Aviation Administration (“FAA”) Part 139 Inspection Report

b. LA Daily News Readers’ Choice Award

c. U.S. Customs and Border Protection Preclearance Program

d. July 2021 Passenger and Air Cargo Statistics **[See page 66]**

e. July 2021 Transportation Network Companies

f. July 2021 Parking Revenue Statistics

## 8. CLOSED SESSION

a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(California Government Code Section 54956.9(d)(1))  
Name of Case: Burbank-Glendale-Pasadena Airport Authority v. Ellis (WCAB Case No. ADJ3240302, ADJ7860789, ADJ8989162, ADJ8989156, ADJ12075999)

b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant Exposure to Litigation (California Government Code Section 54956.9(d)(2)): 1 potential case. Facts and Circumstances: FAA Southern California Metroplex Project

c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(California Government Code Section 54956.9(d)(1))  
Name of Case: City of Los Angeles v. FAA et al. (Case No. 21-71170)

## 9. EXECUTIVE DIRECTOR COMMENTS

10. COMMISSIONER COMMENTS  
(Other updates and information items, if any)

## 11. ADJOURNMENT

## COMMISSION NEWSLETTER

Monday, September 20, 2021

*[Regarding agenda items]*

### 5. CONSENT CALENDAR

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

- a. COMMITTEE MINUTES. Approved minutes of the Operations and Development Committee meeting of July 19, 2021; approved minutes of the Finance and Administration Committee meeting of July 19, 2021; and approved minutes of the Legal, Government and Environmental Affairs Committee meeting of July 19, 2021, are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. Draft minutes of the August 16, 2021, Commission meeting and draft minutes of the August 23, 2021, special Commission meeting, are attached for the Commission's review and approval.
- c. TREASURER'S REPORT. The Treasurer's Report for June 2021 is included in the agenda packet. At its August 16, 2021, meeting, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission note and file this report.

### 6. ITEMS FOR COMMISSION APPROVAL

- a. AMENDMENT NO. 1 TO INSPECTION SERVICES REIMBURSEMENT AGREEMENT AND AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT FOR AIRPORT CONSUMER GOODS INSPECTIONS. A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission of Amendment No. 1 to the Inspection Services Reimbursement Agreement between MCS Burbank LLC ("MCS"), HG Burbank JV ("Hudson"), and the Authority. MCS and Hudson have agreed to a revised cost sharing formula for the security inspection of airport consumer goods. Under the proposed amendment, MCS and Hudson will split the cost equally for these services. The proposed amendment also provides that, if either MCS or Hudson requests additional service outside of the set hours that are mutually agreed upon, then the requesting party will be solely responsible for the entire cost of those additional hours.

Also subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval of Amendment No. 2 to the Professional Services Agreement ("Inspection Agreement") with Universal Protection Service LLP dba Allied Universal ("Allied Universal") for these inspection services. The proposed amendment will add

\$15,000 to the current authorization of \$113,568 to cover the remainder of the contract term through October 31, 2021, for a total of \$128,568.

- b. **FIRST AMENDMENT TO SERVICES AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF THE UCLA CENTER FOR PREHOSPITAL CARE, FOR EMT CONTINUING EDUCATION AND QUALITY IMPROVEMENT CARE.** A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission for a First Amendment (“Amendment”) to the Service Agreement (“Agreement”) with The Regents of the University of California, on behalf of the UCLA Center for Prehospital Care, for emergency medical technician continuing education and quality improvement care. The Amendment will extend the term of Agreement by two years at a cost of \$24,245 per year with annual CPI adjustments starting in October 2022.
- c. **TRANSIT STATION ACCESS LICENSE – LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY.** A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission for a proposed Transit Station Access License with the Los Angeles County Metropolitan Transportation Authority for its Metro Micro rideshare service.
- d. **AWARD OF HANGAR LEASE – THORNTON AVIATION (HANGAR 89) - SUBLEASE CONSENTS.** A staff report is included in the agenda packet. At its meeting on August 16, 2021, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve an Aviation Hangar Lease with Thornton Aircraft Company, LLC., for Hangar 89. Thornton seeks a lease term of five years, with an option for one five-year extension, for purpose of storing and maintaining general aviation aircraft at Hollywood Burbank Airport.

In addition, the Committee voted unanimously (3–0) to recommend that the Commission approve three sublease consents for firms that work with Thornton and are essential to the proposed Lease.

- e. **PROFESSIONAL SERVICES AGREEMENT - TRIFILETTI CONSULTING, INC.** A staff report is included in the agenda packet. At its meeting on August 16, 2021, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve a proposed Professional Services Agreement with Trifiletti Consulting Inc. for FY 2022 in the amount of \$53,000 for continued support services with environmental, entitlement, land use, sustainability and government advisory services in support of the implementation of the Authority’s Memorandum of Understanding with the South Coast Air Quality Management District.

- f. AWARD OF PROFESSIONAL SERVICES AGREEMENTS – REPLACEMENT PASSENGER TERMINAL PROGRAM AND APPROVAL OF ADDITIONAL APPROPRIATIONS FOR PROGRAM MANAGER SERVICES. A staff report is included in the agenda packet. In January of this year, Staff and the airlines serving Hollywood Burbank Airport began the process to restart the Replacement Passenger Terminal Program (“Program”) with the goal to open the Replacement Passenger Terminal and complete all improvements as early as financially feasible. At its meeting on August 16, 2021, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve six Professional Services Agreements with the consultants. The services these consultants provide include strategic planning, outreach and support, financial feasibility, and technical support and airline coordination related to the development of the Program.

On August 23, 2021, the Commission provided direction to Staff to restart the Program which included reactivation of the Program Manager, AECOM. At its meeting on September 8, 2021, the RPT Ad Hoc Committee voted unanimously (3-0) to recommend that the Commission approve appropriations, the balance of the previously approved tasks not yet completed, to fund AECOM’s activities in connection with the Commission’s approved restart approach.

## 7. ITEMS FOR COMMISSION INFORMATION

- a. FEDERAL AVIATION ADMINISTRATION (“FAA”) PART 139 ANNUAL INSPECTION REPORT. No staff report attached. The Federal Aviation Administration (“FAA”) regulates airports with air carrier service under Title 14, Part 139 of the Code of Federal Regulations. Commercial service airports are inspected by the FAA on an annual basis to confirm adherence to Part 139 and other compliance directives. This includes an inspection checklist of over 120 items including recordkeeping, airfield facilities, fueling operators, and Aircraft Rescue Firefighting facilities. Due to the pandemic, the 2020 inspection format was modified to accommodate health and safety protocols. Because of the needed health and safety protocols, the inspection was separated into two phases: an administrative inspection and a physical inspection. The administrative inspection was conducted by the FAA remotely, reviewing all inspection and training documents as submitted by Airport staff using an online portal. The administrative inspection commenced on October 9, 2020, and was completed on February 19, 2021. The physical portion of the inspection was conducted April 28-30, 2021. After all corrective action items were completed, the full inspection was officially concluded on July 27, 2021. Because of the extended duration of the 2020 annual inspection, the FAA will not conduct an inspection in Calendar Year 2021.
- b. LA DAILY NEWS READERS’ CHOICE AWARD. No staff report attached. Staff will report on the LA Daily News Readers’ Choice Awards, for which Hollywood Burbank Airport received designation as the “Best Airport in LA”.

- c. U.S. CUSTOMS AND BORDER PROTECTION PRECLEARANCE PROGRAM. No staff report attached. Staff will brief the Commission on the United States Customs and Border Protection Preclearance Program. This is the program that will provide the Canadian carrier Flair Airlines the opportunity to begin air service from Vancouver and Edmonton to Hollywood Burbank Airport.
- d. JULY 2021 PASSENGER AND AIR CARGO STATISTICS. A staff report is included in the agenda packet. The July 2021 passenger count of 439,131 was down 19% compared to 541,942 passengers in July 2019. Also compared to July of 2019, air carrier aircraft operations in July 2021 decreased 32%, while cargo volume was down 3%, at 9 million pounds.
- e. JULY 2021 TRANSPORTATION NETWORK COMPANIES. No staff report attached. Staff will update the Commission on TNC activity for the month of July 2021.
- f. JULY 2021 PARKING REVENUE STATISTICS. No staff report attached. Staff will present parking revenue data for the month of July 2021.



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

**MONDAY, JULY 19, 2021**

A regular meeting of the Operations and Development Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:32 a.m., by Commissioner Brown.

**1. ROLL CALL**

**Present:** Commissioners Devine, Brown, and Hampton (via teleconference arr. 8:36)

**Absent:** None

**Also Present:** Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Thomas Henderson, Director of Operations; Nerissa Sugars, Director, Marketing Communications & Air Service; Tom Janowitz, Senior Manager, Ground Access; Sumire Spurlock, Safety Management System Manager

**2. Approval of Agenda** The agenda was approved as submitted.

**3. Public Comment** There were no public comments.

**4. Approval of Minutes**

**a. June 21, 2021** Commissioner Devine moved approval of the minutes of the June 21, 2021, meeting seconded by Commissioner Brown. There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (2-0, 1 absent).

**5. Items for Approval**

**a. Award of Purchase Order  
Airport Operations Department  
Portable Radio Replacement** Staff sought a Committee recommendation to the Commission to approve the acquisition of replacement interoperable radio equipment from Motorola Solutions. The proposed acquisition replaces the Airport Operations Department's current seventeen handheld Motorola portable radios, which have reached the end of their useful life, with the Motorola APX 8000 series radios and ancillary accessories at a total cost of \$122,699.95.

**Motion** Commissioner Brown moved approval of Staff's recommendation, seconded by Commissioner Devine.

**Motion Approved**

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3-0).

**b. Award of Professional Services Agreement - Airport Marketing Consultant Services**

Staff sought a Committee recommendation to the Commission for award a Professional Services Agreement to Anyone Collective, LLC, for airport marketing consulting services, website support and media purchases. These services are in support of the continued branding, marketing, and advertising efforts of Hollywood Burbank Airport. These services are for a not-to-exceed amount of \$375,000 inclusive of media purchases.

**Motion**

Commissioner Devine moved approval of Staff's recommendation, seconded by Commissioner Brown.

**Motion Approved**

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3-0).

**c. Award of Professional Services Agreement for Air Service Consulting Services**

Staff sought a Committee recommendation to the Commission for award a Professional Services Agreement to Arthur D. Little, LLC, ("ADL") for air service consulting services. The total proposed expenditure for these services is for an amount not-to-exceed \$70,000.

Under the proposed recommended Agreement, ADL will provide Staff with on-call support for air service research, communication recommendations with airline network planning and scheduling representatives, marketing data support, and background information regarding policy and regulatory matters that may impact the aviation industry. Services also include ADL's participation with staff at airline meetings and air service conferences.

**Motion**

Commissioner Brown moved approval of Staff's recommendation, seconded by Commissioner Hampton (via teleconference).

**Motion Approved**

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3-0).

**6. Items for Information**

**a. Parking Lot C Reopening/Shuttle Service**

Staff updated the Committee on the significant increase in demand for public parking at the Airport in advance of the July 4 Holiday weekend, Staff responded by

reopening Lot C, located across Hollywood Way on Thornton Avenue, on Friday, July 2, and instituted temporary shuttle bus services. Shuttle bus services are being provided through the previous service provider, MV Transportation, utilizing two of their natural gas shuttle fleet. In anticipation of the leisure travel demand continuing, Staff is preparing an RFP for continued shuttle bus services for the remainder of the fiscal year.

**b. Proposed License Agreement  
LA County Department of  
Public Health – Vaccination Site**

Staff updated the Committee on their continued efforts, in conjunction with the Los Angeles County Department of Public Health (“LACDPH”), on matters related to ensuring the safety and well-being of airport customers, Staff, tenants, vendors and service providers. As the mass vaccination sites within the City of Los Angeles have closed, LACDPH contacted Staff about the possibility of conducting a temporary vaccination clinic within the passenger terminal at Hollywood Burbank Airport. Staff is working with LACDPH on a License Agreement for the Committee’s recommendation to the Commission to allow operation of a temporary COVID-19 vaccination clinic within Terminal A. Staff expects to be able to bring the item to the Committee for its consideration next month.

**c. Committee Pending Items**

This item was not discussed.

**7. Adjournment**

There being no further business, the meeting adjourned at 8:55 a.m.

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

**MONDAY, JULY 19, 2021**

A regular meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 1:41 p.m., by Commissioner Selvidge.

**1. ROLL CALL**

**Present:**

Commissioners Selvidge, Najarian (via teleconference), Ovrom

**Absent:**

None

**Also Present:**

Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Kwon, Director, Financial Services; Scott Kimball, Deputy Executive Director, Business and Properties, SMS, Procurement and Operations

**2. Staff Announcement: AB 23**

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

**3. Approval of Agenda**

Agenda was approved as presented.

**Motion**

Commissioner Najarian moved approval; seconded by Commissioner Ovrom.

**Motion Approved**

There being no objection, a voice vote was taken to accommodate those Commissioners participating via teleconference. The motion was unanimously approved (3-0).

**4. Public Comment**

There were no public comments.

**5. Approval of Minutes**

**a. June 21, 2021**

Draft minutes for the June 21, 2021, Finance and Administration Committee meeting was presented for approval.

**Motion**

Commissioner Ovrom moved approval of the minutes, seconded by Commissioner Najarian.

**Motion Approved**

There being no objection, a voice vote was taken to accommodate those Commissioners participating via teleconference. The motion was approved (3–0).

**6. Treasurer’s Report**

**a. May 2021**

A copy of the May 2021 Treasurer’s Report was included in the agenda packet for the Committee’s review.

**Motion**

Commissioner Najarian moved to recommend that the Committee note and file the May 2021 Treasurer’s Report; seconded by Commissioner Ovrom.

**Motion Approved**

There being no objection, a voice vote was taken to accommodate those Commissioners participating via teleconference. The motion was unanimously approved (3–0).

**7. Items for Approval**

**a. Amendment to Conditional Consent to Assignment Development Ground Lease – AvJet Corporation**

At their meeting on July 19, 2021, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve an amendment to the Conditional Consent to Assignment of Lease for transfer of Hangar 25 from AvJet Corporation (“AvJet”) to Harbor Freight Tools, USA. This Amendment will provide additional time for certain repairs to be completed as required under the Purchase and Sales Agreement between AvJet and Harbor Freight Tools. These repairs have been delayed due to industry-wide shortages of components during the COVID-19 pandemic.

**Motion**

Commissioner Najarian moved approval; seconded by Commissioner Ovrom.

**Motion Approved**

There being no objection, a voice vote was taken to accommodate those Commissioners participating via teleconference. The motion was unanimously approved (3–0).

**8. Items for Information**

**a. Committee Pending Items**

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

**9. Adjournment**

There being no further business to discuss, the meeting was adjourned at 1:52 p.m.

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

**MONDAY, JULY 19, 2021**

A regular meeting of the Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 1:43 p.m., by Commissioner Agajanian.

**1. ROLL CALL**

**Present:** Commissioners Agajanian, Williams, Gabel-Luddy

**Absent:** None

**Also Present:** Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director (arr. 1:53 p.m.); Patrick Lammerding, Deputy Executive Director, Planning and Development

Airport Authority Counsel: Terence R. Boga of Richards, Watson & Gershon

**2. Staff Announcement: AB 23**

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

**3. Approval of Agenda**

The agenda was approved as presented.

**4. Public Comment**

There were no public speakers.

**5. Approval of Minutes**

**a. June 21, 2021**

Commissioner Gabel-Luddy moved approval of the minutes of the June 21, 2021 meeting, seconded by Commissioner Williams. There being no objection, the motion was approved (3-0).

**6. Closed Session**

The meeting recessed to closed session at 1:45 p.m. to consider the items listed on the closed session agenda and to confer with legal counsel.

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

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

The meeting reconvened to open session at 2:03 p.m., with all three Commissioners present. No reportable action taken on the presented item.

## **7. Adjournment**

There being no further business, the meeting was adjourned at 2:03 p.m.

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

**MONDAY, AUGUST 16, 2021**

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

**1. ROLL CALL**

**Present:** Commissioners Devine (via teleconference), Brown, Agajanian (via teleconference, arrived 9:03), Selvidge, Najarian, Gabel-Luddy, Ovrom, Williams (via teleconference, arrived 9:02), Hampton (via teleconference)

**Absent:** None

**Also Present:** Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Patrick Lammerding, Deputy Executive Director, Planning and Development; Thomas Henderson, Director, Operations; Sumire Spurlock, Manager, Safety Management System; Ray Hunting, Manager, Airport Security; Nerissa Sugars, Director, Marketing Communications and Air Service

**3. APPROVAL OF AGENDA**

The agenda was approved as presented.

**MOTION**

Commissioner Hampton moved to approve the agenda, seconded by Commissioner Brown.

**MOTION APPROVED**

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

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

**NOES:** NONE

**ABSENT:** Commissioner Agajanian

**2. PLEDGE OF ALLEGIANCE**

Commissioner Gabel-Luddy led the Pledge of Allegiance.

**4. PUBLIC COMMENT**

Michael Hastings, Burbank



**5. CONSENT CALENDAR**

**a. Committee Minutes  
(For Note and File)**

**1) Operations and  
Development Committee**

**(i) June 21, 2021**

Approved minutes of the June 21, 2021, Operations and Development Committee meeting were included in the agenda packet for information purposes.

**2) Finance and Administration  
Committee**

**(i) June 21, 2021**

Approved minutes of the June 21, 2021, Finance and Administration Committee meeting were included in the agenda packet for information purposes.

**c. Treasurer's Report**

**1) May 2021**

At its meeting on July 19, 2021, the Finance and Administration Committee reviewed the May 2021 Treasurer's Report and voted unanimously (3-0) to accept the report and recommend to the Commission for note and file.

**d. Amendment to Conditional  
Ground Lease – AvJet  
Corporation**

At its meeting on July 19, 2021, the Finance and Administration Committee voted unanimously (3-0) to recommend that the Commission approve a proposed amendment to the Conditional Consent to Assignment of Lease for transfer of Hangar 25 from AvJet Corporation ("AvJet") to Harbor Freight Tools, USA, to provide additional time for the completion of certain repairs as required under the Purchase and Sales Agreement between AvJet and Harbor Freight Tools.

At the request of Commissioner Devine, the Legal, Government and Environmental Affairs Committee minutes and the Commission minutes were pulled from the Consent Calendar at the behest of Commissioner Ovrom who requested that corrections be made to both.

**MOTION**

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

**MOTION APPROVED**

There being no objection a voice vote was taken to accommodate those participating via teleconference. The motion was approved (9-0).

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

NOES: NONE

ABSENT: NONE

## 5. CONSENT CALENDAR

### a. Committee Minutes (For Note and File)

#### 3) Legal, Government and Environmental Affairs Committee

##### (i) June 21, 2021

Commissioner Ovrom requested changes be made to the approved minutes of the June 21, 2021, Legal, Government and Environmental Affairs Committee.

### b. Commission Minutes (For Approval)

#### 1) June 21, 2021

Commissioner Ovrom requested corrections be made to the Commission minutes on initial comments made by him during the June 21, 2021 Commission meeting.

### e. Update to Los Angeles City Councilmembers on Response to Southern San Fernando Valley Airplane Noise Task Force Recommendations; Letter to Federal Aviation Administra- tion on Flight Path Shifts

Staff presented an update on the Los Angeles City Councilmembers response to recommendations to the Southern San Fernando Valley Airplane Noise Task Force that are specific to the Authority.

Public Comments were taken at this time in response to Item No. 5.e.

### MOTION

Commissioner Hampton moved approval of the remaining items on the Consent Calendar; seconded by Commissioner Selvidge.

### MOTION APPROVED

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (9-0).

AYES: Commissioners Devine, Brown, Agajanian, Selvidge, Najarian, Gabel-Luddy, Ovrom, Williams, Hampton (via tele-Conference)

NOES: NONE

ABSENT: NONE

**6. ITEMS FOR COMMISSION APPROVAL**

**a. Award of Purchase Order  
Airport Operations Department  
Portable Radio Replacement**

At its meeting on July 19, 2021, the Operations and Development Committee voted unanimously (3–0) to recommend that the Commission approve to acquire replacement interoperable radio equipment from Motorola Solutions. This acquisition replaces the Airport Operations Department’s current 17 handheld Motorola portable radios which have reached the end of their useful life. The new radios and accessories will cost \$122,699.95.

**MOTION**

Commissioner Ovrom moved approval; seconded by Commissioner Brown.

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

**MOTION APPROVED**

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

**NOES:** NONE

**ABSENT:** Commissioner Williams

**b. Award of License Agreement  
County of Los Angeles**

At its meeting immediately prior to the Commission meeting, the Operations and Development Committee voted unanimously (3–0) to recommend that the Commission award a License Agreement to the County of Los Angeles to conduct a temporary free COVID-19 vaccination clinic in the Airport passenger terminal building commencing August 16, 2021, through August 15, 2022.

Due to the closure of many vaccination sites, the clinic is meant to provide an additional opportunity for passengers to receive a COVID-19 vaccine. Presently, the single dose Johnson & Johnson vaccine will be offered with the intention of offering other COVID-19 vaccines in the coming months. The clinic is being conducted in coordination with the Los Angeles County Department of Public Health.

**MOTION**

Commissioner Gabel-Luddy moved the motion; seconded by Commissioner Brown.

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

**MOTION APPROVED**

AYES: Commissioners Devine, Brown, Agajanian, Selvidge, Najarian, Gabel-Luddy, Ovrom, Williams

NOES: NONE

ABSENT: Commissioner Hampton

**c. Allied Universal Contract Amendment**

At its meeting immediately prior to the Commission meeting, the Operations and Development Committee voted unanimously to recommend that the Commission approve an Amendment No. 3 to the Professional Services Agreement with Universal Protection Service LP, dba Allied Universal, to increase the appropriations for airport security and traffic controls services.

The current appropriation will be increased by a not-to-exceed amount of \$125,000 to accommodate additional staffing.

**MOTION**

Commissioner Brown moved approval; seconded by Commissioner Ovrom.

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

**MOTION APPROVED**

AYES: Commissioners Devine, Brown, Agajanian, Selvidge, Najarian, Gabel-Luddy, Ovrom, Williams

NOES: NONE

ABSENT: Commissioner Hampton

**7. ITEMS FOR COMMISSION DISCUSSION**

**a. Financial Performance Update FY 2021 (4<sup>th</sup> Quarter and 12 Months)**

Staff presented to the Commission a financial update for the fourth quarter of FY 2021 and the full fiscal year ending June 30, 2021.

**8. ITEMS FOR COMMISSION INFORMATION**

**a. FAA Briefing on Proposed VNY Departure Procedures**

Staff briefed the Commission on the proposed Van Nuys Airport departures that were presented virtually to the public on August 9, 2021.

NOTE: Prior to the presentation of Item No. 8.a., Public Comments were taken on that item.

**b. June 2021 Passenger and Air Cargo Statistics**

Staff presented an update on the June 2021 Passenger and Air Cargo statistics.

**c. June 2021 Transportation Network Companies**

Staff presented an update on the June 2021 Transportation Network Companies' activities.

**d. June 2021 Parking Revenue Statistics**

Staff presented an update on the June 2021 Parking revenue statistics.

**9. CLOSED SESSION**

The meeting convened to Closed Session at 11:00 a.m.

**a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant Exposure to Litigation (California Government Code Section 54956.9(d)(2)): 1 potential case. Facts and Circumstances: FAA Southern California Metroplex Project**

**b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
California Government Code Section 54956.9(d)(1)  
Name of Case: City of Los Angeles v. FAA et al. (Case No. 21-71170)**

**Meeting Reconvened to Open Session**

**The meeting reconvened to open session at 11:25 a.m., with eight (8) Commissioners present.**

**Closed Session Report**

**No reportable action taken on the presented items.**

**10. EXECUTIVE DIRECTOR COMMENTS**

The Executive Director informed the Commission that the FAA has given public notice that it plans to enter into an Environmental Assessment of the proposed amendments of two existing departure procedures. The findings of this assessment will be added to the Airport's website when they become final. The process could take 2 years.

The Executive Director also commented on the recovery of air travel in light of the pandemic and the effects of the recent Senate Infrastructure bill on airport travel.

**11. COMMISSIONER COMMENTS  
(Other updates and information,  
if any)**

Commissioner Ovrom requested an update on the progress of the incentive program at the Airport for employees to become vaccinated with plans on how to mandate vaccinations in case the program was not having a positive result.

**12. ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:36 a.m.

\_\_\_\_\_  
Paula Devine, President

\_\_\_\_\_  
Felicia Williams, Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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

**MONDAY, AUGUST 23, 2021**

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

**1. ROLL CALL**

**Present:** Commissioners Devine (via teleconference); Brown, Agajanian (via teleconference), Najarian (via teleconference), Selvidge, Gabel-Luddy (via teleconference, arrived 9:10 a.m.), Ovrom, Williams, and Hampton (via teleconference, arrived 9:15 a.m.)

**Absent:** None

**Also Present:** Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director

Also Present: Mark Conway, Conway Consulting; Geoff Wheeler, Ricondo & Associates (via teleconference); Louis Choi, Public Resources Advisory Group (via teleconference)

**2. PLEDGE OF ALLEGIANCE**

Commissioner Devine led the assembly in the recitation of the Pledge of Allegiance to the Flag.

**3. APPROVAL OF AGENDA**

The agenda was approved as presented.

**Motion**

Commissioner Brown moved approval, seconded by Commissioner Ovrom.

**Motion Approved**

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

**AYES:** Commissioners Devine (via teleconference), Brown, Agajanian (via teleconference), Najarian (via teleconference), Selvidge, Ovrom, Williams

**NOES:** NONE

**ABSENT:** Commissioner Gabel-Luddy, Commissioner Hampton

**4. PUBLIC COMMENTS**

Linda Wolmsley, Burbank; Michael Hastings, Burbank; Laura Ioanou, Burbank

At this point Commissioner Ovrom requested clarification on the purpose of the meeting and stated that he understood that the meeting was a workshop study session and questioned whether any action would ultimately be taken. It was determined after discussion with Staff that the Commission would make that determination at the end of the meeting.

**5. ITEMS FOR COMMISSION DISCUSSION**

**a. Replacement Passenger Terminal Informational Workshop**

Staff updated the Commission on the status of the Replacement Passenger Terminal (“RPT”) Program and the restart plan.

At the culmination of the presentation, Commissioner Devine asked the Commissioners if they agreed with the Alternative Approach which had been presented. This approach would focus restart efforts of the RPT Program with the goal of having the RPT completed prior to 2028.

Along with Commissioner Devine, Commissioners Najarian, Brown, Agajanian, Williams and Gabel-Luddy agreed that the Commission should move forward with plans to restart the RPT program.

Commissioner Ovrom stated that he was not comfortable moving forward without having the support of the Ad Hoc Committee for the Replacement Passenger Terminal; Commissioner Selvidge concurred.

Commissioner Hampton left the meeting at an earlier point during the presentation. The final vote was 6–2, 1 absent.

**6. EXECUTIVE DIRECTOR COMMENTS**

The Executive Director commented that Staff was in favor of moving forward and would plan accordingly.

**7. COMMISSIONER COMMENTS (Other updates and information, if any)**

Commissioner Selvidge requested that all Commissioners receive a copy of the 2019 Progressive Design Build PowerPoint presentation.

**8. ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:57 a.m.

\_\_\_\_\_  
Paula Devine, President

\_\_\_\_\_  
Felicia Williams, Secretary

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date





September 20, 2021

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

Dear Commissioners:

The attached report, covering the month of June 2021, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six-month period following the date of the attached report.

Sincerely,

[To be signed]

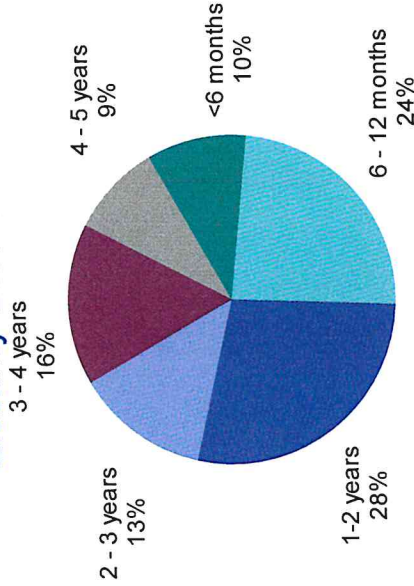
Vrej Agajanian  
Treasurer

Attachments

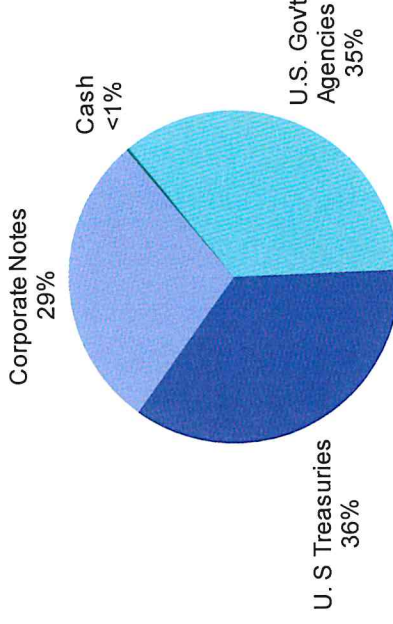
# Operating Portfolio Investment Guidelines Conformance as of June 30, 2021

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	4.36 Years	70%	35%
Corporate Notes	5 Years	4.30 Years	30%	29%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	<1%
U.S. Gov Securities (Treasuries)	5 Years	4.00 Years	No Limit	36%

## Maturity Distribution



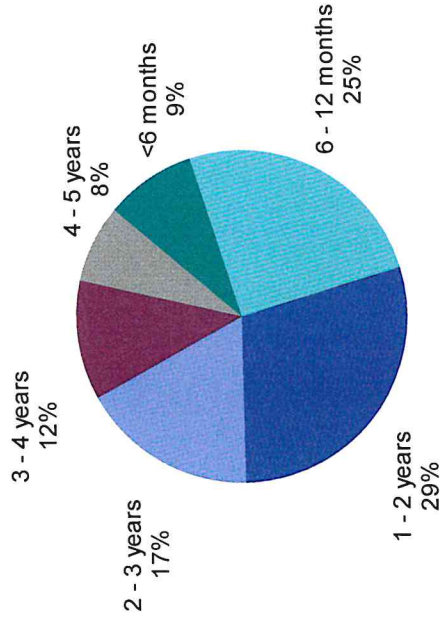
## Sector Allocation



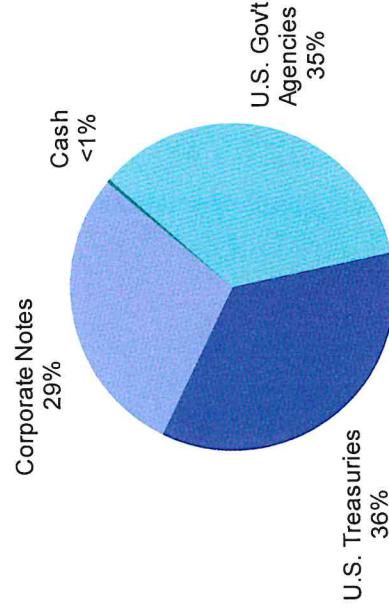
# PFC Portfolio Investment Guidelines Conformance as of June 30, 2021

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	4.36 Years	70%	35%
Corporate Notes	5 Years	4.30 Years	30%	29%
LAIF	N/A	N/A	\$20 mil	N/A
Bankers Acceptances	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 Year	N/A	10%	N/A
Money Market Fund	N/A	N/A	15%	<1%
U.S. Gov Securities (Treasuries)	5 Years	4.00 Years	No Limit	36%

## Maturity Distribution



## Sector Allocation



**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 06/30/21**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
06/30/21	Columbia Treasury Reserves	097101307	0.000	06/30/21	06/30/21	\$ 644,302	\$ 644,302	\$ 644,302	\$ -	0.00%	0	0.28%
10/05/17	Florida Power Corporation	341099CP2	3.100	08/15/21	08/15/21	705,000	728,709	706,683	(22,026)	1.17%	46	0.30%
05/31/19	FNMA Benchmark Note	3135GON82	1.250	08/17/21	08/17/21	300,000	295,398	300,452	5,054	0.09%	48	0.13%
08/31/18	Treasury Note	912828T34	1.125	09/30/21	09/30/21	2,300,000	2,200,367	2,306,020	105,653	0.08%	92	0.99%
12/23/16	Federal Home Loan Banks	3130AABG2	1.875	11/29/21	11/29/21	15,000,000	14,742,129	15,111,255	369,126	0.08%	152	6.48%
01/23/17	Pfizer Inc	717081DZ3	2.200	12/15/21	12/15/21	1,500,000	1,498,845	1,513,955	15,110	0.17%	168	0.65%
04/15/19	FNMA Benchmark Note	3135GOS38	2.000	01/05/22	01/05/22	3,800,000	3,812,172	3,837,396	25,224	0.08%	189	1.65%
06/23/17	FHLMC	3137EADB2	2.375	01/13/22	01/13/22	8,125,000	8,173,493	8,225,670	52,177	0.08%	197	3.53%
06/26/19	Target Corporation	87612EAZ9	2.900	01/15/22	01/15/22	1,300,000	1,329,214	1,318,706	(10,508)	0.24%	199	0.57%
08/15/18	Berkshire Hathaway Finance Corp	084670BF4	3.400	01/31/22	01/31/22	1,500,000	1,521,795	1,527,263	5,468	0.27%	215	0.65%
02/03/17	Treasury Note	912828H86	1.500	01/31/22	01/31/22	2,450,000	2,386,645	2,470,385	83,740	0.08%	215	1.06%
08/06/18	PacificCorp	695114CP1	2.950	02/01/22	02/01/22	1,000,000	991,823	1,009,039	17,216	1.39%	216	0.43%
11/05/18	Microsoft Corporation	594918BA1	2.375	02/12/22	02/12/22	1,225,000	1,199,000	1,239,160	40,160	0.49%	227	0.53%
02/21/17	Walt Disney Co	25468PCT1	2.550	02/15/22	02/15/22	1,300,000	1,309,135	1,318,713	9,578	0.24%	230	0.57%
09/25/20	American Express Credit Corp	0258M0EG0	2.700	03/03/22	03/03/22	1,300,000	1,341,041	1,318,627	(22,414)	0.57%	246	0.57%
09/28/17	FHLB	313378CR0	2.250	03/11/22	03/11/22	4,000,000	4,059,140	4,060,056	916	0.10%	254	1.74%
04/17/17	BB&T Corp	05531FAX1	2.750	04/01/22	04/01/22	1,500,000	1,523,109	1,525,278	2,169	0.50%	275	0.65%
05/18/17	Federal National Mortgage Association	3135GOT45	1.875	04/05/22	04/05/22	8,300,000	8,166,654	8,411,959	245,305	0.11%	279	3.61%
01/31/19	Treasury Note	912828X47	1.875	04/30/22	04/30/22	9,475,000	9,301,015	9,615,274	314,259	0.10%	304	4.12%
05/06/19	Apple Inc	037833CQ1	2.300	05/11/22	05/11/22	1,250,000	1,241,250	1,270,569	29,319	0.39%	315	0.54%
10/03/17	Home Depot Inc	437076BG6	2.625	06/01/22	06/01/22	1,200,000	1,214,701	1,224,788	10,087	0.39%	336	0.53%
09/25/17	Caterpillar Financial Services	149130AA7	2.400	06/06/22	06/06/22	1,500,000	1,503,869	1,531,334	27,465	0.16%	341	0.66%
02/15/19	Cisco Systems Inc	1727GRAV4	3.000	06/15/22	06/15/22	1,200,000	1,210,416	1,232,557	22,141	0.17%	350	0.53%
08/01/17	Treasury Note	912828XQ8	2.000	07/31/22	07/31/22	9,850,000	9,706,887	10,051,232	344,345	0.12%	396	4.31%
11/01/19	Procter & Gamble Company	742718EU9	2.150	08/11/22	08/11/22	1,275,000	1,290,912	1,302,009	11,097	0.24%	407	0.56%
02/15/19	Burlington Northern Santa Fe LLC	12189LAL5	3.050	09/01/22	09/01/22	1,200,000	1,211,382	1,229,531	18,149	0.93%	428	0.53%
01/09/19	John Deere Capital Corp	24422ETV1	2.150	09/08/22	09/08/22	1,500,000	1,460,768	1,533,433	72,665	0.27%	435	0.66%
05/18/18	Merck & Co Inc	589331AT4	2.400	09/15/22	09/15/22	1,500,000	1,448,385	1,530,907	82,522	0.68%	442	0.66%
09/25/17	National Rural Utilities Coop	63743HEQ1	2.300	09/15/22	09/15/22	1,000,000	995,980	1,021,353	25,373	0.52%	442	0.44%
10/03/17	Treasury Note	9128282W9	1.875	09/30/22	09/30/22	9,125,000	9,098,667	9,323,184	224,517	0.14%	457	4.00%
09/12/19	FNMA	3135GOT78	2.000	10/05/22	10/05/22	4,500,000	4,543,965	4,603,928	59,963	0.17%	462	1.97%
07/25/18	Bank of America Corp	06051GEU9	3.300	01/11/23	01/11/23	1,825,000	1,815,791	1,904,548	88,757	0.44%	560	0.82%
09/26/19	Federal National Mortgage Association	3135GOT94	2.375	01/19/23	01/19/23	4,800,000	4,919,052	4,957,563	38,511	0.26%	568	2.13%
03/20/19	JP Morgan Chase & CO	46625HJH4	3.200	01/25/23	01/25/23	1,925,000	1,948,001	2,010,775	62,774	0.36%	574	0.86%
10/31/19	Treasury Note	9128283U2	2.375	01/31/23	01/31/23	4,200,000	4,309,594	4,345,359	35,765	0.19%	580	1.86%

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**

**Statement of Investments**

As of 06/30/21

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
03/18/19	Unitedhealth Group Inc	91324PBZ4	2.750	02/15/23	02/15/23	1,365,000	1,371,071	1,410,056	38,985	0.70%	595	0.60%
10/02/19	Pepsico Inc	713448CG1	2.750	03/01/23	03/01/23	1,300,000	1,344,486	1,352,542	8,056	0.32%	609	0.58%
12/03/19	Treasury Note	9128284L1	2.750	04/30/23	04/30/23	6,850,000	7,104,980	7,166,010	61,030	0.24%	669	3.07%
11/03/20	Loews Corporation	540424AQ1	2.625	05/15/23	05/15/23	1,500,000	1,572,790	1,553,953	(18,837)	0.74%	684	0.67%
06/06/19	Public Service Electric And Gas	74456QBC9	2.375	05/15/23	05/15/23	1,125,000	1,125,878	1,162,203	36,325	0.60%	684	0.50%
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	06/01/23	1,250,000	1,234,086	1,297,700	63,614	0.74%	701	0.56%
05/05/20	Federal Home Loan Mortgage Corp	3137EAEN5	2.750	06/19/23	06/19/23	6,250,000	6,718,056	6,555,661	(162,395)	0.26%	719	2.81%
03/04/21	Wells Fargo & Company	94988J5R4	3.550	08/14/23	08/14/23	1,650,000	1,773,371	1,755,728	(17,643)	0.51%	775	0.75%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	5,050,000	5,296,103	5,335,523	39,420	0.29%	804	2.29%
07/31/19	Treasury Note	9128285D8	2.875	09/30/23	09/30/23	6,775,000	7,065,870	7,166,680	100,810	0.30%	822	3.07%
03/16/20	Treasury Note	9128285P1	2.875	11/30/23	11/30/23	3,200,000	3,479,090	3,396,000	(83,090)	0.33%	883	1.46%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	1,750,000	1,806,515	1,883,289	76,774	0.66%	937	0.81%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	1,400,000	1,521,590	1,507,790	(13,800)	0.65%	957	0.65%
04/10/21	Melife Inc	59156RBH0	3.600	04/10/24	04/10/24	1,500,000	1,632,233	1,622,399	(9,834)	0.63%	1015	0.70%
06/22/20	Comcast Corporation	2003NCR0	3.700	04/15/24	04/15/24	1,500,000	1,660,320	1,625,803	(34,517)	0.66%	1020	0.70%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	1,425,000	1,544,788	1,535,337	(9,451)	0.68%	1050	0.66%
06/23/20	Prudential Financial Inc	74432QBZ7	3.500	05/15/24	05/15/24	1,500,000	1,660,011	1,624,046	(35,965)	0.59%	1050	0.70%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	1,475,000	1,593,144	1,572,925	(20,219)	0.71%	1122	0.67%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	1,500,000	1,543,546	1,575,298	31,752	0.67%	1142	0.68%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	13,000,000	13,567,227	13,561,641	(5,586)	0.50%	1158	5.81%
05/20/21	United Parcel Service INC	911312BT2	2.200	09/01/24	09/01/24	371,000	390,596	388,910	(1,686)	0.66%	1159	0.17%
02/12/21	PNC Bank NA	69353REF1	3.300	10/30/24	10/30/24	1,475,000	1,614,555	1,600,606	(13,949)	0.71%	1218	0.69%
06/25/20	Wisconsin Electric Power Company	976656CL0	2.050	12/15/24	12/15/24	1,100,000	1,161,130	1,150,470	(10,660)	0.70%	1264	0.49%
08/05/20	FHLB	3130A4CH3	2.050	12/15/24	12/15/24	250,000	273,060	265,368	(7,692)	0.69%	1264	0.11%
03/29/21	US Bank NA/Cincinnati OH	90331HPL1	2.050	01/21/25	01/21/25	1,500,000	1,561,780	1,565,605	3,825	0.80%	1301	0.67%
10/01/20	FHLMC Reference Note	3137EAEP0	1.500	02/12/25	02/12/25	500,000	524,867	515,843	(9,024)	0.61%	1323	0.22%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	1,450,000	1,555,182	1,542,277	(12,905)	0.95%	1345	0.66%
08/05/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	1,500,000	1,660,740	1,620,857	(39,883)	0.93%	1354	0.69%
05/12/20	Intel Corp	458140BP4	3.400	03/25/25	03/25/25	1,000,000	1,106,180	1,091,648	(14,532)	0.90%	1364	0.47%
05/05/20	Florida Power & Light Company	341081FZ5	2.850	04/01/25	04/01/25	1,000,000	1,086,930	1,068,627	(18,303)	0.98%	1371	0.46%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	250,000	274,895	270,966	(3,929)	0.97%	1371	0.12%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	7,000,000	7,032,433	6,958,602	(73,831)	0.66%	1384	2.98%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	1,150,000	1,266,046	1,260,433	(5,613)	0.97%	1415	0.54%
08/05/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	9,000,000	8,958,042	8,840,391	(117,651)	0.70%	1461	3.79%
11/19/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	400,000	452,247	442,010	(10,237)	1.06%	1490	0.19%

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Statement of Investments**  
**As of 06/30/21**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff. Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	1,500,000	1,705,082	1,662,529	(42,553)	0.88%	1510	0.71%
09/25/20	FNMA Benchmark Note	3135G05X7	0.375	08/25/25	08/25/25	3,500,000	3,493,349	3,449,836	(43,513)	0.73%	1517	1.48%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	5,000,000	4,998,149	4,945,062	(53,087)	0.76%	1591	2.12%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	1,225,000	1,355,964	1,354,190	(1,774)	1.16%	1660	0.58%
	<b>Subtotal</b>					<b>\$214,110,302</b>	<b>\$218,229,988</b>	<b>\$220,188,077</b>	<b>\$ 1,958,089</b>	<b>0.37%</b>	<b>688</b>	<b>94.39%</b>
	Local Agency Investment Fund (LAIF)					13,075,909	13,075,909	13,076,994	1,085	0.26%	291	5.61%
	<b>Subtotal</b>					<b>\$227,186,211</b>	<b>\$231,305,897</b>	<b>\$233,265,071</b>	<b>\$ 1,959,174</b>	<b>0.37%</b>	<b>666</b>	<b>100.00%</b>
	Operating Bank Balance						<u>6,485,842</u>					
	<b>TOTAL</b>						<b>\$237,791,739</b>					

Burbank-Glendale-Pasadena Airport Authority - Operating Account  
 Statement of Purchases - Maturities - Sales  
 As of 06/30/21

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	1,225,000.00	110.69100	\$ 1,355,964.75	\$ (20,173.37)
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	13,000,000.00	104.36328	13,567,226.56	(81,470.79)
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
						-	-	-
<b>TOTAL PURCHASES</b>					<b>\$ 14,225,000.00</b>		<b>\$ 14,923,191.31</b>	<b>\$ (101,644.16)</b>

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
06/20/18	WalMart Inc	931142EJ8	3.125	06/23/21	\$ 1,300,000.00	99.99500	\$ 1,299,935.00	\$ 65.00
05/31/18	Treasury Note	912828WR7	2.125	06/30/21	12,500,000.00	98.71094	12,338,867.19	161,132.81
						-	-	-
						-	-	-
						-	-	-
<b>TOTAL MATURITIES</b>					<b>\$ 13,800,000.00</b>		<b>\$ 13,638,802.19</b>	<b>\$ 161,197.81</b>

SALES / REDEMPTIONS

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

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**

**Earnings Report  
06/01/21-06/30/21**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
<b>FIXED INCOME</b>									
Walmart Inc	3.125	06/23/21	17,829.86	20,312.50	-	-	2,482.64	-	2,482.64
Treasury Note	2.125	06/30/21	111,533.15	132,812.50	-	-	21,279.35	-	21,279.35
Florida Power Corporation	3.100	08/15/21	6,435.08	-	-	8,256.34	1,821.26	(511.71)	1,309.55
FNMA Benchmark Note	1.250	08/17/21	1,083.33	-	-	1,395.83	312.50	173.88	486.38
Treasury Note	1.125	09/30/21	4,383.20	-	-	6,504.10	2,120.90	2,716.13	4,837.03
Federal Home Loan Banks	1.875	11/29/21	1,562.51	-	-	25,000.01	23,437.50	5,398.49	28,835.99
Pfizer Inc	2.200	12/15/21	15,216.67	16,500.00	-	1,466.67	2,750.00	19.67	2,769.67
FNMA Benchmark Note	2.000	01/05/22	30,822.22	-	-	37,155.55	6,333.33	(415.71)	5,917.62
FHLMC	2.375	01/13/22	73,971.36	-	-	90,052.08	16,080.72	(410.23)	15,670.49
Target Corporation	2.900	01/15/22	14,242.23	-	-	17,383.88	3,141.65	(1,010.96)	2,130.69
Berkshire Hathaway Finance Corp	3.400	01/31/22	17,141.67	-	-	21,391.67	4,250.00	(526.02)	3,723.98
Treasury Note	1.500	01/31/22	12,283.84	-	-	15,329.42	3,045.58	1,177.42	4,223.00
PacifiCorp	2.950	02/01/22	9,833.33	-	-	12,291.67	2,458.34	211.04	2,669.38
Microsoft Corporation	2.375	02/12/22	8,808.94	-	-	11,233.41	2,424.47	689.34	3,113.81
Walt Disney Co	2.550	02/15/22	9,760.83	-	-	12,523.33	2,762.50	(185.71)	2,576.79
American Express Credit Corp	2.700	03/03/22	8,580.00	-	-	11,505.00	2,925.00	(2,559.73)	365.27
FHLB	2.250	03/11/22	20,000.00	-	-	27,500.00	7,500.00	(1,107.37)	6,392.63
BB&T Corp	2.750	04/01/22	6,874.99	-	-	10,312.50	3,437.51	(825.45)	2,612.06
Federal National Mortgage Association	1.875	04/05/22	24,208.33	-	-	37,177.08	12,968.75	3,245.57	16,214.32
Treasury Note	1.875	04/30/22	15,448.37	-	-	29,931.22	14,482.85	4,446.83	18,929.68
Apple Inc	2.300	05/11/22	1,597.22	-	-	3,993.06	2,395.84	249.28	2,645.12
Home Depot Inc	2.625	06/01/22	15,750.00	15,750.00	-	2,625.01	2,625.01	(330.40)	2,294.61
Caterpillar Financial Services	2.400	06/06/22	17,500.01	18,000.00	-	2,500.01	3,000.00	(284.64)	2,715.36
Cisco Systems Inc	3.000	06/15/22	16,600.00	18,000.00	-	1,600.00	3,000.00	(261.49)	2,738.51
Treasury Note	2.000	07/31/22	65,848.07	-	-	82,174.03	16,325.96	3,351.80	19,677.76
Procter & Gamble Company	2.150	08/11/22	8,376.04	-	-	10,660.42	2,284.38	(479.28)	1,805.10
Burlington Northern Santa Fe LLC	3.050	09/01/22	9,150.00	-	-	12,200.00	3,050.00	(347.90)	2,702.10
John Deere Capital Corp	2.150	09/08/22	7,435.42	-	-	10,122.91	2,687.49	725.78	3,413.27
Merck & Co Inc	2.400	09/15/22	7,600.00	-	-	10,600.00	3,000.00	1,127.78	4,127.78
National Rural Utilities Coop	2.300	09/15/22	4,855.56	-	-	6,772.22	1,916.66	68.53	1,985.19
Treasury Note	1.875	09/30/22	28,983.10	-	-	43,007.17	14,024.07	449.14	14,473.21
FNMA	2.000	10/05/22	14,000.00	-	-	21,500.00	7,500.00	(1,196.87)	6,303.13
Bank of America Corp	3.300	01/11/23	23,420.83	-	-	28,439.58	5,018.75	11.11	5,029.86
Federal National Mortgage Association	2.375	01/19/23	41,800.00	-	-	51,300.00	9,500.00	(3,063.13)	6,436.87



**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**06/01/21-06/30/21**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
JP Morgan Chase & CO	3.200	01/25/23	21,560.00	-	-	26,693.34	5,133.34	(640.51)	4,492.83
Treasury Note	2.375	01/31/23	33,341.85	-	-	41,608.43	8,266.58	(2,769.85)	5,496.73
Unitedhealth Group Inc	2.750	02/15/23	11,052.70	-	-	14,180.84	3,128.14	(205.06)	2,923.08
Pepsico Inc	2.750	03/01/23	8,937.50	-	-	11,916.67	2,979.17	(1,087.67)	1,891.50
Treasury Note	2.750	04/30/23	16,380.43	-	-	31,737.09	15,356.66	(6,263.02)	9,093.64
Loews Corporation	2.625	05/15/23	1,750.00	-	-	5,031.25	3,281.25	(2,718.13)	563.12
Public Service Electric And Gas	2.375	05/15/23	1,187.50	-	-	3,414.06	2,226.56	(19.87)	2,206.69
Simon Property Group LP	2.750	06/01/23	17,187.50	17,187.50	-	2,864.59	2,864.59	311.49	3,176.08
Federal Home Loan Mortgage Corp	2.750	06/19/23	77,343.75	85,937.50	-	5,729.17	14,322.92	(12,503.73)	1,819.19
Wells Fargo & Company	3.550	08/14/23	17,409.79	-	-	22,291.04	4,881.25	(4,374.84)	506.41
FNMA	2.875	09/12/23	31,860.59	-	-	43,959.54	12,098.95	(5,735.96)	6,362.99
Treasury Note	2.875	09/30/23	32,995.73	-	-	48,961.40	15,965.67	(6,011.91)	9,953.76
Treasury Note	2.875	11/30/23	251.37	-	-	7,792.35	7,540.98	(6,296.95)	1,244.03
Citibank NA	3.650	01/23/24	22,711.11	-	-	28,034.03	5,322.92	(1,105.11)	4,217.81
IBM Corp	3.625	02/12/24	15,365.97	-	-	19,595.14	4,229.17	(3,534.59)	694.58
Metlife Inc	3.600	04/10/24	7,650.00	-	-	12,150.00	4,500.00	(3,761.55)	738.45
Comcast Corporation	3.700	04/15/24	7,091.67	-	-	11,716.66	4,624.99	(3,650.82)	974.17
Bank of New York Mellon Corp	3.400	05/15/24	2,153.33	-	-	6,190.83	4,037.50	(3,262.69)	774.81
Prudential Financial Inc	3.500	05/15/24	2,333.33	-	-	6,708.34	4,375.01	(3,561.11)	813.90
Bristol-Myers Squibb Co	2.900	07/26/24	14,852.43	-	-	18,417.01	3,564.58	(2,715.28)	849.30
Honeywell International Inc	2.300	08/15/24	10,158.34	-	-	13,033.33	2,874.99	(844.26)	2,030.73
Treasury Note	1.875	08/31/24	-	-	81,470.79	81,470.79	-	-	-
United Parcel Service INC	2.200	09/01/24	2,040.50	-	-	2,720.67	680.17	(512.55)	167.62
PNC Bank NA	3.300	10/30/24	4,191.46	-	-	8,247.71	4,056.25	(3,304.55)	751.70
Wisconsin Electric Power Company	2.050	12/15/24	10,398.06	11,275.00	-	1,002.22	1,879.16	(1,193.06)	686.10
FHLB	2.050	12/15/24	1,269.97	-	-	1,764.76	494.79	(417.25)	77.54
US Bank NA/Cincinnati OH	2.050	01/21/25	11,104.16	-	-	13,666.67	2,562.51	(1,395.65)	1,166.86
FHLMC Reference Note	1.500	02/12/25	2,270.83	-	-	2,895.83	625.00	(477.20)	147.80
Exxon Mobil Corp	2.709	03/06/25	9,274.56	-	-	12,547.94	3,273.38	(2,276.63)	996.75
Ace InA Holdings Inc	3.150	03/15/25	9,975.00	-	-	13,912.50	3,937.50	(3,010.66)	926.84
Intel Corp	3.400	03/25/25	6,233.33	-	-	9,066.67	2,833.34	(1,850.90)	982.44
Florida Power & Light Company	2.850	04/01/25	4,750.00	-	-	7,125.00	2,375.00	(1,503.98)	871.02
General Dynamics Corporation	3.250	04/01/25	1,354.17	-	-	2,031.25	677.08	(513.65)	163.43
Federal Home Loan Banks	0.500	04/14/25	4,569.44	-	-	7,486.12	2,916.68	(603.37)	2,313.31
General Dynamics Corporation	3.500	05/15/25	1,788.89	-	-	5,143.06	3,354.17	(2,519.10)	835.07

**Burbank-Glendale-Pasadena Airport Authority - Operating Account**  
**Earnings Report**  
**06/01/21-06/30/21**

Type of Investment	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Treasury Note	0.250	06/30/25	9,447.51	11,250.00	-	61.15	1,863.64	750.62	2,614.26
Intel Corp	3.700	07/29/25	5,015.56	-	-	6,248.89	1,233.33	(982.10)	251.23
State Street Corporation	3.550	08/18/25	15,235.42	-	-	19,672.92	4,437.50	(3,543.03)	894.47
FNMA Benchmark Note	0.375	08/25/25	3,500.00	-	-	4,593.75	1,093.75	112.90	1,206.65
FNMA Benchmark Note	0.500	11/07/25	1,666.67	-	-	3,750.00	2,083.33	31.02	2,114.35
Lockheed Martin Corporation	3.550	01/15/26	-	-	20,173.37	20,052.57	(120.80)	-	(120.80)
<b>Subtotal</b>			<b>\$ 1,130,596.58</b>	<b>\$ 347,025.00</b>	<b>\$ 101,644.16</b>	<b>\$ 1,269,389.75</b>	<b>\$ 384,174.01</b>	<b>\$ (83,415.37)</b>	<b>\$ 300,758.64</b>
<b>CASH EQUIVALENTS</b>									
Cash Interest (MISC)			-	22.42	-	-	22.42	-	22.42
<b>Subtotal</b>			<b>\$ -</b>	<b>\$ 22.42</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22.42</b>	<b>\$ -</b>	<b>\$ 22.42</b>
<b>LAIF</b>									
Local Agency Investment Fund			4,955.54	-	-	7,661.36	2,705.82	-	2,705.82
<b>TOTAL</b>			<b>\$ 1,135,552.12</b>	<b>\$ 347,047.42</b>	<b>\$ 101,644.16</b>	<b>\$ 1,277,051.11</b>	<b>\$ 386,902.25</b>	<b>\$ (83,415.37)</b>	<b>\$ 303,486.88</b>

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 06/30/21**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
06/30/21	Columbia Treasury Reserves	097101307	0.000	06/30/21	06/30/21	\$ 170,936	\$ 170,936	\$ 170,936	\$ -	0.00%	0	0.35%
10/02/17	Florida Power Corporation	341099CP2	3.100	08/15/21	08/15/21	250,000	256,744	250,597	(6,147)	1.17%	46	0.52%
05/31/19	FNMA Benchmark Note	3135G0N82	1.250	08/17/21	08/17/21	130,000	128,006	130,196	2,190	0.09%	48	0.27%
07/05/18	Treasury Note	912828T34	1.125	09/30/21	09/30/21	1,590,000	1,517,091	1,594,161	77,070	0.08%	92	3.29%
12/23/16	Federal Home Loan Banks	3130AABG2	1.875	11/29/21	11/29/21	1,525,000	1,497,278	1,536,311	39,033	0.08%	152	3.17%
01/23/17	Pfizer Inc	717081DZ3	2.200	12/15/21	12/15/21	360,000	359,305	363,349	4,044	0.17%	168	0.75%
03/27/19	FNMA Benchmark Note	3135G0S38	2.000	01/05/22	01/05/22	1,150,000	1,152,401	1,161,317	8,916	0.08%	189	2.39%
09/25/18	FHLMC	3137EADB2	2.375	01/13/22	01/13/22	1,775,000	1,757,610	1,796,992	39,382	0.08%	197	3.70%
06/26/19	Target Corporation	87612EAZ9	2.900	01/15/22	01/15/22	300,000	306,848	304,317	(2,531)	0.24%	199	0.63%
08/15/18	Berkshire Hathaway Finance Corp	084670BF4	3.400	01/31/22	01/31/22	360,000	366,983	366,543	(440)	0.27%	215	0.76%
02/03/17	Treasury Note	912828H86	1.500	01/31/22	01/31/22	1,450,000	1,400,944	1,462,064	61,120	0.08%	215	3.01%
08/06/18	PacificCorp	695114CP1	2.950	02/01/22	02/01/22	250,000	249,340	252,260	2,920	1.39%	216	0.52%
11/05/18	Microsoft Corporation	594918BA1	2.375	02/12/22	02/12/22	300,000	295,021	303,468	8,447	0.49%	227	0.63%
02/21/17	Walt Disney Co	25468PCT1	2.550	02/15/22	02/15/22	300,000	300,881	304,318	3,437	0.24%	230	0.63%
11/19/20	American Express Credit Corp	0258MDEG0	2.700	03/03/22	03/03/22	275,000	282,835	278,940	(3,895)	0.57%	246	0.57%
07/09/19	FHLB	313378CR0	2.250	03/11/22	03/11/22	1,175,000	1,190,245	1,192,642	2,397	0.10%	254	2.46%
05/31/19	US Bancorp	91159HHC7	3.000	03/15/22	03/15/22	290,000	294,840	294,979	139	0.57%	258	0.61%
01/11/19	BB&T Corp	05531FAX1	2.750	04/01/22	04/01/22	300,000	298,290	305,056	6,766	0.50%	275	0.63%
03/01/18	Federal National Mortgage Assoc	3135G0T45	1.875	04/05/22	04/05/22	1,050,000	1,033,101	1,064,163	31,062	0.11%	279	2.19%
01/31/19	Treasury Note	912828X47	1.875	04/30/22	04/30/22	1,550,000	1,530,471	1,572,947	42,476	0.10%	304	3.24%
05/31/19	Apple Inc	037833CQ1	2.300	05/11/22	05/11/22	300,000	300,762	304,936	4,174	0.39%	315	0.63%
10/03/17	Home Depot Inc	437076BG6	2.625	06/01/22	06/01/22	300,000	303,523	306,197	2,674	0.39%	336	0.63%
11/08/18	Caterpillar Financial Services	14913QAA7	2.400	06/06/22	06/06/22	300,000	292,337	306,267	13,930	0.16%	341	0.63%
02/15/19	Cisco Systems Inc	17275RAV4	3.000	06/15/22	06/15/22	300,000	303,772	308,139	4,367	0.17%	350	0.64%
12/31/18	Treasury Note	912828XQ8	2.000	07/31/22	07/31/22	1,425,000	1,405,583	1,454,112	48,529	0.12%	396	3.00%
11/01/19	Procter & Gamble Company	742718EU9	2.150	08/11/22	08/11/22	300,000	303,998	306,355	2,357	0.24%	407	0.63%
02/15/19	Burlington Northern Santa Fe LLC	12189LAL5	3.050	09/01/22	09/01/22	275,000	277,996	281,768	3,772	0.93%	428	0.58%
01/09/19	John Deere Capital Corp	24422ETV1	2.150	09/08/22	09/08/22	300,000	290,735	306,687	15,952	0.27%	435	0.63%
05/18/18	Merck & Co Inc	589331AT4	2.400	09/15/22	09/15/22	350,000	343,117	357,212	14,095	0.68%	442	0.74%
01/11/19	Treasury Note	9128282W9	1.875	09/30/22	09/30/22	1,225,000	1,201,813	1,251,605	49,792	0.14%	457	2.58%
09/12/19	FNMA	3135G0T78	2.000	10/05/22	10/05/22	1,000,000	1,009,770	1,023,095	13,325	0.17%	462	2.11%

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 06/30/21**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
04/25/18	Bank of America Corp	06051GEU9	3.300	01/11/23	01/11/23	400,000	399,124	417,435	18,311	0.44%	560	0.86%
09/26/19	Federal National Mortgage Assoc	3135G0T94	2.375	01/19/23	01/19/23	1,750,000	1,791,413	1,807,445	16,032	0.26%	568	3.73%
03/20/19	JP Morgan Chase & CO	46625HJH4	3.200	01/25/23	01/25/23	425,000	430,662	443,937	13,275	0.36%	574	0.92%
08/22/19	Treasury Note	9128283U2	2.375	01/31/23	01/31/23	1,675,000	1,718,542	1,732,971	14,429	0.19%	580	3.57%
03/18/19	Unitedhealth Group Inc	91324PBZ4	2.750	02/15/23	02/15/23	325,000	326,091	335,728	9,637	0.70%	595	0.69%
10/02/19	Pepsico Inc.	713448CG1	2.750	03/01/23	03/01/23	300,000	310,179	312,125	1,946	0.32%	609	0.64%
11/19/19	Treasury Note	9128284L1	2.750	04/30/23	04/30/23	1,900,000	1,969,049	1,987,652	18,603	0.24%	669	4.10%
11/03/20	Loews Corporation	540424AQ1	2.625	05/15/23	05/15/23	300,000	314,644	310,791	(3,853)	0.74%	684	0.64%
06/06/19	Public Service Electric And Gas	74456QBC9	2.375	05/15/23	05/15/23	300,000	302,050	309,921	7,871	0.60%	684	0.64%
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	06/01/23	300,000	298,333	311,448	13,115	0.74%	701	0.64%
02/19/20	FHLMC	3137EAEN5	2.750	06/19/23	06/19/23	1,875,000	1,984,696	1,966,698	(17,998)	0.26%	719	4.05%
03/04/21	Wells Fargo Bank NA	94988J5R4	3.550	08/14/23	08/14/23	350,000	376,170	372,427	(3,743)	0.51%	775	0.77%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	1,400,000	1,464,189	1,479,155	14,966	0.29%	804	3.05%
07/31/19	Treasury Note	9128285D8	2.875	09/30/23	09/30/23	1,875,000	1,959,890	1,983,398	23,508	0.30%	822	4.09%
02/19/20	Treasury Note	9128285P1	2.875	11/30/23	11/30/23	800,000	856,141	849,000	(7,141)	0.33%	883	1.75%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	300,000	307,317	322,850	15,533	0.66%	937	0.67%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	310,000	336,924	333,868	(3,056)	0.65%	957	0.69%
04/30/21	Treasury Note	91282CBM2	0.125	02/15/24	02/15/24	1,200,000	1,194,375	1,192,313	(2,062)	0.37%	960	2.46%
04/26/21	Melife Inc	59156RBH0	3.600	04/10/24	04/10/24	350,000	380,854	378,560	(2,294)	0.63%	1015	0.78%
09/25/20	Comcast Corporation	20030NCR0	3.700	04/15/24	04/15/24	315,000	348,289	341,419	(6,870)	0.66%	1020	0.70%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	350,000	379,467	377,100	(2,367)	0.68%	1050	0.78%
09/28/20	Prudential Financial Inc	74432QBZ7	3.500	05/15/24	05/15/24	350,000	386,964	378,944	(8,020)	0.59%	1050	0.78%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	325,000	351,139	346,577	(4,562)	0.71%	1122	0.71%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	325,000	332,088	341,314	9,226	0.67%	1142	0.70%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	1,600,000	1,669,813	1,669,125	(688)	0.50%	1158	3.44%
05/20/21	United Parcel Service	911312BT2	2.200	09/01/24	09/01/24	74,000	77,909	77,572	(337)	0.66%	1159	0.16%
02/12/20	PNC Funding Corp	69353REF1	3.300	10/30/24	10/30/24	325,000	345,449	352,676	7,227	0.71%	1218	0.73%
09/24/20	Wisconsin Electric Power Company	976656CL0	2.050	12/15/24	12/15/24	300,000	317,209	313,764	(3,445)	0.70%	1264	0.65%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	315,000	336,711	335,046	(1,665)	0.08%	1345	0.69%
11/03/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	350,000	385,091	378,200	(6,891)	0.93%	1354	0.78%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	50,000	54,979	54,193	(786)	0.97%	1371	0.11%

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Investments**  
**As of 06/30/21**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	1,450,000	1,453,983	1,441,425	(12,558)	0.66%	1384	2.97%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	265,000	291,740	290,448	(1,292)	0.97%	1415	0.60%
11/17/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	500,000	497,395	491,133	(6,262)	0.70%	1461	1.01%
09/25/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	325,000	368,501	359,133	(9,368)	1.06%	1490	0.74%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	365,000	414,692	404,549	(10,143)	0.88%	1510	0.83%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	2,500,000	2,499,074	2,472,531	(26,543)	0.76%	1591	5.10%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	300,000	332,072	331,638	(434)	1.16%	1660	0.68%
	<b>Subtotal</b>					<b>\$ 47,144,936</b>	<b>\$ 47,985,784</b>	<b>\$ 48,516,438</b>	<b>\$ 530,654</b>	<b>0.36%</b>	<b>668</b>	<b>100.00%</b>
	PFC Bank Balance						<u>2,622,786</u>					
	<b>TOTAL</b>						<b>\$ 50,608,570</b>					

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Statement of Purchases - Maturities - Sales**  
**As of 06/30/21**

**PURCHASES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	\$ 300,000.00	110.69100	\$ 332,073.00	\$ (4,940.42)
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	1,600,000.00	104.36328	1,669,812.50	(10,027.17)
<b>TOTAL PURCHASES</b>						<b>\$ 1,900,000.00</b>	<b>\$ 2,001,885.50</b>	<b>\$ (14,967.59)</b>

**MATURITIES**

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
06/20/18	Walmart Inc	931142EJ8	3.125	06/23/21	\$ 300,000.00	100.44983	\$ 301,349.50	\$ (1,349.50)
12/23/16	Treasury Note	912828WR7	2.125	06/30/21	1,500,000.00	99.24453	1,488,667.97	11,332.03
<b>TOTAL MATURITIES</b>						<b>\$ 1,800,000.00</b>	<b>\$ 1,790,017.47</b>	<b>\$ 9,982.53</b>

**SALES / REDEMPTIONS / DELIVERS**

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

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**06/01/21-06/30/21**

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
<b>FIXED INCOME</b>										
Walmart Inc	NOTE	3.125	06/23/21	4,114.58	4,687.50	-	-	572.92	-	572.92
Treasury Note	NOTE	2.125	06/30/21	13,383.98	15,937.50	-	-	2,553.52	-	2,553.52
Florida Power Corporation	NOTE	3.100	08/15/21	2,281.95	-	-	2,927.79	645.84	(190.69)	455.15
FNMA Benchmark Note	NOTE	1.250	08/17/21	469.44	-	-	604.86	135.42	75.35	210.77
Treasury Note	NOTE	1.125	09/30/21	3,030.12	-	-	4,496.31	1,466.19	1,931.48	3,397.67
Federal Home Loan Banks	NOTE	1.875	11/29/21	158.86	-	-	2,541.66	2,382.80	591.21	2,974.01
Pfizer Inc	NOTE	2.200	12/15/21	3,652.00	3,960.00	-	352.00	660.00	5.19	665.19
FNMA Benchmark Note	NOTE	2.000	01/05/22	9,327.77	-	-	11,244.44	1,916.67	(85.77)	1,830.90
FHLMC	NOTE	2.375	01/13/22	16,159.89	-	-	19,672.92	3,513.03	453.02	3,966.05
Target Corporation	NOTE	2.900	01/15/22	3,286.67	-	-	4,011.67	725.00	(233.89)	491.11
Berkshire Hathaway Finance Corp	NOTE	3.400	01/31/22	4,114.00	-	-	5,134.01	1,020.01	(212.05)	807.96
Treasury Note	NOTE	1.500	01/31/22	7,270.03	-	-	9,072.51	1,802.48	1,035.28	2,837.76
PacificCorp	NOTE	2.950	02/01/22	2,458.34	-	-	3,072.91	614.57	7.91	622.48
Microsoft Corporation	NOTE	2.375	02/12/22	2,157.29	-	-	2,751.04	593.75	123.74	717.49
Walt Disney Co	NOTE	2.550	02/15/22	2,252.51	-	-	2,890.01	637.50	(24.43)	613.07
American Express Credit Corp	NOTE	2.700	03/03/22	1,815.00	-	-	2,433.75	618.75	(550.45)	68.30
FHLB	NOTE	2.250	03/11/22	5,875.00	-	-	8,078.13	2,203.13	(506.56)	1,696.57
US Bancorp	NOTE	3.000	03/15/22	1,836.67	-	-	2,561.67	725.00	(157.57)	567.43
BB&T Corp	NOTE	2.750	04/01/22	1,375.00	-	-	2,062.51	687.51	34.59	722.10
Federal National Mortgage Assoc	NOTE	1.875	04/05/22	3,062.49	-	-	4,703.12	1,640.63	349.69	1,990.32
Treasury Note	NOTE	1.875	04/30/22	2,527.17	-	-	4,896.40	2,369.23	491.18	2,860.41
Apple Inc	NOTE	2.300	05/11/22	383.33	-	-	958.33	575.00	(25.16)	549.84
Home Depot Inc	NOTE	2.625	06/01/22	3,937.50	3,937.50	-	656.27	656.27	(84.32)	571.95
Caterpillar Financial Services	NOTE	2.400	06/06/22	3,499.99	3,600.00	-	499.99	600.00	175.91	775.91
Cisco Systems Inc	NOTE	3.000	06/15/22	4,150.00	4,500.00	-	400.00	750.00	(107.48)	642.52
Treasury Note	NOTE	2.000	07/31/22	9,526.24	-	-	11,888.13	2,361.89	447.05	2,808.94
Procter & Gamble Company	NOTE	2.150	08/11/22	1,970.83	-	-	2,508.33	537.50	(125.05)	412.45
Burlington Northern Santa Fe LLC	NOTE	3.050	09/01/22	2,096.88	-	-	2,795.83	698.95	(90.11)	608.84
John Deere Capital Corp	NOTE	2.150	09/08/22	1,487.08	-	-	2,024.60	537.52	209.44	746.96
Merck & Co Inc	NOTE	2.400	09/15/22	1,773.34	-	-	2,473.34	700.00	129.25	829.25
Treasury Note	NOTE	1.875	09/30/22	3,890.88	-	-	5,773.57	1,882.69	512.88	2,395.57
FNMA	NOTE	2.000	10/05/22	3,111.11	-	-	4,777.78	1,666.67	(265.97)	1,400.70
Bank of America Corp	NOTE	3.300	01/11/23	5,133.33	-	-	6,233.33	1,100.00	(7.08)	1,092.92

**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**06/01/21-06/30/21**

Type of Investment	Type	Coupon	Maturity Date	Realized		Interest		Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
				Previous Accrual	Interest For Period	Paid At Purc/Recv	Accrual				
Federal National Mortgage Assoc	NOTE	2.375	01/19/23	15,239.58	-	-	18,703.13	3,463.55	(1,066.94)	2,396.61	
JP Morgan Chase & CO	NOTE	3.200	01/25/23	4,760.00	-	-	5,893.34	1,133.34	(130.81)	1,002.53	
Treasury Note	NOTE	2.375	01/31/23	13,297.04	-	-	16,593.84	3,296.80	(1,095.07)	2,201.73	
Unitedhealth Group Inc	NOTE	2.750	02/15/23	2,631.59	-	-	3,376.39	744.80	(34.48)	710.32	
Pepsico Inc.	NOTE	2.750	03/01/23	2,062.51	-	-	2,750.00	687.49	(249.16)	438.33	
Treasury Note	NOTE	2.750	04/30/23	4,543.48	-	-	8,802.99	4,259.51	(1,690.10)	2,569.41	
Loews Corporation	NOTE	2.625	05/15/23	350.00	-	-	1,006.25	656.25	(541.26)	114.99	
Public Service Electric And Gas	NOTE	2.375	05/15/23	316.67	-	-	910.42	593.75	(69.01)	524.74	
Simon Property Group LP	NOTE	2.750	06/01/23	4,125.00	4,125.00	-	687.50	687.50	24.92	712.42	
FHLMC	NOTE	2.750	06/19/23	23,203.13	25,781.25	-	1,718.75	4,296.87	(2,796.51)	1,500.36	
Wells Fargo Bank NA	NOTE	3.550	08/14/23	3,692.99	-	-	4,728.40	1,035.41	(927.99)	107.42	
FNMA	NOTE	2.875	09/12/23	8,832.64	-	-	12,186.81	3,354.17	(1,469.98)	1,884.19	
Treasury Note	NOTE	2.875	09/30/23	9,131.65	-	-	13,550.21	4,418.56	(1,759.83)	2,658.73	
Treasury Note	NOTE	2.875	11/30/23	62.84	-	-	1,948.08	1,885.24	(1,235.80)	649.44	
Citibank NA	NOTE	3.650	01/23/24	3,893.33	-	-	4,805.83	912.50	(128.89)	783.61	
IBM Corp	NOTE	3.625	02/12/24	3,402.47	-	-	4,338.92	936.45	(782.66)	153.79	
Treasury Note	NOTE	0.125	02/15/24	439.23	-	-	563.54	124.31	165.77	290.08	
Melitte Inc	NOTE	3.600	04/10/24	1,785.00	-	-	2,835.00	1,050.00	(877.60)	172.40	
Comcast Corporation	NOTE	3.700	04/15/24	1,489.25	-	-	2,460.50	971.25	(801.77)	169.48	
Bank of New York Mellon Corp	NOTE	3.400	05/15/24	528.90	-	-	1,520.55	991.65	(806.74)	184.91	
Prudential Financial Inc	NOTE	3.500	05/15/24	544.44	-	-	1,565.28	1,020.84	(874.24)	146.60	
Bristol-Myers Squibb Co	NOTE	2.900	07/26/24	3,272.57	-	-	4,057.99	785.42	(600.00)	185.42	
Honeywell International Inc	NOTE	2.300	08/15/24	2,200.97	-	-	2,823.88	622.91	(134.49)	488.42	
Treasury Note	NOTE	1.875	08/31/24	-	-	10,027.17	10,027.17	-	-	-	
United Parcel Service	NOTE	2.200	09/01/24	407.00	-	-	542.67	135.67	(102.24)	33.43	
PNC Funding Corp	NOTE	3.300	10/30/24	923.54	-	-	1,817.29	893.75	(368.23)	525.52	
Wisconsin Electric Power Company	NOTE	2.050	12/15/24	2,835.84	3,075.00	-	273.34	512.50	(353.33)	159.17	
Exxon Mobil Corp	NOTE	2.709	03/06/25	2,014.82	-	-	2,725.93	711.11	(477.12)	233.99	
Ace InA Holdings Inc	NOTE	3.150	03/15/25	2,327.50	-	-	3,246.25	918.75	(676.97)	241.78	
General Dynamics Corporation	NOTE	3.250	04/01/25	270.83	-	-	406.25	135.42	(102.73)	32.69	
Federal Home Loan Banks	NOTE	0.500	04/14/25	946.53	-	-	1,550.70	604.17	(74.29)	529.88	
General Dynamics Corporation	NOTE	3.500	05/15/25	412.22	-	-	1,185.14	772.92	(580.49)	192.43	
Treasury Note	NOTE	0.250	06/30/25	524.86	625.00	-	3.40	103.54	47.27	150.81	
Intel Corp	NOTE	3.700	07/29/25	4,075.14	-	-	5,077.22	1,002.08	(799.38)	202.70	



**Burbank-Glendale-Pasadena Airport Authority - PFC Account**  
**Earnings Report**  
**06/01/21-06/30/21**

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest		Interest Paid At		Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
					For Period	For Period	Purc/Recv	Purc/Recv				
State Street Corporation	NOTE	3.550	08/18/25	3,707.28	-	-	-	4,787.08	1,079.80	(858.62)	221.18	
FNMA Benchmark Note	NOTE	0.500	11/07/25	833.33	-	-	-	1,875.00	1,041.67	15.51	1,057.18	
Lockheed Martin Corporation	NOTE	3.550	01/15/26	-	-	(4,940.42)	-	4,910.83	9,851.25	-	-	
<b>Subtotal</b>				<b>\$ 260,653.44</b>	<b>\$ 70,228.75</b>	<b>\$ 5,086.75</b>	<b>\$ 290,753.08</b>	<b>\$ 95,241.64</b>	<b>\$ (18,306.67)</b>	<b>\$ 67,083.72</b>		
<b>CASH EQUIVALENTS</b>												
Cash Interest				-	5.90	-	-	-	5.90	-	-	5.90
<b>Subtotal</b>				<b>\$ -</b>	<b>\$ 5.90</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5.90</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5.90</b>
<b>TOTAL</b>				<b>\$ 260,653.44</b>	<b>\$ 70,234.65</b>	<b>\$ 5,086.75</b>	<b>\$ 290,753.08</b>	<b>\$ 95,247.54</b>	<b>\$ (18,306.67)</b>	<b>\$ 67,089.62</b>		

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**MONTH AND TWELVE MONTHS ENDED JUNE 30, 2021 & 2020**

		Monthly Performance					June 2021					Fiscal YTD Performance (July 2020 - June 2021)				
		A	B	C	D	E						F	G	H	I	J
		Actual \$	Budget	Actual \$	Note	Variance						Fiscal	Fiscal	Actual \$	Fiscal	Variance
		June 2021	June 2021	June 2020		Actual Vs.						YTD	YTD Budget	Prior Year	YTD	Actual Vs.
		June 2021	June 2021	June 2020	Note	Budget						Fiscal	Fiscal	Fiscal YTD	Note	Budget
							<b>OPERATING ACTIVITY</b>									
							<b>CASH RECEIPTS FROM OPERATIONS</b>									
1		\$205,188	\$206,688	\$117,657	(2)	(\$1,500)	Landing/Fuel Fees	\$2,823,718	\$2,168,000	\$4,323,047	(2)	\$655,718				
2		1,662,247	1,132,423	409,800	(3)	529,824	Parking Fees	8,330,068	7,510,000	17,330,557	(3)	820,068				
3		1,163,203	845,202	236,944	(4)	318,001	Rental Receipts - Terminal Building	14,305,434	8,243,224	11,516,681	(4)	(904,625)				
4		1,234,847	1,074,316	1,267,707	(5)	160,531	Rental Receipts - Other Buildings	851,105	12,891,776	13,429,910	(5)	1,413,658				
5		118,875	139,096	33,745	(6)	(20,221)	Ground Transportation	761,338	1,030,000	4,251,940	(6)	(178,895)				
6		2,813	5,416	103,674	(7)	(2,603)	Other Receipts	4,797,351	65,000	748,409	(7)	696,338				
7		406,601	270,834	427,991	(8)	135,767	Investment Receipts - Treasurer/Other Interest Earned	\$39,207,613	3,250,000	4,681,551	(8)	1,547,351				
8		\$4,793,774	\$3,673,975	\$2,597,518	(1)	\$1,119,799		\$35,158,000	\$56,282,095		(1)	\$4,049,613				
							<b>CASH DISBURSEMENTS FROM OPERATIONS</b>									
9		(\$53,114)	(\$98,941)	(\$129,195)	(10)	\$45,827	Administrative Supplies & Costs	(\$865,398)	(\$1,187,300)	(\$1,233,274)	(10)	\$321,902				
10		(210,254)	(300,799)	(195,297)	(11)	90,545	Operating Supplies & Maintenance	(2,991,429)	(3,609,588)	(3,680,563)	(11)	618,159				
11		(1,840,574)	(2,180,518)	(2,217,384)	(12)	339,944	Contractual Operating Costs	(24,698,681)	(25,801,725)	(28,200,666)	(12)	1,103,044				
12		(320,428)	(267,075)	(318,137)	(13)	(53,353)	Contractual Professional Services	(4,733,541)	(4,798,300)	(5,539,893)	(13)	64,759				
13		(572,624)	(529,336)	(389,719)	(14)	(43,288)	Wages & Benefits	(6,284,106)	(6,352,000)	(5,732,142)	(14)	67,894				
14		(5,917)	(36,678)	(49,121)	(15)	30,761	Other Operating Costs	(301,324)	(440,150)	(1,044,917)	(15)	138,826				
15		(380,354)	(380,354)	(380,683)	(16)	0	Bond Debt Service - 2015 Bonds	(4,564,250)	(4,564,250)	(4,568,250)		0				
16		0	0	0	(16)	\$410,436	Parking Tax	(586,761)	(804,650)	(2,369,827)	(16)	217,889				
17		(\$3,383,265)	(\$3,793,701)	(\$3,679,536)	(9)	\$410,436		(\$45,025,490)	(\$47,557,963)	(\$52,369,532)	(9)	\$2,532,473				
18		\$1,410,509	(\$119,726)	(\$1,082,018)		\$1,530,235		(\$5,817,877)	(\$12,399,963)	\$3,912,563		\$6,582,086				
							<b>FACILITY IMPROVEMENT / NOISE MITIGATION TRANSACTIONS</b>									
							<b>CASH DISBURSEMENTS</b>									
19		(\$199)	(\$11,250)	(\$160)	(17)	\$11,051	Sound Insulation Program Costs	(\$2,063)	(\$125,000)	(\$1,898)	(17)	\$122,937				
20		(160,564)	(972,875)	(351,084)	(18)	812,311	Other Facility Improvement Program Project Costs	(4,763,005)	(4,596,500)	(10,910,889)	(18)	(166,505)				
21		(\$160,763)	(\$984,125)	(\$351,244)		\$823,362		(\$4,765,068)	(\$4,721,500)	(\$10,912,787)		(\$43,568)				
							<b>CASH RECEIPTS FROM FUNDING SOURCES</b>									
22		\$0	\$9,067	\$0	(17)	(\$9,067)	FAA Grants - Sound Insulation Program	\$0	\$100,737	\$0	(17)	(\$100,737)				
23		0	875,000	0	(19)	(875,000)	FAA Grants - Facility Improvement Program	3,316,785	3,895,310	2,839,799	(19)	(578,525)				
24		0	0	0	(20)	0	Other Grants	1,520	0	60,706	(20)	1,520				
25		75,068	80,363	4,320,052	(21)	(5,295)	Passenger Facility Charge Receipts/Reserves	1,423,624	463,953	4,486,664	(21)	959,671				
26		\$75,068	\$984,430	\$4,320,052		(\$889,362)		\$4,741,929	\$4,460,000	\$7,387,169		\$281,929				
27		(\$85,695)	(\$19,695)	\$3,968,808		(\$66,000)		(\$23,139)	(\$261,500)	(\$3,525,618)		\$238,361				
							<b>CARES ACT FUNDING</b>									
28		\$1,297,679	\$1,055,121	\$0		\$242,558	2015 Bond Debt Service & Personnel Costs	\$14,791,077	\$12,661,463	\$0		\$2,129,614				
29		\$1,297,679	\$1,055,121	\$0	(22)	\$242,558		\$14,791,077	\$12,661,463	\$0	(22)	\$2,129,614				
30		\$2,622,493	\$915,700	\$2,886,790		\$1,706,793		\$8,950,061	\$0	\$386,945		\$8,950,061				
							<b>NET INCREASE (DECREASE) IN CASH - TOTAL</b>									

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND TWELVE MONTHS ENDED JUNE 30, 2021 & 2020

### General Comments

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

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

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

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

The FY 2021 Capital Program expenditures are primarily funded by the following sources:

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

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

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

Due to the uncertainty caused by the impacts of COVID-19 to the aviation industry, the Authority continued its conservative outlook on passenger activity recovery into FY 2021. The Authority's Adopted FY 2021 budget was based on the following quarterly activity assumptions:

- Q1 (July -September): a reduction of 85%
- Q2 (October - December): a reduction of 75%
- Q3 (January - March): a reduction of 65%
- Q4 (April - June): a reduction of 50%

Passengers were down 71.40% FYTD June when compared to pre-COVID levels and down 30.97% when compared to June 2019 (pre-COVID). This result was above the Q4 budgeted assumption of a passenger reduction of 50.00% for the month and below the blended reduction of 68.75% for the fiscal year.

Although, the overall passenger activity performance of FY 2021 was below the budgeted assumptions, the fiscal year-end financial performance remains slightly positive.

Additionally, the Adopted FY 2021 Budget includes the use of \$16.1 million in CARES Act Grant Funds for the reimbursement of bond debt service and personnel costs to help supplement the reduction in revenues due to declined passenger activity.

### NOTE (1) – Cash Receipts from Operations

Cash receipts from operations exceed the budget at fiscal year-end. On an accrual basis, operating revenues exceed the budget at fiscal year-end by \$2,526,273. See notes 2 through 8 for additional information regarding operating receipts. Please note that fiscal year-end accruals are preliminary and subject to change as the year-end closing process continues.

(Continued)

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND TWELVE MONTHS ENDED JUNE 30, 2021 & 2020

**NOTE (2) – Landing/Fuel Fees**

Landing Fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of \$0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. On an accrual basis, Landing Fees combined with Fuel Flowage Fees exceed the budget by \$453,121 at fiscal year-end. The Authority deferred landing fees for signatory airlines for April 2020 through June 2020. This deferral was paid back by the airlines in equal installments during the first half of FY 2021, which was reflected in the actual monthly cash receipts, but not in the monthly FY 2021 budgeted amounts as these amounts were accrued as part of FY 2020 activity.

**NOTE (3) – Parking Fees**

Parking fee revenues performed above the fiscal year budget forecast. Accrual basis Parking Fees are \$1,016,454 ahead of budget at fiscal year-end.

**NOTE (4) – Rental Receipts - Terminal Building**

Terminal Building rental receipts are under budget at fiscal year-end. The Authority deferred Terminal Building rental fees for signatory airlines for April 2020 through June 2020. This deferral was paid back by the airlines in equal installments during the first half of FY 2021, which was reflected in the actual monthly cash receipts, but not in the monthly FY 2021 budgeted amounts as these amounts were accrued as part of FY 2020 activity. Accrual basis Terminal Building rents are under budget by \$950,569 at fiscal year-end due to the continued economic relief extended by the Authority to the concessionaires from July 2020 to June 2021.

**NOTE (5) – Rental Receipts - Other Buildings**

Other Buildings rental receipts exceed the budget at fiscal year-end partially due to the timing of receipts. Accrual basis Other Building rents are \$869,932 ahead of budget at fiscal year-end due to CPI adjustments and additional lease revenue.

**NOTE (6) – Ground Transportation**

This category consists of off-airport access fees and TNC activity. Accrual basis Ground Transportation receipts are under budget by \$81,760 at fiscal year-end.

**NOTE (7) – Other Receipts**

This category consists primarily of filming, TSA LEO reimbursements, fingerprint/badge renewal fees, noise fees, and access fees. FY 2021 Other Receipts include a security deposit of \$222,242 from TEM Enterprises operating as Avelo Aviation and a security deposit of \$118,737 from Innova Aviation, LLC. Accrual basis Other Receipts are \$409,301 ahead of budget at fiscal year-end.

**NOTE (8) – Investment Receipts - Treasurer**

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes, the timing of coupon payments and individual investment maturities. Accrual basis investment income exceeds the budget by \$809,794 at fiscal year-end.

**NOTE (9) – Cash Disbursements from Operations**

Overall operating disbursements are favorably under budget at fiscal year-end. On an accrual basis operating disbursements are favorably within budget parameters. See additional information on operating disbursements in notes 10 through 16.

**NOTE (10) – Administrative Supplies & Costs**

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

(Continued)

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS MONTH AND TWELVE MONTHS ENDED JUNE 30, 2021 & 2020

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

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

**NOTE (12) – Contractual Operating Costs**

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

**NOTE (13) – Contractual Professional Services**

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

**NOTE (14) – Wages and Benefits**

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the Memorandum of Understanding effective February 2020. Wages and Benefits include overtime for film location services which are recovered through the related film revenue.

**NOTE (15) – Other Operating Costs**

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

**NOTE (16) – Parking Tax**

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. The July 2021 remittance, in the amount of \$393,682, covers parking activity for the months of April, May and June 2021.

**NOTE (17) – Sound Insulation Program**

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

**NOTE (18) – Other Facility Improvement Program Projects**

Other Facility Improvement Program Projects costs on a cash basis exceed the budget at fiscal year-end by \$166,505 due to payments for FY 2020 accrued costs for certain projects.

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

FAA Grants are budgeted to partially fund the ARFF Truck Replacement, Taxiway D7 Connector, G Infield and Delta Ramp Rehabilitation Project and the Environmental Impact Statement (EIS) for the Replacement Passenger Terminal.

**NOTE (20) – Other Grants**

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

**NOTE (21) – Passenger Facility Charge Receipts/Reserves**

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges, including the Airfield Maintenance Equipment and the Environmental Impact Statement (EIS) for the Replacement Passenger Terminal.

(Continued)

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

**MONTH AND TWELVE MONTHS ENDED JUNE 30, 2021 & 2020**

**NOTE (22) – CARES Act Grant**

At fiscal year-end, the Authority has received \$14.8 million of the \$21.1 million in CARES Act Grant funds to fund the 2015 Bond Debt Service and certain personnel costs for FY 2021. FY 2021 reimbursements include FY 2020 costs of \$3.3 million related to the 2015 Bond debt service for April through June 2020 and certain personnel costs for May and June 2020. Also included are FY 2021 costs of \$11.5 million for the 2015 Bond Debt Service for the months of July 2020 through May 2021 and certain personnel costs for July 2020 to January 2021.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**SUPPLEMENT SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS**  
**MONTH AND TWELVE MONTHS ENDED JUNE 30, 2021 & 2020**

		Monthly Performance				June 2021				Fiscal YTD Performance (July 2020 - June 2021)			
A	B	C	D	E	F	G	H	I	J	F	G	H	J
Actual \$ June 2021	Budget June 2021	Actual \$ Prior Year June 2020	Note	Variance Actual Vs. Budget	Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget	Actual \$ Fiscal YTD	Fiscal YTD Budget	Actual \$ Prior Year Fiscal YTD	Variance Actual Vs. Budget
31	\$282,117	\$302,900	\$94,235 (1)	(\$20,783)	Customer Facility Charge Receipts	\$2,182,234	\$2,000,000	\$5,199,525 (1)	\$182,234				
32	213,073	97,358	0 (2)	115,715	CARES Act Grant Funds - 2012 Bond Debt Service	2,340,592	2,803,092	0 (2)	(462,500)				
33	111,660	85,913	117,893 (3)	25,747	Facility Rent	1,101,447	1,030,962	914,004 (3)	70,485				
34	(486,172)	(486,172)	(486,421)	0	Payments to Bond Trustee for 2012 Bond Debt Service	(5,834,054)	(5,834,054)	(5,837,008)	0				
35	0	0	0	0	Loan Principal Repayments to the Authority	0	0	0	0				
36	<b>\$120,678</b>	<b>(\$1)</b>	<b>(\$274,293)</b> (4)	<b>\$120,679</b>		<b>(\$209,781)</b>	<b>\$0</b>	<b>\$276,521</b> (4)	<b>(\$209,781)</b>				

**General Comments**

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

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

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

CFCs of \$6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond debt service.

**Note (2) – CARES Act Grant Funds**

At fiscal year-end, the Authority has received \$2.3 million of the \$21.1 million in CARES Act Grant funds as reimbursements through draw downs to fund the 2012 Bond Debt Service for the period from July 2020 to April 2021.

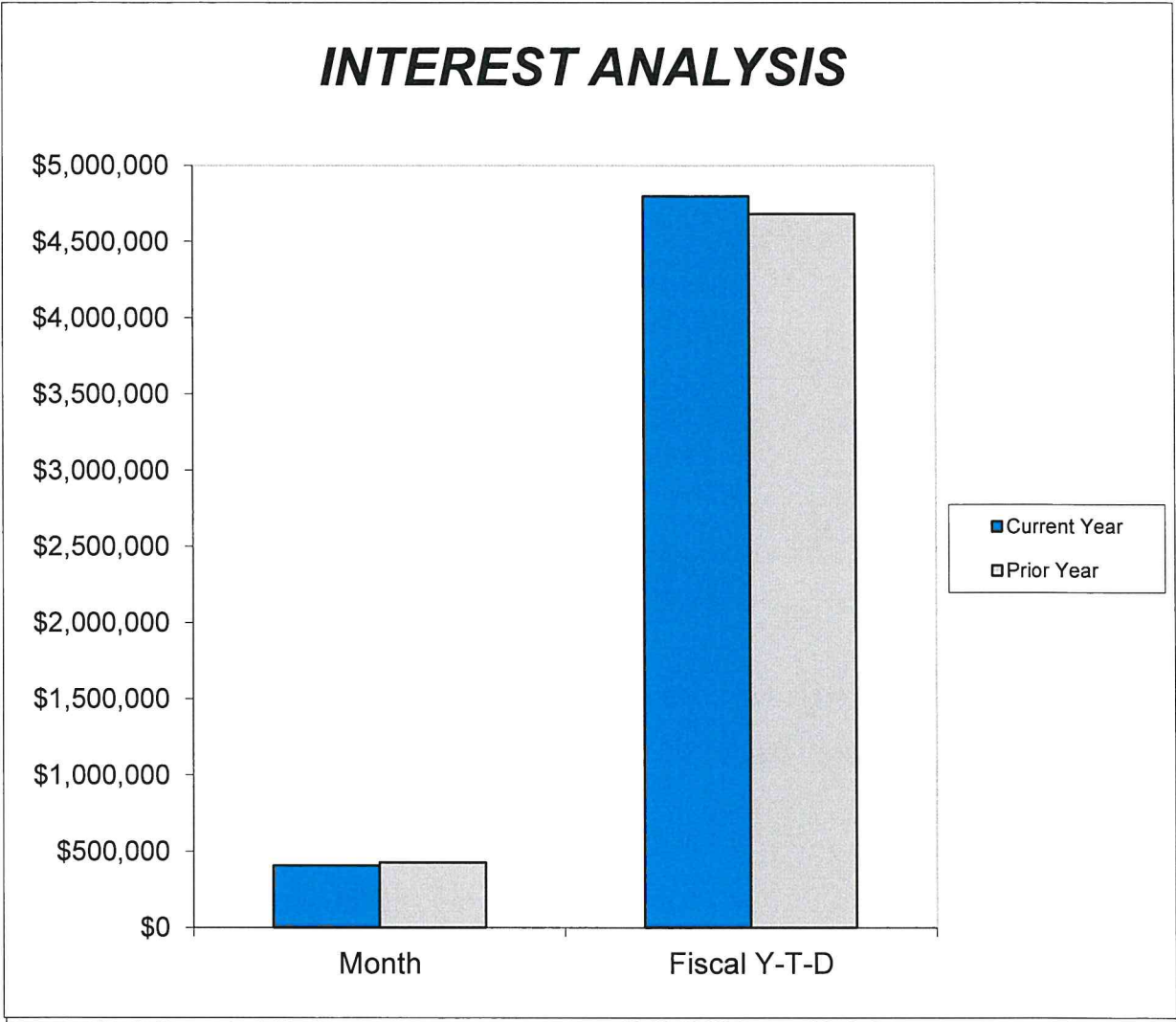
**Note (3) – Facility Rent**

Facility Rent receipts are applied to the 2012 Bond debt service

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

At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the Rent-A-Car Companies. In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

# *Burbank-Glendale-Pasadena Airport Authority*



	June 2021	June 2020
<b>Interest Receipts - - Month</b>	<b>\$406,601</b>	<b>\$427,991</b>
<b>Interest Receipts - - Fiscal Y-T-D</b>	<b>\$4,797,351</b>	<b>\$4,681,551</b>
<b>Month End Portfolio Balance</b>	<b>\$237,791,739</b>	<b>\$229,648,211</b>
<b>Yield to Maturity</b>	<b>0.37%</b>	<b>0.37%</b>



**Supplement to the June 2021 Treasurer's Report**

**FYTD June 2021 Cash Disbursements  
Facility Improvement Program Transactions**

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**FY 2021 Cash Disbursements - Facility Improvement Program Transactions**

PROJECT DESCRIPTION	Annual Budgeted Cost	FYTD 2021 (June 2021) Budgeted Cost	FYTD 2021 (June 2021) Cash Basis Cost	FYTD 2021 (June 2021) Budget Variance Fav. / (Unfav.)	Project Status FYTD June 2021
<b>BUILDING IMPROVEMENTS</b>					
Minor Building Improvements	50,000	50,000	30,712	19,288	HVAC system improvement
<b>TOTAL BUILDING IMPROVEMENTS</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 30,712</b>	<b>\$ 19,288</b>	
<b>EQUIPMENT</b>					
ARFF Truck Replacement	875,000	875,000	-	875,000	Projected delivery 1st half of FY 2022
Airfield Maintenance Equipment	265,000	265,000	-	265,000	Projected delivery 1st half of FY 2022
Verdugo Communication Upgrades	-	-	46,426	(46,426)	FY 2020 accrued costs
<b>TOTAL EQUIPMENT</b>	<b>\$ 1,140,000</b>	<b>\$ 1,140,000</b>	<b>\$ 46,426</b>	<b>\$ 1,093,574</b>	
<b>RUNWAY / TAXIWAY / ROADWAY PROJECTS</b>					
Airfield Lighting System Rehabilitation	-	-	286,581	(286,581)	Includes FY 2020 accrued costs; PFC funded
Airfield Lighting Vault Replacement	-	-	451,997	(451,997)	Project approved in FY 2020
Twy D7 Connector, G Infield & Delta Ramp Rehab	2,295,000	2,295,000	2,691,107	(396,107)	Project completed
Taxilane A Rehab - Design	-	-	5,838	(5,838)	FY 2020 accrued costs
<b>TOTAL RUNWAY/TAXIWAY/ROADWAY</b>	<b>\$ 2,295,000</b>	<b>\$ 2,295,000</b>	<b>\$ 3,435,523</b>	<b>\$ (1,140,523)</b>	
<b>NOISE MITIGATION</b>					
Residential Acoustical Treatment Program	\$ 125,000	\$ 125,000	\$ 2,063	\$ 122,937	Pending award of FAA grant
<b>TOTAL NOISE MITIGATION</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>	<b>\$ 2,063</b>	<b>\$ 122,937</b>	
<b>DEVELOPMENT</b>					
Replacement Terminal Development	\$ 960,000	\$ 960,000	\$ 975,090	\$ (15,090)	Primarily includes EIS costs
<b>TOTAL DEVELOPMENT</b>	<b>\$ 960,000</b>	<b>\$ 960,000</b>	<b>\$ 975,090</b>	<b>\$ (15,090)</b>	
<b>O &amp; M CAPITAL</b>	<b>\$ 151,500</b>	<b>\$ 151,500</b>	<b>\$ 275,254</b>	<b>\$ (123,754)</b>	Lower value O & M projects, exceed budget due to Commission approved replacement of network storage in November
<b>TOTAL</b>	<b>\$ 4,721,500</b>	<b>\$ 4,721,500</b>	<b>\$ 4,765,068</b>	<b>\$ (43,568)</b>	

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
SEPTEMBER 20, 2021**

**AMENDMENT NO. 1 TO  
INSPECTION SERVICES REIMBURSEMENT AGREEMENT  
AND  
AMENDMENT NO. 2 TO  
PROFESSIONAL SERVICES AGREEMENT FOR CONSUMER GOODS INSPECTIONS**

Presented by Ray Hunting  
Manager, Airport Security

**SUMMARY**

Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission of Amendment No. 1 to the Inspection Services Reimbursement Agreement (“Reimbursement Agreement”) between MCS Burbank LLC (“MCS”), HG Burbank JV (“Hudson”), and the Authority. MCS and Hudson have agreed to a revised cost sharing formula for the security inspection of airport consumer goods. Under the proposed amendment, MCS and Hudson will split the cost equally for these services. The proposed amendment also provides that, if either MCS or Hudson requests additional service outside of the set hours that are mutually agreed upon, then the requesting party will be solely responsible for the entire cost of those additional hours.

Also subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval of Amendment No. 2 to the Professional Services Agreement (“Inspection Agreement”) with Universal Protection Service LLP dba Allied Universal (“Allied Universal”) for these inspection services. The proposed amendment will add \$15,000 to the current authorization of \$113,568 to cover the remainder of the contract term through October 31, 2021 for a total of \$128,568.

**BACKGROUND**

Due to the changes in passenger activity from the COVID-19 pandemic, service levels were adjusted to address the timing and hours needed for consumer good inspection services. Based on these adjustments, MCS (the food and beverage concessionaire) and Hudson (the news and gifts concessionaire) came to conclusion that a more equitable cost sharing formula is appropriate resulting in the proposed Amendment.

In 2018, Staff held discussions with representatives of Transportation Security Administration (“TSA”), MCS, Hudson, and Allied Universal. The result of these discussions determined that removing the TSA consumer item inspections at the passenger security checkpoints and implementing a separate inspection service program would improve operational efficiency and still meet the security inspection requirements for consumer goods destined for retail sale at locations past the security checkpoints. Previously the TSA

security screening. The new approach allows concessionaires to better plan their respective deliveries to provide a higher number of goods to passengers without obstructing the flow of passengers thorough the security checkpoints.

The airport consumer item inspection services necessary to meet TSA regulatory compliance requirements are as follows:

- (i) Consumer items are identified as any merchandise and consumables that are for sale and/or use by passengers within the Sterile Area;
- (ii) All consumer items entering into the Sterile Area must be inspected to ensure they do not contain any prohibited items; and
- (iii) It is the responsibility of the security personnel approved by the Authority to conduct the inspection of all consumer items and to allow entry to only approved badge holders into the Sterile Area.

Based on this agreed upon approach, separate discussions were held with representatives of MCS and Hudson regarding the cost and reimbursement of these services provided by Allied Universal. This resulted in the Reimbursement Agreement, specifying the inspections services be performed 16 hours per day with MCS responsible for 69% of the cost and Hudson 31%. On October 15, 2018, the Commission approved the Reimbursement Agreement.

The proposed amendment revises the cost-sharing formula to 50% share each between MCS and Hudson.

#### BUDGET IMPACT

There is no budget impact for these additional funds as the cost of inspection services are fully reimbursed by MCS and Hudson.

The consumer goods inspection services performed by Allied Universal are under the oversight of the Authority's Security Department. The request for additional appropriations are estimated to fund these services through October 31, 2021, the expiration date of the Inspection Agreement with Allied Universal. Staff will return in October with a proposed Amendment No. 3 to extend the term.

#### RECOMMENDATION

Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission for additional appropriations in the amount of \$15,000 for Allied Universal, approval of the proposed amendments and authorization for the President to execute the same.

**AMENDMENT NO. 1 TO  
INSPECTION SERVICES REIMBURSEMENT AGREEMENT  
(Burbank-Glendale-Pasadena Airport Authority / MCS Burbank / HG Burbank JV)**

THIS AMENDMENT NO. 1 (“First Amendment”) to the October 1, 2018 Inspection Services Reimbursement Agreement (“Agreement”) executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, MCS Burbank, LLC (“MCS”), a Nevada limited liability company, and HG Burbank JV (“HG”), a California general partnership comprised of Hudson Group Retail, LLC, a Delaware limited liability company, and Stewart Manhattan Investments, Inc., a California corporation, is dated August 16, 2021 for reference purposes.

**RECITALS**

A. The parties executed the Agreement to provide for the Authority’s retention of an independent contractor, at the cost of MCS and HG, to provide airport consumer item inspections for MCS’ and HG’s respective concessions.

B. The parties desire to amend the Agreement to: (i) revise the cost sharing formula; and (ii) update the Authority’s point of contact.

**NOW, THEREFORE**, the parties agree as follows:

**1. Amendment of Section 2.** Section 2 (“Reimbursement”) of the Agreement is amended to read as follows:

**“2. Reimbursement.**

A. Shared Services. On a monthly basis, the Authority shall separately invoice MCS and HG for reimbursement of the Authority’s payments under the Allied Universal Agreement for shared airport consumer item inspection services during the prior calendar month. MCS and HG shall equally (50%-50%) share the cost of such services and shall remit the reimbursement within 30 days of the invoice date.

B. Extra Services. By individually sending a notice to the Authority, MCS or HG may request extra airport consumer item inspection services to be performed only for its concessions. On a monthly basis, the Authority shall invoice the party requesting extra airport consumer item inspection services for reimbursement of the Authority’s payments under the Allied Universal Agreement for such services during the prior calendar month. The party requesting extra airport consumer item inspection services shall be solely responsible for the cost of such services and shall remit the reimbursement within 30 days of the invoice date. If the other party subsequently uses the extra airport consumer item inspection services, then such services shall be treated as shared services and the parties shall share the cost as specified in paragraph (A) above.

C. **Adjustments.** By jointly sending a notice to the Authority, MCS and HG may: (i) direct the Authority to adjust the number of hours per day that airport consumer item inspections are performed for their respective concessions; or (ii) revise their cost sharing formula for reimbursement of the Authority's payment for the airport consumer item inspections. The Authority shall have no obligation to make such an hours adjustment, or to invoice based on a revised cost sharing formula, unless it has received a joint notice from MCS and HG pursuant to this Agreement."

2. **Amendment of Section 3.** Section 3 ("Notices") of the Agreement is amended by revising the Authority's contact information to read as follows:

"Authority  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Raymond Hunting E-mail: rhunting@bur.org"


3. **Counterparts.** This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same document.

4. **Effective Date.** This First Amendment shall be effective upon execution.


5. **Preservation of Agreement.** Except as expressly modified by this First Amendment, all of the provisions of the Agreement shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this First Amendment and the provisions of the Agreement, the provisions of this First Amendment shall control.

**TO EXECUTE THIS FIRST AMENDMENT,** the parties have caused their authorized representatives to sign below.

MCS Burbank, LLC

  
\_\_\_\_\_  
Vice President

HG BURBANK JV

  
\_\_\_\_\_  
Regional Vice President

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
President

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation

**AMENDMENT NO. 2 TO  
PROFESSIONAL SERVICES AGREEMENT**  
(Burbank-Glendale-Pasadena Airport Authority / Allied Universal)

THIS AMENDMENT NO. 2 (“Second Amendment”) to the October 15, 2018 Professional Services Agreement (“Agreement”) executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and Universal Protection Service, LP d.b.a. Allied Universal (“Consultant”), a California Limited Partnership, is dated September 20, 2021 for reference purposes.

**RECITALS**

- A. The parties executed the Agreement to provide for the Authority’s retention of Consultant as an independent contractor to provide the following professional services: airport consumer item inspection services.
- B. The parties executed an October 19, 2020 Amendment No. 1 (“First Amendment”) to the Agreement to: (i) provide for a one-year extension; and (ii) set the staffing level and compensation limit for the extension period.
- C. The parties desire to amend the Agreement to increase the contract amount.

**NOW, THEREFORE**, the parties agree as follows:

- 1. Amendment of Section 1.** Paragraph (B) (“Contract Amount”) of Section 1 (“Definitions”) of the Agreement is amended to read as follows:

“(B) ‘Contract Amount’: Four Hundred Fifty Thousand Fifty-Two Dollars and Eighty Cents (\$450,052.80).”

- 2. Amendment of Section 4.** Paragraph (A) of Section 4 (“Compensation”) of the Agreement is amended to read as follows:

“(A) The Authority shall compensate Consultant for performance of the Services, and Consultant agrees to accept as full satisfaction for such work, payment according to the Rate Sheet for the Base Period and according to the Supplemental Rate Sheet for the Extension Period. In no event shall the compensation payable to Consultant under this Agreement exceed the Contract Amount. In no event shall the compensation payable to Consultant for the Services during the Extension Period exceed One Hundred Twenty-eight Thousand Five Hundred Sixty-Eight Dollars (\$128,568).”

- 3. Preservation of Agreement.** Except as expressly modified by this Second Amendment, all of the provisions of the Agreement (as amended by the First Amendment) shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this Second Amendment and the provisions of the Agreement (as amended by the First Amendment), the provisions of this Second Amendment shall control.

**TO EXECUTE THIS SECOND AMENDMENT**, the parties have caused their duly authorized representatives to sign below.

**Universal Protection Service, LP**  
**d.b.a. Allied Universal**

  
General Partner

[Pursuant to Corporations Code Section 15904.02, signature line must be executed by a general partner.]

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Paula Devine, President

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
SEPTEMBER 20, 2021**

**FIRST AMENDMENT TO SERVICES AGREEMENT  
WITH  
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF THE UCLA  
CENTER FOR PREHOSPITAL CARE  
FOR  
EMT CONTINUING EDUCATION AND QUALITY IMPROVEMENT CARE**

Presented by Tom Lenahan  
Airport Fire Chief

**SUMMARY**

Subject to the recommendation of the Operations and Development Committee (“Committee”) at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission for a First Amendment (“Amendment”), copy attached, to the Services Agreement (“Agreement”) with The Regents of the University of California, on behalf of the UCLA Center for Prehospital Care (“UCLA”), for emergency medical technician (“EMT”) continuing education and quality improvement care. The Amendment will extend the term of Agreement by two years at a cost of \$24,245 per year with annual CPI adjustments starting in October 2022.

**DESCRIPTION**

UCLA is the leading emergency and prehospital academic center on the West Coast. Founded in 1988, UCLA designs, develops, and offers medical education and quality improvement programs to the meet needs of the prehospital community and conducts research to advance the emergency medical services (“EMS”) industry. For over 30 years, UCLA has delivered state-of-the-art education to law enforcement, firefighters, EMTs, paramedics, registered nurses, medical students, medical residents and physicians.

**DETAILS**

The Commission approved the Agreement on October 1, 2018, and the contract is set to expire on September 30, 2021. The program uses the foundation where educators work within the chain of command structure in the Airport Fire Department (“AFD”) and deliver continuing education, perform quality improvement, and support AFD in delivering outstanding patient care for their community.

This is done through a collaborative process where the EMS Educator regularly meets with the EMS Coordinator/Captain to discuss short and long-term department plans, performance on quality indicators, and educational strategies. The EMS Educator establishes himself/herself as a resource immersed in the culture of the AFD to earn the trust and support of department personnel. This provides the platform for the EMS Educator to provide informal education, formal continuing education sessions, field ride-along

The EMS Educator supports the department's mission in delivering high quality prehospital care services by collaborating with key members of the AFD's leadership team (EMS Captain, Fire Chief and Assistant Chief) and serving as a resource to deliver and manage the continuing education and quality improvement program for the department.

The proposed Amendment will extend the term of the Agreement by two years. UCLA will deliver the Fire Department EMS Educator Service for an annual cost not-to-exceed \$24,245, with an annual CPI adjustment starting October 2022. For this fee, the EMS Educator will be scheduled at the Airport for three eight hour shifts three days every other month and shall include additional offsite meeting, preparation time and mentoring time by UCLA. The actual working schedule will be arranged and subject to the mutual agreement of the department and UCLA.

Since partnering with UCLA beginning in 2018, the Airport Fire Department has elevated its level of EMT skills.

#### FUNDING

Funding for this training program is included in the adopted FY 2022 budget and will be requested in subsequent budget years should the program be continued.

#### RECOMMENDATION:

Subject to the recommendation of the Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission for the proposed Amendment and authorization for the President to execute the same.

## FIRST AMENDMENT TO SERVICES AGREEMENT

THIS FIRST AMENDMENT to the October 1, 2018 Services Agreement made and entered into by and between The Regents of the University of California on behalf of the UCLA Center for Prehospital Care ("UCLA") and the Burbank-Glendale-Pasadena Airport Authority ("Authority") is dated September 20, 2021 for reference purposes with reference to the following:

- A. The parties executed the Agreement under which UCLA provides an educator to conduct continuing education programs and quality improvement services for the Authority for a period of three (3) years, commencing on October 1, 2018 and ending on September 30, 2021.
- B. The parties desire to extend the term of the Agreement and provide for certain other changes by this First Amendment.

NOW, THEREFORE, it is mutually agreed to by and between the parties, as follows:

- 1. Section 4.1 of Article 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

"4.1 The term of this Agreement shall be for a total of five (5) years, from October 1, 2018 through September 30, 2023."

- 2. Section 6.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

"6.1 **Compensation for Services.** Authority agrees to compensate UCLA for the services provided by the Educator(s) under this Agreement. Authority agrees to pay UCLA the amount of \$24,245.29 per year for the Services covered under this Agreement. UCLA shall bill the Authority in the amount of \$2,020.44 monthly. Commencing October 1, 2022, on each anniversary of the effective date of the Agreement, UCLA may increase the cost of services by no more than 5% per year to cover increases in the cost of services. Authority shall pay the amount due within thirty (30) days of receipt of the invoice from UCLA."

- 3. Section 6.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

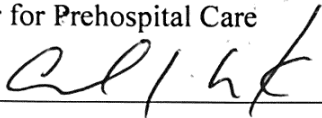
"6.2 **Compensation for Additional Services.** Authority agrees to compensate UCLA for additional services referred to in Section 1.4 requested by the Fire Chief and approved by UCLA at an approved billable rate (currently \$90.00 per hour). The approved rate will be shared with Authority annually by June 30 for implementation October 1."

4. All other terms and conditions of the Agreement shall remain unchanged, and except as expressly modified by this First Amendment, the Agreement shall remain in full force and effect.

5. This First Amendment may be executed by the parties in any number of separate counterparts, taken together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this First Amendment effective as of October 1, 2021.

By: The REGENTS OF THE UNIVERSITY  
OF CALIFORNIA on behalf of the UCLA  
Center for Prehospital Care

By: 

Charles Hajek

Executive Director of Finance

Date: 9/14/21

By: BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
SEPTEMBER 20, 2021**

**TRANSIT STATION ACCESS LICENSE  
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**

Presented by Scott Kimball  
Deputy Executive Director,  
Operations, Business, Procurement and Safety

**SUMMARY**

Subject to the recommendation of the Operations and Development Committee (“Committee”) at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission for a proposed Transit Station Access License (“License”) with the Los Angeles County Metropolitan Transportation Authority (“Metro”) for its Metro Micro rideshare service.

**BACKGROUND**

Metro is a transportation agency that serves as a transportation planner, coordinator, designer, builder, and operator for one of the country’s largest and most populous counties. Its mission is to provide a world-class transportation system that enhances quality of life for all who live, work, and play within Los Angeles County.

Metro reached out to staff seeking a License to access the passenger terminal loop roadway and Regional Intermodal Transportation Center (“RITC”) transit station for the purpose of providing additional public transit services to the Airport’s passengers arriving to and from via Metro’s new on-demand rideshare service, Metro Micro. The proposed License is based on the template approved by the Commission in 2014 and incorporates an indemnification provision clarification requested by Metro. Specifically, Section 3 has been modified to expressly state that Metro is not responsible for claims arising from acts of the Authority or its contractors.

This rideshare service is currently available in Watts/Willowbrook, LAX/Inglewood, North Hollywood/Burbank, Compton/Artesia, El Monte, Highland Park/Eagle Rock/Glendale and Altadena/Pasadena/Sierra Madre. In Fall 2021, services will also include Northwest San Fernando Valley and UCLA/Westwood/Century City.

This License is a no-fee, non-exclusive and revocable license solely for the purpose of providing public transit services to the Airport’s passengers through Metro’s Metro Micro rideshare service.

This License shall commence immediately upon execution and shall remain in effect until terminated.

## DETAILS

Key components of the proposed License are:

Premises: Access to the Terminal Loop Roadway and RITC Transit Station

Use: Provide additional public transit services for passengers

Term: Month-To-Month

Termination: Upon written notice

Other: Executive Director shall have the ability to remove, add or relocate locations designated for Metro's use at any time in his/her sole discretion

## REVENUE IMPACT

The proposed transaction is revenue neutral as it is a no-fee license.

## RECOMMENDATION

Subject to the recommendation of the Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission to approve the proposed License with Metro and authorization for the President to execute the same.

## TRANSIT STATION ACCESS LICENSE

THIS TRANSIT STATION ACCESS LICENSE (“License”) is dated \_\_\_\_\_, 2021 for reference purposes, and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Licensor”), a California joint powers agency, and the Los Angeles County Metropolitan Transportation Authority (“Licensee”).

### RECITALS

- A. Licensor is the owner and operator of the Bob Hope Airport commonly known as Hollywood Burbank Airport (“Airport”), which includes a passenger terminal and a Regional Intermodal Transportation Center (“RITC”) with a ground level bus transit station.
- B. Licensee is a provider of public transit services.
- C. The parties seek to facilitate additional public transit services for persons arriving at or departing from the Airport.

NOW, THEREFORE, the parties agree as follows:

1. Term.

This License shall commence upon execution and shall remain in effect until terminated. Either party may terminate this License upon written notice to the other party.

2. License Scope.

2.1 Licensor grants Licensee a no-fee, non-exclusive, and revocable license to access the passenger terminal loop roadway and RITC transit station for the purpose of providing public transit services through Licensee’s Metro Micro ride service to persons arriving at or departing from the Airport. Licensor shall notify Licensee in writing of the exact locations designated for Licensee’s use, and Licensor may modify such locations at any time in its sole discretion. This License does not authorize Licensee to access the Airport for any other Licensee service.

2.2 Licensee shall comply with applicable laws and Licensor’s rules regarding access to the passenger terminal and use of the RITC transit station.

2.3 Licensor reserves the right to close all or any portion of the passenger terminal and/or RITC transit station for maintenance, repair, improvement, or replacement, or due to emergency.

3. Indemnification.

Licensee shall defend, hold harmless and indemnify Licensor and its officers and employees (collectively, “the Indemnitees”) from any and all demands, claims, actions, proceedings, causes of action, damages, judgments, awards, settlement amounts,

penalties, fines, assessments, charges, fees, forfeitures, losses, liabilities, obligations, costs and expenses (collectively, "claims") arising out of, pertaining to, or relating to Licensee's use of the passenger terminal loop roadway and/or RITC transit station, except to the extent such claims arise out of negligence, recklessness, or willful misconduct by Licensor or any of its officers, employees, agents or contractors. Licensee shall defend the Indemnitees in any action or actions filed in connection with any such claims with counsel of Licensor's choice, and shall pay all costs and expenses (including actual attorney's fees) incurred in connection with such defense. Licensee's obligations under this section shall apply regardless of whether or not any insurance policy is determined to be applicable to the claim. Licensee's covenants under this section shall survive the termination of this License.

4. Waiver.

Licensee waives all claims against Licensor arising out of, pertaining to, or relating to: (i) the design, construction or condition of the passenger terminal and/or RITC; or (ii) termination of this License.

5. Miscellaneous.

5.1 In the event that either party shall commence legal action to enforce or interpret this License, the venue for litigation shall be Los Angeles County, California. The interpretation of this License shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language.

5.2 This License is supplemental to, and does not amend or otherwise effect, the August 25, 2014 Transit Station Access License executed by the parties. This License represents the entire and integrated contract between the parties with respect to Licensee's access to the passenger terminal, its loop roadway and/or RITC transit station for public transit services purposes through Licensee's Metro Micro ride service. This License supersedes all prior oral or written negotiations, representations and contracts related to such subject. This License may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this License.

**[SIGNATURES ON FOLLOWING PAGE]**



**TO EFFECTUATE THIS LICENSE**, the parties have caused their duly authorized representatives to execute this License by signing below.


LICENSOR  
Burbank-Glendale-Pasadena Airport Authority

LICENSEE  
Los Angeles County Metropolitan  
Transportation Authority

\_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Board Secretary

\_\_\_\_\_  


**John T. Potts**  
**Executive Officer**  
**Real Estate**  
**LA Metro**

APPROVED AS TO FORM:

\_\_\_\_\_  
General Counsel

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
SEPTEMBER 20, 2021**

**AWARD OF AVIATION HANGAR LEASE  
HANGAR 89**

**SUBLEASE CONSENTS**

Presented by Scott Kimball  
Deputy Executive Director,  
Operations, Business, Procurement and Safety

**SUMMARY**

At its meeting on August 16, 2021, the Finance and Administration Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve an Aviation Hangar Lease (“Lease”) with Thornton Aircraft Company, LLC. (“Thornton”), for Hangar 89, copy attached. Thornton seeks a lease term of five years, with an option for one five-year extension, for purpose of storing and maintaining general aviation aircraft at Hollywood Burbank Airport.

In addition, the Committee voted unanimously (3–0) to recommend that the Commission approve three sublease consents for firms that work with Thornton and are essential to the proposed Lease. Copies of the proposed Consent to Sublease forms are attached.

**BACKGROUND**

Since 1984, Thornton has provided a wide variety of services to the aircraft industry. As an FAA Certified Repair Station, Thornton offers aircraft maintenance and avionics services for a wide range of corporate/business aircraft including those operating under FAA Part 91 Regulations & 135 Air Carrier Certificate requirements.

Thornton is a current tenant at Van Nuys Airport with 25 full time employees including 17 FAA licensed mechanics. Thornton wants to expand its business to Hollywood Burbank Airport due to capacity constraints at Van Nuys Airport.

**DETAILS**

Thornton will be the master tenant of the Lease and intends to sublease portions of the space to three subtenants it works with: 1) Legacy Aircraft Services, Inc (“Legacy”), 2) Mira Vista Aviation, Inc (“Mira Vista”), and 3) Extraord-n-air, Inc. (“Extraord”). Legacy will utilize the subleased premises for the assembly of wire harnesses, and aircraft component overhaul. Mira Vista, an aircraft management company, is intending to store up to three aircraft. Extraord, an aircraft interior design and repair company, will be using the space it subleases for undertaking upholstery work.

Key components of the proposed Lease are:

- Premises: Hangar 89 (located in the northwest quadrant of the Airport)
- Use: Storage and maintenance of general aviation aircraft
- Term: September 20, 2021, through September 19, 2026
- Option: One five-year extension
- Rent: \$42,839.81 per month; \$514,077.68 per year
- Adjustments: Greater of three percent (3%) per year or 120% of CPI, not to exceed 6% annually
- Subtenants: Mira Vista Aviation, Inc., Extraord-n-air, Inc., Legacy Aircraft Services, Inc.
- Other: Tenant responsible for expenses related to occupancy including maintenance, utilities, share of property insurance and applicable taxes

#### REVENUE IMPACT

The proposed Lease will have a positive operating impact on the Authority by generating \$42,839.81 per month, \$514,077.68 per year.

#### RECOMMENDATION

Staff seeks the Commission's approval for the proposed Lease with Thornton for Hangar 89; approval of the sublease consents for Legacy, Mira Vista, and Extraord; and authorization for the President to execute the same.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
SEPTEMBER 20, 2021**

**PROFESSIONAL SERVICES AGREEMENT  
TRIFILETTI CONSULTING, INC.**

Presented by Maggie Martinez  
Noise & Environmental Programs Manager

**SUMMARY**

At its meeting on August 16, 2021, the Legal, Government and Environmental Affairs Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve a proposed Professional Services Agreement (“PSA”) with Trifiletti Consulting Inc. (“Trifiletti”) for FY 2022 in the amount of \$53,000 for continued support services with environmental, entitlement, land use, sustainability and government advisory services in support of the implementation of the Authority’s Memorandum of Understanding (“MOU”) with the South Coast Air Quality Management District (“SCAQMD”).

**BACKGROUND**

In 2016, the SCAQMD created an Air Quality Management Plan (“AQMP”) which is intended to achieve the National Ambient Air Quality Standards for the South Coast Air Basin. The AQMP lists various measures to reduce Nitrogen Oxides (NOx) and Volatile Organic Compounds (VOC), Particulate Matter (PM) PM2.5, lead, and diesel particulate matter from non-aircraft sources. All airports in the basin are required by the AQMP to create an Air Quality Improvement Plan (“AQIP”) which specifically outlines actions and goals for each airport. To memorialize the implementation terms for the AQIP, each airport operator in the basin executed an MOU with the SCAQMD. Starting in 2017, Trifiletti has been assisting the Authority staff in negotiating with the SCAQMD to develop Hollywood Burbank Airport’s AQIP and to create the Authority’s MOU with the SCAQMD. The Authority’s MOU requires both semi-annual and annual reports on progress made in the goals contained in the MOU. In 2017, the Authority entered into a PSA with Trifiletti to assist airport staff in providing input to the SCAQMD in connection with the adoption of the AQIP, in negotiating with the SCAQMD on the MOU, and to generate the required periodic reports. The MOU between the Authority and the SCAQMD was signed on December 17, 2019.

The original PSA with Trifiletti was a sole-source procurement under the Executive Director’s authorization, due to the unique subject matter expertise and the contract amount being less than \$75,000. In 2017, Trifiletti was also retained by the California Airports Council (“CAC”) to represent all commercial airports in the SCAQMD to help develop common air quality improvement programs to achieve specific performance goals for various air quality reduction programs, policies, projects, operations, or installation of specific infrastructure at various airport facilities. Together with the CAC and other airports, Trifiletti developed the framework for all the MOUs between all airport operators in the South Coast Air Basin and the SCAQMD. Trifiletti also served as the liaison with the SCAQMD to address issues surrounding baseline and future emissions inventories and MOU air quality improvement

strategies. Trifiletti led working group meetings with the basin airports and collaborated with the airlines and Airlines for America on data sharing and the AQIP policy development.

Trifiletti has also helped develop and implement the Authority's Ground Support Equipment ("GSE") Emissions Reduction Policy and conducted a recent annual GSE emissions inventory analysis. Trifiletti has assisted in the Authority's participation in the Burbank Transportation Management Organization with ensuring that the Replacement Terminal Project was included in the Regional Transportation Plan administered by the Southern California Association of Governments and has provided interagency coordination with LA Metro.

Trifiletti is a registered Women-owned Business Enterprise (WBE), Latino-owned Business Enterprise (LBE), Minority-owned Business Enterprise (MBE), Disadvantaged Business Enterprise (DBE), and Small Business Enterprise (SBE) with the City of Los Angeles, the County of Los Angeles, and the Los Angeles County Metropolitan Transportation Authority (Metro).

The current PSA with Trifiletti expired on June 30, 2021. The proposed PSA with Trifiletti would provide support with the continued semi-annual and annual reporting required by the Authority's MOU with SCAQMD. Trifiletti's services will be billable on a time and materials basis, not to exceed the annual amount of \$53,000.

The following list of documents have been included as exhibits for reference:

- A. Scope of Services
- B. Fees
- C. CDM Smith Scope
- D. Resumes
- E. MOU with SCAQMD
- F. Most recent progress report

#### FUNDING

The adopted FY 2022 budget provides a specific funding allocation to support the ongoing efforts described above.

#### RECOMMENDATION

At its meeting on August 16, 2021, the Committee voted unanimously (3-0) to recommend that the Commission approve the proposed PSA with Trifiletti in the amount of \$53,000 for FY 2022 support services, as described above, in support of the implementation of the Authority's MOU with SCAQMD.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
SEPTEMBER 20, 2021**

**AWARD OF PROFESSIONAL SERVICES AGREEMENTS  
REPLACEMENT PASSENGER TERMINAL PROGRAM  
AND  
APPROVAL OF ADDITIONAL APPROPRIATIONS FOR  
PROGRAM MANAGER SERVICES**

Presented by John T. Hatanaka  
Senior Deputy Executive Director

SUMMARY

In January of this year, Staff and the airlines serving Hollywood Burbank Airport began the process to restart the Replacement Passenger Terminal Program (“Program”) with the goal to open the Replacement Passenger Terminal (“RPT”) and complete all improvements as early as financially feasible. At its meeting on August 16, 2021, the Legal, Government and Environmental Affairs Committee (“Legal Committee”) voted unanimously (3–0) to recommend that the Commission approve six Professional Services Agreements (“Agreements”), copies attached, with the following consultants. The services these consultants provide include strategic planning, outreach and support, financial feasibility, and technical support and airline coordination related to the development of the Program.

- 1.) Strategic Planning Services
  - a. Georgino Development (“Georgino”)
- 2.) Outreach and Support Services
  - a. Woodward & Associates (“Woodward”)
- 3.) Financial Feasibility Services
  - a. Ricondo & Associates (“Ricondo”)
  - b. Public Resources Advisory Group (“PRAG”)
- 4.) Technical Support and Airline Coordination Services
  - a. Conway Consulting (“Conway”)
  - b. Airport & Aviation Professionals Inc. (“AvAirPros”)

On August 23, 2021, the Commission provided direction to Staff to restart the Program which included reactivation of the Program Manager, AECOM. At its meeting on September 8, 2021, the RPT Ad Hoc Committee voted unanimously (3-0) to recommend that the Commission approve appropriations, the balance of the previously approved tasks not yet completed, to fund AECOM’s activities in connection with the Commission’s approved restart approach.

## BACKGROUND

Staff, with the support of the airlines serving the Airport, has been researching a pathway to restart the Program since its suspension in March 2020 due to the impact of the COVID-19 pandemic. In addition to the RPT, the Program involves other improvements specified in the development agreement with the City of Burbank including the aircraft apron, roads, curb front, parking facilities, support facilities, and demolition of the existing terminal. This effort seeks to bring the RPT and other essential elements on-line at the earliest possible date and requires continued utilization of six consultants who have been assisting with sources of financing, financial feasibility, federal funding sources outreach, technical element coordination, and airline coordination. These consultants work with Staff and with each other to help achieve this goal.

## PROPOSALS

### 1.) Strategic Planning

#### a. Georgino

- i. Term: October 1, 2021 to June 30, 2022
  1. Extension: one one-year extension available by mutual agreement
- ii. Monthly retainer: \$4,000 to June 30, 2022
  1. Total for FY 2022: \$36,000
  2. Monthly retainer applicable to extension: \$4,500
- iii. Termination: Seven days' notice by either party

### 2.) Outreach and Support Services

#### a. Woodward

- i. Term: October 1, 2021 to June 30, 2022
  1. Extension: two one-year extensions at the Authority's sole discretion
- ii. Monthly retainer: \$3,000 for current year and any extension
  1. Total for FY 2022: \$27,000
- iii. Termination: Seven days' notice by either party

### 3.) Financial Feasibility and Advisory Services

#### a. Ricondo

- i. Term: October 1, 2021 to June 30, 2022
  1. Extension: two one-year extensions at the Authority's sole discretion
- ii. Time and Material basis
- iii. Budget: \$90,000
- iv. Termination: Fifteen days' notice by either party

#### b. PRAG

- i. Term: October 1, 2021 to June 30, 2022
  1. Extension: two one-year extensions at the Authority's sole discretion
- ii. Time and Material basis
- iii. Budget: \$75,000

-2-

iv. Termination: Fifteen days' notice by either party

4.) Technical Support and Airline Coordination Services

a. Conway

i. Term: October 1, 2021 to June 30, 2022

1. Extension: two one-year extensions at the Authority's sole discretion

ii. Time and Material basis

iii. Budget: \$50,000

iv. Termination: Fifteen days' notice by either party

b. AvAirPros

i. Term: October 1, 2021 to June 30, 2022

1. Extension: two one-year extensions at the Authority's sole discretion

ii. Time and Material basis

iii. Budget: \$50,000

iv. Termination: Fifteen days' notice by either party

The scope of services to be provided, and if applicable, the hourly rates are described in Exhibit A of proposed Agreements for each consultant.

5.) Program Management Services

a. AECOM

i. Term: October 1, 2021 to June 30, 2022

ii. Per approved task basis (previously approved) depicted below

iii. Appropriations requested: \$3,965,216

iv. Activities: Progressive Design Builder RFQ development and selection support; Program Charter and Program Management Manual finalization; cost estimate refinement; and development of specific design criteria

Task Authorization	Approved Budget	Invoiced To Suspension	Remaining Balance	Budget Spent
TA 1.1 Key Staffing	\$ 2,543,246	\$ 807,105	\$ 1,736,141	32%
TA 1.2 Refine Cost Model	220,801	107,164	113,637	49%
TA 1.3 Project Controls Optimization	132,571	27,181	105,390	21%
TA 2.0 Program Definition Manual	1,674,978	633,261	1,041,717	38%
TA 3.0 Charter and PMM	475,161	154,027	321,134	32%
TA 4.0 PDB Procurement Support	334,854	116,157	218,697	35%
TA 5.0 PM Information System Software	428,500	-	428,500	0%
<b>Totals</b>	<b>\$ 5,810,111</b>	<b>\$ 1,844,895</b>	<b>\$ 3,965,216</b>	<b>32%</b>



## BUDGET

Except for the program management services, the estimated expenditures of these services have been included in the adopted FY 2022 budget. Appropriations initially from Authority Reserves are requested to fund the cost of the program manager.

As the restart of the Program moves forward, if additional funding or resources are required to maintain the forward momentum of the Program, Staff will return to either the Legal Committee or the RPT Ad Hoc Committee as appropriate, and then to the Commission seeking additional authorization.

## RECOMMENDATION

The Legal Committee recommends that the Commission approve the proposed Agreements with Georgino, Woodward, Ricondo, PRAG, Conway and AvAirPros and authorize the President to execute the same, and the RPT Ad Hoc Committee recommends that the Commission authorize appropriations to fund AECOM's program manager services in connection with the Commission's approved restart approach.

## Hollywood Burbank Airport

REVENUE PASSENGERS	July			January - July		
	2021	2020	% Change	2021	2020	% Change
-----						
Signatory Airlines						
-----						
Alaska Airlines	44,276	8,443	424.41%	160,134	117,333	36.48%
American Airlines	31,963	14,655	118.10%	149,019	113,535	31.25%
Avelo Airlines	47,966	0	N/A	122,002	0	N/A
Delta Airlines	17,865	138	12845.65%	76,214	55,360	37.67%
Frontier Airlines	9,784	0	N/A	9,784	0	N/A
JetBlue Airways	10,990	0	N/A	18,795	49,557	-62.07%
Southwest Airlines	267,807	78,418	241.51%	920,143	959,923	-4.14%
Spirit Airlines	4,705	3,948	19.17%	17,641	31,069	-43.22%
United Airlines	3,775	4,946	-23.68%	21,214	76,163	-72.15%
-----						
<b>Total Revenue Passengers</b>	<b>439,131</b>	<b>110,548</b>	<b>297.23%</b>	<b>1,494,946</b>	<b>1,402,940</b>	<b>6.56%</b>
=====						
Inbound (deplaned)	219,438	55,061	298.54%	748,453	700,676	6.82%
Outbound (enplaned)	219,693	55,487	295.94%	746,493	702,264	6.30%

AIRCRAFT OPERATIONS	July			January - July		
	2021	2020	% Change	2021	2020	% Change
-----						
<b>Landings &amp; Takeoffs</b>						
Air Carrier	4,194	2,683	56.32%	18,203	22,977	-20.78%
Air Taxi	1,816	1,302	39.48%	10,278	9,513	8.04%
General Aviation	2,671	2,110	26.59%	16,114	13,853	16.32%
Military Itinerant	31	45	-31.11%	244	286	-14.69%
<i>Subtotal</i>	<i>8,712</i>	<i>6,140</i>	<i>41.89%</i>	<i>44,839</i>	<i>46,629</i>	<i>-3.84%</i>
-----						
<b>Pass Through BUR Airspace</b>						
Civil Local	2,894	3,491	-17.10%	21,699	18,044	20.26%
Military Local	0	0	N/A	0	0	N/A
<i>Subtotal</i>	<i>2,894</i>	<i>3,491</i>	<i>-17.10%</i>	<i>21,699</i>	<i>18,044</i>	<i>20.26%</i>
=====						
<b>Total Aircraft Operations</b>	<b>11,606</b>	<b>9,631</b>	<b>20.51%</b>	<b>66,538</b>	<b>64,673</b>	<b>2.88%</b>

**Air Carrier:** Scheduled commercial air carrier operations; including cargo operators

**Air Taxi:** Smaller aviation operators such as charters, commuter carriers or on-demand operators

**General Aviation:** Civil aviation operations for personal use

**Military Itinerant:** Military aviation activities

**Civil Local:** Civil aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR.

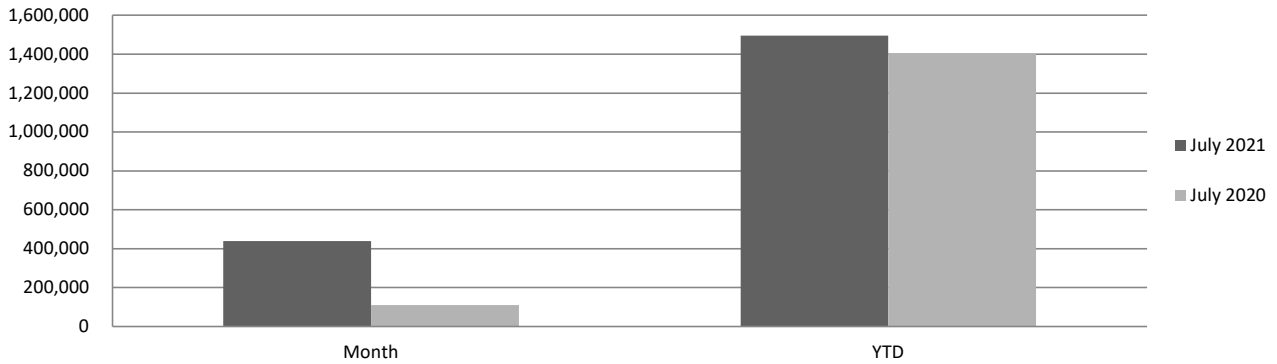
**Military Local:** Military aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR

## Hollywood Burbank Airport

AIR CARGO (lbs.)	July			January - July		
	2021	2020	% Change	2021	2020	% Change
<b>Signatory Airlines</b>						
Alaska Airlines	556	270	105.93%	3,479	2,597	33.96%
American Airlines	1,272	17	7382.35%	1,472	597	146.57%
Avelo Airlines						
Delta Airlines	0	0	N/A	0	8	-100.00%
Frontier Airlines						
JetBlue Airways						
Southwest Airlines	268,627	67,314	299.07%	1,109,506	895,975	23.83%
Spirit Airlines						
United Airlines	0	0	N/A	0	1,106	-100.00%
<b>Other Scheduled Carriers</b>						
Federal Express	4,346,898	5,367,744	-19.02%	31,140,658	29,444,405	5.76%
United Parcel Service	4,205,573	5,458,985	-22.96%	28,764,156	32,460,235	-11.39%
<b>Charter/Contract Carriers</b>						
Ameriflight	203,382	341,241	-40.40%	1,415,748	1,981,059	-28.54%
<b>Total Air Cargo</b>	<b>9,026,308</b>	<b>11,235,571</b>	<b>-19.66%</b>	<b>62,435,019</b>	<b>64,785,982</b>	<b>-3.63%</b>
Inbound (deplaned)	4,471,133	6,021,591	-25.75%	30,880,051	34,611,604	-10.78%
Outbound (enplaned)	4,555,175	5,213,980	-12.64%	31,554,968	30,174,378	4.58%

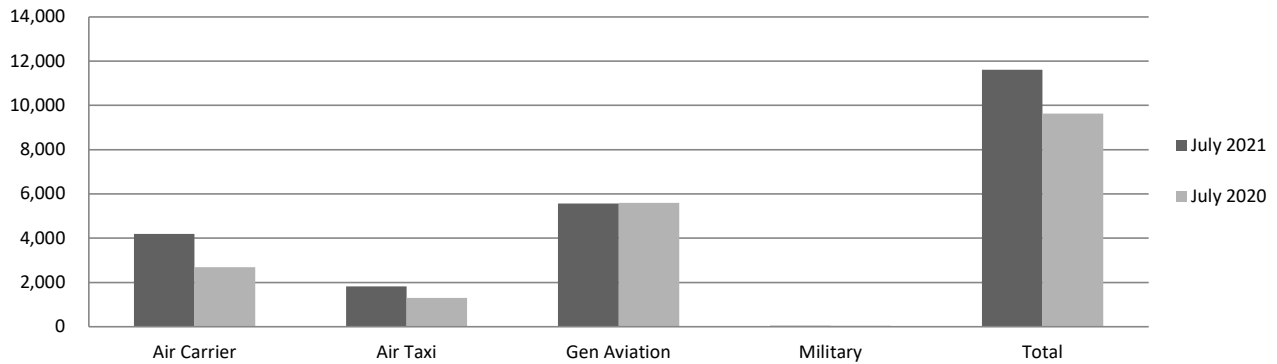
MAIL (lbs.)	July			January - July		
	2021	2020	% Change	2021	2020	% Change
American Airlines	0	0	N/A	0	6,032	-100.00%
<b>Total Mail</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>6,032</b>	<b>-100.00%</b>
Inbound (deplaned)	0	0	N/A	0	3,016	-100.00%
Outbound (enplaned)	0	0	N/A	0	3,016	-100.00%

### Revenue Passengers



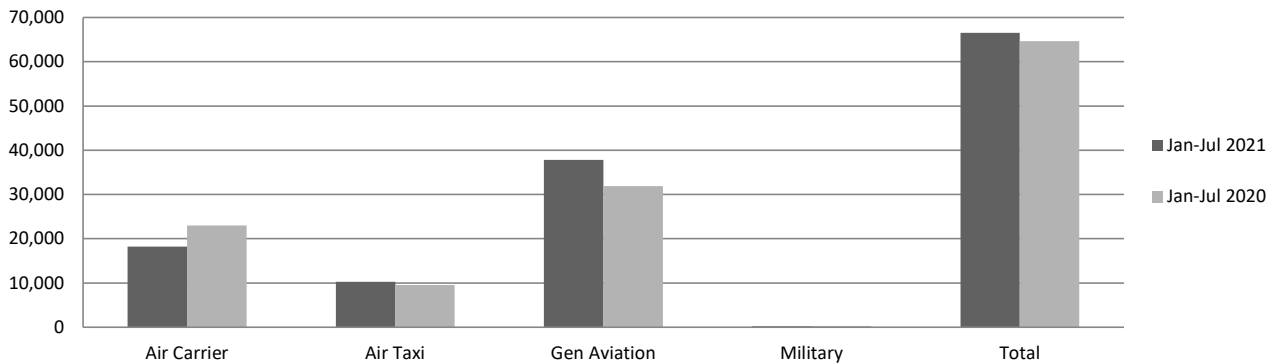
Revenue Passengers	Month	YTD
July 2021	439,131	1,494,946
July 2020	110,548	1,402,940
% Change	297.23%	6.56%

### Aircraft Operations - Month



Aircraft Operations - MO	Air Carrier	Air Taxi	Gen Aviation	Military	Total
July 2021	4,194	1,816	5,565	31	11,606
July 2020	2,683	1,302	5,601	45	9,631
% Change	56.32%	39.48%	-0.64%	-31.11%	20.51%

### Aircraft Operations - Year-to-Date



Aircraft Operations - YTD	Air Carrier	Air Taxi	Gen Aviation	Military	Total
Jan-Jul 2021	18,203	10,278	37,813	244	66,538
Jan-Jul 2020	22,977	9,513	31,897	286	64,673
% Change	-20.78%	8.04%	18.55%	-14.69%	2.88%

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**AVIATION HANGAR LEASE**  
**(Clybourn Complex)**

BETWEEN

**BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY**

AND

**THORNTON AIRCRAFT COMPANY, LLC**

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**TABLE OF CONTENTS**

	<b><u>Page</u></b>
1. LEASE .....	1
1.1 Leased Premises .....	1
1.2 "AS-IS" .....	1
1.3 Title; Reservations to Landlord .....	2
1.4 Landlord's Right of Access .....	2
2. TERM .....	2
2.1 Initial Term; Commencement Date; Annual Period .....	2
2.2 Extension Option(s) .....	3
2.3 Early Termination .....	3
3. RENT .....	5
3.1 Annual Base Rent .....	5
3.2 Taxes .....	6
3.3 Utilities .....	8
3.4 Other Charges .....	8
3.5 Net Lease .....	9
3.6 Interest on Past Due Payments .....	10
3.7 Intentionally Deleted .....	10
3.8 Address for Payment .....	10
3.9 No Abatement of Rent or Fees .....	10
4. USE OF LEASED PREMISES .....	10
4.1 Use of Leased Premises .....	10
4.2 Prohibited Uses .....	12
4.3 Conduct of Tenant's Activities .....	12
4.4 Manner of Use .....	15
4.5 Interference with Utilities, Police, Fire Fighting .....	15
4.6 Interference with Fire Exits .....	15
4.7 Temporary Structures .....	15
4.8 Signs .....	15
4.9 Vending Machines .....	15
4.10 Aviation Fuel .....	16
4.11 Non-Discrimination and Affirmative Action .....	16
4.12 Compliance with FAA Grant Assurances and Airport Use .....	16
4.13 Airport Security .....	17
4.14 Quiet Enjoyment .....	18
5. MAINTENANCE AND REPAIRS .....	18
5.1 Tenant's Obligations .....	18
5.2 Permitted Repairs by Landlord .....	19
5.3 Landlord's Obligation to Repair .....	20
5.4 Limitations on Landlord Obligations .....	20
5.5 Landlord Cure .....	20
6. ALTERATIONS AND IMPROVEMENTS .....	20
6.1 Approval and Construction of New Improvements .....	20
6.2 No Liability of Landlord .....	24
6.3 Indemnity .....	24

**TABLE OF CONTENTS (cont.)**

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

**TABLE OF CONTENTS (cont.)**

	<b><u>Page</u></b>
15.1	Common Use Facilities.....37
15.2	Reservation of Right to Make Changes .....38
15.3	Passenger Terminal Facilities Excluded .....38
15.4	Vehicle Parking.....38
16.	RULES AND REGULATIONS OF LANDLORD .....38
17.	TRANSFER OF LANDLORD’S INTEREST.....38
18.	SECURITY FOR PERFORMANCE.....39
19.	COMPLIANCE WITH ENVIRONMENTAL LAWS .....39
19.1	Use of Toxic Materials Prohibited.....40
19.2	Compliance with Environmental Laws.....40
19.3	Disclosure .....39
19.4	Business Plan .....40
19.5	Tenant’s and Landlord’s Indemnity.....40
19.6	Landlord’s Representation and Warranty .....41
19.7	Notice.....41
19.8	Storage and Use of Toxic Materials.....42
19.9	Disposal of Toxic Materials.....42
19.10	Safety .....42
19.11	Fees, Taxes and Fines .....42
19.12	Delivery of Documentation.....42
19.13	Annual Site Investigation.....42
19.14	Intentionally Deleted.....43
19.15	Limitation on Liability of Landlord.....43
19.16	Definitions.....43
20.	OFFSET STATEMENT .....43
20.1	Delivery.....43
20.2	Reliance.....44
21.	MISCELLANEOUS .....45
21.1	Lease Interpretation .....45
21.2	Further Assurances.....45
21.3	Contractor Warranties.....46
21.4	“Leased Premises” .....46
21.5	Disclaimer of Partnership or Agency.....46
21.6	Waivers .....46
21.7	Successors and Assigns.....46
21.8	No Merger.....46
21.9	Waiver of Jury Trial.....46
21.10	Notices .....46
21.11	Brokers.....47
21.12	Recording.....47
21.13	Governing Law .....47
21.14	Attorneys’ Fees.....47
21.15	Force Majeure .....47
21.16	Authority of Person Signing for Tenant.....48



**TABLE OF CONTENTS (cont.)**

**Page**

Exhibit A	Leased Premises
Exhibit A-1	Diagram Showing Leased Premises
Exhibit A-2	Clybourn Complex
Exhibit B	Diagram and Description of Parking Spaces
Exhibit C	Noise Abatement Rules
Exhibit D	FAA Grant Agreement Assurances - Nondiscrimination
Exhibit E	Policy on Tenant Improvements

## AVIATION HANGAR LEASE

THIS AVIATION HANGAR LEASE (this "Lease") is dated as of August 6, 2021, and is entered into by and between the BURBANK-GLENDALE PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale, and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company ("Tenant").

### RECITALS

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

B. Tenant desires to lease space at the Airport (as described in Section 1.1 below, the "Leased Premises", known as Hangar 89) from Landlord for aircraft hangar and office and related uses.

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

#### 1. LEASE.

1.1 Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby leases and hires from Landlord, the hangar space and office space described and/or depicted in Exhibit A and A-1 attached hereto (the "Leased Premises"), which are a part of a complex of hangars, office facilities, ramp area and an executive terminal and office building, more particularly shown and depicted on Exhibit A-2 attached hereto, known as the "Clybourn Complex," together with the right, in common with others, to use certain of the "Common Use Facilities" of the Airport as set forth in Section 15, upon the terms and subject to the conditions set forth in this Lease.

1.2 "AS-IS". Tenant accepts the Leased Premises as of the Commencement Date (as hereinafter defined) in the condition existing as of the Commencement Date, without representation or warranty, express or implied, and agrees that the Leased Premises are otherwise in a good and tenable condition and acknowledges that, except as specifically provided herein, Landlord is not otherwise obligated to make any repairs or alterations to the Leased Premises. Notwithstanding the foregoing, Landlord shall maintain the HVAC and plumbing systems in working order for a period of six (6) months after the Commencement Date.

The Leased Premises, the building in which they are located and any other areas that may be used by Tenant under this Lease (herein, the "subject premises") have not been inspected by a Certified Access Specialist (CASp). A CASp can inspect the subject premises and determine whether they comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, a commercial property owner or lessor may not prohibit a lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of

the lessee or tenant, if requested by the lessee or tenant. The parties must mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the subject premises.

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

1.3 Title; Reservations to Landlord. Tenant accepts the Leased Premises subject to any and all existing easements, servitudes and encumbrances, whether recorded or unrecorded; provided, however, Landlord shall disclose to tenant any material unrecorded documents/agreements to the extent Landlord has actual knowledge of the same. Landlord reserves the right, without obligation, to install, lay, construct, maintain, repair and replace utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises and any New Improvements (as defined in Section 6.1.1) or any part thereof, and to enter the Leased Premises or any New Improvements for any and all such purposes. Landlord also reserves the right to grant franchises, licenses, easements, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises. No right reserved by Landlord in this Section shall be so exercised as to interfere unreasonably with Tenant's use of the Leased Premises or Tenant's business operations in the Leased Premises or the construction of the New Improvements as provided in this Lease or Tenant's reasonable access to the Common Use Facilities.

1.4 Landlord's Right of Access. Landlord shall have free access to the Leased Premises during all reasonable hours on 48 hours' written notice or 24 hours email notice (by email to morgan@thorntonaviation.com of Tenant), and without prior notice at any time in the event of an emergency, for the purposes of examining the same to ascertain if they are in good repair, inspecting any work in progress within or upon the Leased Premises, New Improvements or elsewhere on the Airport, making repairs which Landlord may be permitted to make hereunder, and, during the last twelve (12) months of the term of this Lease or at any time following either Landlord or Tenant giving a notice of termination under this Lease, exhibiting the same to prospective purchasers or tenants. Such entry shall be made in a manner that will not unreasonably interfere with Tenant's use of the Leased Premises, except in case of emergency. In the event that Tenant is not personally present to open and permit such entry, Landlord may enter by means of master keys or may enter forcibly and shall incur no liability to Tenant as a result of such entry, except for any gross negligence or willful misconduct on the part of Landlord or any of its employees, agents, representatives or contractors. In non-emergency situations, Landlord shall exercise such right of access with 48 hours' notice and with reasonable frequency, and shall exercise commercially reasonable efforts to be accompanied by Tenant's representative.

## 2. TERM.

2.1 Initial Term; Commencement Date; Annual Period. The term of this Lease shall commence at 12:01 a.m. on September 20, 2021 ("Commencement Date") and continue until 11:59 p.m. on September 19, 2026 ("Expiration Date"), unless the term is

extended pursuant to Section 2.2 or is earlier terminated by Landlord pursuant to Section 2.3 or otherwise under the terms of this Lease, or Tenant terminates this Lease pursuant to the terms of this Lease, in which case the last day of the extended or earlier terminated term shall be the "Expiration Date". Each twelve (12) full calendar month period, commencing on the Commencement Date, during the term of this Lease, including the extended term described in Section 2.2, if applicable, shall be referred to in this Lease as an "Annual Period."

2.2 Extension Option. Provided that the Lease is not sooner terminated and there is no uncured or non-waived Event of Default by Tenant then existing, Tenant shall have the option ("Extension Option") to extend the initial term of this Lease for one period of five (5) calendar years, commencing on the day following the initial Expiration Date. If Tenant exercises the Extension Option, the Lease term shall be deemed to include the applicable Extension Term. Tenant shall notify Landlord in writing of Tenant's exercise of the Extension Option no later than one hundred eighty (180) days prior to the initial Expiration Date ("Tenant's Option Exercise Notice"). Tenant's failure to give Tenant's Option Exercise Notice on or before the date required hereinabove shall render the Extension Option void. The Annual Base Rent payable during the Extension Term shall be determined as provided in Section 3.1, including applicable adjustments.

2.3 Early Termination.

2.3.1 Tenant Right to Terminate. Tenant shall have the right to terminate this Lease upon six (6) months' prior written notice to Landlord.

2.3.2 Landlord Right to Terminate. Tenant acknowledges that Landlord is presently conducting and in the future will conduct feasibility, economic, land use and other studies of the Airport and its physical configuration for the purpose of relocating or rebuilding terminal facilities, fixed base operator facilities, cargo facilities, fueling facilities, retail, commercial, industrial and manufacturing facilities, parking areas, service areas, runways, taxiways, apron areas, access roads, control tower, safety and open areas, safety and navigation equipment and other Airport and non-Airport facilities, some or all of which may be required by the Federal Aviation Administration ("FAA"), by considerations of safety or efficiency of operation at the Airport, or by economic conditions, opportunities or circumstances, and that it is not possible to determine whether or to what extent the Leased Premises or New Improvements will be included within or affected by any such studies, reconfiguration of the Airport or rebuilding or relocation of Airport facilities. In the event that Landlord, in its sole and absolute discretion, determines that all or a portion of the Leased Premises is needed for alternative purposes, uses or opportunities, or that any reconfiguration of the Airport, reconstruction, rebuilding or reconstruction of Airport facilities, or construction of new Improvements or facilities, will prevent or interfere with Tenant's authorized use of the Leased Premises, and without any requirement that Landlord consider the potential or actual adverse economic impacts upon Tenant or that Landlord meet any standard of reasonableness, need, good faith or fair dealing, all of which Tenant acknowledges shall not be required to be considered by Landlord, Landlord shall have the right to terminate this Lease as to all of the Leased Premises by delivering to Tenant not less than six (6) months' prior written notice of such termination pursuant to this Section.

2.3.3 Payment of Unamortized Cost of Approved New Improvements.

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

2.3.3.1 Unamortized Cost of Approved New Improvements. As used in this Lease, the term "Unamortized Cost of Approved New Improvements" shall mean the actual direct out-of-pocket cost of all Approved New Improvements (constructed after the Commencement Date and certified by Tenant as provided in Section 6.1) located within the Leased Premises, multiplied by a fraction, the numerator of which is the number of full calendar months between the effective date of termination of this Lease and the Expiration Date, and the denominator of which is the number of full calendar months between the date of certification by Tenant of the cost of the Approved New Improvements for which payment is being made and the Expiration Date. For purposes of determining the "Expiration Date" under this Section 2.3.3.1, any Extension Terms as to which Tenant has exercised Extension Option prior to Landlord giving notice of termination pursuant to Section 2.3.2 shall be included.

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

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

by Landlord as to the Leased Premises and New Improvements pursuant to this Section 2.3, and the funds, documents and instruments shall be dispersed, delivered or recorded, as applicable, as provided in the escrow instructions of the parties.

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

### 3. RENT.

#### 3.1 Annual Base Rent.

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

3.1.2 Payment of Annual Base Rent. The Annual Base Rent under this Lease shall be (i) \$389,376.00 for hangar space and (ii) \$124,701.68 for office space contiguous to the hangar space. Annual Base Rent shall be payable in twelve (12) equal monthly installments, each of which shall be due and payable in advance on the first (1st) day of each calendar month, commencing on the Commencement Date and continuing on the first (1st) day of each calendar month thereafter during the term of this Lease, including the Extension Terms described in Section 2.2, if applicable. Each installment of Annual Base Rent shall be paid, without demand therefore, as and when it becomes due and payable, without abatement, reduction or offset, in lawful money of the United States of America. The Annual Base Rent for any partial Annual Period shall be prorated on the basis of a three hundred sixty five (365) day annual period and the installment of Annual Base Rent for any partial calendar month shall be prorated on the basis of the number of days in that calendar month.

#### 3.1.3 Base Rent Adjustments.

##### 3.1.3.1 Definitions

- (i) The term "Adjustment Date" shall mean the first day of the Annual Period commencing in 2022 and in each Annual Period thereafter (or each twelve (12) calendar month period during any holdover

tenancy permitted by Landlord after the Expiration Date).

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

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

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

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

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

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

3.1.3.3 CPI Changes. If the Consumer Price Index is changed so that the base year differs from that used for the Prior Index, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used.

## 3.2 Taxes.

3.2.1 Possessory Interest and Other Taxes. Provided that if Tenant shall not have received a bill directly from the taxing authority, and Landlord has received such a bill, that Landlord shall have delivered the applicable bill to Tenant, and provided further that, subject to the second sentence of Section 3.2.3 below, Tenant shall not be contesting the applicable Tax in good faith as shown by reasonable evidence delivered to Landlord, then Tenant shall pay, as additional rent under this Lease, all "Taxes" imposed by any authority having the direct or indirect power to tax and which are applicable to the Leased Premises during the term of this Lease, whether levied or assessed upon Landlord or Tenant. As used herein, the term "Taxes" shall include any form of possessory interest tax, assessment (including public facilities maintenance district levy or assessment or any public transit or other benefit assessment district levy or assessment), license fee, commercial rental tax, any tax or excise on rents, levy, penalty or tax imposed by any authority having the direct or indirect power to tax, including any federal, state, county or city government, or any school, agricultural, lighting, drainage, or other improvement district thereof, as against any legal or equitable interest of Landlord or Tenant in the Leased Premises or in the real property of which the Leased Premises are a part, as against Landlord's right to rent or other income therefrom, or as against Landlord's business of leasing the Leased Premises; provided, however, that "Taxes" shall not include (i) any mortgage or documentary transfer tax relating to any financing or sale of the Airport; (ii) any tax upon or against Landlord's income or profits; (iii) any franchise, capital stock, excise, social security, unemployment, sales, use or withholding assessments levied against Landlord; (iv) any assessments (or other governmental fees or charges) levied by Landlord against any tenants, the Airport or any portion thereof (whether attributable to special assessment districts or otherwise) to finance any development, maintenance or improvement of facilities at the Airport; or (v) during the five (5) year period following the Commencement Date, any increase in Taxes to the extent arising from a reassessment of the Leased Premises triggered by a sale or other conveyance of all or any part of the Landlord's (or any successor's) interest in the Improvements within which the Leased Premises are located, excluding the conveyance to Tenant of Tenant's leasehold estate effected by this Lease. In the event that a reassessment occurs during the five (5) year period described in clause (v) of the preceding sentence and the Taxes payable by Tenant are thereby increased, Tenant shall have the right, exercised within thirty (30) days after each payment of the increased amount of Taxes by Tenant during the balance of said five (5) year period, to request in writing that Landlord reimburse to Tenant the amount of such increase in Taxes, which request shall be accompanied by a copy of the applicable Tax bills and evidence of payment by Tenant. Landlord shall reimburse to Tenant within thirty (30) days after receipt of Tenant's written request and accompanying documents, the amount of the increase in Taxes paid by Tenant. Tenant recognizes and understands that this Lease might be held to create a possessory interest subject to property taxation and that Tenant might be subject to the payment of property taxes levied on such interest. Tenant shall pay all Taxes prior to delinquency. Tenant shall furnish to Landlord evidence of payment of Taxes within fifteen (15) days after



Landlord's written request therefor from time to time. In the event that Landlord receives any bill or invoice for Taxes that are payable by Tenant under this Section 3, Landlord shall promptly forward the bill or invoice to Tenant. If Tenant contests any Taxes, Tenant shall defend, indemnify and hold Landlord harmless from and against any and all claims, losses, damages, liabilities, costs and expenses incurred or suffered by Landlord as a direct or indirect result of such contest or any failure to timely pay Taxes.

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

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

3.3 Utilities. Tenant shall pay all charges for water, gas, heat, light, power, air conditioning, telephone, and other utilities and services supplied to and/or used in the Leased Premises, together with any and all taxes thereon and connection fees relating thereto, prior to when said charges, taxes or connection fees are due, and shall indemnify Landlord against any liability for the late payment or nonpayment of any said charges, taxes or connection fees. Tenant acknowledges, for itself and its permitted subtenants, successors and assigns, that, except to the limited extent provided in Section 3.4, Landlord has no obligation to provide utilities or services to the Leased Premises. Except for interruptions resulting from Landlord's gross negligence or willful misconduct, Landlord shall not be liable to Tenant under any circumstances for destruction, damage or loss to property, injury or death of any person, and regardless of Landlord's gross negligence or willful misconduct, Landlord shall not be liable for any consequential damages (such as lost profits), arising out of, resulting from or relating to, whether directly or indirectly, the furnishing, failure to furnish, interruption, cancellation or termination of any of said utilities or services by the providers or suppliers of any said utilities or services. In the event that any charges, taxes or connection fees are not separately metered or billed to Tenant, Tenant shall pay to Landlord a reasonable proportion of all charges, taxes or connection fees jointly metered with or billed for other premises. Tenant shall comply with all rules,

regulations and other requirements which any provider or supplier of utilities or services may establish for the use, proper functioning and protection of any said utility or service.

### 3.4 Other Charges.

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

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

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

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

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

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

3.4.7 Tenant's Share. "Tenant's Share" of the costs of services and expenses provided and paid by Landlord shall be a fraction, the numerator of which is the square footage of the Leased Premises and the denominator of which is the total square footage of the buildings (excluding the Airport passenger terminal and parking facilities) for which such services are provided from time to time by Landlord.

3.5 Net Lease. Except as otherwise provided in this Lease, Tenant shall be responsible for all costs attributable to the Leased Premises and Tenant's use or occupancy thereof. Landlord shall receive all amounts payable by Tenant pursuant to this Section 3, or any other provision of this Lease, free and clear of any and all other impositions, Taxes, liens, charges or expense of any nature whatsoever in connection with the ownership and operation of the Leased Premises. In addition to the amounts payable by Tenant pursuant to this Section 3, Tenant shall pay to the parties respectively entitled thereto all other impositions, operating charges, maintenance charges, construction costs, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease during the term hereof; provided, however, that Tenant shall have the right to contest the validity, applicability or amount of any such charge, cost or expense and, if the claimant attempts to attach or to assert any stop notice or mechanics lien rights against funds held by Tenant's lender, the Leased Premises or any New Improvements, Tenant provides any statutory bond required to prevent such claimant from exercising any such rights or remedies against the lender, the Leased Premises or the New Improvements. All of such charges, costs and expenses which either (i) are payable to Landlord or (ii) the failure to pay will create a lien against the Land, shall constitute additional rent, and upon the failure of Tenant to pay any of such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

3.6 Interest on Past Due Payments. Any amount due from Tenant to Landlord pursuant to this Section 3 or any other provision of this Lease which is not paid within fifteen (15) days after Landlord delivers written notice to Tenant that such amount is due shall bear interest from the due date until paid at a rate equal to the lower of (i) ten percent (10%) per annum or (ii) one (1%) in excess of the prevailing rate established by the Federal Reserve Bank at San Francisco on advances to member banks on the twenty-fifth (25th) day of the month preceding the Commencement Date (but not more than the maximum rate permissible by Law); provided, however, that the payment of any interest pursuant to this Section shall not excuse or cure any default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease.

3.7 Intentionally Deleted

3.8 Address for Payment. The rent and all other amounts due to Landlord pursuant to this Section 3 or any other provision of this Lease shall be paid at the office of Landlord; Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, Attention: Controller, or at such other place as Landlord may designate from time to time in writing to Tenant.

3.9 No Abatement of Rent or Fees. Tenant acknowledges and agrees that, except as provided in Sections 2.3.1, 8.1, 8.2, 10.1 or 10.2: (i) this Lease shall not be terminable

for any reason by Tenant, and (ii) Tenant shall in no event be entitled to any abatement of or reduction in rent payable under this Lease. Any present or future Law to the contrary shall not alter this Lease.

#### 4. USE OF LEASED PREMISES.

##### 4.1 Use of Leased Premises.

4.1.1 Principal Use As Airport. Tenant hereby acknowledges that the principal use of the Airport consists of the operation of a public airport and that all other businesses and operations which now are or hereafter permitted by Landlord, to be conducted on or at the Airport, including Tenant's use of the Leased Premises pursuant to this Lease, must at all times be compatible with such principal use, as Landlord, in its sole and absolute discretion, shall determine, including, without limitation, the exercise of Landlord's rights pursuant to Section 2.3.1.

4.1.2 Authorized Use of Leased Premises. Tenant shall use the portion of the Leased Premises constituting hangar space exclusively throughout the Lease term for an aviation hangar for the storage of general aviation aircraft and for no other use ("Permitted Hangar Use"). Tenant shall use the portion of the Leased Premises constituting office space exclusively throughout the Lease Term for office purposes that are related to the storing of general aviation aircraft in the hangar space and for no other use ("Permitted Office Use"; the Permitted Hangar Use and the Permitted Office Use are sometimes collectively referred to herein as the "Permitted Uses"). Tenant shall not use nor authorize the use of the Leased Premises, or any portion thereof, for any purpose whatsoever that is not a Permitted Use without Landlord's prior written consent, which consent Landlord may withhold or condition in Landlord's sole and absolute discretion without regard to any standard of reasonableness.

4.1.3 Service, Maintenance, Repair and Fueling. Tenant acknowledges and agrees that into-plane fueling and ramp services for the Clybourn Complex must be obtained from an entity which has exclusive rights to provide such services (for as long as such exclusive rights exist) and that Landlord has separately informed Tenant of the name and contact person for that entity. (If such exclusive rights cease to exist, Landlord shall so notify Tenant.) No service, maintenance or repair of aircraft, equipment or vehicles shall be performed within the Leased Premises, except that aircraft may be serviced, maintained or repaired under the following conditions: (i) such service, maintenance and repair is specifically authorized by FAA regulations and performed by duly authorized personnel or contractors; (ii) such service, maintenance and repair is done in compliance with all applicable fire, building and safety, environmental and other Laws; and (iii) such service, maintenance and repair is conducted in accordance with Landlord's adopted standards for aeronautical uses. Under no circumstances shall any fueling of aircraft or other fueling activities be performed or permitted inside the hangar buildings.

4.1.4 Other Permitted Storage. Tenant may store within the hangar building or buildings that are part of the Leased Premises aircraft components, equipment, parts, bulk liquids, scrap lumber, metal, machinery or other materials related to the storage of its aircraft; provided, however, that such storage must be in compliance with all Laws, including the

Environmental Laws, unless otherwise approved by Landlord. No storage may be done on any apron, ramp or taxiway, without prior written approval of Landlord.

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

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

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

4.2.1 Sales of aviation fuel or oil;

4.2.2 Sales of food;

4.2.3 Sales of products or sundry items;

4.2.4 Sales or dispensing of alcoholic beverages;

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

4.2.6 Knowingly boarding, enplaning or unloading revenue passengers, either on a scheduled or nonscheduled basis.

#### 4.3 Conduct of Tenant's Activities.

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

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

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

4.3.4 Licenses, Permits; Compliance With Laws. Tenant, at Tenant's own cost and expense, shall and shall cause its permitted subtenants to obtain and maintain in effect at all times during the term hereof all licenses, permits, certificates, approvals and other authorizations required by any federal, state, county, city or other governmental department, bureau, agency or other authority having jurisdiction over Tenant, Tenant's business and operations from the Leased Premises, Tenant's subtenants' operations from the Leased Premises, the Leased Premises or any other areas of the Airport, including, without limitation, all licenses, permits, certificates, approvals and other authorizations required by the FAA. Tenant shall comply, and Tenant shall cause its permitted subtenants to comply, with all applicable federal, state, county and city statutes, regulations, rules and ordinances governing or regulating matters of health, safety or security or the use or occupancy of the Leased Premises or the operation of the Airport, including all rules and regulations promulgated by the FAA or the TSA, all rules, regulations, policies and guidelines of Landlord promulgated pursuant to Section 16 of this Lease, and all orders of any governmental department, bureau, agency or other authority having jurisdiction over Tenant, Tenant's business and operations from the Leased Premises, Tenant's subtenant's operations from the Leased Premises, the Leased Premises and New Improvements or any other areas of the Airport (collectively, "Laws"). Tenant shall incorporate the provisions of this Section into all of its Permitted Subleases and shall enforce the provisions of this Section against its permitted subtenants. Landlord shall give written notice to Tenant of any violation of Laws by Tenant or any subtenant which comes to Landlord's attention and, upon receipt of a written notice from Landlord of any violation of the Laws by a subtenant, Tenant shall promptly provide a notice of default to the subtenant (with a copy to Landlord). If Tenant has knowledge that a subtenant violates any of the Laws two (2) times within any ninety (90) day period or four (4) times within any twelve (12) month period, Tenant shall institute appropriate legal proceedings to terminate the subtenant's sublease and to evict the subtenant from the Leased

Premises and shall give written notice to Landlord of such violations and the institution of such proceedings.

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

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

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

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

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

constitute an improper, unlawful or reasonably objectionable purpose. Tenant, at its expense, shall comply with all rules, orders, regulations, or requirements of the National Board of Fire Underwriters, or any other similar body with respect to Tenant's operations at the Leased Premises.

4.5 Interference with Utilities, Police, Fire Fighting. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing or sewer systems, facilities or devices or portions thereof on or servicing the Leased Premises, or elsewhere on the Airport. In addition, Tenant shall not do or permit to be done anything which may interfere with free access or passage to the Leased Premises or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, Common Use Facilities or any other areas of the Airport other than such interference resulting from Tenant's compliance with Landlord's Security Requirements in accordance with the terms of this Lease. Further, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

4.6 Interference with Fire Exits. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of fire exits in or adjacent to the Leased Premises or elsewhere at the Airport.

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

4.8 Signs. Tenant shall not place, erect or maintain or cause to be placed, erected or maintained on or to the roof or any exterior door, wall, window or the roof of the building in which the Leased Premises are located or any New Improvement, or on or to the glass of any window or door of the Leased Premises or any New Improvement, any sign, marquee (flashing, moving, hanging, handwritten, or otherwise), decal, placard, awning, decoration, flashing, moving or hanging lights, lettering, or any other advertising matter of any kind or description without the express, written consent of Landlord, which shall not be unreasonably withheld or delayed. If Tenant places or causes to be placed or maintained any of the foregoing, Landlord or Landlord's representative may remove the same at Tenant's sole cost and expense and without notice or liability and without such removal constituting a breach of this Lease or entitling Tenant to claim damages on account thereof. No illuminated sign located within the Leased Premises that is visible from the outside of the Leased Premises shall be permitted. Tenant shall repair, at its sole cost and expense, any damage to the Leased Premises caused by the erection, maintenance or removal of any sign or other attachment. Landlord hereby acknowledges its approval of Tenant's existing signage, and signs substantially similar thereto.

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



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

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

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

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

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

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

4.12.4 Construction of Improvements. In the event any future structure or building is planned for the Leased Premises in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises, Tenant shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations.

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

4.12.6 Reservation of Rights. There is hereby reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises and the other areas of the

Airport. This public right of flight shall include the right to cause within said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from or operating on the Airport.

4.12.7 Height Restrictions. Tenant shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Leased Premises in violation of federal height restrictions and obstruction criteria or any more restrictive height restrictions and obstruction criteria established from time to time by Landlord. In the event the aforesaid covenants are breached, in addition to all other rights and remedies of Landlord, Landlord reserves the right to enter upon the Leased Premises to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Tenant.

4.12.8 Interference with Aircraft. Tenant shall not make use of the Leased Premises nor any other areas of the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event the aforesaid covenant is breached, in addition to all other rights and remedies of Landlord, Landlord reserves the right to enter upon the Leased Premises or any other areas of the Airport and cause the abatement of such interference, at the expense of Tenant.

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

4.12.10 Unauthorized Access. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas, including, without limitation, the precautions established pursuant to Section 4.13.

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

#### 4.13 Airport Security.

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

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

4.13.3 Violations by Subtenants. Tenant shall incorporate the Security Requirements into all of its Permitted Subleases and shall provide in its Permitted Subleases that

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

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

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

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

## 5. MAINTENANCE AND REPAIRS.

5.1 Tenant's Obligations. Tenant, at Tenant's sole expense, but subject to Section 5.3 of this Lease, shall maintain, repair and replace the Leased Premises, and every part

thereof, in good order, condition and repair in a neat and sanitary condition, free from waste or debris, all according to reasonable standards adopted from time to time by Landlord, including, without limiting the generality of the foregoing: (a) fixtures, hangar doors, interior walls and interior surfaces of exterior walls; (b) ceilings, store fronts, windows, doors, plate glass, showcases, skylights, entrances and vestibules located within the Leased Premises; and (c) all sprinkler systems, plumbing, sewers, backflow equipment, drainage devices, heating, air conditioning and electrical facilities and equipment within the Leased Premises. Tenant shall paint all interior walls and the interior surfaces of exterior walls and wash all interior and exterior windows as often as Landlord reasonably requires to keep the Leased Premises neat and attractive. Tenant shall perform all maintenance and make any and all repairs and replacements required pursuant to this Section as and when the same become necessary to keep and maintain the Leased Premises and every part thereof in good order, condition and repair, but in no event later than thirty (30) days following the delivery to Tenant of a written notice specifying the maintenance, repairs or replacements Landlord reasonably believes must be undertaken to comply with the terms of this Lease or immediately in the event of an emergency. Landlord shall have the right, at any time and from time to time, to change on a uniform basis the reasonable standards applicable to the maintenance, repair and replacement of the Leased Premises and Tenant shall comply with all such reasonable standards, as they may be so modified. Subject to Landlord's obligations under Section 5.3 of this Lease, Landlord shall not be liable to Tenant or to Tenant's owners, shareholders, partners, members, directors, officers, employees, agents, representatives, contractors, and permitted subtenants, successors and assigns (individually, "Tenant Party" and collectively, "Tenant Parties") by reason of any destruction, damage or loss of property, injury or death of persons, or damage or injury to, or interference with, the business or operations of any Tenant Party, or the use or occupancy of the Leased Premises or the Common Use Facilities or any other areas of the Airport by any Tenant Party, arising out of, resulting from or relating to the need for or the making of any repairs, replacements or alterations to or the construction of Improvements. All repairs or replacements upon the Leased Premises made by Tenant as provided in this Lease shall be performed in accordance with all applicable Laws, and Tenant shall secure all licenses, permits, approvals and authorizations required by applicable Laws with respect thereto.

5.2 Permitted Repairs by Landlord. The above provisions notwithstanding, in the event that the Leased Premises include less than an entire hangar building, or if Landlord reasonably determines that for any other reason maintenance and repairs of the type required herein are impracticable or impossible for Tenant to make or perform, Landlord may elect, in accordance with this Section 5.2, to make such repairs or perform such maintenance, and the reasonable cost thereof attributable to the Leased Premises and any property or Improvements therein or thereon shall be paid by Tenant upon Landlord's demand. Unless notice is impractical because of the emergency nature of the repair, applicable Law, or any governmental or quasi-governmental authority (other than Landlord), Landlord shall notify Tenant of any election to effect repairs made by Landlord under this Section 5.2. Such election shall be made in writing at least ten (10) days prior to the anticipated date of effecting repairs, unless shorter notice is reasonably required under the particular circumstances, applicable law, or any governmental or quasi-governmental authority (other than Landlord). Unless Landlord is required to perform the repair under applicable Law or any governmental or quasi-governmental authority (other than Landlord), Tenant shall have the right to perform such repair, provided Tenant notifies Landlord of Tenant's intention to perform such repair within five (5) days after Tenant receives Landlord's

notice of election pursuant to this Section 5.2 and thereafter diligently prosecutes such repair to completion in a reasonably prompt manner (in view of the particular circumstances).

5.3 Landlord's Obligation to Repair. Subject to the provisions of Section 8 (Damage and Destruction), Landlord shall, during the term of this Lease, keep the roof, foundations, exterior walls (excluding interior painting and all windows, doors, plate glass and showcases) of the Leased Premises in good order, condition and repair, except, for (i) any damage thereto caused by any negligent act or omission of Tenant or any Tenant Party; and (ii) reasonable wear and tear not affecting structural integrity or safety. Landlord shall have no obligation, however, to commence any such repair until thirty (30) days after the receipt by Landlord of written notice specifying the repairs Tenant believes must be undertaken to comply with the terms of this Lease; provided, in an emergency, Tenant shall have the right, if reasonably required under the circumstances, to make any such repair at Landlord's reasonable expense.

5.4 Limitations on Landlord Obligations. Except as specifically provided in Section 5.3 above, Landlord shall have no obligation to maintain or make any repairs or replacement to the Leased Premises. Tenant for itself and for each Tenant Party hereby waives any and all rights provided in Section 1941 through 1942, inclusive, of the Civil Code of California and hereby waives, to the extent possible, any rights under any other statutes or laws nor or hereafter in effect which are contrary to the obligations of Tenant under this Lease or which place obligations upon Landlord. Except as specifically provided in Section 5.3 of this Lease, Landlord shall not be liable to any Tenant or any Tenant Party for any injury to or interference with Tenant or any Tenant Party or the business or operations of Tenant or any Tenant Party or the use or occupancy of the Leased Premises or the Common Use Facilities or any other area of the Airport by any Tenant Party arising out of, resulting from or relating to the need for or performance or non-performance of any maintenance, repair or replacement.

5.5 Landlord Cure. In the event Tenant fails to perform its obligations under this Section 5, in addition to any and all other rights and remedies of Landlord, Landlord may, at its option, after thirty (30) days' written notice to Tenant, enter upon the Leased Premises and put the same in good order, condition and repair and make any required replacement, and the cost thereof shall become due and payable, upon demand, by Tenant to Landlord as additional rent; provided, however, so long as Tenant commences required maintenance, repairs and replacements within such thirty (30) day period and diligently prosecutes such maintenance, repairs and replacements to completion, Tenant shall be deemed to be fully performing Tenant's obligations hereunder.

## 6. ALTERATIONS AND IMPROVEMENTS.

### 6.1 Approval and Construction of New Improvements.

6.1.1 Landlord's Approval. Without in each instance obtaining the prior written approval of Landlord in accordance with this Section 6.1.1, which approval may not be unreasonably withheld or delayed by Landlord's ("Landlord's Approval"), Tenant shall not (i) demolish any Existing Improvements, (ii) construct or install any Improvements or (iii) except as provided in Section 6.1.2, make any modifications, alterations or additions to the Leased

Premises or Improvements (all such demolition, construction, installation, modifications, alterations and additions are individually and collectively referred to in this Lease as "New Improvements"), and no work required in connection therewith shall commence, prior to receiving Landlord's Approval. Landlord reserves the right to disapprove any New Improvements wholly on aesthetic grounds. If Tenant makes or commences any New Improvements without the prior written approval of Landlord, then Landlord shall have the right to require Tenant to remove any or all of such New Improvements at Tenant's sole expense and shall also have the right to declare Tenant in default under this Lease. Landlord may delegate all Landlord's Approvals required under this Section 6.1, including any determination of whether New Improvements are "Approved New Improvements" under Section 6.1.4, to Landlord's Executive Director, or to an outside engineer or architect, or to any combination thereof, and approval or determination by any such delegatee shall be subject to the same standards of review and time requirements as imposed upon Landlord and shall be deemed to be Landlord's Approval or the determination of Landlord under this Section 6.1. Any Landlord's Approval under this Section 6.1 shall be evidenced by a "Certificate of Approval" signed by Landlord or its delegatee pursuant to Section 6.1.4.

6.1.2 Cosmetic Alterations. Landlord shall not unreasonably withhold its consent to any interior Alterations that do not affect the roof or load bearing walls (collectively, "Cosmetic Alterations"), provided that any signage or graphic materials constituting Cosmetic Alterations shall not be visible from outside the Leased Premises. Landlord shall not impose any aesthetic condition or condition listed in Section 6.1.8(iii) or (iv) upon any approval of a Cosmetic Alteration.

6.1.3 Compliance with Policy on Tenant Improvements. Prior to the commencement of any New Improvements, Tenant shall comply with the rules and guidelines established by Landlord for such work pursuant to Landlord's policy on tenant improvements attached hereto as Exhibit "E", as the same may be amended from time to time. If there is any conflict between the policy on tenant improvements and the provisions of this Lease, the provisions of this Lease shall apply.

6.1.4 Approved New Improvements. If the New Improvements proposed to be made by Tenant add to, enlarge or replace Existing Improvements, upon Landlord's Approval, the New Improvements shall be Approved New Improvements hereunder. New Improvements made for the purpose of maintenance or repair of Existing Improvements and New Improvements paid for with the proceeds of insurance, condemnation awards or recoveries of damages shall not be eligible to be Approved New Improvements; however, any New Improvements paid for partially by proceeds of insurance, condemnation awards or recoveries of damages and partially by Tenant's funds shall be Approved New Improvements to the extent of the portion paid for by Tenant's funds, except that New Improvements required to be paid for with Tenant's funds as a result of Tenant's failure to maintain insurance required to be maintained by Tenant pursuant to Section 7 shall not be eligible to be Approved New Improvements. At the time Tenant requests Landlord's Approval of any New Improvements, Tenant shall specify whether the New Improvements or some eligible portion thereof are intended to be Approved New Improvements, failing which the New Improvements shall not be eligible to be Approved New Improvements. In the event that Landlord disagrees with Tenant's specification of any New Improvements as Approved New Improvements, Landlord shall notify

Tenant in writing of its disagreement and shall state the reasons therefor. Tenant shall have the right to respond in writing to Landlord's notice and statement of reasons; however, after considering any response by Tenant, Landlord's determination of whether any New Improvements are Approved New Improvements shall be final and binding.

6.1.5 Review and Approval of Plans. In order to expedite plan review and approval and to insure that the proposed New Improvements will be compatible with Airport uses, Tenant first shall submit to Landlord for approval a conceptual plan and shall pay Landlord an administrative fee in the amount equal to the greater of five percent (5%) of the total estimated cost of all New Improvements, or Two Thousand Dollars (\$2,000), for reviewing Tenant's plans. Notwithstanding Landlord's Approval of the conceptual plan, all construction plans and specifications shall be subject to Landlord's Approval and, when required by Landlord, shall be prepared, stamped and signed by a California licensed architect or engineer. Engineers shall be licensed for the particular discipline required. All changes to plans and specifications previously receiving Landlord's Approval which are required by the City of Burbank to be submitted to the City for plan check or review in accordance with the City's building codes ("Material Plan Change") shall also concurrently be submitted to Landlord and shall require Landlord's Approval. Landlord shall have seven (7) working days within which to review and to approve or disapprove the proposed Material Plan Change and, if Landlord fails to disapprove the Material Plan Change, then the Material Plan Change shall be deemed to have received Landlord's Approval. Upon Landlord's Approval, Landlord shall issue promptly a Certificate of Approval for each Material Plan Change.

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

6.1.7 Entitlements and Permits. No New Improvements shall be constructed until Tenant shall have procured and paid for all entitlements, permits, licenses, approvals and authorizations relating to such New Improvements required by all Laws and governmental authorities and agencies.

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

covering bodily injury in the amounts of Two Million Dollars (\$2,000,000) for death or injury to any one person, Two Million Dollars (\$2,000,000) for the death or injury to more than one person, and One Million Dollars (\$1,000,000) for property damage.

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

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

6.1.11 As Built Plans and Statement of Cost. Within sixty (60) days following the completion of any New Improvements, Tenant shall furnish to Landlord a set of "as built" plans and specifications and, if the New Improvements are eligible to be Approved New Improvements, within one hundred twenty (120) days following the completion of the New Improvements, Tenant shall furnish to Landlord a statement certified as accurate by Tenant of the actual direct out-of-pocket cost of the New Improvements, which may include architectural and engineering fees, permit fees, capitalized construction period interest and loan fees, and other "soft costs" reasonably approved by Landlord, together with any reasonable supporting documentation required by Landlord sufficient to verify such cost. Failure by Tenant to notify Landlord in writing of the cost of any such New Improvements within one hundred twenty (120) days after completion shall constitute Tenant's irrevocable waiver of any future right to receive payment of the Unamortized Cost of Approved New Improvements for such New Improvements and Landlord shall have no obligation or liability to make any payment to Tenant therefor under Section 2.3.2. Tenant shall not include in the cost of New Improvements any cost paid or



reimbursed from the proceeds of insurance, condemnation awards or damages recovered from any party, or any settlement related thereto.

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

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

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

## 7. INSURANCE, INDEMNITY AND EXCULPATION.

7.1 Obligation to Maintain Insurance. At all times during the term of this Lease and at its sole cost and expense, Tenant shall maintain in effect the insurance coverage and limits of liability as provided in this Section 7 ("Required Insurance"). In the event that Tenant fails to maintain any of the Required Insurance, Landlord shall have the right, but not the obligation, to obtain some or all of the Required Insurance. In the event Landlord elects to

maintain some or all of the Required Insurance because of Tenant's failure to provide Required Insurance, Tenant shall pay to Landlord, as additional rent hereunder, the premiums for all Required Insurance paid by Landlord within ten (10) days following the delivery to Tenant of each written statement setting forth the amount of said premiums and the applicable premium period.

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

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

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

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

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

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

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

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

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

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

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

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

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

7.5 Policy Requirements. Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized to conduct business in California and having a rating of not less than A-X in A.M. Best's Insurance Guide and/or otherwise acceptable to Landlord. Policies of Required Insurance may be blanket policies covering multiple Tenant Parties or multiple properties owned or leased by a Tenant Party. Within fifteen (15) business days after the Commencement Date, Tenant shall deliver to Landlord certificates of insurance issued by Tenant's independent insurance broker or other party acceptable to Landlord evidencing that all Required Insurance has been obtained and is being maintained by Tenant and certifying that the Required Insurance includes provisions (i) requiring the insurers to give to Landlord at least thirty (30) days' prior written notice (or such lesser period as is customary as respects war risks writebacks) of the cancellation or non-renewal of some or all of the Required Insurance, (ii) with respect to the general liability, automobile liability, aircraft liability and employer's liability insurance, naming (a) Tenant and their respective owners, shareholders, partners, directors and employees as named insureds, and (b) except for employer's liability insurance, Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of Landlord ("Landlord Insured Parties") as additional insureds, (iii) with respect to the property insurance (other than aircraft hull insurance) naming Landlord as a loss payee, and (iv) with respect to the general liability and aircraft liability insurance, including standard war risks writeback, with a description of the specific

perils or risks that are included within the policy coverage set forth in or attached to the certificates of insurance. The failure of Tenant to provide said certificates of insurance within said fifteen (15) business days after the Commencement Date or, if a notice of cancellation or non-renewal of any Required Insurance has been delivered to Tenant, the failure of Tenant to replace the Required Insurance which is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute an Event of Default under Section 12.1. All Required Insurance shall be primary insurance without right of contribution of any other insurance carried by or on behalf of any Landlord Insured Party and all policies shall be endorsed to this effect. In no event shall any Landlord Insured Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by Tenant pursuant to this Section 7. Deductibles or self-insured retentions under all Required Insurance liability policies applicable to the Leased Premises and Tenant's operations at the Airport shall not exceed Twenty Five Thousand dollars (\$25,000).

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

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

7.8 Subtenant and Temporary Licensee Policies. Each Permitted Sublease and Temporary License Agreement shall include provisions for the benefit of Landlord and Tenant (i) requiring each subtenant and temporary licensee that owns, leases, stores or maintains aircraft to obtain and maintain aircraft premises liability and physical damage and liability insurance meeting coverage and other requirements established by Tenant and reasonably approved by Landlord, (ii) requiring all Landlord Insured Parties and Tenant to be included as additional insureds under all liability policies required to be maintained by the subtenant or temporary licensee; (iii) waiving any claims against each Landlord Insured Party as a result of any loss or damage to aircraft owned, leased, stored or maintained by the subtenant or temporary licensee; and (iv) requiring the subtenant or temporary licensee to obtain from each insurer of each aircraft

owned, leased, stored or maintained by the subtenant or temporary licensee a waiver of such insurer's rights of subrogation as to claims or causes of action against all Landlord Insured Parties.

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

7.10 Exculpation of Landlord from Liability. Tenant, on behalf of itself and the Tenant Parties, hereby waives any and all Claims against the Landlord Parties, and the Landlord Parties shall not be liable, for any injury or death to persons or any damage or loss to any property in, on or about the Leased Premises, arising out of, resulting from or relating to any cause whatsoever, including, without limitation, the following: (i) latent or patent defects in the construction or condition of the Leased Premises, including, without limitation, any use or release of "Toxic Materials" (as defined in Section 20.16.3) on, under or into the Leased Premises; (ii) Acts of God; (iii) fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Leased Premises, New Improvements or any other areas of the Airport; (iv) riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief; (v) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Leased Premises, New Improvements or other areas of the Airport; (vi) the use or occupancy of the Leased Premises, New Improvements or any other areas of the Airport by any Tenant Party, whether said damage or injury results from conditions arising upon the Leased Premises, New Improvements or upon other areas of the Airport, or from other sources; or (vii) any damage or loss arising from any negligent acts or omissions or willful misconduct of any other tenant, licensee, concessionaire or customer of the Airport or any other person or entity; except to the extent any of the foregoing arises from the gross negligence, willful misconduct by Landlord or its agents or invitees, or material breach of this Lease by Landlord.

## 8. DAMAGE AND DESTRUCTION.

8.1 Termination Right. In the event that all or such portion of the Leased Premises or the Improvements within which the Leased Premises are located are destroyed or damaged such that Tenant cannot reasonably use the Leased Premises for the aviation related uses permitted under this Lease for an unreasonable period of time, then Tenant shall have the right to terminate this Lease by written notice to Landlord given within thirty (30) days after the damage (except that in the event of complete destruction of the Improvements in which the Leased Premises are located, this Lease shall automatically terminate without notice). If the Lease is not terminated, Tenant shall restore promptly those portions of the Leased Premises that

Tenant initially caused to be constructed, and Landlord shall restore promptly those portions of the Leased Premises that Landlord initially caused to be constructed. If the Lease is not terminated, then the Annual Base Rent payable by Tenant hereunder shall be abated in proportion to the reduction in the ability of the Tenant to use the Leased Premises, provided that if, during the period of any repair of such damage or destruction to the Improvements within which the Leased Premises are located, the Landlord makes available to Tenant other reasonably acceptable hangar space, then the Annual Base Rent shall continue unabated (but for reasonable relocation costs). Landlord shall not be liable to Tenant for any inconvenience or annoyance to Tenant or injury to Tenant's business resulting in any way from the undertaking of any repair following any damage or destruction, to the extent such repair is conducted in compliance with this Lease.

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

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

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

## 9. ASSIGNMENT, SUBLETTING AND ENCUMBRANCES.

### 9.1 Assignment or Encumbrance Prohibited; Exception for Affiliate.

9.1.1 Generally. Tenant shall not voluntarily or by operation of Law assign or transfer or mortgage, hypothecate, grant a security interest in or otherwise encumber all or any part of Tenant's rights or interest in or to this Lease or the Leased Premises without Landlord's prior written consent. Any attempted assignment, transfer, mortgage, hypothecation,

grant of a security interest in or other encumbrance in violation of this Section shall be wholly void and shall be an Event of Default under Section 12.1. For the purposes of this Section, (i) if Tenant is a corporation, any assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance or other event which results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record to less than a majority of any class of voting stock of Tenant, or (ii) if Tenant is a partnership or limited liability company, any assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance of a partnership or membership interest or interests or other event which results, or upon foreclosure would result, in the present general partner(s) or members being removed or replaced or, if the general partner(s) of the partnership or member(s) of the limited liability company is or are a corporation or other entity, or which results, or upon foreclosure would result, in the reduction of the interest of the present shareholders or other owners of record of the corporate or other entity general partner to less than a majority of any class of voting stock or member rights of such corporation or other entity, or (iii) if Tenant is a corporation, partnership, limited liability company, trust or other entity, any change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity, shall be deemed to be a prohibited assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section. Notwithstanding the foregoing, Tenant may assign or transfer this Lease and Tenant's interest in the Leased Premises to any entity that controls, is controlled by or is under common control with Tenant, provided Tenant gives prior written notice to Landlord thereof with reasonable evidence of such control, and provided that Tenant shall remain liable under this Lease.

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

9.2 Subletting Prohibited. Tenant shall not sublet or license any portion of the Leased Premises, except to (i) Mira Vista Aviation, Inc.; (ii) Extraord-n-air, Inc., and (iii) Legacy Aircraft Services, Inc., and then only if the applicable sublease(s) are approved in writing by Landlord, which shall not be unreasonably withheld, conditioned or delayed. The Executive Director shall have the authority to approve the form of subleases, and to consent to additional subleases, provided the applicable approval/consent is in writing.

10. EMINENT DOMAIN.

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

10.2 Partial Taking. In the event of any taking under the power of eminent domain which does not result in a termination of this Lease pursuant to Section 10.1, the Annual Base Rent payable hereunder shall be reduced, effective as of the earlier of the date on which the condemnor obtains a right of possession of any portion of the Leased Premises or the date on which title vests with the condemning entity, by an amount calculated in the manner described in Section 2.3.2.1. Tenant, at its expense with respect to New Improvements and at Landlord's expense with respect to the balance of the Leased Premises, shall promptly restore the remaining portion of the Leased Premises to the condition existing immediately prior to such condemnation to the extent reasonably possible, and this Lease shall continue in full force and effect as to such remaining portion; provided, however, if the taking occurs during the last five (5) years of the term of this Lease, at Tenant's option, exercised by written notice to Landlord, Tenant shall have the right to terminate this Lease.

10.3 Awards. Except as provided below, any award or settlement proceeds for any taking under the power of eminent domain of all or any part of the Leased Premises shall be the property of Landlord, whether such award or payment shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, and any award or settlement proceeds for any taking of all or any part of the New Improvements shall be the property of Tenant. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's Possessory interest in the Leased Premises, trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business or operations at the Airport; provided, however, that in determining the value of Tenant's business or operations, all goodwill attributable to the location of Tenant's business or operations at the Airport shall belong to Landlord.

10.4 Sale Under Threat of Condemnation. A sale by Landlord to any entity having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes of this Section.

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



compensation, should Landlord exercise its power of eminent domain with respect to the Leased Premises.

## 11. SUBORDINATION.

11.1 Subordination. This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting the Landlord's interest in the Leased Premises or the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof ("Senior Lien" and the holder thereof being a "Senior Lienholder"). Tenant shall execute and deliver to Landlord or any other party requiring confirmation of such subordination, within ten (10) calendar days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such subordination; provided, however, that with respect to any mortgage, deed of trust, bond indenture, lien, encumbrance or other security interest affecting the Landlord's interest in the Leased Premises or the Airport created after the date of this Lease, such subordination shall not be effective and Tenant shall not be required to execute and deliver such confirmation unless Tenant receives a nondisturbance agreement in recordable form and on terms and conditions reasonably acceptable to Tenant that has been duly executed and acknowledged by any Senior Lienholder making such request. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, alteration or modification does not materially alter the rights or duties or materially increase the obligations or liabilities of Tenant under this Lease, and that Tenant's written consent to any such amendment, alteration or modification shall not be unreasonably withheld or delayed. Tenant shall give prompt written notice to each Senior Lienholder, of which Tenant has written notice, of any default of Landlord, and Tenant shall allow such Senior Lienholder a reasonable length of time (in any event, not less than thirty (30) days from the date of such notice) in which to cure such default.

11.2 Attornment. Subject to the terms of any nondisturbance agreement between Tenant and a Senior Lienholder, in the event that any Senior Lien is foreclosed, Tenant, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Leased Premises, agrees to (i) enter into a new Lease covering the Leased Premises and the New Improvements for the remainder of the term of this Lease, on the same provisions herein provided or (ii) attorn to the purchaser and recognize the purchaser as the Landlord under this Lease, provided such purchaser agrees to assume in writing all obligations of Landlord under this Lease.

## 12. DEFAULTS AND REMEDIES.

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

12.1.1 Insolvency and Creditor Protection. (i) The voluntary or involuntary appointment of a receiver, trustee or liquidator to take possession of the Leased Premises, New Improvements or all or substantially all of the assets of Tenant when such appointment is not terminated or vacated or possession of the Leased Premises is not restored to Tenant within ninety (90) days; or (ii) a general assignment by Tenant for the benefit or

protection of creditors; or (iii) Tenant's written admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by Tenant under any federal, state or other statute relating to insolvency, bankruptcy, reorganization, arrangement, composition, liquidation, dissolution or other relief for debtors; unless, in the case of an involuntary petition filed against Tenant to have Tenant adjudged a bankrupt or for reorganization or arrangement, the petition is dismissed within ninety (90) days. The appointment of a trustee or conservator of the person or estate of an individual Tenant, or in aid of the voluntary winding up, dissolution and liquidation of a partnership or corporate Tenant, shall not constitute an Event of Default hereunder.

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

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

12.1.4 Intentionally Deleted.

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

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

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

12.1.8 Failure to Maintain Insurance. Any cancellation or lapse of insurance policies providing Required Insurance to be provided by Tenant pursuant to Section 7, unless Landlord has elected to obtain such insurance pursuant to Section 7.1, or any other failure by Tenant to comply with the provisions of Section 7, where such other failure to comply continues for ten (10) days following Tenant's receipt of written notice from Landlord that Tenant has not complied with the provisions of Section 7.

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

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

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

12.1.12 Intentionally Deleted.

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

12.2.1 Termination of Lease. Landlord shall have the right to declare this Lease, including Tenant's leasehold estate, terminated. Upon termination of this Lease prior to the expiration of its term, Tenant's ownership of the New Improvements shall end automatically and Landlord shall succeed to ownership of the New Improvements free and clear of any and all liens or encumbrances upon Tenant's leasehold estate, the Leased Premises or upon the New Improvements. Landlord shall have the right to re-enter the Leased Premises and the New Improvements to remove and eject all persons therefrom, to take possession thereof; and to use and enjoy the Leased Premises and the New Improvements and Landlord shall have all of the rights and remedies of a landlord provided in Section 1951.2 of the California Civil Code, which Section is incorporated herein by this reference as though set forth in full. In computing Landlord's damages pursuant to Sections 1951.2(1) and (2) of the Civil Code, the "worth at the time of award" shall be computed by allowing interest at a rate of ten percent (10%) per annum. The amount of damages which Landlord may recover in the event of such termination shall include the worth at the time of the award of the amount by which the unpaid amounts required to be paid by Tenant pursuant to Section 3, including, without limitation, Annual Base Rent, for the balance of the term after the time of award exceeds the amount of such losses that Tenant proves could be reasonably avoided, computed in accordance with Civil Code Section 1951.2(4)(b), plus reasonable attorneys' fees and leasing commissions. In the event that Landlord may have lawfully reentered the Leased Premises and the New Improvements after an Event of Default hereunder without having declared this Lease terminated, Landlord shall have the right at any time thereafter to elect to terminate this Lease and all of the rights and remedies of Tenant in and to the Leased Premises and the New Improvements as provided in this Section 12.2.

12.2.2 Continuation of Lease without Termination. Landlord has the remedy described in California Civil Code, Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). In this regard, Landlord shall have the

right to continue this Lease and to maintain Tenant's right to possession of the Leased Premises and the New Improvements, whether or not Tenant shall have breached this Lease and/or abandoned the Leased Premises and the New Improvements. In such event this Lease shall continue in effect for so long as Landlord chooses not to terminate Tenant's right of possession and Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to collect and receive Annual Base Rent and any and all other amounts payable by Tenant to Landlord under this Lease as the same shall come due and including the right, as attorney-in-fact of Tenant, to collect, receive and apply the "Subrents" on behalf of Tenant as provided in Section 12.2.3.

12.2.3 Collection of Subrents on Behalf of Tenant. Tenant hereby irrevocably appoints Landlord as Tenant's attorney-in-fact and grants to Landlord an irrevocable power of attorney, which power shall be coupled with Landlord's interest in the Leased Premises and in this Lease (the "Power of Attorney"), solely to collect, receive and apply on behalf of Tenant as provided herein all rents, issues, profits, royalties, income and other monetary benefits derived by Tenant from the Leased Premises, including without limitation, under any lease, license, franchise, concession or other agreement entered into by Tenant now existing or hereafter created and affecting all or any portion of the Leased Premises or the use or occupancy thereof (the "Subrents"). The Power of Attorney may be exercised by Landlord upon the occurrence of an Event of Default and at any time thereafter during the continuance of the Event of Default and prior to termination of this Lease. Upon Landlord's election to exercise the Power of Attorney, Landlord shall send to each subtenant, licensee, franchisee, concessionaire or other party from whom Subrents may be collected a notice, accompanied by a copy of this Section, to the effect that an Event of Default has occurred, that Landlord, acting on behalf of Tenant, has elected to exercise the Power of Attorney, and that such subtenant, licensee, franchisee, concessionaire or other party is directed to make all payments of Subrents to Landlord or as Landlord shall direct (the "Subrents Payment Notice"). From and after giving the Subrents Payment Notice, Landlord, in the stead and on behalf of Tenant, shall collect and receive all Subrents and shall apply the Subrents toward the cure of the Event of Default and, at Landlord's election, exercised in Landlord's sole discretion, toward the payment or discharge of any other obligation, performance of any duty of Tenant under this Lease or under any other agreement between Landlord and Tenant. If, through the application of the Subrents or otherwise, Tenant timely cures the Event of Default, and provided that this Lease has not been terminated by Landlord, any and all unused Subrents held by Landlord shall be paid promptly to Tenant and Landlord shall send a notice to each subtenant, licensee, franchisee, concessionaire or other party rescinding the previous Subrents Payment Notice. In the event that this Lease is terminated by Landlord, either as a result of or during the continuance of an Event of Default, all Subrents held by Landlord as attorney-in-fact shall be applied on behalf of Tenant by Landlord to pay any amounts owing to or damages incurred by Landlord under this Lease and, if no such amounts are owing or damages are known to exist or there are Subrents remaining after such application, the balance of the Subrents shall be paid to Tenant. All amounts collected, received and applied by Landlord pursuant to the Power of Attorney prior to termination of this Lease shall be construed as and are agreed to be payments made by Landlord, as attorney-in-fact, on behalf of Tenant and the parties do not intend, and expressly disclaim, that the provisions of this Section shall give or create in favor of Landlord any lien upon or security interest in or constitute a pledge of the Subrents for the performance of Tenant's obligations under this Lease.

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

12.4 Waiver of Rights of Redemption. In the event of the lawful exercise by Landlord of any one or more of its rights and remedies under Section 12.2, Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future Laws, and further releases Landlord, from any and all claims, demands and liabilities by reason of such lawful exercise by Landlord.

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

12.6 Cumulative Remedies. The various rights, options, elections, powers and remedies reserved to Landlord herein shall be cumulative, and, except as otherwise provided by Law, Landlord may pursue any or all such rights and remedies, whether at the same time or otherwise, and no single right shall be deemed to be exclusive of any of the other or of any right or priority allowed by Law or in equity. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of any such right or remedy or waiver of any Event of Default. In addition to the foregoing, Landlord may exercise any other remedy now or hereafter available to a landlord against a defaulting tenant under the Laws of the State of California.

12.7 Performance of Tenant's Covenants by Landlord. In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for the applicable cure period specified herein, or if no cure period is specified herein, for at least five (5) business days after written notice thereof is delivered to Tenant (but no prior notice shall be required in an emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand and without waiving any right or releasing Tenant from any obligation to Landlord, to make such payment or perform such other act for the account of Tenant, to the extent Landlord may deem desirable. In connection therewith, Landlord may pay reasonable expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Lease. All sums so paid by Landlord and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 3.6 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid within ten (10) days following the delivery to Tenant of a written demand therefor, Landlord shall have the same rights and remedies as for the nonpayment of rent.

12.8 Excuse of Performance by Landlord. Landlord shall be under no obligation to observe or perform any covenant of this Lease on its part to be observed or performed for the benefit of Tenant, which accrues after the date of any Event of Default by Tenant, unless and until such Event of Default is cured by Tenant or waived by Landlord.

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

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

13. SURRENDER AT END OF TERM. Upon the expiration or other termination of this Lease, unless required to be removed by Tenant pursuant to Section 6.4, ownership of the New Improvements shall pass automatically to Landlord and Tenant shall quit and surrender the Leased Premises and the Improvements to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and, except as otherwise provided in this Lease, Tenant shall immediately remove all of its personal property, trade fixtures and equipment and shall promptly repair any damages to the Leased Premises caused by such removal. If any such personal property, trade fixtures or equipment are not so removed, Landlord may retain or dispose of them in any manner, without obligation or liability to Tenant. Tenant's obligation to perform this covenant shall survive the expiration or other termination of this Lease.

14. HOLDOVER BY TENANT. In the event that Tenant shall holdover in the Leased Premises after the expiration or termination of the term hereof, with the consent of Landlord, such holdover, in the absence of a written agreement on the subject executed by both parties, shall be deemed to have created a month to month tenancy with respect to the Leased Premises, terminable on thirty (30) days' written notice by either party to the other party. Such holdover tenancy otherwise shall be subject to the same provisions as contained in this Lease, unless the parties execute a written agreement modifying any of the terms hereof applicable to such holdover tenancy; provided, however, that the Annual Base Rent for any such month-to-month tenancy shall be in an amount equal to one hundred fifty percent (150%) of the Annual Base Rent for the last month of the Lease term or last month of any Extension Term, plus all other charges payable hereunder.

15. COMMON USE FACILITIES.

15.1 Common Use Facilities. As an appurtenance to Tenant's leasehold estate in the Leased Premises and in conjunction with Tenant's use of the Leased Premises, Tenant is hereby granted, for itself and for the benefit of its permitted subtenants, invitees and assigns, the non-exclusive right, at any time and from time to time, to enter upon or make customary and reasonable use of (i) runways, landing areas, taxiways, aprons, roadways, runway lights, signals, and other operating aids of the Airport and all avigation or flight easements now or hereafter

granted or reserved for the benefit of Landlord and (ii) such other areas of the Airport provided and developed by Landlord for public aviation use as Landlord may from time to time make available or designate as "Common Use Facilities" (collectively, the "Common Use Facilities"). Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use the Common Use Facilities, including members of the general public and shall be exercised by Tenant and its Tenants, invitees and assigns subject to all applicable Laws and FAA, TSA or other applicable governmental regulations governing aviation and air navigation and to the uniform rules and procedures adopted by Landlord from time to time governing the use of the Airport and the Common Use Facilities.

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

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

15.4 Vehicle Parking. Tenant shall have the right to use, during the Lease term at no additional rent, fifteen (15) automobile parking spaces for use by Tenant and Tenant's invitees, contractors, agents and employees as shown in Exhibit "B" attached hereto; however, Landlord shall have no obligation to supervise use of such spaces or remove any vehicles of any third parties (including other tenants) not authorized to park in such spaces, except that Landlord shall not park in such spaces, and shall not permit any of Landlord's contractors to park in such spaces. Landlord reserves the right to relocate such parking spaces if deemed necessary by Landlord for any reason related to the operation, management or development of the Airport and will provide reasonably located substitute parking. The use of any designated parking spaces shall be subject to all reasonable and non-discriminatory Rules and Regulations of Landlord adopted from time to time.

16. RULES AND REGULATIONS OF LANDLORD. Tenant shall, and shall cause its subtenants to, comply with all uniform rules and regulations adopted by Landlord at a noticed public meeting for use of the Leased Premises, and the other areas of the Airport, including the Common Use Facilities, as the same may be amended from time to time by Landlord ("Rules and Regulations"). Landlord shall provide Tenant with a copy of the Rules and Regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other Tenant or user of the Airport of any of the Rules and Regulations.

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

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

18. SECURITY FOR PERFORMANCE. Concurrently with the execution of this Lease, Tenant shall deliver to Landlord the sum of One Hundred Twenty-Eight Thousand Five Hundred Nineteen and 42/100 Dollars (\$128,519.42) in cash or in the form of a letter of credit that complies with the following requirements. Any such letter of credit shall be in a form acceptable to Landlord and shall be issued or accepted by a California commercial bank acceptable to Landlord with assets of at least five (5) billion dollars. Said letter of credit shall be effective for at least one (1) year, and if removed, replaced or amended, shall be renewed, replaced or credited in an amount equal to three (3) months of installments of the then current Annual Base Rent (including all of the adjustments to Annual Base Rent provided for in Section 3 of this Lease). If Tenant fails to timely deliver to Landlord a new letter of credit (or letter of credit amendment) in the requisite amount at least thirty (30) days prior to the expiry of the then-applicable letter of credit, Landlord shall be entitled to present the existing letter of credit for payment and to hold the proceeds paid under the letter of credit as security for performance of Tenant's obligations hereunder until Tenant provides the new letter of credit or amendment (and all letters of credit shall so provide). Upon each adjustment of Annual Base Rent, Tenant shall deposit additional cash, or cause the letter of credit to be re-issued or amended, as applicable, necessary to keep said security deposit in the amount of three (3) months' Annual Base Rent as so adjusted. In the event of an Event of Default on the part of Tenant with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of rent or any other amount due hereunder, Landlord may apply all or any part of said deposit or draw on the letter of credit for any amount in default, to cure any Event of Default or to repair any damage to the Leased Premises caused by Tenant and to pay any and all damages to which Landlord is otherwise entitled as a result of such default. In the event that Landlord elects to do so, Tenant shall, within thirty (30) days after written demand therefor, deliver to Landlord a sum sufficient (or in the case of the letter of credit, a new letter of credit or a letter of credit amendment) to restore the amount thereof to three (3) months of Annual Base Rent, and Tenant's failure to do so shall be an Event of Default. In the event Landlord applies any funds as provided in this Section or draws the letter of credit, such action shall not constitute an election or waiver of any other rights or remedies which Landlord may have by virtue of Tenant's default. TENANT HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1950.7 TO THE EXTENT INCONSISTENT WITH THE PROVISIONS OF THIS SECTION 18.

19. COMPLIANCE WITH ENVIRONMENTAL LAWS.

19.1 Use of Toxic Materials Prohibited. Tenant shall not cause or permit any "Toxic Materials" (as defined in Section 19.16.2) to be brought onto, stored, used, generated, recycled, or disposed of (collectively, "Use of Toxic Materials") in, on, under or about the Leased Premises, the Improvements associated with the Leased Premises, or any other part of the Clybourn Complex, or the Airport, by any Tenant Party or any of their respective licensees, permittees or invitees; provided, however, that Tenant shall be permitted to store and use in the ordinary course of maintaining aircraft stored in the Leased Premises Toxic Materials so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the



quantities thereof, are necessary or useful to Tenant's business and that such use of Toxic Materials is at all times subject to and in compliance with all Environmental Laws (as defined in Section 19.16.2). Landlord shall not cause any "Toxic Materials" (as defined in Section 19.16.2) to be brought onto, stored, used generated, recycled or disposed of in, on, under or about the Leased Premises unless requested to do so by Tenant. Tenant shall demonstrate that such Toxic Materials are necessary or useful by submitting information to Landlord in accordance with Section 19.3.

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

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

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

#### 19.5 Tenant's and Landlord's Indemnity

19.5.1 Tenant's Indemnity. Tenant shall defend, indemnify -and hold harmless each of the Landlord Parties from and against any and all "Liabilities" (as defined in Section 19.16.3) arising out of, resulting from or caused by the Use of any Toxic Materials on the Clybourn Complex by any Tenant Party; provided, unless such Contamination is caused by a Tenant Party, Tenant's obligations under this Section 19.5.1 shall exclude any discharge or release migrating to the Leased Premises from other land. In the event of any indemnification under this provision, the Tenant shall pay promptly upon demand all reasonable costs and

expenses incurred by Landlord for attorneys' fees, environmental consultants or other amounts incurred for remediation or otherwise because of the Tenant's violation of the terms of this Lease with respect to Toxic Material or failure to comply with any Environmental Laws. Tenant acknowledges that Landlord shall have complete control (which control shall be exercised in a reasonable manner) over any litigation, settlement discussion or regulatory compliance or remediation with respect to any indemnity claim under this Section 19.5.1 and that Tenant shall cooperate fully with Landlord in connection therewith, including without limitation, executing any instruments, affidavits or other documents necessary in the reasonable judgment of Landlord in connection therewith. This indemnity shall survive the termination of this Lease.

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

19.6 Landlord's Representation and Warranty. Landlord represents and warrants to Tenant that, to Landlord's actual knowledge, except for information in reports of the Regional Water Quality Control Board, the Leased Premises are in compliance with Environmental Laws. Notwithstanding the foregoing, any breach of any representation or warranty of Landlord shall be subject to the limitations of Landlord's liability set forth in this Lease (including but not limited to the provisions of Sections 12.10 and 21.16 of this Lease).

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

19.8 Storage and Use of Toxic Materials. Any and all Toxic Materials permitted in, on, under or about the Leased Premises pursuant to this Lease shall be stored and used in strict compliance with all Environmental Laws. There shall be no ponding or uncovered surface storage whatsoever of Toxic Materials in, on or about the Leased Premises. No underground storage tanks shall be constructed, installed or used without Landlord's prior written consent, which consent may be withheld by Landlord in its absolute discretion. If the Tenant is not in substantial compliance with Environmental Laws concerning underground storage tanks or has failed to take Necessary Action when required to do so under Section 19.6, Landlord shall have the right to enter the Leased Premises for the purpose of removing any underground storage tank, if any, at Tenant's sole expense in accordance with a closure plan approved by regulatory authorities.

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

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

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

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

19.13 Annual Site Investigation. In addition to Landlord's right of access to the Leased Premises set forth in Section 1.4, Landlord shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Leased Premises during each year of the term of this Lease, either alone or in conjunction with other areas of the Airport, and to utilize the services of an environmental consultant or consulting firm for such inspection and assessment. Tenant shall pay, as additional rent hereunder, Tenant's Share (as defined in Section 3.4.7, except that the denominator shall be the total square footage of the hangars and other leased buildings that are part of the Clybourn Complex) of the reasonable cost of each such annual inspection applicable to the Clybourn Complex.

19.14 Intentionally Deleted.

19.15 Limitation on Liability of Landlord. Without limiting any other rights or remedies of any Landlord Party or any other obligation of Tenant pursuant to this Lease or applicable Laws, Tenant hereby assumes the risk of, waives, releases and forever discharges the Landlord Parties from and against, and covenants not to bring any action or proceeding against, the Landlord Parties as a result of, any delay in construction, prevention of construction, increase in the cost of Improvements, loss or adverse effects upon Tenant's financing (if any), loss of rental income or subtenants (if any), diminution in the value of the Leased Premises or Improvements, or any and all other Claims arising out of or resulting from the discovery or presence on, in, under or about the Clybourn Complex or Improvements, of any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Clybourn Complex prior to April 9, 1984. Landlord's sole obligation and liability arising out of the presence of any such spilling, discharging, releasing or disposing of Toxic Materials, irrespective of the theory of liability or the facts supporting any such theory, shall be to take, or cause any person legally obligated to take, any and all action which any federal, state, regional, municipal or local governmental agency lawfully requires of Landlord to be taken to investigate, clean-up, remediate or remove such spilling, discharging, releasing or disposing of Toxic Materials.

19.16 Definitions.

19.16.1 Environmental Laws. The term "Environmental Laws" means any and all Laws, rules, regulations, judgments, orders, permits, licenses, agreements, covenants, restrictions, requirements, policies or the like enacted now or hereafter relating to or governing in any way the environmental condition of soil, air, water, groundwater or the presence of Toxic Materials in or affecting all or any portion of the Leased Premises or other parts of the Clybourn Complex, including, without limitation, the statutes described in the definition of Toxic Materials.

19.16.2 Toxic Materials. The term "Toxic Materials" means any hazardous or toxic materials, pollutants, effluents, contaminants, radioactive materials, flammables, explosives, pesticides, chemicals known to cause cancer or reproductive toxicity, emissions, wastes or any other chemicals, materials or substances, whose handling, storage, release, transportation or disposal is or becomes prohibited, limited or regulated by any federal, state, county, regional or local authority or, even if not so regulated, is or becomes known to pose a hazard or potential threat to the health and safety of any person or to the environment. The term "Toxic Materials" shall include, without limitation, the following compounds: (i) asbestos; (ii) petroleum, petroleum by-products, and petroleum degradation products; (iii) polychlorinated biphenyls; (iv) all substances now or hereafter defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, Section 101 (14), 42 U.S.C. Section 9601(14), including petroleum, crude oil, and any fractions thereof; (v) all substances now or hereafter defined as "extremely hazardous substances" pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, Section 302(a), 42 U.S.C. Section 11002(a); (vi) all substances now or hereafter defined as "hazardous waste" by Section 25117 of the California Health and Safety Code; (vii) all substances now or hereafter designated by the Governor of the State of California as substances known to the state to cause cancer or reproductive toxicity pursuant to California Health and Safety Code Section 25249.8; (viii) all

substances now or hereafter defined as an "economic poison" pursuant to California Health and Safety Code Section 12753; and (ix) all substances now or hereafter defined as "extremely hazardous waste" pursuant to California Health and Safety Code Section 25115.

19.16.3 Liabilities. The term "Liabilities" shall mean any and all Claims (as defined in Section 4.13.5) arising out of, resulting from or caused by the release, discharge, storage, handling, use, accumulation, transportation, generation, migration, disposal, investigation, clean-up, remediation or removal of any Toxic Materials caused by any Tenant Party or any of their respective licensees, permittees or invitees, including, without limitation, the following: (i) diminution in value of the Airport, the Leased Premises, the Clybourn Complex or any Improvements thereon; (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, the Leased Premises, the Clybourn Complex or any Improvements thereon; (iii) damages arising from any adverse impact on marketing of space at the Airport, the Leased Premises, the Clybourn Complex or any Improvements thereon; (iv) sums paid in settlement of Claims (including, without limitation, attorneys' fees, consultant fees and expert fees); (v) damages caused by the breach or nonperformance by Tenant of any covenant or other provision of this Lease related to Toxic Materials; and (vi) costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work related to the violation of this Lease or any Environmental Law, and (vii) any liabilities of Landlord under any statute, law or regulation.

## 20. OFFSET STATEMENT.

20.1 Delivery. Tenant, from time to time upon not less than ten (10) days' prior written notice from Landlord, shall execute, acknowledge and deliver to Landlord a statement in writing: (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (ii) setting forth the dates to which the rent, fees and other charges, if any, are paid; and (iii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder (or specifying such defaults if any are claimed).

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

## 21. MISCELLANEOUS.

### 21.1 Lease Interpretation.

21.1.1 Incorporation of Prior Agreements; Amendments. This Lease contains the entire agreement between the parties hereto, and no prior or contemporaneous agreement or understanding shall be effective for any purpose, all of which, if any, are hereby terminated or rescinded, except as to provisions which are expressly stated to survive termination

and any indemnity or insurance obligations in favor of Landlord. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Lease which Landlord determines is necessary or advisable in order to comply with applicable Laws, governmental regulations or Landlord's uniform policies reflected in resolutions in effect from time to time; provided Tenant shall not be required to execute any amendment of or supplement to this Lease which materially impairs the rights and benefits of Tenant or materially increases the obligations and liabilities imposed on Tenant under this Lease.

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

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

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

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

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

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

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

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

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

21.6 Waivers. The waiver by either party of any provision of this Lease shall not be deemed to be a waiver of any other provision hereof or of any subsequent breach of the same or any other provision. Landlord's consent to any act by Tenant requiring Landlord's consent shall not be deemed to render unnecessary the obtaining of Landlord's consent to any subsequent act by Tenant, whether or not similar to the act so consented. The subsequent acceptance by Landlord of any amount due from Tenant hereunder shall not be deemed to be a waiver of any preceding breach or Event of Default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No waiver on the part of Landlord with respect to any provision of this Lease shall be effective unless such waiver is in writing.

21.7 Successors and Assigns. The provisions contained in this Lease shall bind and inure to the benefit of Landlord, Tenant and, except as otherwise provided in this Lease, their respective successors and assigns.

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

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

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

To Landlord:

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

To Tenant:

Thornton Aircraft Company, LLC  
7520 Hayvenhurst Ave  
Van Nuys, CA 91406  
Attn: Morgan Halvorson

with a copy to:

Nevers, Palazzo, Packard, Wildermuth &  
Wynner, PC  
31248 Oak Crest Drive, Suite 200  
Westlake Village, California 91361  
Attn: Kevin Shaw, Esq.

Any notices properly addressed, sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received seventy-two (72) hours after they are deposited in the United States Mail, postage prepaid. Notices shall be deemed delivered and received at the time delivered if properly addressed and delivered to the addresses set forth in this Section during normal business hours or personally delivered to the person to whose attention they are addressed. Notice sent by any other manner shall be effective upon actual receipt of the addressee. Any party may change its address for purposes of this Section by giving notice to the other party as provided in this Section.

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

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

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

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

21.15 Force Majeure. If either party hereto shall be delayed in or prevented from the performance of any act required hereunder by reason of acts of God, labor troubles, inability to procure materials, restrictive governmental Laws or regulations, delays arising from environmental remediation (except to the extent caused by the party obligated), or other causes without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such



delay; provided, however, nothing in this Section shall excuse Tenant from the prompt payment of any rent or other charge required of Tenant hereunder.

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

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


**“LANDLORD”**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**“TENANT”**

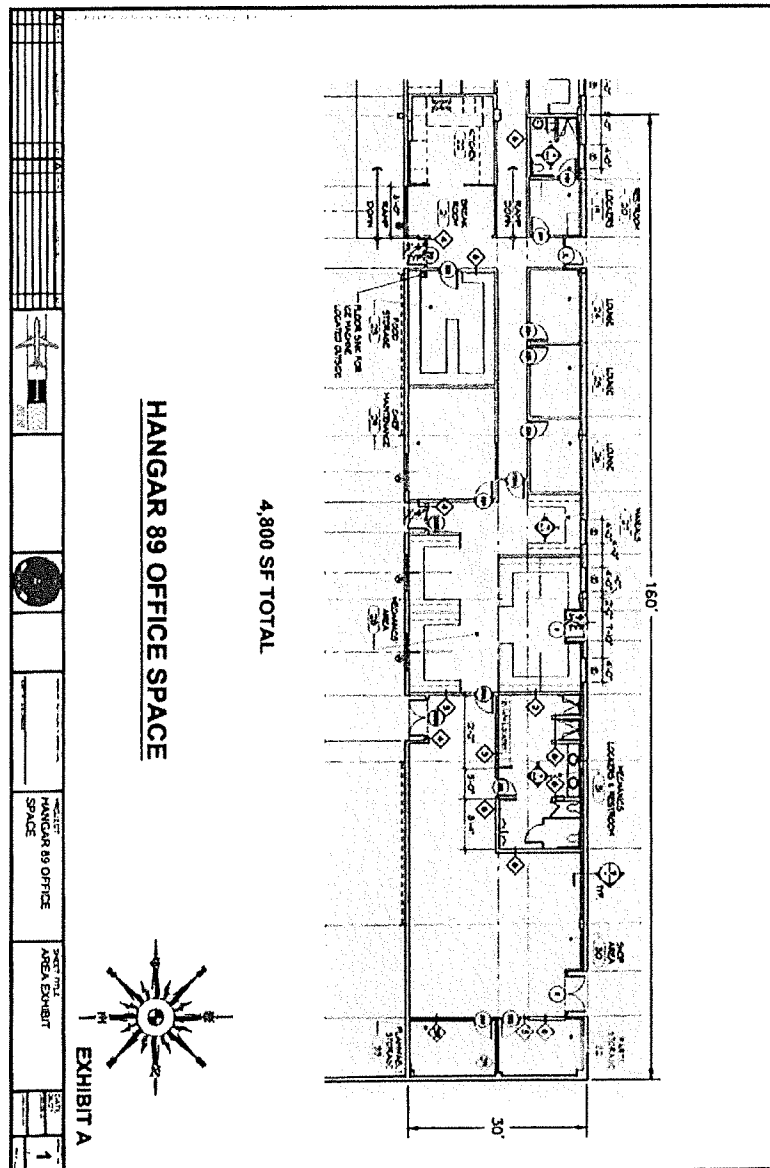
THORNTON AIRCRAFT COMPANY, LLC,  
a California limited liability company

By:  \_\_\_\_\_  
Steve Zimmerman, Managing Member

**Exhibit A**

**Leased Premises**

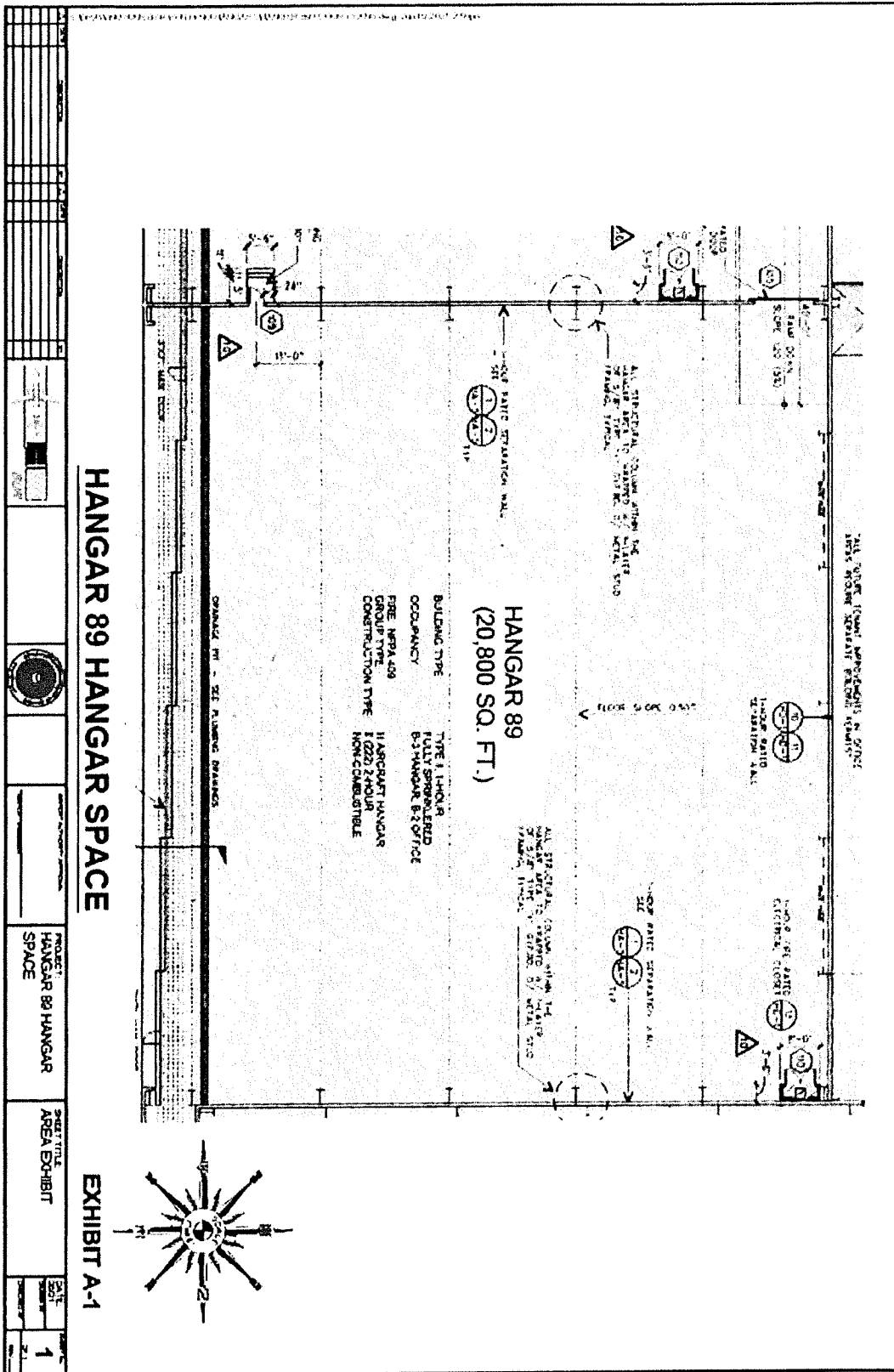
The Leased Premises shall consist of the space within Hangar No. 89 at the Airport shown on Exhibit A-1 attached hereto and all interior equipment, interior partition walls, windows and doors, office space, interior and exterior equipment, interior plumbing and ducting, and electrical lines and panels.



**Exhibit A-1**

**Diagram Showing Leased Premises**

(Attached.)



HANGAR 89 HANGAR SPACE

HANGAR 89  
(20,800 SQ. FT.)

BUILDING TYPE: TYPE 1, 1-HOUR FULLY SPRINKLERED  
 OCCUPANCY: B-3 HANGAR B-3 OFFICE  
 FIRE WEPA-436  
 PROJECT NO.: 12223-2404R  
 CONSTRUCTION TYPE: HANGAR HANGAR  
 NON-COMBUSTIBLE

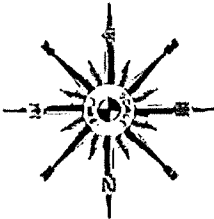


EXHIBIT A-1

PROJECT: HANGAR 89 HANGAR SPACE

SHEET TITLE: AREA EXHIBIT

SHEET NO.: 1

12285-0008\2550349v2.doc

Exhibit A-2

Clybourn Complex

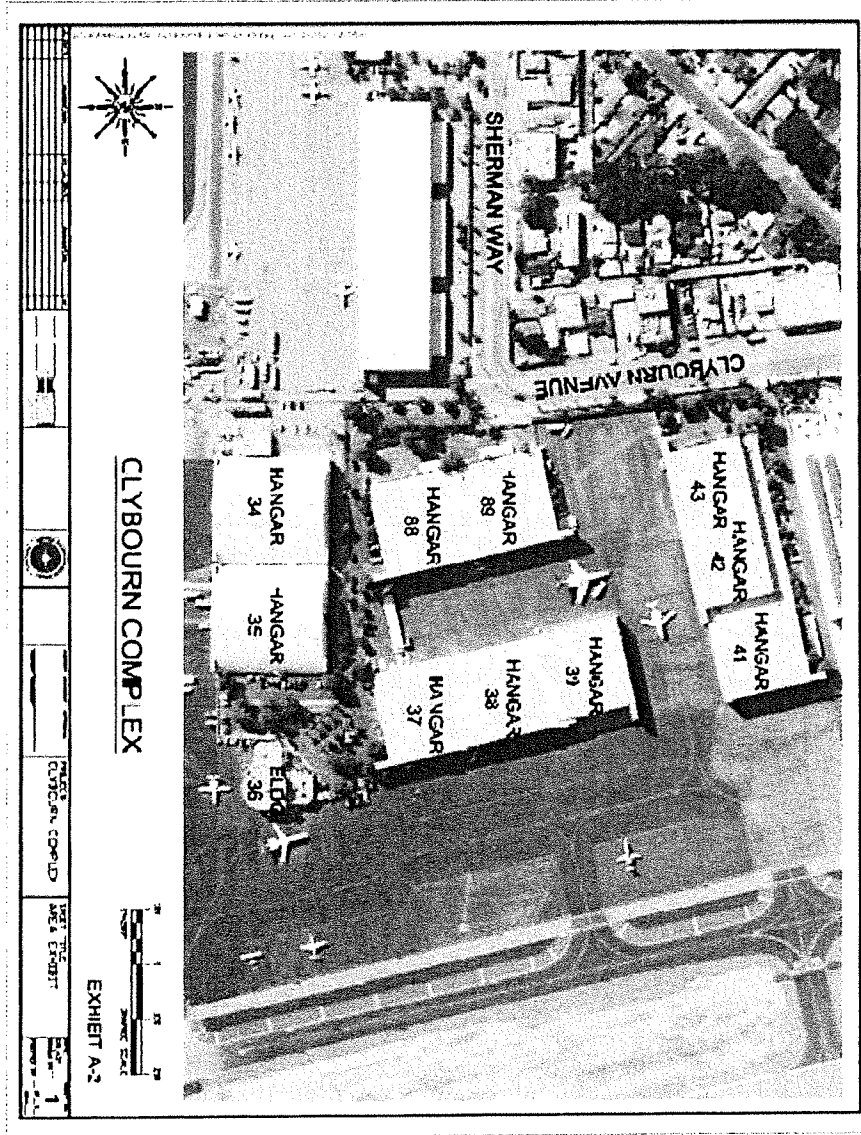
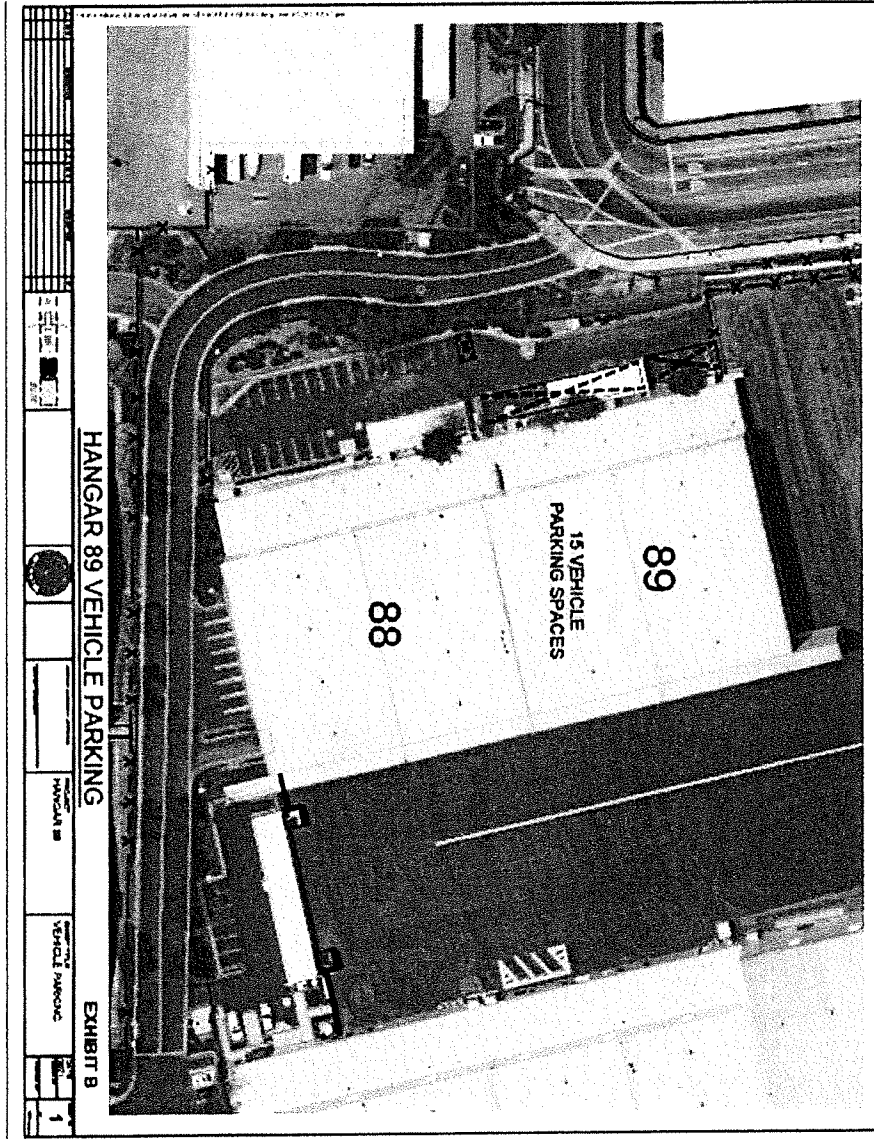


Exhibit B

Diagram and Description of Parking Spaces

(Attached.)



**Exhibit C**

**BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY**

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

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

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



## NOISE RULES

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

### ***Rule 1***

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

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

### ***Rule 2***

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

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

### ***Rule 3***

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

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

### ***Rule 4***

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



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

#### ***Rule 5***

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

#### ***Rule 6***

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

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

#### ***Rule 7***

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

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

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

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

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

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

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

### ***Rule 8***

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

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

G. Any pilot in command or maintenance facility violating the provisions of these Rules may, in the discretion of the Commission, and in addition to other remedies (including injunctive remedies) available, be subject to civil penalties for each violation of this Rule as follows: (1) For the first violation, one thousand five hundred fifty-five dollars (\$1,555); (2) For subsequent violations, two thousand two hundred fifty-eight dollars (\$2,258).

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

**Rule 9**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. in the event such landing and/or takeoff results from the use of the airport as a weather alternate; and

9. in the event such landing and/or takeoff results from a weather, mechanical, or air traffic control delay; provided however, that this exception shall not authorize any landing or takeoff between the hours of 11:00 p.m. and 7:00 a.m.

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

L. Any aircraft operator or pilot in command violating the provisions of this Rule may, in the discretion of the Commission, and in addition to any other remedies (including injunctive remedies) available, be subject to civil penalties in the amount of four thousand five hundred twenty-two dollars (\$4,522) for each unauthorized landing and each unauthorized takeoff.

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

#### ***Rule 10***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Rule 11***

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

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

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

15. Utilize only Stage 3 aircraft in increases in its scheduled turbojet operations above the number of such operations in effect on June 30, 1982;

16. Conduct at least twenty-five percent (25%) of its scheduled turbojet operations with Stage 3 aircraft until March 31, 1986; and

17. From April 1, 1986, to March 31, 1987, conduct at least fifty percent (50%) of its scheduled turbojet operations with Stage 3 aircraft.

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

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

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

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

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

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

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

#### ***Rule 12***

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

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

#### ***Noise Rules Enforcement***

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

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

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

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

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

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

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



**Exhibit D**

**FAA Grant Agreement Assurances**  
**Nondiscrimination**

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

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

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

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

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

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

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

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

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

Exhibit E

Policy on Tenant Improvements



**REQUEST FOR APPROVAL  
PROPOSED TENANT IMPROVEMENT**

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

**1. INFORMATION**

Tenant \_\_\_\_\_ Building # \_\_\_\_\_

Name of Contact \_\_\_\_\_ Phone \_\_\_\_\_

# \_\_\_\_\_

Address \_\_\_\_\_

Email: \_\_\_\_\_

Describe Proposed Improvements \*

Estimated cost of improvements \_\_\_\_\_

Estimated start date \_\_\_\_\_ Completion date \_\_\_\_\_

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

**2. PRE-CONSTRUCTION**

Contractor \_\_\_\_\_ License # \_\_\_\_\_

Address \_\_\_\_\_

Contract Price \_\_\_\_\_ Phone \_\_\_\_\_

# \_\_\_\_\_

Construction Commencement Date \_\_\_\_\_ End Date \_\_\_\_\_

\*\*\*Applicant must submit required Certificate of Insurance, Material and Labor Bond

*two weeks prior to the start of construction\*\*\**

Tenant Representative (Signed) \_\_\_\_\_ Date \_\_\_\_\_

**3. INITIAL APPROVALS**

Operations (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

Business & Properties (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

Engineering Department (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

Environmental & Noise (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

Fire Department (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

ICT Department (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

Maintenance Department (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

Safety Department (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

Police & Security (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed  
(Y/N) Comments

**4. FINAL APPROVAL**

Airport Administration (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

INSTRUCTIONS FOR COMPLETING THIS FORM

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

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

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

## PLANS AND SPECIFICATIONS

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

## OTHER REQUIREMENTS INSURANCE REQUIREMENT

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

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

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

## BOND REQUIREMENT

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

## INDEMNIFICATION & DEFENSE AGREEMENT

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

### **PREVAILING WAGES**

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

## SUBLEASE

This SUBLEASE ("Sublease") is entered into as of August 6, 2021 (the "Effective Date"), by and between THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company ("Sublandlord"), and EXTRAORD-N-AIR, INC., a California corporation ("Subtenant").

## RECITALS

Burbank-Glendale-Pasadena Airport Authority, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale, and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord") and Sublandlord, as tenant, entered into the Aviation Hangar Lease dated August 6, 2021 a copy of which is attached hereto as Exhibit A (the "Lease"), for the hangar commonly referred to as Hangar 89 (the "Leased Premises"). Landlord is the owner and operator of the Bob Hope Airport (commonly known as the Hollywood Burbank Airport) located in Burbank, California (the "Airport"). The building constituting the Leased Premises consists of, among other things, approximately 20,800 square feet of hangar space, of which 4,800 square feet is office and shop space.

Subtenant desires to sublet a portion of the Leased Premises as described in Section 1.1 below as the Subleased Premises from Sublandlord on the terms and conditions contained in this Sublease.

NOW, THEREFORE, in consideration of the premises subleased to Subtenant hereunder and the mutual covenants and conditions herein contained, Sublandlord and Subtenant agree as follows:

### 1. Basic Sublease Provisions.

1.1 Subleased Premises. The Subleased Premises is a portion of the Leased Premises that includes the right to use the shop space as depicted on Exhibit B attached hereto, including ingress and egress to the Subleased Premises through such areas of the Leased Premises, which are a part of a complex of hangars, ramp area and an executive terminal and office building, more particularly shown and depicted on Exhibit C attached hereto, known as the "Clybourn Complex," together with the right, in common with others, to use certain of the "Common Use Facilities" of the Airport as set forth in Section 15 of the Lease, upon the terms and subject to the conditions set forth in this Sublease. The Subleased Premises also includes the non-exclusive use of the washroom ("Common Areas"), Unless otherwise provided herein, any statement of size set forth in this Sublease, or that may have been used in calculating the Basic Monthly Rent described in Section 1.3 below, is an approximation which the parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less. Terms and conditions from the Lease incorporated herein that obligate the Tenant shall automatically obligate the Subtenant.

1.2 Sublease Term. The term of this Sublease (the "Sublease Term") shall commence at 12:01 a.m. on September 20, 2021 ("Commencement Date") and continue

thereafter until 11:59 p.m. on September 19, 2026 (the "Expiration Date"), unless earlier terminated pursuant to the provisions herein. Upon the expiration of the Sublease Term, this Sublease shall be a month-to-month subtenancy terminable on thirty (30) days' written notice by either party hereto.

1.3 Basic Monthly Rent. The Basic Monthly Rent is \$1,335.30 per month. Except as otherwise set forth herein, all rent must be paid without demand, deduction, set-off or counter claim, in advance, on the first day of each calendar month during the Sublease Term, and in the event of a partial rental month, rent will be prorated on the basis of a thirty (30) day month. The Basic Monthly Rent shall increase on each anniversary of the Commencement Date in the manner computed pursuant to the terms of Section 3.1.3 of the Lease. All amounts due under this Sublease shall be deemed rent.

1.4 Permitted Use. Subtenant shall use the Subleased Premises for upholstery work and related legal uses. Subtenant shall at all times comply with the permitted uses and restricted uses set forth in Section 4 of the Lease, which are incorporated herein, including, without limitation, Section 4.1.3 (Service, Repair and Fueling), Section 4.3.5 (Air Quality Improvement Plan), Section 4.11 (Non-Discrimination and Affirmative Action), and Section 4.13 (Airport Security), as well as Section 19 (Compliance with Environmental Laws). Subtenant shall not do anything on the Subleased Premises that would unreasonably interfere with Sublandlord's use of the Leased Premises or the business conducted thereon by Sublandlord.

1.5 Early Termination.

(a) Subtenant has the right to terminate this Sublease on six (6) months' prior written notice to Sublandlord.

(b) Pursuant to Section 2.3.1 of the Lease, Sublandlord has the right to terminate the Lease on six (6) months' prior written notice to Landlord. In the event Sublandlord exercises this right to terminate the Lease, Sublandlord shall provide written notice of the same to Subtenant and this Sublease shall terminate five (5) business days prior to the termination of the Lease.

(c) Pursuant to Section 2.3.2 of the Lease, Landlord has the right to terminate the Lease on six (6) month's prior written notice to Sublandlord. In the event Landlord exercises this right to terminate the Lease, Sublandlord shall provide written notice of the same to Subtenant and this Sublease shall terminate five (5) days prior to the termination of the Lease.

(d) The provisions of this Section 1.5 relating to termination by Landlord or the Sublandlord are contractual and arise from Landlord's unwillingness to enter into a long-term lease of the Leased Premises without the right of termination provided in the Lease. Subtenant acknowledges that under these circumstances, including those in the preceding sentence, such provisions are reasonable and Subtenant is willing to accept Landlord's and Sublandlord's termination rights in order to obtain a longer sublease term. The exercise by Landlord or Sublandlord of their termination right shall not be construed as a taking by Landlord or Sublandlord of any part of the Leased Premises or of Subtenant's rights or leasehold estate under this Sublease, and Subtenant shall not be entitled to payment for any loss of goodwill,



income or other amount measured by Subtenant's loss upon termination or reduction of its business following termination of this Sublease as to the Leased Premises.

1.6 Late Charges. The parties agree that late payments by Subtenant to Sublandlord of Basic Monthly Rent or any other amounts due under this Sublease will cause Sublandlord to incur costs not contemplated by this Sublease, the amount of which is extremely difficult to ascertain. Therefore, the parties agree that if any installment of Basic Monthly Rent or any other amounts due under this Sublease are not received by Sublandlord within five (5) days after due, Subtenant will pay to Sublandlord a late charge equal to ten percent (10%) of the late payment. Interest on any amounts payable by Subtenant under this Sublease shall accrue at the rate of twelve percent (12%) per annum from the date delinquent until paid in full.

1.7 Acceptance of Subleased Premises. Subtenant accepts the Leased Premises as of the Commencement Date in its "as-is" condition existing as of the Commencement Date, without representation or warranty, express or implied, and agrees that the Leased Premises are otherwise in a good and tenantable condition and acknowledges that, except as specifically provided herein, Sublandlord is not otherwise obligated to make any repairs or alterations to the Leased Premises.

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

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

Subtenant acknowledges that no rights, easements or licenses are acquired by Subtenant by implication or otherwise except as expressly set forth herein. Subtenant will, prior to delivery of possession of the Subleased Premises, inspect the Subleased Premises and become thoroughly acquainted with its condition.

Subtenant acknowledges that the taking of possession of the Subleased Premises by Subtenant will be conclusive evidence that the Subleased Premises were in good and satisfactory condition at the time such possession was taken. Subtenant specifically agrees that, except as specifically provided by laws in force as of the date hereof, Sublandlord has no duty to make any disclosures concerning the condition of the Building and the Subleased Premises and/or the fitness of the Building and the Subleased Premises for Subtenant's intended use and

Subtenant expressly waives any duty which Sublandlord might have to make any such disclosures. Subtenant further agrees that, in the event Subtenant subleases all or any portion of the Subleased Premises, Subtenant will indemnify and defend Sublandlord (in accordance with Section 6 hereof) for, from and against any matters which arise as a result of Subtenant's failure to disclose any relevant information about the Building or the Subleased Premises to any subtenant or assignee. Subtenant will comply with all laws and regulations relating to the use or occupancy of the Subleased Premises and to the Common Areas. Subtenant further agrees that all telephone and other communication installation and use requirements will be compatible with the Building and that Subtenant will be solely responsible for all of its telephone and communication installation and usage costs.

1.8 Compliance with Laws, Rules and Regulations.

(a) Subtenant shall, at Subtenant's sole expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements, any noise restrictions and rules of the air authority in effect during the Sublease Term or any part thereof regulating the use and occupancy of the Subleased Premises and the use and operation of any aircraft by Subtenant. Subtenant shall not use or permit the use of the Subleased Premises in any manner that will tend to create waste or a nuisance or in any manner which shall unreasonably disturb other tenants or result in an increase in any insurance premiums carried on the Leased Premises, or any portion thereof. To the extent that Subtenant, as a result of any substances brought onto the Leased Premises by Subtenant or as a result of anything done in, on or about the Leased Premises by Subtenant, causes an increase in any insurance premiums carried on the Leased Premises, Subtenant shall pay the amount by which such insurance premiums have increased. Subtenant shall not cause, maintain or permit any outside storage on or about the Leased Premises.

(b) Notwithstanding the incorporation of Section 4.3.3 of the Lease pursuant to Section 1.4, above, Subtenant hereby acknowledges that Subtenant has read and understands the Burbank-Glendale-Pasadena Airport Authority noise abatement rules as they presently exist, attached to the Lease as Exhibit C. Subtenant shall conduct its business and flight operations, if any, in compliance with the noise abatement rules, as the same may be amended by Landlord from time to time, including, without limitation, any voluntary or mandatory curfew imposed now or in the future by Landlord, consistent with federal law, on flight operations between specified nighttime and morning hours (the "Noise Abatement Rules"). Subtenant shall also conduct its flight operation in accordance with any voluntary noise abatement procedures as may be promulgated by Landlord that are in compliance with federal law. Landlord will give written notice to Sublandlord of any violation of the Noise Abatement Rules by Subtenant and, upon receipt of a written notice from Landlord of any violation of the Noise Abatement Rules by a Subtenant, Sublandlord shall promptly provide a notice of default to the Subtenant (with a copy to Landlord). If Subtenant again violates the Noise Abatement Rules within ninety (90) days of the initial notice from Landlord, or if Subtenant violates the Noise Abatement Rules four (4) times within any twelve (12) month period, upon being notified in writing by Landlord of the occurrence of such repeated violation(s), Tenant shall institute appropriate legal proceedings to terminate the Subtenant's sublease and to evict the Subtenant from the Leased Premises.

(c) Notwithstanding the incorporation of Section 4.11 of the Lease pursuant to Section 1.4, above, Subtenant shall comply with the provisions of Exhibit D attached to the Lease and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Landlord from time to time. In addition, Subtenant shall undertake an affirmative action program, as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal Regulations Part 152, Subpart E. Subtenant agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. Subtenant will require its permitted subtenants, successors and assigns to provide assurances to Subtenant that they similarly will undertake affirmative action programs and that they will require similar assurances from their permitted successors, subtenants and assigns, as required by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

1.9 Parking. Sublandlord shall provide Subtenant no less than the minimum number of parking spaces required by applicable law for use by Subtenant and its employees and customers during the Sublease Term. Such parking spaces shall be located adjacent to the Building on a non-reserved basis and shall be at no additional cost to Subtenant.

1.10 Utility Charges. Subtenant shall pay to Sublandlord fifteen percent (15%) ("Subtenant's Share") of the actual costs of all water, power and other utilities and services, including trash collection, supplied to the Leased Premises ("Utility Charges"). From and after the Commencement Date, Subtenant shall pay to Sublandlord, within fifteen (15) days of Sublandlord's written demand for the same, Subtenant's Share of the Utility Charges. Subtenant may request supporting invoices for Utility Charges and Sublandlord shall deliver copies of the corresponding invoices to Subtenant.

## 2. Demised Premises; Conditions.

2.1 Demised Premises. Sublandlord hereby subleases to Subtenant and Subtenant hereby hires from Sublandlord the Subleased Premises for the Sublease Term, subject to the terms, covenants and conditions set forth herein. Subtenant covenants that, as a material part of the consideration for this Sublease, Subtenant shall keep and perform each and all of such terms, covenants and conditions by it to be kept and performed, and that this Sublease is made upon the condition of such performance.

2.2 Conditions Precedent. The parties' obligations hereunder are expressly conditioned upon the satisfaction of the following conditions precedent; provided, however, that if the Commencement Date occurs prior to the satisfaction of such conditions, Subtenant shall be fully obligated under the terms and conditions of this Sublease, including, without limitation, the indemnity provisions set forth in Section 6 below and the insurance provisions set forth in Section 15 during the period prior to the satisfaction of such conditions or if such conditions are not satisfied, to the date of failure of such conditions and termination of this Sublease:

(a) Written Consent. If requested by Sublandlord or Landlord, Subtenant agrees to be bound by any terms and conditions of a written consent to this Sublease,

including terms and conditions related to Subtenant's proposed use, and to satisfy any reasonable conditions the Landlord may impose upon Subtenant as a condition to this Sublease.

(b) Authority. If requested by Sublandlord, within ten (10) days after execution of this Sublease, delivery to Sublandlord of (i) if Subtenant is a corporation, certified copies of Subtenant's Articles of Incorporation and Certificate of Good Standing or (ii) if Subtenant is a partnership, such partnership documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's partnership agreement and any state filings establishing the identity and qualification of the partnership to transact business in the location in which the Subleased Premises are located, and the identity and authority of the partners of the partnership, and Sublandlord's approval of such organizational documents, or (iii) if Subtenant is a limited liability company ("LLC"), such LLC documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's operating agreement and any state filings establishing the identity and qualification of the LLC to transact business in the location in which the Subleased Premises are located, and the identity and authority of the members of the LLC, and Sublandlord's approval of such organizational documents.

2.3 Failure of Conditions. The condition precedent specified in Section 2.2(b) runs to the benefit of Sublandlord. The condition precedent specified in Section 2.2(a) runs to the benefit of both parties, unless waived by Sublandlord. If any condition precedent is not satisfied by the date specified in and in accordance with Section 2.2, and the time period for the satisfaction of the condition is not extended or waived in writing by the party or parties to whom the benefit of the condition runs, then the party or parties to whom the benefit of the condition runs shall have the right to terminate this Sublease in writing within ten (10) days following the date specified in Section 2.2 and neither Sublandlord nor Subtenant shall have any further obligations hereunder (except for Subtenant's indemnity obligations hereunder).

### 3. Lease.

3.1 Termination of Lease. If the Lease terminates under the specific provisions under the Lease, this Sublease will terminate, unless Landlord elects to accept this Sublease as a direct lease between Landlord and Subtenant, and the parties will be relieved from all liabilities and obligations under this Sublease excepting obligations which have accrued as of the date of termination; except that if this Sublease terminates as a result of a default by one of the parties under this Sublease or by Sublandlord under the Lease, the defaulting party will be liable to the non-defaulting party for all damage suffered by the non-defaulting party as a result of the termination.

### 4. Covenant of Quiet Enjoyment; Access to Subleased Premises.

(a) Subject to this Sublease terminating in the event the Lease is terminated, if Subtenant performs all the provisions in this Sublease to be performed by Subtenant, Subtenant will have and enjoy throughout the Sublease Term the quiet and undisturbed possession of the Subleased Premises.

(b) Sublandlord and Sublandlord's agents shall have the right to enter the Subleased Premises at reasonable times for the purpose of inspecting the Subleased Premises,

showing the Subleased Premises to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Subleased Premises or to the Building of which they are a part as Sublandlord may deem necessary or desirable or which are required by this Sublease or the Lease. Sublandlord shall retain a key to all locked portions of the Subleased Premises (except vaults and locked file or storage cabinets) at all times. Subtenant may not change locks upon the Subleased Premises without Sublandlord's prior written consent.

5. Hazardous Substances. Without limiting any of the other provisions of this Sublease, Subtenant shall at all times, at its own cost and expense, keep and maintain the Subleased Premises in compliance with, and shall not cause or permit the Subleased Premises or any portion thereof to be in violation of, all applicable laws, ordinances, or regulations of, or precautions mandated or advised by, any federal, state, county, or local governmental agency, body, or entity now or hereinafter in effect, with respect to the use, handling, treatment, storage, transportation, disposal, emissions, discharges or releases of "Hazardous & Toxic Substances" (as defined herein) or otherwise relating to the protection of the environment or industrial hygiene (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) (all such requirements being hereinafter referred to as the "Environmental Requirements"). As used herein, the term "Hazardous & Toxic Substances" shall mean any substance, material, waste, contaminant or pollutant determined by any federal, state, county, or local governmental agency, body, or entity pursuant to any of the Environmental Requirements to be hazardous, toxic, infectious, radioactive, ignitable or flammable, corrosive, persistent or bioaccumulative, explosive, reactive or otherwise dangerous. Subtenant shall immediately notify Sublandlord of its discovery of the presence or release of any Hazardous & Toxic Substances on or about the Subleased Premises which is in violation of any of the Environmental Requirements. Upon such discovery, Subtenant shall promptly take all actions necessary to return the Subleased Premises to the condition existing prior to such contamination, including the preparation of any closure, remedial, monitoring or other required plans ("Restoration"); provided that Subtenant shall not undertake any Restoration without first providing Sublandlord and Landlord with notice thereof and obtaining Sublandlord's and Landlord's approval therefor. Subtenant shall deliver to Sublandlord and Landlord copies of any and all manifests and other documentation related to the removal, storage, treatment, transportation and/or disposal of any Hazardous & Toxic Substances.

6. Indemnity. Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all claims, damages and liability arising from Subtenant's use of the Subleased Premises, or from the conduct of Subtenant's business or from any activity, work or things done or stored by Subtenant, its agents, contractors, employees or invitees in, on or about the Subleased Premises and shall further indemnify, defend and hold harmless Sublandlord from and against any and all claims, damages and liability arising from any breach or default in the performance of any obligation on Subtenant's part to be performed under the terms of this Sublease, including, without limitation, Section 5 dealing with Hazardous & Toxic Substances, or arising from the actions of Subtenant, or any of Subtenant's agents, contractors, employees or invitees. Subtenant, as a material part of the consideration to Sublandlord, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Subleased Premises arising from the actions of Subtenant, or any of Subtenant's agents, contractors, employees or invitees.

7. Attorneys' Fees. If there is any legal action or proceeding between Sublandlord and Subtenant to enforce any provision of this Sublease or to protect or establish any right or remedy of either Sublandlord or Subtenant hereunder, the non-prevailing party to such action or proceeding will pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if the prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorney's fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of the judgment.

8. No Encumbrance. Subtenant will not voluntarily, involuntarily or by operation of law mortgage or otherwise encumber all or any part of Subtenant's interest in the Sublease or the Subleased Premises.

9. Assignment and Subletting.

9.1 Restriction on Assignment and Subletting. Subtenant shall not voluntarily, involuntarily or by operation of law assign this Sublease or any interest therein and shall not sublet or license the Subleased Premises or any part thereof, or any right or privilege appurtenant thereto, without first obtaining the written consent of Sublandlord and Landlord, which consent shall be at Sublandlord's and Landlord's sole and absolute discretion. The transfer of more than twenty-five percent (25%) partnership interest in Subtenant, if Subtenant is a partnership, or more than twenty-five percent (25%) of the stock of Subtenant, if Subtenant is a corporation, or more than twenty-five percent (25%) membership interest in Subtenant, if Subtenant is an LLC, shall be deemed to be an assignment for purposes of this Section 9.1.

9.2 Consents. Any attempted assignment, subletting, or licensing without Sublandlord's or Landlord's consent will be null and void and of no effect. No permitted assignment or subletting of Subtenant's interest in this Sublease will relieve Subtenant of its obligations to pay the rent or other sum or charge due hereunder and to perform all the other obligations to be performed by Subtenant hereunder. The acceptance of rent by Sublandlord from any other person will not be deemed to be a waiver by Sublandlord of any provision of this Sublease or to be a consent to any subletting or assignment. Consent to one sublease or assignment will not be deemed to constitute consent to any subsequent attempted subletting or assignment.

9.3 Attorneys' Fees. In the event that Sublandlord and Landlord consents to a sublease or assignment, Subtenant shall reimburse Sublandlord and Landlord for their reasonable attorneys' fees incurred in connection with giving such consent.

10. Alterations, Signs and Actions.

10.1 Alterations and Improvements by Subtenant. Subtenant will not make any alterations, additions or improvements to the Subleased Premises ("Alterations") without obtaining the prior written consent of Sublandlord thereto, which Sublandlord may grant or withhold, and to which Sublandlord may impose any conditions, in Sublandlord's sole discretion, and by Landlord in accordance with the Lease. All Alterations must be constructed (i) in a good

and workmanlike manner using materials of a quality comparable to those on the Leased Premises, (ii) in conformance with all relevant codes, regulations and ordinances and (iii) only after necessary permits, licenses and approvals have been obtained by Subtenant from appropriate governmental agencies. All Alterations will be made at Subtenant's sole cost (including all costs relating to the removal of asbestos, if any, in connection with the Alterations) and diligently prosecuted to completion. Any contractor or other person making any Alterations must first be approved in writing by Sublandlord, and Sublandlord may require that all work be performed under Sublandlord's supervision.

10.2 Disposition on Termination. Upon the expiration of the Sublease Term or earlier termination of this Sublease, Subtenant shall promptly remove any or all of the Alterations made by Subtenant pursuant to the requirements set forth in the Lease, in which case Subtenant must, at Subtenant's sole cost, repair and restore the Subleased Premises to their condition as of the Commencement Date, reasonable wear and tear excepted.

11. Removal of Personal Property. All articles of personal property, and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions, if any, owned or installed by Subtenant at its expense in the Subleased Premises will be and remain the property of Subtenant and may be removed by Subtenant at any time, provided that Subtenant, at its sole cost and expense, must repair any damage to the Subleased Premises caused by such removal or by the original installation. Sublandlord may elect to require Subtenant to remove all or any part of Subtenant's personal property at the expiration of the Sublease Term or sooner termination of this Sublease, in which event the removal will be done at Subtenant's sole cost and expense and Subtenant, prior to the end of the Sublease Term or upon sooner termination of this Sublease, will repair any damage to the Subleased Premises caused by its removal.

12. Holding Over. If Subtenant holds over after the expiration of the Sublease Term or earlier termination of this Sublease, with or without the express or implied consent of Sublandlord, then at the option of Sublandlord, Subtenant will become and be only a month-to-month tenant at a rent equal to one hundred and fifty percent (150%) of the rent payable by Subtenant immediately prior to such expiration or termination, and otherwise upon the terms, covenants and conditions herein specified. Notwithstanding any provision to the contrary contained herein, (i) Sublandlord expressly reserves the right to require Subtenant to surrender possession of the Subleased Premises upon the expiration of Sublease Term or upon the earlier termination of this Sublease and the right to assert any remedy at law or in equity to evict Subtenant and/or collect damages in connection with any holding over, and (ii) Subtenant will indemnify, defend and hold Sublandlord harmless from and against any and all liabilities, claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, attorneys' fees (including the allocated costs of Sublandlord's in-house attorneys) incurred or suffered by Sublandlord by reason of Subtenant's failure to surrender the Subleased Premises on the expiration of the Sublease Term or earlier termination of this Sublease.

13. Liens. Subtenant will keep the Subleased Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Subtenant. If a lien is filed, Subtenant will discharge the lien or post a bond within ten (10) days after receiving a request from Sublandlord or Landlord to do so. Sublandlord has the right to post

and keep posted on the Subleased Premises any notices that may be provided by law or which Sublandlord may deem to be proper for the protection of Sublandlord, the Subleased Premises and the Building from such liens.

14. Maintenance and Repairs.

(a) At all times during the Sublease Term, Sublandlord will, at its sole cost, (i) maintain the Subleased Premises and every part thereof and all equipment, and fixtures therein in good condition and repair and (ii) keep the Subleased Premises, including the shop and hangar space, in a clean and orderly condition and, except to the extent Subtenant dirties them or causes disorder therein, any Common Areas clean and orderly. At the end of the Sublease Term, Subtenant will surrender the Subleased Premises in as good condition as when received, reasonable wear and tear excepted.

(b) Subject to the provisions of Section 18 herein, and except for damage caused by a negligent or intentional act or omission by Subtenant, Subtenant's agents, employees or invitees, Sublandlord, at Sublandlord's expense, shall keep in good order, condition and repair (reasonable wear and tear excepted) the structural components of the foundations, exterior walls and the exterior roof of the Subleased Premises.

(c) Sublandlord shall have no obligation to make repairs under this Section 14 until a reasonable time after receipt of written notice from Subtenant of the need for such repairs.

15. Insurance.

15.1 Coverage. At all times during the Sublease Term, Subtenant will, at its sole cost, procure and maintain the following types and amounts of insurance coverage:

(a) commercial general liability insurance against any and all damages and liability, including attorneys' fees on account or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Subleased Premises with at least a single combined liability and property damage limit of \$25,000,000;

(b) aircraft liability with at least a single combined liability and property damage limit of \$25,000,000;

(c) aircraft physical damage (aka "hull insurance") in an amount no less than the fair market value of tenant's aircraft covering any and all risks on ground and in flight including, but not limited to, war, hi-jacking and other perils;

(d) automobile liability insurance covering all owned vehicles, and all non-owned and hired vehicles, written on an occurrence basis in an amount not less than \$2,000,000 combined single limit for each occurrence for bodily injury, death and property damage;

(e) workers' compensation insurance written in accordance with California statutory limits; and



- following:
- (f) employer's liability insurance in amounts not less than the
    - (i) bodily injury by accident - \$2,000,000 - each accident
    - (ii) bodily injury by disease - \$2,000,000 - policy limit
    - (iii) bodily injury by disease - \$2,000,000 - each employee

15.2 Policies. All insurance required to be carried by Subtenant must be in a form satisfactory to Sublandlord and carried with companies reasonably acceptable to Sublandlord. On or before the Commencement Date, Subtenant must provide Sublandlord and Landlord with a certificate of insurance showing Sublandlord, its parent, subsidiaries and affiliates and their respective shareholders, directors, officers, employees, agents and assigns, Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of the Landlord (as those terms are defined in the Lease), endorsed accordingly as additional insureds on all policies of insurance excluding the insurance required under Sections 15.1(e) and (f). All policies shall contain a severability of interests clause, as required under the Lease, and shall stipulate that no insurance held by Sublandlord will be called to contribute to a loss covered thereunder. The certificate and policies must provide for a thirty (30) day written notice to Sublandlord and, by certified mail, return receipt requested, to Landlord in the event of cancellation or material change of coverage. At least fifteen (15) days prior to the expiration date of any of the policies required under Section 15.1, Subtenant must provide Sublandlord and Landlord documentation showing that the insurance coverage has been renewed or extended or that adequate alternate insurance has been obtained.

15.3 Subrogation. Subtenant will obtain from its insurers under all policies of property, public liability, aircraft physical damage, worker's compensation, employer's liability, and other insurance maintained by Subtenant at any time during the Sublease Term insuring or covering the Subleased Premises a waiver of rights of subrogation, in favor of Sublandlord, its parent, subsidiaries and affiliates and their respective shareholders, directors, officers, employees, agents and assigns.

15.4 Primary Coverage. All insurance to be maintained by Subtenant shall be primary, without right of contribution from any insurance maintained by Sublandlord.

15.5 Exemption of Sublandlord from Liability. Subtenant hereby agrees that Sublandlord shall not be liable for injury or damage to Subtenant's business or any loss of income arising therefrom or for damage to the aircraft, goods, wares, merchandise or other property of Subtenant, Subtenant's employees, invitees, customers, or any other person in or about the Subleased Premises, nor shall Sublandlord be liable for injury or damage to the person of Subtenant, Subtenant's employees, agents, contractors or invitees, whether such damage or injury is caused by or results from aircraft crash or collision, explosion, fire, steam, electricity, gas, water or rain, or from the breakage, leakage, or obstruction of pipes, sprinklers, wires, appliances, plumbing, air conditioning or light fixtures, or from any other causes, whether the said damage or injury results from conditions arising upon the Subleased Premises or upon the Leased Premises, or from other sources or places, and regardless of whether the cause of such

damage or injury or the means of repairing the same is inaccessible to Subtenant. Sublandlord shall not be liable for any injury or damage arising from any act or neglect of any other tenant on the Leased Premises. Notwithstanding any provision in the Lease to the contrary, in no event shall Sublandlord be liable to Subtenant for special, incidental, consequential or punitive damages no matter how occurring.

16. Events of Default. If one or more of the following events ("Event of Default") occurs, such occurrence constitutes a breach of this Sublease by Subtenant:

(a) Subtenant abandons or vacates the Subleased Premises; or

(b) Subtenant fails to pay any installment of Basic Monthly Rent or any other sum or charge payable by Subtenant hereunder as and when the same becomes due and payable and such failure continues for more than five (5) days after Sublandlord gives written notice thereof to Subtenant; or

(c) Subtenant fails to perform or observe any other agreement, covenant, condition or provision of this Sublease to be performed or observed by Subtenant as and when performance or observance is due, and such failure continues for more than thirty (30) days after Sublandlord gives written notice thereof to Subtenant, or if the default cannot be cured within said thirty (30) day period, Subtenant fails within said period to commence with due diligence and dispatch the curing of such default within ninety (90) days or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default within ninety (90) days; or

(d) Subtenant (i) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or litigation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (ii) makes an assignment for the benefit of its creditors; (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (iv) takes action for the purpose of any of the foregoing; or

(e) a court or governmental authority of competent jurisdiction, without consent by Subtenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial portion of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Subtenant, or if any such petition is filed against Subtenant and such petition is not dismissed within sixty (60) days; or

(f) this Sublease or any estate of Subtenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within sixty (60) days.

17. Remedies of Sublandlord on Default.

17.1 Termination of Sublease. In the event of any breach of this Sublease by Subtenant, Sublandlord may, at its option, terminate the Sublease and recover from Subtenant:

(a) the worth at the time of award of the unpaid rent which had been earned at the time of termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Subtenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Sublease Term after the time of award exceeds the amount of such rental loss that Subtenant proves could be reasonably avoided;

The term "rent" as used in this Section 17.1 will be deemed to be and to mean all sums of every nature required to be paid by Subtenant pursuant to the terms of this Sublease, whether to Sublandlord or to others. As used in subsections (a) and (b) above, the "worth at the time of the award" will be computed by allowing interest at the maximum annual interest rate allowed by law. As used in subsections (c) above, the "worth at the time of the award" will be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

17.2 Continue Sublease in Effect. Sublandlord will have the remedy described in California Civil Code Section 1951.4 (a lessor may continue lease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Sublandlord does not elect to terminate this Sublease on account of any default by Subtenant, Sublandlord may, from time to time, without terminating this Sublease, enforce all of its rights and remedies under this Sublease, including the right to recover all rent as it becomes due. If the default continues, Sublandlord may, at any time after, elect to terminate the Sublease. Sublandlord will not be deemed to have terminated this Sublease or the liability of Subtenant to pay rent or any other amounts due hereunder by any reentry or by any action in unlawful detainer unless Sublandlord has specifically notified Subtenant in writing that Sublandlord has elected to terminate this Sublease.

18. Damage or Destruction.

18.1 Damage-Insured. Subject to the provisions of Sections 18.3 and 18.4, if the Subleased Premises are damaged and such damage was caused by a casualty covered by the insurance policy maintained by Sublandlord on the Leased Premises, Sublandlord shall at Sublandlord's expense repair such damage as soon as reasonably possible and this Sublease shall continue in full force and effect. Notwithstanding the above, if the insurance proceeds received by Sublandlord are not sufficient to affect such repair, Sublandlord shall have the option either to repair such damage at Sublandlord's sole expense or to cancel and terminate this Sublease by giving written notice to Subtenant of Sublandlord's election to do so within thirty (30) days after the date of the occurrence of such damage.

18.2 Partial Damage-Uninsured. Subject to the provisions of Section 18.4, if at any time during the Sublease Term the Subleased Premises are damaged, except by a negligent or willful act of Subtenant, and such damage was caused by a casualty not covered under

Sublandlord's insurance policy, Sublandlord may at Sublandlord's option either (i) repair such damage as soon as reasonably possible at Sublandlord's expense, in which event this Sublease shall continue in full force and effect, or (ii) give written notice to Subtenant within sixty (60) days after the date of the occurrence of such damage of Sublandlord's intention to cancel and terminate this Sublease. If the uninsured damage was caused by Subtenant's negligent or willful act, Subtenant shall promptly repair such damage at Subtenant's expense.

18.3 Total Destruction, Damage Near End of Sublease Term. If at any time during the Sublease Term the Subleased Premises are subject to substantial destruction from any cause whether or not covered by the insurance maintained by Sublandlord (including any substantial destruction required by any authorized public authority), or if the Subleased Premises are partially destroyed or damaged during the last six (6) months of the Sublease Term, Sublandlord may at Sublandlord's option cancel and terminate this Sublease as of the date of occurrence of such damage by giving written notice to Subtenant of Sublandlord's election to do so within sixty (60) days after the date of occurrence of such damage. As used in this Section 18.3, "substantial" destruction shall mean destruction to the extent that repair or replacement would cost more than fifty percent (50%) of the cost of replacement in the event of total destruction.

18.4 Abatement of Rent; Sublandlord's Repairs. If the Subleased Premises are partially destroyed or damaged and Sublandlord repairs or restores the Subleased Premises pursuant to the provisions of this Section 18.4, the Basic Monthly Rent payable under Section 1.3 for the period during which such damage, repair or restoration continues (but in no event in excess of twelve (12) months) shall be abated in proportion to the degree to which Subtenant's use of the Subleased Premises is impaired. Except for such abatement, if any, Sublandlord shall have no claim against Sublandlord for any damage suffered by reason of any damage, destruction, repair or restoration.

18.5 Termination-Advance Payments. Upon termination of this Sublease pursuant to this Section 18, an equitable adjustment shall be made concerning advance rent and any advance payments made by Subtenant to Sublandlord.

18.6 Waiver. Subtenant waives the provisions of California Civil Code Sections 1932, 1933, and 1941 through 1942, inclusive, and any other statute or law now or hereafter in effect which is contrary to the obligations of Subtenant under this Section 18.6 or relieves Tenant therefrom, relating to termination of leases when the thing leased is destroyed and agrees that any such event shall be governed by the terms of this Sublease, or which places up on Sublandlord obligations to repair or restore the Leased Premises or the improvements within which the Lease Premises are located.

## 19. Condemnation.

19.1 Substantial Taking. Subject to the provisions of Section 19.4 below, in case the whole of the Subleased Premises, or such part thereof as shall substantially interfere with Subtenant's use and occupancy of the Subleased Premises as reasonably determined by Sublandlord and Subtenant, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain,

or sold to prevent such taking (collectively, a "taking"), either party shall have the right to terminate this Sublease effective as of the date possession is required to be surrendered to said authority.

19.2 Partial Taking; Abatement of Rent. In the event of a taking of a portion of the Subleased Premises which does not substantially interfere with the conduct of Subtenant's business or the operation of the Building by Sublandlord, then, except as otherwise provided in the immediately following sentence, neither party shall have the right to terminate this Sublease and Sublandlord shall thereafter proceed to make a functional unit of the remaining portion of the Subleased Premises (but only to the extent Sublandlord receives proceeds therefor from the condemning authority), and rent shall be reduced in proportion to the floor area of the portion of the Subleased Premises that Subtenant is prevented from using bears to the total floor area of the Subleased Premises. Notwithstanding the immediately preceding sentence to the contrary, if any part of the Building or the Leased Premises (excluding the Subleased Premises) shall be taken (whether or not such taking substantially interferes with Subtenant's use of the Subleased Premises), Sublandlord may terminate this Sublease upon thirty (30) days' prior written notice to Subtenant.

19.3 Condemnation Award. Subject to the provisions of Section 19.4 below, in connection with any taking of the Subleased Premises or Building, Sublandlord shall be entitled to receive the entire amount of any award which may be made or given in such taking or condemnation, without deduction or apportionment for any estate or interest of Subtenant, it being expressly understood and agreed by Subtenant that no portion of any such award shall be allowed or paid to Subtenant for any so-called bonus or excess value of this Sublease, and such bonus or excess value shall be the sole property of Sublandlord. Subtenant shall not assert any claim against Sublandlord or the taking authority for any compensation because of such taking (including any claim for bonus or excess value of this Lease); provided, however, if any portion of the Subleased Premises is taken, Subtenant shall be granted the right to recover from the condemning authority (but not from Sublandlord) any compensation as may be separately awarded or recoverable by Subtenant for the taking of Subtenant's furniture, fixtures, equipment and other personal property within the Subleased Premises, for Subtenant's relocation expenses, and for any loss of goodwill or other damage to Subtenant's business by reason of such taking.

19.4 Temporary Taking. In the event of a taking of the Subleased Premises or any part thereof for temporary use, (a) this Sublease shall be and remain unaffected thereby and rent shall not abate, and (b) Subtenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking which is within the Sublease Term. For purpose of this Section 19.4, a temporary taking shall be defined as a taking for a period of sixty (60) days or less.

20. Estoppel Certificates.

20.1 Obligation to Provide. Subtenant will at any time upon not less than ten (10) days' prior written notice from Sublandlord execute, acknowledge and deliver to Sublandlord a statement in writing (i) certifying that this Sublease is unmodified and in full force and effect (or, if modified, slating the nature of such modification and certifying that this Sublease, as so modified, is in full force and effect), the amount of any security deposit, and the

date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Subtenant's knowledge, any uncured defaults on the part of Sublandlord hereunder or of Landlord under the Lease, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer to the Subleased Premises.

20.2 Failure to Provide. At Sublandlord's option, Subtenant's failure to deliver a statement within the time required by Section 20.1 above, will be conclusive upon Subtenant (i) that this Sublease is in full force and effect, without modification except as may be represented by Sublandlord, (ii) that there are no uncured defaults in Sublandlord's performance hereunder or in Landlord's performance under the Lease, and (iii) that not more than one month's rent has been paid in advance, or such failure may be considered by Sublandlord as a material default by Subtenant under this Sublease.

21. Miscellaneous Information.

21.1 Counterparts. This Sublease maybe executed in one (1) or more counterparts, and all of the counterparts shall constitute but one and the same agreement, notwithstanding that all parties hereto are not signatory to the same or original counterpart.

21.2 Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Sublease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Sublease or any amendment or exhibits hereto.

21.3 Notices. Unless five (5) days prior written notice is given in the manner set forth in this Section, the address of each party for all purposes connected with this Sublease shall be as follows:

Sublandlord:

Thornton Aircraft Company, LLC.  
7520 Hayvenhurst Ave.  
Van Nuys, CA 91406  
Attn: Morgan Halvorson

With a copy to:

Nevers, Palazzo, Packard, Wildermuth & Wynner, PC  
31248 Oak Crest Drive, Suite 200  
Westlake Village, CA 91361  
Attn: Kevin Shaw

Subtenant:

Extraord-N-Air, Inc.  
16122 Saticoy Street

Van Nuys, CA 91406

Attn: \_\_\_\_\_

All notices, demands or communications in connection with this Sublease shall be considered received when (i) personally delivered; (ii) if properly addressed and deposited in the mail (registered or certified, return receipt requested, and postage prepaid), on the date shown on the return receipt for acceptance or rejection; or (iii) if sent via national overnight courier service, on the next day after the notice is set. All notices to Landlord under the Lease shall be considered received only when delivered in accordance with the Lease.

21.4 Governing Law. This Sublease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into in California between parties residing in California. Subtenant hereby consents to the personal jurisdiction and venue of any California state court located in the County of Los Angeles and United States District Courts for the Central District of California, and any successor court, and the service of process by any means authorized by such court.

21.5 Exhibits. All exhibits and addenda attached to this Sublease are incorporated herein by this reference and made a part hereof, and any reference in the body of this Sublease or in the exhibits or addenda to this Sublease shall mean this Sublease, together with all exhibits and addenda.

21.6 Sublandlord's Liability. The term "Sublandlord" as used herein shall mean only the owner or owners at the time in question of the fee title or the lessee under the Lease, and in the event of any transfer of such title or interest. Sublandlord shall be relieved from and after the date of such transfer of all liability with respect to the Sublandlord's obligations thereafter to be performed, provided that each successor Sublandlord expressly assumes all obligations of the prior Sublandlord arising under this Sublease after such transfer. The obligations contained in this Sublease to be performed by Sublandlord shall, subject to the foregoing, be binding on Sublandlord's successors and assigns, only during their respective periods of ownership. The liability of any Sublandlord under this Sublease or any amendment to this Sublease, or any instrument or document executed in connection with this Sublease, shall be limited to and enforceable solely against Sublandlord's interest in the Subleased Premises.

21.7 Severability. The invalidity of any provision of this Sublease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

21.8 Time of Essence. Time is of the essence.

21.9 Captions. Section captions are for reference only and do not form a part hereof.

21.10 Incorporation of Prior Agreements; Amendments. This Sublease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Sublease may be modified in writing only, signed by the parties in interest at the time of the modification.

21.11 Waivers. No waiver by a party of any provision hereof shall be deemed a waiver of any other provisions hereof or of any subsequent breach by a party of the same or any other provision. Sublandlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Sublandlord's consent to or approval of any subsequent act by Subtenant. The acceptance of Basic Monthly Rent hereunder by Sublandlord shall not be a waiver of any preceding breach by Subtenant of any provision hereof, other than the failure of Subtenant to pay the Basic Monthly Rent so accepted, regardless of Sublandlord's knowledge of such preceding breach at the time of the acceptance of such rent.

21.12 Recording. Subtenant shall not record this Sublease without Sublandlord's prior written consent, and recordation without such consent shall, at the option of Sublandlord, constitute a non-curable default of Subtenant hereunder. Subtenant shall, upon request of Sublandlord, execute, acknowledge and deliver to Sublandlord a "short form" memorandum of this Sublease for recording purposes.

21.13 Cumulative Remedies. No remedy or election granted or provided to or provided for Sublandlord hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

21.14 Binding Effect. Subject to any provision herein restricting assignment or subletting by Subtenant and subject to the provisions of Section 21.6, this Sublease shall bind the parties, their personal representatives, successors and assigns.

21.15 Subordination.

(a) This Sublease is subject and subordinate in all respects to the Lease and all amendments thereof. This Sublease shall, at Sublandlord's option, also be subject and subordinate to any mortgage, deed of trust, or any other hypothecation for security hereafter placed upon the Sublandlord's interest under the Lease, or any part thereof, and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. If any mortgagee, trustee or ground lessor shall elect to have this Sublease prior to the lien of its mortgage, deed of trust, ground lease, or other hypothecation for security, and shall give written notice thereof to Subtenant, this Sublease shall be deemed prior to such mortgage, deed of trust, ground lease, or other hypothecation, whether this Sublease is dated prior or subsequent to the date of said mortgage, deed of trust, ground lease or other hypothecation or the date of recording thereof. Subtenant represents that it has reviewed the Lease and hereby covenants not to violate the terms of the Lease incorporated into this Sublease.

(b) Subtenant agrees to execute any documents required to effectuate such subordination or to make this Sublease or other hypothecation prior to the lien of any mortgage, deed of trust, ground lease, or other hypothecation, as the case may be. In addition, if any mortgagee, trustee or ground lessor requires any modification or modifications to this Sublease, which modification or modifications shall not cause any increased cost or expense to Subtenant or in any other way materially change the rights or obligations of Subtenant hereunder, then Subtenant hereby agrees to promptly execute whatever documents are required



to complete such modification or modifications and failure to do so within ten (10) days after written demand shall constitute a breach of this Sublease.

21.16 Corporate Authority. If Subtenant is a corporation, each individual executing this Sublease on behalf of said corporation represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of said corporation.

21.17 Force Majeure. Any prevention, delay or stoppage due to strikes, labor disputes, pandemics, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, except for the obligations imposed with regard to Basic Monthly Rent and other charges to be paid by Subtenant pursuant to this Sublease.

21.18 Waiver of Trial by Jury. To the extent permitted by applicable law, the parties hereby waive any and all rights they may have under applicable law to trial by jury with respect to any dispute arising directly or indirectly in connection with this Sublease, the Lease, or the Subleased Premises.

21.19 Brokers. Sublandlord and Subtenant each warrant to the other that no broker or finder can properly claim a right to a commission or a finder's fee based upon contacts between the claimant and Sublandlord or Subtenant in connection with this Sublease. Sublandlord and Subtenant each agree to indemnify and hold the other harmless from any claims or liability, including reasonable attorneys' fees, in connection with a claim by any person for a real estate broker's commission, finder's fee or other compensation based upon any statement, representation or agreement of such party.

22. Confidentiality. Subject to the requirements of applicable law, the parties agree to use their best efforts to maintain at all times as confidential information the terms of this Sublease.

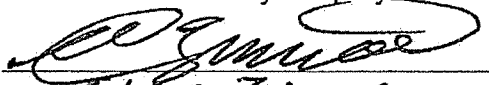
23. Landlord Approval. This Sublease shall be contingent upon Landlord consenting hereto in writing pursuant to a separate written consent required by Landlord.

[SIGNATURES ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first above written.

**SUBLANDLORD**

THORNTON AIRCRAFT COMPANY, LLC,  
a California limited liability company

BY:   
Name: Steve Timmerman  
Its: managing member.

**SUBTENANT**

EXTRAORD-N-AIR, INC.  
a California corporation

BY: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first above written.

**SUBLANDLORD**

THORNTON AIRCRAFT COMPANY, LLC,  
a California limited liability company

BY: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**SUBTENANT**

EXTRAORD-N-AIR, INC.  
a California corporation

BY: Todd Levine  
Name: TODD LEVINE  
Its: VP / Accountable Manager

**Exhibit A**

Master Lease

*[Attach]*

**Exhibit B**

**Depiction of Subtenant's Location of Shop Space Within the Leased Premises**

Subtenant shall have the exclusive use of portion J of the Leased Premises identified on the following diagram.

Subtenant shall have the non-exclusive use of portions M, N and P of the Leased Premises identified on the following diagram.

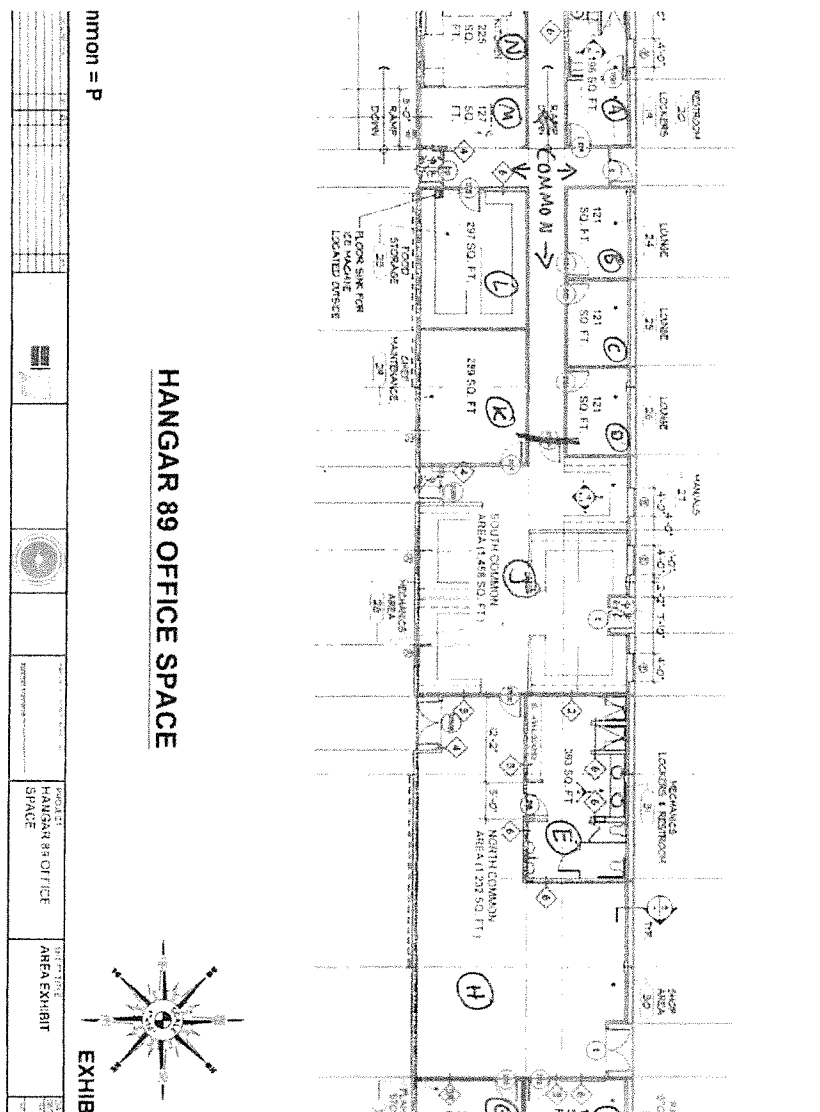


Exhibit B-1

# Exhibit C

Depiction of the Location of the Leased Premises in the Claybourn Complex

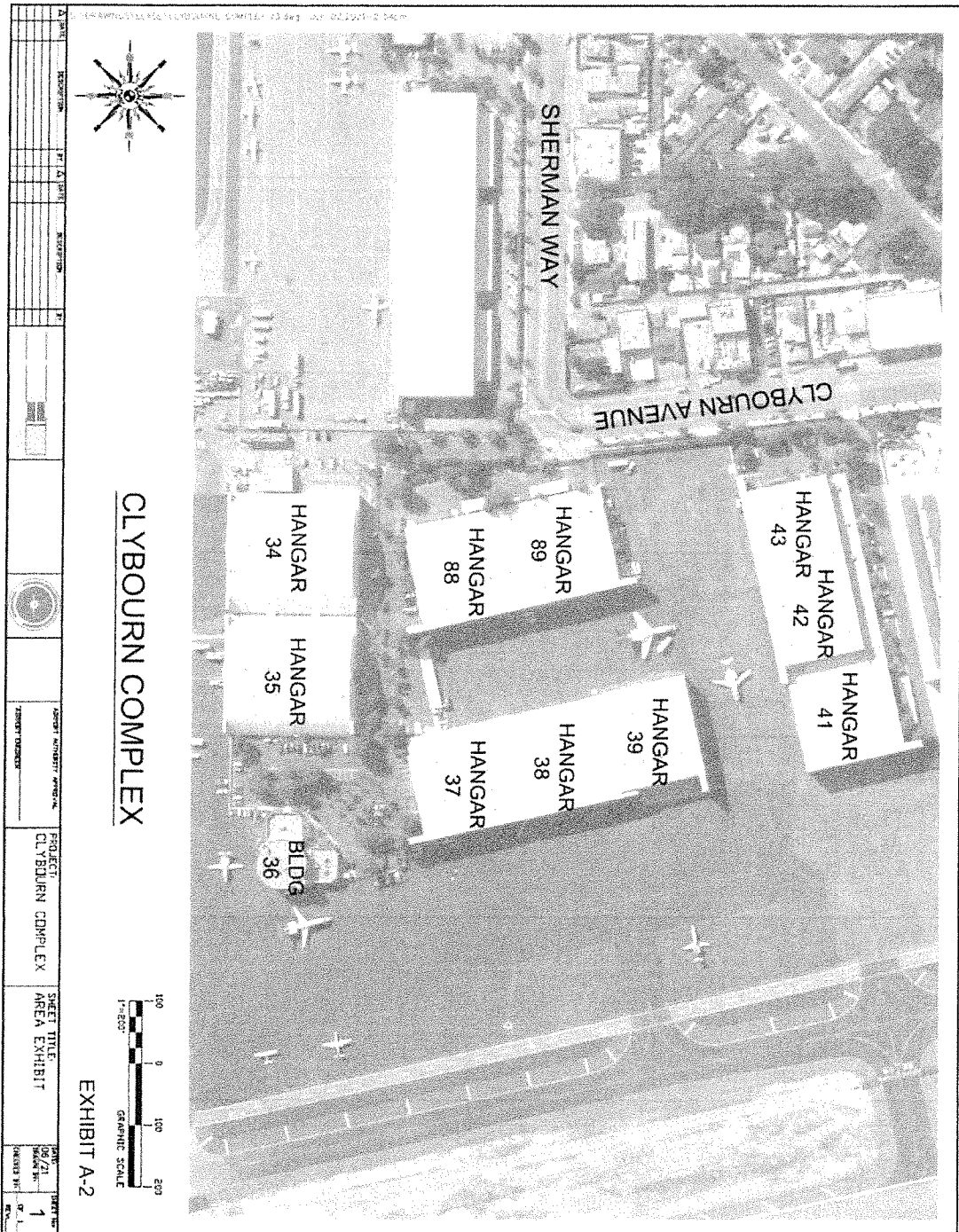


Exhibit C-1

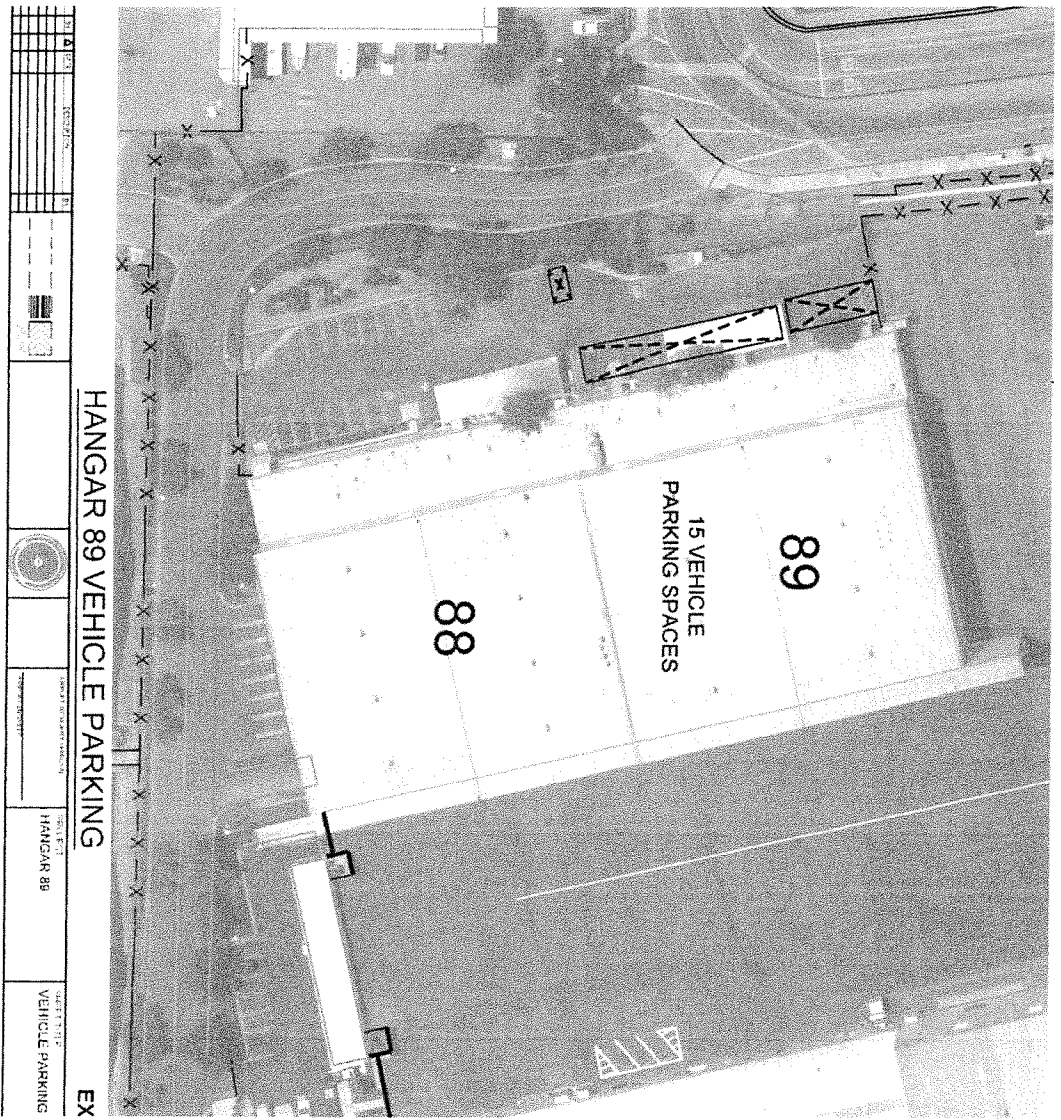


Exhibit C-2

## CONSENT TO SUBLEASE

The Burbank-Glendale-Pasadena Airport Authority (“Landlord”), as landlord under that certain Aviation Hangar Lease dated \_\_\_\_\_, 2021 (the “Lease”), entered into by between Landlord and THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company, as tenant (“Tenant”), **subject to and conditioned upon the following terms and conditions**, hereby grants its consent to the form of that certain Sublease Agreement dated entered into by and between the Tenant, as sublessor, and EXTRAORD-N-AIR, INC., a California corporation, as sublessee (“Sublessee”), a copy of which is attached hereto as Exhibit “A” (the “Sublease”), covering the premises (“Premises”) described in the Sublease. this Consent is being given under the terms of Section 9.2 of the Lease.

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

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

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

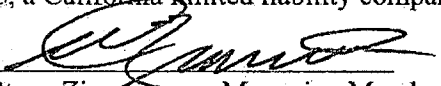


law or in equity for violation of the Lease or otherwise, including, without limitation, the right to enjoin or otherwise restrain any violation of the Lease by Sublessee.

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

**TENANT/SUBLESSOR:**

THORNTON AIRCRAFT COMPANY,  
LLC, a California limited liability company

By:   
Steve Zimmerman, Managing Member

**SUBLESSEE:**

EXTRAORD-N-AIR, INC.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**TENANT/SUBLESSOR:**

THORNTON AIRCRAFT COMPANY,  
LLC, a California limited liability company

By: \_\_\_\_\_  
Steve Zimmerman, Managing Member

**SUBLESSEE:**

EXTRAORD-N-AIR, INC.

By: Todd Levine  
Print Name: TODD LEVINE  
Title: VP / Accountable Manager

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## SUBLEASE

This SUBLEASE ("Sublease") is entered into as of August 6, 2021 (the "Effective Date"), by and between THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company ("Sublandlord"), and LEGACY AIRCRAFT SERVICES, INC., a California corporation ("Subtenant").

## RECITALS

Burbank-Glendale-Pasadena Airport Authority, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale, and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord") and Sublandlord, as tenant, entered into the Aviation Hangar Lease dated August 6, 2021 a copy of which is attached hereto as Exhibit A (the "Lease"), for the hangar commonly referred to as Hangar 89 (the "Leased Premises"). Landlord is the owner and operator of the Bob Hope Airport (commonly known as the Hollywood Burbank Airport) located in Burbank, California (the "Airport"). The building constituting the Leased Premises consists of, among other things, approximately 20,800 square feet of hangar space, of which 4,800 square feet is office and shop space.

Subtenant desires to sublet a portion of the Leased Premises as described in Section 1.1 below as the Subleased Premises from Sublandlord on the terms and conditions contained in this Sublease.

NOW, THEREFORE, in consideration of the premises subleased to Subtenant hereunder and the mutual covenants and conditions herein contained, Sublandlord and Subtenant agree as follows:

### 1. Basic Sublease Provisions.

1.1 Subleased Premises. The Subleased Premises is a portion of the Leased Premises that includes the right to use the shop space as depicted on Exhibit B attached hereto, including ingress and egress to the Subleased Premises through such areas of the Leased Premises, which are a part of a complex of hangars, ramp area and an executive terminal and office building, more particularly shown and depicted on Exhibit C attached hereto, known as the "Clybourn Complex," together with the right, in common with others, to use certain of the "Common Use Facilities" of the Airport as set forth in Section 15 of the Lease, upon the terms and subject to the conditions set forth in this Sublease. The Subleased Premises also includes the non-exclusive use of the washroom ("Common Areas"), Unless otherwise provided herein, any statement of size set forth in this Sublease, or that may have been used in calculating the Basic Monthly Rent described in Section 1.3 below, is an approximation which the parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less. Terms and conditions from the Lease incorporated herein that obligate the Tenant shall automatically obligate the Subtenant.

1.2 Sublease Term. The term of this Sublease (the "Sublease Term") shall commence at 12:01 a.m. on September 20, 2021 ("Commencement Date") and continue

thereafter until 11:59 p.m. on September 19, 2026 (the "Expiration Date"), unless earlier terminated pursuant to the provisions herein. Upon the expiration of the Sublease Term, this Sublease shall be a month-to-month subtenancy terminable on thirty (30) days' written notice by either party hereto.

1.3 Basic Monthly Rent. The Basic Monthly Rent is \$2,433.60 per month. Except as otherwise set forth herein, all rent must be paid without demand, deduction, set-off or counter claim, in advance, on the first day of each calendar month during the Sublease Term, and in the event of a partial rental month, rent will be prorated on the basis of a thirty (30) day month. The Basic Monthly Rent shall increase on each anniversary of the Commencement Date in the manner computed pursuant to the terms of Section 3.1.3 of the Lease. All amounts due under this Sublease shall be deemed rent.

1.4 Permitted Use. Subtenant shall use the Subleased Premises for the assembly of wire harnesses, component overhaul and related legal uses. Subtenant shall at all times comply with the permitted uses and restricted uses set forth in Section 4 of the Lease, which are incorporated herein, including, without limitation, Section 4.1.3 (Service, Repair and Fueling), Section 4.3.5 (Air Quality Improvement Plan), Section 4.11 (Non-Discrimination and Affirmative Action), and Section 4.13 (Airport Security), as well as Section 19 (Compliance with Environmental Laws). Subtenant shall not do anything on the Subleased Premises that would unreasonably interfere with Sublandlord's use of the Leased Premises or the business conducted thereon by Sublandlord.

1.5 Early Termination.

(a) Subtenant has the right to terminate this Sublease on six (6) months' prior written notice to Sublandlord.

(b) Pursuant to Section 2.3.1 of the Lease, Sublandlord has the right to terminate the Lease on six (6) months' prior written notice to Landlord. In the event Sublandlord exercises this right to terminate the Lease, Sublandlord shall provide written notice of the same to Subtenant and this Sublease shall terminate five (5) business days prior to the termination of the Lease.

(c) Pursuant to Section 2.3.2 of the Lease, Landlord has the right to terminate the Lease on six (6) month's prior written notice to Sublandlord. In the event Landlord exercises this right to terminate the Lease, Sublandlord shall provide written notice of the same to Subtenant and this Sublease shall terminate five (5) days prior to the termination of the Lease.

(d) The provisions of this Section 1.5 relating to termination by Landlord or the Sublandlord are contractual and arise from Landlord's unwillingness to enter into a long-term lease of the Leased Premises without the right of termination provided in the Lease. Subtenant acknowledges that under these circumstances, including those in the preceding sentence, such provisions are reasonable and Subtenant is willing to accept Landlord's and Sublandlord's termination rights in order to obtain a longer sublease term. The exercise by Landlord or Sublandlord of their termination right shall not be construed as a taking by Landlord or Sublandlord of any part of the Leased Premises or of Subtenant's rights or leasehold estate

under this Sublease, and Subtenant shall not be entitled to payment for any loss of goodwill, income or other amount measured by Subtenant's loss upon termination or reduction of its business following termination of this Sublease as to the Leased Premises.

1.6 Late Charges. The parties agree that late payments by Subtenant to Sublandlord of Basic Monthly Rent or any other amounts due under this Sublease will cause Sublandlord to incur costs not contemplated by this Sublease, the amount of which is extremely difficult to ascertain. Therefore, the parties agree that if any installment of Basic Monthly Rent or any other amounts due under this Sublease are not received by Sublandlord within five (5) days after due, Subtenant will pay to Sublandlord a late charge equal to ten percent (10%) of the late payment. Interest on any amounts payable by Subtenant under this Sublease shall accrue at the rate of twelve percent (12%) per annum from the date delinquent until paid in full.

1.7 Acceptance of Subleased Premises. Subtenant accepts the Leased Premises as of the Commencement Date in its "as-is" condition existing as of the Commencement Date, without representation or warranty, express or implied, and agrees that the Leased Premises are otherwise in a good and tenantable condition and acknowledges that, except as specifically provided herein, Sublandlord is not otherwise obligated to make any repairs or alterations to the Leased Premises.

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

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

Subtenant acknowledges that no rights, easements or licenses are acquired by Subtenant by implication or otherwise except as expressly set forth herein. Subtenant will, prior to delivery of possession of the Subleased Premises, inspect the Subleased Premises and become thoroughly acquainted with its condition.

Subtenant acknowledges that the taking of possession of the Subleased Premises by Subtenant will be conclusive evidence that the Subleased Premises were in good and satisfactory condition at the time such possession was taken. Subtenant specifically agrees that, except as specifically provided by laws in force as of the date hereof, Sublandlord has no duty to make any disclosures concerning the condition of the Building and the Subleased Premises

and/or the fitness of the Building and the Subleased Premises for Subtenant's intended use and Subtenant expressly waives any duty which Sublandlord might have to make any such disclosures. Subtenant further agrees that, in the event Subtenant subleases all or any portion of the Subleased Premises, Subtenant will indemnify and defend Sublandlord (in accordance with Section 6 hereof) for, from and against any matters which arise as a result of Subtenant's failure to disclose any relevant information about the Building or the Subleased Premises to any subtenant or assignee. Subtenant will comply with all laws and regulations relating to the use or occupancy of the Subleased Premises and to the Common Areas. Subtenant further agrees that all telephone and other communication installation and use requirements will be compatible with the Building and that Subtenant will be solely responsible for all of its telephone and communication installation and usage costs.

1.8 Compliance with Laws, Rules and Regulations.

(a) Subtenant shall, at Subtenant's sole expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements, any noise restrictions and rules of the air authority in effect during the Sublease Term or any part thereof regulating the use and occupancy of the Subleased Premises and the use and operation of any aircraft by Subtenant. Subtenant shall not use or permit the use of the Subleased Premises in any manner that will tend to create waste or a nuisance or in any manner which shall unreasonably disturb other tenants or result in an increase in any insurance premiums carried on the Leased Premises, or any portion thereof. To the extent that Subtenant, as a result of any substances brought onto the Leased Premises by Subtenant or as a result of anything done in, on or about the Leased Premises by Subtenant, causes an increase in any insurance premiums carried on the Leased Premises, Subtenant shall pay the amount by which such insurance premiums have increased. Subtenant shall not cause, maintain or permit any outside storage on or about the Leased Premises.

(b) Notwithstanding the incorporation of Section 4.3.3 of the Lease pursuant to Section 1.4, above, Subtenant hereby acknowledges that Subtenant has read and understands the Burbank-Glendale-Pasadena Airport Authority noise abatement rules as they presently exist, attached to the Lease as Exhibit C. Subtenant shall conduct its business and flight operations, if any, in compliance with the noise abatement rules, as the same may be amended by Landlord from time to time, including, without limitation, any voluntary or mandatory curfew imposed now or in the future by Landlord, consistent with federal law, on flight operations between specified nighttime and morning hours (the "Noise Abatement Rules"). Subtenant shall also conduct its flight operation in accordance with any voluntary noise abatement procedures as may be promulgated by Landlord that are in compliance with federal law. Landlord will give written notice to Sublandlord of any violation of the Noise Abatement Rules by Subtenant and, upon receipt of a written notice from Landlord of any violation of the Noise Abatement Rules by a Subtenant, Sublandlord shall promptly provide a notice of default to the Subtenant (with a copy to Landlord). If Subtenant again violates the Noise Abatement Rules within ninety (90) days of the initial notice from Landlord, or if Subtenant violates the Noise Abatement Rules four (4) times within any twelve (12) month period, upon being notified in writing by Landlord of the occurrence of such repeated violation(s), Tenant shall institute appropriate legal proceedings to terminate the Subtenant's sublease and to evict the Subtenant from the Leased Premises.

(c) Notwithstanding the incorporation of Section 4.11 of the Lease pursuant to Section 1.4, above, Subtenant shall comply with the provisions of Exhibit D attached to the Lease and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Landlord from time to time. In addition, Subtenant shall undertake an affirmative action program, as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal Regulations Part 152, Subpart E. Subtenant agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. Subtenant will require its permitted subtenants, successors and assigns to provide assurances to Subtenant that they similarly will undertake affirmative action programs and that they will require similar assurances from their permitted successors, subtenants and assigns, as required by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

1.9 Parking. Sublandlord shall provide Subtenant no less than the minimum number of parking spaces required by applicable law for use by Subtenant and its employees and customers during the Sublease Term. Such parking spaces shall be located adjacent to the Building on a non-reserved basis and shall be at no additional cost to Subtenant.

1.10 Utility Charges. Subtenant shall pay to Sublandlord fifteen percent (15%) ("Subtenant's Share") of the actual costs of all water, power and other utilities and services, including trash collection, supplied to the Leased Premises ("Utility Charges"). From and after the Commencement Date, Subtenant shall pay to Sublandlord, within fifteen (15) days of Sublandlord's written demand for the same, Subtenant's Share of the Utility Charges. Subtenant may request supporting invoices for Utility Charges and Sublandlord shall deliver copies of the corresponding invoices to Subtenant.

## 2. Demised Premises; Conditions.

2.1 Demised Premises. Sublandlord hereby subleases to Subtenant and Subtenant hereby hires from Sublandlord the Subleased Premises for the Sublease Term, subject to the terms, covenants and conditions set forth herein. Subtenant covenants that, as a material part of the consideration for this Sublease, Subtenant shall keep and perform each and all of such terms, covenants and conditions by it to be kept and performed, and that this Sublease is made upon the condition of such performance.

2.2 Conditions Precedent. The parties' obligations hereunder are expressly conditioned upon the satisfaction of the following conditions precedent; provided, however, that if the Commencement Date occurs prior to the satisfaction of such conditions, Subtenant shall be fully obligated under the terms and conditions of this Sublease, including, without limitation, the indemnity provisions set forth in Section 6 below and the insurance provisions set forth in Section 15 during the period prior to the satisfaction of such conditions or if such conditions are not satisfied, to the date of failure of such conditions and termination of this Sublease:

(a) Written Consent. If requested by Sublandlord or Landlord, Subtenant agrees to be bound by any terms and conditions of a written consent to this Sublease,

including terms and conditions related to Subtenant's proposed use, and to satisfy any reasonable conditions the Landlord may impose upon Subtenant as a condition to this Sublease.

(b) Authority. If requested by Sublandlord, within ten (10) days after execution of this Sublease, delivery to Sublandlord of (i) if Subtenant is a corporation, certified copies of Subtenant's Articles of Incorporation and Certificate of Good Standing or (ii) if Subtenant is a partnership, such partnership documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's partnership agreement and any state filings establishing the identity and qualification of the partnership to transact business in the location in which the Subleased Premises are located, and the identity and authority of the partners of the partnership, and Sublandlord's approval of such organizational documents, or (iii) if Subtenant is a limited liability company ("LLC"), such LLC documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's operating agreement and any state filings establishing the identity and qualification of the LLC to transact business in the location in which the Subleased Premises are located, and the identity and authority of the members of the LLC, and Sublandlord's approval of such organizational documents.

2.3 Failure of Conditions. The condition precedent specified in Section 2.2(b) runs to the benefit of Sublandlord. The condition precedent specified in Section 2.2(a) runs to the benefit of both parties, unless waived by Sublandlord. If any condition precedent is not satisfied by the date specified in and in accordance with Section 2.2, and the time period for the satisfaction of the condition is not extended or waived in writing by the party or parties to whom the benefit of the condition runs, then the party or parties to whom the benefit of the condition runs shall have the right to terminate this Sublease in writing within ten (10) days following the date specified in Section 2.2 and neither Sublandlord nor Subtenant shall have any further obligations hereunder (except for Subtenant's indemnity obligations hereunder).

### 3. Lease.

3.1 Termination of Lease. If the Lease terminates under the specific provisions under the Lease, this Sublease will terminate, unless Landlord elects to accept this Sublease as a direct lease between Landlord and Subtenant, and the parties will be relieved from all liabilities and obligations under this Sublease excepting obligations which have accrued as of the date of termination; except that if this Sublease terminates as a result of a default by one of the parties under this Sublease or by Sublandlord under the Lease, the defaulting party will be liable to the non-defaulting party for all damage suffered by the non-defaulting party as a result of the termination.

### 4. Covenant of Quiet Enjoyment; Access to Subleased Premises.

(a) Subject to this Sublease terminating in the event the Lease is terminated, if Subtenant performs all the provisions in this Sublease to be performed by Subtenant, Subtenant will have and enjoy throughout the Sublease Term the quiet and undisturbed possession of the Subleased Premises.

(b) Sublandlord and Sublandlord's agents shall have the right to enter the Subleased Premises at reasonable times for the purpose of inspecting the Subleased Premises,



showing the Subleased Premises to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Subleased Premises or to the Building of which they are a part as Sublandlord may deem necessary or desirable or which are required by this Sublease or the Lease. Sublandlord shall retain a key to all locked portions of the Subleased Premises (except vaults and locked file or storage cabinets) at all times. Subtenant may not change locks upon the Subleased Premises without Sublandlord's prior written consent.

5. Hazardous Substances. Without limiting any of the other provisions of this Sublease, Subtenant shall at all times, at its own cost and expense, keep and maintain the Subleased Premises in compliance with, and shall not cause or permit the Subleased Premises or any portion thereof to be in violation of, all applicable laws, ordinances, or regulations of, or precautions mandated or advised by, any federal, state, county, or local governmental agency, body, or entity now or hereinafter in effect, with respect to the use, handling, treatment, storage, transportation, disposal, emissions, discharges or releases of "Hazardous & Toxic Substances" (as defined herein) or otherwise relating to the protection of the environment or industrial hygiene (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) (all such requirements being hereinafter referred to as the "Environmental Requirements"). As used herein, the term "Hazardous & Toxic Substances" shall mean any substance, material, waste, contaminant or pollutant determined by any federal, state, county, or local governmental agency, body, or entity pursuant to any of the Environmental Requirements to be hazardous, toxic, infectious, radioactive, ignitable or flammable, corrosive, persistent or bioaccumulative, explosive, reactive or otherwise dangerous. Subtenant shall immediately notify Sublandlord of its discovery of the presence or release of any Hazardous & Toxic Substances on or about the Subleased Premises which is in violation of any of the Environmental Requirements. Upon such discovery, Subtenant shall promptly take all actions necessary to return the Subleased Premises to the condition existing prior to such contamination, including the preparation of any closure, remedial, monitoring or other required plans ("Restoration"); provided that Subtenant shall not undertake any Restoration without first providing Sublandlord and Landlord with notice thereof and obtaining Sublandlord's and Landlord's approval therefor. Subtenant shall deliver to Sublandlord and Landlord copies of any and all manifests and other documentation related to the removal, storage, treatment, transportation and/or disposal of any Hazardous & Toxic Substances.

6. Indemnity. Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all claims, damages and liability arising from Subtenant's use of the Subleased Premises, or from the conduct of Subtenant's business or from any activity, work or things done or stored by Subtenant, its agents, contractors, employees or invitees in, on or about the Subleased Premises and shall further indemnify, defend and hold harmless Sublandlord from and against any and all claims, damages and liability arising from any breach or default in the performance of any obligation on Subtenant's part to be performed under the terms of this Sublease, including, without limitation, Section 5 dealing with Hazardous & Toxic Substances, or arising from the actions of Subtenant, or any of Subtenant's agents, contractors, employees or invitees. Subtenant, as a material part of the consideration to Sublandlord, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Subleased Premises arising from the actions of Subtenant, or any of Subtenant's agents, contractors, employees or invitees.

7. Attorneys' Fees. If there is any legal action or proceeding between Sublandlord and Subtenant to enforce any provision of this Sublease or to protect or establish any right or remedy of either Sublandlord or Subtenant hereunder, the non-prevailing party to such action or proceeding will pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if the prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorney's fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of the judgment.

8. No Encumbrance. Subtenant will not voluntarily, involuntarily or by operation of law mortgage or otherwise encumber all or any part of Subtenant's interest in the Sublease or the Subleased Premises.

9. Assignment and Subletting.

9.1 Restriction on Assignment and Subletting. Subtenant shall not voluntarily, involuntarily or by operation of law assign this Sublease or any interest therein and shall not sublet or license the Subleased Premises or any part thereof, or any right or privilege appurtenant thereto, without first obtaining the written consent of Sublandlord and Landlord, which consent shall be at Sublandlord's and Landlord's sole and absolute discretion. The transfer of more than twenty-five percent (25%) partnership interest in Subtenant, if Subtenant is a partnership, or more than twenty-five percent (25%) of the stock of Subtenant, if Subtenant is a corporation, or more than twenty-five percent (25%) membership interest in Subtenant, if Subtenant is an LLC, shall be deemed to be an assignment for purposes of this Section 9.1.

9.2 Consents. Any attempted assignment, subletting, or licensing without Sublandlord's or Landlord's consent will be null and void and of no effect. No permitted assignment or subletting of Subtenant's interest in this Sublease will relieve Subtenant of its obligations to pay the rent or other sum or charge due hereunder and to perform all the other obligations to be performed by Subtenant hereunder. The acceptance of rent by Sublandlord from any other person will not be deemed to be a waiver by Sublandlord of any provision of this Sublease or to be a consent to any subletting or assignment. Consent to one sublease or assignment will not be deemed to constitute consent to any subsequent attempted subletting or assignment.

9.3 Attorneys' Fees. In the event that Sublandlord and Landlord consents to a sublease or assignment, Subtenant shall reimburse Sublandlord and Landlord for their reasonable attorneys' fees incurred in connection with giving such consent.

10. Alterations, Signs and Actions.

10.1 Alterations and Improvements by Subtenant. Subtenant will not make any alterations, additions or improvements to the Subleased Premises ("Alterations") without obtaining the prior written consent of Sublandlord thereto, which Sublandlord may grant or withhold, and to which Sublandlord may impose any conditions, in Sublandlord's sole discretion, and by Landlord in accordance with the Lease. All Alterations must be constructed (i) in a good

and workmanlike manner using materials of a quality comparable to those on the Leased Premises, (ii) in conformance with all relevant codes, regulations and ordinances and (iii) only after necessary permits, licenses and approvals have been obtained by Subtenant from appropriate governmental agencies. All Alterations will be made at Subtenant's sole cost (including all costs relating to the removal of asbestos, if any, in connection with the Alterations) and diligently prosecuted to completion. Any contractor or other person making any Alterations must first be approved in writing by Sublandlord, and Sublandlord may require that all work be performed under Sublandlord's supervision.

10.2 Disposition on Termination. Upon the expiration of the Sublease Term or earlier termination of this Sublease, Subtenant shall promptly remove any or all of the Alterations made by Subtenant pursuant to the requirements set forth in the Lease, in which case Subtenant must, at Subtenant's sole cost, repair and restore the Subleased Premises to their condition as of the Commencement Date, reasonable wear and tear excepted.

11. Removal of Personal Property. All articles of personal property, and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions, if any, owned or installed by Subtenant at its expense in the Subleased Premises will be and remain the property of Subtenant and may be removed by Subtenant at any time, provided that Subtenant, at its sole cost and expense, must repair any damage to the Subleased Premises caused by such removal or by the original installation. Sublandlord may elect to require Subtenant to remove all or any part of Subtenant's personal property at the expiration of the Sublease Term or sooner termination of this Sublease, in which event the removal will be done at Subtenant's sole cost and expense and Subtenant, prior to the end of the Sublease Term or upon sooner termination of this Sublease, will repair any damage to the Subleased Premises caused by its removal.

12. Holding Over. If Subtenant holds over after the expiration of the Sublease Term or earlier termination of this Sublease, with or without the express or implied consent of Sublandlord, then at the option of Sublandlord, Subtenant will become and be only a month-to-month tenant at a rent equal to one hundred and fifty percent (150%) of the rent payable by Subtenant immediately prior to such expiration or termination, and otherwise upon the terms, covenants and conditions herein specified. Notwithstanding any provision to the contrary contained herein, (i) Sublandlord expressly reserves the right to require Subtenant to surrender possession of the Subleased Premises upon the expiration of Sublease Term or upon the earlier termination of this Sublease and the right to assert any remedy at law or in equity to evict Subtenant and/or collect damages in connection with any holding over, and (ii) Subtenant will indemnify, defend and hold Sublandlord harmless from and against any and all liabilities, claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, attorneys' fees (including the allocated costs of Sublandlord's in-house attorneys) incurred or suffered by Sublandlord by reason of Subtenant's failure to surrender the Subleased Premises on the expiration of the Sublease Term or earlier termination of this Sublease.

13. Liens. Subtenant will keep the Subleased Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Subtenant. If a lien is filed, Subtenant will discharge the lien or post a bond within ten (10) days after receiving a request from Sublandlord or Landlord to do so. Sublandlord has the right to post

and keep posted on the Subleased Premises any notices that may be provided by law or which Sublandlord may deem to be proper for the protection of Sublandlord, the Subleased Premises and the Building from such liens.

14. Maintenance and Repairs.

(a) At all times during the Sublease Term, Sublandlord will, at its sole cost, (i) maintain the Subleased Premises and every part thereof and all equipment, and fixtures therein in good condition and repair and (ii) keep the Subleased Premises, including the shop and hangar space, in a clean and orderly condition and, except to the extent Subtenant dirties them or causes disorder therein, any Common Areas clean and orderly. At the end of the Sublease Term, Subtenant will surrender the Subleased Premises in as good condition as when received, reasonable wear and tear excepted.

(b) Subject to the provisions of Section 18 herein, and except for damage caused by a negligent or intentional act or omission by Subtenant, Subtenant's agents, employees or invitees, Sublandlord, at Sublandlord's expense, shall keep in good order, condition and repair (reasonable wear and tear excepted) the structural components of the foundations, exterior walls and the exterior roof of the Subleased Premises.

(c) Sublandlord shall have no obligation to make repairs under this Section 14 until a reasonable time after receipt of written notice from Subtenant of the need for such repairs.

15. Insurance.

15.1 Coverage. At all times during the Sublease Term, Subtenant will, at its sole cost, procure and maintain the following types and amounts of insurance coverage:

(a) commercial general liability insurance against any and all damages and liability, including attorneys' fees on account or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Subleased Premises with at least a single combined liability and property damage limit of \$25,000,000;

(b) aircraft liability with at least a single combined liability and property damage limit of \$25,000,000;

(c) aircraft physical damage (aka "hull insurance") in an amount no less than the fair market value of tenant's aircraft covering any and all risks on ground and in flight including, but not limited to, war, hi-jacking and other perils;

(d) automobile liability insurance covering all owned vehicles, and all non-owned and hired vehicles, written on an occurrence basis in an amount not less than \$2,000,000 combined single limit for each occurrence for bodily injury, death and property damage;

(e) workers' compensation insurance written in accordance with California statutory limits; and

(f) employer's liability insurance in amounts not less than the following:

- (i) bodily injury by accident - \$2,000,000 - each accident
- (ii) bodily injury by disease - \$2,000,000 - policy limit
- (iii) bodily injury by disease - \$2,000,000 - each employee

15.2 Policies. All insurance required to be carried by Subtenant must be in a form satisfactory to Sublandlord and carried with companies reasonably acceptable to Sublandlord. On or before the Commencement Date, Subtenant must provide Sublandlord and Landlord with a certificate of insurance showing Sublandlord, its parent, subsidiaries and affiliates and their respective shareholders, directors, officers, employees, agents and assigns, Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of the Landlord (as those terms are defined in the Lease), endorsed accordingly as additional insureds on all policies of insurance excluding the insurance required under Sections 15.1(e) and (f). All policies shall contain a severability of interests clause, as required under the Lease, and shall stipulate that no insurance held by Sublandlord will be called to contribute to a loss covered thereunder. The certificate and policies must provide for a thirty (30) day written notice to Sublandlord and, by certified mail, return receipt requested, to Landlord in the event of cancellation or material change of coverage. At least fifteen (15) days prior to the expiration date of any of the policies required under Section 15.1, Subtenant must provide Sublandlord and Landlord documentation showing that the insurance coverage has been renewed or extended or that adequate alternate insurance has been obtained.

15.3 Subrogation. Subtenant will obtain from its insurers under all policies of property, public liability, aircraft physical damage, worker's compensation, employer's liability, and other insurance maintained by Subtenant at any time during the Sublease Term insuring or covering the Subleased Premises a waiver of rights of subrogation, in favor of Sublandlord, its parent, subsidiaries and affiliates and their respective shareholders, directors, officers, employees, agents and assigns.

15.4 Primary Coverage. All insurance to be maintained by Subtenant shall be primary, without right of contribution from any insurance maintained by Sublandlord.

15.5 Exemption of Sublandlord from Liability. Subtenant hereby agrees that Sublandlord shall not be liable for injury or damage to Subtenant's business or any loss of income arising therefrom or for damage to the aircraft, goods, wares, merchandise or other property of Subtenant, Subtenant's employees, invitees, customers, or any other person in or about the Subleased Premises, nor shall Sublandlord be liable for injury or damage to the person of Subtenant, Subtenant's employees, agents, contractors or invitees, whether such damage or injury is caused by or results from aircraft crash or collision, explosion, fire, steam, electricity, gas, water or rain, or from the breakage, leakage, or obstruction of pipes, sprinklers, wires, appliances, plumbing, air conditioning or light fixtures, or from any other causes, whether the said damage or injury results from conditions arising upon the Subleased Premises or upon the Leased Premises, or from other sources or places, and regardless of whether the cause of such

damage or injury or the means of repairing the same is inaccessible to Subtenant. Sublandlord shall not be liable for any injury or damage arising from any act or neglect of any other tenant on the Leased Premises. Notwithstanding any provision in the Lease to the contrary, in no event shall Sublandlord be liable to Subtenant for special, incidental, consequential or punitive damages no matter how occurring.

16. Events of Default. If one or more of the following events ("Event of Default") occurs, such occurrence constitutes a breach of this Sublease by Subtenant:

- (a) Subtenant abandons or vacates the Subleased Premises; or
- (b) Subtenant fails to pay any installment of Basic Monthly Rent or any other sum or charge payable by Subtenant hereunder as and when the same becomes due and payable and such failure continues for more than five (5) days after Sublandlord gives written notice thereof to Subtenant; or
- (c) Subtenant fails to perform or observe any other agreement, covenant, condition or provision of this Sublease to be performed or observed by Subtenant as and when performance or observance is due, and such failure continues for more than thirty (30) days after Sublandlord gives written notice thereof to Subtenant, or if the default cannot be cured within said thirty (30) day period, Subtenant fails within said period to commence with due diligence and dispatch the curing of such default within ninety (90) days or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default within ninety (90) days; or
- (d) Subtenant (i) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or litigation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (ii) makes an assignment for the benefit of its creditors; (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (iv) takes action for the purpose of any of the foregoing; or
- (e) a court or governmental authority of competent jurisdiction, without consent by Subtenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial portion of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Subtenant, or if any such petition is filed against Subtenant and such petition is not dismissed within sixty (60) days; or
- (f) this Sublease or any estate of Subtenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within sixty (60) days.

17. Remedies of Sublandlord on Default.

17.1 Termination of Sublease. In the event of any breach of this Sublease by Subtenant, Sublandlord may, at its option, terminate the Sublease and recover from Subtenant:

(a) the worth at the time of award of the unpaid rent which had been earned at the time of termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Subtenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Sublease Term after the time of award exceeds the amount of such rental loss that Subtenant proves could be reasonably avoided;

The term "rent" as used in this Section 17.1 will be deemed to be and to mean all sums of every nature required to be paid by Subtenant pursuant to the terms of this Sublease, whether to Sublandlord or to others. As used in subsections (a) and (b) above, the "worth at the time of the award" will be computed by allowing interest at the maximum annual interest rate allowed by law. As used in subsections (c) above, the "worth at the time of the award" will be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

17.2 Continue Sublease in Effect. Sublandlord will have the remedy described in California Civil Code Section 1951.4 (a lessor may continue lease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Sublandlord does not elect to terminate this Sublease on account of any default by Subtenant, Sublandlord may, from time to time, without terminating this Sublease, enforce all of its rights and remedies under this Sublease, including the right to recover all rent as it becomes due. If the default continues, Sublandlord may, at any time after, elect to terminate the Sublease. Sublandlord will not be deemed to have terminated this Sublease or the liability of Subtenant to pay rent or any other amounts due hereunder by any reentry or by any action in unlawful detainer unless Sublandlord has specifically notified Subtenant in writing that Sublandlord has elected to terminate this Sublease.

18. Damage or Destruction.

18.1 Damage-Insured. Subject to the provisions of Sections 18.3 and 18.4, if the Subleased Premises are damaged and such damage was caused by a casualty covered by the insurance policy maintained by Sublandlord on the Leased Premises, Sublandlord shall at Sublandlord's expense repair such damage as soon as reasonably possible and this Sublease shall continue in full force and effect. Notwithstanding the above, if the insurance proceeds received by Sublandlord are not sufficient to affect such repair, Sublandlord shall have the option either to repair such damage at Sublandlord's sole expense or to cancel and terminate this Sublease by giving written notice to Subtenant of Sublandlord's election to do so within thirty (30) days after the date of the occurrence of such damage.

18.2 Partial Damage-Uninsured. Subject to the provisions of Section 18.4, if at any time during the Sublease Term the Subleased Premises are damaged, except by a negligent or willful act of Subtenant, and such damage was caused by a casualty not covered under

Sublandlord's insurance policy, Sublandlord may at Sublandlord's option either (i) repair such damage as soon as reasonably possible at Sublandlord's expense, in which event this Sublease shall continue in full force and effect, or (ii) give written notice to Subtenant within sixty (60) days after the date of the occurrence of such damage of Sublandlord's intention to cancel and terminate this Sublease. If the uninsured damage was caused by Subtenant's negligent or willful act, Subtenant shall promptly repair such damage at Subtenant's expense.

18.3 Total Destruction, Damage Near End of Sublease Term. If at any time during the Sublease Term the Subleased Premises are subject to substantial destruction from any cause whether or not covered by the insurance maintained by Sublandlord (including any substantial destruction required by any authorized public authority), or if the Subleased Premises are partially destroyed or damaged during the last six (6) months of the Sublease Term, Sublandlord may at Sublandlord's option cancel and terminate this Sublease as of the date of occurrence of such damage by giving written notice to Subtenant of Sublandlord's election to do so within sixty (60) days after the date of occurrence of such damage. As used in this Section 18.3, "substantial" destruction shall mean destruction to the extent that repair or replacement would cost more than fifty percent (50%) of the cost of replacement in the event of total destruction.

18.4 Abatement of Rent; Sublandlord's Repairs. If the Subleased Premises are partially destroyed or damaged and Sublandlord repairs or restores the Subleased Premises pursuant to the provisions of this Section 18.4, the Basic Monthly Rent payable under Section 1.3 for the period during which such damage, repair or restoration continues (but in no event in excess of twelve (12) months) shall be abated in proportion to the degree to which Subtenant's use of the Subleased Premises is impaired. Except for such abatement, if any, Sublandlord shall have no claim against Sublandlord for any damage suffered by reason of any damage, destruction, repair or restoration.

18.5 Termination-Advance Payments. Upon termination of this Sublease pursuant to this Section 18, an equitable adjustment shall be made concerning advance rent and any advance payments made by Subtenant to Sublandlord.

18.6 Waiver. Subtenant waives the provisions of California Civil Code Sections 1932, 1933, and 1941 through 1942, inclusive, and any other statute or law now or hereafter in effect which is contrary to the obligations of Subtenant under this Section 18.6 or relieves Tenant therefrom, relating to termination of leases when the thing leased is destroyed and agrees that any such event shall be governed by the terms of this Sublease, or which places up on Sublandlord obligations to repair or restore the Leased Premises or the improvements within which the Lease Premises are located.

## 19. Condemnation.

19.1 Substantial Taking. Subject to the provisions of Section 19.4 below, in case the whole of the Subleased Premises, or such part thereof as shall substantially interfere with Subtenant's use and occupancy of the Subleased Premises as reasonably determined by Sublandlord and Subtenant, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain,



or sold to prevent such taking (collectively, a "taking"), either party shall have the right to terminate this Sublease effective as of the date possession is required to be surrendered to said authority.

19.2 Partial Taking; Abatement of Rent. In the event of a taking of a portion of the Subleased Premises which does not substantially interfere with the conduct of Subtenant's business or the operation of the Building by Sublandlord, then, except as otherwise provided in the immediately following sentence, neither party shall have the right to terminate this Sublease and Sublandlord shall thereafter proceed to make a functional unit of the remaining portion of the Subleased Premises (but only to the extent Sublandlord receives proceeds therefor from the condemning authority), and rent shall be reduced in proportion to the floor area of the portion of the Subleased Premises that Subtenant is prevented from using bears to the total floor area of the Subleased Premises. Notwithstanding the immediately preceding sentence to the contrary, if any part of the Building or the Leased Premises (excluding the Subleased Premises) shall be taken (whether or not such taking substantially interferes with Subtenant's use of the Subleased Premises), Sublandlord may terminate this Sublease upon thirty (30) days' prior written notice to Subtenant.

19.3 Condemnation Award. Subject to the provisions of Section 19.4 below, in connection with any taking of the Subleased Premises or Building, Sublandlord shall be entitled to receive the entire amount of any award which may be made or given in such taking or condemnation, without deduction or apportionment for any estate or interest of Subtenant, it being expressly understood and agreed by Subtenant that no portion of any such award shall be allowed or paid to Subtenant for any so-called bonus or excess value of this Sublease, and such bonus or excess value shall be the sole property of Sublandlord. Subtenant shall not assert any claim against Sublandlord or the taking authority for any compensation because of such taking (including any claim for bonus or excess value of this Lease); provided, however, if any portion of the Subleased Premises is taken, Subtenant shall be granted the right to recover from the condemning authority (but not from Sublandlord) any compensation as may be separately awarded or recoverable by Subtenant for the taking of Subtenant's furniture, fixtures, equipment and other personal property within the Subleased Premises, for Subtenant's relocation expenses, and for any loss of goodwill or other damage to Subtenant's business by reason of such taking.

19.4 Temporary Taking. In the event of a taking of the Subleased Premises or any part thereof for temporary use, (a) this Sublease shall be and remain unaffected thereby and rent shall not abate, and (b) Subtenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking which is within the Sublease Term. For purpose of this Section 19.4, a temporary taking shall be defined as a taking for a period of sixty (60) days or less.

## 20. Estoppel Certificates.

20.1 Obligation to Provide. Subtenant will at any time upon not less than ten (10) days' prior written notice from Sublandlord execute, acknowledge and deliver to Sublandlord a statement in writing (i) certifying that this Sublease is unmodified and in full force and effect (or, if modified, slating the nature of such modification and certifying that this Sublease, as so modified, is in full force and effect), the amount of any security deposit, and the

date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Subtenant's knowledge, any uncured defaults on the part of Sublandlord hereunder or of Landlord under the Lease, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer to the Subleased Premises.

20.2 Failure to Provide. At Sublandlord's option, Subtenant's failure to deliver a statement within the time required by Section 20.1 above, will be conclusive upon Subtenant (i) that this Sublease is in full force and effect, without modification except as may be represented by Sublandlord, (ii) that there are no uncured defaults in Sublandlord's performance hereunder or in Landlord's performance under the Lease, and (iii) that not more than one month's rent has been paid in advance, or such failure may be considered by Sublandlord as a material default by Subtenant under this Sublease.

21. Miscellaneous Information.

21.1 Counterparts. This Sublease maybe executed in one (1) or more counterparts, and all of the counterparts shall constitute but one and the same agreement, notwithstanding that all parties hereto are not signatory to the same or original counterpart.

21.2 Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Sublease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Sublease or any amendment or exhibits hereto.

21.3 Notices. Unless five (5) days prior written notice is given in the manner set forth in this Section, the address of each party for all purposes connected with this Sublease shall be as follows:

Sublandlord:

Thornton Aircraft Company, LLC.  
7520 Hayvenhurst Ave.  
Van Nuys, CA 91406  
Attn: Morgan Halvorson

With a copy to:

Nevers, Palazzo, Packard, Wildermuth & Wynner, PC  
31248 Oak Crest Drive, Suite 200  
Westlake Village, CA 91361  
Attn: Kevin Shaw

Subtenant:

Legacy Aircraft Services, Inc.  
2157 Medina Avenue

Simi Valley, CA 93063

Attn: \_\_\_\_\_

All notices, demands or communications in connection with this Sublease shall be considered received when (i) personally delivered; (ii) if properly addressed and deposited in the mail (registered or certified, return receipt requested, and postage prepaid), on the date shown on the return receipt for acceptance or rejection; or (iii) if sent via national overnight courier service, on the next day after the notice is set. All notices to Landlord under the Lease shall be considered received only when delivered in accordance with the Lease.

21.4 Governing Law. This Sublease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into in California between parties residing in California. Subtenant hereby consents to the personal jurisdiction and venue of any California state court located in the County of Los Angeles and United States District Courts for the Central District of California, and any successor court, and the service of process by any means authorized by such court.

21.5 Exhibits. All exhibits and addenda attached to this Sublease are incorporated herein by this reference and made a part hereof, and any reference in the body of this Sublease or in the exhibits or addenda to this Sublease shall mean this Sublease, together with all exhibits and addenda.

21.6 Sublandlord's Liability. The term "Sublandlord" as used herein shall mean only the owner or owners at the time in question of the fee title or the lessee under the Lease, and in the event of any transfer of such title or interest. Sublandlord shall be relieved from and after the date of such transfer of all liability with respect to the Sublandlord's obligations thereafter to be performed, provided that each successor Sublandlord expressly assumes all obligations of the prior Sublandlord arising under this Sublease after such transfer. The obligations contained in this Sublease to be performed by Sublandlord shall, subject to the foregoing, be binding on Sublandlord's successors and assigns, only during their respective periods of ownership. The liability of any Sublandlord under this Sublease or any amendment to this Sublease, or any instrument or document executed in connection with this Sublease, shall be limited to and enforceable solely against Sublandlord's interest in the Subleased Premises.

21.7 Severability. The invalidity of any provision of this Sublease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

21.8 Time of Essence. Time is of the essence.

21.9 Captions. Section captions are for reference only and do not form a part hereof.

21.10 Incorporation of Prior Agreements; Amendments. This Sublease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Sublease may be modified in writing only, signed by the parties in interest at the time of the modification.

21.11 Waivers. No waiver by a party of any provision hereof shall be deemed a waiver of any other provisions hereof or of any subsequent breach by a party of the same or any other provision. Sublandlord's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Sublandlord's consent to or approval of any subsequent act by Subtenant. The acceptance of Basic Monthly Rent hereunder by Sublandlord shall not be a waiver of any preceding breach by Subtenant of any provision hereof, other than the failure of Subtenant to pay the Basic Monthly Rent so accepted, regardless of Sublandlord's knowledge of such preceding breach at the time of the acceptance of such rent.

21.12 Recording. Subtenant shall not record this Sublease without Sublandlord's prior written consent, and recordation without such consent shall, at the option of Sublandlord, constitute a non-curable default of Subtenant hereunder. Subtenant shall, upon request of Sublandlord, execute, acknowledge and deliver to Sublandlord a "short form" memorandum of this Sublease for recording purposes.

21.13 Cumulative Remedies. No remedy or election granted or provided to or provided for Sublandlord hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

21.14 Binding Effect. Subject to any provision herein restricting assignment or subletting by Subtenant and subject to the provisions of Section 21.6, this Sublease shall bind the parties, their personal representatives, successors and assigns.

21.15 Subordination.

(a) This Sublease is subject and subordinate in all respects to the Lease and all amendments thereof. This Sublease shall, at Sublandlord's option, also be subject and subordinate to any mortgage, deed of trust, or any other hypothecation for security hereafter placed upon the Sublandlord's interest under the Lease, or any part thereof, and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. If any mortgagee, trustee or ground lessor shall elect to have this Sublease prior to the lien of its mortgage, deed of trust, ground lease, or other hypothecation for security, and shall give written notice thereof to Subtenant, this Sublease shall be deemed prior to such mortgage, deed of trust, ground lease, or other hypothecation, whether this Sublease is dated prior or subsequent to the date of said mortgage, deed of trust, ground lease or other hypothecation or the date of recording thereof. Subtenant represents that it has reviewed the Lease and hereby covenants not to violate the terms of the Lease incorporated into this Sublease.

(b) Subtenant agrees to execute any documents required to effectuate such subordination or to make this Sublease or other hypothecation prior to the lien of any mortgage, deed of trust, ground lease, or other hypothecation, as the case may be. In addition, if any mortgagee, trustee or ground lessor requires any modification or modifications to this Sublease, which modification or modifications shall not cause any increased cost or expense to Subtenant or in any other way materially change the rights or obligations of Subtenant hereunder, then Subtenant hereby agrees to promptly execute whatever documents are required

to complete such modification or modifications and failure to do so within ten (10) days after written demand shall constitute a breach of this Sublease.

21.16 Corporate Authority. If Subtenant is a corporation, each individual executing this Sublease on behalf of said corporation represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of said corporation.

21.17 Force Majeure. Any prevention, delay or stoppage due to strikes, labor disputes, pandemics, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, except for the obligations imposed with regard to Basic Monthly Rent and other charges to be paid by Subtenant pursuant to this Sublease.

21.18 Waiver of Trial by Jury. To the extent permitted by applicable law, the parties hereby waive any and all rights they may have under applicable law to trial by jury with respect to any dispute arising directly or indirectly in connection with this Sublease, the Lease, or the Subleased Premises.

21.19 Brokers. Sublandlord and Subtenant each warrant to the other that no broker or finder can properly claim a right to a commission or a finder's fee based upon contacts between the claimant and Sublandlord or Subtenant in connection with this Sublease. Sublandlord and Subtenant each agree to indemnify and hold the other harmless from any claims or liability, including reasonable attorneys' fees, in connection with a claim by any person for a real estate broker's commission, finder's fee or other compensation based upon any statement, representation or agreement of such party.

22. Confidentiality. Subject to the requirements of applicable law, the parties agree to use their best efforts to maintain at all times as confidential information the terms of this Sublease.

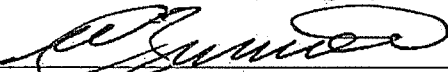
23. Landlord Approval. This Sublease shall be contingent upon Landlord consenting hereto in writing pursuant to a separate written consent required by Landlord.

[SIGNATURES ON FOLLOWING PAGE(S)]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first above written.

**SUBLANDLORD**

THORNTON AIRCRAFT COMPANY, LLC,  
a California limited liability company

BY:   
Name: Steve Zimmerman  
Its: managing member

**SUBTENANT**

LEGACY AIRCRAFT SERVICES, INC.  
a California corporation

BY: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first above written.

**SUBLANDLORD**

THORNTON AIRCRAFT COMPANY, LLC,  
a California limited liability company

BY: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**SUBTENANT**

LEGACY AIRCRAFT SERVICES, INC.  
a California corporation

BY: Todd Levine  
Name: TODD LEVINE  
Its: President

**Exhibit A**

Master Lease

*[Attach]*



# Exhibit B

Depiction of Subtenant's Location of Shop Space Within the Leased Premises

Subtenant shall have the exclusive use of portions E, F, G and H of the Leased Premises identified on the following diagram.

Subtenant shall have the non-exclusive use of portions M, N and P of the Leased Premises identified on the following diagram.

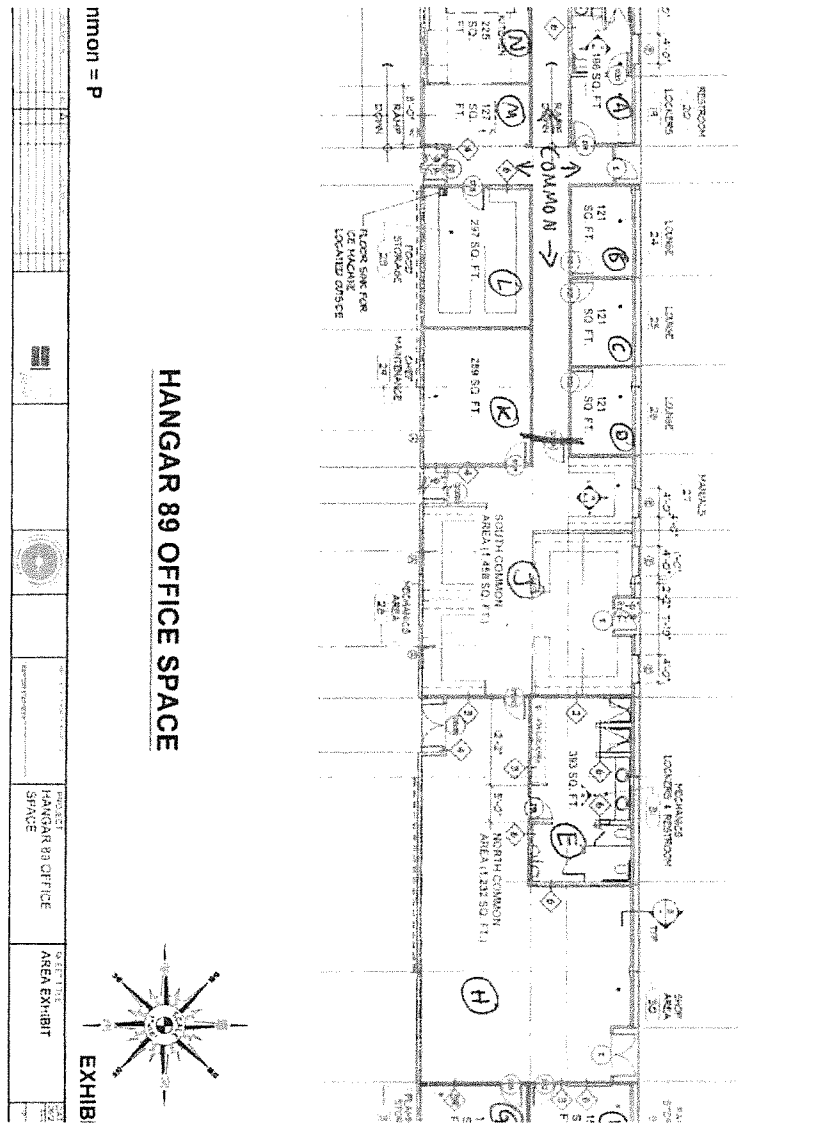


Exhibit B-1

# Exhibit C

Depiction of the Location of the Leased Premises in the Claybourn Complex

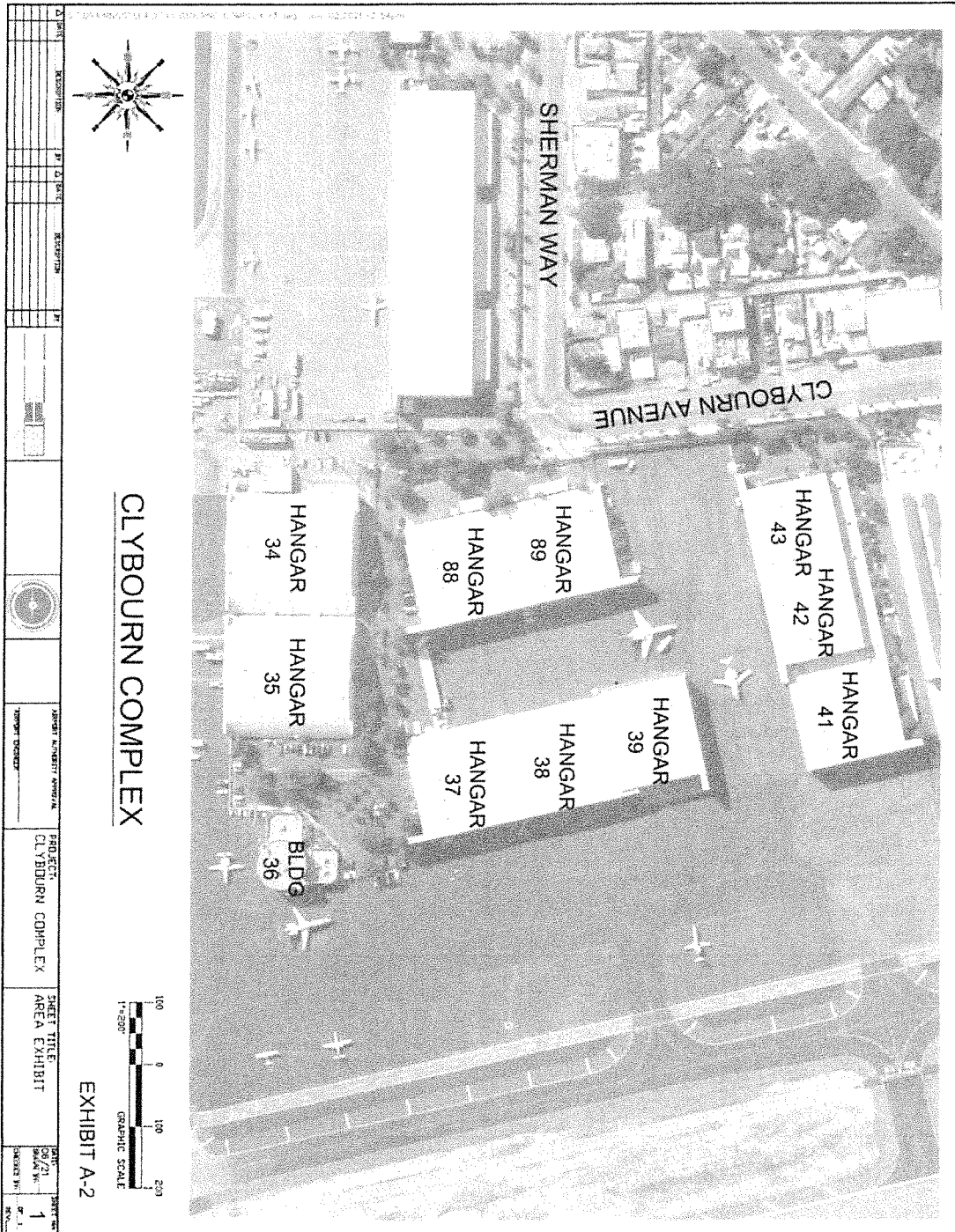


Exhibit C-1

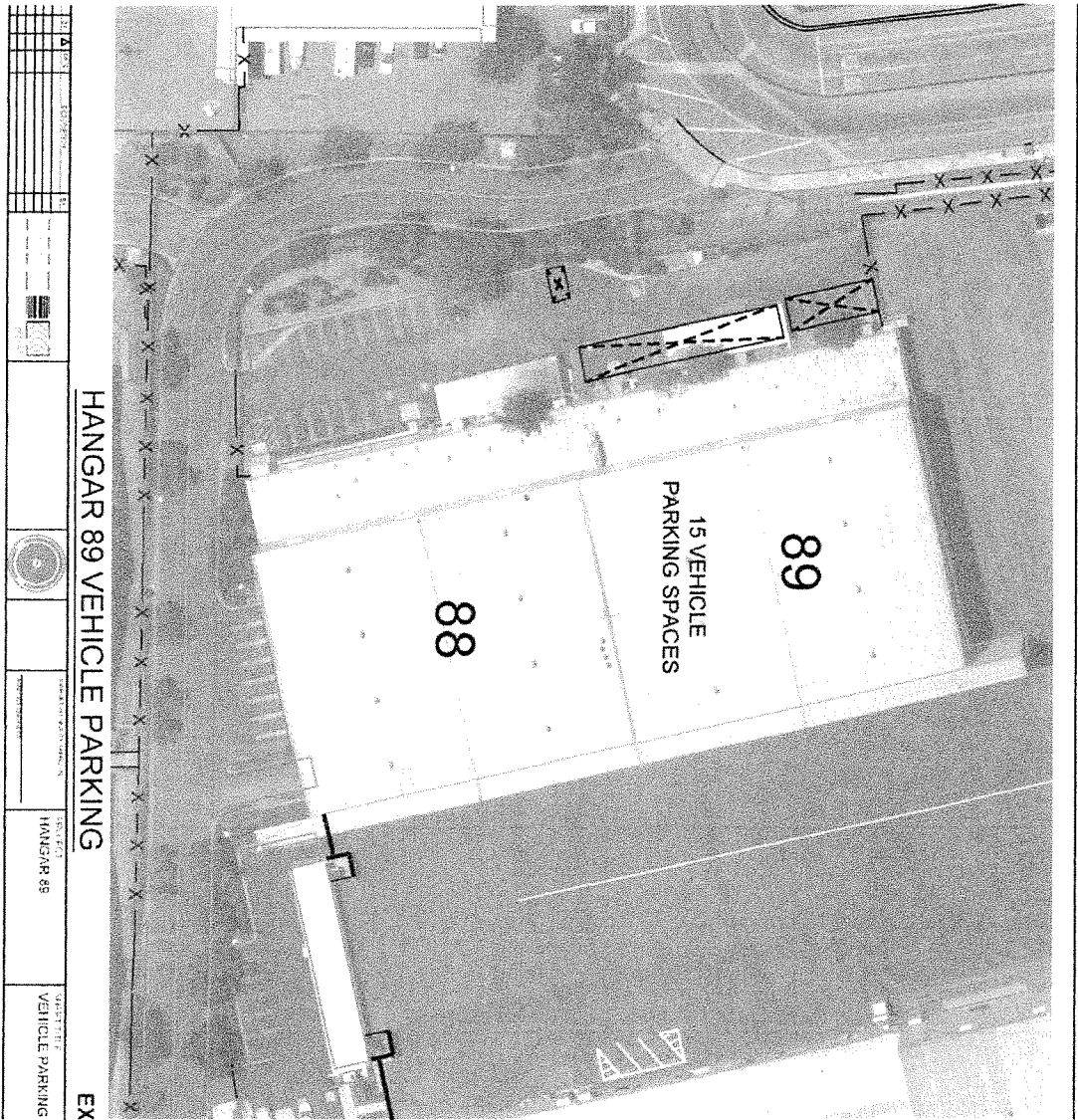


Exhibit C-2

### CONSENT TO SUBLEASE

The Burbank-Glendale-Pasadena Airport Authority ("Landlord"), as landlord under that certain Aviation Hangar Lease dated \_\_\_\_\_, 2021 (the "Lease"), entered into by between Landlord and THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company, as tenant ("Tenant"), **subject to and conditioned upon the following terms and conditions**, hereby grants its consent to the form of that certain Sublease Agreement dated entered into by and between the Tenant, as sublessor, and LEGACY AIRCRAFT SERVICES, INC., a California corporation, as sublessee ("Sublessee"), a copy of which is attached hereto as Exhibit "A" (the "Sublease"), covering the premises ("Premises") described in the Sublease. this Consent is being given under the terms of Section 9.2 of the Lease.

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

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

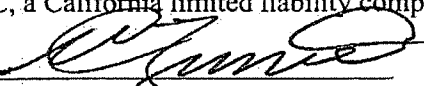
1. **No Release.** This Consent shall in no way release the Tenant or any person or entity claiming by, through or under Tenant, including Sublessee, from any of its covenants, agreements, liabilities and duties under the Lease (including, without limitation, all duties to cause and keep Landlord and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

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

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

**TENANT/SUBLANDLORD:**

THORNTON AIRCRAFT COMPANY,  
LLC, a California limited liability company

By:   
Steve Zimmerman, Managing Member

**SUBLESSEE:**

LEGACY AIRCRAFT SERVICES, INC.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

**TENANT/SUBLANDLORD:**

THORNTON AIRCRAFT COMPANY,  
LLC, a California limited liability company

By: \_\_\_\_\_  
Steve Zimmerman, Managing Member

**SUBLESSEE:**

LEGACY AIRCRAFT SERVICES, INC.

By: Todd Levine  
Print Name: TODD LEVINE  
Title: President

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## SUBLEASE

This SUBLEASE ("Sublease") is entered into as of August 6, 2021 (the "Effective Date"), by and between THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company ("Sublandlord"), and MIRA VISTA AVIATION, INC., an Alaska corporation ("Subtenant").

## RECITALS

Burbank-Glendale-Pasadena Airport Authority, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale, and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord") and Sublandlord, as tenant, entered into the Aviation Hangar Lease dated August 6, 2021 a copy of which is attached hereto as Exhibit A (the "Lease"), for the hangar commonly referred to as Hangar 89 (the "Leased Premises"). Landlord is the owner and operator of the Bob Hope Airport (commonly known as the Hollywood Burbank Airport) located in Burbank, California (the "Airport"). The building constituting the Leased Premises consists of, among other things, approximately 20,800 square feet of hangar space, of which 4,800 square feet is office and shop space.

Subtenant desires to sublet a portion of the Leased Premises as described in Section 1.1 below as the Subleased Premises from Sublandlord on the terms and conditions contained in this Sublease.

NOW, THEREFORE, in consideration of the premises subleased to Subtenant hereunder and the mutual covenants and conditions herein contained, Sublandlord and Subtenant agree as follows:

### 1. Basic Sublease Provisions.

1.1 Subleased Premises. The Subleased Premises is a portion of the Leased Premises that includes (a) the right to hangar the three (3) aircraft described on Exhibit B attached hereto within the hangar space depicted on Exhibit C, and (b) the right to use the office space as depicted on Exhibit C attached hereto, including ingress and egress to the Subleased Premises through such areas of the Leased Premises, which are a part of a complex of hangars, ramp area and an executive terminal and office building, more particularly shown and depicted on Exhibit D attached hereto, known as the "Clybourn Complex," together with the right, in common with others, to use certain of the "Common Use Facilities" of the Airport as set forth in Section 15 of the Lease, upon the terms and subject to the conditions set forth in this Sublease. The Subleased Premises also includes the non-exclusive use of the washroom ("Common Areas"), Unless otherwise provided herein, any statement of size set forth in this Sublease, or that may have been used in calculating the Basic Monthly Rent described in Section 1.3 below, is an approximation which the parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less. Terms and conditions from the Lease incorporated herein that obligate the Tenant shall automatically obligate the Subtenant.

1.2 Sublease Term. The term of this Sublease (the "Sublease Term") shall commence at 12:01 a.m. on September 20, 2021 ("Commencement Date") and continue thereafter until 11:59 p.m. on September 19, 2026 (the "Expiration Date"), unless earlier terminated pursuant to the provisions herein. Upon the expiration of the Sublease Term, this Sublease shall be a month-to-month subtenancy terminable on thirty (30) days' written notice by either party hereto.

1.3 Basic Monthly Rent. The Basic Monthly Rent is (a) \$24,500 per month for the hangar space in the Leased Premises, and (b) \$944.10 per month for the office space in the Leased Premises, for a total monthly payment of \$25,444.10. Except as otherwise set forth herein, all rent must be paid without demand, deduction, set-off or counter claim, in advance, on the first day of each calendar month during the Sublease Term, and in the event of a partial rental month, rent will be prorated on the basis of a thirty (30) day month. The Basic Monthly Rent shall increase on each anniversary of the Commencement Date in the manner computed pursuant to the terms of Section 3.1.3 of the Lease. All amounts due under this Sublease shall be deemed rent.

1.4 Permitted Use. Subtenant shall use the Subleased Premises for the storage of the three (3) aircraft identified in Exhibit B attached hereto, and shall at all times comply with the permitted uses and restricted uses set forth in Section 4 of the Lease, which are incorporated herein, including, without limitation, Section 4.1.3 (Service, Repair and Fueling), Section 4.3.5 (Air Quality Improvement Plan), Section 4.11 (Non-Discrimination and Affirmative Action), and Section 4.13 (Airport Security), as well as Section 19 (Compliance with Environmental Laws). Subtenant shall not do anything on the Subleased Premises that would unreasonably interfere with Sublandlord's use of the Leased Premises or the business conducted thereon by Sublandlord.

1.5 Early Termination.

(a) Subtenant has the right to terminate this Sublease on six (6) months' prior written notice to Sublandlord.

(b) Pursuant to Section 2.3.1 of the Lease, Sublandlord has the right to terminate the Lease on six (6) months' prior written notice to Landlord. In the event Sublandlord exercises this right to terminate the Lease, Sublandlord shall provide written notice of the same to Subtenant and this Sublease shall terminate five (5) business days prior to the termination of the Lease.

(c) Pursuant to Section 2.3.2 of the Lease, Landlord has the right to terminate the Lease on six (6) month's prior written notice to Sublandlord. In the event Landlord exercises this right to terminate the Lease, Sublandlord shall provide written notice of the same to Subtenant and this Sublease shall terminate five (5) days prior to the termination of the Lease.

(d) The provisions of this Section 1.5 relating to termination by Landlord or the Sublandlord are contractual and arise from Landlord's unwillingness to enter into a long-term lease of the Leased Premises without the right of termination provided in the Lease. Subtenant acknowledges that under these circumstances, including those in the preceding



sentence, such provisions are reasonable and Subtenant is willing to accept Landlord's and Sublandlord's termination rights in order to obtain a longer sublease term. The exercise by Landlord or Sublandlord of their termination right shall not be construed as a taking by Landlord or Sublandlord of any part of the Leased Premises or of Subtenant's rights or leasehold estate under this Sublease, and Subtenant shall not be entitled to payment for any loss of goodwill, income or other amount measured by Subtenant's loss upon termination or reduction of its business following termination of this Sublease as to the Leased Premises.

1.6 Late Charges. The parties agree that late payments by Subtenant to Sublandlord of Basic Monthly Rent or any other amounts due under this Sublease will cause Sublandlord to incur costs not contemplated by this Sublease, the amount of which is extremely difficult to ascertain. Therefore, the parties agree that if any installment of Basic Monthly Rent or any other amounts due under this Sublease are not received by Sublandlord within five (5) days after due, Subtenant will pay to Sublandlord a late charge equal to ten percent (10%) of the late payment. Interest on any amounts payable by Subtenant under this Sublease shall accrue at the rate of twelve percent (12%) per annum from the date delinquent until paid in full.

1.7 Acceptance of Subleased Premises. Subtenant accepts the Leased Premises as of the Commencement Date in its "as-is" condition existing as of the Commencement Date, without representation or warranty, express or implied, and agrees that the Leased Premises are otherwise in a good and tenantable condition and acknowledges that, except as specifically provided herein, Sublandlord is not otherwise obligated to make any repairs or alterations to the Leased Premises.

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

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

Subtenant acknowledges that no rights, easements or licenses are acquired by Subtenant by implication or otherwise except as expressly set forth herein. Subtenant will, prior to delivery of possession of the Subleased Premises, inspect the Subleased Premises and become thoroughly acquainted with its condition.

Subtenant acknowledges that the taking of possession of the Subleased

Premises by Subtenant will be conclusive evidence that the Subleased Premises were in good and satisfactory condition at the time such possession was taken. Subtenant specifically agrees that, except as specifically provided by laws in force as of the date hereof, Sublandlord has no duty to make any disclosures concerning the condition of the Building and the Subleased Premises and/or the fitness of the Building and the Subleased Premises for Subtenant's intended use and Subtenant expressly waives any duty which Sublandlord might have to make any such disclosures. Subtenant further agrees that, in the event Subtenant subleases all or any portion of the Subleased Premises, Subtenant will indemnify and defend Sublandlord (in accordance with Section 6 hereof) for, from and against any matters which arise as a result of Subtenant's failure to disclose any relevant information about the Building or the Subleased Premises to any subtenant or assignee. Subtenant will comply with all laws and regulations relating to the use or occupancy of the Subleased Premises and to the Common Areas. Subtenant further agrees that all telephone and other communication installation and use requirements will be compatible with the Building and that Subtenant will be solely responsible for all of its telephone and communication installation and usage costs.

1.8 Compliance with Laws, Rules and Regulations.

(a) Subtenant shall, at Subtenant's sole expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements, any noise restrictions and rules of the air authority in effect during the Sublease Term or any part thereof regulating the use and occupancy of the Subleased Premises and the use and operation of any aircraft by Subtenant. Subtenant shall not use or permit the use of the Subleased Premises in any manner that will tend to create waste or a nuisance or in any manner which shall unreasonably disturb other tenants or result in an increase in any insurance premiums carried on the Leased Premises, or any portion thereof. To the extent that Subtenant, as a result of any substances brought onto the Leased Premises by Subtenant or as a result of anything done in, on or about the Leased Premises by Subtenant, causes an increase in any insurance premiums carried on the Leased Premises, Subtenant shall pay the amount by which such insurance premiums have increased. Subtenant shall not cause, maintain or permit any outside storage on or about the Leased Premises.

(b) Notwithstanding the incorporation of Section 4.3.3 of the Lease pursuant to Section 1.4, above, Subtenant hereby acknowledges that Subtenant has read and understands the Burbank-Glendale-Pasadena Airport Authority noise abatement rules as they presently exist, attached to the Lease as Exhibit C. Subtenant shall conduct its business and flight operations, if any, in compliance with the noise abatement rules, as the same may be amended by Landlord from time to time, including, without limitation, any voluntary or mandatory curfew imposed now or in the future by Landlord, consistent with federal law, on flight operations between specified nighttime and morning hours (the "Noise Abatement Rules"). Subtenant shall also conduct its flight operation in accordance with any voluntary noise abatement procedures as may be promulgated by Landlord that are in compliance with federal law. Landlord will give written notice to Sublandlord of any violation of the Noise Abatement Rules by Subtenant and, upon receipt of a written notice from Landlord of any violation of the Noise Abatement Rules by a Subtenant, Sublandlord shall promptly provide a notice of default to the Subtenant (with a copy to Landlord). If Subtenant again violates the Noise Abatement Rules within ninety (90) days of the initial notice from Landlord, or if Subtenant violates the Noise

Abatement Rules four (4) times within any twelve (12) month period, upon being notified in writing by Landlord of the occurrence of such repeated violation(s), Tenant shall institute appropriate legal proceedings to terminate the Subtenant's sublease and to evict the Subtenant from the Leased Premises.

(c) Notwithstanding the incorporation of Section 4.11 of the Lease pursuant to Section 1.4, above, Subtenant shall comply with the provisions of Exhibit D attached to the Lease and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Landlord from time to time. In addition, Subtenant shall undertake an affirmative action program, as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal Regulations Part 152, Subpart E. Subtenant agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. Subtenant will require its permitted subtenants, successors and assigns to provide assurances to Subtenant that they similarly will undertake affirmative action programs and that they will require similar assurances from their permitted successors, subtenants and assigns, as required by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

1.9 Parking. Sublandlord shall provide Subtenant no less than the minimum number of parking spaces required by applicable law for use by Subtenant and its employees and customers during the Sublease Term. Such parking spaces shall be located adjacent to the Building on a non-reserved basis and shall be at no additional cost to Subtenant.

1.10 Utility Charges. Subtenant shall pay to Sublandlord twenty percent (20%) ("Subtenant's Share") of the actual costs of all water, power and other utilities and services, including trash collection, supplied to the Leased Premises ("Utility Charges"). From and after the Commencement Date, Subtenant shall pay to Sublandlord, within fifteen (15) days of Sublandlord's written demand for the same, Subtenant's Share of the Utility Charges. Subtenant may request supporting invoices for Utility Charges and Sublandlord shall deliver copies of the corresponding invoices to Subtenant.

## 2. Demised Premises; Conditions.

2.1 Demised Premises. Sublandlord hereby subleases to Subtenant and Subtenant hereby hires from Sublandlord the Subleased Premises for the Sublease Term, subject to the terms, covenants and conditions set forth herein. Subtenant covenants that, as a material part of the consideration for this Sublease, Subtenant shall keep and perform each and all of such terms, covenants and conditions by it to be kept and performed, and that this Sublease is made upon the condition of such performance.

2.2 Conditions Precedent. The parties' obligations hereunder are expressly conditioned upon the satisfaction of the following conditions precedent; provided, however, that if the Commencement Date occurs prior to the satisfaction of such conditions, Subtenant shall be fully obligated under the terms and conditions of this Sublease, including, without limitation, the indemnity provisions set forth in Section 6 below and the insurance provisions set forth in

Section 15 during the period prior to the satisfaction of such conditions or if such conditions are not satisfied, to the date of failure of such conditions and termination of this Sublease:

(a) Written Consent. If requested by Sublandlord or Landlord, Subtenant agrees to be bound by any terms and conditions of a written consent to this Sublease, including terms and conditions related to Subtenant's proposed use, and to satisfy any reasonable conditions the Landlord may impose upon Subtenant as a condition to this Sublease.

(b) Authority. If requested by Sublandlord, within ten (10) days after execution of this Sublease, delivery to Sublandlord of (i) if Subtenant is a corporation, certified copies of Subtenant's Articles of Incorporation and Certificate of Good Standing or (ii) if Subtenant is a partnership, such partnership documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's partnership agreement and any state filings establishing the identity and qualification of the partnership to transact business in the location in which the Subleased Premises are located, and the identity and authority of the partners of the partnership, and Sublandlord's approval of such organizational documents, or (iii) if Subtenant is a limited liability company ("LLC"), such LLC documents as Sublandlord may reasonably request to review, including, but not limited to, Subtenant's operating agreement and any state filings establishing the identity and qualification of the LLC to transact business in the location in which the Subleased Premises are located, and the identity and authority of the members of the LLC, and Sublandlord's approval of such organizational documents.

2.3 Failure of Conditions. The condition precedent specified in Section 2.2(b) runs to the benefit of Sublandlord. The condition precedent specified in Section 2.2(a) runs to the benefit of both parties, unless waived by Sublandlord. If any condition precedent is not satisfied by the date specified in and in accordance with Section 2.2, and the time period for the satisfaction of the condition is not extended or waived in writing by the party or parties to whom the benefit of the condition runs, then the party or parties to whom the benefit of the condition runs shall have the right to terminate this Sublease in writing within ten (10) days following the date specified in Section 2.2 and neither Sublandlord nor Subtenant shall have any further obligations hereunder (except for Subtenant's indemnity obligations hereunder).

### 3. Lease.

3.1 Termination of Lease. If the Lease terminates under the specific provisions under the Lease, this Sublease will terminate, unless Landlord elects to accept this Sublease as a direct lease between Landlord and Subtenant, and the parties will be relieved from all liabilities and obligations under this Sublease excepting obligations which have accrued as of the date of termination; except that if this Sublease terminates as a result of a default by one of the parties under this Sublease or by Sublandlord under the Lease, the defaulting party will be liable to the non-defaulting party for all damage suffered by the non-defaulting party as a result of the termination.

### 4. Covenant of Quiet Enjoyment; Access to Subleased Premises.

(a) Subject to this Sublease terminating in the event the Lease is terminated, if Subtenant performs all the provisions in this Sublease to be performed by

Subtenant, Subtenant will have and enjoy throughout the Sublease Term the quiet and undisturbed possession of the Subleased Premises.

(b) Sublandlord and Sublandlord's agents shall have the right to enter the Subleased Premises at reasonable times for the purpose of inspecting the Subleased Premises, showing the Subleased Premises to prospective purchasers or lenders, and making such alterations, repairs, improvements or additions to the Subleased Premises or to the Building of which they are a part as Sublandlord may deem necessary or desirable or which are required by this Sublease or the Lease. Sublandlord shall retain a key to all locked portions of the Subleased Premises (except vaults and locked file or storage cabinets) at all times. Subtenant may not change locks upon the Subleased Premises without Sublandlord's prior written consent.

5. Hazardous Substances. Without limiting any of the other provisions of this Sublease, Subtenant shall at all times, at its own cost and expense, keep and maintain the Subleased Premises in compliance with, and shall not cause or permit the Subleased Premises or any portion thereof to be in violation of, all applicable laws, ordinances, or regulations of, or precautions mandated or advised by, any federal, state, county, or local governmental agency, body, or entity now or hereinafter in effect, with respect to the use, handling, treatment, storage, transportation, disposal, emissions, discharges or releases of "Hazardous & Toxic Substances" (as defined herein) or otherwise relating to the protection of the environment or industrial hygiene (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) (all such requirements being hereinafter referred to as the "Environmental Requirements"). As used herein, the term "Hazardous & Toxic Substances" shall mean any substance, material, waste, contaminant or pollutant determined by any federal, state, county, or local governmental agency, body, or entity pursuant to any of the Environmental Requirements to be hazardous, toxic, infectious, radioactive, ignitable or flammable, corrosive, persistent or bioaccumulative, explosive, reactive or otherwise dangerous. Subtenant shall immediately notify Sublandlord of its discovery of the presence or release of any Hazardous & Toxic Substances on or about the Subleased Premises which is in violation of any of the Environmental Requirements. Upon such discovery, Subtenant shall promptly take all actions necessary to return the Subleased Premises to the condition existing prior to such contamination, including the preparation of any closure, remedial, monitoring or other required plans ("Restoration"); provided that Subtenant shall not undertake any Restoration without first providing Sublandlord and Landlord with notice thereof and obtaining Sublandlord's and Landlord's approval therefor. Subtenant shall deliver to Sublandlord and Landlord copies of any and all manifests and other documentation related to the removal, storage, treatment, transportation and/or disposal of any Hazardous & Toxic Substances.

6. Indemnity. Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all claims, damages and liability arising from Subtenant's use of the Subleased Premises, or from the conduct of Subtenant's business or from any activity, work or things done or stored by Subtenant, its agents, contractors, employees or invitees in, on or about the Subleased Premises and shall further indemnify, defend and hold harmless Sublandlord from and against any and all claims, damages and liability arising from any breach or default in the performance of any obligation on Subtenant's part to be performed under the terms of this Sublease, including, without limitation, Section 5 dealing with Hazardous & Toxic Substances, or arising from the actions of Subtenant, or any of Subtenant's agents, contractors, employees or

invitees. Subtenant, as a material part of the consideration to Sublandlord, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Subleased Premises arising from the actions of Subtenant, or any of Subtenant's agents, contractors, employees or invitees.

7. Attorneys' Fees. If there is any legal action or proceeding between Sublandlord and Subtenant to enforce any provision of this Sublease or to protect or establish any right or remedy of either Sublandlord or Subtenant hereunder, the non-prevailing party to such action or proceeding will pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if the prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorney's fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as a part of the judgment.

8. No Encumbrance. Subtenant will not voluntarily, involuntarily or by operation of law mortgage or otherwise encumber all or any part of Subtenant's interest in the Sublease or the Subleased Premises.

9. Assignment and Subletting.

9.1 Restriction on Assignment and Subletting. Subtenant shall not voluntarily, involuntarily or by operation of law assign this Sublease or any interest therein and shall not sublet or license the Subleased Premises or any part thereof, or any right or privilege appurtenant thereto, without first obtaining the written consent of Sublandlord and Landlord, which consent shall be at Sublandlord's and Landlord's sole and absolute discretion. The transfer of more than twenty-five percent (25%) partnership interest in Subtenant, if Subtenant is a partnership, or more than twenty-five percent (25%) of the stock of Subtenant, if Subtenant is a corporation, or more than twenty-five percent (25%) membership interest in Subtenant, if Subtenant is an LLC, shall be deemed to be an assignment for purposes of this Section 9.1.

9.2 Consents. Any attempted assignment, subletting, or licensing without Sublandlord's or Landlord's consent will be null and void and of no effect. No permitted assignment or subletting of Subtenant's interest in this Sublease will relieve Subtenant of its obligations to pay the rent or other sum or charge due hereunder and to perform all the other obligations to be performed by Subtenant hereunder. The acceptance of rent by Sublandlord from any other person will not be deemed to be a waiver by Sublandlord of any provision of this Sublease or to be a consent to any subletting or assignment. Consent to one sublease or assignment will not be deemed to constitute consent to any subsequent attempted subletting or assignment.

9.3 Attorneys' Fees. In the event that Sublandlord and Landlord consents to a sublease or assignment, Subtenant shall reimburse Sublandlord and Landlord for their reasonable attorneys' fees incurred in connection with giving such consent.

10. Alterations, Signs and Actions.

10.1 Alterations and Improvements by Subtenant. Subtenant will not make any alterations, additions or improvements to the Subleased Premises ("Alterations") without

obtaining the prior written consent of Sublandlord thereto, which Sublandlord may grant or withhold, and to which Sublandlord may impose any conditions, in Sublandlord's sole discretion, and by Landlord in accordance with the Lease. All Alterations must be constructed (i) in a good and workmanlike manner using materials of a quality comparable to those on the Leased Premises, (ii) in conformance with all relevant codes, regulations and ordinances and (iii) only after necessary permits, licenses and approvals have been obtained by Subtenant from appropriate governmental agencies. All Alterations will be made at Subtenant's sole cost (including all costs relating to the removal of asbestos, if any, in connection with the Alterations) and diligently prosecuted to completion. Any contractor or other person making any Alterations must first be approved in writing by Sublandlord, and Sublandlord may require that all work be performed under Sublandlord's supervision.

10.2 Disposition on Termination. Upon the expiration of the Sublease Term or earlier termination of this Sublease, Subtenant shall promptly remove any or all of the Alterations made by Subtenant pursuant to the requirements set forth in the Lease, in which case Subtenant must, at Subtenant's sole cost, repair and restore the Subleased Premises to their condition as of the Commencement Date, reasonable wear and tear excepted.

11. Removal of Personal Property. All articles of personal property, and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions, if any, owned or installed by Subtenant at its expense in the Subleased Premises will be and remain the property of Subtenant and may be removed by Subtenant at any time, provided that Subtenant, at its sole cost and expense, must repair any damage to the Subleased Premises caused by such removal or by the original installation. Sublandlord may elect to require Subtenant to remove all or any part of Subtenant's personal property at the expiration of the Sublease Term or sooner termination of this Sublease, in which event the removal will be done at Subtenant's sole cost and expense and Subtenant, prior to the end of the Sublease Term or upon sooner termination of this Sublease, will repair any damage to the Subleased Premises caused by its removal.

12. Holding Over. If Subtenant holds over after the expiration of the Sublease Term or earlier termination of this Sublease, with or without the express or implied consent of Sublandlord, then at the option of Sublandlord, Subtenant will become and be only a month-to-month tenant at a rent equal to one hundred and fifty percent (150%) of the rent payable by Subtenant immediately prior to such expiration or termination, and otherwise upon the terms, covenants and conditions herein specified. Notwithstanding any provision to the contrary contained herein, (i) Sublandlord expressly reserves the right to require Subtenant to surrender possession of the Subleased Premises upon the expiration of Sublease Term or upon the earlier termination of this Sublease and the right to assert any remedy at law or in equity to evict Subtenant and/or collect damages in connection with any holding over, and (ii) Subtenant will indemnify, defend and hold Sublandlord harmless from and against any and all liabilities, claims, demands, actions, losses, damages, obligations, costs and expenses, including, without limitation, attorneys' fees (including the allocated costs of Sublandlord's in-house attorneys) incurred or suffered by Sublandlord by reason of Subtenant's failure to surrender the Subleased Premises on the expiration of the Sublease Term or earlier termination of this Sublease.

13. Liens. Subtenant will keep the Subleased Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Subtenant. If a lien is filed, Subtenant will discharge the lien or post a bond within ten (10) days after receiving a request from Sublandlord or Landlord to do so. Sublandlord has the right to post and keep posted on the Subleased Premises any notices that may be provided by law or which Sublandlord may deem to be proper for the protection of Sublandlord, the Subleased Premises and the Building from such liens.

14. Maintenance and Repairs.

(a) At all times during the Sublease Term, Sublandlord will, at its sole cost, (i) maintain the Subleased Premises and every part thereof and all equipment, and fixtures therein in good condition and repair and (ii) keep the Subleased Premises, including the office and hangar space, in a clean and orderly condition and, except to the extent Subtenant dirties them or causes disorder therein, any Common Areas clean and orderly. At the end of the Sublease Term, Subtenant will surrender the Subleased Premises in as good condition as when received, reasonable wear and tear excepted.

(b) Subject to the provisions of Section 18 herein, and except for damage caused by a negligent or intentional act or omission by Subtenant, Subtenant's agents, employees or invitees, Sublandlord, at Sublandlord's expense, shall keep in good order, condition and repair (reasonable wear and tear excepted) the structural components of the foundations, exterior walls and the exterior roof of the Subleased Premises.

(c) Sublandlord shall have no obligation to make repairs under this Section 14 until a reasonable time after receipt of written notice from Subtenant of the need for such repairs.

15. Insurance.

15.1 Coverage. At all times during the Sublease Term, Subtenant will, at its sole cost, procure and maintain the following types and amounts of insurance coverage:

(a) commercial general liability insurance against any and all damages and liability, including attorneys' fees on account or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Subleased Premises with at least a single combined liability and property damage limit of \$25,000,000;

(b) aircraft liability with at least a single combined liability and property damage limit of \$25,000,000;

(c) aircraft physical damage (aka "hull insurance") in an amount no less than the fair market value of tenant's aircraft covering any and all risks on ground and in flight including, but not limited to, war, hi-jacking and other perils;

(d) automobile liability insurance covering all owned vehicles, and all non-owned and hired vehicles, written on an occurrence basis in an amount not less than



\$2,000,000 combined single limit for each occurrence for bodily injury, death and property damage;

(e) workers' compensation insurance written in accordance with California statutory limits; and

(f) employer's liability insurance in amounts not less than the following:

(i) bodily injury by accident - \$2,000,000 - each accident

(ii) bodily injury by disease - \$2,000,000 - policy limit

(iii) bodily injury by disease - \$2,000,000 - each employee

15.2 Policies. All insurance required to be carried by Subtenant must be in a form satisfactory to Sublandlord and carried with companies reasonably acceptable to Sublandlord. On or before the Commencement Date, Subtenant must provide Sublandlord and Landlord with a certificate of insurance showing Sublandlord, its parent, subsidiaries and affiliates and their respective shareholders, directors, officers, employees, agents and assigns, Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of the Landlord (as those terms are defined in the Lease), endorsed accordingly as additional insureds on all policies of insurance excluding the insurance required under Sections 15.1(e) and (f). All policies shall contain a severability of interests clause, as required under the Lease, and shall stipulate that no insurance held by Sublandlord will be called to contribute to a loss covered thereunder. The certificate and policies must provide for a thirty (30) day written notice to Sublandlord and, by certified mail, return receipt requested, to Landlord in the event of cancellation or material change of coverage. At least fifteen (15) days prior to the expiration date of any of the policies required under Section 15.1, Subtenant must provide Sublandlord and Landlord documentation showing that the insurance coverage has been renewed or extended or that adequate alternate insurance has been obtained.

15.3 Subrogation. Subtenant will obtain from its insurers under all policies of property, public liability, aircraft physical damage, worker's compensation, employer's liability, and other insurance maintained by Subtenant at any time during the Sublease Term insuring or covering the Subleased Premises a waiver of rights of subrogation, in favor of Sublandlord, its parent, subsidiaries and affiliates and their respective shareholders, directors, officers, employees, agents and assigns.

15.4 Primary Coverage. All insurance to be maintained by Subtenant shall be primary, without right of contribution from any insurance maintained by Sublandlord.

15.5 Exemption of Sublandlord from Liability. Subtenant hereby agrees that Sublandlord shall not be liable for injury or damage to Subtenant's business or any loss of income arising therefrom or for damage to the aircraft, goods, wares, merchandise or other property of Subtenant, Subtenant's employees, invitees, customers, or any other person in or about the Subleased Premises, nor shall Sublandlord be liable for injury or damage to the person of Subtenant, Subtenant's employees, agents, contractors or invitees, whether such damage or

injury is caused by or results from aircraft crash or collision, explosion, fire, steam, electricity, gas, water or rain, or from the breakage, leakage, or obstruction of pipes, sprinklers, wires, appliances, plumbing, air conditioning or light fixtures, or from any other causes, whether the said damage or injury results from conditions arising upon the Subleased Premises or upon the Leased Premises, or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Subtenant. Sublandlord shall not be liable for any injury or damage arising from any act or neglect of any other tenant on the Leased Premises. Notwithstanding any provision in the Lease to the contrary, in no event shall Sublandlord be liable to Subtenant for special, incidental, consequential or punitive damages no matter how occurring.

16. Events of Default. If one or more of the following events ("Event of Default") occurs, such occurrence constitutes a breach of this Sublease by Subtenant:

- (a) Subtenant abandons or vacates the Subleased Premises; or
- (b) Subtenant fails to pay any installment of Basic Monthly Rent or any other sum or charge payable by Subtenant hereunder as and when the same becomes due and payable and such failure continues for more than five (5) days after Sublandlord gives written notice thereof to Subtenant; or
- (c) Subtenant fails to perform or observe any other agreement, covenant, condition or provision of this Sublease to be performed or observed by Subtenant as and when performance or observance is due, and such failure continues for more than thirty (30) days after Sublandlord gives written notice thereof to Subtenant, or if the default cannot be cured within said thirty (30) day period, Subtenant fails within said period to commence with due diligence and dispatch the curing of such default within ninety (90) days or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default within ninety (90) days; or
- (d) Subtenant (i) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or litigation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (ii) makes an assignment for the benefit of its creditors; (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (iv) takes action for the purpose of any of the foregoing; or
- (e) a court or governmental authority of competent jurisdiction, without consent by Subtenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial portion of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Subtenant, or if any such petition is filed against Subtenant and such petition is not dismissed within sixty (60) days; or

(f) this Sublease or any estate of Subtenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within sixty (60) days.

17. Remedies of Sublandlord on Default.

17.1 Termination of Sublease. In the event of any breach of this Sublease by Subtenant, Sublandlord may, at its option, terminate the Sublease and recover from Subtenant:

(a) the worth at the time of award of the unpaid rent which had been earned at the time of termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Subtenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the Sublease Term after the time of award exceeds the amount of such rental loss that Subtenant proves could be reasonably avoided;

The term "rent" as used in this Section 17.1 will be deemed to be and to mean all sums of every nature required to be paid by Subtenant pursuant to the terms of this Sublease, whether to Sublandlord or to others. As used in subsections (a) and (b) above, the "worth at the time of the award" will be computed by allowing interest at the maximum annual interest rate allowed by law. As used in subsections (c) above, the "worth at the time of the award" will be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

17.2 Continue Sublease in Effect. Sublandlord will have the remedy described in California Civil Code Section 1951.4 (a lessor may continue lease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Sublandlord does not elect to terminate this Sublease on account of any default by Subtenant, Sublandlord may, from time to time, without terminating this Sublease, enforce all of its rights and remedies under this Sublease, including the right to recover all rent as it becomes due. If the default continues, Sublandlord may, at any time after, elect to terminate the Sublease. Sublandlord will not be deemed to have terminated this Sublease or the liability of Subtenant to pay rent or any other amounts due hereunder by any reentry or by any action in unlawful detainer unless Sublandlord has specifically notified Subtenant in writing that Sublandlord has elected to terminate this Sublease.

18. Damage or Destruction.

18.1 Damage-Insured. Subject to the provisions of Sections 18.3 and 18.4, if the Subleased Premises are damaged and such damage was caused by a casualty covered by the insurance policy maintained by Sublandlord on the Leased Premises, Sublandlord shall at Sublandlord's expense repair such damage as soon as reasonably possible and this Sublease shall continue in full force and effect. Notwithstanding the above, if the insurance proceeds received

by Sublandlord are not sufficient to affect such repair, Sublandlord shall have the option either to repair such damage at Sublandlord's sole expense or to cancel and terminate this Sublease by giving written notice to Subtenant of Sublandlord's election to do so within thirty (30) days after the date of the occurrence of such damage.

18.2 Partial Damage-Uninsured. Subject to the provisions of Section 18.4, if at any time during the Sublease Term the Subleased Premises are damaged, except by a negligent or willful act of Subtenant, and such damage was caused by a casualty not covered under Sublandlord's insurance policy, Sublandlord may at Sublandlord's option either (i) repair such damage as soon as reasonably possible at Sublandlord's expense, in which event this Sublease shall continue in full force and effect, or (ii) give written notice to Subtenant within sixty (60) days after the date of the occurrence of such damage of Sublandlord's intention to cancel and terminate this Sublease. If the uninsured damage was caused by Subtenant's negligent or willful act, Subtenant shall promptly repair such damage at Subtenant's expense.

18.3 Total Destruction, Damage Near End of Sublease Term. If at any time during the Sublease Term the Subleased Premises are subject to substantial destruction from any cause whether or not covered by the insurance maintained by Sublandlord (including any substantial destruction required by any authorized public authority), or if the Subleased Premises are partially destroyed or damaged during the last six (6) months of the Sublease Term, Sublandlord may at Sublandlord's option cancel and terminate this Sublease as of the date of occurrence of such damage by giving written notice to Subtenant of Sublandlord's election to do so within sixty (60) days after the date of occurrence of such damage. As used in this Section 18.3, "substantial" destruction shall mean destruction to the extent that repair or replacement would cost more than fifty percent (50%) of the cost of replacement in the event of total destruction.

18.4 Abatement of Rent, Sublandlord's Repairs. If the Subleased Premises are partially destroyed or damaged and Sublandlord repairs or restores the Subleased Premises pursuant to the provisions of this Section 18.4, the Basic Monthly Rent payable under Section 1.3 for the period during which such damage, repair or restoration continues (but in no event in excess of twelve (12) months) shall be abated in proportion to the degree to which Subtenant's use of the Subleased Premises is impaired. Except for such abatement, if any, Sublandlord shall have no claim against Sublandlord for any damage suffered by reason of any damage, destruction, repair or restoration.

18.5 Termination-Advance Payments. Upon termination of this Sublease pursuant to this Section 18, an equitable adjustment shall be made concerning advance rent and any advance payments made by Subtenant to Sublandlord.

18.6 Waiver. Subtenant waives the provisions of California Civil Code Sections 1932, 1933, and 1941 through 1942, inclusive, and any other statute or law now or hereafter in effect which is contrary to the obligations of Subtenant under this Section 18.6 or relieves Tenant therefrom, relating to termination of leases when the thing leased is destroyed and agrees that any such event shall be governed by the terms of this Sublease, or which places up on Sublandlord obligations to repair or restore the Leased Premises or the improvements within which the Lease Premises are located.

19. Condemnation.

19.1 Substantial Taking. Subject to the provisions of Section 19.4 below, in case the whole of the Subleased Premises, or such part thereof as shall substantially interfere with Subtenant's use and occupancy of the Subleased Premises as reasonably determined by Sublandlord and Subtenant, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking (collectively, a "taking"), either party shall have the right to terminate this Sublease effective as of the date possession is required to be surrendered to said authority.

19.2 Partial Taking; Abatement of Rent. In the event of a taking of a portion of the Subleased Premises which does not substantially interfere with the conduct of Subtenant's business or the operation of the Building by Sublandlord, then, except as otherwise provided in the immediately following sentence, neither party shall have the right to terminate this Sublease and Sublandlord shall thereafter proceed to make a functional unit of the remaining portion of the Subleased Premises (but only to the extent Sublandlord receives proceeds therefor from the condemning authority), and rent shall be reduced in proportion to the floor area of the portion of the Subleased Premises that Subtenant is prevented from using bears to the total floor area of the Subleased Premises. Notwithstanding the immediately preceding sentence to the contrary, if any part of the Building or the Leased Premises (excluding the Subleased Premises) shall be taken (whether or not such taking substantially interferes with Subtenant's use of the Subleased Premises), Sublandlord may terminate this Sublease upon thirty (30) days' prior written notice to Subtenant.

19.3 Condemnation Award. Subject to the provisions of Section 19.4 below, in connection with any taking of the Subleased Premises or Building, Sublandlord shall be entitled to receive the entire amount of any award which may be made or given in such taking or condemnation, without deduction or apportionment for any estate or interest of Subtenant, it being expressly understood and agreed by Subtenant that no portion of any such award shall be allowed or paid to Subtenant for any so-called bonus or excess value of this Sublease, and such bonus or excess value shall be the sole property of Sublandlord. Subtenant shall not assert any claim against Sublandlord or the taking authority for any compensation because of such taking (including any claim for bonus or excess value of this Lease); provided, however, if any portion of the Subleased Premises is taken, Subtenant shall be granted the right to recover from the condemning authority (but not from Sublandlord) any compensation as may be separately awarded or recoverable by Subtenant for the taking of Subtenant's furniture, fixtures, equipment and other personal property within the Subleased Premises, for Subtenant's relocation expenses, and for any loss of goodwill or other damage to Subtenant's business by reason of such taking.

19.4 Temporary Taking. In the event of a taking of the Subleased Premises or any part thereof for temporary use, (a) this Sublease shall be and remain unaffected thereby and rent shall not abate, and (b) Subtenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking which is within the Sublease Term. For purpose of this Section 19.4, a temporary taking shall be defined as a taking for a period of sixty (60) days or less.

20. Estoppel Certificates.

20.1 Obligation to Provide. Subtenant will at any time upon not less than ten (10) days' prior written notice from Sublandlord execute, acknowledge and deliver to Sublandlord a statement in writing (i) certifying that this Sublease is unmodified and in full force and effect (or, if modified, slating the nature of such modification and certifying that this Sublease, as so modified, is in full force and effect), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Subtenant's knowledge, any uncured defaults on the part of Sublandlord hereunder or of Landlord under the Lease, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer to the Subleased Premises.

20.2 Failure to Provide. At Sublandlord's option, Subtenant's failure to deliver a statement within the time required by Section 20.1 above, will be conclusive upon Subtenant (i) that this Sublease is in full force and effect, without modification except as may be represented by Sublandlord, (ii) that there are no uncured defaults in Sublandlord's performance hereunder or in Landlord's performance under the Lease, and (iii) that not more than one month's rent has been paid in advance, or such failure may be considered by Sublandlord as a material default by Subtenant under this Sublease.

21. Miscellaneous Information.

21.1 Counterparts. This Sublease maybe executed in one (1) or more counterparts, and all of the counterparts shall constitute but one and the same agreement, notwithstanding that all parties hereto are not signatory to the same or original counterpart.

21.2 Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Sublease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Sublease or any amendment or exhibits hereto.

21.3 Notices. Unless five (5) days prior written notice is given in the manner set forth in this Section, the address of each party for all purposes connected with this Sublease shall be as follows:

Sublandlord:

Thornton Aircraft Company, LLC.  
7520 Hayvenhurst Ave.  
Van Nuys, CA 91406  
Attn: Morgan Halvorson

With a copy to:

Nevers, Palazzo, Packard, Wildermuth & Wynner, PC  
31248 Oak Crest Drive, Suite 200

Westlake Village, CA 91361  
Attn: Kevin Shaw

Subtenant:

Mira Vista Aviation, Inc.  
19301 Campus Drive  
Suite 201  
Santa Ana, CA 92707  
Attn: Patrick Lindsey

All notices, demands or communications in connection with this Sublease shall be considered received when (i) personally delivered; (ii) if properly addressed and deposited in the mail (registered or certified, return receipt requested, and postage prepaid), on the date shown on the return receipt for acceptance or rejection; or (iii) if sent via national overnight courier service, on the next day after the notice is set. All notices to Landlord under the Lease shall be considered received only when delivered in accordance with the Lease.

21.4 Governing Law. This Sublease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into in California between parties residing in California. Subtenant hereby consents to the personal jurisdiction and venue of any California state court located in the County of Los Angeles and United States District Courts for the Central District of California, and any successor court, and the service of process by any means authorized by such court.

21.5 Exhibits. All exhibits and addenda attached to this Sublease are incorporated herein by this reference and made a part hereof, and any reference in the body of this Sublease or in the exhibits or addenda to this Sublease shall mean this Sublease, together with all exhibits and addenda.

21.6 Sublandlord's Liability. The term "Sublandlord" as used herein shall mean only the owner or owners at the time in question of the fee title or the lessee under the Lease, and in the event of any transfer of such title or interest. Sublandlord shall be relieved from and after the date of such transfer of all liability with respect to the Sublandlord's obligations thereafter to be performed, provided that each successor Sublandlord expressly assumes all obligations of the prior Sublandlord arising under this Sublease after such transfer. The obligations contained in this Sublease to be performed by Sublandlord shall, subject to the foregoing, be binding on Sublandlord's successors and assigns, only during their respective periods of ownership. The liability of any Sublandlord under this Sublease or any amendment to this Sublease, or any instrument or document executed in connection with this Sublease, shall be limited to and enforceable solely against Sublandlord's interest in the Subleased Premises.

21.7 Severability. The invalidity of any provision of this Sublease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

21.8 Time of Essence. Time is of the essence.

(b) Subtenant agrees to execute any documents required to effectuate such subordination or to make this Sublease or other hypothecation prior to the lien of any mortgage, deed of trust, ground lease, or other hypothecation, as the case may be. In addition, if any mortgagee, trustee or ground lessor requires any modification or modifications to this Sublease, which modification or modifications shall not cause any increased cost or expense to Subtenant or in any other way materially change the rights or obligations of Subtenant hereunder, then Subtenant hereby agrees to promptly execute whatever documents are required to complete such modification or modifications and failure to do so within ten (10) days after written demand shall constitute a breach of this Sublease.

21.16 Corporate Authority. If Subtenant is a corporation, each individual executing this Sublease on behalf of said corporation represents and warrants that he or she is duly authorized to execute and deliver this Sublease on behalf of said corporation.

21.17 Force Majeure. Any prevention, delay or stoppage due to strikes, labor disputes, pandemics, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, except for the obligations imposed with regard to Basic Monthly Rent and other charges to be paid by Subtenant pursuant to this Sublease.

21.18 Waiver of Trial by Jury. To the extent permitted by applicable law, the parties hereby waive any and all rights they may have under applicable law to trial by jury with respect to any dispute arising directly or indirectly in connection with this Sublease, the Lease, or the Subleased Premises.

21.19 Brokers. Sublandlord and Subtenant each warrant to the other that no broker or finder can properly claim a right to a commission or a finder's fee based upon contacts between the claimant and Sublandlord or Subtenant in connection with this Sublease. Sublandlord and Subtenant each agree to indemnify and hold the other harmless from any claims or liability, including reasonable attorneys' fees, in connection with a claim by any person for a real estate broker's commission, finder's fee or other compensation based upon any statement, representation or agreement of such party.

22. Confidentiality. Subject to the requirements of applicable law, the parties agree to use their best efforts to maintain at all times as confidential information the terms of this Sublease.

23. Landlord Approval. This Sublease shall be contingent upon Landlord consenting hereto in writing pursuant to a separate written consent required by Landlord.

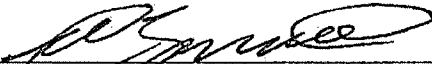
[SIGNATURES ON FOLLOWING PAGE(S)]



IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first above written.

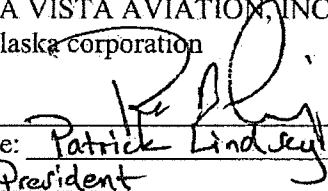
**SUBLANDLORD**

THORNTON AIRCRAFT COMPANY, LLC,  
a California limited liability company

BY:   
Name: Steve Zimmerman  
Its: managing member

**SUBTENANT**

MIRA VISTA AVIATION, INC.  
an Alaska corporation

BY:   
Name: Patrick Lindsey  
Its: President

**Exhibit A**

Master Lease

*[Attach]*

**Exhibit B**

Schedule of Airplanes to be Hangared in the Leased Premises

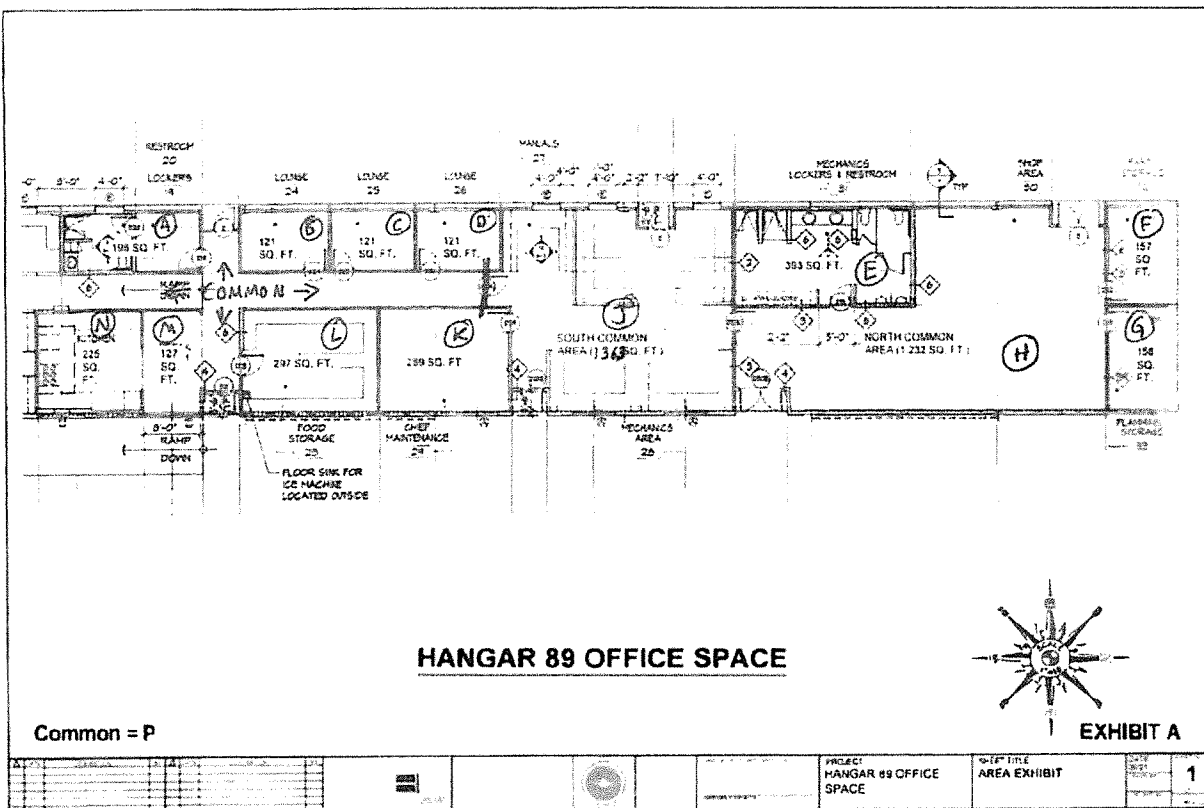
1. N955CM Gulfstream G-V S/N: V-592
2. N710MV Gulfstream G-IVSP S/N: IV-1370
3. N700MV Gulfstream G-IVSP S/N: IV-1233

**Exhibit B**

**Depiction of Subtenant's Location of Shop Space Within the Leased Premises**

Subtenant shall have the exclusive use of portions E, F, G and H of the Leased Premises identified on the following diagram.

Subtenant shall have the non-exclusive use of portions M, N and P of the Leased Premises identified on the following diagram.



**Exhibit D**

Depiction of the Location of the Leased Premises in the Claybourn Complex

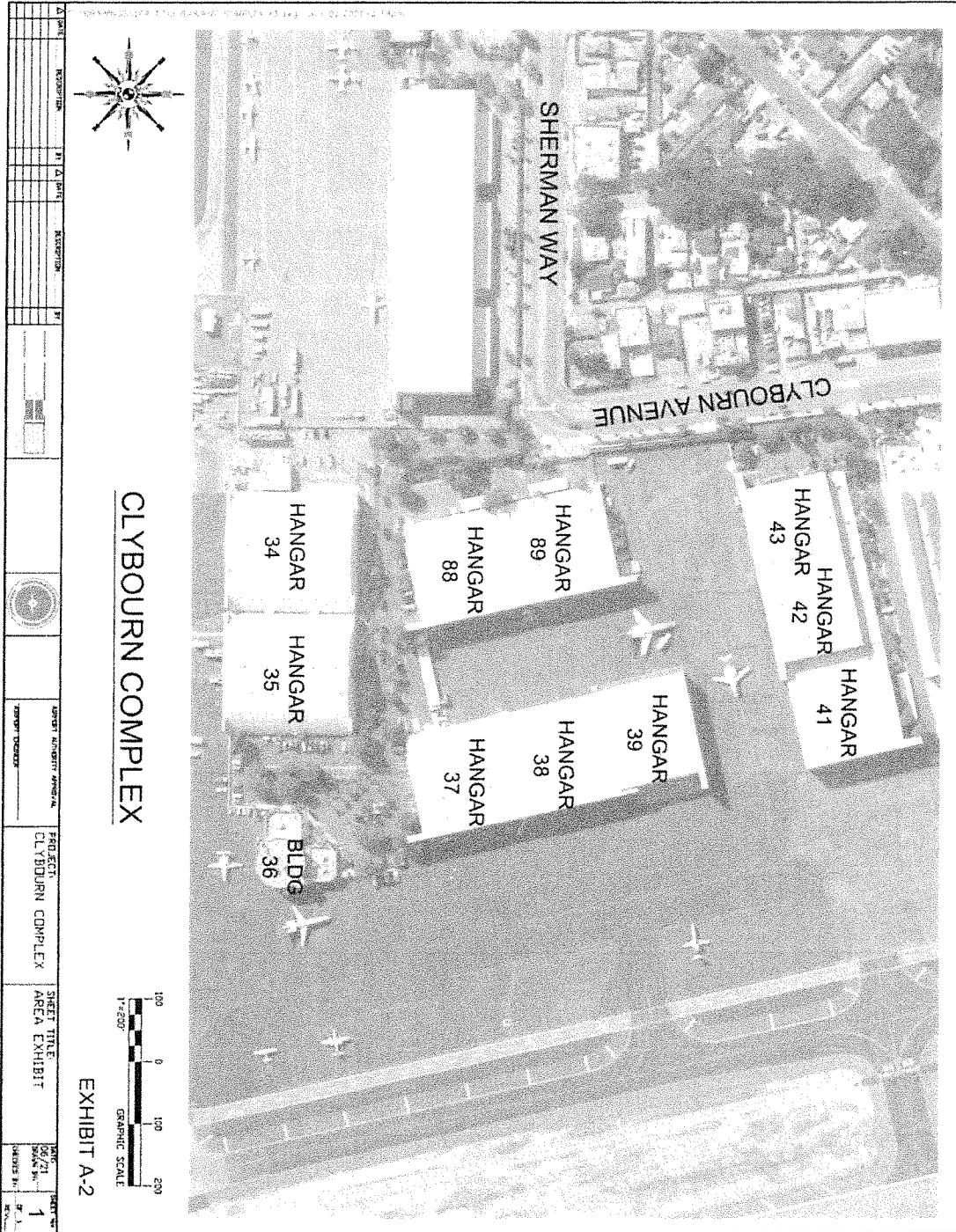


Exhibit D-1

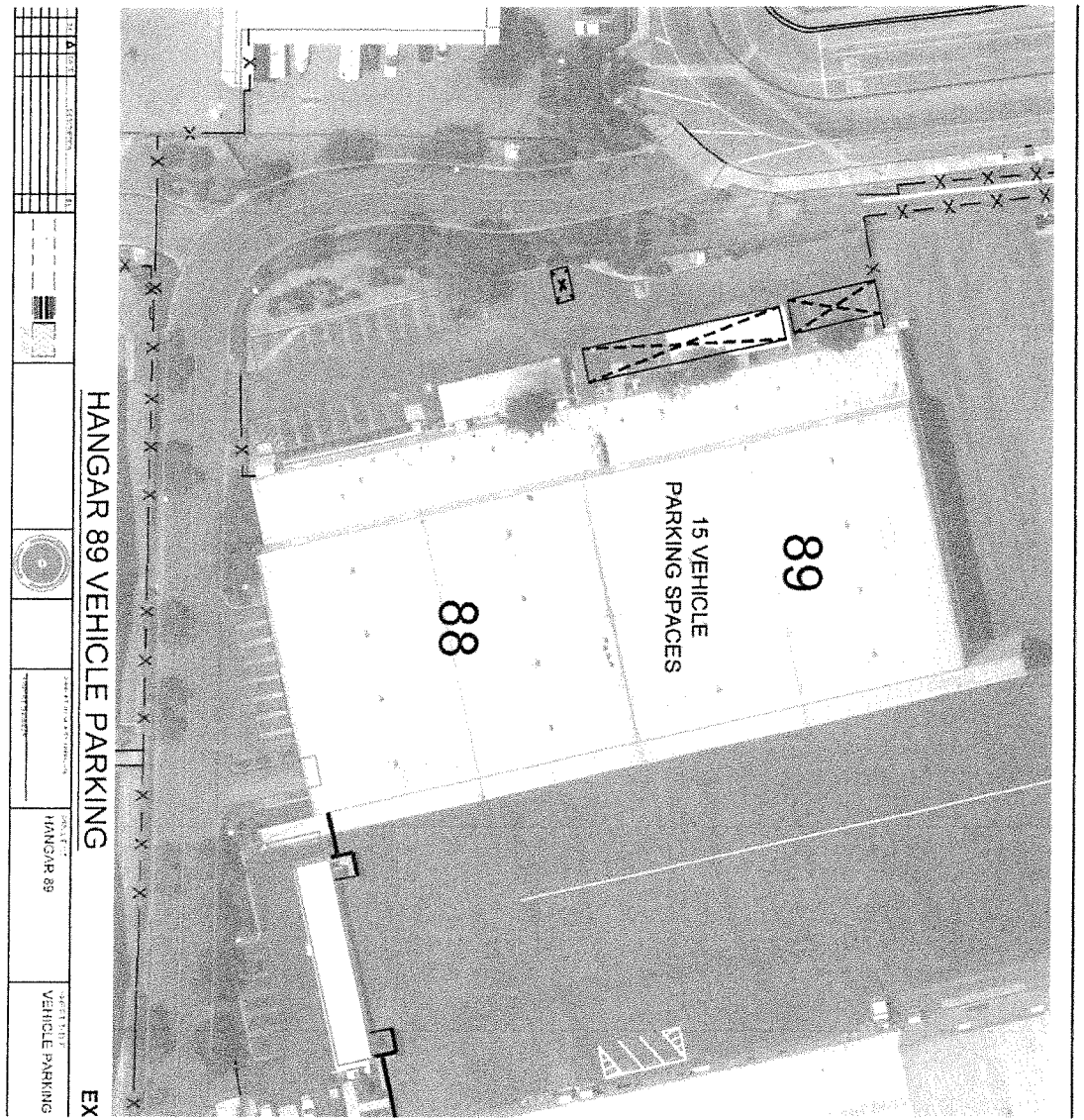


Exhibit D-2

### CONSENT TO SUBLEASE

The Burbank-Glendale-Pasadena Airport Authority ("Landlord"), as landlord under that certain Aviation Hangar Lease dated \_\_\_\_\_, 2021 (the "Lease"), entered into by between Landlord and THORNTON AIRCRAFT COMPANY, LLC, a California limited liability company, as tenant ("Tenant"); **subject to and conditioned upon the following terms and conditions**, hereby grants its consent to the form of that certain Sublease Agreement dated entered into by and between the Tenant, as sublessor, and MIRA VISTA AVIATION, INC., an Alaska corporation, as sublessee ("Sublessee"), a copy of which is attached hereto as Exhibit "A" (the "Sublease"), covering the premises ("Premises") described in the Sublease. this Consent is being given under the terms of Section 9.2 of the Lease.

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

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

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

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

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

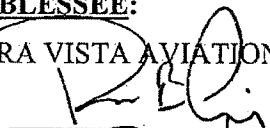
**TENANT/SUBLESSOR:**

THORNTON AIRCRAFT COMPANY,  
LLC, a California limited liability company

By:   
Steve Zimmerman, Managing Member

**SUBLEESSEE:**

MIRA VISTA AVIATION, INC.

By:   
Print Name: Patrick Lindsey  
Title: President

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**PROFESSIONAL SERVICES AGREEMENT**  
(Burbank-Glendale-Pasadena Airport Authority/Trifiletti Consulting, Inc.)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is dated August 16, 2021 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and Trifiletti Consulting, Inc. (“Consultant”), a California corporation (“Consultant”).

**RECITALS**

A. The Authority owns and operates the Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”) and desires to retain Consultant as an independent contractor to provide the following professional services: environmental, entitlement, land use, sustainability, and governmental consulting.

B. Consultant represents that it is fully qualified to perform such work by virtue of the training and experience of its personnel.

**NOW, THEREFORE**, the parties agree as follows:

**1. Definitions.** In addition to the terms defined above, the following definitions shall apply for purposes of this Agreement:

A. “Contract Administrator”: Patrick Lammerding or a duly authorized designee.

B. “Contract Limit”: Fifty-three thousand dollars (\$53,000).

C. “Executive Director”: Frank R. Miller or a duly authorized designee.

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

E. “Fee Schedule”: the fee schedule set forth in the attached Exhibit B.

F. “Indemnitees”: the Authority, TBI Airport Management, Inc., the Cities of Burbank, Glendale and Pasadena, and the respective officers, agents, employees and volunteers of each such entity.

G. “Insurance Requirements”: the insurance requirements set forth in the attached Exhibit C.

H. “Services”: the tasks set forth in the attached Exhibit A.

**2. Services.**

A. Consultant shall perform the Services in a timely, regular basis in accordance with the Authority's rules for the Airport, the Federal Requirements, and applicable laws. Time is of the essence in the performance of this Agreement

B. Consultant shall perform all work to professional standards and in a manner reasonably satisfactory to the Authority. Consultant shall consult the Contract Administrator for any decisions that must be made by the Authority. Consultant shall promptly notify the Contract Administrator of any unsafe condition that Consultant discovers at the Airport.

C. In the event any claim is brought against the Authority relating to Consultant's work under this Agreement, Consultant shall provide any reasonable assistance and cooperation that the Authority might require.

### **3. Term.**

A. This Agreement shall be effective August 16, 2021 and shall expire on June 30, 2022 unless terminated by either party pursuant to paragraph (B) below.

B. If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice from the Contract Administrator, then the Authority may immediately terminate this Agreement for cause. Either party may terminate this Agreement for convenience upon 15 days prior written notice to the other party.

### **4. Compensation.**

A. The Authority shall compensate Consultant for performance of the Services, and Consultant agrees to accept as full satisfaction for such work, payment according to the Fee Schedule. In no event shall the compensation payable to Consultant under this Agreement exceed the Contract Amount.

B. Consultant shall submit monthly invoices to the Authority for the Services. Each invoice shall itemize the work performed during the billing period and the amount due. Within 10 business days of receipt of each invoice, the Authority shall notify Consultant in writing of any disputed amounts on the invoice. Within 30 calendar days of receipt of each invoice, the Authority shall pay all undisputed amounts on the invoice. The Authority shall not withhold applicable taxes or other authorized deductions from the payments, and Consultant shall pay all required taxes on the payments

**5. Independent Contractor Status.** Consultant is, and shall at all times remain as to the Authority, an independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of the Authority or to act otherwise on behalf of the Authority as an agent. Neither the Authority nor any of its officers, employees, agents or volunteers shall have control over the conduct of Consultant except as set forth in this Agreement.

**6. Work Product Ownership.** All reports, documents, or other written material developed by Consultant in the performance of this Agreement shall be and remain the property of the Authority without limitation upon use or dissemination by the Authority.

**7. Confidentiality.** Consultant shall preserve the confidentiality of all nonpublic data, documents, discussion or other information that is developed or received by it in connection with this Agreement. Consultant shall not disclose such information without the prior written authorization of the Executive Director. Upon request, all Authority data shall be returned to the Authority at expiration or termination of this Agreement. Consultant's obligations under this section shall survive expiration or termination of this Agreement.

**8. Conflict of Interest.** Consultant shall not maintain or acquire any financial interest that may be affected by its work under this Agreement. Consultant shall avoid the appearance of having any financial interest that would conflict in any manner with its work under this Agreement.

**9. Indemnification.**

A. Consultant shall defend, hold harmless, and indemnify the Indemnitees from and against any actual, alleged, or threatened causes of action, claims, costs, damages, demands, expenses (including fees of accountants, attorneys, and other professionals), judgments, liens, losses, penalties, and proceedings of any nature whatsoever (collectively, "Liabilities") that arise out of the acts or omissions of Consultant or its subcontractors in connection with this Agreement.

B. Consultant's obligations under this section shall survive expiration or termination of this Agreement, and shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities.

C. Consultant's obligations under this section shall apply, without limitation, to Liabilities that partially involve active or passive negligence by the Authority. However, Consultant's obligations under this section shall not apply to Liabilities that arise from the sole negligence or willful misconduct of the Authority, as determined by final arbitration or court decision or by consensus of the parties.

**10. Insurance.** Without limiting Consultant's defense, hold harmless, and indemnification obligations under this Agreement, Consultant shall maintain policies of insurance as specified in the Insurance Requirements.

**11. Suspension.** The Contract Administrator may suspend all or any part of Consultant's work for the Authority's convenience or for work stoppages beyond the control of the parties. Written notice of a suspension shall be given to Consultant.

**12. Notices.** Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours;

(b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

Authority  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Patrick Lammerding, Deputy Exec. Dir.  
E-mail: PLammerding@bur.org

Consultant  
Trifiletti Consulting, Inc.  
1545 Wilshire Blvd., Suite 700  
Los Angeles, CA 90017  
Attn: Lisa Lopez Trifiletti, Principal  
E-mail: lisa@trifiletticonsulting.com

**13. Assignability.**

A. Except as provided in paragraph (B) below, Consultant shall not assign, transfer or subcontract any interest in this Agreement or the performance of any of its obligations without the Executive Director's prior written consent. Any attempt by Consultant to assign, transfer or subcontract any rights, duties or obligations in violation of this prohibition shall be void.

B. Consultant may subcontract with CDM Smith Inc. for development of annual airport emission inventories.

**14. Litigation.** In the event that either party shall commence legal action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California. The interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language.

**15. Exhibits.** Exhibits A through D are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibits A through C, the provisions of this Agreement shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit D, the provisions of Exhibit D shall prevail.

**16. Incorporation of Mandatory Language.** Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon request of either party this Agreement shall promptly be amended to make such insertion or correction.

**17. Entire Agreement.** This Agreement (and the attached Exhibits) represents the entire and integrated contract between the parties regarding the Services. This Agreement supersedes all prior oral or written negotiations, representations and contracts related to the Services. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

**TO EXECUTE THIS AGREEMENT**, the parties have caused their authorized representatives to sign below.

**Trifiletti Consulting, Inc.**



\_\_\_\_\_  
 Chairperson  President  Vice President

\_\_\_\_\_  
 Secretary  Asst. Secretary  
 Chief Finance Officer  Asst. Treasurer

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

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Paula Devine  
President

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation

## **EXHIBIT A**

### **Scope of Services**

#### **I. Trifiletti Services**

Trifiletti Consulting Inc. (Trifiletti) shall assist Hollywood Burbank Airport by providing the following environmental, entitlement, land use, sustainability and governmental consulting on complex airport and transportation aviation projects and related professional services:

##### **Environmental Consulting/Advisory Services:**

Advise on sustainability policies as necessary to support the entitlement efforts at Hollywood Burbank Airport, including but not limited to coordination with the AQMD on the updates of future Air Quality Management Plan (AQMP), SCAG's latest Regional Transportation Plans, and its relationship to future MOUs with the AQMD.

- Assist with the coordination of the Southern California Association of Governments' Regional Transportation Plan Update to ensure critical Burbank capital projects, including the Terminal Replacement Project is included in the RTP, FTIP, or other relevant transportation projects.
- Assist Hollywood Burbank Airport to secure Hollywood Burbank Airport's Conformity allocations and determinations are secured to support federal funding and grant funding requests.
- Assist the Hollywood Burbank Airport with grant funding support and continue to provide strategic advice regarding the ongoing environmental clearance requirements for the Terminal Replacement Project.
- Provide strategic land use, environmental, entitlement, real estate, transportation, and governmental/public outreach consulting for airport projects, and advise, review, or prepare, as requested, environmental review documents for airport projects in compliance with the California Environmental Quality Act and the National Environmental Policy Act.
- Assist Hollywood Burbank Airport with agency coordination, including but not limited to City of Los Angeles, Los Angeles Department of Transportation, Los Angeles Department of City Planning, Los Angeles Public Works Department, South Coast Air Quality Management District, County Airport Land Use Commission, Southern California Association of Governments, Los Angeles Regional Water Quality Control Board, Los Angeles County Metropolitan Transportation Authority, California Public Utilities Commission, and the California Department of Transportation.
- Lead the interface with AQMD, other airport airlines, and key stakeholders to come to compliance with AQMD MOU.
- Assist with stakeholder coordination, communication and external affairs, including but not limited to coordination with community stakeholders, elected officials and regulatory /responsible agencies.

##### **Proposed Terminal Replacement Project Advisory Services:**

- Define and refining policy objectives and goals associated with the Project and provide strategic advisory services to strategically define critical program considerations to advance the project in a coordinated manner towards an environmental process and the decision point for the Hollywood Burbank Airport.
- Provide leadership and direction associated with the program to support the project definition process and development of specific technical data by others.
- Evaluate data/information to identify critical policy and other issues, develop potential strategies including benefits/consequences considerations to support informed decision making.
- Support meetings/briefings in support of the Airport Authority's decision making on potential strategies/roadmap for furthering program development and implementation, including assisting with the Project Program Management Team selection process and contract development.
- Assist Hollywood Burbank Airport with updating the South Coast AQMD's Air Quality Management Plan and State Implementation Plan to include the Terminal Replacement Project, including all project components and enabling projects. Support the final completion and adoption of the Project on the RTP, FTIP and other relevant transportation plans.
- Support and assist with financial feasibility analysis, especially as it relates to environmental regulatory, CEQA/NEPA obligations, FAA requirements, and environmental policies associated with the implementation of sustainability plan and AQIP implementation.
- Assist and support airline interface for the development of airline term sheets, and replacement of Airport Use Agreement (AUA). Provide input regarding environmental policies, regulations, sustainability costs to the Financial Feasibility study and Airport Use Agreement negotiations.
- Provide General Project/Program Management Advisory Services for Terminal Support on an *as needed basis* to include:
  - IATA Level of Service Evaluation
  - Terminal Planning & Programming
  - Passenger Flow
  - Drawing Review/Peer Review
  - Airline Stakeholder Engagement
  - Project Objectives Principles & Criteria from the Airport and/or Airline Perspective
  - Project Scoping/Requests for Proposals
  - Proposal Evaluation/Selection
  - Project Workflow Planning
  - Task/Project/Program Management
  - Airport Wayfinding Logic
  - Airport Facilities Problem Solving

In addition, Trifiletti will manage and partner with the subconsultant, CDM Smith, to develop the 2020 annual emission inventories. Trifiletti will also lead the facilitation and coordination work with the AQMD, including the production AQMD Midyear Report and Annual Year End

Report, MidSource Committee Presentation and representation at the AQMD Facility Based Measure Working Group.

All consulting services and related professional services shall be completed to the satisfaction of the Hollywood Burbank Airport Deputy Executive Director of Planning & Development or any other appropriate designee of the Executive Director.

All advice provided by Trifiletti shall be reviewed in a significant, substantive manner by Hollywood Burbank Airport Deputy Executive Director of Planning & Development or any other appropriate designee of the Executive Director, and Trifiletti shall not have the independent authority to enter into or approve any contracts, issue any permits, or adopt or approve any plan, report, policy, etc., on behalf of Hollywood Burbank Airport.

When interacting with Hollywood Burbank Airport personnel, other Agencies, stakeholders, the public, etc. pursuant to this Agreement, Trifiletti shall solely represent Hollywood Burbank and its interests.

## **II. CDM Smith Services**

### **Annual Airport Emission Inventory Methodologies**

Beginning in 2021, and every year thereafter through 2032 (total of 12 years), BUR will be required to provide an annual emissions inventory report for the previous calendar year to the South Coast AQMD. For fiscal year 2021-2022, CDM Smith will work closely with Trifiletti and BUR staff to develop the approach and methods for determining the 2021 annual emission inventories for the following airport-related emission sources and activities:

- Ground Support Equipment (GSE)
- Construction Activity and Emissions
- Airport-Owned Vehicle Fleet
- Electric Vehicle Charging Infrastructure

### **Other Air Quality-Related Benefits**

In addition to the methodologies noted above, CDM Smith will also identify potential approaches associated with estimating air quality benefits for the following BUR AQIP elements:

- Trip Reduction Programs. CDM Smith will work closely with Trifiletti and BUR staff to develop approaches for identifying benefits from BUR trip reduction programs (such as the Regional Intermodal Transportation Center, Employee Rideshare Policy, and Burbank-Metrolink Shuttle Connection).
- Sustainable Design Programs. CDM Smith will work closely with Trifiletti and BUR staff to develop approaches for identifying benefits from BUR Sustainable Design



Programs (such as BUR Replacement Terminal Project, BUR Sustainable Hanger Project, and Solar Facility).

Associated with the work noted above, CDM Smith staff may attend up to 3 meetings at the airport.

### **Schedule**

CDM Smith will complete the methodologies by July 1, 2022.

**EXHIBIT B**  
**Fee Schedule**

Trifiletti proposes to assist Hollywood Burbank Airport by providing expert environmental, entitlement, sustainability, land use, and governmental consulting on complex airport and transportation aviation projects and related professional consulting services, not to exceed \$53,000.00 for services rendered August 16, 2021 thru June 30, 2022. This amendment total includes a budget of \$28,000 for Trifiletti's services and \$25,000 for CDM Smith's services, at the hourly rates of:

Lisa Trifiletti, Principal	\$290 per hour
Ellen Wright and Todd Osborne Airport Subject Matter Expert	\$290 per hour
Environmental Specialist	\$180 per hour
Planning Associate	\$130 per hour
CDM Smith Subconsultant Services	\$25,000 (not to exceed)

Direct expenses such as parking, copy fees, database research, authorized travel and related expenses will be billed at actual costs.

Any out-of-state or long-distance travel required to conduct the above-mentioned workplace investigations, compliance training or related services shall be approved in advance by the Executive Director or an authorized designee.

**EXHIBIT C**  
**Insurance Requirements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Consultant shall furnish to the Authority an original certificate or certificates of insurance and amendatory endorsements showing that required policies are in effect in the required amounts and, as to the workers' compensation insurance, with the required waiver of

subrogation. The certificates and endorsements must be received and approved by the Contract Administrator prior to commencement of work. The Authority reserves the right to require complete, certified copies of all required insurance policies at any time.

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

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

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

**EXHIBIT D**  
**Non-AIP Project Federal Requirements**

1. General Civil Rights Provisions

Consultant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds Consultant and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

2. Civil Rights – Title VI Assurance

During the performance of this contract, Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the “Consultant”) agrees as follows:

A. Compliance with Regulations: Consultant will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

B. Non-discrimination: Consultant, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Consultant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

C. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Consultant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Consultant of Consultant’s obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

D. Information and Reports: Consultant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Authority or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Consultant will so certify to the Authority or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of Consultant's noncompliance with the Non-discrimination provisions of this contract, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

1. Withholding payments to Consultant under the contract until Consultant complies; and/or
2. Cancelling, terminating, or suspending a contract, in whole or in part.

F. Incorporation of Provisions: Consultant will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Consultant will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Consultant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Consultant may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, Consultant may request the United States to enter into the litigation to protect the interests of the United States.

G. During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
2. 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
4. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
5. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
6. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

7. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

### 3. Federal Fair Labor Standards Act

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Consultant has full responsibility to monitor compliance to the referenced statute or regulation. Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.



4. Occupational Safety and Health Act

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Consultant retains full responsibility to monitor its compliance and its subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Consultant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

## PROFESSIONAL SERVICES AGREEMENT

(Burbank-Glendale-Pasadena Airport Authority / Airport & Aviation Professionals, Inc.)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is dated September 20, 2021 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and Airport & Aviation Professionals, Inc., a Florida corporation doing business as AvAirPros (“Consultant”).

### RECITALS

A. The Authority owns and operates the Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”) and desires to retain Consultant as an independent contractor to provide the following professional services: airline technical liaison services for the replacement terminal program.

B. Consultant represents that it is fully qualified to perform such work by virtue of the training and experience of its personnel.

**NOW, THEREFORE**, the parties agree as follows:

**1. Definitions.** In addition to the terms defined above, the following definitions shall apply for purposes of this Agreement:

- A. “Commencement Date”: October 1, 2021.
- B. “Contract Administrator”: John T. Hatanaka or a duly authorized designee.
- C. “Contract Amount”: \$50,000 for FY 2022.
- D. “Executive Director”: Frank R. Miller or a duly authorized designee.
- E. “Expiration Date”: June 30, 2022.
- F. “Federal Requirements” the federal requirements set forth in the attached Exhibit C, which requirements are applicable to projects not funded by an Airport Improvement Program grant from the Federal Aviation Administration.
- G. “Fee Schedule”: the fee schedule set forth in the Proposal.
- H. “Indemnitees”: the Authority, TBI Airport Management, Inc., the Cities of Burbank, Glendale and Pasadena, and the respective officers, agents, employees and volunteers of each such entity.
- I. “Insurance Requirements”: the insurance requirements set forth in the attached Exhibit B.

J. "Proposal": Consultant's August 2, 2021 proposal set forth in the attached Exhibit A

K. "Services": the tasks set forth in the Proposal.

## **2. Services.**

A. Consultant shall perform the Services in a timely, regular basis in accordance with the Authority's rules for the Airport, the Federal Requirements, and applicable laws. Time is of the essence in the performance of this Agreement.

B. Consultant shall perform all work to the highest professional standards and in a manner reasonably satisfactory to the Authority. Consultant shall consult the Contract Administrator for any decisions that must be made by the Authority. Consultant shall promptly notify the Contract Administrator of any unsafe condition that Consultant discovers at the Airport.

C. In the event any claim is brought against the Authority relating to Consultant's performance of the Services, Consultant shall provide any reasonable assistance and cooperation that the Authority might require.

## **3. Term.**

A. The base term of this Agreement shall commence on the Commencement Date and shall expire on the Expiration Date unless extended pursuant to Paragraph B or earlier terminated pursuant to Paragraph C below.

B. The Authority shall have two options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, the Authority shall give written notice to Consultant at least 30 days prior to the then-scheduled Expiration Date.

C. If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice from the Contract Administrator, then the Authority may immediately terminate this Agreement for cause. Either party may terminate this Agreement for convenience upon 15 days prior written notice to the other party.

## **4. Compensation.**

A. The Authority shall compensate Consultant for performance of the Services, and Consultant agrees to accept as full satisfaction for such work, payment on a time and materials basis according to the Fee Schedule. In no event shall the compensation payable to Consultant under this Agreement for FY 2022 exceed the Contract Amount.

B. Consultant shall submit monthly invoices to the Authority for the Services. Each invoice shall itemize the work performed during the billing period and the amount due. Within

10 business days of receipt of each invoice, the Authority shall notify Consultant in writing of any disputed amounts on the invoice. Within 30 calendar days of receipt of each invoice, the Authority shall pay all undisputed amounts on the invoice. The Authority shall not withhold applicable taxes or other authorized deductions from the payments, and Consultant shall pay all required taxes on the payments.

**5. Independent Contractor Status.** Consultant is, and shall at all times remain as to the Authority, an independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of the Authority or to act otherwise on behalf of the Authority as an agent. Neither the Authority nor any of its officers, employees, agents or volunteers shall have control over the conduct of Consultant except as set forth in this Agreement.

**6. Work Product Ownership.** All reports, documents, or other written material developed by Consultant in the performance of this Agreement shall be and remain the property of the Authority without limitation upon use or dissemination by the Authority.

**7. Confidentiality.** Consultant shall preserve the confidentiality of all nonpublic data, documents, discussion or other information that is developed or received by it in connection with this Agreement. Consultant shall not disclose such information without the prior written authorization of the Executive Director. Upon request, all Authority data shall be returned to the Authority at expiration or termination of this Agreement. Consultant's obligations under this section shall survive expiration or termination of this Agreement.

**8. Conflict of Interest.** Consultant shall not maintain or acquire any financial interest that may be affected by the Services. Consultant shall avoid the appearance of having any financial interest that would conflict in any manner with the Services.

**9. Indemnification.**

A. Consultant shall defend, hold harmless, and indemnify the Indemnitees from and against any actual, alleged, or threatened causes of action, claims, costs, damages, demands, expenses (including fees of accountants, attorneys, and other professionals), judgments, liens, losses, penalties, and proceedings of any nature whatsoever (collectively, "Liabilities") that arise out of the negligent acts or omissions of Consultant or its subcontractors in connection with this Agreement.

B. Consultant's obligations under this section shall survive expiration or termination of this Agreement, and shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities.

C. Consultant's obligations under this section shall apply, without limitation, to Liabilities that partially involve active or passive negligence by the Authority. However, Consultant's obligations under this section shall not apply to Liabilities that arise from the sole negligence or willful misconduct of the Authority, as determined by final arbitration or court decision or by consensus of the parties.

**10. Insurance.** Without limiting Consultant's defense, hold harmless, and indemnification obligations under this Agreement, Consultant shall maintain policies of insurance as specified in the Insurance Requirements.

**11. Suspension.** The Contract Administrator may suspend all or any part of the Services for the Authority's convenience or for work stoppages beyond the control of the parties. Written notice of a suspension shall be given to Consultant.

**12. Notices.** Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

Authority  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: John T. Hatanaka  
E-mail: [jhatanaka@bur.org](mailto:jhatanaka@bur.org)

Consultant  
AvAirPros  
3555 Kraft Road, Suite 300  
Naples, FL 34105  
Attn: Mr. Matthew J. Ross  
E-mail: [m.ross@avairpros.com](mailto:m.ross@avairpros.com)

**13. Assignability.** Consultant shall not assign, transfer or subcontract any interest in this Agreement or the performance of any of its obligations without the Executive Director's prior written consent. This prohibition is not intended to preclude, and shall not be interpreted as precluding, Consultant from utilizing subcontractors identified in Consultant's proposal for the Services. Any attempt by Consultant to assign, transfer or subcontract any rights, duties or obligations in violation of this prohibition shall be void.

**14. Litigation.** In the event that either party shall commence legal action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California. The interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language.

**15. Exhibits.** Exhibits A through C are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibits A and B, the provisions of this Agreement shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit C, the provisions of Exhibit C shall prevail.

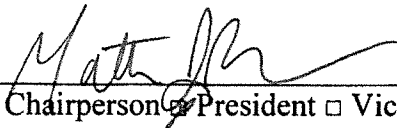
**16. Incorporation of Mandatory Language.** Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such

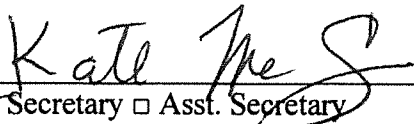
provision is not inserted, or is not correctly inserted, then upon request of either party this Agreement shall promptly be amended to make such insertion or correction.

17. **Entire Agreement.** This Agreement (and the attached Exhibits) represents the entire and integrated contract between the parties regarding the Services. This Agreement supersedes all prior oral or written negotiations, representations and contracts related to the Services. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

**TO EXECUTE THIS AGREEMENT,** the parties have caused their authorized representatives to sign below.

**Airport & Aviation Professionals, Inc.**

  
\_\_\_\_\_  
 Chairperson  President  Vice President

  
\_\_\_\_\_  
 Secretary  Asst. Secretary  
 Chief Finance Officer  Asst. Treasurer

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

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Paula Devine, President

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation

**EXHIBIT A  
Proposal**

(attached)

August 2, 2021

Mr. John Hatanaka  
Senior Deputy Executive Director  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA. 91505

**RE: BUR ATR Scope of Services and Billing Rates**

Dear John,

AvAirPros is pleased to submit the attached proposed Scope of Services and billing rates for the Airline Technical Representative position at BUR.

I have also attached resumes for Mark McQueen and Michael Shanus. Under my supervision, Mark will provide the day-to-day project support with Michael Shanus providing as-needed technical assistance.

We look forward to continuing to assist the airport and airlines with the development of the Elevate BUR Replacement Terminal Project.

Sincerely,

**AVAIRPROS**

***Paul Bintinger***

Paul Bintinger  
Senior Managing Director – California Market Leader

cc: Lori Peters, AvAirPros



## SCOPE OF SERVICES

### Coordination

The Airline Technical Representative (ATR) will serve as the single point of contact for coordinating Airline involvement in the Project. The following services should be provided through all phases of the Project.

- Establish and maintain effective lines of communication with Airline representatives, Authority staff and its consultants through a clearly identified single point of contact.
- Provide a single, coordinated response to the Authority that represents the consensus view, where possible, of the Airlines on project matters and issues.
- Coordinate and ensure timely Airline review of project documents and submittals and provide input in conformance with published schedules.
- Provide periodic reports to the AAAC on the status of the Project.
- Coordinate meetings and conference calls among the Airlines and between the Authority and Airlines.
- Respond to requests for information and/or assistance from individual airline representatives.

### Program Planning

During the planning and pre-design phases of the Project, the ATR will provide the following support.

- Review and evaluate all Program Definition and Criteria Documents developed by the Authority and its consultant team for all aspects of the program.
- Evaluate development alternatives for compatibility with airline operations and facility needs.
- Evaluate project timeframes and proposed phasing plans for airline impacts.
- Assess and confirm proposed demand and facility requirements for all functional areas.
- Provide technical support to the Airlines and Authority through the development of the Program.

## Program Implementation

During the design and construction of Project, the ATR will provide the following technical input to assist the Airlines and Authority.

- Review all design packages, schedules and cost estimates. On behalf of the Airlines, provide written comments for consideration by the Authority.
- Provide technical input during design phases on behalf of the Airlines.
- Review phasing and construction activities that affect airline operations.
- Assist in the coordination of construction activities that impact airline operations.
- Resolve technical issues that arise during construction.
- Support activation and project closeout activities.

## Financial Services

Throughout the Project, the Airlines expect the ATR to provide financial support as described below.

- Review and provide comment on the Project's Plan of Finance, financial feasibility documents and other Project financing materials.
- Participate in the establishment, management and tracking of the overall Project budget and costs.
- Review and analyze the impact of the Project on Airline rates and charges.
- Provide periodic reports to the Airlines that summarize the financial status of the Project.
- Develop financial analysis to support evaluation of Project implementation alternatives.

## 2021 BILLING RATES

Officer	\$ 305.00
Senior Managing Director	\$ 285.00
Managing Director	\$ 271.00
Senior Director	\$ 255.00
Director	\$ 236.00
Senior Manager	\$ 208.00
Manager	\$ 189.00
Consultant	\$ 172.00
Support	\$ 83.00

Rates to be escalated annually by CPI

**EXHIBIT B**  
**Insurance Requirements**

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

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

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

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

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

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

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

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

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

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

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

F. The coverage afforded additional insureds shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any insured which results in a breach of any term, condition or warranty of the policies, provided that the additional insured so protected has not caused, contributed to or knowingly condoned said act or omission. Additionally, the coverage afforded the additional insureds under this clause will not apply in the event of exhaustion of policy limits or to losses or claims arising from perils specifically excluded from coverage or not otherwise covered under the policies.

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

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

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

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

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

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

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

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

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

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

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

**EXHIBIT C**  
**Non-AIP Project Federal Requirements**

1. General Civil Rights Provisions

Consultant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds Consultant and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

2. Civil Rights – Title VI Assurance

During the performance of this contract, Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the “Consultant”) agrees as follows:

A. Compliance with Regulations: Consultant will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

B. Non-discrimination: Consultant, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Consultant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

C. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Consultant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Consultant of Consultant’s obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

D. Information and Reports: Consultant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Authority or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Consultant will so certify to the Authority or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of Consultant's noncompliance with the Non-discrimination provisions of this contract, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

1. Withholding payments to Consultant under the contract until Consultant complies; and/or
2. Cancelling, terminating, or suspending a contract, in whole or in part.

F. Incorporation of Provisions: Consultant will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Consultant will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Consultant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Consultant may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, Consultant may request the United States to enter into the litigation to protect the interests of the United States.

G. During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
2. 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
4. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
5. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
6. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);



7. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

### 3. Federal Fair Labor Standards Act

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Consultant has full responsibility to monitor compliance to the referenced statute or regulation. Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

4. Occupational Safety and Health Act

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Consultant retains full responsibility to monitor its compliance and its subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Consultant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

## PROFESSIONAL SERVICES AGREEMENT

(Burbank-Glendale-Pasadena Airport Authority / Georgino Development LLC)

THIS PROFESSIONAL SERVICES AGREEMENT is dated September 20, 2021 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority ("Authority") and Georgino Development LLC (Tax I.D. #20-1928955) ("Consultant").

### RECITALS

A. The Authority seeks to retain Consultant as an independent contractor to provide advisory services for a replacement terminal project.

B. Consultant represents that it is fully qualified to perform such services by virtue of the experience and training of its principal, Susan Georgino.

NOW, THEREFORE, the parties agree as follows:

**1. Consultant's Services.** On request, Consultant shall perform the services set forth in Consultant's August 2, 2021 proposal attached as Exhibit A.

**2. Term.** This Agreement shall commence on October 1, 2021 and shall expire on June 30, 2022 unless extended or earlier terminated pursuant to this Section. The term of this Agreement shall be subject to one extension option exercisable by mutual agreement of the parties. If the parties exercise the extension option, this Agreement shall expire on June 30, 2023 unless earlier terminated pursuant to this Section. Either party may terminate this Agreement without cause upon seven calendar days notice.

**3. Compensation.**

A. The Authority agrees to compensate Consultant, and Consultant agrees to accept as full satisfaction for its services, a retainer fee in the amount of \$4,000 per month. If the parties exercise the extension option, then, commencing July 1, 2022, the retainer fee shall be \$4,500 per month.

B. Consultant's compensation includes payment of all taxes, insurance and fringe benefits, as well as indirect costs, overhead and profit allowance, travel, materials and supplies. The Authority shall not withhold applicable taxes or other authorized deductions from the payments, and Consultant shall pay all required taxes on the payments.

**4. Independent Contractor Status.**

A. Consultant is, and shall at all times be, an independent contractor of the Authority. Neither the Authority nor any of its officers, employees, agents or volunteers shall have control over Consultant's conduct except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it is in any manner an officer, employee or agent of the Authority. Consultant shall not incur or have the power to incur any debt, obligation or liability on the Authority's behalf.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in this Agreement, the Authority shall not pay salaries, wages, or other compensation to Consultant for performing the services. The Authority shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performance of the services.

**5. Insurance.** Consultant shall procure and maintain for the duration of this Agreement automobile liability insurance with limits no less than \$1,000,000 per accident for bodily injury and property damage.

**6. Indemnification.** Consultant shall indemnify, hold harmless and defend the Authority and its officers, employees, and agents from any claim, demand, damage, liability, loss, cost or expense for any damage whatsoever (including death or injury to any person and injury to any property) resulting from willful misconduct, negligent acts, errors or omissions of Consultant.

**7. Confidentiality.** Consultant shall preserve the confidentiality of all data, documents, discussion or other information that is developed or received by it or that is provided for performance of this Agreement. Consultant shall not disclose such information without the prior written authorization of the Authority's Executive Director. Upon request, all Authority data shall be returned to Authority at the termination of this Agreement. Consultant's covenant under this section shall survive the expiration or termination of this Agreement.

**8. Conflict of Interest.** Consultant shall not engage in any business or transaction or have a financial or other personal interest or association, direct or indirect, that is in conflict with the proper discharge of providing services to the Authority under this Agreement or that tend to impair independence of judgment or action in the providing of services under this Agreement. This provision shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by Consultant's active engagement for the Authority, providing such acts do not constitute a conflict of interest as defined herein.

**9. Notices.** Any notices, invoices or other documents related to this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Authority

Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Frank Miller  
E-mail: FMiller@bur.org

Consultant

Georgino Development LLC  
4555 Arcola Avenue  
Toluca Lake, CA 91602  
Attn: Susan Georgino  
E-mail: sg@georginodevelopment.com

**10. Assignability.** Consultant shall not assign, transfer or subcontract any interest in this Agreement or the performance of any of its obligations.

**11. Incorporation of Mandatory Language.** Every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party this Agreement shall promptly be amended to make such insertion or correction.

**12. Entire Agreement.** Exhibit A is incorporated into this Agreement by reference. This Agreement (and the attached Exhibit) represents the entire and integrated contract between the parties regarding the replacement terminal project advisory services. This Agreement supersedes all prior oral or written negotiations, representations and contracts related to such services. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

EXECUTED:

Authority  
Burbank-Glendale-Pasadena  
Airport Authority

Consultant  
Georgino Development LLC

\_\_\_\_\_  
Paula Devine, President

  
\_\_\_\_\_  
Susan Georgino

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation

August 2, 2021

John T. Hatanaka  
Senior Deputy Executive Director  
Burbank-Glendale-Pasadena Airport Authority  
2627 North Hollywood Way  
Burbank, CA, 91505

Re: Professional Services Agreement

Dear John,

Since 2015 it has been my pleasure to work with the Burbank-Glendale-Pasadena Airport Authority. During that time, development of a 14-gate replacement terminal serving the greater San Fernando and San Gabriel Valleys has been anticipated to be a cornerstone of the future of the Hollywood Burbank Airport. It has been my privilege to be a part of its planning. The cornerstone in the development of the replacement terminal has been the Development Agreement entered into between the City of Burbank and the Burbank-Glendale-Pasadena Airport Authority. Within that Agreement, the Airport commits to complying with the design and development standards contained therein and to consider and reflect the input received during an extensive community design process. Community input was sought and received during a robust community planning process known as the charrettes. Nine (9) in-person charrettes and additional on-line input opportunities were conducted and provided for during 2019. The results of those sessions form a series of community design recommendations. I submit the following proposed scope and term of work to assist the Authority developing a replacement terminal design that will respond to both the Development Agreement requirements and the key recommendations of community design vision process.

- Term of Agreement: October 1, 2021 - June 30, 2022. In addition, a one year extension option is proposed from July 1, 2022 - June 30, 2023.
- Scope of services to include:
  - General consultant services for the Burbank-Glendale-Pasadena Airport Authority as defined by Executive Director.
  - Provide consultation services with respect to implementation of the Development Agreement between the City of Burbank and the Burbank-Glendale-Pasadena Airport Authority for the replacement terminal project conditions of approval and other City of Burbank development requirements and provide assistance to Airport staff regarding development of the proposed new 14-gate replacement terminal.

- Provide assistance in insuring that the outcomes of the 2019 charrette community engagement process are reflected as key design recommendations for the development of the replacement terminal.
- Provide general land use advice regarding any adjacent development and/or land use plans as they might pertain to the Airport's development of the new terminal.
- Provide additional consultation services for development of replacement terminal including but not limited to compliance with COB/AA Development Agreement and on-going community engagement and communications.

Compensation:

In lieu of an hourly rate, the aforementioned work will be compensated via a retainer fee. Retainer amount for period beginning September 1, 2021 shall be in the amount of four thousand dollars (\$4,000.) per month. Should the Airport Authority and Georgino Development exercise the one year extension, commencing July 1, 2022 thru June 30, 2023 the retainer fee shall be in the amount of four thousand five hundred dollars (\$4500.) per month.

Contractual Entity:

The contracting entity will be Georgino Development LLC Tax I.D. #20-1928955.

I hope this letter fully captures the content of our discussion; should you need any additional information, please let me know.

Sincerely,



Susan Georgino  
Principal  
Georgino Development  
4555 Arcola Avenue  
Toluca Lake, CA. 91602

c: Terence R. Boga

## PROFESSIONAL SERVICES AGREEMENT

(Burbank-Glendale-Pasadena Airport Authority / Public Resources Advisory Group, Inc.)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is dated September 20, 2021 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and Public Resources Advisory Group, Inc. (“Consultant”), a New York corporation.

### RECITALS

A. The Authority owns and operates the Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”) and desires to retain Consultant as an independent contractor to provide the following professional services: on-call financial services for the replacement terminal program.

B. Consultant represents that it is fully qualified to perform such work by virtue of the training and experience of its personnel.

**NOW, THEREFORE**, the parties agree as follows:

**1. Definitions.** In addition to the terms defined above, the following definitions shall apply for purposes of this Agreement:

- A. “Commencement Date”: October 1, 2021.
- B. “Contract Administrator”: John T. Hatanaka or a duly authorized designee.
- C. “Contract Amount”: \$75,000 for FY 2022.
- D. “Executive Director”: Frank R. Miller or a duly authorized designee.
- E. “Expiration Date”: June 30, 2022.
- F. “Federal Requirements” the federal requirements set forth in the attached Exhibit C, which requirements are applicable to projects not funded by an Airport Improvement Program grant from the Federal Aviation Administration.
- G. “Fee Schedule”: the fee schedule set forth in the Proposal.
- H. “Indemnitees”: the Authority, TBI Airport Management, Inc., the Cities of Burbank, Glendale and Pasadena, and the respective officers, agents, employees and volunteers of each such entity.
- I. “Insurance Requirements”: the insurance requirements set forth in the attached Exhibit B.



J. “Proposal”: Consultant’s August 2, 2021 proposal set forth in the attached Exhibit A.

K. “Services”: the tasks set forth in the Proposal.

## **2. Services.**

A. Consultant shall perform the Services in a timely, regular basis in accordance with the Authority’s rules for the Airport, the Federal Requirements, and applicable laws. Time is of the essence in the performance of this Agreement.

B. Consultant shall perform all work to the highest professional standards and in a manner reasonably satisfactory to the Authority. Consultant shall consult the Contract Administrator for any decisions that must be made by the Authority. Consultant shall promptly notify the Contract Administrator of any unsafe condition that Consultant discovers at the Airport.

C. In the event any claim is brought against the Authority relating to Consultant’s performance of the Services, Consultant shall provide any reasonable assistance and cooperation that the Authority might require.

## **3. Term.**

A. The base term of this Agreement shall commence on the Commencement Date and shall expire on the Expiration Date unless extended pursuant to Paragraph B or earlier terminated pursuant to Paragraph C below.

B. The Authority shall have two options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, the Authority shall give written notice to Consultant at least 30 days prior to the then-scheduled Expiration Date.

C. If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice from the Contract Administrator, then the Authority may immediately terminate this Agreement for cause. Either party may terminate this Agreement for convenience upon 15 days prior written notice to the other party.

## **4. Compensation.**

A. The Authority shall compensate Consultant for performance of the Services, and Consultant agrees to accept as full satisfaction for such work, payment on a time and materials basis according to the Fee Schedule. In no event shall the compensation payable to Consultant under this Agreement for FY 2022 exceed the Contract Amount.

B. Consultant shall submit monthly invoices to the Authority for the Services. Each invoice shall itemize the work performed during the billing period and the amount due. Within

10 business days of receipt of each invoice, the Authority shall notify Consultant in writing of any disputed amounts on the invoice. Within 30 calendar days of receipt of each invoice, the Authority shall pay all undisputed amounts on the invoice. The Authority shall not withhold applicable taxes or other authorized deductions from the payments, and Consultant shall pay all required taxes on the payments.

**5. Independent Contractor Status.** Consultant is, and shall at all times remain as to the Authority, an independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of the Authority or to act otherwise on behalf of the Authority as an agent. Neither the Authority nor any of its officers, employees, agents or volunteers shall have control over the conduct of Consultant except as set forth in this Agreement.

**6. Work Product Ownership.** All reports, documents, or other written material developed by Consultant in the performance of this Agreement shall be and remain the property of the Authority without limitation upon use or dissemination by the Authority.

**7. Confidentiality.** Consultant shall preserve the confidentiality of all nonpublic data, documents, discussion or other information that is developed or received by it in connection with this Agreement. Consultant shall not disclose such information without the prior written authorization of the Executive Director. Upon request, all Authority data shall be returned to the Authority at expiration or termination of this Agreement. Consultant's obligations under this section shall survive expiration or termination of this Agreement.

**8. Conflict of Interest.** Consultant shall not maintain or acquire any financial interest that may be affected by the Services. Consultant shall avoid the appearance of having any financial interest that would conflict in any manner with the Services.

**9. Indemnification.**

A. Consultant shall defend, hold harmless, and indemnify the Indemnitees from and against any actual, alleged, or threatened causes of action, claims, costs, damages, demands, expenses (including fees of accountants, attorneys, and other professionals), judgments, liens, losses, penalties, and proceedings of any nature whatsoever (collectively, "Liabilities") that arise out of the acts or omissions of Consultant or its subcontractors in connection with this Agreement.

B. Consultant's obligations under this section shall survive expiration or termination of this Agreement, and shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities.

C. Consultant's obligations under this section shall apply, without limitation, to Liabilities that partially involve active or passive negligence by the Authority. However, Consultant's obligations under this section shall not apply to Liabilities that arise from the sole negligence or willful misconduct of the Authority, as determined by final arbitration or court decision or by consensus of the parties.

**10. Insurance.** Without limiting Consultant's defense, hold harmless, and indemnification obligations under this Agreement, Consultant shall maintain policies of insurance as specified in the Insurance Requirements.

**11. Suspension.** The Contract Administrator may suspend all or any part of the Services for the Authority's convenience or for work stoppages beyond the control of the parties. Written notice of a suspension shall be given to Consultant.

**12. Notices.** Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

Authority  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: John T. Hatanaka  
E-mail: PLammerding@bur.org

Consultant  
Public Resources Advisory Group  
11500 W. Olympic Blvd., Ste. 400  
Los Angeles, CA 90064  
Attn: Louis Choi  
E-mail: LChoi@pragadvisors.com

**13. Assignability.** Consultant shall not assign, transfer or subcontract any interest in this Agreement or the performance of any of its obligations without the Executive Director's prior written consent. Any attempt by Consultant to assign, transfer or subcontract any rights, duties or obligations in violation of this prohibition shall be void.

**14. Litigation.** In the event that either party shall commence legal action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California. The interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language.

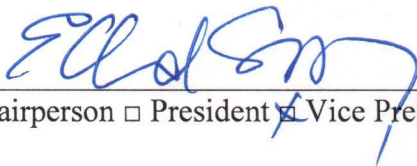
**15. Exhibits.** Exhibits A through C are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibits A and B, the provisions of this Agreement shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit C, the provisions of Exhibit C shall prevail.

**16. Incorporation of Mandatory Language.** Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon request of either party this Agreement shall promptly be amended to make such insertion or correction.

17. **Entire Agreement.** This Agreement (and the attached Exhibits) represents the entire and integrated contract between the parties regarding the Services. This Agreement supersedes all prior oral or written negotiations, representations and contracts related to the Services. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

**TO EXECUTE THIS AGREEMENT,** the parties have caused their authorized representatives to sign below.

**Public Resources Advisory Group, Inc.**

  
\_\_\_\_\_  
 Chairperson  President  Vice President

\_\_\_\_\_  
 Secretary  Asst. Secretary  
 Chief Finance Officer  Asst. Treasurer

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

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Paula Devine, President

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation

**EXHIBIT A**  
**Proposal**

(attached)

---

**PUBLIC RESOURCES ADVISORY GROUP**

Mr. John Hatanaka  
Senior Deputy Executive Director  
Hollywood Burbank Airport  
2627 Hollywood Way  
Burbank, CA 91505

August 2, 2021

RE: Financial Advisory Services for FY 2021-22

Dear Mr. Hatanaka:

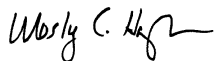
On behalf of Public Resources Advisory Group (PRAG) I would like to thank you for the opportunity to provide a proposed scope of financial advisory services for FY 2021-22 for the Replacement Terminal Project (RTP). In addition, PRAG would expect to provide a similar level of “as-needed” services that would arise during the year as we have in previous years. The scope of services we propose to provide would include the following:

- Assist in updating the RTP financial model in conjunction with Ricondo & Associates;
- Assist in ongoing discussions with US DOT Build America Bureau to support the ability to obtain a loan or loans for the RTP including work on the Letter of Intent;
- Assist as required in preparation of the new airline MOU;
- Assist in obtaining interim financing, as needed;
- Assist in reviewing the application of potential federal funds as proposed in current infrastructure legislation for new terminal development;
- Assist the Authority with Credit Rating Agency reviews;
- Review and analyze financing proposals the Authority may receive from time to time from bond underwriters;
- Assist Ricondo & Associates in their role as may be requested from time to time;
- Provide advice regarding rating agency criteria and the impact on financing options; and
- Provide other services on an as-needed basis as requested.

We propose to bill the Authority at an hourly rate of \$325 for PRAG professionals with title of Director and Senior Managing Director, \$300 for Managing Director, \$260 for Vice President, \$235 for Assistant Vice President, \$220 for Associate and \$200 for Analyst and submit detailed invoices on a monthly basis. We estimate that the total cost of these services for August 2, 2021 to June 30, 2022 would not exceed \$75,000. The actual cost and timing will depend on the extent of services requested during this time period. In addition, we propose two additional one-year extensions following June 30, 2022 at the same hourly rates with the annual estimate to be provided at a later date. We will notify the Authority as soon as possible if it appears that the amount of time we are spending on the project will exceed the annual estimates.

We very much appreciate the opportunity to continue to work with the Authority on the replacement terminal project. Please let me or Louis Choi know if you have any questions regarding the scope of services we have proposed.

Sincerely,



Wes Hough  
Director



Louis Choi  
Senior Managing Director

**EXHIBIT B**  
**Insurance Requirements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Consultant shall furnish to the Authority an original certificate or certificates of insurance and amendatory endorsements showing that required policies are in effect in the required amounts and, as to the workers' compensation insurance, with the required waiver of



subrogation. The certificates and endorsements must be received and approved by the Contract Administrator prior to commencement of work. The Authority reserves the right to require complete, certified copies of all required insurance policies at any time.

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

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

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

**EXHIBIT C**  
**Non-AIP Project Federal Requirements**

1. General Civil Rights Provisions

Consultant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds Consultant and sub-tier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

2. Civil Rights – Title VI Assurance

During the performance of this contract, Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the “Consultant”) agrees as follows:

A. Compliance with Regulations: Consultant will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

B. Non-discrimination: Consultant, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Consultant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

C. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Consultant for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Consultant of Consultant’s obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

D. Information and Reports: Consultant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Authority or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Consultant will so certify to the Authority or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of Consultant's noncompliance with the Non-discrimination provisions of this contract, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

1. Withholding payments to Consultant under the contract until Consultant complies; and/or
2. Cancelling, terminating, or suspending a contract, in whole or in part.

F. Incorporation of Provisions: Consultant will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Consultant will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Consultant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Consultant may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, Consultant may request the United States to enter into the litigation to protect the interests of the United States.

G. During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
2. 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
4. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
5. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
6. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

7. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

### 3. Federal Fair Labor Standards Act

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Consultant has full responsibility to monitor compliance to the referenced statute or regulation. Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

4. Occupational Safety and Health Act

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Consultant must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Consultant retains full responsibility to monitor its compliance and its subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Consultant must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**PROFESSIONAL SERVICES AGREEMENT**  
(Burbank-Glendale-Pasadena Airport Authority / Conway Consulting, Ltd.)

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is dated September 20, 2021 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority ("Authority"), a California joint powers agency, and Conway Consulting, Ltd. ("Consultant").

**RECITALS**

A. The Authority owns and operates the Bob Hope Airport (commonly known as Hollywood Burbank Airport) ("Airport") and desires to retain Consultant as an independent contractor to provide the following professional services: on-call airfield evaluation and related support services for the replacement terminal program.

B. Consultant represents that it is fully qualified to perform such work by virtue of the training and experience of its personnel.

**NOW, THEREFORE**, the parties agree as follows:

**1. Definitions.** In addition to the terms defined above, the following definitions shall apply for purposes of this Agreement:

- A. "Commencement Date": October 1, 2021.
- B. "Contract Administrator": Frank R. Miller or a duly authorized designee.
- C. "Contract Amount": \$50,000 for FY 2022.
- D. "Executive Director": Frank R. Miller or a duly authorized designee.
- E. "Expiration Date": June 30, 2022.
- F. "Federal Requirements" the federal requirements set forth in the attached Exhibit C, which requirements are applicable to projects not funded by an Airport Improvement Program grant from the Federal Aviation Administration.
- G. "Fee Schedule": the fee schedule set forth in the Proposal.
- H. "Indemnitees": the Authority, TBI Airport Management, Inc., the Cities of Burbank, Glendale and Pasadena, and the respective officers, agents, employees and volunteers of each such entity.
- I. "Insurance Requirements": the insurance requirements set forth in the attached Exhibit B.

J. "Proposal": Consultant's August 2, 2021 proposal set forth in the attached Exhibit A.

K. "Services": the tasks set forth in the Proposal.

## **2. Services.**

A. Consultant shall perform the Services in a timely, regular basis in accordance with the Authority's rules for the Airport, the Federal Requirements, and applicable laws. Time is of the essence in the performance of this Agreement.

B. Consultant shall perform all work to the highest professional standards and in a manner reasonably satisfactory to the Authority. Consultant shall consult the Contract Administrator for any decisions that must be made by the Authority. Consultant shall promptly notify the Contract Administrator of any unsafe condition that Consultant discovers at the Airport.

C. In the event any claim is brought against the Authority relating to Consultant's performance of the Services, Consultant shall provide any reasonable assistance and cooperation that the Authority might require.

## **3. Term.**

A. The base term of this Agreement shall commence on the Commencement Date and shall expire on the Expiration Date unless extended pursuant to Paragraph B or earlier terminated pursuant to Paragraph C below.

B. The Authority shall have two options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, the Authority shall give written notice to Consultant at least 30 days prior to the then-scheduled Expiration Date.

C. If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice from the Contract Administrator, then the Authority may immediately terminate this Agreement for cause. Either party may terminate this Agreement for convenience upon 15 days prior written notice to the other party.

## **4. Compensation.**

A. The Authority shall compensate Consultant for performance of the Services, and Consultant agrees to accept as full satisfaction for such work, payment on a time and materials basis according to the Fee Schedule. In no event shall the compensation payable to Consultant under this Agreement for FY 2022 exceed the Contract Amount.

B. Consultant shall submit monthly invoices to the Authority for the Services. Each invoice shall itemize the work performed during the billing period and the amount due. Within

10 business days of receipt of each invoice, the Authority shall notify Consultant in writing of any disputed amounts on the invoice. Within 30 calendar days of receipt of each invoice, the Authority shall pay all undisputed amounts on the invoice. The Authority shall not withhold applicable taxes or other authorized deductions from the payments, and Consultant shall pay all required taxes on the payments.

**5. Independent Contractor Status.** Consultant is, and shall at all times remain as to the Authority, an independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of the Authority or to act otherwise on behalf of the Authority as an agent. Neither the Authority nor any of its officers, employees, agents or volunteers shall have control over the conduct of Consultant except as set forth in this Agreement.

**6. Work Product Ownership.** All reports, documents, or other written material developed by Consultant in the performance of this Agreement shall be and remain the property of the Authority without limitation upon use or dissemination by the Authority.

**7. Confidentiality.** Consultant shall preserve the confidentiality of all nonpublic data, documents, discussion or other information that is developed or received by it in connection with this Agreement. Consultant shall not disclose such information without the prior written authorization of the Executive Director. Upon request, all Authority data shall be returned to the Authority at expiration or termination of this Agreement. Consultant's obligations under this section shall survive expiration or termination of this Agreement.

**8. Conflict of Interest.** Consultant shall not maintain or acquire any financial interest that may be affected by the Services. Consultant shall avoid the appearance of having any financial interest that would conflict in any manner with the Services.

**9. Indemnification.**

A. Consultant shall defend, hold harmless, and indemnify the Indemnitees from and against any actual, alleged, or threatened causes of action, claims, costs, damages, demands, expenses (including fees of accountants, attorneys, and other professionals), judgments, liens, losses, penalties, and proceedings of any nature whatsoever (collectively, "Liabilities") that arise out of the acts or omissions of Consultant or its subcontractors in connection with this Agreement.

B. Consultant's obligations under this section shall survive expiration or termination of this Agreement, and shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities.

C. Consultant's obligations under this section shall apply, without limitation, to Liabilities that partially involve active or passive negligence by the Authority. However, Consultant's obligations under this section shall not apply to Liabilities that arise from the sole negligence or willful misconduct of the Authority, as determined by final arbitration or court decision or by consensus of the parties.



**10. Insurance.** Without limiting Consultant's defense, hold harmless, and indemnification obligations under this Agreement, Consultant shall maintain policies of insurance as specified in the Insurance Requirements.

**11. Suspension.** The Contract Administrator may suspend all or any part of the Services for the Authority's convenience or for work stoppages beyond the control of the parties. Written notice of a suspension shall be given to Consultant.

**12. Notices.** Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

Authority  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Frank R. Miller  
E-mail: fmiller@bur.org

Consultant  
Conway Consulting, Ltd.  
P.O. Box 1687  
Marco Island, FL 34146  
Attn: Mark Conway  
E-mail: mconway@dls.net

**13. Assignability.** Consultant shall not assign, transfer or subcontract any interest in this Agreement or the performance of any of its obligations without the Executive Director's prior written consent. Any attempt by Consultant to assign, transfer or subcontract any rights, duties or obligations in violation of this prohibition shall be void.

**14. Litigation.** In the event that either party shall commence legal action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California. The interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language.

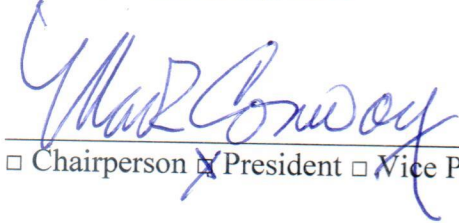
**15. Exhibits.** Exhibits A through C are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibits A and B, the provisions of this Agreement shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit C, the provisions of Exhibit C shall prevail.

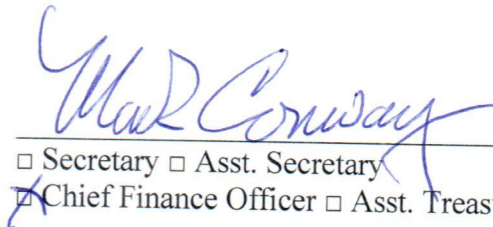
**16. Incorporation of Mandatory Language.** Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon request of either party this Agreement shall promptly be amended to make such insertion or correction.

17. **Entire Agreement.** This Agreement (and the attached Exhibits) represents the entire and integrated contract between the parties regarding the Services. This Agreement supersedes all prior oral or written negotiations, representations and contracts related to the Services. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

**TO EXECUTE THIS AGREEMENT,** the parties have caused their authorized representatives to sign below.

**Conway Consulting, Ltd.**

  
\_\_\_\_\_  
 Chairperson  President  Vice President

  
\_\_\_\_\_  
 Secretary  Asst. Secretary  
 Chief Finance Officer  Asst. Treasurer

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

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Paula Devine, President

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation

# Conway Consulting, Ltd.

## Airports and Aviation

August 2, 2021

Mr. John Hatanaka  
Senior Deputy Executive Director  
Hollywood Burbank Airport  
2627 N. Hollywood Way  
Burbank, California 91505

Proposal for FY 22 Consulting Services

Dear Mr. Hatanaka:

This letter presents the Proposal of Conway Consulting, Ltd. to continue supporting Burbank-Glendale-Pasadena Airport Authority's (BGPAA) pursuit of the implementation of the Replacement Passenger Terminal (RPT) Program. This Proposal defines the scope of services in terms of Tasks and contemplates compensation for services on a time and materials basis. The attached Proposal includes discussion of the following:

- Scope and Approach that includes a proposed Services Task Listing for FY 2022,
- Term of Services for Services, and
- Billing Rate and Expense Invoicing.

Tasks Proposed for FY 2022 will be authorized by the Executive Director or the Senior Deputy Executive Director. Tasks costs and schedule will be defined at the time of authorization.

Conway Consulting, Ltd has been supporting the efforts of the BPGAA since 2013. Efforts included support during the Program Scope Definitions, pre-vote coordination with the Public, as well as Development Agreement, Environmental Impact Report, and related technical efforts conducted by the BGPAA including the selection and coordination with the Program Management Team prior to the suspension of the RPT Program as a result of the COVID crisis in March 2020.

We look forward to continuing our support for the BGPAA as well as the RPT Program.

Sincerely,  
CONWAY CONSULTING, LTD.



Mark D. Conway  
President

# Proposal for On Call RPT Program Re-Start Support Services – Fiscal Year 2022 Hollywood Burbank Airport

This document presents the Proposal of Conway Consulting, Ltd for continuing to support the Burbank-Glendale-Pasadena Airport Authority (BGPAA) effort to implement the Replacement Passenger Terminal (RPT) Program. This Proposal includes the following key items:

- Scope Approach for 2022,
- Term of Proposal, and
- Billing Rate and Expense Invoicing.

Each are described in the sections that follow.

## 1. Scope Approach

The BGPAA is monitoring industry conditions and COVID related conditions to prepare for the re-start of the Replacement Passenger Terminal (RPT) Program. The BGPAA is taking a cautious approach to the RPT Program re-start to ensure that proper steps are being taken to have a game plan for the path forward. Conway Consulting, Ltd. has been assisting the BGPAA in this effort in FY 2021. This proposal is prepared for Conway Consulting, Ltd. to provide continuing support the RPT Program and its re-start when it is deemed appropriate to do so.

This Proposal is for On Call services during FY 2022. Any services of Conway Consulting, Ltd. will be authorized by the Executive Director or the Senior Deputy Executive Director. The following Tasks are to be completed in FY 2022:

### Task 1 – Support BGPAA RPT Program Re-Start Efforts

Activities may include but not be limited to:

- Prepare Schedules
- Assess Actions
- Estimate Program Soft Costs
- Assist in definition of BGPAA Interests
- Coordinate with BGPAA Staff as appropriate.

### Task 2 - Coordinate with Airline Facility Representatives

Work with Airlines as appropriate to address issues and interests for spaces, features and fixtures for the RPT as well as any conditions for an RPT Program re-start.

### **Task 3 – PDM Lite**

Work with the Airline AAAC technical representatives to produce a Program Definition Manual (PDM) Lite. The PDM Lite is a short version of a traditional PDM and is used here because of the foundation documents already defining the scope and various aspects of the Replacement Passenger Terminal (RPT) Program.

### **Task 4 – PDB RFQ Support**

Work with the Program Management Team (PMT) on the development and finalization of the Airline AAAC technical representatives to produce a request for qualifications (RFQ) for the solicitation of Progressive Design Builder (PDB).

### **Task 5 - Coordinate with Financial Planning Team**

Provide support to the Financial Planning Team as needed. This support may include data and reviews of Program Cost related issues.

### **Task 6 – Miscellaneous Airport Facilities and Operational Support**

Support will be provided on an as needed basis to staff on matters related to ongoing operations and maintenance.

## **2. Term of Proposal**

The attached Scope of Services is defined for Fiscal Year 2022 ending June 30, 2022. It reflects the tasks that are envisioned based upon the current plan for the re-start of the RPT Program that was suspended following the traffic declines due to the COVID crisis. It is anticipated that RPT Program implementation will continue into Fiscal Years 2023 and 2024. If deemed advisable by the BGPAA, this Proposal may be extended for an additional two years with new definitions of Scope of Services reviewed and approved by the BGPAA that are consistent with the status of RPT Program implementation at that time.

## **3. Billing Rate and Expense Invoicing**

Conway Consulting, Ltd. is proposing that the support services be completed on a time and materials basis for labor and expenses. The labor rate will be \$210.00 per hour for FY 2022. Conway Consulting, Ltd. reserves the right to increase the hourly billing rate by as much as 5% per year to reflect increased costs if services are extended for future Fiscal Years. Expenses will be invoiced at cost and will include economy class airfare, hotel, meals and home and destination airport ground transportation expenses. Other non-travel expenses will be at cost with prior authorization. Receipts will be provided for all reimbursable expenses.

**PROFESSIONAL SERVICES AGREEMENT**  
(Burbank-Glendale-Pasadena Airport Authority / Woodward and Associates)

THIS PROFESSIONAL SERVICES AGREEMENT is dated September 20, 2021 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority ("Authority") and Woodward and Associates ("Consultant").

**RECITALS**

A. The Authority seeks to retain Consultant as an independent contractor to provide the following professional services: replacement terminal program funding consulting and federal liaison services.

B. Consultant represents that it is fully qualified to perform such services by virtue of the experience and training of its principal, Susan Georgino.

NOW, THEREFORE, the parties agree as follows:

**1. Consultant's Services.** On request, Consultant shall provide support to the Authority in its goal to complete a replacement terminal project. The services will include: (i) work with the Federal Aviation Administration ("FAA") as such agency reviews plans and proposals associated with the construction of the replacement terminal project; (ii) interface with the Build America Bureau regarding Transportation Infrastructure Finance and Innovation Act eligibility; and (iii) work with federal agencies regarding funding eligibility under pending federal infrastructure legislation for new terminal development. Assistance will be provided to the Authority as it formulates its plans for the terminal including but not limited to development of a comprehensive funding strategy incorporating federal and other funds, delineation of a detailed timetable for completion, review and advise on meeting FAA regulatory and policy requirements, and any other associated requirements. Liaison with the FAA at the Airport District Office, Regional Office and Headquarters levels will be an integral part of this work.

**2. Term.** This Agreement shall commence on October 1, 2021 and shall expire on June 30, 2022 unless extended or earlier terminated pursuant to this Section. The Authority shall have two options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, the Authority shall give written notice to Consultant at least 30 days prior to the then-scheduled expiration date. Either party may terminate this Agreement without cause upon seven calendar days notice.

**3. Compensation.**

A. The Authority agrees to compensate Consultant, and Consultant agrees to accept as full satisfaction for its services, a retainer fee in the amount of \$3,000 per month.

B. Consultant's compensation includes payment of all taxes, insurance and fringe benefits, as well as indirect costs, overhead and profit allowance, travel, materials and supplies.

The Authority shall not withhold applicable taxes or other authorized deductions from the payments, and Consultant shall pay all required taxes on the payments.

**4. Independent Contractor Status.**

A. Consultant is, and shall at all times be, an independent contractor of the Authority. Neither the Authority nor any of its officers, employees, agents or volunteers shall have control over Consultant's conduct except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it is in any manner an officer, employee or agent of the Authority. Consultant shall not incur or have the power to incur any debt, obligation or liability on the Authority's behalf.

B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in this Agreement, the Authority shall not pay salaries, wages, or other compensation to Consultant for performing the services. The Authority shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performance of the services.

**5. Insurance.** Consultant shall procure and maintain for the duration of this Agreement automobile liability insurance with limits no less than \$1,000,000 per accident for bodily injury and property damage.

**6. Indemnification.** Consultant shall indemnify, hold harmless and defend the Authority and its officers, employees, and agents from any claim, demand, damage, liability, loss, cost or expense for any damage whatsoever (including death or injury to any person and injury to any property) resulting from willful misconduct, negligent acts, errors or omissions of Consultant.

**7. Confidentiality.** Consultant shall preserve the confidentiality of all data, documents, discussion or other information that is developed or received by it or that is provided for performance of this Agreement. Consultant shall not disclose such information without the prior written authorization of the Authority's Executive Director. Upon request, all Authority data shall be returned to Authority at the termination of this Agreement. Consultant's covenant under this section shall survive the expiration or termination of this Agreement.

**8. Conflict of Interest.** Consultant shall not engage in any business or transaction or have a financial or other personal interest or association, direct or indirect, that is in conflict with the proper discharge of providing services to the Authority under this Agreement or that tend to impair independence of judgment or action in the providing of services under this Agreement. This provision shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by Consultant's active engagement for the Authority, providing such acts do not constitute a conflict of interest as defined herein.

**9. Notices.** Any notices, invoices or other documents related to this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to

the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Authority

Consultant

Authority:  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Frank Miller  
Email: FMiller@bur.org

Consultant:  
Woodward & Associates  
3608 Casey Key Road  
Nokomis, FL 34275  
Attn: Woodie Woodward  
Email: woodwardwsh@aol.com

**10. Assignability.** Consultant shall not assign, transfer or subcontract any interest in this Agreement or the performance of any of its obligations.

**11. Incorporation of Mandatory Language.** Every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party this Agreement shall promptly be amended to make such insertion or correction.

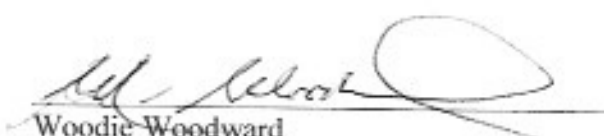
**12. Entire Agreement.** This Agreement represents the entire and integrated contract between the parties regarding the replacement terminal project advisory services. This Agreement supersedes all prior oral or written negotiations, representations and contracts related to such services. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

EXECUTED:

Authority  
Burbank-Glendale-Pasadena  
Airport Authority

Consultant  
Woodward and Associates

\_\_\_\_\_  
Paula Devine, President

  
Woodie Woodward

Approved as to form:

\_\_\_\_\_  
Richards, Watson & Gershon  
A Professional Corporation