



April 26, 2018

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

NOTICE is hereby given that a special meeting of the Finance and Administration Committee will be held Monday, April 30, 2018, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505.

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

SPECIAL MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE

Airport Skyroom  
Monday, April 30, 2018  
9:00 A.M.

***NOTE TO THE PUBLIC: Any disclosable public records related to an open session item on a special meeting agenda and distributed by the Authority to the Commission less than 24 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.***



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

AGENDA

1. Approval of Agenda
2. Public Comment
3. Contracts and Leases
  - a. Consent of Sublease of Aviation Hangar Lease, Chartwell Aviation Services LLC to Star Aviation, Inc.
    - Staff Report Attached (See page 1)

***Staff seeks a Finance & Administration Committee recommendation to the Commission to approve a Consent of Sublease of the Aviation Hangar Lease for Hangar 22 between Chartwell Aviation Services, LLC, a California limited liability company, and Star Aviation, Inc., a Delaware corporation.***

4. Items for Discussion

- a. Fiscal Year 2018/2019 ("FY 2019")  
Presentation of FY 2019 Projected Revenues

***No staff report is attached. Staff will discuss with the Committee projected revenues for the FY 2019 budget.***

5. Adjournment

**STAFF REPORT PRESENTED TO  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
APRIL 30, 2018**

**CONSENT OF SUBLEASE OF AVIATION HANGAR LEASE  
CHARTWELL AVIATION SERVICES LLC TO  
STAR AVIATION INC**

**SUMMARY**

Staff seeks a Finance & Administration Committee ("Committee") recommendation to the Commission to approve a Consent of Sublease ("Consent") of the Aviation Hangar Lease ("Lease") for Hangar 22 between Chartwell Aviation Services, LLC ("Chartwell"), a California limited liability company, and Star Aviation, Inc. ("Star"), a Delaware corporation.

**BACKGROUND**

Chartwell entered into a Lease with the Authority on March 3, 2003, which expires on October 31, 2018. In February 2018, Chartwell notified Staff that the corporate aircraft that had resided in Hangar 22 was recently sold. With the sale of the aircraft, Chartwell stated that they had minimal need for the hangar and that they were actively seeking to sublease the hangar.

In March 2018, Chartwell communicated to Staff that they have been in negotiations with Star, currently a subtenant in Hangar 25 of Jet Aviation, to assign their Lease and submit a Sublease Agreement for review and comment.

Staff and Authority Counsel reviewed the Sublease Agreement and determined that the terms of the Sublease Agreement are agreeable and in compliance with the terms of the Lease.

If consent of the Sublease is granted, it is the intent of the Sublessee, Star, to enter into discussions with Staff for an Aviation Hangar Lease for Hangar 22.

**DESCRIPTION**

Pursuant to Section 9.2 of the Lease, Chartwell has submitted a Sublease Agreement to the Burbank-Glendale-Pasadena Airport Authority ("Authority") for consideration. A copy of the proposed Sublease Agreement is attached.

## DETAILS

Key components of the proposed Sublease Agreement are as follows:

<u>Use:</u>	Storage of general aviation aircraft.
<u>Premises:</u>	Hangar 22 with adjacent vehicle parking and aircraft ramp areas
<u>Commencement:</u>	Commencement of Sublease upon Authority consent
<u>Expiration:</u>	October 31, 2018 (Expiration Date of Lease)
<u>Rent:</u>	\$53,252.07 monthly (remains unchanged)
<u>Termination:</u>	Sublease Agreement terminates if Lease is terminated

## BUDGET IMPACT

Approval of the Consent to Sublease for the Aviation Hangar Lease is revenue neutral.

## RECOMMENDATION

Staff recommends that the Finance & Administration Committee recommend to the Commission that it approve the Consent of Sublease of Aviation Hangar Lease between Chartwell Aviation Services LLC to Star Aviation and to authorize the President to execute same.

## CONSENT TO SUBLEASE

The Burbank-Glendale-Pasadena Airport Authority ("Landlord"), as landlord under that certain Aviation Hangar Lease dated February 18, 2003, as amended by a letter agreement dated November 6, 2003 and two additional amendments dated in April, 2008 and dated March 18, 2013, respectively (the "Lease"), entered into by between Landlord and CHARTWELL AVIATION SERVICES LLC, as tenant ("Tenant"), subject to and conditioned upon the following terms and conditions, hereby grants its consent to that certain Sublease Agreement dated April 11<sup>th</sup>, 2018 entered into by and between the Tenant, as sublessor, and STAR AVIATION, INC., a Delaware corporation, as sublessee ("Sublessee"), a copy of which is attached hereto as Exhibit "A" (the "Sublease"), covering the premises ("Premises") described in the Sublease.

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 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.
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.
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:**

CHARTWELL AVIATION SERVICES  
LLC

By: Michael A. Enright  
Print Name: Michael A Enright  
Title: Secretary

**SUBLESSEE:**

STAR AVIATION, INC.

By: [Signature]  
Print Name: Terrence J. Blissett  
Title: IT'S VICE PRESIDENT OF AVIATION OPERATIONS

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

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

## SUBLEASE AGREEMENT

This Sublease Agreement (this "Sublease"), dated this 16th day of April, 2018, is by and between CHARTWELL AVIATION SERVICES LLC, a California limited liability company, having an office at 1999 Avenue of the Stars, Suite 3050, Los Angeles, California 90067 ("Sublandlord"), and STAR AVIATION, INC., a Delaware corporation, having an office at 3030 North Clybourn Avenue, Burbank, California 91505 ("Subtenant").

### RECITALS

WHEREAS, Sublandlord is the tenant under that certain Aviation Hangar Lease dated February 18, 2003, as amended by that certain letter agreement dated November 6, 2003, that certain First Amendment of Lease dated April 2008, and that certain Second Amendment of Lease dated March 18, 2013 (collectively and as further amended from time to time, the "Primary Lease"), with 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 (the "Prime Landlord"); and

WHEREAS, pursuant to the Primary Lease, Sublandlord leased those certain premises that are more particularly described on Exhibit A attached hereto and made a part hereof and that are shown on Exhibit A-1 attached hereto and made a part hereof, which are located at the Bob Hope Airport in Burbank, California (the "Demised Premises"); and

WHEREAS, Sublandlord desires to sublease all of the Demised Premises to Subtenant, and Subtenant desires to sublease all of the Demised Premises from Sublandlord, in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

### AGREEMENT

1. Demise.

Sublandlord hereby leases to Subtenant, and Subtenant hereby leases from Sublandlord, all of the Demised Premises.

2. Term.

(a) The term of this Sublease ("Term") shall commence on the date that is the later to occur of (i) the date hereof, and (ii) the date on which the Prime Landlord Consent (hereinafter defined) is obtained (the "Sublease Commencement Date"), and shall expire at 11:59 p.m. PT on October 31, 2018 (the "Sublease Expiration Date"), unless sooner terminated or cancelled in accordance with the terms and conditions hereof.



(b) Subtenant shall not be entitled to exercise any options to extend or renew the term of the Primary Lease. However, if Subtenant desires to remain in the Demised Premises beyond the Sublease Expiration Date (which is the same date as the expiration date of the Primary Lease), then it shall provide to Prime Landlord a written notice stating same no later than ninety (90) days prior to the Sublease Expiration Date, so that Prime Landlord and Subtenant can commence discussions regarding a new, direct lease agreement between them for the Demised Premises that would begin after the Sublease Expiration Date.

(c) If for any reason the term of the Primary Lease is terminated prior to the Sublease Expiration Date, this Sublease shall terminate on the date of such termination and Sublandlord shall not be liable to Subtenant for such termination.

3. Permitted Use.

Subtenant shall use and occupy the Demised Premises solely in accordance with, and as permitted under, the terms of the Primary Lease and for no other purpose.

4. Payment of Annual Base Rent and Other Expenses.

(a) On or before the Sublease Commencement Date, Subtenant shall pay to Sublandlord (i) the aggregate amount of Annual Base Rent (as defined and set forth in the Primary Lease) due for the Term, and (ii) the aggregate amount of estimated Other Expenses (as defined below) due for the Term (the "Estimation"). The Estimation includes (A) all Taxes, as defined and set forth in the Primary Lease, (B) Tenant's Share, as defined and set forth in the Primary Lease, (C) all other amounts due and payable by Sublandlord under the Primary Lease (collectively, "Additional Rent"), and (D) all costs and expenses incurred by Sublandlord in connection with its subleasing of the Demised Premises to Subtenant (all amounts due pursuant to clauses (A) – (D) above, collectively, the "Other Expenses").

(b) As soon as practicable after the Sublease Expiration Date or earlier termination of this Sublease in accordance with the terms hereof, Sublandlord shall deliver to Subtenant a written true-up of the Other Expenses actually incurred during the Term (the "True-Up Notice"). If the Estimation is less than the Other Expenses actually incurred during the Term, then Subtenant, within three (3) business days of receipt of the True-Up Notice, shall submit to Sublandlord certified funds in the amount of such deficiency. If, on the other hand, the Estimation is greater than the Other Expenses actually incurred during the Term, then Sublandlord, as soon as practicable after it delivers the True-Up Notice to Subtenant, shall refund such overpayment to Subtenant. Upon Subtenant's prior written request therefor, Sublandlord shall deliver to Subtenant copies of all documents and/or invoices in its possession that evidence the Other Expenses actually incurred during the Term. Sublandlord's failure to deliver, or delay in delivering, the True-Up Notice in no event shall be construed as Sublandlord's waiver of the right to so deliver such a notice or to collect any payment due from Subtenant hereunder or of Subtenant's obligation to pay same.

(c) All Annual Base Rent and the Other Expenses shall be due and payable without demand therefor unless otherwise designated by Prime Landlord and/or Sublandlord and without any abatement, counterclaim, deduction, defense or offset. The Annual Base Rent and the Other

Expenses payable on account of any partial calendar month during the Term, if any, shall be prorated.

5. Incorporation of Primary Lease by Reference.

(a) The terms, covenants and conditions of the Primary Lease are incorporated herein by reference, except to the extent they expressly are deleted or modified by the provisions of this Sublease. Every term, covenant and condition of the Primary Lease binding on or inuring to the benefit of Prime Landlord shall, in respect of this Sublease, be binding on or inure to the benefit of Sublandlord and every term, covenant and condition of the Primary Lease binding on or inuring to the benefit of Sublandlord shall, in respect of this Sublease, be binding on and inure to the benefit of Subtenant. Whenever the term "Landlord" appears in the Primary Lease, the word "Sublandlord" shall be substituted therefor; and whenever the term "Tenant" appears in the Primary Lease, the word "Subtenant" shall be substituted therefor.

(b) If any of the provisions of this Sublease shall conflict with any of the provisions of the Primary Lease, the provisions of the Primary Lease shall govern.

6. Subordination to Primary Lease.

This Sublease is subject and subordinate to the Primary Lease. A redacted copy of the Primary Lease is attached hereto as Exhibit B and made a part hereof.

7. Representations of Sublandlord.

Sublandlord represents and warrants the following is true and correct as of the date hereof:

(a) Sublandlord is the tenant under the Primary Lease and has the capacity to enter into this Sublease with Subtenant, subject to Prime Landlord's consent.

(b) The Primary Lease attached hereto as Exhibit B is a true, correct and complete copy of the Primary Lease, is in full force and effect, and has not been further modified, amended or supplemented, except as expressly set forth herein.

(c) Sublandlord has not received any notice, and has no actual knowledge, of any default by Sublandlord under the Primary Lease.

8. AS-IS Condition.

Subtenant accepts the Demised Premises in their current, "as-is" condition. Sublandlord shall have no obligation to furnish or supply any work, services, furniture, fixtures, equipment or decorations; however, Sublandlord and Subtenant hereby agree that, on the Sublease Commencement Date, the Demised Premises shall contain certain pieces of equipment and certain materials that Subtenant may use during the Term. On or before the Sublease Expiration Date or earlier termination or expiration of this Sublease, Subtenant shall restore the Demised Premises to the condition existing as of the Sublease Commencement Date, ordinary wear and tear excepted. The obligations of Subtenant hereunder shall survive the expiration or earlier termination of this Sublease.

9. Performance by Sublandlord.

Notwithstanding any other provision of this Sublease, Sublandlord shall have no obligation: (a) to furnish or provide, or cause to be furnished or provided, any repairs, restoration, alterations or other work, or electricity, heating, ventilation, air-conditioning, water, elevator, cleaning or other utilities or services; or (b) to comply with or perform or, except as expressly provided in this Sublease, to cause the compliance with or performance of, any of the terms and conditions required to be performed by Prime Landlord under the terms of the Primary Lease. Subtenant hereby agrees that Prime Landlord is solely responsible for the performance of the foregoing obligations. Notwithstanding the foregoing, on the written request of Subtenant, Sublandlord shall make a written demand of Prime Landlord to perform its obligations under the Primary Lease with respect to the Demised Premises if Prime Landlord fails to perform same within the time frame and in the manner required under the Primary Lease; provided, however, Subtenant shall not be required to bring any action against the Prime Landlord to enforce its obligations. If Sublandlord makes written demand of Prime Landlord or brings an action against Prime Landlord to enforce Prime Landlord's obligations under the Primary Lease with respect to the Demised Premises, all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) so incurred by Sublandlord in connection therewith shall be deemed Additional Rent and shall be due and payable by Subtenant to Sublandlord within ten (10) days after notice from Sublandlord.

10. No Privity of Estate; No Privity of Contract.

Nothing in this Sublease shall be construed to create privity of estate or privity of contract between Subtenant and Prime Landlord.

11. No Breach of Primary Lease.

Subtenant shall not do or permit to be done any act or thing, or omit to do anything, which may constitute a breach or violation of any term, covenant or condition of the Primary Lease, notwithstanding such act, thing or omission is permitted under the terms of this Sublease.

12. Subtenant Defaults.

If Subtenant fails to cure a default under this Sublease within any applicable grace or cure period contained in the Primary Lease, Sublandlord, after five (5) days' prior notice to Subtenant, shall have the right, but not the obligation, to seek to remedy any such default on the behalf of, and at the expense of, Subtenant; provided, however, that, in the case of: (i) a life safety or property related emergency; or (ii) a default that must be cured within a time frame set forth in the Primary Lease that does not allow sufficient time for prior notice to be given to Subtenant, Sublandlord may remedy any such default without being required first to give notice to Subtenant. Any reasonable cost and expense (including, without limitation, reasonable attorneys' fees and expenses) so incurred by Sublandlord shall be deemed Additional Rent and shall be due and payable by Subtenant to Sublandlord within ten (10) days after notice from Sublandlord.

13. Consents.

Whenever the consent or approval of Sublandlord is required, Subtenant also shall be obligated to obtain the written consent or approval of Prime Landlord, if required under the Primary

Lease. If necessary, Sublandlord promptly shall make such consent request on behalf of Subtenant and Subtenant promptly shall provide any information or documentation that Prime Landlord may request. Also if necessary, Subtenant shall reimburse Sublandlord, not later than ten (10) days after written demand by Sublandlord, for any fees and disbursements of attorneys, architects, engineers or others charged to Sublandlord by Prime Landlord in connection with any consent or approval. Sublandlord shall have no liability of any kind to Subtenant for Prime Landlord's failure to give its consent or approval.

14. Prime Landlord Consent to Sublease.

This Sublease expressly is conditioned on obtaining the written consent of Prime Landlord and the written consent of any mortgagee, ground lessor or other third party required under the Primary Lease (collectively, the "Prime Landlord Consent"), and shall not be effective until same is obtained.

(a) Any fees and expenses incurred by Prime Landlord or any mortgagee, ground lessor or other third party in connection with requesting and obtaining the Prime Landlord Consent shall be paid by Subtenant. Subtenant agrees to cooperate with Prime Landlord and to supply promptly to Prime Landlord all information and documentation it requests in connection with the Prime Landlord Consent. Sublandlord shall not be required to perform any acts, expend any funds or bring any legal proceedings to obtain the Prime Landlord Consent and Subtenant shall have no right to any claim against Sublandlord if the Prime Landlord Consent is not obtained.

(b) This Section 14 shall survive the expiration or earlier termination of this Sublease.

15. Assignment or Subletting.

Subtenant shall not sublet all or any portion of the Demised Premises or assign, encumber, mortgage, pledge or otherwise transfer this Sublease (by operation of law or otherwise) or any interest therein, without the prior written consent of: (a) Sublandlord, which consent may be unreasonably withheld or may be withheld in its sole and absolute discretion; and (b) Prime Landlord.

16. Indemnity.

Subtenant shall indemnify and hold harmless Sublandlord from any claims, liabilities and damages that Sublandlord may sustain resulting from a breach by Subtenant of this Sublease.

17. Release.

Subtenant hereby releases Sublandlord or anyone claiming through or under Sublandlord by way of subrogation or otherwise. Subtenant hereby releases Prime Landlord or anyone claiming through or under Prime Landlord by way of subrogation or otherwise to the extent that Sublandlord releases Prime Landlord under the terms of the Primary Lease. Subtenant shall cause its insurance carriers to include any clauses or endorsements in favor of Sublandlord, Prime Landlord and any additional parties, which Sublandlord is required to provide under the Primary Lease.

18. Notices.

All notices and other communications required or permitted under this Sublease shall be given in the same manner as in the Primary Lease. Notices shall be addressed to the addresses set out below:

To Subtenant at:	3050 3030 North Clybourn Avenue, Burbank, California 91505
To Sublandlord at:	1999 Avenue of the Stars, Suite 3050, Los Angeles, California 90067
With a copy to:	O'Melveny & Myers LLP, 400 South Hope Street, 18 <sup>th</sup> Floor, Los Angeles, California 90071, Attn: Eric A. S. Richards, Esq.

19. Entire Agreement.

This Sublease contains the entire agreement between the parties hereto regarding the subject matter hereof and all prior negotiations and agreements are merged herein. If any provisions of this Sublease are held to be invalid or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions of this Sublease shall remain unaffected.

20. Amendments and Modifications.

This Sublease may not be amended or modified in any manner other than by a written agreement signed by the party to be charged.

21. Successors and Assigns.

The covenants and agreements contained herein shall bind and inure to the benefit of Sublandlord and Subtenant and their respective permitted successors and assigns.

22. Counterparts.

This Sublease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts together shall constitute but one and the same instrument. A signed copy of this Sublease delivered by either facsimile or email shall be deemed to have the same legal effect as delivery of an original signed copy of this Sublease.

23. Defined Terms.

All capitalized terms used but not otherwise defined herein shall have the meanings set forth for them in the Primary Lease.

24. Choice of Law.

This Sublease shall be governed by, and construed in accordance with, the laws of the State of California, without regard to conflict of law rules.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

**SUBLANDLORD:**

**CHARTWELL AVIATION SERVICES LLC, a  
California limited liability company**

By: Michael A Enright  
Name: Michael A Enright  
Title: Secretary

**SUBTENANT:**

**STAR AVIATION, INC., a Delaware corporation**

By: Timothy J. Burg  
Name: Timothy J. Burg  
Title: It's Vice President of Aviation Operations

## **EXHIBIT A**

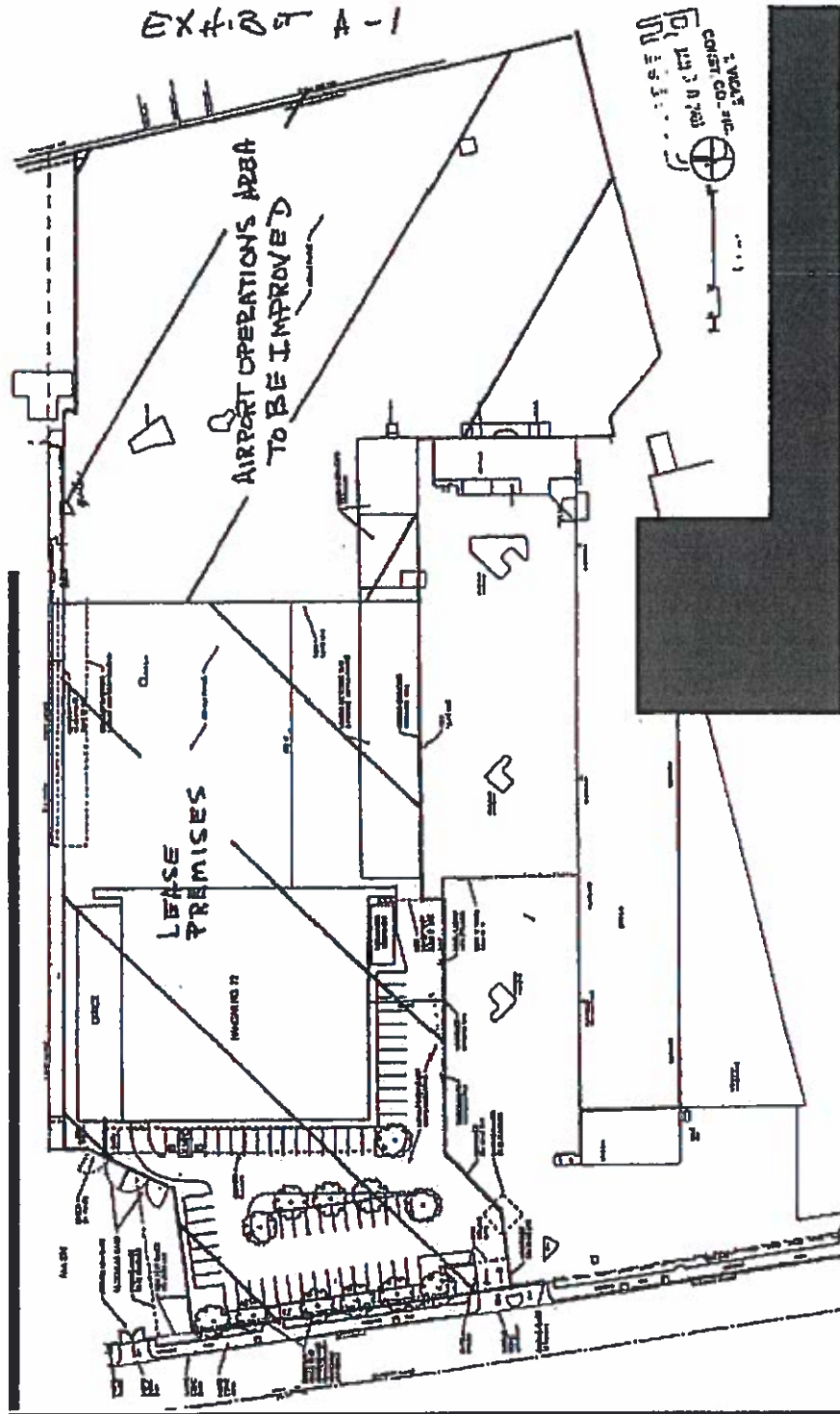
### **LEGAL DESCRIPTION**

The Demised Premises are shown on the diagram attached hereto as Exhibit A-1.

The Federal Aviation Administration ("FAA") currently operates a radar facility immediately north of the Demised Premises and accesses its facility by using a portion of the westerly thirty (30) feet of the Demised Premises. If the FAA is unwilling to discontinue use of all or a portion of the westerly thirty (30) feet of the Demised Premises for access purposes, the parties shall adjust the boundaries of the Demised Premises to eliminate said westerly thirty (30) feet, or so much thereof as may be subject to use by the FAA, except that Subtenant shall be provided with a non-exclusive right of access to Clybourn Avenue that is substantially equivalent to the access shown on Exhibit A-1. If any such adjustment of the boundaries of the Demised Premises becomes necessary, Prime Landlord shall give written notice of the adjustment to Sublandlord and, from and after the effective date of such notice, the Demised Premises no longer shall include the land area described in the adjustment notice.



EXHIBIT A-1



**EXHIBIT B**  
**PRIMARY LEASE**