



July 8, 2016

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, July 11, 2016, at 10:30 a.m. (or immediately following the conclusion of the special Airport Authority meeting) in the Airport Skyroom of the Bob Hope Airport, 2627 Hollywood Way, Burbank, California, 91505.

The items to be discussed are listed on the attached agenda.

Sue Loyd, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority



July 8, 2016

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, July 11, 2016, at 10:30 a.m. (or immediately following the conclusion of the special Airport Authority meeting) in the Airport Skyroom of the Bob Hope Airport, 2627 Hollywood Way, Burbank, California, 91505.

The items to be discussed are listed on the attached agenda.

Sue Loyd, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

SPECIAL MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE  
Airport Skyroom  
Monday, July 11, 2016  
10:30 A.M. or Immediately Following the  
Conclusion of the  
Special Airport Authority Meeting

***NOTE TO THE PUBLIC: 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 Hollywood Way, Burbank) in the administrative office during normal business hours.***

***As a result of the convening of this meeting of the Finance and Administration Committee, each Committee member is entitled to receive and shall be provided \$200.***

▼ ▼ ▼

***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.***

A G E N D A

1. Approval of Agenda

2. Public Comment

3. Approval of Minutes

a. June 20, 2016

***[See page 1]***

4. Contracts and Leases

a. Short Term Parking Space Reservation Agreement  
CenterStaging, LLC

• Staff Report Attached

***[See page 4]***

***Staff seeks a Committee recommendation to the Commission for approval of a proposed Short Term Parking Space Reservation***

***Agreement with CenterStaging, LLC for 109 spaces in Parking Lot B located off Winona Avenue. Center Staging has requested to use parking spaces on a daily basis. Payment for these parking spaces will be in arrears rather than in advance, and is subject to the City of Burbank's transient parking tax.***

- b. Second Amendment to Non-Exclusive License Agreement for Van Nuys Skyways, Inc., dba Million Air Burbank

- Staff Report Attached

***[See page 6]***

***Staff seeks a recommendation from the Committee to the Commission that it approve the Second Amendment to the Non-Exclusive License Agreement with Van Nuys Skyways, Inc., dba Million Air Burbank, which allows for into-plane fueling and ramp services at Hollywood Burbank Airport. The second amendment will extend the term of the Non-Exclusive Agreement from August 1, 2016, to July 31, 2026, which would be concurrent with the term of Million Air's Non-Exclusive Lease and Concession Agreement.***

5. Items for Information

- a. Committee Pending Items

***[See page 10]***

**Future**

***1) Replacement Passenger Terminal  
Financial Alternatives Consultant***

***2) Vacant Aviation Hangars and Market Conditions***

6. Other Contracts and Leases

7. Adjournment

Subject to Approval

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

**MONDAY, JUNE 20, 2016**

A regular meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 11:22 a.m., by Commissioner Tornek.

AB 23 Disclosure: 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 is entitled to receive and shall be provided \$200.

**ROLL CALL**

**Present:** Commissioners Tornek, Friedman, and Adams.

**Absent:** None

**Also Present:** Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Freedman, Director, Business Development and Administrative Services; Scott R. Smith, Director of Financial Services; Madeleine Zavala, Manager, Business and Property and Rachel Warecki, Public Relations and Social Media Specialist

Columbia Management Investment Advisors, LLC  
(via teleconference): Ronald B. Stahl, CFA, Senior Portfolio Manager

**1. Approval of Agenda** The agenda was approved as presented.

**2. Public Comment** There were no public speakers.

**3. Approval of Minutes**

**a. June 6, 2016** Draft minutes for the June 6, 2016, Finance and Administration Committee meeting were presented for approval.

**Motion** Commissioner Tornek moved approval of the minutes, seconded by Commissioner Friedman.

**Motion Approved** There being no objection, the minutes were unanimously approved (3-0).

**4. Treasurer's Reports**

#### **4. Treasurer's Reports**

##### **a. April 2016**

Staff reviewed highlights of the April 2016 Treasurer's Report with the Committee and noted that the \$65 million regarding the sale of the B-6 Trust Property was received in April 2016. As Columbia Management Investment Advisors was able to invest the sale proceeds prior to April 30, 2016, the Authority was in compliance with the Investment Policy at April month-end.

##### **Motion**

Commissioner Friedman moved to recommend that the Authority note and file the April 2016 Treasurer's Report, seconded by Commissioner Adams.

##### **Motion Approved**

The motion was approved unanimously (3-0).

#### **5. Contracts and Leases**

##### **a. Award of Non-Exclusive Concession and Lease Agreement to BRICKANDMORTAR.ME, INC. for Specialty Retail**

Staff presented a recommendation to the Commission for approval of a proposed non-exclusive concession and lease agreement with BRICKANDMORTAR.ME, INC., doing business as "Up Pup N' Away," a specialty retailer selling products for pets and their owners. This retail kiosk will be located at Gate A-2 in the East Concourse.

Key components of the proposed agreement include the following: 36 sq. ft. of retail concession space adjacent to the Gate A-2 holdroom area; initial one-year term commencing August 1, 2016; minimum annual guarantee of \$1,250 per month, adjusting annually; space rent of \$648 per year; and a security deposit of three months' rent.

Commissioner Friedman suggested Up Pup N' Away be permitted to use the Hollywood Burbank Airport logo, which is in development, on its merchandise. Staff advised it will consult with Authority counsel to determine what, if any, agreements are required to permit this use of the new Airport logo when it is finalized.

In response to a question from the Committee regarding the location of a tenant in this area, Staff indicated it has worked with the Airport Fire Department and the Fire Marshal to ensure that the area permits mobility, proper access and meets with the Fire Marshal's regulations.

**Motion**

Commissioner Friedman moved approval of the staff recommendation, seconded by Commissioner Adams.

**Motion Approved**

The motion was approved unanimously (3–0).

**6. Items for Discussion**

**a. CMIA Quarterly Investment Portfolio Review**

CIMA provided an update to the Committee on the status of the Authority's Operating and Passenger Facility Charge Investment Portfolios for the first quarter ended March 31, 2016.

**Motion**

Commissioner Friedman moved the motion to receive and file, seconded by Commissioner Adams.

**Motion Approved**

The motion was approved unanimously (3–0).

**7. Items for Information**

**a. Committee Pending Items**

**1) Future**

**2) Replacement Passenger Terminal Financial Alternatives Consultant**

**3) Vacant Aviation Hangars and Market Conditions**

**8. Other Contracts and Leases**

There were no other contracts and leases to be discussed.

**9. Adjournment**

There being no further business, the meeting was adjourned at 11:42 a.m.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
JULY 11, 2016**

**SHORT TERM PARKING SPACE RESERVATION AGREEMENT  
CENTERSTAGING, LLC**

**SUMMARY**

Staff seeks a Finance and Administration Committee recommendation to the Commission for approval of a proposed Short Term Parking Space Reservation Agreement ("Agreement") with CenterStaging, LLC ("Center Staging") for 109 spaces in Parking Lot B located off Winona Avenue. Center Staging has requested to use parking spaces on a daily basis. Payment for these parking spaces will be in arrears rather than in advance, and is subject to the City of Burbank's transient parking tax.

**BACKGROUND**

Center Staging is a rehearsal facility specializing in product and tech support for television and live performances. They are located on Winona Avenue across the street from Lot B.

Center Staging is currently in the process of building an underground parking facility and in May 2016 Center Staging approached Staff with a request for parking due to a need for additional immediate parking spaces. Staff proposed the Lot B location and subsequently negotiated the terms found in the Agreement.

The use of the proposed parking lot stalls will be limited to the parking of motor vehicles and will be subject to the City of Burbank's transient parking tax, which will be remitted by the Burbank-Glendale-Pasadena Airport Authority.

**DETAILS**

The key components of the proposed Agreement are as follows:

<b><u>Premises:</u></b>	109 parking stalls in Lot B, located off Winona Avenue
<b><u>Use:</u></b>	Parking of motor vehicles
<b><u>Term:</u></b>	Ongoing daily parking
<b><u>Revenue:</u></b>	Daily Rate of \$1.59/per stall/per day; monthly aggregate of \$5,199.20; subject to City of Burbank's Transient Parking Tax
<b><u>Adjustments:</u></b>	Parking Fee subject to annual escalation of 3%
<b><u>Termination:</u></b>	Termination may be invoked by either party by delivering thirty (30) days' prior written notice



### IMPACT ON REVENUE

The proposed Agreement is expected to generate approximately \$5,199.20 per month, with total expected gross revenue of \$62,390.40 per year.

### STAFF RECOMMENDATION

Staff recommends that the Finance and Administration Committee recommend to the Commission that it approve the Agreement with Center Staging as described above and authorize the Authority President to execute same.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
JULY 11, 2016**

**SECOND AMENDMENT TO  
NON-EXCLUSIVE LICENSE AGREEMENT FOR  
VAN NUYS SKYWAYS, INC., dba MILLION AIR BURBANK**

**SUMMARY**

Staff seeks a recommendation from the Finance and Administration Committee ("Committee") to the Commission that it approve the Second Amendment to the Non-Exclusive License Agreement ("Non-Exclusive Agreement") with Van Nuys Skyways, Inc., dba Million Air Burbank, ("Million Air") which allows for into-plane fueling and ramp services at Hollywood Burbank Airport. The second amendment will extend the term of the Non-Exclusive Agreement from August 1, 2016, to July 31, 2026, which would be concurrent with the term of Million Air's Non-Exclusive Lease & Concession Agreement ("Lease Agreement").

**BACKGROUND**

Million Air has had a presence at the Hollywood Burbank Airport since July 2003, when it assumed FBO responsibilities upon Media Aviation's relinquishment of its Master Lease with the Burbank-Glendale-Pasadena Airport Authority ("Authority").

In July 2003 Million Air entered into a Lease Agreement to lease Building 36 and associated ramp areas. This Lease Agreement also provided Million Air with exclusive rights to fuel the Clybourn Complex studio hangars and provide ramp services to those hangars.

Through a separate Non-Exclusive Agreement, which was executed in July 2003 and is set to expire on July 31, 2016, the Authority also gave Million Air the non-exclusive right to provide fuel and ramp services at other areas of the airport.

In November 2014 Staff executed a fifth amendment to the Lease Agreement with Million Air, extending the term to July 31, 2026. The fifth amendment, however, did not extend the term of the Non-Exclusive Agreement that would otherwise give Million Air the non-exclusive right to provide fuel and ramp services to other areas of the Airport.

The proposed action extends the term of the Non-Exclusive Agreement from August 1, 2016, to July 31, 2026, to align with the term of the Lease Agreement.

**DETAILS**

Key components of the proposed second amendment to the Non-Exclusive Agreement are as follows:

<u>Term:</u>	Extension until July 31, 2026
<u>Use:</u>	Into-plane fueling and ramp services
<u>Fee:</u>	\$.05 per gallon

### IMPACT ON REVENUE

This Amendment is expected to be revenue-neutral to the Authority's operating budget.

### STAFF RECOMMENDATION

Staff seeks a recommendation from the Committee to the Commission that it approve the proposed second amendment to the Non-Exclusive License Agreement with Million Air and authorize the Authority President to execute same.

**SECOND AMENDMENT TO NON-EXCLUSIVE  
LICENSE AGREEMENT**

This SECOND AMENDMENT TO NON-EXCLUSIVE LICENSE AGREEMENT (the "Second Amendment") is dated as of \_\_\_\_\_, 2016 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 ("Authority") and VAN NUYS SKYWAYS, INC., a California corporation (dba "Million Air Burbank") ("Licensee").

A. Authority and Licensee entered into a Non-Exclusive License Agreement Covering Into-Plane Fueling and Ramp Services at Bob Hope Airport dated July 7, 2003 and amended it by a First Amendment dated April 17, 2006 (the "License"). Capitalized terms used but not defined in this Second Amendment shall have the meaning set forth in the License

B. Licensee and Authority desire to extend the term of the License.

THEREFORE, the parties hereto agree as follows:

1. **Term.** The term of the License is extended to July 31, 2026 (unless terminated earlier by Authority pursuant to the terms of the License).

2. **Counterparts.** This Second 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.

3. **Authorization.** Authority and Licensee represent and warrant to each other that each has the full power and authority to enter into this Second Amendment and the persons signing on behalf of each are authorized to do so.

4. **Conflict of Terms: Force and Effect.** In the event of any conflict between the terms of this Second Amendment and the terms of the License, the terms of this Second Amendment shall control. Subject to the terms of this Second Amendment, the License is hereby confirmed and ratified and shall continue in full force and effect as provided therein.

IN WITNESS WHEREOF, Authority and Licensee have caused this Second Amendment to be duly executed as of the day and year first written above.

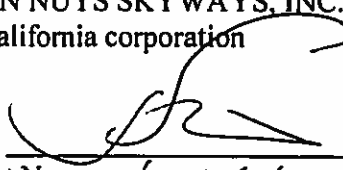
**"AUTHORITY"**

BURBANK-GLENDALE-PASADENA AIRPORT  
AUTHORITY,  
a Joint Powers Authority

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

**"LICENSEE"**

VAN NUYS SKYWAYS, INC.,  
a California corporation

By:  \_\_\_\_\_  
Print Name: Harold G. Lee  
Title: President

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
JULY 11, 2016  
COMMITTEE PENDING ITEMS**

**Future**

1. Replacement Passenger Terminal – Financial Alternatives  
Consultant
2. Vacant Aviation Hangars and Market Conditions

## AGENDA ATTACHMENT

**SHORT TERM PARKING SPACE RESERVATION AGREEMENT**

**between**

**BURBANK – GLENDALE – PASADENA  
AIRPORT AUTHORITY**

**and**

**CENTERSTAGING, LLC**



## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
1. LEASE .....	1
1.1 Parking Spaces .....	1
1.2 Acknowledgment of Condition of Parking Spaces .....	1
1.3 Title and Use Restrictions; Zoning; Reservations to Owner .....	1
1.4 Owner's Right of Access .....	1
2. TERM .....	2
2.1 Agreement Commencement Date; Expiration Date .....	2
2.2 User Acknowledgments .....	2
3. PARKING FEES .....	2
3.1 Parking Fees.....	2
3.2 Taxes .....	2
3.3 Utilities.....	3
3.4 Interest on Past Due Payments.....	3
3.5 Address for Payment.....	3
4. CONDUCT OF BUSINESS BY TENANT.....	4
4.1 Use of the Parking Spaces.....	4
4.2 Conduct of User's Business .....	4
4.3 Non-Discrimination and Affirmative Action.....	5
4.4 Compliance with FAA Grant Assurances and Airport Use .....	5
5. MAINTENANCE, REPAIRS AND REPLACEMENTS .....	7
5.1 User's Obligations .....	7
5.2 No Owner Obligation; User Waiver .....	8
6. IMPROVEMENTS .....	8
6.1 Procedures for Approval and Construction of Improvements .....	8

## **TABLE OF CONTENTS (cont.)**

	<b><u>Page</u></b>
6.2 Owner's Property .....	10
7. INSURANCE, INDEMNITY AND EXCULPATION .....	10
7.1 Obligation to Maintain Insurance .....	10
7.2 Liability and Workers' Compensation Coverage .....	10
7.3 Property Insurance .....	11
7.4 Adjustment of Required Insurance .....	11
7.5 Policy Requirements .....	11
7.6 No Limitation of Liability .....	12
7.7 Waivers of Subrogation Rights .....	12
7.8 Indemnification .....	12
7.9 Exculpation of Owner from Liability .....	12
8. [INTENTIONALLY OMITTED] .....	13
9. ASSIGNMENT, SUBLETTING OR ENCUMBRANCE PROHIBITED .....	13
10. [INTENTIONALLY OMITTED] .....	13
11. [INTENTIONALLY OMITTED] .....	13
12. DEFAULTS AND REMEDIES .....	13
12.1 Events of Default .....	13
12.2 Remedies .....	15
12.3 Waiver of Claims .....	15
12.4 Waiver of Rights of Redemption .....	15
12.5 Cumulative Remedies .....	15
12.6 Default by Owner .....	15
13. SURRENDER AT END OF TERM .....	16
14. [INTENTIONALLY DELETED] .....	16

## **TABLE OF CONTENTS (cont.)**

	<b><u>Page</u></b>
15. QUIET ENJOYMENT.....	16
16. TRANSFER OF LANDLORD’S INTEREST.....	16
17. SECURITY FOR PERFORMANCE.....	16
18. RULES AND REGULATIONS OF LANDLORD .....	17
19. TOXIC MATERIALS AND REMEDIATION OF CONTAMINATION .....	17
19.1 Use Prohibited Without Consent .....	17
19.2 Compliance with Environmental Laws.....	17
19.3 Disclosure .....	18
19.4 Business Plan .....	18
19.5 User’s Indemnity.....	18
19.6 Cleanup of User’s Contamination.....	18
19.7 Notice.....	19
19.8 Storage and Use of Toxic Materials.....	19
19.9 Disposal of Toxic Materials.....	19
19.10 Safety .....	20
19.11 Fees, Taxes and Fines .....	20
19.12 Delivery of Documentation.....	20
19.13 Annual Site Investigation.....	20
19.14 Environmental Assessment at End of Agreement Term.....	20
19.15 Prohibited Substances .....	21
19.16 Definitions.....	21
20. [INTENTIONALLY DELETED].....	23
21. MISCELLANEOUS .....	23
21.1 Agreement Interpretation .....	23

## **TABLE OF CONTENTS (cont.)**

	<b><u>Page</u></b>
21.2 Disclaimer of Partnership or Agency.....	24
21.3 Waivers .....	24
21.4 Successors and Assigns.....	24
21.5 Notices .....	24
21.6 Brokers.....	25
21.7 Recording.....	25
21.8 Governing Law .....	25
21.9 Signs.....	25
21.10 Attorneys' Fees .....	25
21.11 No Third Party Beneficiaries .....	25
EXHIBIT A LEASED PREMISES	
EXHIBIT B FAA GRANT AGREEMENT ASSURANCES	
EXHIBIT C POLICY ON TENANT IMPROVEMENTS	

## **SHORT TERM PARKING SPACE RESERVATION AGREEMENT**

THIS SHORT TERM PARKING SPACE RESERVATION AGREEMENT (this "Agreement") is dated as of March 16, 2015, 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 ("Owner"), and **CENTERSTAGING, LLC**, a Delaware limited liability company doing business as "Center Staging" ("User").

### **1. LEASE.**

#### **1.1 Parking Spaces.**

Owner hereby allows User to use the real property described on Exhibit A attached hereto (the "Parking Spaces"), upon the terms and subject to the conditions set forth in this Agreement. The Parking Spaces are part of or adjacent to the Burbank - Glendale - Pasadena Airport, a public airport located in the County of Los Angeles, State of California (the "Airport"); however, User shall have no right of access to nor any right to enter upon or to use any part of the Airport outside of the boundaries of the Parking Spaces, except that User shall be permitted during the Term of this Agreement to use the private roads located within the Airport that are necessary for User to gain access to the Parking Spaces from a public road.

#### **1.2 Acknowledgment of Condition of Parking Spaces.**

User accepts the Parking Spaces in the condition existing as of the date hereof. User hereby agrees that the Parking Spaces are in a good and tenantable condition and acknowledges that User has inspected the Parking Spaces to its satisfaction and acknowledges that Owner is not obligated to make any repairs or alterations to the Parking Spaces.

#### **1.3 Title and Use Restrictions; Zoning; Reservations to Owner.**

##### **1.3.1 Title and Use Restrictions.**

User accepts the Parking Spaces subject to any and all existing easements, restrictions, servitudes and encumbrances of record, including, without limitation, restrictions and easements in favor of the City of Burbank that limit the use of the Parking Spaces. User shall not use the Parking Spaces for any purpose that will constitute a violation of any such easements, restrictions servitudes or encumbrances of record.

##### **1.3.2 Law.**

User shall comply with all laws applicable to its use of the Parking Spaces, and shall obtain any required permits.

#### **1.4 Owner's Right of Access.**

Owner shall have access to the Parking Spaces in all cases of emergency, and during all reasonable hours for the purposes of examining the same to ascertain if they are in

good repair, inspecting any work in progress within or upon the Parking Spaces or elsewhere on the Airport, making repairs which Owner may be permitted to make hereunder, and exhibiting the same to prospective purchasers or tenants.

## 2. TERM.

### 2.1 Agreement Commencement Date; Expiration Date.

The term of this Agreement shall commence at 12:01 a.m. on September 1, 2016 ("Agreement Commencement Date") and shall continue until terminated by either party upon thirty (30) days' prior written notice to the other (as such date may be the "Expiration Date").

### 2.2 User Acknowledgments.

The exercise by Owner of any termination right under this Agreement shall not be construed as a taking by Owner of any part of the Parking Spaces or of User's rights or leasehold estate under this Agreement, and User shall not be entitled to payment for any loss of goodwill, income or other amount measured by User's loss upon termination or reduction of its business following termination of this Agreement as to all or a portion of the Parking Spaces.

## 3. PARKING FEES.

### 3.1 Parking Fees.

#### 3.1.1 Obligation to Pay.

**All parking fees hereunder shall be subject to the City of Burbank's Transient Parking Tax (Burbank Municipal Code Section 2-4-1901 et seq.) as payment of parking fees for less than a calendar month and such taxes shall be paid by Owner. During the term of this Agreement, User shall pay to Owner, without setoff or deduction, parking fee ("Parking Fees") in an amount equal to \$1.59 per parking space per day, which rate shall be increased by three percent (3%) on each anniversary of the date hereof.**

#### 3.1.2 Payment.

Such fees shall be payable in arrears on the fifth (5th) business day after delivery by Owner to User of a fee statement for the previous calendar month. Each installment of Parking Fees 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.

### 3.2 Taxes.

#### 3.2.1 Possessory Interest Taxes.

User recognizes and understands that this Agreement might be held to create a possessory interest subject to property taxation and that User might be subject to the payment of property taxes levied on such interest. User shall pay all Taxes prior to delinquency.

User shall furnish to Owner evidence of payment of Taxes within fifteen (15) days of making such payment.

### 3.2.2 Personal Property Tax.

User shall pay prior to delinquency any and all taxes and assessments on the furniture, fixtures, equipment, vehicles and other personal property of User located on the Parking Spaces, whether assessed to User or assessed to Owner as part of the real property comprising the Parking Spaces or the Airport.

### 3.2.3 Right to Contest.

User, at its sole cost and expense, shall have the right to contest the validity, applicability, and/or amount of any Taxes (but not the City of Burbank's Transient Parking Tax) by appropriate proceedings and User 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 other real property owned, leased or controlled by Owner, or the revenues therefrom, or if, in the sole opinion of Owner, the nonpayment of such Taxes will be detrimental to Owner, then as a condition to making such contest, User shall pay the contested Taxes with a reservation of rights.

### 3.3 Utilities.

User shall pay all water, gas, heat, light, power, air conditioning, telephone, and other utilities and services supplied to and/or used in the Parking Spaces, 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 Owner against any liability for the late payment or nonpayment of any said charges, taxes or connection fees.

### 3.4 Interest on Past Due Payments.

Any amount due from User pursuant to this Section 3 or any other provision of this Agreement which is not paid within ten (10) days of when due shall bear interest from the due date until paid at a rate equal to five percent (5%) 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 Agreement 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 User with respect to its obligations to pay any amount due from User pursuant to this Section 3 or any other provision of this Agreement.

### 3.5 Address for Payment.

The rent and all other amounts due to Owner pursuant to this Section 3 or any other provision of this Agreement shall be paid at the office of Owner: Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, ATTENTION: Controller, or at such other place as Owner may designate from time to time in writing to User.

#### 4. CONDUCT OF BUSINESS BY TENANT.

##### 4.1 Use of the Parking Spaces.

###### 4.1.1 Principal Use of Airport.

User 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 shall be permitted by Owner, to be conducted on, at or adjacent to the Airport, including User's use of the Parking Spaces pursuant to this Agreement, must at all times be compatible with such principal use, as Owner, in its sole and absolute discretion, shall determine.

###### 4.1.2 Authorized Use.

User shall use the Parking Spaces for parking of User's motor vehicles. User shall not use nor authorize the use of the Parking Spaces, or any portion thereof, for any other purpose whatsoever without Owner's prior written consent, which consent Owner may withhold or condition in Owner's sole and absolute discretion without regard to any standard of reasonableness. Under no circumstance shall User use or authorize the use of the Parking Spaces for any purpose or use that may constitute an enlargement or expansion of the Airport.

##### 4.2 Conduct of User's Business.

###### 4.2.1 Standards.

In addition to any and all other terms, conditions and requirements under this Agreement, User, at all times during the term of this Agreement, shall comply strictly with the terms, conditions and requirements set forth in this Section 4.2.

###### 4.2.2 Conduct of Employees.

User shall exercise its diligent efforts to control the conduct, demeanor, and appearance of its officers, employees, agents, representatives, contractors, licensees, permittees, invitees and permitted subtenants, and shall require all of its employees to wear clean and neat appearing clothing and to ensure their courteous, polite and inoffensive conduct and demeanor. Upon receipt of written objection from Owner concerning the conduct, demeanor, or appearance of any such person, User immediately shall take all legal steps necessary to correct or to remove the cause of the objection if such correction or removal is not inconsistent with applicable law.

###### 4.2.3 Manner of Use.

User shall not use or permit the use of the Parking Spaces or any other areas of the Airport in any manner that will (i) tend to create or permit any waste or nuisance, (ii) tend to disturb other tenants or users of the Airport, (iii) invalidate or cause the cancellation of or be in conflict with any fire or other hazard insurance policies covering the Airport, or (iv) increase the premiums for any fire insurance policies covering the Airport or any property located thereon. User, 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 User's operations at the Parking Spaces.

#### 4.2.4 Utilities, Police and Fire Fighting.

User 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 Parking Spaces, or elsewhere on the Airport. In addition, User shall not do or permit to be done anything which may interfere with free access or passage to the Parking Spaces or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, or any other areas of the Airport other than such interference resulting from User's compliance with Owner's Security Requirements. Further, User shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

#### 4.2.5 Interference with Fire Exits.

User shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of fire exits in or adjacent to the Parking Spaces or elsewhere at the Airport.

#### 4.3 Non-Discrimination and Affirmative Action.

User shall comply with the provisions of Exhibit B attached hereto and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Owner from time to time. In addition, User 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. User 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. User will require its permitted subtenants, successors and assigns to provide assurances to User 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.

#### 4.4 Compliance with FAA Grant Assurances and Airport Use.

In connection with the ownership and use of the Airport by Owner, User hereby agrees as follows:

##### 4.4.1 Development or Improvement of Landing Area.

Owner 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 User, and without interference or hindrance.

#### 4.4.2 Maintenance of Landing Area and Public Facilities.

Owner reserves the right, but shall not be obligated to User, 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 User in this regard.

#### 4.4.3 Agreements with United States.

This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between Owner and the United States, or any lawful requirement of the United States, relative to the development, operation, or maintenance of the Airport.

#### 4.4.4 Construction of Improvements.

In the event any User Improvements are planned for the Parking Spaces or in the event of any planned modification or alteration of any present or future building or structure situated on the Parking Spaces, User shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations.

#### 4.4.5 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)).

#### 4.4.6 Reservation of Rights.

There is hereby reserved to Owner, 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 Parking Spaces 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.

#### 4.4.7 Height Restrictions.

User shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Parking Spaces in violation of federal height restrictions and obstruction criteria or any more restrictive height restrictions and obstruction criteria established from time to time by Owner; provided, however, that in the event that Owner establishes any height restrictions or obstruction criteria, other than those promulgated or required by the FAA, that require User to remove any improvements, such action by Owner shall be deemed to be an election by Owner to terminate this Agreement and the provisions of Section 2.3 shall apply, except that sixty (60) days' prior notice need not be given by Owner. In the event the aforesaid covenants are breached, in addition to all other rights and remedies of Owner, Owner reserves the right to enter upon the Parking Spaces to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of User.

#### 4.4.8 Interference with Aircraft.

User shall not make use of the Parking Spaces in any manner that might interfere with the landing and taking off of aircraft from the Airport, or that might otherwise constitute a hazard. In the event the aforesaid covenant is breached, in addition to all other rights and remedies of Owner, Owner reserves the right to enter upon the Parking Spaces or any other areas of the Airport and cause the abatement of such interference, at the expense of User.

#### 4.4.9 Rights of United States.

This Agreement 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.

#### 4.4.10 Unauthorized Access.

User shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas.

### 5. MAINTENANCE, REPAIRS AND REPLACEMENTS.

#### 5.1 User's Obligations.

User, at User's sole expense, shall maintain and repair the Parking Spaces, and every part thereof, including the paving and other improvements constructed and installed by Owner, in good, neat, attractive and sanitary condition, free from waste or debris, all according to standards established by Owner (whether or not such part of the Parking Spaces requiring maintenance, repair or replacement, or the means of maintaining, repairing or replacing the same, are reasonably or readily accessible to User, and whether or not the need for such maintenance, repair or replacement occurs as a result of User's use, any prior use, the elements or the age of such part of the Parking Spaces). User shall make any and all repairs required pursuant to this Section as and when the same become necessary to maintain the Parking Spaces and every part thereof in good order, condition and repair, but in no event later than thirty (30) days following the delivery to User of a written notice specifying the repairs Owner believes must be undertaken to comply with the terms of this Agreement or immediately in the event of an emergency. Owner shall not be liable to User or its respective owners, shareholders, partners, directors, officers, employees, agents, representatives, contractors, successors and assigns, or the permitted licensees and users of the Parking Spaces (individually, "User Party" and collectively, "User 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 or any User Party, or the use or occupancy of the Parking Spaces arising out of, resulting from or relating to the need for or the making of any repairs or alterations to the Parking Spaces. All repairs or modifications to or construction of Improvements upon the Parking Spaces made by User as provided in this Agreement shall be performed in accordance with all applicable Laws, and User shall secure all licenses, permits, approvals and authorizations required by applicable Laws with respect thereto. User shall screen and landscape all outside storage areas and service yards of the

Parking Spaces with fencing and landscaping approved by Owner, and shall not allow any temporary structures or facilities on the Parking Spaces, unless User has obtained Owner's prior written approval, which approval may be granted or withheld by Owner in its sole and absolute discretion and, if such approval is granted, it shall be revocable at any time by Owner, in its sole and absolute discretion.

5.2 No Owner Obligation; User Waiver.

Owner shall have no obligation to maintain or make any repairs or replacements to the Parking Spaces. User, for itself and its permitted subtenants, successors and assigns, hereby waives any and all rights provided in Section 1941 through Section 1942, inclusive, of the Civil Code of California and hereby waives, to the extent permissible, any rights under other statutes or laws now or hereafter in effect which are contrary to the obligations of User under this Agreement, or which place obligations upon Owner. Owner shall not be liable to any User Party for any injury to or interference with any User Party or the business or operations or any User Party or the use or occupancy of the Parking Spaces or User Improvements or arising out of, resulting from or relating to the need for or performance or non-performance of any maintenance, repair or replacement.

6. IMPROVEMENTS.

6.1 Procedures for Approval and Construction of Improvements.

6.1.1 Owner's Approval.

Without in each instance obtaining the prior written approval of Owner in accordance with this Section 6.1, which approval may be granted or withheld in Owner's sole and absolute discretion ("Owner's Approval"), User shall not (i) construct or install any improvements or demolish any existing improvements or (ii) make any modifications, alterations or additions to the Parking Spaces or improvements (all such demolition, construction, installation, modifications, alterations and additions, are individually and collectively referred to in this Agreement as "New Improvements"), and no work required in connection therewith shall commence, prior to receiving Owner's Approval. Owner may delegate all Owner's Approvals required under this Section to Owner's Executive Director, to one or more of Owner's other staff members, 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 Owner and shall be deemed to be Owner's Approval or the determination of Owner under this Section. Any Owner's Approval under this Section shall be evidenced by a "Certificate of Approval" signed by Owner or its delegatee.

6.1.2 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, User first shall submit to Owner for approval a conceptual plan. Notwithstanding Owner's Approval of the conceptual plan, all construction plans and specifications for New Improvements shall be subject to Owner's Approval and 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 Owner's Approval that 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 Owner and shall require Owner's Approval. Owner shall have ten (10) business days within which to review and to approve or disapprove the proposed Material Plan Change and, if Owner fails to disapprove the Material Plan Change, then the Material Plan Change shall be deemed to have received Owner's Approval. Upon Owner's Approval, Owner shall issue promptly a Certificate of Approval for each Material Plan Change.

#### 6.1.3 Conditions of Approval.

Owner may impose, in conjunction with its review and approval of proposed improvements, making of the improvements as Owner 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 improvements; (iii) the type or quality of materials used in the construction or installation of the improvements; (iv) the means or methods used in the construction or installation of the improvements; (v) the design and the drawings, plans and specifications for the improvements; and (vi) security for the payment and performance of the construction and installation of the improvements, including payment and performance bonds and/or letters of credit.

#### 6.1.4 Entitlements and Permits.

No improvements shall be constructed until User shall have procured and paid for all entitlements, permits, licenses, approvals and authorizations relating to such improvements required by all governmental authorities and agencies.

#### 6.1.5 Compliance with Policy on User Improvements.

Prior to the commencement of any improvements, User shall comply with the rules and guidelines established by Owner for such work pursuant to Owner's policy on tenant improvements attached hereto as Exhibit C, as the same may be uniformly amended from time to time. If there is any conflict between the policy on tenant improvements and the provisions of this Agreement, the provisions of this Agreement shall apply.

#### 6.1.6 Performance of Work.

All construction work done in connection with any improvements shall be performed by a licensed general contractor reasonably acceptable to Owner under one or more construction contracts and shall be done at User's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with all applicable Laws. Owner 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 6.1.2, and User 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 User or its contractors, User shall not perform such work without submitting a detailed work plan and schedule to Owner, which Owner shall have the right to approve, modify or disapprove in Owner's sole and absolute discretion.

6.1.7 As Built Plans and Statement of Cost.

Within sixty (60) days following the completion of any improvements, User shall furnish to Owner a set of "as built" plans and specifications.

6.2 Owner's Property.

Upon the expiration or earlier termination of this Agreement, all improvements made by or on behalf of User pursuant to this Section 6, shall become Owner's property and shall be surrendered with the Parking Spaces, unless Owner shall elect otherwise not less than thirty (30) days prior to the expiration, or not more than ten (10) days after any other termination, of this Agreement. In the event of such election, improvements made by or on behalf of User in the Parking Spaces, as Owner may select, shall be removed by User, at its sole cost and expense, at or prior to the expiration or immediately following termination of this Agreement, and User shall repair any and all damages caused by said removal.

7. INSURANCE, INDEMNITY AND EXCULPATION.

7.1 Obligation to Maintain Insurance.

At all times during the term of this Agreement and at its sole cost and expense, User shall maintain in effect the insurance coverage and limits of liability as provided in this Section 7 ("Required Insurance"). In the event that User fails to maintain any of the Required Insurance, Owner shall have the right, but not the obligation, to obtain some or all of the Required Insurance. In the event Owner elects to maintain some or all of the Required Insurance, User shall pay to Owner, as additional rent hereunder, its proportionate share of the premiums for all Required Insurance maintained by Owner within ten (10) days following the delivery to User of each written statement setting forth the amount of said premiums and the applicable premium period.

7.2 Liability and Workers' Compensation Coverage.

User shall maintain in effect insurance protecting User and each "Owner Insured Party" (as hereinafter defined) from and against claims arising out of, resulting from or relating to the use or occupancy of the Parking Spaces or the conduct of User's business upon the Parking Spaces, as follows:

7.2.1 General Liability Insurance.

General liability insurance covering Parking Spaces and operations liability, garagekeeper's liability, personal injury liability, contractual liability, products and completed operations liability and independent contractors liability, all written on an occurrence basis in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury and property damage each occurrence, and, with respect to products and completed

operations liability, in the annual aggregate, and, with respect to personal injury, not less than One Million Dollars (\$1,000,000.00) each occurrence and in the annual aggregate.

7.2.2 Automobile Liability Insurance.

Automobile liability insurance covering all owned, non-owned and hired vehicles written on an occurrence basis in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit for each occurrence for bodily injury, death and property damage.

7.2.3 Workers' Compensation and Employer's Liability Insurance.

Workers' compensation insurance written in accordance with California statutory limits and employer's liability insurance in amounts not less than the following:

Bodily injury by accident - \$1,000,000 - each accident

Bodily injury by disease - \$1,000,000 - policy limit

Bodily injury by disease - \$1,000,000 - each employee

7.3 Property Insurance.

User shall maintain in effect property insurance written on an all risk of direct physical loss basis covering User's improvements, fixtures, personal property, equipment and vehicles located on the Parking Spaces, in an amount not less than one hundred percent (100%) of their replacement value. Except as otherwise provided in Section 8, the proceeds of such insurance shall be used to repair or replace the insured property.

7.4 Adjustment of Required Insurance.

User understands and agrees that the types and amounts of Required Insurance may become inadequate during the term of this Agreement, and User 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 Owner, if Owner shall adopt a resolution or other written policy requiring such additional insurance coverage or limits of liability from all comparable tenants at the Airport.

7.5 Policy Requirements.

Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized to conduct business in California and having a rating of not less than A X in A.M. Best's Insurance Guide and/or otherwise acceptable to Owner. Within ten (10) days after the acceptance of this Agreement by Owner, User shall deliver to Owner certificates of insurance issued by the insurance companies and evidencing that all Required Insurance has been obtained and is being maintained by User, together with copies of endorsements (i) requiring the insurers to give to Owner at least thirty (30) days' prior written notice of the cancellation or non-renewal of some or all of the Required Insurance, (ii) with

respect to the general liability, automobile liability and employer's liability insurance, naming (a) User and its owners, shareholders, partners, directors and employees as a named insured and (b) except for employer's liability insurance, Owner, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of Owner ("Owner Insured Parties") as additional insureds, and (iii) with respect to the "all risk" property insurance naming Owner as a loss payee, as its interest may appear. The failure of User to provide said certificates of insurance, together with said endorsements, within fifteen (15) business days after the delivery to User of a written request therefor, or, if a notice of cancellation or non-renewal of any Required Insurance has been delivered to User, the failure of User 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 12.1.7. All Required Insurance shall be primary insurance without right of contribution of any other insurance carried by or on behalf of any Owner Insured Party and all policies shall be endorsed to this effect. In no event shall any Owner Insured Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by User pursuant to this Section 7.

#### 7.6 No Limitation of Liability.

User acknowledges and agrees that the limits of liability provided in the Required Insurance shall in no event be considered as limiting the liability of User under this Agreement.

#### 7.7 Waivers of Subrogation Rights.

All policies of Required Insurance, except workers' compensation insurance, shall include, or be endorsed to provide, a waiver by the insurers of any rights of subrogation that the insurers may have at any time against any Owner Insured Party.

#### 7.8 Indemnification.

In addition to any other express indemnity hereunder, User shall defend, indemnify and hold harmless all Owner Parties from and against any and all Claims arising out of, resulting from or relating to (i) the breach of this Agreement by, or any negligent act or omission or willful misconduct of, any User Party or any person storing equipment or parking vehicles upon the Parking Spaces with respect to (a) the use or occupancy of the Parking Spaces, (b) the conduct of User's or such persons' business, or (c) any other matter relating to this Agreement or the subject matter of this Agreement. Notwithstanding the foregoing, the provisions of this Section 7.8 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 Agreement by Owner.

#### 7.9 Exculpation of Owner from Liability.

User, on behalf of itself and the User Parties, hereby waives any and all Claims against the Owner Parties, and the Owner 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 Parking Spaces, 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 Parking Spaces, including,



without limitation, any use or release of "Toxic Materials" (as defined in Section 20), on, under or into the Parking Spaces; (ii) Acts of God; (iii) fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Parking Spaces, 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 Parking Spaces, New Improvements or other areas of the Airport; (vi) the use or occupancy of the Parking Spaces or New Improvements by any User Party, whether said damage or injury results from conditions arising upon the Parking Spaces, New Improvements or upon other areas of the Airport, or from other sources; or (vii) any damage or loss arising from any negligent acts or omissions or willful misconduct of any other tenant, licensee, concessionaire or customer of the Airport or any other person or entity; except to the extent any of the foregoing arises from the gross negligence, willful misconduct or material breach of this Agreement by Owner.

8. [INTENTIONALLY OMITTED]

9. ASSIGNMENT, SUBLETTING OR ENCUMBRANCE PROHIBITED.

User shall not voluntarily or by operation of law assign, sublet, transfer, license others to use, mortgage, hypothecate, grant a security interest in or otherwise encumber all or any part of User's rights or interest in or to this Agreement or the Parking Spaces or any portion thereof. Any attempted assignment, subletting, 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 12.1.3.

10. [INTENTIONALLY OMITTED]

11. [INTENTIONALLY OMITTED]

12. DEFAULTS AND REMEDIES.

12.1 Events of Default.

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

12.1.1 Insolvency and Creditor Protection.

(i) The voluntary or involuntary appointment of a receiver, trustee or liquidator to take possession of the Parking Spaces, improvements or all or substantially all of the assets of User; or (ii) a general assignment by User for the benefit or protection of creditors; or (iii) User's written admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by User under any federal, state or other statute relating to insolvency, bankruptcy, reorganization, arrangement, composition, liquidation, dissolution or other relief for debtors. The appointment of a trustee or conservator of the person or estate of an individual User, or in aid of the voluntary winding up, dissolution and liquidation of a partnership or corporate User, 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 User's interest or estate in the Parking Spaces, the improvements or this Agreement may be taken, occupied or used by anyone other than User.

12.1.3 Assignment, Transfer, Subletting or Encumbrance.

A purported assignment, sublease, transfer, license, mortgage, grant of security interest, hypothecation or other encumbrance of User's interest or estate in the Parking Spaces, the improvements or this Agreement in violation of Section 9.

12.1.4 Vacation or Abandonment.

The vacation or abandonment of the Parking Spaces by User.

12.1.5 Violation of Security Requirements.

[INTENTIONALLY OMITTED]

12.1.6 Failure to Pay.

The failure by User to pay any amount when due and payable hereunder, where such failure to pay continues for ten (10) days after Owner gives User written notice that such amount is past due, or the failure by User to replenish the security deposit within ten (10) days after Owner gives User written notice of the amount due.

12.1.7 Failure to Maintain Insurance.

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

12.1.8 Failure to Maintain Letter of Credit.

[INTENTIONALLY OMITTED.]

12.1.9 Other Defaults; Failure to Cure.

The default, breach or non-performance of any covenant or provision of this Agreement not otherwise described in Sections 12.1.1 through 12.1.7, where User fails to cure such default, breach or non-performance within thirty (30) days after the delivery to User 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 User fails to commence such cure within said thirty (30) days or thereafter fails diligently to prosecute the same to completion).

## 12.2 Remedies.

Upon the occurrence of any Event of Default, Owner, 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 Agreement.

Owner shall have the right to terminate this Agreement, effective immediately upon written notice to User. Upon termination of this Agreement, User's ownership of any improvements shall end automatically and Owner shall succeed to ownership of any improvements free and clear of all liens or encumbrances. Owner shall have the right to re-enter the Parking Spaces and the improvements to remove and eject all persons therefrom, to take possession thereof, and to use and enjoy the Parking Spaces and the improvements and Owner shall have all other remedies at law or in equity that may be applicable to Owner, and if any automobiles or other property is not promptly removed, Owner may remove and dispose of the same without liability to User.

### 12.3 Waiver of Claims.

User hereby waives all claims and demands against Owner for damages or loss arising out of or in connection with any lawful exercise by Owner 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 Owner of any one or more of its rights and remedies under Section 12.2, User 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 Owner, from any and all claims, demands and liabilities by reason of such lawful exercise by Owner.

### 12.5 Cumulative Remedies.

The various rights, options, elections, powers and remedies reserved to Owner herein shall be cumulative, and, except as otherwise provided by law, Owner 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 Owner 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, Owner may exercise any other remedy now or hereafter available to a landlord against a defaulting tenant under the laws of the State of California.

### 12.6 Default by Owner.

Owner 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 User to Owner of written notice specifying the obligation Owner has failed to perform; provided, however, in the event that the nature of

Owner's obligation is such that more than thirty (30) days are required for its performance, Owner 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 Agreement, ownership of the New Improvements shall pass automatically to Owner, unless Owner elects to have improvements removed by User pursuant to Section 6.3, and User shall quit and surrender the Parking Spaces and the New Improvements to Owner, 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 Agreement, User shall remove all of its personal property and shall promptly repair any damages to the Parking Spaces caused by such removal. User's obligation to perform this covenant shall survive the expiration or other termination of this Agreement.

14. [INTENTIONALLY DELETED]

15. QUIET ENJOYMENT.

Upon paying the amounts payable by User and observing and performing all the provisions on User's part to be observed and performed pursuant to this Agreement, User may peaceably and quietly enjoy the Parking Spaces, subject, nevertheless, to the provisions of this Agreement and to any Senior Liens, to which this Agreement and the rights of User are subordinate.

16. TRANSFER OF LANDLORD'S INTEREST.

In the event of any transfer of Owner's interest in the Parking Spaces, the transferor automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer, but shall not be released from any obligations or liabilities accruing prior to the date of such transfer.

17. SECURITY FOR PERFORMANCE.

As security for the full and faithful performance of each and every provision of this Agreement to be performed by User, Owner shall continue to hold the sum of \$5,199.30. In the event of an Event of Default on the part of User with respect to any provision of this Agreement, including, but not limited to, the provisions relating to the payment of rent or any other amount due hereunder, Owner may draw against all or any part of said deposit or utilize any proceeds paid thereunder for the payment of any amount in default, to cure any Event of Default or to repair any damage to the Parking Spaces caused by User. In the event that Owner uses any portion of said deposit pursuant to this Section, User shall, within ten (10) days after written demand therefor, obtain and deliver to Owner funds restore said deposit to the amount of one (1) month's rent (at the then current rate), and User's failure to do so shall be an Event of Default under Section 12.1.6 of this Agreement. In the event Owner applies any of the security deposit as provided in this Section, such action shall not constitute an election or waiver of any other rights or remedies which Owner may have by virtue of User's default.

## 18. RULES AND REGULATIONS OF LANDLORD.

User shall and shall cause its licensees and users to comply with all uniform rules and regulations adopted by Owner for use of the Parking Spaces and the Airport, as the same may be amended from time to time by Owner. Owner shall provide User with a copy of all such rules and regulations and any and all amendments thereto. Owner shall not be responsible to User for the nonperformance of any other User or occupant of the Airport of any of said rules and regulations.

## 19. TOXIC MATERIALS AND REMEDIATION OF CONTAMINATION.

User shall perform or shall cause each User Party to perform the obligations, duties and covenants set forth in this Section 20. Performance by a User Party shall be accepted by Owner as performance by User; provided, however, that User, at all times, shall be fully obligated and liable to Owner for the complete and timely performance of the obligations, duties and covenants set forth in this Section 20 and Owner shall not be required to look to any User Party for any such performance or to enforce any remedy hereunder.

### 19.1 Use Prohibited Without Consent.

User shall not cause or permit any Toxic Materials (as defined in Section 20.16.5) to be brought onto, stored, used, generated, recycled, or disposed of (collectively "Use of Toxic Materials") in, on, under or about the Parking Spaces or the New Improvements by any User Party, without the prior written consent of Owner, which Owner shall not unreasonably withhold, condition or delay so long as User demonstrates to Owner's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to the User Party's business and that the User Party's use of such Toxic Materials shall be in compliance with all Environmental Laws (as defined in Section 20.16.3). User shall demonstrate that such Toxic Materials are necessary or useful by submitting information to Owner in accordance with Section 20.3.

### 19.2 Compliance with Environmental Laws.

User shall cause each User Party to comply, at User's or such User Party's sole cost, with all Environmental Laws applicable to all Toxic Materials and to the lawful conduct of the User Party's business to the extent performed on or about the Parking Spaces. It shall be the sole obligation of each User Party to obtain any permits and approvals required for the operation of the User Party's business pursuant to the Environmental Laws. To the extent such action is necessary because of any "User's Contamination" (as defined in Section 20.16.4), User shall or shall cause any responsible User Party to investigate the site conditions and perform to completion, in the manner provided in Section 19.6, any and all investigation, clean up, remediation, removal or restoration work: (i) necessary to bring the Parking Spaces into compliance with the Environmental Laws; (ii) necessary to bring any other real property into compliance with the Environmental Laws in the event of any migration of Toxic Materials from the Parking Spaces to such other real property; (iii) necessary to maintain the Parking Spaces in compliance with the Environmental Laws; or (iv) required by any federal, state, regional, municipal or local governmental agency or political subdivision ("Agency") at any time during

or after the term of this Agreement; or (v) necessary to restore the condition of the Parking Spaces to a level below regulatory action levels. The obligations of User under this Section shall survive the termination of this Agreement.

#### 19.3 Disclosure.

Prior to or upon the last day of each six (6) month period during the term of this Agreement, User shall submit to Owner 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 User Party on or about the Parking Spaces or improvements during the prior year, (ii) all Material 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 Parking Spaces during the prior year, and (iv) copies of all hazardous waste manifests for wastes generated on the Parking Spaces and sent offsite for treatment, storage, disposal or recycling.

#### 19.4 Business Plan.

If any User Party's business conducted or to be conducted in, on, under or about the Parking Spaces 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, User shall immediately give written notification to Owner that the User 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 Owner with such notification.

#### 19.5 User's Indemnity.

User shall be solely responsible for and shall defend, indemnify and hold harmless the Owner Parties, from and against any and all Liabilities (as defined in Section 20.16.6) arising out of, resulting from or caused by the Use of Toxic Materials on the Parking Spaces, or the presence of Toxic Materials in the soil, subsoil, or groundwater located in, on or under the Parking Spaces, or the effect of Toxic Materials migrating to other real property or groundwater from the Parking Spaces, but only to the extent that the Liabilities are the result of or caused by User's Contamination. The indemnification by User under this Section shall survive the termination of this Agreement.

#### 19.6 Cleanup of User's Contamination.

User shall take any and all action that any Agency lawfully requires to be taken to investigate, clean-up, remediate or remove User's Contamination (the "Necessary Action"). In addition to any notification to Owner required by Section 20.7, User shall promptly furnish Owner with a copy of all correspondence between any User Party or its environmental consultants and each involved Agency concerning the Necessary Action. On or before ten (10) business days prior to any User Party's submittal of any work plans or descriptions of the Necessary Action to each involved Agency, User shall furnish Owner with a draft copy of said document for Owner's review and comment. Owner shall have the right to submit written comments on all aspects of the work plan to any User Party and to each involved Agency,

including without limitation, comments on the remediation methodology and appropriateness of clean up levels. User shall provide Owner with written notice of all meetings with Agencies concerning the Necessary Action, which notices shall be provided where possible ten (10) business days in advance of the meeting. Owner and its consultants shall have the right to attend and participate actively in all meetings with Agencies concerning the Necessary Action. Except in the case of an emergency, no Necessary Action shall be commenced without (i) written approval by the lead Agency, if one exists, or by all Agencies having and asserting jurisdiction over the Necessary Action and (ii) where practical, ten (10) business days written notice to Owner. Owner shall have the right to have a representative present on the Parking Spaces at all times during the implementation of the Necessary Action by any User Party. User agrees that the Necessary Action will be supervised by and certified by a registered professional engineer. User hereby releases the Owner Parties from responsibility for, and indemnifies the Owner Parties (with counsel approved by the Owner Parties) against any Liability in connection with the Necessary Action. If any User Party fails to take the Necessary Action on a timely basis, Owner may, but shall not be obligated to, take the Necessary Action and in such event, all costs incurred by Owner with respect thereto shall be for the account of User and recoverable as additional rent hereunder.

#### 19.7 Notice.

If any User Party is required by statute or regulation to give notice to any Agency about any Contamination, User shall immediately give Owner'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 Owner shall also extend to any personal injuries or property damage to third parties resulting directly or indirectly from said Contamination. If User becomes aware of the presence of or use of any Toxic Materials not authorized in accordance with the terms of this Agreement, or of any Contamination not subject to the notification provisions of the first sentence of this Section 20.7, User shall immediately give written notice of such condition to Owner 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 Material permitted in, on, under or about the Parking Spaces pursuant to this Agreement shall be stored and used in strict compliance with all Environmental Laws. No underground storage tanks shall be constructed, installed or used without Owner's prior written consent, which consent may be withheld by Owner in its absolute discretion.

#### 19.9 Disposal of Toxic Materials.

Notwithstanding anything to the contrary contained in this Section 20, User shall not release or dispose of any Toxic Material, in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Parking Spaces, 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.

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

19.11 Fees, Taxes and Fines.

User shall pay, prior to delinquency, any and all fees, taxes (including excise taxes) and fines which are charged upon or incident to User's activities related to Toxic Materials, provided User shall have the right to contest the validity or amount of any such fees, taxes or fines, so long as (i) User 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 Parking Spaces, New Improvements or the Airport or upon Owner.

19.12 Delivery of Documentation.

User shall deliver to Owner 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 User's responses thereto; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Laws that Owner may reasonably request from time to time.

19.13 Annual Site Investigation.

In addition to Owner's right of access to the Parking Spaces set forth in Section 1.5, Owner shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Parking Spaces during each year of the term of this Agreement, 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. User shall pay, as additional rent hereunder, fifty percent (50%) of the reasonable cost of each such annual inspection applicable to the Parking Spaces. If the environmental inspection and assessment of the Parking Spaces discloses the existence of any User's Contamination, User shall take any and all Necessary Action as provided in Section 20.6. In the event that Owner elects not to conduct an annual environmental inspection and assessment, or if Owner's environmental inspection and assessment fails to discover or disclose any User's Contamination, User shall not be excused from performing its obligations or relieved from liability to Owner under this Section 20.

19.14 Environmental Assessment at End of Agreement Term.

On or before the expiration or termination of this Agreement, User shall take any and all action required to be taken under the Environmental Laws in order to: (i) surrender the Parking Spaces to Owner free of any and all Toxic Materials present in amounts exceeding then applicable Agency action levels as a result of User's Contamination; and (ii) close or remove any storage tanks in, on, under or around the Parking Spaces to the extent installed by User, unless otherwise directed in writing by Owner. Such closure or removal shall be deemed to constitute Necessary Action within the meaning of Section 20.6 hereof, and all the provisions of Section



20.6 relating to Necessary Action shall be applicable to such closure and removal. Unless waived in writing by Owner, User, within ninety (90) days of commencement of this Agreement and within ninety (90) days prior to the expiration or termination of this Agreement or prior to any permitted assignment or subletting of all or any portion of the Parking Spaces, shall provide to Owner a written report certifying that each User Party is in compliance with the Environmental Laws, or, if this Agreement is expiring or terminating, that each User Party has complied with the provisions of this Section 20. This report shall contain the following information: (i) a list of all permits issued under Environmental Laws regulating each User Party's business on the Parking Spaces and a description of all such permits; (ii) for each permit on the list, a description of the particular area or operation that requires compliance with such permit by a User Party; (iii) for each permit on the list, a description of each User Party's compliance program for the Environmental Law or corresponding regulatory program; (iv) for each permit on the list, a list of all alleged violations for the prior calendar year or Annual Period, or an affirmative statement that there were no alleged violations during said period; (v) copies of environmental assessments or compliance audits done during the prior calendar year; and (vi) a certification. The certification shall be signed and notarized by an appropriate corporate manager of User who has direct responsibility for environmental compliance at the Parking Spaces. The certification shall state as follows: "I, (name), am an employee of (User's name). My title is (Title). My job responsibilities include direct responsibility for monitoring and assessing environmental compliance at (Parking Spaces). This report has been prepared by me or under my direct supervision during the course of my employment for (User's name). I hereby certify that I have personal knowledge of the facts in the report and that said facts are true, accurate and complete. I also certify that (the Parking Spaces) are in compliance with all applicable federal, state and local environmental laws except to the extent otherwise disclosed in this report. (Signature, notary seal and date.)" User shall bear all costs of such reports and shall reimburse Owner for any and all reasonable out-of-pocket costs incurred by Owner in connection with its review of such report. From time to time during the Agreement term, but no more often than once per Annual Period, Owner shall have reasonable access to the Parking Spaces to conduct an environmental assessment to audit User's compliance with Environmental Laws.

#### 19.15 Prohibited Substances.

The following substances are strictly prohibited from being brought onto the Parking Spaces, New Improvements or the Airport in any quantities whatsoever: (i) arsines; (ii) dioxins, including dioxin precursors and intermediates; (iii) polychlorinated biphenyls; and (iv) any chemical marked with an asterisk (\*) in 22 California Code of Regulations Section 66680(d) as amended, or any waste which meets the definition of extremely hazardous waste in 22 California Code of Regulations Sections 66720 and 66723, as amended.

#### 19.16 Definitions.

##### 19.16.1 Claims.

The term "Claims" means 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, of any nature

whatsoever, whether now existing or hereafter arising, known or unknown, foreseen or unforeseen, fixed or contingent.

#### 19.16.2 Contamination.

The term “Contamination” means any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Parking Spaces, or any other contamination or deterioration of groundwater, subsoil or soil in, on, under or originating from the Parking Spaces.

#### 19.16.3 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 Parking Spaces, including, without limitation, the statutes described in the definition of Toxic Materials.

#### 19.16.4 User’s Contamination.

The term “User’s Contamination” means any spilling, discharging, releasing or disposing of Toxic Materials by any User Party or by any other persons subject to any User Party’s control on, in, under or about the Parking Spaces or the New Improvements, but shall not include any discharge or release migrating to the Parking Spaces from other portions of the Airport or other adjacent real property. Owner and User agree that, in any action or proceeding between one or more User Parties and Owner Parties in which it is necessary for the finder of fact to determine whether Contamination is User’s Contamination, for purposes of interpreting or applying the provisions of this Agreement relating to Contamination, all Contamination constitutes User’s Contamination except to the extent that a User Party can prove, either (i) by a preponderance of admissible direct evidence, without the use of circumstantial evidence, or (ii) by clear and convincing admissible evidence, which may include the use of admissible circumstantial evidence, that some or all of the Contamination is not User’s Contamination.

#### 19.16.5 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.

#### 19.16.6 Liabilities.

The term “Liabilities” shall mean any and all Claims (as defined in Section 20.16.1 above) 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 User Party or any of their respective licensees, permittees or invitees, including, without limitation, the following: (i) diminution in value of the Airport or the Parking Spaces, (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport or the Parking Spaces, (iii) damages arising from any adverse impact on marketing of space at the Airport or the Parking Spaces, (iv) sums paid in settlement of Claims (including, without limitation, reasonable attorneys fees, consultant fees and expert fees), (v) damages caused by the breach or nonperformance by User of any covenant or other provision of this Agreement, and (vi) costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work necessary should User fail to comply with Section 20.6.

20. [INTENTIONALLY DELETED]

21. MISCELLANEOUS.

##### 21.1 Agreement Interpretation.

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

#### 21.2 Disclaimer of Partnership or Agency.

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

#### 21.3 Waivers.

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

#### 21.4 Successors and Assigns.

The provisions contained in this Agreement shall bind and inure to the benefit of Owner, User and, except as otherwise provided in this Agreement, their respective successors and assigns.

#### 21.5 Notices.

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

To Owner:                      Burbank-Glendale-Pasadena  
                                        Airport Authority  
                                        2627 Hollywood Way  
                                        Burbank, CA 91505  
                                        Attn: Contracts and Properties Administrator

To User:                        Center Staging  
                                        3407 Winona Avenue  
                                        Burbank, CA 91504  
                                        Attn: Mitch Clark

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 or sent by confirmed telecopy to a party's regular business telecopier during regular business hours. 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.

21.6 Brokers.

User warrants that it has not had any dealings with any real estate broker or agent in connection with this Agreement, and User agrees to defend, indemnify and hold harmless the Owner Parties 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 claiming through User.

21.7 Recording.

User shall not record this Agreement.

21.8 Governing Law.

This Agreement 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.

21.9 Signs.

User shall not, without the prior written consent of Owner, install or affix any signs or advertisements on or to the Parking Spaces, new improvements or the Airport.

21.10 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 Agreement, the prevailing party in any such action or proceeding shall be entitled to reasonable attorneys' fees and costs.

21.11 No Third Party Beneficiaries.

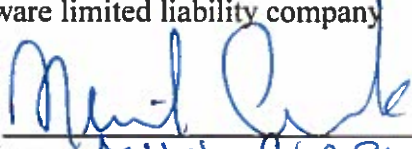
There are no third party beneficiaries of this Agreement.

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

**BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY, a public entity**

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

**CENTERSTAGING,  
a Delaware limited liability company**

By:  \_\_\_\_\_  
Print Name: Mitch CLARK  
Title: PRESIDENT

109 SPACES

WINONA AVENUE

HOLLYOOD WAY

HOLLYONA PARCEL CAR STORAGE

**Exhibit B**  
**FAA GRANT AGREEMENT ASSURANCES**

**NONDISCRIMINATION**

A. User, 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 Parking Spaces that in the event facilities are constructed, maintained, or otherwise operated on the Parking Spaces 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, User 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. Users 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 Parking Spaces 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 Parking Spaces;

2. In the construction of any Improvements on, over or under the Parking Spaces, 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. User shall use the Parking Spaces 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, Owner shall have the right to terminate this Agreement and to re-enter and to repossess the Parking Spaces, and hold the Parking Spaces as if this Agreement 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. User 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 User 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 Owner shall have the right to terminate this Agreement and the estate hereby created without liability therefor or, at the election of Owner 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 Sublease, license or agreement by which said User grants a right or privilege to any person, firm or corporation to render accommodations and/or service to the public at the Parking Spaces.