



September 30, 2021

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

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, October 4, 2021, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

Pursuant to Government Code Section 54953(e), members of the Commission may participate in this meeting via teleconference. In the interest of maintaining appropriate social distancing, a physical location is not being provided for the public to attend or comment. Members of the public may observe the meeting telephonically and may offer comment in real time through the following number:

*Dial In: (818) 862-3332*

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

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Airport Skyroom

Regular Meeting of Monday, October 4, 2021

9:00 A.M.

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



*When in-person attendance or participation at meetings of the Commission is allowed, members of the public are requested to observe the following rules of decorum:*

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



*The following activities are prohibited:*

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



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



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

# A G E N D A

Monday, October 4, 2021

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT  
(For items not on the Agenda. Public Comment on specific Agenda items will be received at the time the item is presented.)
5. CONSENT CALENDAR
  - a. Committee Minutes  
(For Note and File)
    - 1) Operations and Development Committee  
(i) August 16, 2021 ***[See page 1]***
    - 2) Finance and Administration Committee  
(i) August 16, 2021 ***[See page 3]***
    - 3) Legal, Government and Environmental Affairs Committee  
(i) August 16, 2021 ***[See page 6]***
  - b. Commission Minutes  
(For Approval)
    - 1) September 20, 2021 ***[See page 9]***
  - c. AB 361 Findings for Special Brown Act Requirements  
for Teleconference Meetings ***[See page 18]***
6. ITEMS FOR COMMISSION APPROVAL
  - a. Election of Vice President ***[See page 20]***
  - b. Boeing Distribution, Inc. (Formerly Aviall Services, Inc.)  
Access Agreement ***[See page 22]***
  - c. First Extension Option ***[See page 24]***  
Airport Conveyance Equipment Services Agreement  
Elevators Etc., LP
  - d. Terminal Space Lease ***[See page 29]***  
HG Burbank JV dba Hudson Group Retail, LLC

e. First Amendment to Concession and Lease Agreement **[See page 31]**  
Certified Folder Display Service, Inc.

f. Extension of Deferral of Art Covenant Agreement **[See page 35]**  
Regional Intermodal Transportation Center  
Art Panels Project

7. ITEMS FOR COMMISSION DISCUSSION

a. Measure B and Replacement Passenger Terminal Entitlements

8. CLOSED SESSION

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

9. EXECUTIVE DIRECTOR COMMENTS

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

11. ADJOURNMENT - In Memory of Airport Police Officer Kevin Giberson



## COMMISSION NEWSLETTER

Monday, October 4, 2021

*[Regarding agenda items]*

### 5. CONSENT CALENDAR

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

- a. COMMITTEE MINUTES. Approved minutes of the Operations and Development Committee meeting of August 16, 2021; approved minutes of the Finance and Administration Committee meeting of August 16, 2021; and approved minutes of the Legal, Government and Environmental Affairs Committee meeting of August 16, 2021, are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. Draft minutes of the September 20, 2021, Commission meeting are attached for the Commission's review and approval.
- c. AB 361 FINDINGS FOR SPECIAL BROWN ACT REQUIREMENTS FOR TELECONFERENCE MEETINGS. A staff report is included in the agenda package. Staff has placed this item on the agenda to give the Commission an opportunity to make findings specified in AB 361 (2021) for special Brown Act requirements for teleconference meetings. These special requirements give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or an in-person meeting would present imminent risks to the health and safety of attendees.

### 6. ITEMS FOR COMMISSION APPROVAL

- a. ELECTION OF VICE PRESIDENT. A staff report is included in the agenda packet. With the resignation by Commissioner Don Brown as Vice President of the Authority, Staff recommends that the Commission elect a Vice President to serve the remainder of the 2021-2022 term.
- b. BOEING DISTRIBUTION, INC. (FORMERLY AVIALL SERVICES, INC.) – ACCESS AGREEMENT. A staff report is included in the agenda packet. At its meeting on September 20, 2021, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve an Environmental Access License Agreement ("Agreement") with Boeing Distribution, Inc. (formerly known as Aviall Services, Inc.) ("Boeing"). The Agreement will allow Boeing to have limited access to the Authority's real property located at 3111 Kenwood Street, Burbank to drill and collect certain soil investigations as required by the California Regional Water Quality Control Board, Los Angeles Region.
- c. FIRST EXTENSION OPTION – AIRPORT CONVEYANCE EQUIPMENT SERVICES AGREEMENT – ELEVATORS ETC., LP. A staff report is included in the agenda packet. At its meeting on September 20, 2021, the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission authorize the

exercise of the first of two one-year extension options for the Airport Conveyance Equipment Services Agreement with Elevators Etc., LP.

- d. **TERMINAL SPACE LEASE – HG BURBANK JV DBA HUDSON GROUP RETAIL, LLC.** A staff report is included in the agenda packet. At its meeting on September 20, 2021, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve a proposed Terminal Space Lease with HG Burbank JV dba Hudson Group Retail, LLC to provide two post-security concession kiosks inside Terminal A at Hollywood Burbank Airport.
- e. **FIRST AMENDMENT TO CONCESSION AND LEASE AGREEMENT – CERTIFIED FOLDER DISPLAY SERVICE, INC.** A staff report is included in the agenda packet. At its meeting on September 20, 2021, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve the proposed First Amendment to the Concession and Lease Agreement with Certified Folder Display Service, Inc.
- f. **EXTENSION OF DEFERRAL OF ART COVENANT AGREEMENT – REGIONAL INTERMODAL TRANSPORTATION CENTER ART PANELS PROJECT.** A staff report is included in the agenda packet. At its meeting on September 20, 2021, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve a proposed Extension of Deferral of Art Covenant Agreement with the City of Burbank (“City”) to afford the Authority an additional 24 months to provide public artwork at the Regional Intermodal Transportation Center in compliance with the City’s Art in Public Places requirement.

## 7. ITEMS FOR COMMISSION DISCUSSION

- a. **MEASURE B AND REPLACEMENT PASSENGER TERMINAL ENTITLEMENTS.** No staff report attached. This item has been placed on the Commission agenda for discussion regarding Measure B, the Development Agreement between the City of Burbank and the Authority, and other entitlements for the Replacement Passenger Terminal Project.

**ADJOURNMENT. IN MEMORY OF AIRPORT POLICE OFFICER KEVIN GIBERSON.**  
A slide presentation will be shown honoring the life of Airport Police Officer Kevin Giberson.

*Approved on September 20, 2021*

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

**MONDAY, AUGUST 16, 2021**

A regular meeting of the Operations and Development Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:33 a.m., by Commissioner Brown.

**1. ROLL CALL**

**Present:** Commissioners Devine, Hampton (via teleconference) and Brown

**Absent:** None

**Also Present:** Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Ray Hunting, Manager, Airport Security; Tom Janowitz, Senior Manager, Ground Access; Sumire Spurlock, Manager, Safety Management System

**2. Approval of Agenda**

The agenda was approved as submitted.

**3. Public Comment**

There were no public comments.

**4. Approval of Minutes**

**a. July 19, 2021**

Commissioner Devine moved approval of the minutes of the July 19, 2021 meeting, seconded by Commissioner Brown. There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (3-0).

**5. Items for Approval**

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

Staff sought a Committee recommendation to the Commission to award a License Agreement to the County of Los Angeles for the purpose of conducting a temporary free COVID-19 vaccination clinic within the Airport passenger terminal building commencing on August 16, 2021 through August 15, 2022.

**Motion**

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

**Motion Approved**

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

**b. Allied Universal Contract Amendment**

Staff sought a Committee recommendation to the Commission for approval of a proposed Amendment No. 3 to the Professional Services Agreement ("PSA") with Universal Protection Service LP dba Allied Universal to increase the appropriations for airport security and traffic controls services by a not-to-exceed amount of \$125,000. In October 2020, the Commission approved a one-year extension of this PSA for \$974,413 based on the projected reduced traffic volume due to the effects of the COVID-19 pandemic, and the contract is set to expire on October 31, 2021. However, with the rapid return of leisure travel, vehicular and passenger traffic has increased significantly, and to maintain a consistent flow of traffic and ensure pedestrian safety on the Airport roads, Staff recommended that the current appropriation be increased for the remainder of the extension period.

**Motion**

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

**Motion Approved**

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

**6. Items for Information**

**a. Valet Parking Operation**

Staff informed the Committee that due to the sharp rise in demand for valet parking services, it was necessary to authorize temporary additional valet attendants to maintain customer service and manage the number of valet drop-offs during peak periods throughout the day. If demand for valet services continues, Staff will return to the Committee and the Commission with requests for authorization to increase staffing permanently.

**b. Committee Pending Items**

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

**7. Adjournment**

There being no further business, the meeting adjourned at 8:49 a.m.

*Approved on September 20, 2021*

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

**MONDAY, AUGUST 16, 2021**

A regular meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 11:42 a.m., by Commissioner Selvidge.

**1. ROLL CALL**

**Present:** Commissioners Selvidge, Najarian, Ovrom

**Absent:** None

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

Also Present: James Wilkinson, Columbia Threadneedle Investments (via teleconference); John Dempsey, Columbia Threadneedle Investments (via teleconference)

**2. Staff Announcement: AB 23**

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

**3. Approval of Agenda**

Agenda was approved as presented.

Commissioner Selvidge announced that Item No. 8.a. would be taken after Item No. 5.a. There were no objections.

**4. Public Comment**

There were no public comments.

**5. Approval of Minutes**

**a. July 19, 2021**

Draft minutes for the July 19, 2021, Finance and Administration Committee meeting was presented for approval.

**Motion**

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

**Motion Approved**

There being no objection, the motion was approved (3-0).

## **8. Items for Discussion**

### **a. CTI Quarterly Investment Review Fourth Quarter (April – June 2021)**

Staff introduced James Wilkinson of Columbia Threadneedle Investments, the Authority's investment advisor, who participated via teleconference.

Mr. Wilkinson and his colleague John Dempsey presented an update on the status of the Authority's Operating and Passenger Facility Charge Quarterly Investment Portfolio reports ended June 30, 2021.

## **6. Treasurer's Report**

### **a. June 2021**

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

#### **Motion**

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

#### **Motion Approved**

There being no objection, the motion was unanimously approved (3–0).

## **7. Items for Approval**

### **a. Award of Aviation Hangar Lease Hangar 89; Sublease Consents**

Staff presented to the Committee for recommendation to the Commission to approve an Aviation Hangar Lease ("Lease") with Thornton Aircraft Company, LLC for Hangar 89. Thornton seeks a 5-year lease term with an option for one five-year extension to store and maintain general aviation aircraft at the Airport.

Also presented to the Committee for approval by the Commission were three (3) sublease consents for firms that work along with Thornton and are essential to the proposed Lease.

#### **Motion**

Commissioner Najarian moved approval; seconded by Commissioner Ovrom.

#### **Motion Approved**

There being no objection, the motion was unanimously approved (3–0).

**8. Items for Discussion (Continued)**

**b. Replacement Passenger Terminal Program Monitoring**

Staff presented for discussion with the Committee information regarding the financial monitoring of the Replacement Passenger Terminal Program.

Staff answered questions from the Committee regarding the special Commission meeting regarding the Replacement Passenger Terminal scheduled for Monday, August 23, 2021.

**9. Items for Information**

**a. Committee Pending Items**

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

**10. Adjournment**

There being no further business to discuss, the meeting was adjourned at 12:46 p.m.

*Approved on September 20, 2021*

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

**MONDAY, AUGUST 16, 2021**

A regular meeting of the Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 11:35 a.m., by Commissioner Agajanian.

**1. ROLL CALL**

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

**Absent:** None

**Also Present:** Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Patrick Lammerding, Deputy Executive Director, Planning and Development; Maggie Martinez, Manager, Noise and Environmental Compliance

Authority Counsel: Tom Ryan of McDermott, Will & Emery and Terence R. Boga of Richards, Watson & Gershon

Airport Authority Consultant: Lisa Trifiletti of Trifiletti Consulting, Inc. (via teleconference)

**2. Staff Announcement: AB 23**

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

**3. Approval of Agenda**

The agenda was approved as presented.

**4. Public Comment**

There were no public speakers.

**5. Approval of Minutes**

**a. July 19, 2021**

Commissioner Gabel-Luddy moved approval of the minutes of the July 19, 2021 meeting, seconded by Commissioner Williams. There being no objection, a roll call vote was taken, and the motion was approved (3-0).

**6. Items for Approval**

Note: Commissioner Williams recused herself from the discussion of Item No. 6.a. at 11:45 a.m.



**a. Professional Services Agreement  
Trifiletti Consulting, Inc.**

Staff sought a Committee recommendation to the Commission for approval of a proposed Professional Services Agreement with Trifiletti Consulting Inc. for FY 2022 in the amount of \$53,000 for continued support services with environmental, entitlement, land use, sustainability and government advisory services in support of the implementation of the Authority's Memorandum of Understanding with the South Coast Air Quality Management District.

**Motion**

Commissioner Gabel-Luddy moved approval of Staff's recommendation, seconded by Commissioner Agajanian.

**Motion Approved**

There being no objection, a roll call vote was taken, and the motion was approved (2-0, 1 absent).

Note: Commissioner Williams re-joined the meeting at 11:50 a.m. after the vote was taken on Item No. 6a.

**b. Award of Professional Services  
Agreements - Replacement  
Passenger Terminal Program**

In January of this year, Staff and the airlines serving Hollywood Burbank Airport began the process to restart the Replacement Passenger Terminal Program with the goal to open the Replacement Passenger Terminal and complete all improvements as early as financially feasible. In conjunction with this effort, Staff sought a Committee recommendation to the Commission for approval of six Professional Services Agreements. The services these consultants provide include strategic planning, outreach and support, financial feasibility, and technical support and airline coordination related to the development of the Program.

**Motion**

Commissioner Williams moved approval of Staff's recommendation, seconded by Commissioner Gabel-Luddy.

**Motion Approved**

There being no objection, a roll call vote was taken, and the motion was approved (3-0).

**7. Closed Session**

The meeting recessed to closed session at 12:00 p.m. to consider the items listed on the closed session agenda and to confer with legal counsel.

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

The meeting reconvened to open session at 12:25 p.m., with all 3 Commissioners present. No reportable action taken on the presented item.

**8. Items for Information**

**a. Committee Pending Items**

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

**9. Adjournment**

There being no further business, the meeting was adjourned at 12:26 p.m.

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

**MONDAY, SEPTEMBER 20, 2021**

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

**1. ROLL CALL**

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

**Absent:** Commissioner Devine

**Also Present:** Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Scott Kimball, Deputy Executive Director, Operations, Business, Procurement and Safety; Ray Hunting, Manager, Airport Security; Tom Lenahan, Fire Chief; Thomas Henderson, Director, Operations; Michael Crane, Manager, Operations; Nerissa Sugars, Director, Marketing Communications and Air Service; Maggie Martinez, Manager, Noise and Environmental Compliance; Tom Janowitz, Sr. Manager, Ground Access

**2. PLEDGE OF ALLEGIANCE**

Commissioner Williams led the Pledge of Allegiance.

**3. APPROVAL OF AGENDA**

The agenda was approved as presented.

**MOTION**

Commissioner Gabel-Luddy moved to approve the agenda, seconded by Commissioner Ovrom.

**MOTION APPROVED**

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

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

**NOES:** NONE

**ABSENT:** Commissioner Devine

**4. PUBLIC COMMENT**

Laura Ioanou, Burbank

## **5. CONSENT CALENDAR**

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

#### **1) Operations and Development Committee**

- (i) **July 19, 2021**                      Approved minutes of the July 19, 2021, Operations and Development Committee meeting were included in the agenda packet for information purposes.

#### **2) Finance and Administration Committee**

- (i) **July 19, 2021**                      Approved minutes of the July 19, 2021, Finance and Administration Committee meeting were included in the agenda packet for information purposes.

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

- (i) **July 19, 2021**                      Approved minutes of the July 19, 2021, Legal, Government and Environmental Affairs Committee meeting were included in the agenda packet for information purposes.

### **b. Commission Minutes (For Approval)**

- 1) **August 16, 2021**                      Draft minutes of the August 16, 2021, Commission meeting were included in the agenda packet for review and approval.

- 2) **August 23, 2021**                      Draft minutes of the August 23, 2021, Commission special meeting were included in the agenda packet for review and approval.

### **c. Treasurer's Report**

- 1) **June 2021**                              At its meeting on August 16, 2021, the Finance and Administration Committee reviewed the June 2021 Treasurer's Report and voted unanimously (3–0) to accept the report and recommend to the Commission for note and file.

#### **MOTION**

Commissioner Agajanian moved approval of the Consent Calendar; seconded by Commissioner Hampton.

#### **MOTION APPROVED**

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

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

NOES: NONE

ABSENT: Commissioner Devine

## 6. ITEMS FOR COMMISSION APPROVAL

**a. Amendment No. 1 to Inspection Services Reimbursement Agreement; Amendment No. 2 to Professional Services Agreement for Airport Consumer Goods Inspections**

At its meeting immediately preceding the Commission meeting, the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission approve Amendment No. 1 to the Inspection Services Reimbursement Agreement between MCS Burbank LLC (“MCS”), HG Burbank JV (Hudson”), and the Authority. Both MCS and Hudson have agreed to a revised cost sharing formula for the purposes of security inspection of airport consumer goods in which they will split the cost equally.

The Committee also voted (2–0, 1 absent) to recommend the Commission approve Amendment No. 2 to the Professional Services Agreement with Universal Protection Service LLP dba Allied Universal for these inspection services. This amendment adds \$15,000 to cover the remainder of the contract term through October 31, 2021, bringing the total to \$128,568.

**MOTION**

Commissioner Hampton moved approval; seconded by Commissioner Agajanian.

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

**MOTION APPROVED**

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

NOES: NONE

ABSENT: Commissioner Devine

**b. First Amendment to Services Agreement with the Regents of the University of California, on Behalf of the UCLA Center for Prehospital Care for EMT Continuing Education and Quality Improvement Care**

At its meeting immediately preceding the Commission meeting, the Operations and Development Committee voted unanimously (2–0, 1 absent) to recommend that the Commission approve a First Amendment to the Services Agreement with the Regents of the University of California, on behalf of the UCLA Center for Prehospital Care for Emergency Medical Technician (“EMT”) Continuing Education and Quality Improvement Care, to facilitate the Airport Fire Department. This Amendment extends the term of the Agreement by two years at a cost of \$24,245 per year beginning October 2021.

**MOTION**

Commissioner Hampton moved the motion; seconded by Commissioner Ovrom.

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

**MOTION APPROVED**

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

NOES: NONE

ABSENT: Commissioner Devine

**c. Transit Station Access License Los Angeles County Metropolitan Transportation Authority**

At its meeting immediately preceding the Commission meeting, the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission approve a Transit Station Access License with the Los Angeles County Metropolitan Transportation Authority for its new Metro Micro rideshare program.

This program will provide additional public transit services for the Airport’s passengers arriving to and from the Airport.

Commissioner Ovrom inquired whether the vehicles used would be hybrid electric vehicles and requested that Staff gather that information.

**MOTION**

Commissioner Hampton moved approval; seconded by Commissioner Gabel-Luddy.

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

**MOTION APPROVED**

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

NOES: NONE

ABSENT: Commissioner Devine

**d. Award of Hangar Lease  
(Hangar 89) - Sublease Consents**

At its meeting on August 16, 2021, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve an Aviation Hangar Lease with Thornton Aircraft Company, LLC for Hangar 89. The lease term is for five years with one five-year extension option. The hangar will be used to store and maintain general aviation aircraft.

The Committee also unanimously voted to recommend the Commission approve three sublease consents for firms that work with Thornton to also utilize the hangars.

**MOTION**

Commissioner Ovrom moved approval; seconded by Commissioner Agajanian.

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

**MOTION APPROVED**

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

NOES: NONE

ABSENT: Commissioner Devine

Note: Commissioner Williams recused herself from the discussion of Item No. 6.e.

**e. Award of Professional Services  
Agreement - Trifiletti Consulting,  
Inc.**

At its meeting on August 16, 2021, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve a Professional Services Agreement with Trifiletti Consulting, Inc., for FY 2022 in the amount of \$53,000 for continued support services with various aspects of services in support of the implementation of the Authority's Memorandum of Understanding with the South Coast Air Quality Management District.

**MOTION**

Commissioner Ovrom moved approval; seconded by Commissioner Gabel-Luddy.

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (6–0, 2 absent, 1 abstention).

**MOTION APPROVED**

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

NOES: NONE

ABSENT: Commissioners Devine, Hampton

ABSTAIN: Commissioner Williams

**f. Award of Professional Services Agreements – Replacement Passenger Terminal Program and Approval of Additional Appropriations for Program Manager Services**

In January of this year, Staff along with the airlines serving Hollywood Burbank Airport began the process of restarting the Replacement Passenger Terminal Program with the goal of opening the Replacement Passenger Terminal and completing all improvements as early as financially feasible. In conjunction with this effort, at its meeting on August 16, 2021, the Legal, Government and Environmental Committee recommended that the Commission approve six Professional Services Agreements. The services provided by these consultants include strategic planning, outreach and support, financial feasibility, and technical support and airline coordination related to the development of the Program.

At its meeting on September 8, 2021, the Replacement Passenger Terminal Ad Hoc Committee recommended that the Commission also approve the authorization of additional appropriations to fund program manager services in connection with the Commission's approved restart program.

**MOTION**

Commissioner Agajanian moved approval; seconded by Commissioner Ovrom.

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

**MOTION APPROVED**

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



NOES: NONE

ABSENT: Commissioner Devine

## **7. ITEMS FOR COMMISSION INFORMATION**

- |  |   |
|--|---|
| <b>a. Federal Aviation Administration (“FAA”) Part 139 Inspection Report</b> | Staff presented to the Commission the results of the Federal Aviation Administration (“FAA”) Part 139 Inspection. Commercial service airports are inspected by the FAA on an annual basis to confirm adherence to Part 139 and other compliance directives. This includes an inspection checklist of over 120 items including recordkeeping, airfield facilities, fueling operators, and Aircraft Rescue Firefighting facilities. |
| <b>b. LA Daily News Readers’ Choice Award</b>                                | Staff presented to the Commission a report on the LA Daily News Reader’s Choice Award for which Hollywood Burbank Airport received designation as the “Best Airport in LA”.   |
| <b>c. U.S. Customs and Border Preclearance Program</b>                       | Staff briefed the Commission on the United States Customs and Border Protection Preclearance Program. This program will provide the Canadian carrier Flair Airlines the opportunity to begin air service from Vancouver and Edmonton to Hollywood Burbank Airport.  |
| <b>d. July 2021 Passenger and Air Cargo Statistics</b>                       | Staff presented an update on the July 2021 Passenger and Air Cargo statistics.  |
| <b>e. July 2021 Transportation Network Companies</b>                         | Staff presented an update on the July 2021 Transportation Network Companies’ activities.  |
| <b>f. July 2021 Parking Revenue Statistics</b>                               | Staff presented an update on the July 2021 Parking revenue statistics.  |

## **8. CLOSED SESSION**

The meeting convened to Closed Session at 10:34 a.m.

- |   |  |
|---|--|
| <b>a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (California Government Code Section 54956.9(d)(1)) Burbank-Glendale-Pasadena Airport Authority v. Ellis (WCAB Case No. ADJ3240302, ADJ7860789, ADJ8989162, ADJ8989156, ADJ12075999)</b> |  |
| <b>b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant Exposure to Litigation (California Government Code Section 54956.9(d)(2)): 1 potential case. Facts and Circumstances: FAA Southern California Metroplex Project</b>      |  |

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

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

**Meeting Reconvened to  
Open Session**

**The meeting reconvened to open session at  
11:28 a.m., with eight (8) Commissioners present.**

**Closed Session Report**

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

**9. EXECUTIVE DIRECTOR  
COMMENTS**

No comments were made by the Executive Director.

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

Commissioner Ovrom requested an update on the progress of the incentive program at the Airport for employees to become vaccinated with plans on how to mandate vaccinations in case the program was not having a positive result. Staff responded that due to a mandate by LA County Department of Health, all EMT and Firefighters must be vaccinated. Currently, a small number of Firefighter personnel remain unvaccinated. Staff commented that research is being undertaken to see if these personnel might qualify for a religious or medical waiver. If that is not possible, weekly testing may be required.

Staff also mentioned that the general population of Airport personnel has an approximately 50% vaccination rate after the incentive program was offered. Staff is researching ways to increase that number.

Commissioner Selvidge inquired if it could be a requirement of Airport personnel to divulge their vaccination status. Discussion continued on this topic.

Commissioner Gabel-Luddy commented on the second development agreement which served as a basis for the vote on Measure B. Commissioner Williams requested that this issue be agendaized for an upcoming meeting to enable public comment. Staff has stated that this issue will be agendaized for the next regularly scheduled Commission meeting.

Commissioner Selvidge updated the Commission on discussions regarding the Replacement Passenger Terminal that are being undertaken by the Finance and Administration Committee.

Commissioner Agajanian requested that the Commission meeting be adjourned in the memory of Art Devine, the late husband of Commissioner Paula Devine.

## 11. ADJOURNMENT

There being no further business, the meeting was adjourned in the memory of Art Devine at 11:40 a.m.

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Paula Devine, President

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Date

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Felicia Williams, Secretary

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Date

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OCTOBER 4, 2021**

**AB 361 FINDINGS FOR SPECIAL BROWN ACT REQUIREMENTS  
FOR TELECONFERENCE MEETINGS**

Prepared by Terence Boga  
General Counsel

**SUMMARY**

Staff has placed this item on the agenda to give the Commission an opportunity to make findings specified in AB 361 (2021) for special Brown Act requirements for teleconference meetings. These special requirements give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or an in-person meeting would present imminent risks to the health and safety of attendees.

**BACKGROUND**

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California due to the spread of COVID-19. The Governor subsequently issued numerous executive orders suspending or modifying state laws to facilitate the response to the emergency. Among other things, these executive orders superseded certain Brown Act requirements and established special rules to give local public agencies greater flexibility to conduct teleconference meetings. The special rules included provisions allowing local public agencies to conduct teleconference meetings without having to provide a physical location from which the public may attend or comment, without having to use teleconference locations that are publicly accessible, and without having to identify teleconference locations on the agenda. Those special rules expired on September 30, 2021.

On September 16, 2021, in anticipation of then-imminent expiration of his special rules for teleconference meetings, the Governor signed AB 361. In key part, this bill amends the Brown Act to establish special requirements for teleconference meetings if a legislative body of a local public agency makes two findings pursuant to Government Code Section 54953(e)(3). Like the special rules in the Governor's executive orders, the special Brown Act requirements in AB 361 include provisions allowing public agencies to conduct teleconference meetings without having to provide a physical location from which the public may attend or comment, without having to use teleconference locations that are publicly accessible, and without having to identify teleconference locations on the agenda. The AB 361 special Brown Act requirements are scheduled to be repealed on January 1, 2024.

In order for a local public agency to be subject to the AB 361 special Brown Act requirements for teleconference meetings, a legislative body of a local public agency first must make a finding that it has "reconsidered" the circumstances of a declared state of emergency. Second, the legislative body must find that such emergency continues to directly impact the ability of the legislative body's members to meet in person. Alternatively, for the second finding, the legislative body must find that state or local officials continue to

impose or recommend social distancing measures. These findings must be made within 30 days after the legislative body teleconferences for the first time under AB 361 and on a monthly basis thereafter.

The COVID-19 state of emergency declaration is still in effect. Furthermore, the State of California and the County of Los Angeles have recommended measures to promote social distancing. Thus, the California Division of Occupational Safety and Health still requires that employers provide training on the effectiveness of physical distancing in the workplace. Additionally, the Los Angeles County Department of Public Health still encourages people at risk for severe illness or death from COVID-19 to take protective measures such as social distancing and, for those not yet fully vaccinated, to physically distance from others whose vaccination status is unknown. The County Health Department also continues to recommend that employers take steps to support physical distancing.

### RECOMMENDATION

Staff recommends that the Commission make the following findings so that meetings of the Commission and its standing committees will be subject to the AB 361 special Brown Act requirements for teleconference meetings: (1) the Commission has reconsidered the circumstances of the COVID-19 state of emergency; and (2) state and local officials continue to recommend measures to promote social distancing.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OCTOBER 4, 2021**

**ELECTION OF VICE PRESIDENT**

**SUMMARY**

With the resignation by Commissioner Don Brown as Vice President of the Authority, Staff recommends that the Commission elect a Vice President to serve the remainder of the 2021-2022 term.

**BACKGROUND**

Section 2.4.1 of the joint powers agreement addresses the offices of President, Vice President, Secretary, and Assistant Secretary. This provision requires the Commission to elect or re-elect a President, Vice President, and Secretary at the first meeting of July every year. This provision also requires that, in the event one of these officers resigns, the resulting vacancy shall be filled at the Commission's next regular meeting after the vacancy occurs. Commissioner Brown submitted a letter dated October 4, 2021 to President Devine resigning from the office of Vice President due to personal reasons.

**RECOMMENDATION**

Staff recommends that the Commission elect a Vice President for the remainder of the 2021-2022 term.



October 4, 2021

Ms. Paula Devine  
President  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, California 91505

Re: Resignation as Vice President, Burbank-Glendale-Pasadena Airport Authority

Dear Commissioner Devine:

Please accept this letter as my notice that due to personal reasons, I am stepping down as Vice President of the Authority effective immediately. I will continue to serve as a Commissioner from the City of Burbank and Chair of the Operations and Development Committee.

Your understanding of my decision is appreciated.

Sincerely,

Don Brown  
Commissioner  
Burbank-Glendale-Pasadena Airport Authority

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OCTOBER 4, 2021**

**BOEING DISTRIBUTION, INC. (FORMERLY AVIALL SERVICES, INC.)  
ACCESS AGREEMENT**

Presented by Mark Hardymont  
Director, Noise & Environmental Programs

**SUMMARY**

At its meeting on September 20, 2021, the Legal, Government and Environmental Affairs Committee ("Committee") voted unanimously (3–0) to recommend that the Commission approve an Environmental Access License Agreement ("Agreement"), copy attached, with Boeing Distribution, Inc. (formerly known as Aviall Services, Inc.) ("Boeing"). The Agreement will allow Boeing to have limited access to the Authority's real property located at 3111 Kenwood Street, Burbank ("Property") to drill and collect certain soil investigations as required by the California Regional Water Quality Control Board, Los Angeles Region ("LARWQCB").

**BACKGROUND**

The Authority is the current owner of the Property. Boeing, a former owner of and operator on the Property, received an October 11, 2019 order from the LARWQCB requiring the submission of a work plan for the performance of certain soil investigations on the Property.

Boeing submitted a Per-and Polyfluoroalkyl ("PFAS") Soil Investigation Workplan to the LARWQCB on March 27, 2020 ("Workplan"). A copy of the Workplan is attached as Exhibit 1 to the proposed Agreement. Because it no longer owns the Property, Boeing desires an access agreement allowing it to enter the Property to perform the activities specified in the Workplan (including any modifications or amendments requested by the LARWQCB) and to perform any other work that the LARWQCB requires of it at the Property (the "Permitted Work"). The LARWQCB approved the Workplan and required the submittal of results by October 19, 2020. By supplemental letters, the LARWQCB approved an extension of the deadline for submitting the results to February 3, 2021 and later to July 31, 2021.

**PROPOSED ACCESS AGREEMENT**

In response to a request from Boeing for an access agreement with the Authority, Staff and legal counsel have prepared the attached Agreement. The proposed Agreement provides for access to Boeing in exchange for Boeing's agreement to indemnify and defend the Authority against any claims arising from Boeing's activities on the Property in connection with the Permitted Work. Boeing's access rights under the Agreement are further conditioned upon: (i) compliance with all FAA regulations and guidance for working in or near an operating airport; (ii) Boeing's contractor providing proof of current Comprehensive General Liability and Automobile Liability as well as Pollution Legal Liability insurance in the amount of \$2,000,000 per occurrence; and (iii) returning the Property to the condition it was in prior to commencement of any of the Permitted Work, including the filling of any holes created by the soil borings with an appropriate cement mixture.



### FISCAL IMPACTS

There are no fiscal impacts from the proposed Agreement.

### RECOMMENDATION

At its meeting on September 20, 2021, the Committee voted unanimously (3–0) to recommend that the Commission approve the Agreement with Boeing.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OCTOBER 4, 2021**

**FIRST EXTENSION OPTION  
AIRPORT CONVEYANCE EQUIPMENT SERVICES AGREEMENT  
ELEVATORS ETC., LP**

Presented by Anthony Defrenza  
Director, Engineering and Maintenance

**SUMMARY**

At its meeting on September 20, 2021, the Operations and Development Committee ("Committee") voted (2–0, 1 absent) to recommend that the Commission authorize the exercise of the first of two one-year extension options for the Airport Conveyance Equipment Services Agreement ("Agreement") with Elevators Etc., LP ("Elevators Etc.").

**BACKGROUND**

On December 10, 2018, the Commission awarded the Agreement to Elevators Etc., for a three-year base period, at predetermined rates for monthly preventative maintenance services on all conveyance equipment located within the Airport which includes six elevators, two escalators and six moving walkways. The Agreement also defines hourly rates for on-call repair services as needed based upon a task-order basis. The three-year base contract period is scheduled to expire on November 30, 2021. The Agreement provides the Authority two one-year extension options. For each extension option exercised by the Authority, the Fee Schedule will increase based on the most recent previous 12-month period published Consumer Price Index (CPI) rate for all indices for Los Angeles County or by 5% whichever is less. If the proposed extension is approved by the Commission, then effective December 1, 2021, the annual cost for preventative maintenance will be increased by 4.0% increasing the annual cost from \$78,594 to \$81,738. The hourly rates for on-call repair services will also be increased by 4.0%. If the proposed extension is approved, the new expiration date of the Agreement will be November 30, 2022. A proposed notice to extend the Agreement with an updated Attachment G Price list is attached.

Elevators Etc., remains in good standing with its obligations to the Authority and has maintained a satisfactory level of service throughout the initial contract period. The total cost of on-call repair services in the prior fiscal year was approximately \$74,000.

**BUDGET**

Appropriations for these services are included in the adopted FY 2022 budget.

**RECOMMENDATION**

At its meeting on September 20, 2021, the Committee voted (2–0, 1 absent) to recommend that the Commission approve the first extension option and direct Staff to issue a notice to Elevators Etc.



October 4, 2021

Via e-mail

Mr. Chad Babcock  
General Manager  
**Elevators Etc., LP**  
4327 E. Cesar E Chavez Avenue  
Los Angeles, CA 90022

**Re: Airport Conveyance Equipment Services Agreement dated  
December 10, 2018 Exercise Extension Option Number 1**

Dear Mr. Chad Babcock:

I write on behalf of the Burbank-Glendale-Pasadena Airport Authority ("Authority") with reference to the December 10, 2018 Airport Conveyance Equipment Services Agreement ("Agreement") executed by the Authority and Elevators Etc., LP ("Elevators Etc."). Pursuant to Section 3.B. of the Agreement, the Authority has the option to exercise two contract extensions which would extend the term for one year at a time.

This letter serves as notice that, at its October 4, 2021 meeting, the Authority Commission approved the exercise of Extension Option 1, extending the term through November 30, 2022.

In accordance with Section 4.C., for each extension option exercised by the Authority, the Fee Schedule shall be increased based on the most recent previous 12-month period published Consumer Price Index (CPI) rate for all indices, Los Angeles County or by 5% whichever is less. As such, the values provided in the updated Fee Schedule table (attached) have been increased by 4.0% and will be effective December 1, 2021.

If you have any questions, please contact us at your convenience.

Anthony DeFrenza  
Director, Engineering and Maintenance

## UPDATED - ATTACHMENT G

### FEE SCHEDULE

#### Preventative Maintenance Services

UPDATED RATES FOR OPTION YEAR 1 (4.0% CPI INCREASE) EFFECTIVE 12/1/21 – 11/30/22

	CONVEYANCE & LOCATION	MONTHLY (12/YEAR)	ANNUAL (1/YEAR)	TOTAL ANNUAL PRICE
	<b>Elevators:</b>			
1	<i>Conveyance # 159273</i> Location: 2509 Hollywood Way Owner ID: RPS #1 Make: Hyundai	<del>\$195.00</del> \$202.80	<del>\$855.00</del> \$889.20	<del>\$3,195.00</del> <b>\$3,322.80</b>
2	<i>Conveyance # 159277</i> Location: 2509 Hollywood Way Owner ID: RPS #2 Make: Hyundai	<del>\$195.00</del> \$202.80	<del>\$855.00</del> \$889.20	<del>\$3,195.00</del> <b>\$3,322.80</b>
3	<i>Conveyance # 161941</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$195.00</del> \$202.80	<del>\$855.00</del> \$889.20	<del>\$3,195.00</del> <b>\$3,322.80</b>
4	<i>Conveyance # 107757</i> Location: 2800 Clybourn Owner ID: MillionAir Make: Oliver & Williams	<del>\$195.00</del> \$202.80	<del>\$855.00</del> \$889.20	<del>\$3,195.00</del> <b>\$3,322.80</b>
5	<i>Conveyance # 044406</i> Location: 2627 Hollywood Way Owner ID: Kitchen Make: Oliver & Williams	<del>\$195.00</del> \$202.80	<del>\$855.00</del> \$889.20	<del>\$3,195.00</del> <b>\$3,322.80</b>
6	<i>Conveyance # 050314</i> Location :2627 Hollywood Way Owner ID: Parking Structure Make: Oliver & Williams	<del>\$195.00</del> \$202.80	<del>\$855.00</del> \$889.20	<del>\$3,195.00</del> <b>\$3,322.80</b>
	<b>Escalators:</b>			
7	<i>Conveyance # 161947</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$385.00</del> \$400.40	<del>\$2,628.00</del> \$2733.12	<del>\$7,248.00</del> <b>\$7,537.92</b>
8	<i>Conveyance # 161946</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$385.00</del> \$400.40	<del>\$2,628.00</del> \$2733.12	<del>\$7,248.00</del> <b>\$7,537.92</b>

**UPDATED - ATTACHMENT G**

**FEE SCHEDULE**

	<b>CONVEYANCE &amp; LOCATION</b>	<b>MONTHLY (12/YEAR)</b>	<b>ANNUAL (1/YEAR)</b>	<b>TOTAL ANNUAL PRICE</b>
	<b>Moving Walkways:</b>			
9	<i>Conveyance #161912</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$405.00</del> \$421.20	<del>\$2,628.00</del> \$2,733.12	<del>\$7,488.00</del> <b>\$7,787.52</b>
10	<i>Conveyance # 161913</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$405.00</del> \$421.20	<del>\$2,628.00</del> \$2,733.12	<del>\$7,488.00</del> <b>\$7,787.52</b>
11	<i>Conveyance # 161914</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$405.00</del> \$421.20	<del>\$2,628.00</del> \$2,733.12	<del>\$7,488.00</del> <b>\$7,787.52</b>
12	<i>Conveyance # 161915</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$405.00</del> \$421.20	<del>\$2,628.00</del> \$2,733.12	<del>\$7,488.00</del> <b>\$7,787.52</b>
13	<i>Conveyance # 161916</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$405.00</del> \$421.20	<del>\$2,628.00</del> \$2,733.12	<del>\$7,488.00</del> <b>\$7,787.52</b>
14	<i>Conveyance # 161917</i> Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	<del>\$405.00</del> \$421.20	<del>\$2,628.00</del> \$2,733.12	<del>\$7,488.00</del> <b>\$7,787.52</b>
	<b>TOTAL MAINTENANCE PRICE:</b>	<b><del>\$4,370.00</del> \$4,544.80</b>	<b><del>\$26,154.00</del> \$27,200.16</b>	<b><del>\$78,594.00</del> \$81,737.76</b>

(continued)

**UPDATED - ATTACHMENT G****FEE SCHEDULE**

**On-Call Repair Services and Emergency Repair Services  
Labor Rates and Materials & Parts Mark-Up**

<b>Labor Rates</b>				
#		<b>Rates / Hour</b>		
		<b>Foreman</b>	<b>Journeyman</b>	<b>Apprentice</b>
1	Standard Time	<del>\$258.00</del> \$268.32	<del>\$258.00</del> \$268.32	<del>\$180.00</del> \$187.20
2	Overtime (1.5)	<del>\$437.00</del> \$454.48	<del>\$437.00</del> \$454.48	<del>\$306.00</del> \$318.24
3	Double Time (Weekends and Holidays)	<del>\$515.00</del> \$535.60	<del>\$515.00</del> \$535.60	<del>\$360.00</del> \$374.40
4	Emergency Service Calls	SEE ABOVE		

**Other Terms:**

1. All parts/materials must be OEM or a previously Authority-approved equivalent. Invoices presented (which include reimbursable materials) shall be accompanied by fully supported and documented receipts. No "inventoried" parts shall be reimbursable unless a parts list accompanies the Fee Schedule at bid due date. Contractor may mark-up materials used on hourly work (not part of the standard maintenance scheduled work) by 10% (NTE 10%).
2. All Unit Prices shall be inclusive of all labor, standard inventoried parts, consumable tools, equipment, travel and fuel (sur)charges, general and administrative support and fees, overhead and profit, and all taxes.
3. Hourly rates shall be inclusive of all labor, consumable tools, travel and fuel (sur)charges, general administrative support, overhead and profit and all taxes.

\*\*\*

All listed prices shall be firm, fixed price for the three (3) year base term. For each extension option exercised by the Authority, the Fee Schedule shall be increased based on the most recent previous twelve-month period published Consumer Price Index (CPI) rate for all indices, Los Angeles County or by 5%, whichever is less.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OCTOBER 4, 2021**

**TERMINAL SPACE LEASE  
HG BURBANK JV DBA HUDSON GROUP RETAIL, LLC**

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

**SUMMARY**

At its meeting on September 20, 2021, the Finance and Administration Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve a proposed Terminal Space Lease (“Lease”) with HG Burbank JV dba Hudson Group Retail, LLC (“Hudson”) to provide two post-security concession kiosks inside Terminal A at Hollywood Burbank Airport.

**BACKGROUND**

The Authority entered into a ten-year Non-Exclusive Concession Lease Agreement with Hudson on April 20, 2015, to provide the best retail options for our passengers and enhance their traveling experience.

Hudson is a tenant in good standing and seeks to enter into a Terminal Space Lease to provide two unmanned retail kiosks located adjacent to Gate A2, to dispense consumer electronic products, primarily Apple, Beats and Brookstone branded products.

The performance term of this Lease will be for three years, with two one-year extension options. The Authority will have the right to terminate the proposed Lease upon 30 days’ prior written notice to Hudson.

Monthly rent will be the greater of \$250 or 9% of the monthly gross revenue per machine with a fixed annual rent adjustment of 3% per machine.

**DETAILS**

Key components of the proposed Lease are:

Premises: Post-security Terminal A, Gate A2

Use: Provide consumer electronic products, primarily Apple, Beats and Brookstone branded products

Term: Three years with two one-year extension options

Termination: 30-days prior written notice

Rent: Monthly rent will be set at the greater of \$250 or 9% of the

monthly gross revenue per machine

Adjustments: 3% fixed annual increase

Other: Executive Director shall have the ability to remove, relocate or approve additional kiosks on an as-needed basis with a 30-day prior written notice

#### REVENUE IMPACT

The proposed Lease will have a positive impact on the Authority's operating budget by generating a minimum of \$250 per month per machine plus the annual applicable rent adjustments as described above.

#### RECOMMENDATION

At its meeting on September 20, 2021, the Committee voted unanimously (3–0) to recommend that the Commission approve the Lease with Hudson, authorize the President to execute same, and authorize the Executive Director to execute the extension options if Hudson remains a tenant in good standing.



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OCTOBER 4, 2021**

**FIRST AMENDMENT TO CONCESSION AND LEASE AGREEMENT  
CERTIFIED FOLDER DISPLAY SERVICE, INC.**

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

**SUMMARY**

At its meeting on September 20, 2021, the Finance and Administration Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve the proposed First Amendment (“Amendment”) to the Concession and Lease Agreement (“Agreement”) with Certified Folder Display Service, Inc. (“Certified Folder”).

**BACKGROUND**

Since 2010, Certified Folder has been providing at the Airport display racks with brochures and magazines that provide information on activities and attractions in the Burbank/Los Angeles area and the Southern California region. Certified Folder generates its revenue by selling these brochures and magazines to the area’s product and service providers. These racks are currently installed in the Terminal A Baggage Claim, Terminal B Baggage Claim, the hallway adjacent to the main entryway of Terminal A and the Customer Service Building located on the second floor of the Regional Intermodal Transportation Center.

The Agreement is scheduled to expire on January 1, 2022. Certified Folder seeks to extend the Agreement for an additional three years to January 1, 2025, with two one-year extension options. If the proposed Amendment is approved, the Authority will retain the right to terminate the Agreement upon 120 days’ prior written notice.

Certified Folder has been and remains a tenant in good standing.

**DETAILS**

The key components of the proposed Amendment are:

Locations:	One display in Terminal A Baggage Claim One display in Terminal B Baggage Claim Two displays in the hallway adjacent to the Main entrance in Terminal A One display in Customer Service Building on the second floor of the RITC
Use:	Provide display racks for brochures and magazines with information on activities and attractions in the Burbank/Los Angeles local area and the Southern California region
Term:	Three years with two one-year extension options

Improvements: Tenant is responsible for the installation, maintenance and other necessary infrastructure as may be required

Concession Fee: 25% of monthly gross sales  
Pre-Pandemic (July 2019 - June 2020):  
Average sales: \$3,388 per month

Pandemic period (July 2020 - June 2021):  
Average sales: \$1,700 per month

Termination: 120 days' prior written notice by either party

#### IMPACT ON REVENUE

The proposed Amendment would be revenue neutral as Certified Folder shall continue to pay 25% of its monthly gross sales.

#### RECOMMENDATION

At its meeting on September 20, 2021, the Committee voted unanimously (3–0) to recommend that the Commission approve the proposed Amendment, authorize the President to execute same, and authorize the Executive Director to execute any the extension options if Certified Folder remains a tenant in good standing.

**FIRST AMENDMENT TO  
CONCESSION AND LEASE AGREEMENT**

This FIRST AMENDMENT TO CONCESSION AND LEASE AGREEMENT (this "Amendment") is dated as of \_\_\_\_\_, 2021 and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and CERTIFIED FOLDER DISPLAY, INC., a California corporation ("Tenant").

**RECITALS**

A. Landlord and Tenant entered into a Concession and Lease Agreement dated November 12, 2015 ("Agreement"), pursuant to which Tenant was granted the non-exclusive right to operate an advertising display business within the air passenger terminal of the Burbank-Glendale-Pasadena Airport ("Airport").

B. The Agreement expires on January 1, 2022.

C. Landlord and Tenant desire to amend the Agreement to extend the term of the Agreement to January 1, 2025, give Tenant two one-year options to extend further (subject to approval of the Executive Director of the Landlord) and delete the right of Tenant to operate a retail men's grooming and lifestyle business.

THEREFORE, the parties hereto agree as follows:

1. Defined Terms. Unless this Amendment provides otherwise, capitalized terms used herein shall have the meanings set forth in the Agreement.
2. Extension of Term of Agreement. The term of the Agreement is hereby extended to January 1, 2025, subject to further extension as set forth in Section 3 below.
3. Additional Extensions. Tenant may further extend the term, subject to the written consent of the Executive Director of Landlord, for up to two (2) additional years (each extension being for one-year each) upon written request to Landlord given at least thirty (30) days prior to the then scheduled expiration date of the Agreement.
4. Removal of a Permitted Use. Clause (i) of Section 4 of the Agreement is hereby deleted.
5. Effect of Amendment. Except as expressly amended by this Amendment, the terms of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the undersigned as of the date first written above.

**LANDLORD:**

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

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

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

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

**TENANT:**

CERTIFIED FOLDER DISPLAY, INC.

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

Print Name: BILL DEERING

Title: SR. VICE PRESIDENT

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OCTOBER 4, 2021**

**EXTENSION OF DEFERRAL OF ART COVENANT AGREEMENT  
REGIONAL INTERMODAL TRANSPORTATION CENTER  
ART PANELS PROJECT**

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

**SUMMARY**

At its meeting on September 20, 2021, the Legal, Government and Environmental Affairs Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve a proposed Extension of Deferral of Art Covenant Agreement (“Extension Agreement”) with the City of Burbank (“City”) to afford the Authority an additional 24 months to provide public artwork at the Regional Intermodal Transportation Center (“RITC”) in compliance with the City’s Art in Public Places (“APP”) requirement.

**BACKGROUND**

The entitlements for the RITC include an obligation to comply with the APP requirement of the Burbank Zoning Ordinance. The investment in public art at the RITC is based on a formula that requires a minimum cost of \$377,198. In 2014, the Authority executed a Deferral of Art Covenant Agreement (“Agreement”) with the City and posted a bond to assure compliance with the APP Program. The Agreement gives the Authority five years from the Certificate of Occupancy for the RITC to satisfy the APP requirement. That period expired on August 16, 2021, but prior to this date, Staff initiated discussions with the City to extend the deadline.

Staff initially began the implementation of a public art project for the RITC in September 2015 with the engagement of an art consultant to assist the Commission and Staff in meeting the goals of the APP requirement. Additionally, as the original concept was to reflect the relationship of the Authority’s three member cities, the art consultant was required to coordinate the public art project with the Burbank, Glendale, and Pasadena art commissions.

The Commission concurred with the art consultant’s recommendation to use a single artist for the first five art panels along Hollywood Way. A five-member selection committee consisting of representatives from the member cities’ art commissions, Airport staff, and the art consultant conducted the search. This culminated in a recommendation to the Commission in December 2016 for a contract award to an artist with fifteen years of professional art experience. The artist was provided a notice to proceed in February 2017. However, his proposed art concept ultimately did not garner the Commission’s support, and in September 2018, the Commission terminated the contracts with the artist and the art consultant.

In August 2019, Staff presented the Commission with an alternate concept that would place bronze statues in the RITC Transit Station area instead of utilizing the art panel frames. This concept was not approved by the Commission, and Staff began to review the available options for the program until March 2020 when the impacts of the COVID-19 pandemic required Staff to focus on the day-to-day operations of the Airport.

In order to develop suitable and acceptable public art for the RITC, Staff reached out to the City of Burbank's staff for assistance. The result of these discussions is the proposed Extension Agreement. If approved by the Commission and the Burbank City Council, Staff will return to the Committee within 60 days with a revised public art project concept utilizing the RITC's art panel columns. Staff has confirmed with the surety that the bond will be extended for two years upon execution of the Extension Agreement.

### FUNDING

As a required component of the RITC, the art panels project requirement of \$377,198 is and continues to be funded through an existing construction fund established for the RITC.

### RECOMMENDATION

At its meeting on September 20, 2021, the Committee voted unanimously (3-0) to recommend that the Commission approve the proposed Extension Agreement to allow an additional two years to satisfy the City's APP requirement for the RITC and authorize the Authority President to execute the same.

## **EXTENSION OF DEFERRAL OF ART COVENANT AGREEMENT**

### **PARTIES:**

THE CITY OF BURBANK,  
a municipal corporation  
275 E. Olive Avenue  
Burbank, CA 91502  
Attention: Marisa Garcia  
(hereinafter the "City")

Burbank-Glendale-Pasadena Airport Authority  
2627 North Hollywood Way  
Burbank, CA 91505  
(hereinafter the "Covenantor")

### **SUBJECT PROPERTY:**

Regional Intermodal Transportation Center (RITC) at the Bob Hope Airport  
in the City of Burbank, County of Los Angeles, State of California.

### **RECITALS:**

A. Covenantor is the owner of Subject Property and on June 20, 2014 entered into a Deferral of Art Covenant Agreement with the City for a certificate of occupancy permit pursuant to the Burbank Municipal Code, for the Subject Property.

B. On March 15, 2021, the parties desire to enter into an Extension of Deferral of Art Covenant Agreement, to provide for an additional twenty-four (24) months for Covenantor to complete the artwork required by the City's Art in Public Places Program.

### **DECLARATION:**

In consideration of the above recitals, and the approval and issuance of the building permit and the mutual covenants and agreements contained in this Extension Agreement, the parties hereto agree as follows:

1. Paragraph 2 of the Deferral of Art Covenant Agreement is amended to read as follows:

"2. To encourage the completion of the required artwork on-site, the City agrees to hold the Bond to assure compliance with the

APP Program. City agrees to return the Bond immediately upon proof that adequate approved on-site artwork has been constructed on Subject Property. Covenantor agrees to renew the Bond until the earlier of: the completion of the on-site artwork or seven (7) years after the issuance of the certificate of occupancy for the Subject Property. The completion date shall be extended to August 12, 2023. In the event that such artwork fails to be completed in accordance with this Agreement, the City shall apply all or part of the Bond to the Citywide Art in Public Places Fund in accordance with the Burbank Municipal Code, and the parties shall have no further recourse against each other. ”

2. All other terms and provisions of the “Deferral of Art Covenant Agreement” not inconsistent with this Extension Agreement shall remain in full force and effect.

Executed this 30<sup>th</sup> day of July, 2021 at Burbank, California.

"CITY"

"COVENANTOR"

CITY OF BURBANK, a municipal corporation

Burbank-Glendale-Pasadena Airport Authority

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

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

Approved as to Form  
Iain MacMillan, Assistant City Attorney

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



## **ENVIRONMENTAL ACCESS LICENSE AGREEMENT**

THIS AGREEMENT FOR ENVIRONMENTAL ACCESS LICENSE ("Agreement") is entered into this \_\_\_ day of August 2021, between Boeing Distribution, Inc. ("BDI," formerly "Aviall Services, Inc."), a Delaware corporation, and Burbank-Glendale-Pasadena Airport Authority ("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.

### **Recitals**

A. The Authority is the current owner of real property located at 3111 Kenwood Street, Burbank, California (Parcel Nos. 2466-035-001, 2466-028-011, 2466-027-008, 2466-027- 009, 2466-027-012, 2466-027-013 and 2466-027-015) (the "Property").

B. BDI received an order from the California Regional Water Quality Control Board, Los Angeles Region ("LARWQCB") dated October 11, 2019, which required BDI to submit a workplan to perform certain soil investigations at the Property.

C. BDI submitted a Per-and Polyfluoroalkyl (PFAS) Soil Investigation Workplan for the Property to the LARWQCB on March 27, 2020. ("Workplan"). A copy of the Workplan is attached as Exhibit 1. BDI desires to enter the Property to perform the activities specified in the Workplan (including any modifications or amendments requested by the LARWQCB), and to perform any other work that the LARWQCB requires of BDI at the Property (the "Permitted Work"). The LARWQCB approved the Workplan and required submittal of results by October 19, 2020. By supplemental letters, the LARWQCB approved an extension of the deadline for submitting the results to February 3, 2021 and later to July 31, 2021.

D. The Authority agrees to grant a license as specified in this Agreement to BDI so that BDI may enter the Property to perform the Permitted Work.

### **Agreement**

BDI and the Authority agree as follows:

1. The Authority grants to BDI, its employees, representatives, contractors and subcontractors, a license to enter the Property for the purpose of performing the Permitted Work, subject to the limit that the Permitted Work be completed by July 31, 2022. If the LARWQCB requires additional work subsequent to that deadline, then BDI may ask the Authority to extend this Agreement. The Authority may approve or deny an extension request in its sole discretion.

2. Access to and use of the Property is conditioned as follows:

A. BDI, its employees, representatives, contractors and subcontractors shall comply in all material respects with all applicable federal, state and local laws, ordinances and regulations while conducting the Permitted Work, including without limitation any City of Burbank, Los Angeles County or other California or federal regulations related to COVID-19 health conditions and restrictions.

Access License Agreement  
BDI, Inc. and Burbank-Glendale-Pasadena Airport Authority  
Page 2

- B. BDI, its employees, representatives, contractors and subcontractors shall conduct the Permitted Work in such manner as not to unreasonably interfere with the Authority's use of the Property.
- C. BDI, its employees, representatives, contractors and subcontractors shall comply with all FAA regulations regarding access to public airports and runways and shall promptly submit all required documentation requested by the FAA. This will include notification to the Authority and the FAA of any drill rigs to be utilized for obtaining the required soil samples. The Authority shall provide to BDI within 5 days of the execution of this Agreement, the contact information for the FAA for any such submissions and notifications.
- D. BDI shall provide copies of all final reports to the Authority at the same time that it submits such reports to the LARWQCB, including all appendices and analytical data results contained or referenced in such reports.
3. BDI agrees to provide the Authority with oral or written notice at least 72 hours in advance of each entry onto the Property pursuant to this Agreement and only after it has submitted proof of compliance with Section 2.C. and Section 5 at least seven business days in advance of the first such notice of intent to enter. BDI will further provide the Authority with copies of all written communications from the LARWQCB that request any modification, addition, or expansion of the anticipated soil borings as part of the Permitted Work. BDI shall provide 10 days' written notice to the Authority of any other work that the LARWQCB requires of BDI at the Property that is not identified in the Work Plan.
4. BDI shall indemnify, defend and hold the Authority harmless from and against any expense, loss or damage which the Authority may incur (including, without limitation, reasonable attorney's fees actually incurred) for personal injury or property damage directly resulting from any negligence or willful misconduct of BDI or its contractors, respectively, or their representatives, agents or contractors in connection with access to the Property for the Permitted Work ("Liability").

This indemnity is subject to each of the following conditions:

- A. Within thirty (30) days of actual knowledge of any Liability claim tendered to or served on the Authority by a third party, the Authority will give BDI written notice of any such claim and deliver to BDI a copy of each document or other writing which the Authority receives in connection therewith;
- B. The Authority cooperates with BDI in every reasonable way in connection with the defense of each Liability claim; and
- C. BDI, at BDI's option, may control the defense of each Liability claim, and compromise and settle each Liability claim.

Nothing in Section 4 above shall be construed to limit, modify, release, rescind, or otherwise amend BDI's obligations under the separate Agreement of Purchase and Sale and Joint Escrow Instructions between the Authority and Aviall Services, Inc., dated October 12, 1995 ("Purchase Agreement") including without limitation Section 7 of the Purchase Agreement.

Access License Agreement  
BDI, Inc. and Burbank-Glendale-Pasadena Airport Authority  
Page 3

5. In addition, BDI's contractor shall provide proof of current Comprehensive General Liability ("CGL"), Automobile Liability in the amount of at least \$2,000,000 per occurrence, and Pollution Legal Liability insurance in the amount of \$2,000,000 per occurrence issued by a carrier satisfactory to the Authority not less than 10 business days in advance of the commencement of any Permitted Work. The Authority shall be named as an additional insured on said policies and BDI shall provide a certificate of insurance and endorsement affecting such coverage.

6. No later than 60 days following the completion of the Permitted Work, BDI shall, at its own expense, restore the Property to its pre-existing condition to the extent practicable, unless otherwise agreed in writing by BDI and the Authority. Provided, however, that BDI shall promptly arrange for the filling of any holes or borings with cement or cement-based grout upon completion of each soil boring.

7. Any notice to be given under this Agreement shall be in writing, unless otherwise agreed to by the parties, and mailed, e-mailed or faxed to the representative listed below:

If to the Authority:

Burbank-Glendale-Pasadena  
Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Mark Hardymont  
Telephone: (818) 840-8840

Facsimile: (818) 848-1173

Email: [mhardymont@bur.org](mailto:mhardymont@bur.org)

With a copy to:

Ring Bender, LLP  
3150 Bristol Street  
Suite 220  
Costa Mesa, CA 92626  
Attn: Norman A. Dupont, Esq.  
Telephone: (949) 202-5818  
Email: [ndupont@ringbenderlaw.com](mailto:ndupont@ringbenderlaw.com)

If to BDI:

The Boeing Company  
Mail Code: 31-T487  
5800 Woolsey Canyon Road  
Canoga Park, CA 91304  
Attn: Jeffrey B. Wokurka  
Phone: (818) 466-8800

Email: [jeffrey.b.wokurka@boeing.com](mailto:jeffrey.b.wokurka@boeing.com)

With a copy to:

David L. Cohen  
Senior Counsel, Environment, Health and Safety  
2201 Seal Beach, Blvd. MC 110-SB33  
P.O. Box 2515  
Seal Beach, CA 90740-1515  
Telephone: (562) 797-1018  
Email: [david.l.cohen@boeing.com](mailto:david.l.cohen@boeing.com)

Either party may change the above designations by written notice to the other party.

Access License Agreement  
BDI, Inc. and Burbank-Glendale-Pasadena Airport Authority  
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8. This document represents the entire agreement between the parties with respect to the matters addressed herein, and no modification of the covenants and agreements herein shall be effective unless in writing and duly executed by the authorized representatives of the respective parties.

9. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without giving effect to choice of law provisions.

10. If any term, covenant, condition or provision of this Agreement is determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, such term, covenant, condition or provision shall be fully severable, and this Agreement shall be construed and enforced as if such invalid or unenforceable term, covenant, condition or provision never comprised a part hereof; and all remaining provisions of the Agreement shall remain in full force and effect.

11. This Agreement may be executed in counterparts, and by facsimile or PDF, each of which shall constitute an original, and when taken together, shall constitute one fully-executed agreement. Each party represents that the person signing this Agreement is authorized to do so on behalf of that party.

**IN WITNESS WHEREOF**, the parties hereto have made and executed this Agreement on the date(s) below, to be effective as of the Effective Date.

Burbank-Glendale-Pasadena Airport Authority  
A public entity

Boeing Distribution, Inc.  
a Delaware corporation

BY: \_\_\_\_\_

DocuSigned by:  
BY: Jennifer T. Prior  
4DCB3968F15147A...

NAME: \_\_\_\_\_

NAME: Jennifer Prior

TITLE: \_\_\_\_\_

TITLE: Authorized Signatory

DATE: \_\_\_\_\_

DATE: 08/24/2021

Access License Agreement  
BDI, Inc. and Burbank-Glendale-Pasadena Airport Authority  
Page 5

**Exhibit 1**  
**(Soil Investigation Workplan dated March 27, 2020)**



The Boeing Company Santa  
Susana Field Laboratory  
5800 Woolsey Canyon Road  
Canoga Park, CA 91304-1148

March 27, 2020

Mr. Errick Llamas  
Regional Water Quality Control Board  
Los Angeles Region  
320 West 4<sup>th</sup> Street, Suite 200  
Los Angeles, California 90013

Subject: Per- and Polyfluoroalkyl Substances (PFAS) Soil Investigation Work Plan, Aviall Former Burbank Facility, 3111 Kenwood Street, Burbank, CA (File No. 104.0150; Site ID 2040444).

Dear Mr. Llamas:

Please find enclosed for your review, the *Per- and Polyfluoroalkyl Substances (PFAS) Soil Investigation Work Plan, Aviall Former Burbank Facility, 3111 Kenwood Street, Burbank, CA (File No. 104.0150; Site ID 2040444)* prepared by Hargis + Associates, Inc., for The Boeing Company. This report will be uploaded to the Geotracker website.

#### **Certification**

I certify under penalty of law that this document, including all attachments and supplemental information, was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of a fine and imprisonment.

If you have any questions, please contact Jeffrey B. Wokurka at (818) 466-8800.

Sincerely,

*Kim O'Rourke*

Kim O'Rourke  
Remediation Program Manager  
Environment, Health and Safety  
The Boeing Company



**HARGIS + ASSOCIATES, INC.**  
HYDROGEOLOGY • ENGINEERING

La Jolla Gateway  
9171 Towne Centre Drive, Suite 375  
San Diego, CA 92122  
Phone: 858.455.6500  
Fax: 858.455.6533

March 30, 2020

VIA EMAIL & GEO TRACKER

Mr. Errick Llamas  
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
LOS ANGELES REGION  
320 West Fourth Street, Suite 200  
Los Angeles, California 90013

Re: Transmittal of Per- and Polyfluoroalkyl Substances (PFAS) Soil Investigation Work Plan,  
Aviall Former Burbank Facility, 3111 Kenwood Street, Burbank, California,  
File No. 104.0150, Site ID 2040444

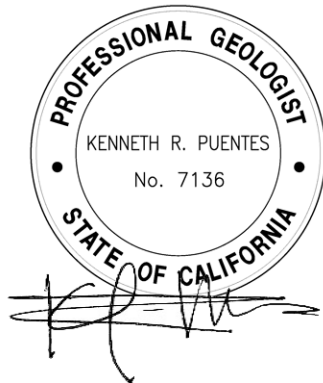
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Dear Mr. Llamas:

This document is being concurrently uploaded to the California State Water Resources Control Board GeoTracker website. If you have any questions or require additional information, please contact me at (858) 410-7402.

Sincerely,

HARGIS + ASSOCIATES, INC.



Kenneth R. Puentes, PG, CHG  
Principal Hydrogeologist

KRP/mlm

Enclosure

**Other Offices:**

Folsom, CA  
Mesa, AZ  
Tucson, AZ



HARGIS + ASSOCIATES, INC.

Mr. Errick Llamas  
March 30, 2020  
Page 2

cc: Mr. Jeff Wokurka, The Boeing Company (e-mail)  
Mr. Mark D. Hardymont, Burbank-Glendale-Pasadena Airport Authority (e-mail)

1112\_2020\_H01\_01\_PFAS\_Soil\_Invstgtn\_WP\_tx

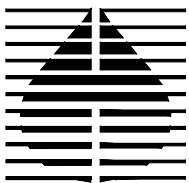


MARCH 30, 2020

PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)  
SOIL INVESTIGATION WORK PLAN

AVIALL FORMER BURBANK FACILITY  
3111 KENWOOD STREET  
BURBANK, CALIFORNIA  
(FILE NO. 104.0150; SITE ID 2040444)

PREPARED FOR:  
THE BOEING COMPANY



**HARGIS + ASSOCIATES, INC.**  
HYDROGEOLOGY • ENGINEERING

PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)  
SOIL INVESTIGATION WORK PLAN

AVIALL FORMER BURBANK FACILITY,  
3111 KENWOOD STREET, BURBANK, CALIFORNIA  
(FILE NO. 104.0150; SITE ID 2040444)

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ACRONYMS AND ABBREVIATIONS

Aviall	Former Aviall Services, Inc.
Avocet	Avocet Environmental, Inc.
bgs	Below ground surface
Boeing	The Boeing Company
BOU	Burbank Operable Unit
COC	Chain of Custody
DigAlert	Underground Service Alert of Southern California
DQO	Data Quality Objectives
Eurofins	Eurofins TestAmerica, 880 Riverside Parkway, West Sacramento, California 95605
ETFE	Ethylene-tetrafluoro-ethylene
FAA	Federal Aviation Administration
FEP	Fluorinated ethylene propylene
FRB	Field reagent blank
H+A	Hargis + Associates, Inc.
HASP	Health and safety plan
HDPE	high-density polyethylene
LCS	Laboratory control sample
LDPE	Low density polyethylene
PCTFE	Polychlorotrifluoroethylene
PFAS	Per- and polyfluoroalkyl substances
PPE	Personal protective equipment
PTFE	Polytetrafluoroethylene
PVC	Polyvinyl chloride
PVDF	Polyvinylidene fluoride
QAPP	Quality Assurance Project Plan
QA/QC	Quality Assurance/Quality Control
RL	Reporting Limit

RWQCBLA	California Regional Water Quality Control Board, Los Angeles Region
SAP	Sampling and analysis plan
SCS	SCS Engineers
SFB	San Fernando Groundwater Basin
SOP	Standard operating procedures
the Site	Former Douglas Aircraft Company Plant A, Santa Monica, California
ULARA	Upper Los Angeles River Area
USEPA	U.S. Environmental Protection Agency
Work Plan	Soil investigation work plan

PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)  
SOIL INVESTIGATION WORK PLAN

AVIALL FORMER BURBANK FACILITY,  
3111 KENWOOD STREET, BURBANK, CALIFORNIA  
(FILE NO. 104.0150; SITE ID 2040444)

1.0 INTRODUCTION

This per- and polyfluoroalkyl substances (PFAS) soil investigation work plan (Work Plan) has been prepared by Hargis + Associates, Inc. (H+A), on behalf of The Boeing Company (Boeing) in response to the October 11, 2019 California Water Code Sections 13267 and 13383 Order (the Order) directed to the Former Aviall Services, Inc. (Aviall) by the California State Water Resources Control Board (SWRCB) for the above-referenced site (the Site), located in the City of Burbank, California (Figure 1) (SWRCB, 2019b). This Work Plan describes the proposed scope of work to perform the PFAS soil investigation required by the Order.

The objective of this Work Plan is to describe the locations, methods, and procedures that will be used to perform the PFAS soil investigation. The objective of the PFAS soil investigation is to assess the potential presence of PFAS in soil where chrome plating operations formerly were performed at the Site.

## 2.0 BACKGROUND

The following sections provide background information for the Site.

### 2.1 SITE DESCRIPTION

The Site is located approximately 800 feet east of the main Burbank Hollywood Airport runway, which is on property currently owned by the Burbank-Glendale-Pasadena Airport Authority (Figure 1). Operations at the Site reportedly began in 1952 (SCS Engineers [SCS], 1987 and 1993; California Regional Water Quality Control Board, Los Angeles Region [RWQCB LA], 2012). Operations formerly performed at the Site were identified as repair, maintenance, inspection, testing, and overhaul of jet engines and included, among other things, chrome plating operations (SCS, 1990 and 1993). The Site formerly included 10 main buildings, numbered 1 through 10. Building 9, the former plating operations area, was located in the northwest corner of the Site and was demolished in late 1991 and/or early 1992 (Figure 2) (SCS, 1993).

### 2.2 SITE GEOLOGY AND HYDROGEOLOGY

The Site is located in the San Fernando Valley at an approximate elevation of 740 feet above mean sea level. The subsurface materials consist of Quaternary age heterogeneous mixtures of clay and silt with predominant sand and gravel (SCS, 1987; Avocet Environmental, Inc., [Avocet], 2015). These sediments were eroded mainly from the granitic basement complex of the San Gabriel Mountains and deposited as alluvium.

The Site is located in the San Fernando Groundwater Basin (SFB), which is the major groundwater basin of the Upper Los Angeles River Area (ULARA). The eastern half of the SFB has been characterized as containing high-permeability materials and relatively high groundwater yields (SCS, 1987). The water table beneath the Site occurs at a depth of approximately 260 feet (Avocet, 2015).

### 2.3 HISTORICAL PFAS USE

Based on review of available facility documents and historical chemical use questionnaires, there is no documented use of PFAS-containing fume suppressants. However, chrome plating operations were performed in the southern portion of the Building 9 plating operations area (Figures 2 through 4) (SCS, 1987, 1990 and 1993). Plating wastewater apparently was routed



through a clarifier located in the southeastern portion of Building 9, which flowed to a sump located southeast of this building. A former plating chemical storage area also was located in an exterior area south of Building 9 (Figure 4). Whether and precisely where stacks were used during the former plating operations is unknown, but if previously existing, they likely were located on the Building 9 roof.

## 2.4 PREVIOUS PFAS INVESTIGATIONS

There have been no investigations performed to evaluate the presence of PFAs at the Site.

## 2.5 POTENTIAL SENSITIVE RECEPTORS

Potential sensitive receptors identified within a 1-mile radius of the Site are described in the following sections.

### 2.5.1 Public Supply Wells

The Site is located within the Burbank Operable Unit (BOU) portion of the U.S. Environmental Protection Agency (USEPA) Superfund area in the eastern portion of the SFB, which occupies a portion of the ULARA. Groundwater rights in the ULARA were adjudicated in 1968 and revised in the State Supreme Court's opinion, as implemented on remand in the Final Judgement of January 26, 1979 (ULARA, 2018). The City of Burbank is one of only three parties that have rights to extract groundwater from the SFB.

Groundwater extraction from the BOU and its treatment is funded by Lockheed-Martin under a USEPA Consent Decree (ULARA, 2018). The City of Burbank currently extracts groundwater from eight wells in the BOU, identified as VO1 through VO8 (Figure 5). Groundwater beneath the Site flows southeasterly toward, and is ultimately captured by operation of, the BOU extraction wells (Figure 5) (Tetra Tech, 2019). There are also seven other inactive wells owned by the Burbank Department of Water & Power including Well Nos. 6A, 7, 12, 13A, 15, 11A and 12 (Figure 6). Thus, Burbank has a total of 15 wells in the SFB (ULARA, 2018; Tetra Tech, 2019).

BOU extraction well V07 is located within a 1-mile radius of the Site (Figures 5 and 6). There are no other municipal water supply wells or domestic wells located within a 1-mile radius of the Site.

Published data from the California Division of Drinking Water (DDW) Water Quality Analysis Database files indicate the eight BOU extraction wells were sampled in January 2019 for the



PFAS compounds perfluorooctane sulfonic acid (PFOS) and perfluorooctanoic acid (PFOA). PFOS was not detected above the reporting limit (RL) of 40 nanograms per liter (ng/l) and PFOA was not detected above the RL of 20 ng/l in the BOU extraction wells.

#### 2.5.2 Surface Water Bodies

The Site is located with the Los Angeles River Watershed and the Burbank Western Channel is located within a 1-mile radius north and east of the Site (Figure 5).

### 3.0 PROPOSED INVESTIGATION ACTIVITIES

As required pursuant to Attachment 2, Section B 1 of the Order, the following sections provide the sampling rationale and reference a Site map illustrating the proposed soil sample locations where PFAS may have potentially been used, or where it may historically have been released via effluent wastewater to drains or air emissions stacks.

#### 3.1 SOIL INVESTIGATION LOCATIONS

Figure 7 illustrates the proposed soil investigation locations:

- two borings located in the area of the former Building 9 chrome plate tanks;
- one boring at the former Building 9 clarifier location;
- one boring at the former sump location southeast of Building 9;
- two borings in the former plating chemical storage area located south of Building 9; and
- one boring near the northeastern Site boundary; approximately 50 feet south of Cohasset Street, and 250 feet east of the former east wall of Building 9 near the eastern Site boundary, which will serve as a potential downwind air emission sample location; the samples collected from the former plating chemical storage area also may serve as potential downwind air emission sample locations. The average wind directions at the Burbank Hollywood Airport are most often toward the east/northeast and south (Western Regional Climate Center, 2019).

The rationale for these locations is that they: 1) represent the known former chrome plating operations areas and the associated wastewater disposal features and plating chemical storage area; 2) include locations of hexavalent chromium detected in soil based on previous soil investigations (Avocet, 2015); and, 3) include potential emissions areas located downwind of former Building 9. If PFAS-containing fume suppressants were used as part of Aviall's former plating operations in Building 9, these soil boring locations are sufficient to determine if PFAS exists in soil that may have resulted therefrom.

Soil samples will be collected from depths of 1, 5, 10, 15, 25, and 35 feet below current land surface at each boring.

## 4.0 SAMPLING AND ANALYSIS PLAN

The following sections provide the sampling and analysis plan (SAP) for the PFAS soil investigation activities. While groundwater sampling for PFAS is not recommended as part of this phase of the PFAS investigation, groundwater sampling SAP components are included in the event that they are performed at a future date.

### 4.1 PROJECT TASK AND PROBLEM DEFINITION

Data collection will be evaluated to verify the usability of primary data collected for decision-making. Avocet will collect sample data for the PFAS soil investigation.

The Data Quality Objectives (DQO) process is a strategic planning approach based on the Scientific Method that is used to prepare a data-collection activity. The process provides a systematic procedure for defining the criteria that a data-collection design should satisfy, including when to collect samples, where to collect samples, the tolerable level of decision errors for the study, and how many samples to collect (EPA, 1994). The seven steps in the DQO process follow:

- Step 1: State the Problem
- Step 2: Identify the Decisions
- Step 3: Identify Inputs to the Decision
- Step 4: Define the Study Boundaries
- Step 5: Develop Decision Rules
- Step 6: Specify Limits on Decision Errors
- Step 7: Optimize the Design for Obtaining Data

The following discussion presents the DQO process for the work described in this SAP.

#### 4.1.1 Step 1: State the Problem

Historical releases of PFAS may have impacted Site subsurface materials based on the former chrome plating operations performed at and near former Building 9.

#### 4.1.2 Step 2: Identify the Decisions

The field activities described in this SAP will be used to guide sampling, and to collect additional data for project decisions.

*Decision statement:* Are PFAS present in soil beneath or associated with the former Building 9 plating operations area?

#### 4.1.3 Step 3: Identify Inputs to the Decisions

The following inputs will be used:

- Soil samples for PFAS analyses will be collected at the former locations of chrome plating, plating wastewater features, a plating chemical storage area, and at a downwind sample location (Figure 7).
- The samples will be analyzed by a commercial laboratory capable of meeting the RLs specified in the Order, Attachment 2, Section B.4, Table 2.

#### 4.1.4 Step 4: Define the Study Boundaries

For this sampling event, the study boundaries will be limited to the area identified in Figures 2 and 7.

#### 4.1.5 Step 5: Develop Decision Rules

The following decision rules apply:

- If PFAS are detected at elevated concentrations in soil samples, the SWRCB may request further investigation to determine the potential source.
- If PFAS are not detected in soil samples, no further action for PFAS may be necessary at the Site.

#### 4.1.6 Step 6: Specify Limits on Decision Errors

Collected data will be evaluated for precision, accuracy, representativeness; comparability, completeness, and sensitivity (see Section 4.2). If data collected do not meet the quality assurance (QA)/quality control (QC) criteria, it may be necessary to collect additional samples to ensure a complete and valid data set.

Field QC and laboratory QC samples will be collected to reduce the risk of sampling and analytical error. If necessary, raw data for primary samples with their associated QA/QC will be made available for further independent review as required.

#### 4.1.7 Step 7: Optimize the Design for Obtaining Data

The current sampling design includes collecting soil samples at former areas of chrome plating and associated operations and a downwind sample location.

The analytical methods described in this SAP are sufficient to meet the DQOs.

### 4.2 DATA QUALITY INDICATORS

Data quality indicators (i.e., accuracy, precision, completeness, representativeness, comparability, and sensitivity parameters) refer to QC acceptance criteria established for various aspects of data-gathering, sampling, and analysis activity. Additional data-quality evaluation may be conducted through statistical evaluations of both data sets. These evaluations will be initiated through an addendum to this SAP if necessary. Sensitivity and its relationship to meeting the project DQO is discussed as follows.

#### 4.2.1 Sensitivity

Sensitivity is the measure of a concentration at which an analytical method can positively identify and report analytical results. The sensitivity of an analytical method will be indicated by the project-required RLs. The method selected is sufficiently sensitive to meet project requirements. In the event that required dilution of samples compromises sensitivity, the impact to Site decisions will be evaluated and samples may be re-analyzed by a different method or laboratory. Table 1 of this Work Plan provides the RLs for PFAS analyses specified in Attachment 2, Section B.4, Table 2 of the Order. Soil and water samples will be analyzed by Eurofins TestAmerica, 880 Riverside Parkway, West Sacramento, California 95605 (Eurofins). Exceptions to the analyses specified in Attachment 2, Section B.4, Table 2 of the Order include:

- 9-Chlorohexadecafluoro-3-oxanonane-1-sulfonic acid and 11-Chloroeicosafluoro-3-oxaundecane-1-sulfonic acid will be analyzed; however, Eurofins is not certified for their analysis; and,
- Eurofins RL for 4:2 Fluorotelomer sulfonic acid in water samples is 20 ng/l, instead of the 8 ng/l RL specified in Attachment 2, Section B.4, Table 2 of the Order.

#### 4.2.2 Laboratory Data Quality Indicators

Table 1 summarizes the contract laboratory data quality indicators of precision and accuracy criteria for soil and groundwater. The laboratory will analyze soil samples by the following methods in accordance with their standard operating procedures (SOPs):

- PFAS in soil by EPA Method 537 Modified
- PFAS in water by EPA Method 537 Modified
- The laboratory RLs are presented in Table 1. Method detection limit studies are performed annually for each instrument and must be less than the RL (or low calibration standard). Evaluation to the method detection limit is not required for this project. The analytical detection method is liquid chromatography-mass spectrometry-mass spectrometry.

#### 4.3 DATA REVIEW AND VALIDATION

Data review involves the independent peer review of data packages, which consist of case narratives, raw data, QC summaries, results spreadsheets, logbook entries, and chain-of-custody (COC). Final data review of all data is performed by the Laboratory Supervisor, or designee. Reviews are performed prior to preparation and issuance of a final report to the client. Further review, evaluation, and reporting may be performed at the request of the H+A Project Manager.

#### 4.4 FIELD SAMPLING PROCEDURES

The procedures described in the following subsections will be used to perform the PFAS soil investigation activities at the Site. Samples will be submitted to a commercial laboratory for analysis.

#### 4.4.1 Personal Protective Equipment and Field Clothing

Personal protective equipment (PPE) and field clothing that is advertised as having waterproof, water-repellant, or dirt and/or stain resistant characteristics will not be used by field personnel, since these types of clothing may contain PFAS. The following guidelines will be used to manage field personnel PPE and field clothing (SWRCB, 2019):

Allowable materials	Staging area materials	Prohibited materials
<ul style="list-style-type: none"> <li>Well-laundered synthetic or 100% cotton clothing (with most recent launderings not using fabric softeners)</li> <li>Powderless nitrile gloves</li> <li>Waterproof clothing made of or with polyurethane, PVC, wax-coated fabrics, rubber, neoprene</li> <li>Boots made of polyurethane and/or PVC</li> <li>Boots made of PFAS-free material</li> </ul>	<ul style="list-style-type: none"> <li>If the HASP requires a specific type of boot (such as steel-toed), and PFAS-free cannot be purchased, PFAS-free over-boots may be worn. The over-boots must be put on, and hands washed after donning the over-boots before the beginning of sampling activities. Over-boots may only be removed in the staging area and after the sampling activities are completed.</li> <li>Application of approved sunscreens</li> </ul>	<ul style="list-style-type: none"> <li>Water/stain/dirt-resistant treated clothes (including but not limited to Gore-Tex<sup>TM</sup>, Scotchgard<sup>TM</sup>, RUCO<sup>®</sup>, etc.)</li> <li>New unwashed clothing</li> <li>Clothes recently washed with fabric softeners</li> <li>Clothes chemically treated for insect resistance and ultraviolet protection</li> <li>Coated Tyvek<sup>®</sup></li> <li>Latex gloves</li> </ul>

#### 4.4.2 Sun and Biological Protection

If used, field personnel will use sunscreen and/or insect repellants from the following list (SWRCB, 2019):

- Allowable Insect Repellants:
  - OFF Deep Woods
  - Sawyer Permethrin
  - Jason Natural Quit Bugging Me
  - Repel Lemon Eucalyptus Insect repellent
  - Herbal Armor
  - California Baby Natural Bug Spray



- Allowable Sunscreens:
  - Banana Boat Sport Performance Sunscreen Lotion Broad Spectrum SPF 30.
  - Meijer Sunscreen Lotion Broad Spectrum SPF 30.
  - Neutrogena Ultra-Sheer Dry-Touch Sunscreen Broad Spectrum SPF 30.
  - Banana Boat for Men Triple Defense Continuous Spray Sunscreen SPF 30
  - Banana Boat Sport Performance Coolzone Broad Spectrum SPF 30
  - Banana Boat Sport Performance Sunscreen Lotion Broad Spectrum SPF 30
  - Banana Boat Sport Performance Sunscreen Stick SPF 50
  - Coppertone Sunscreen Lotion Ultra Guard Broad Spectrum SPF 50
  - Coppertone Sport High-Performance AccuSpray Sunscreen SPF 30
  - Coppertone Sunscreen Stick Kids SPF 55
  - L'Oréal Silky Sheer Face Lotion 50+
  - Meijer Clear Zinc Sunscreen Lotion Broad Spectrum SPF 15, 30 and 50
  - Meijer Wet Skin Kids Sunscreen Continuous Spray Broad Spectrum SPF 70
  - Neutrogena Beach Defense Water + Sun Barrier Lotion SPF 70
  - Neutrogena Beach Defense Water + Sun Barrier Spray Broad Spectrum SPF 30
  - Neutrogena Pure & Free Baby Sunscreen Broad Spectrum SPF 60+

#### 4.4.3 Food Packaging

PFAS may be present in food packaging, including paper plates, food containers, bags, and wraps. When field personnel break to eat or drink, they will remove their gloves, coveralls, and any other appropriate PPE, if worn, in the staging area and move to the designated area for food and beverage consumption. When finished, field personnel will wash their hands and don a fresh pair of powderless nitrile gloves at the staging area, before returning to the sampling area.

#### 4.4.4 Soil Sampling

The following subsections describe the soil sampling procedures and guidelines that will be used to perform the PFAS soil investigation activities.

##### 4.4.4.1 Pre-Field Activities

The soil investigation implementation consultant, Avocet, will update their Site-specific health and safety plan (HASP) with any relevant new information related to implementation of this Work Plan. The HASP will identify the potential hazards (chemical and physical) that could be encountered during Site work and will specify the measures to be taken to avoid or minimize such hazards, including the use of appropriate PPE.

A pre-drill visit to the site will be conducted to identify any access constraints and to mark the boring locations for Underground Service Alert of Southern California (DigAlert) notification.

DigAlert will be notified of the drilling schedule more than 48 hours before work begins, and the appropriate utility companies (telephone, natural gas, electricity, water, sewer, etc.) will be notified to mark utilities in the vicinity of the borings with color-coded paint.

During previous drilling activities performed at the Site, the Federal Aviation Administration (FAA) was contacted regarding drill rig height limitations. Based on exclusions outlined in 14 Code of Federal Regulations, Part 77.15, pursuant to 49 U.S.C., Section 44718, FAA notice has not been required since the drill rig mast was lower than surrounding permanent structures.

#### 4.4.4.2 Permitting

A drilling permit will be obtained from the Los Angeles County Department of Public Health (LADPH) to conduct drilling activities.

#### 4.4.4.3 Utility Clearance

Prior to initiating intrusive field activities, a geophysical survey will be conducted at each boring location by an experienced firm in an effort to identify unmarked underground obstructions.

#### 4.4.4.4 Drilling and Soil Sampling

Drilling services will be performed by a California C-57-licensed drilling contractor. All drilling activities will be directly overseen by a California Professional Geologist.

At each boring location, the asphalt pavement will be cut using a bull-dog bit or similar attached to the drill rig. Once the asphalt pavement is cut, each boring will be cleared to a depth of 10 feet below ground surface (bgs) using hand digging and augering equipment. Soil samples from the upper 10-feet will be collected using hand augering equipment. After cleared to a depth of 10 feet bgs, borings will be advanced using a CME-95 drill rig or similar equipped with 8-inch-diameter hollow-stem augers.

As borings are advanced, representative discrete soil samples will be collected at approximate depths of 1, 5, 10, 15, 25, and 35 feet bgs. The materials encountered during drilling will be logged in general accordance with the Unified Soil Classification System and will be used to prepare boring logs. Discrete soil samples will be collected either using a hand-auger and slide hammer sampler assembly (in the upper 10 feet), or a California-modified, split-spoon sampler lined with three 2-inch-diameter, 6-inch-long, stainless steel or acetate sample sleeves. Once

retrieved from each of the samplers, a portion of soil from one of the sleeves will be transferred to a 4-ounce high-density polyethylene (HDPE) jar provided by the laboratory.

Allowable sampling materials will HDPE, polypropylene, silicone, stainless steel, nylon, Polyvinyl chloride (PVC), acetate, and cotton. Equipment that contains any known fluoropolymers including, but not limited to the following will not be used:

- Polytetrafluoroethylene (PTFE), including the trademark Teflon® and Hostaflon®, which can be found in many items, including but not limited to ball check-valves on certain bailers, the lining of some hoses and tubing, some wiring, certain kinds of gears, lubricant, and some objects that require the sliding action of parts.
- Polyvinylidene fluoride (PVDF), including the trademark Kynar®, which can be found in many items, including but not limited to tubing, films/coatings on aluminum, galvanized or aluminized steel, wire insulators, and lithium-ion batteries.
- Polychlorotrifluoroethylene (PCTFE), including the trademark Neoflon®, which can be found in many items, including but not limited to valves, seals, gaskets, and food packaging.
- Ethylene-tetrafluoro-ethylene (ETFE), including the trademark Tefzel®, which can be found in many items, including but not limited to wire and cable insulation and covers, films for roofing and siding, liners in pipes, and some cable tie wraps.
- Fluorinated ethylene propylene (FEP), including the trademarks Teflon® FEP and Hostaflon® FEP, and may also include Neoflon®, which can be found in many items, including but not limited to wire and cable insulation and covers, pipe linings, and some labware.
- Low density polyethylene (LDPE) will not be used for any items that will come into direct contact with the sample media. LDPE can be found in many items, including but not limited to containers and bottles, plastic bags, and tubing.

#### 4.4.4.5 Sample Collection, Storage, and Shipment

The sample containers, preservation, and holding-time requirements follow:

Analyte Group	Matrix	Method	Containers	Preservation Requirements	Maximum Holding Time
PFAS	Soil	EPA Method 537 Modified, compliant with DOD QSM version 5.1 Table B-15	One 4-ounce HDPE jar	Cool to < 50°F (10°C) within 48 hours of sample collection; <42.8°F (6°C) for stored samples)	Extract within 14 days of collection; Analyze within 28 days of extraction
PFAS	Water**		Two, 250 ml HDPE container with cap	Trizma* Cool to < 50°F (10°C) within 48 hours of sample collection; <42.8°F (6°C) for stored samples	

\* = Required for chlorinated water sources.

\*\* = If groundwater sampling is performed, the additional field parameters and constituents specified in Attachment 2, Section B.4, Table 3 of the Order will be measured/analyzed.

°F = Degrees Fahrenheit.

°C = Degrees Celsius.

HDPE = High Density Polyethylene.

ml = Milliliter.

DoD = Department of Defense

QSM = Quality Systems manual

For equipment rinsate samples, PFAS sample bottles will be provided by the laboratory that will perform the PFAS analysis. For all environmental media, hands will be washed before sampling. Clean powderless nitrile gloves will be put on before collecting samples, handling sample containers, and handling sampling equipment. The sample container will be kept sealed and only open during sample collection. The sampling container cap or lid will never be placed the ground, or on any other surface unless it is PFAS-free.

The following additional guidelines will apply during sample collection:

- Regular/thick size markers (Sharpie® or otherwise) may contain PFAS and will not be used.

- Sticky notes (e.g. Post-it Notes®), plastic clipboards, or waterproof paper and notebooks will not be used in the sampling area.
- Fine and Ultra-Fine point Sharpie® markers can be used to label empty sample bottles or soil sample containers while in the staging area; the lid will be on the sample bottle and gloves will be changed after the sample bottle/soil sample container is labelled.
- Ballpoint pens can be used when labeling sample containers. If ballpoint pens do not write on the sample container labels, preprinted labels will be used.
- Rite in the Rain® notebooks may be used in the staging area provided gloves are changed after note taking.
- HDPE or polypropylene sample bottles with Teflon®-free caps provided by the laboratory will be used.
- Chemical or blue ice will not be used.
- Samples and ice will be double-bagged using LDPE bags (e.g. Ziploc®). The samples will be kept in the staging area, will not come into direct contact with the sample media, and gloves will be changed after handling.

Samples will be packaged and shipped to the following laboratory:

Eurofins TestAmerica  
Sacramento 880 Riverside Parkway  
West Sacramento, CA 95605

After sample collection, sample labels will be affixed to each sample container. Each sample will be placed in a re-sealable plastic bag to keep the sample container and the label dry.

Samples shipped by commercial carrier will be packed in a sample cooler lined with a plastic bag. Ice will be added to the cooler in sufficient quantity to keep the samples cooled to a temperature not to exceed 50°F (10°C) during the first 48 hours after collection. The cooler will be sealed with Uline Strapper Tape.

#### 4.4.5 Decontamination and Investigation-Derived Waste

Before collecting soil samples, all sampling devices will be decontaminated. Dedicated or disposable equipment will be rinsed with laboratory-certified PFAS-free water. Mobile decontamination supplies will be provided so that equipment can be decontaminated in the field. Each piece of reusable sampling equipment that comes into contact with sampled media will be decontaminated before initiation of sampling operations and between each sample location and interval.

Soil sample core barrels and drilling equipment will be reused between sampling locations. This non-dedicated equipment will be decontaminated prior to use in the field and also during sampling to reduce the potential for the introduction of contamination and cross-contamination. These procedures are necessary to ensure quality control in decontamination of field equipment. Decontamination of all non-dedicated field sampling equipment will be conducted in a thorough and stepwise manner. New, powderless disposable nitrile gloves will be worn when handling clean sampling equipment to ensure that the equipment is not contaminated. Decontamination procedures shall be documented in a field notebook. Prior to initial uses, all non-dedicated sampling equipment used for sample collection will be decontaminated according to the following procedure:

- Decon 90® will not be used.
- Laboratory supplied PFAS-free deionized water, or PFAS-free water will be used for decontamination.
- Alconox®, Liquinox®, and/or Citranox® will be used for equipment decontamination.
- Sampling equipment will be scrubbed using polyethylene or PVC brushes to remove particulates.
- Decontamination procedures will include triple rinsing with PFAS-free water.
- Local potable water or commercially available deionized water in an HDPE container may be used for decontamination if the water is verified to be PFAS-free.

Investigation- derived waste will be profiled and disposed at an appropriate off-Site facility.

#### 4.4.6 Sample Documentation

The following subsections describe documentation procedures specified in the Order.

#### 4.4.7 Field Notes

Field notes will be maintained in the Field Sampling Logs. Entries will be completed in black indelible ink and signed by the individual making the entries. At a minimum, the following information will be recorded during the collection of each sample.

- Location (i.e., site name; boring identification [ID]);
- Sample ID number;
- Sample collection date (month/day/year);
- Time of collection (24-hour clock);
- Sampler's initials;
- Analyses to be performed; and
- Preservation (if any).

#### 4.4.8 Photographs

Digital images of sampling activities will be acquired at the time of sampling. For each photograph taken, the following information will be recorded in the logbook, or recorded in a separate field photography log:

- Date, time, location, direction, and weather conditions, if appropriate;
- Description of the subject photographed, including sample location and any notable features;
- Name of person taking the photograph.

#### 4.4.9 Labeling

Each sample location will be assigned a sample location ID code and a unique field sample ID. This field sample ID will be no more than 15 characters long and shall be cross-referenced to the location ID and recorded in the sample collection log. Furthermore, upon receipt at the laboratory, each sample will be given a unique laboratory sample ID number. The laboratory sample ID is used for internal tracking purposes. The field sample ID and laboratory sample ID will appear on the final laboratory report.

#### 4.4.10 Sample Chain-of-Custody

All samples will be submitted to the laboratory on a COC record to the commercial laboratory. The COC record will contain the following information:

- Sample ID;
- Date and time collected;
- Analysis requested
- Matrix;
- Sample type;
- Sampler name and signature; and
- Date and time relinquished.

The COC record will be signed by the sampler and relinquished to the laboratory sample custodian.

#### 4.5 BOREHOLE BACKFILLING AND SITE RESTORATION

After completion, each boring will be backfilled with Portland cement containing approximately 5 percent bentonite gel. The borings will be filled from the bottom up using a tremie pipe. The upper 6 to 12 inches of backfill material will consist of concrete that will be dyed black to match the surrounding pavement.

#### 4.6 QUALITY CONTROL

The following subsections provide information and requirements regarding QC.

##### 4.6.1 Laboratory Quality Control

The laboratory must have a Quality Assurance Project Plan (QAPP) which establishes and defines the basic framework under which the laboratory will operate. Specific analytical activities are governed by SOPs, which are detailed, activity-specific instructions that are based on recognized reference methods and good laboratory practice standards, and when necessary, the EPA-approved methods that meet the requirements of the various programs. To further reduce the potential for decision errors, the activities described in the following subsections will be performed.



#### 4.6.2 Analytical Batch

A laboratory analytical batch is defined as a method blank, laboratory control sample (LCS), a sample duplicate, and 20 or fewer environmental samples of similar matrix that are analyzed together. For this method a method blank, LCS, and laboratory duplicate must be analyzed in each 24-hour turn period. A continuing calibration check must be analyzed at the beginning of the batch, after every 10 samples, and at the end of the batch. The number of environmental samples allowed in the laboratory QC batch is defined by the remaining time in the method-prescribed 24-hour turn period divided by the analytical run time. Each preparation or analytical batch will be identified in a way that enables environmental samples to be associated with the appropriate laboratory QC samples.

#### 4.6.3 Method Blanks

Blanks are used to monitor each preparation or analytical batch for interference and/or contamination from glassware, reagents, and other potential contaminant sources within the laboratory. If a target analyte is found at a concentration that exceeds the RL, corrective action must be performed to identify and eliminate the contamination source. All associated samples must be re-analyzed, if appropriate, after the contamination source has been eliminated. No analytical data may be corrected for the concentration found in the blank.

#### 4.6.4 Laboratory Control Sample

The LCS will be prepared for each analytical method by spiking the blank equivalent matrix (purified water) with known amounts of target analytes. The spike levels should be as specified in the method, or less than or equal to the midpoint of the calibration range. If LCS results are outside the specified control limits, corrective action must be taken if appropriate, including sample re-analysis.

#### 4.6.5 Matrix Spike Sample

Site water samples will be submitted to the laboratory for use as a matrix spike and matrix spike duplicate. The spike levels should be as specified in the method, or less than or equal to the midpoint of the calibration range. Site-specific matrix spikes will be analyzed to determine if matrix interferences are present. The number of matrix spike samples will equal 5-percent of the total number of original soil samples collected.

#### 4.6.6 Surrogates

Surrogates are organic analytes that behave similarly to the analytes of interest but are not expected to occur naturally in the samples. Surrogates are spiked into the standards and into the analytical samples and QC samples prior to preparation. Recoveries of surrogates are used as an indicator of accuracy, method performance, and extraction efficiency. If surrogate recoveries are outside the specified control limits, corrective action must be taken, if appropriate, including sample re-analysis.

#### 4.6.7 Field Duplicates

Field duplicate samples are second samples of the environmental media of interest and measure the variability associated with the sample concentration or collection. Each field duplicate will consist of one sample collected from the same sampling point at the same date and time as an original sample and will be sent to the same laboratory. One soil field duplicate will be collected for each 10 soil samples collected. The criterion for evaluating field duplicates is 50 relative percent difference.

#### 4.6.8 Equipment Blanks

Equipment blanks are water samples collected from the final rinsate at the end of decontamination procedures. Rinsate blanks monitor cross-contamination of samples by sampling equipment. One equipment blank will be collected during each sample day.

#### 4.6.9 Field Reagent Blanks

Method 537 Modified requires that a field reagent blank (FRB) be collected from each sampling location. FRBs will be collected at a frequency of one per sampling event. The FRB is prepared by transferring PFAS-free water provided by the laboratory into a clean sample bottle while in close vicinity to the sample collection location. The FRB will include TRIZMA® preservative if it is added to any of the field samples.

#### 4.6.10 Temperature Blanks

Temperature blanks will be provided by the laboratory or prepared by filling a sample container with water prior to shipment of the sample containers. The blank will be kept in a cooler during sampling and shipment to the laboratory. Once the cooler returns to the laboratory, the temperature of the blank will be measured to ensure that recommended sample storage criteria are met (see Section 4.4.4.5 above).

## 5.0 OTHER KNOWN OR POTENTIAL SOURCES OF PFAS IN THE SITE VICINITY

The Site is located adjacent to and east of the Burbank Hollywood Airport, which received a SWRCB Water Code Section 13267 Order for the Determination of the Presence of PFAS in a directive dated March 20, 2019 (SWRCB, 2019a). Geosyntec Consultants (Geosyntec), on behalf of the Burbank-Glendale-Pasadena Airport Authority, submitted a PFAS Investigation Work Plan (Geosyntec, 2019). The Geosyntec work plan identified several locations where PFAS-containing aqueous film-forming foam (AFFF) was used, stored, or known to have been released to land surface at the Airport, including:

- Storage in a 1,500-gallon above-ground storage tank at the Fuel Farm area; 1,800 gallons stored at the Airport Fire Department (AFD); and 200 gallons in each of at the Aircraft Rescue Firefighting (ARFF) trucks; surplus stock of approximately 400 gallons of AFFF stored in 5-gallon containers on secondary containment in the southwest corner of the AFD station; and a mobile foam tote trailer containing approximately 600 gallons of AFFF stored at the AFD station.
- Approximately 100 gallons of AFFF was released onto the land surface on an annual frequency at five separate locations during refraction testing of each ARFF truck. In their work plan, Geosyntec stated “For the past three years, the AFFF released during refraction has been containerized and disposed of by a waste management company. Prior to that, the AFFF released on paved areas may have flowed to the storm drain system and AFFF released at or near unpaved areas may have infiltrated to the subsurface”.
- AFD training using AFFF at eight locations in paved and unpaved areas.
- Documented release of AFFF during AFD firefighting activities performed in March 2000 in response to an aircraft collision with a metal blast wall on the southern perimeter of the Airport.

Based on the results of the recent soil investigation performed at the Hollywood Burbank Airport, PFAS were detected in at least one soil sample collected from each of the seven borings and at a maximum sampled depth of 48 feet (Geosyntec, 2020). A PFAS groundwater investigation work plan prepared on behalf of the Burbank-Glendale-Pasadena Airport Authority is pending RWQCB LA approval.

Three of the Hollywood Burbank Airport PFAS use areas (ARFF truck refraction testing, an AFD training area, and the AFFF stored at the Fuel Farm) are located hydraulically upgradient of groundwater beneath the Site; and at least nine of these areas (AFFF releases near the T-Hangars and Hangars 38/39 and 40/41, AFD training areas, ARFF truck refraction testing areas, AFFF storage at the AFD and at the Fuel Farm) are located upwind of the Site (Geosyntec, 2019, Figure 4). Thus, PFAS emissions from the Airport, if they are demonstrated to have occurred, may have contaminated the Aviall Site and could complicate the evaluation of PFAS in soil and/or groundwater at the Site.

The Connell Processing, Inc., property, located approximately 1,400 feet east of the Site, also received a California Water Code Section 13267 and 13383 Order for the Determination of the Presence of Per- and Polyfluoroalkyl Substances at Chrome Plating Facilities (SWRCB, 2019b).

## 6.0 SCHEDULE

Implementation of the proposed PFAS soil investigation will begin after this Work Plan is approved by the RWQCBLA and/or the SWRCB and after access to the Site is obtained from the property owner.

Based on previous experience, gaining access to the Site will require at least 3 months after RWQCBLA/SWRCB approves this Work Plan. The Order requires submittal of a “final report” no later than 90 days following approval of this Work Plan. The analytical laboratory selected to perform the PFAS analyses has indicated a 30-day turn-around-time (TAT) required for sample analysis. Consequently, Boeing requests an extension of the final report due date to 180 days following RWQCBLA/SWRCB approval of this Work Plan to accommodate the laboratory TAT and the time that will be required to gain access to the Site from the Burbank-Glendale-Pasadena Airport Authority.

## 7.0 REFERENCES

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- California Regional Water Quality Control Board, Los Angeles Region, 2012. Letter to R. Everly, Aviall, Inc. re: Requirement for Technical Report Pursuant to California Water Code Section 13267, Former Aviall, Inc., 3111 Kenwood Street, Burbank, CA (WIP File No: 1040150). January 12, 2012.
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- Geosyntec Consultants, 2020. Per- and Polyfluoroalkyl Substances (PFAS) Soils Investigation Report, Hollywood Burbank Airport. February 6, 2020.
- SCS Engineers, Inc., (SCS) 1987. Subsurface Soil Investigation Report of Aviall Plating Shop Area, 3111 Kenwood Street, Burbank, California. April 1987.
- \_\_\_\_\_, 1990. Workplan, Subsurface Soil Investigation, Aviall, Inc. Facility, 3111 Kenwood Street, Burbank, California. August 8, 1990.
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- Upper Los Angeles River Area Watermaster (ULARA), 2018. Annual Report, Watermaster Service in the Upper Los Angeles River Area (ULARA), Los Angeles County, California. December 2018.
- U.S. Environmental Protection Agency, 1994, *Guidance for the Data Quality Objective Process: (EPA/600/R-96/055)* Office of Research and Development, Washington, D.C. 20460, September 1994.

Western Regional Climate Center, 2019. [https://wrcc.dri.edu/Climate/comp\\_table\\_show.php?type=wind\\_dir\\_avg](https://wrcc.dri.edu/Climate/comp_table_show.php?type=wind_dir_avg)

TABLE 1.  
LABORATORY REPORTING LIMITS AND DATA QUALITY INDICATORS

Analyte Description	CAS Number	RL	MDL	Units	Method Blank	LCS and MS/MSD %R	LCS and MS/MSD RPD %
Water							
Perfluorobutanoic acid (PFBA)	375-22-4	2.00	0.350	ng/L	<RL	76-136	30
Perfluoropentanoic acid (PFPeA)	2706-90-3	2.00	0.490	ng/L	<RL	71-131	30
Perfluorohexanoic acid (PFHxA)	307-24-4	2.00	0.580	ng/L	<RL	73-133	30
Perfluoroheptanoic acid (PFHpA)	375-85-9	2.00	0.250	ng/L	<RL	72-132	30
Perfluorooctanoic acid (PFOA)	335-67-1	2.00	0.850	ng/L	<RL	70-130	30
Perfluorononanoic acid (PFNA)	375-95-1	2.00	0.270	ng/L	<RL	75-135	30
Perfluorodecanoic acid (PFDA)	335-76-2	2.00	0.310	ng/L	<RL	76-136	30
Perfluoroundecanoic acid (PFUnA)	2058-94-8	2.00	1.10	ng/L	<RL	68-128	30
Perfluorododecanoic acid (PFDoA)	307-55-1	2.00	0.550	ng/L	<RL	71-131	30
Perfluorotridecanoic acid (PFTriA)	72629-94-8	2.00	1.30	ng/L	<RL	71-131	30
Perfluorotetradecanoic acid (PFTeA)	376-06-7	2.00	0.290	ng/L	<RL	70-130	30
Perfluorobutanesulfonic acid (PFBS)	375-73-5	2.00	0.200	ng/L	<RL	67-127	30
Perfluoropentanesulfonic acid (PFPeS)	2706-91-4	2.00	0.300	ng/L	<RL	66-126	30
Perfluorohexanesulfonic acid (PFHxS)	355-46-4	2.00	0.170	ng/L	<RL	59-119	30
Perfluoroheptanesulfonic Acid (PFHpS)	375-92-8	2.00	0.190	ng/L	<RL	76-136	30
Perfluorooctanesulfonic acid (PFOS)	1763-23-1	2.00	0.540	ng/L	<RL	70-130	30
Perfluorodecanesulfonic acid (PFDS)	335-77-3	2.00	0.320	ng/L	<RL	71-131	30
Perfluorooctanesulfonamide (FOSA)	754-91-6	2.00	0.350	ng/L	<RL	73-133	30
N-methylperfluorooctanesulfonamidoacetic acid (NMeFOSAA)	2355-31-9	20.0	3.10	ng/L	<RL	76-136	30
N-ethylperfluorooctanesulfonamidoacetic acid (NEtFOSAA)	2991-50-6	20.0	1.90	ng/L	<RL	76-136	30
4:2 Fluorotelomer sulfonic acid	757124-72-4	20.0	5.20	ng/L	<RL	79-139	30
6:2 Fluorotelomer sulfonic acid	27619-97-2	20.0	2.00	ng/L	<RL	59-175	30
8:2 Fluorotelomer sulfonic acid	39108-34-4	20.0	2.00	ng/L	<RL	75-135	30
9-Chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (F-53B Major)	756426-58-1	2.00	0.240	ng/L	<RL	75-135	30
11-Chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (F-53B Minor)	763051-92-9	2.00	0.320	ng/L	<RL	54-114	30
Soil							
Perfluorobutanoic acid (PFBA)	375-22-4	0.200	0.0280	ug/Kg	<RL	76-136	30
Perfluoropentanoic acid (PFPeA)	2706-90-3	0.200	0.0770	ug/Kg	<RL	69-129	30
Perfluorohexanoic acid (PFHxA)	307-24-4	0.200	0.0420	ug/Kg	<RL	71-131	30
Perfluoroheptanoic acid (PFHpA)	375-85-9	0.200	0.0290	ug/Kg	<RL	71-131	30
Perfluorooctanoic acid (PFOA)	335-67-1	0.200	0.0860	ug/Kg	<RL	72-132	30
Perfluorononanoic acid (PFNA)	375-95-1	0.200	0.0360	ug/Kg	<RL	73-133	30
Perfluorodecanoic acid (PFDA)	335-76-2	0.200	0.0220	ug/Kg	<RL	72-132	30
Perfluoroundecanoic acid (PFUnA)	2058-94-8	0.200	0.0360	ug/Kg	<RL	66-126	30
Perfluorododecanoic acid (PFDoA)	307-55-1	0.200	0.0670	ug/Kg	<RL	71-131	30
Perfluorotridecanoic acid (PFTriA)	72629-94-8	0.200	0.0510	ug/Kg	<RL	71-131	30
Perfluorotetradecanoic acid (PFTeA)	376-06-7	0.200	0.0540	ug/Kg	<RL	67-127	30
Perfluorobutanesulfonic acid (PFBS)	375-73-5	0.200	0.0250	ug/Kg	<RL	69-129	30
Perfluoropentanesulfonic acid (PFPeS)	2706-91-4	0.200	0.0200	ug/Kg	<RL	66-126	30
Perfluorohexanesulfonic acid (PFHxS)	355-46-4	0.200	0.0310	ug/Kg	<RL	62-122	30
Perfluoroheptanesulfonic Acid (PFHpS)	375-92-8	0.200	0.0350	ug/Kg	<RL	76-136	30
Perfluorooctanesulfonic acid (PFOS)	1763-23-1	0.500	0.200	ug/Kg	<RL	68-141	30
Perfluorodecanesulfonic acid (PFDS)	335-77-3	0.200	0.0390	ug/Kg	<RL	71-131	30
Perfluorooctanesulfonamide (FOSA)	754-91-6	0.200	0.0820	ug/Kg	<RL	77-137	30
N-ethylperfluorooctanesulfonamidoacetic acid (NEtFOSAA)	2991-50-6	2.00	0.370	ug/Kg	<RL	72-132	30
N-methylperfluorooctanesulfonamidoacetic acid (NMeFOSAA)	2355-31-9	2.00	0.390	ug/Kg	<RL	72-132	30
4:2 Fluorotelomer sulfonic acid	757124-72-4	2.00	0.370	ug/Kg	<RL	68-143	30
6:2 Fluorotelomer sulfonic acid	27619-97-2	2.00	0.150	ug/Kg	<RL	73-139	30
8:2 Fluorotelomer sulfonic acid	39108-34-4	2.00	0.250	ug/Kg	<RL	75-135	30
9-Chlorohexadecafluoro-3-oxanonane-1-sulfonic acid (F-53B Major)	756426-58-1	0.200	0.0270	ug/Kg	<RL	74-134	30
11-Chloroeicosafluoro-3-oxaundecane-1-sulfonic acid (F-53B Minor)	763051-92-9	0.200	0.0220	ug/Kg	<RL	66-136	30

FOOTNOTES:

CAS = Chemical Abstracts Service

RL = Reporting Limit

MDL = Method Detection Limit

< = less than

≤ = Less than or equal to

LCS = Laboratory control sample

%R = Percent recovery

MS/MSD = Matrix spike/matrix spike duplicate

RPD = Relative percent difference

ng/L = nanograms per liter

ug/Kg = micrograms per kilogram



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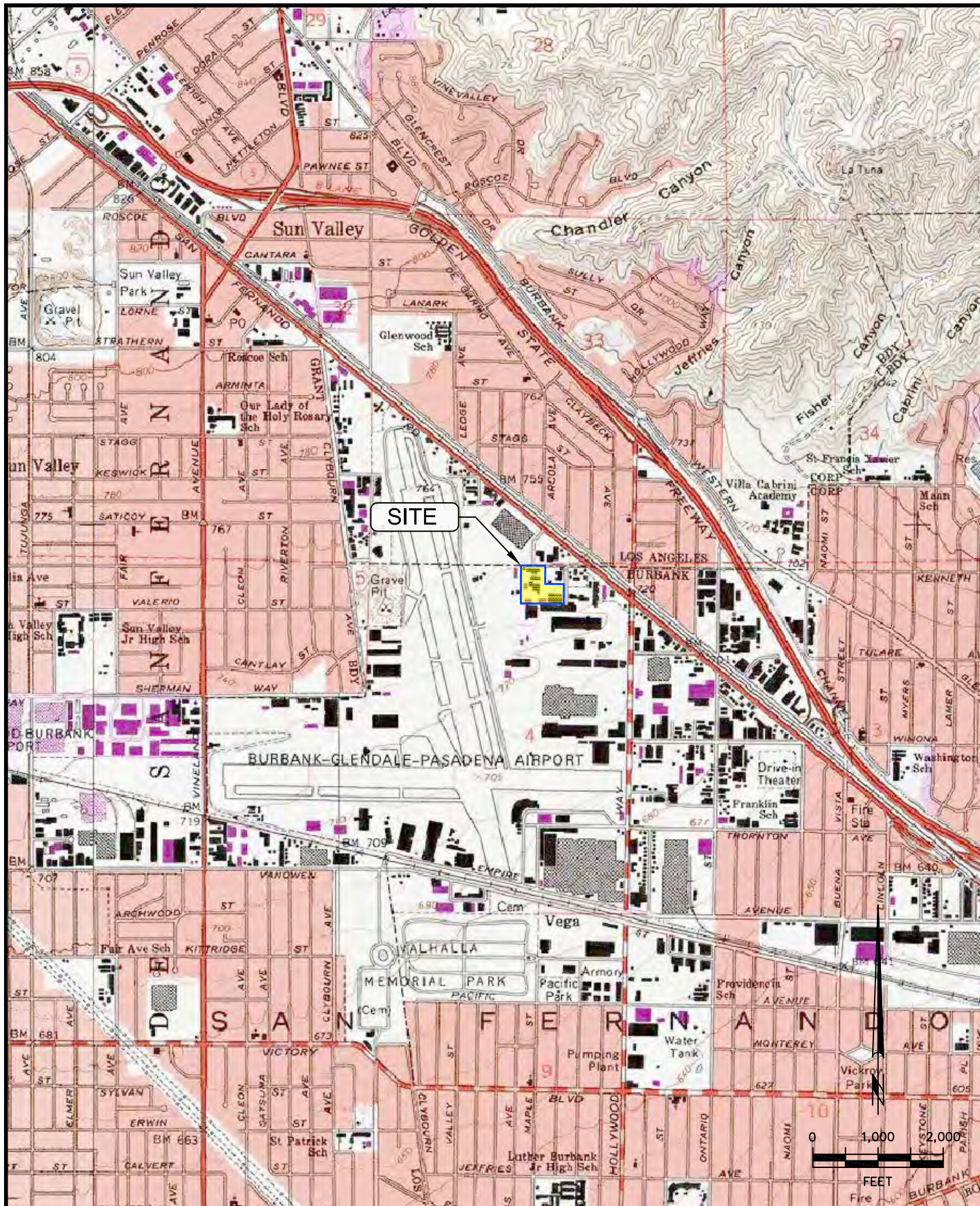


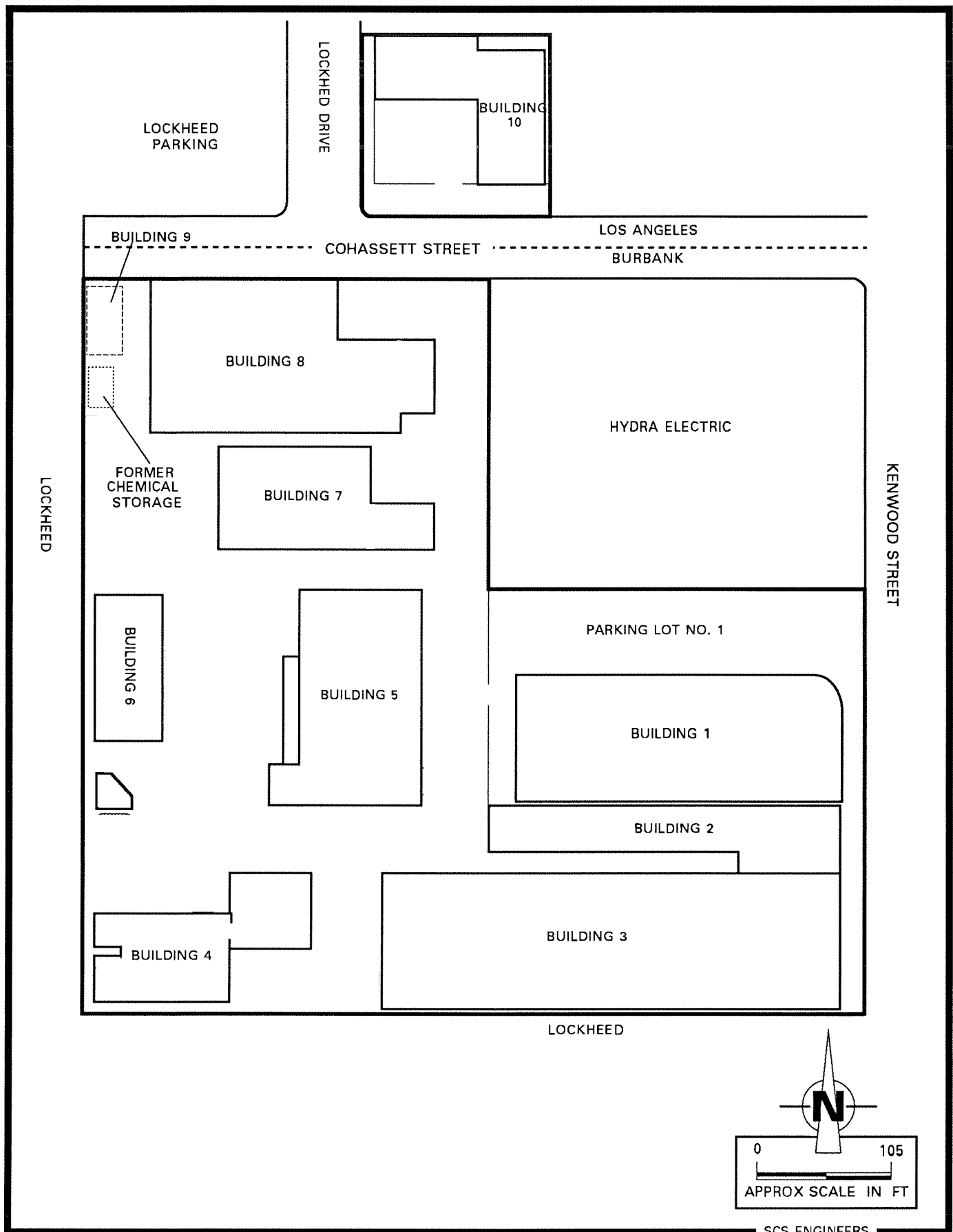
FIGURE 1.  
SITE LOCATION



HARGIS+ASSOCIATES, INC.  
Hydrogeology/Engineering

5/12 | RPT NO. 1112.4 | 410-8682 | A



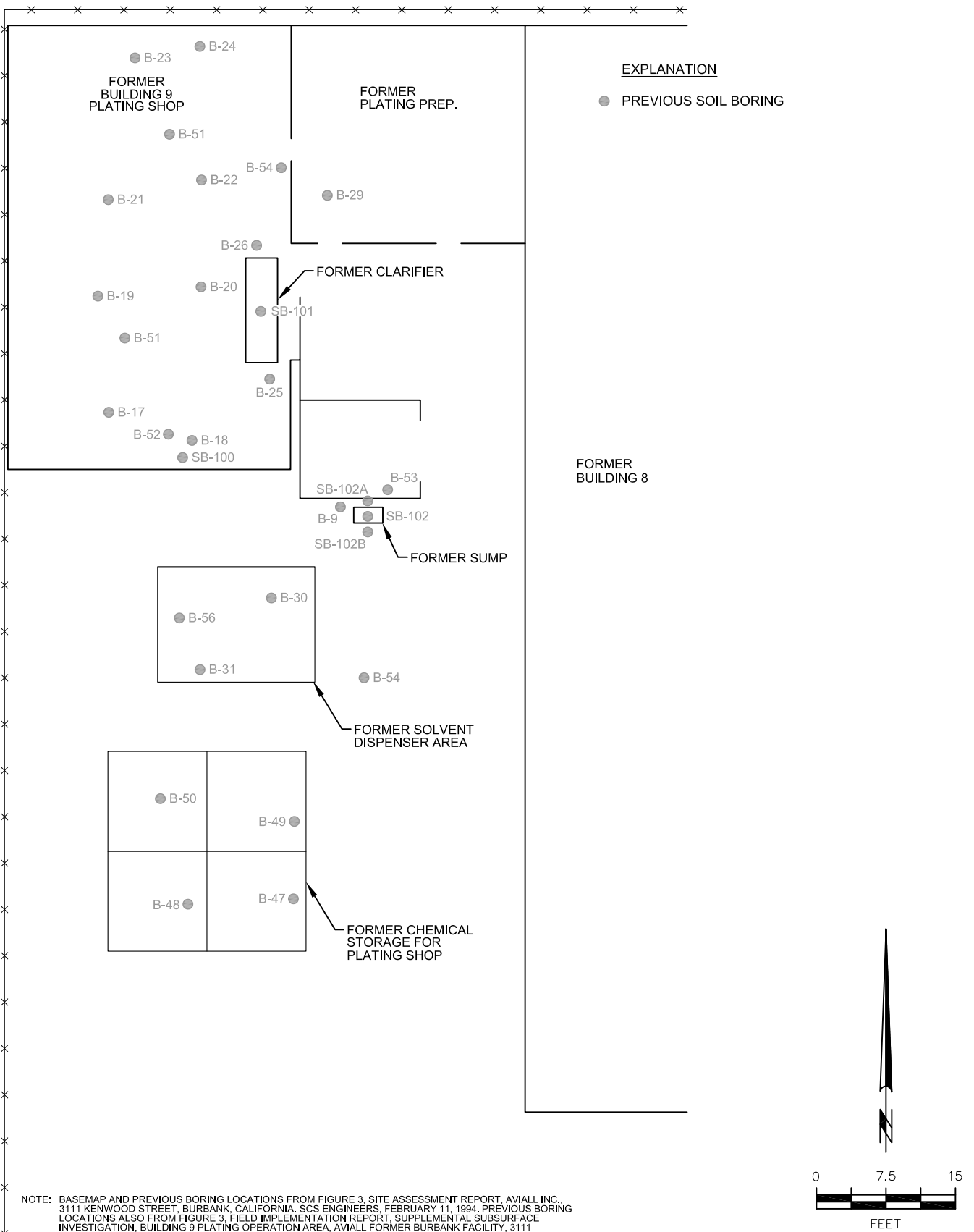


**FIGURE 2. AVIALL FORMER BURBANK FACILITY HISTORICAL SITE MAP**



**FIGURE 3. FORMER BUILDING 9 PLATING OPERATIONS DETAIL**

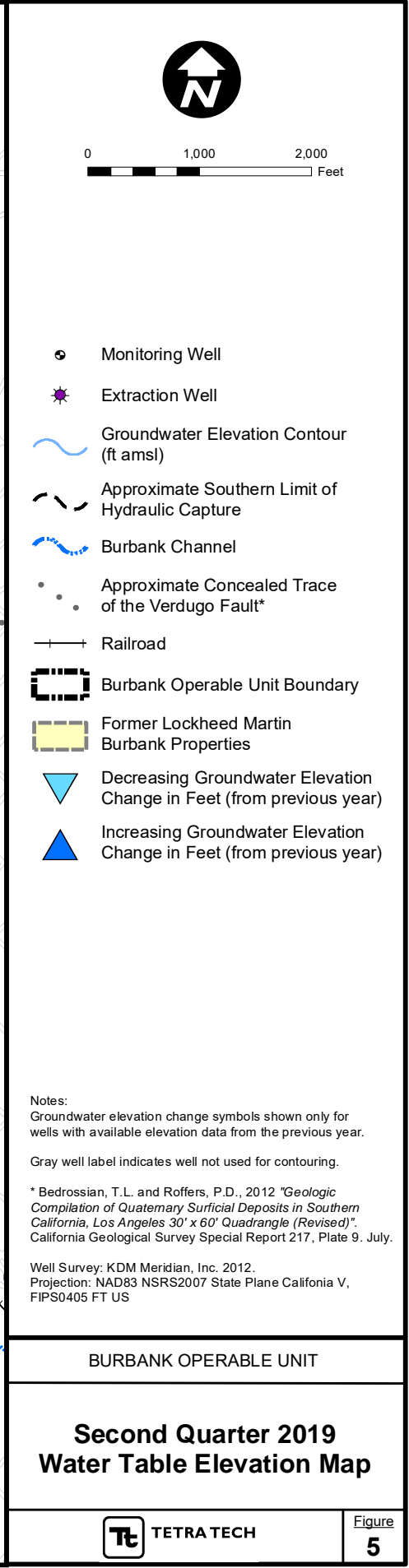
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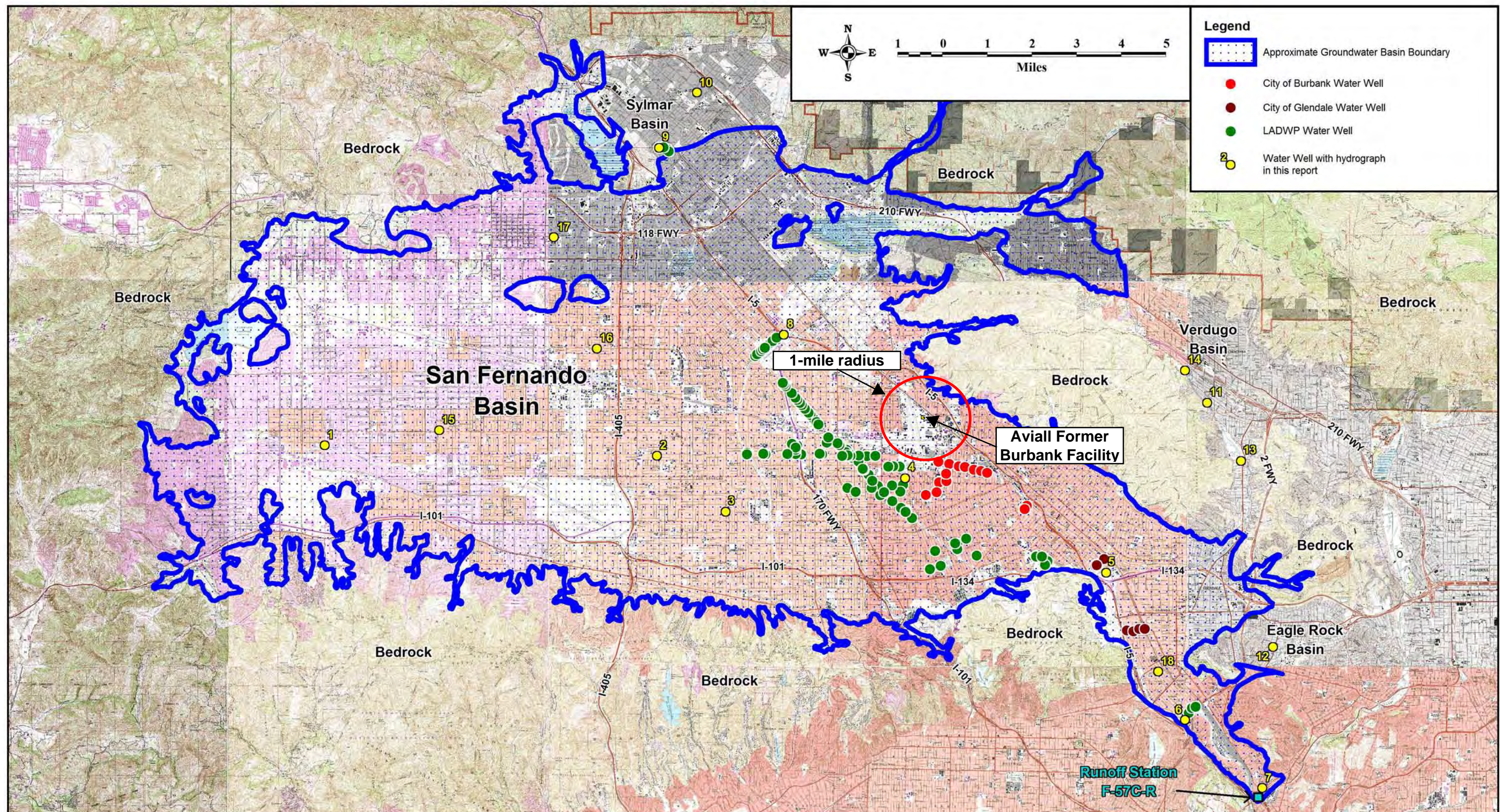
**HARGIS+ASSOCIATES, INC.**  
Hydrogeology/Engineering

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**FIGURE 4.**  
**PREVIOUS BORING LOCATIONS AND FORMER**  
**CHROME PLATING OPERATIONS FEATURES**







2012-2013 Water Year  
ULARA Watermaster Report

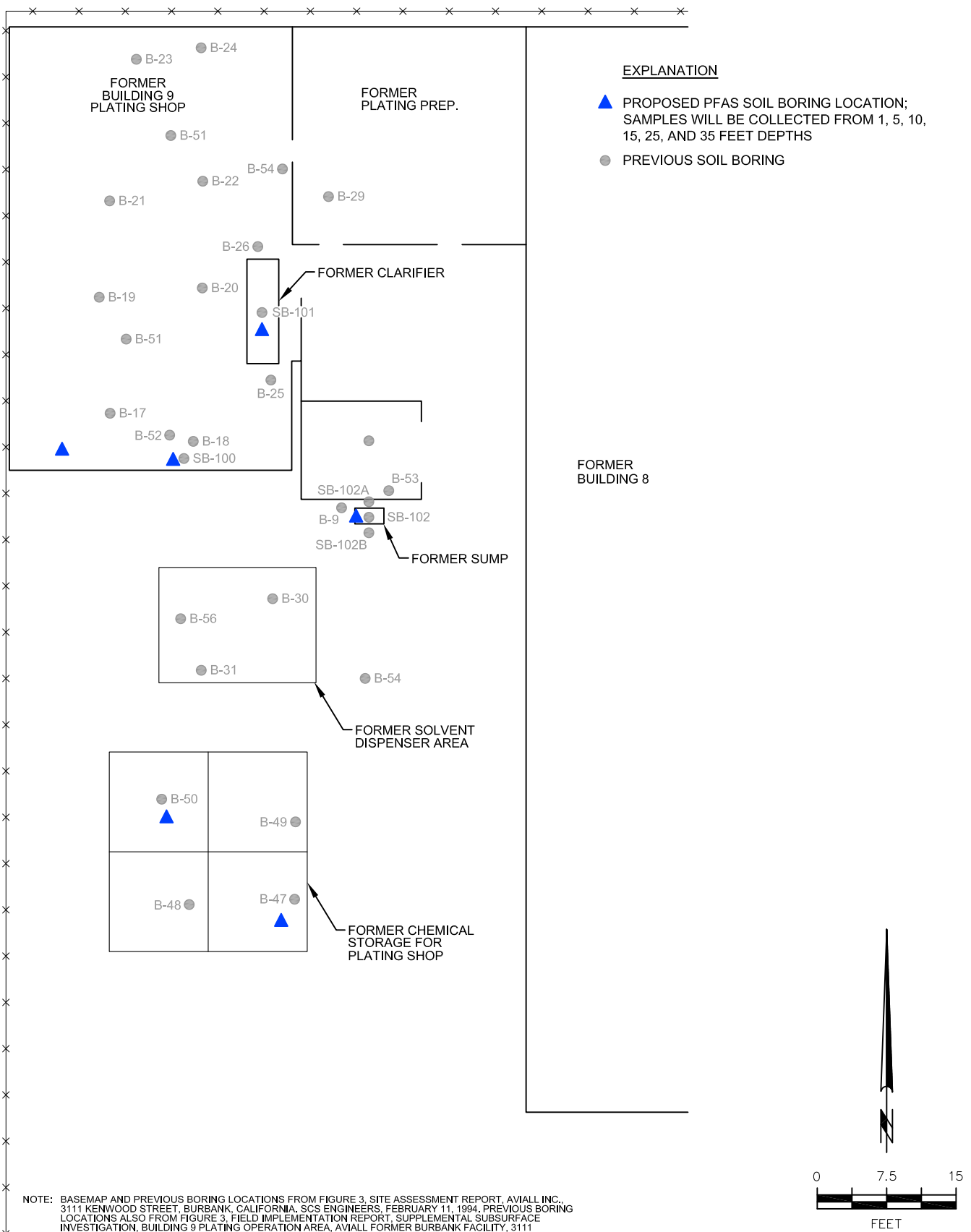
Upper Los Angeles River Area:  
San Fernando Groundwater Basin

Figure 6.  
Groundwater Supply Well Locations

Source: Annual Report, Watermaster Service in the Upper Los Angeles River Area (ULARA), Los Angeles County, California, December 2018



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**HARGIS+ASSOCIATES, INC.**  
Hydrogeology/Engineering

**FIGURE 7.**

**PROPOSED PFAS SOIL INVESTIGATION LOCATIONS**

**AIRPORT CONVEYANCE EQUIPMENT SERVICES AGREEMENT**  
(Burbank-Glendale-Pasadena Airport Authority/Elevators Etc., LP)

THIS AIRPORT CONVEYANCE EQUIPMENT SERVICES AGREEMENT (“Agreement”) is dated December 10, 2018 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and Elevators Etc. LP (“Contractor”), a Delaware limited partnership. Contractor’s CSLB license number is 964490. Contractor’s DIR registration number is 1000034677.

**R E C I T A L S**

A. The Authority owns and operates the Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”) and desires to retain Contractor as an independent contractor to provide the following professional services: preventative maintenance services, on-call repair services, and emergency repair services for the Airport’s elevators, escalators, and moving walkways.

B. Contractor represents that it is fully qualified to perform such work by virtue of the training and experience of its personnel.

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

**1. Definitions.** In addition to the terms defined above, the following definitions shall apply for purposes of this Agreement:

- A. “ADR”: Airport Designated Representative.
- B. “Base Contract Amount: \$235,782.00.
- C. “Commencement Date”: December 11, 2018.
- D. “Emergency Repair Services”: Airport elevator, escalator, and moving walkway repair services performed on an emergency basis pursuant to a service call.
- E. “Executive Director”: Frank R. Miller or a duly authorized designee.
- F. “Expiration Date”: November 30, 2021 unless extended as provided below.
- G. “Federal Requirements” the federal requirements set forth in the attached Exhibit F, which requirements are applicable to projects not funded by an Airport Improvement Program grant from the Federal Aviation Administration.
- H. “Fee Schedule”: the fee schedule set forth in the attached Exhibit C unless increased as provided below.
- I. “General Provisions and Special Provisions”: the general provisions and special provisions set forth in the attached Exhibit D.
- J. “Indemnitees”: the Authority, TBI Airport Management, Inc., the Cities of Burbank, Glendale and Pasadena, and the respective officers, agents, employees and volunteers of each such entity.



K. "On-Call Repair Services": Airport elevator, escalator, and moving walkway repair services performed on an on-call basis pursuant to a service call.

L. "Preventative Maintenance Schedule": the preventive maintenance schedule set forth in the attached Exhibit B.

M. "Preventative Maintenance Services": monthly, quarterly, semi-annual, and annual preventative maintenance for the Airport's elevators, escalators, and moving walkway.

N. "Services": the Preventative Maintenance Services, On-Call Repair Services, and Emergency Repair Services specified in the attached Exhibit A.

## **2. Services.**

A. Contractor shall perform the Services in a timely, regular basis in accordance with the Authority's rules for the Airport, the General Provisions and Special Provisions, the Federal Requirements, and applicable laws. Contractor shall provide all labor, equipment, supplies and materials as required for the performance of the Services. Time is of the essence in the performance of this Agreement.

B. Contractor shall perform the Preventative Maintenance Services in accordance with the Preventive Maintenance Schedule. Contractor shall perform the On-Call Repair Services and the Emergency Repair Services on a service call basis. Each service call shall be memorialized by a service call sheet in the form set forth in the attached Exhibit E.

C. Contractor shall perform all work to the highest professional standards and in a manner reasonably satisfactory to the Authority. Contractor shall consult the ADR for any decisions that must be made by the Authority. Contractor shall promptly notify the ADR of any unsafe condition that Contractor discovers at the Airport.

D. In the event any claim is brought against the Authority relating to Contractor's performance of the Services, Contractor shall provide any reasonable assistance and cooperation that the Authority might require.

## **3. Term.**

A. The base term of this Agreement shall commence on the Commencement Date and shall expire on the Expiration Date unless extended or earlier terminated as provided below.

B. The Authority shall have two options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, the Authority shall give written notice to Contractor at least 30 days prior to the then-scheduled expiration date.

C. If Contractor breaches this Agreement and fails to cure such breach within seven days of written notice from the Contract Administrator, then the Authority may immediately terminate this Agreement for cause. Either party may terminate this Agreement for convenience upon 15 days prior written notice to the other party.

#### **4. Compensation.**

A. The Authority shall compensate Contractor for performance of the Services, and Contractor agrees to accept as full satisfaction for such work, payment according to the Fee Schedule. If Contractor is, for any reason, unable to commence Emergency Repair Services within two hours of a service call, then the applicable On-Call Repair Services rates shall apply. If an Emergency Repair Services assignment is not completed within 24 hours of the service call, then the applicable On-Call Repair Services rates will be applied for all work completed after such 24 hour period.

B. In no event shall the compensation payable to Contractor under this Agreement for the Preventative Maintenance Services exceed the Base Contract Amount.

C. For each extension option exercised by the Authority, the Fee Schedule shall be increased based on the most recent previous 12-month period published Consumer Price Index (CPI) rate for all indices, Los Angeles County or by 5%, whichever is less.

D. Contractor shall submit monthly invoices to the Authority for the Services. Each invoice shall itemize the work performed during the billing period and the amount due. Within 10 business days of receipt of each invoice, the Authority shall notify Contractor in writing of any disputed amounts on the invoice. Within 30 calendar days of receipt of each invoice, the Authority shall pay all undisputed amounts on the invoice. The Authority shall not withhold applicable taxes or other authorized deductions from the payments, and Contractor shall pay all required taxes on the payments.

E. If Contractor fails to perform the work in a diligent and satisfactory manner, the Authority may, after seven days written notice to Contractor, perform the work or cause it to be performed by a third party. Contractor shall reimburse the Authority for any expense incurred; alternatively, the Authority may deduct the amount from any sum owed to Contractor.

---

5. **Payment Bond.** In accordance with Civil Code Section 9550, prior to commencement of the Services, Contractor shall provide the Authority with a payment bond in the amount of the Base Contract Amount. Such bond must be issued by a California admitted surety insurer having a rating of not less than A:X in A.M. Best's Insurance Guide, and must be on a form acceptable to the Authority.

6. **Prevailing Wage Acknowledgement.** The Authority and Contractor acknowledge that the Services are a "public works project" within the scope of the Prevailing Wage Law (Labor Code Section 1720 et seq.).

7. **Workers' Compensation.** Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of Labor Code Section 1861, by signing this Agreement, Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

8. **Independent Contractor Status.** Contractor is, and shall at all times remain as to the Authority, an independent contractor. Contractor shall have no power to incur any debt, obligation, or liability on

behalf of the Authority or to act otherwise on behalf of the Authority as an agent. Neither the Authority nor any of its officers, employees, agents or volunteers shall have control over the conduct of Contractor except as set forth in this Agreement.

**9. Work Product Ownership.** All reports, documents, or other written material developed by Contractor in the performance of this Agreement shall be and remain the property of the Authority without limitation upon use or dissemination by the Authority.

**10. Confidentiality.** Contractor shall preserve the confidentiality of all nonpublic data, documents, discussion, or other information that is developed or received by it in connection with this Agreement. Contractor shall not disclose such information without the prior written authorization of the Executive Director. Upon request, all Authority data shall be returned to the Authority at expiration or termination of this Agreement. Contractor's obligations under this section shall survive expiration or termination of this Agreement.

**11. Conflict of Interest.** Contractor shall not maintain or acquire any financial interest that may be affected by the Services. Contractor shall avoid the appearance of having any financial interest that would conflict in any manner with the Services.

**12. Indemnification.**

A. Contractor shall defend, hold harmless, and indemnify the Indemnitees from and against any actual, alleged, or threatened causes of action, claims, costs, damages, demands, expenses (including fees of accountants, attorneys, and other professionals), judgments, liens, losses, penalties, and proceedings of any nature whatsoever (collectively, "Liabilities") that arise out of the acts or omissions of Contractor or its subcontractors in connection with this Agreement.

B. Contractor's obligations under this section shall survive expiration or termination of this Agreement, and shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities.

C. Contractor's obligations under this section shall apply, without limitation, to Liabilities that partially involve active or passive negligence by the Authority. However, Contractor's obligations under this section shall not apply to Liabilities that arise from the sole negligence or willful misconduct of the Authority, as determined by final arbitration or court decision or by consensus of the parties.

**13. Insurance.** Without limiting Contractor's defense, hold harmless, and indemnification obligations under this Agreement, Contractor shall maintain policies of insurance as specified in the General Provisions and Special Provisions.

**14. Suspension.** The Contract Administrator may suspend all or any part of the Services for the Authority's convenience or for work stoppages beyond the control of the parties. Written notice of a suspension shall be given to Contractor.

**15. Notices.** Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second

business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

Authority  
Burbank-Glendale-Pasadena Airport Authority  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Anthony DeFrenza  
Director, Engineering/Maintenance  
E-mail: ADeFrenza@bur.org

Contractor  
Elevators Etc., LP  
4327 E. Cesar E. Chavez Avenue  
Los Angeles, CA 90022  
Attn: Chad Babcock  
General Manager  
E-mail: [chad@elevatorsetc.org](mailto:chad@elevatorsetc.org)

**16. Assignability.** Contractor shall not assign, transfer or subcontract any interest in this Agreement or the performance of any of its obligations without the Executive Director's prior written consent. This prohibition is not intended to preclude, and shall not be interpreted as precluding, Contractor from utilizing subcontractors identified in Contractor's proposal for the Services. Any attempt by Contractor to assign, transfer or subcontract any rights, duties or obligations in violation of this prohibition shall be void.

**17. Litigation.** In the event that either party shall commence legal action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California. The interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language.

**18. Exhibits.** Exhibits A through F are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit F, the provisions of Exhibit F shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of other Exhibit, the provisions of this Agreement shall prevail.

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**19. ~~Incorporation of Mandatory Language.~~** Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon request of either party this Agreement shall promptly be amended to make such insertion or correction.

**20. Entire Agreement.** This Agreement (and the attached Exhibits) represents the entire and integrated contract between the parties regarding the Services. This Agreement supersedes all prior oral or written negotiations, representations and contracts related to the Services. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

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[SIGNATURES ON FOLLOWING PAGE]

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

**Elevators, Etc. LP**


  
\_\_\_\_\_  
Chad Babcock, General Partner

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

**~~Burbank Glendale Pasadena~~ Airport Authority**

  
\_\_\_\_\_  
Zareh Sinanyan, President

Approved as to form:

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

**EXHIBIT A**  
**Scope of Services and Equipment**  
**Locations**

(attached)

## **SCOPE OF SERVICES**

### **ELEVATOR, ESCALATOR & MOVING WALKWAY PREVENTATIVE MAINTENANCE, ON-CALL REPAIR & EMERGENCY REPAIR SERVICES HOLLYWOOD BURBANK AIRPORT RFP No. MA18-01**

The Burbank-Glendale-Pasadena Airport Authority ("Authority"), owner-operator of the Bob Hope Airport (commonly known as Hollywood Burbank Airport) ("Airport") is seeking a certified qualified conveyance company ("Contractor") to provide the following services for the Airport's elevators, escalators, and moving walkways (collectively, "Conveyances"): (i) scheduled preventative maintenance examinations, adjustments, lubrications, repairs, and replacements of equipment ("Preventative Maintenance Services"); (ii) on-call repair of equipment ("On-Call Repair Services"); and (iii) emergency repair of equipment ("Emergency Repair Services"). The Preventative Maintenance Services, On-Call Repair Services, and Emergency Repair Services are collectively referred to in this RFP as the "Services" and are described more fully below.

#### **SERVICES TO BE PERFORMED**

##### **I. Preventative Maintenance Services**

Preventive Maintenance Services shall include examinations, adjustments, lubrications, repair and replacements of parts required in compliance with all state and federal regulations, including A17.1-2007 8.6.5-8 of the American Society of Mechanical Engineers (ASME). They shall also include appurtenant components and accessories not specifically mentioned that are required for proper and safe operation of the conveyances.

Minor preventative maintenance parts, i.e. nuts, bolts, and lubricants, shall be considered standard consumable materials and will be the responsibility of Contractor. All replacement parts shall be acceptable, compatible and operative components similar to the original installation. In addition, all equipment, components, accessories, car tops, pits and trusses shall be maintained in a clean housekeeping condition.

The Conveyances listed in Attachment B shall be serviced in accordance with the Preventative Maintenance Checklists provided in Attachments C-E on a monthly, quarterly, semi-annual and annual basis in order to maintain the equipment in a safe, clean and operable condition. The maintenance requirements listed in the checklists shall not be construed to be a complete listing of all equipment maintenance requirements. Where one of more of the listed requirements conflicts with manufacturer recommendations, industry standards, statutory or regulatory guidance, or other applicable standards, Contractor shall immediately notify the Authority of the conflict.

Contractor shall immediately notify the Authority if the scheduled service identifies any irregular or concerning issues. In no case shall the elevator, escalator or moving walkway be left in an un-safe condition. Adequate barricades, signs, etc. shall be provided to keep the public safe at all times.

Contractor is responsible for coordinating with the California Division of Occupational Safety and Health ("CalOSHA") as necessary to maintain current operating certificates for all the Conveyances. If State inspections identify any deficiencies, they shall be corrected immediately



by Contractor. Any fees for failure to resolve preliminary orders issued by CalOSHA will be the responsibility of Contractor.

Contractor shall submit a 3-month rolling schedule on a monthly basis indicating the planned dates for preventative maintenance service for each elevator. Schedule shall indicate type of service (monthly, quarterly, semi-annual or annual) and the name of the mechanic to perform service. Twenty-four Hour notice shall be provided in advance of the planned preventative maintenance service date as shown in the submitted rolling schedule to confirm date and time.

## **II. On-Call Repair Services and Emergency Repair Services**

In addition to the Preventative Maintenance Services, Contractor may be called on to provide service or diagnose, troubleshoot and repair equipment on an unscheduled basis. For all non-emergency service calls, Contractor shall identify an available time within 7 days of the call that is mutually agreeable to Contractor and the ADR. Contractor shall not charge over-time or double-time rates without prior written approval from the ADR.

Contractor shall be available to provide service in the case of an emergency seven (7) days a week, twenty-four (24) hours a day. Emergency Repair Services shall be defined as those services needed to correct an emergency condition which consists of entrapment of personnel, as well as any other inoperable or unsafe condition that provides potential for harm to personnel or property or that disrupts or impairs facility operations as deemed by the Authority in its sole discretion. On notification that Emergency Repair Services are required, Contractor shall promptly, efficiently, and effectively respond as appropriate to correct the underlying emergency condition. In addition to the On-site Technician, Contractor shall at all times have a designated, qualified, On-call Technician available to provide Emergency Repair Services. The On-call Technician shall be immediately and continuously available at a single phone number which shall be provided by Contractor. ~~The On-call Technician shall commence repair action within TWO (2) hours of the Authority's notification of Contractor of the need for emergency repairs.~~ If Contractor is, for any reason, unable to commence emergency service action within TWO (2) hours of the call, the applicable On-Call Repair Services rates will apply. Whenever Contractor provides Emergency Repair Services, Contractor will provide the Authority with a full report of the equipment deficiencies that gave rise to the underlying emergency condition, Contractor actions taken to affect the emergency repair, parts used in the repair, and responding Contractor personnel by name, arrival/departure time and hours worked. This report will be provided to the ADR no later than FOUR (4) days after completion of repair. The ADR shall be notified for repairs that will take longer than twenty-four (24) hours to perform. The labor rates identified in Attachment G for Emergency Repair Services will only apply if the ADR specifically requests an **Emergency Response** AND Contractor is able to commence emergency repair action within TWO (2) hours of the initial emergency service call request. Emergency Repair Services rates will only be applied to work completed within 24 hours of the initial call. If repairs take longer than 24 hours to complete, the applicable On-Call Repair Services rates will be applied for all work completed after such 24 hour period.

## **WORKMANSHIP**

All work shall be performed in the finished and workmanlike manner, and in accordance with the best-recognized trade practices. Contractor shall provide and maintain in good operating condition all tools and equipment necessary for the satisfactory performance of the work.



Inadequate, unsuitable, defective, worn out, or otherwise unsatisfactory tools and equipment shall be removed from service and replaced with satisfactory tools and equipment at no cost to the Authority.

### **RIGHT TO INSPECT AND REQUIRE WORK**

The Authority shall conduct inspections and tests as necessary to ensure that contract requirements are being fulfilled. Deficiencies noted shall be promptly corrected at Contractor's expense.

If Contractor fails to perform the work in a diligent and satisfactory manner, the Authority may, after SEVEN (7) days written notice to Contractor, perform or cause to be performed by a third-party firm all or any part of the work required. Contractor shall reimburse the Authority for any expense incurred and the Authority at its election may deduct the amount from any sum owed to Contractor.

### **HOURS**

All Preventative Maintenance Services shall occur during Standard Daily Operations as defined below.

**Standard Daily Operations:** Monday – Friday, 7:00 a.m. – 4:30 p.m.

**Nights:** Monday – Friday, 4:31 p.m. – 06:59 a.m.

**Weekends:** Saturday 12:00 a.m. – Sunday 11:59 p.m.

**Holidays:** New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve after 3:00 p.m., Christmas Day.

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### **CONTRACTOR PERFORMANCE AND ADMINISTRATIVE REQUIREMENTS**

Contractor acknowledges that fully operational Conveyances are required for the safe operation of the Airport and the safety of the public using the Airport. Contractor, to the maximum extent possible, shall take all appropriate actions to ensure the Conveyances are, at all times, fully operational.

Contractor acknowledges that the Airport consist of public-use facilities and recognizes the attendant obligation to ensure that all Contractor personnel and agents maintain the highest level of professional standards in attire, decorum, and interaction with the public and Authority personnel.

Contractor accepts the existing condition of the Conveyances. Condition of existing equipment shall not be grounds for additional payment to Contractor for performing the contract work as specified.

Contractor shall only use and assign technicians, engineers and certified competent conveyance mechanics (as defined by Labor Code Section 7300 et seq.) under its direct employment and supervision to effectively and efficiently perform services. The Authority

reserves the right to request that any Contractor employee be reassigned from the Airport if the Authority deems such employee inappropriate for assignment to duty.

All Contractor personnel, including the On-call Technician, shall check in with the Authority's **Communications Center (818) 840-9536**, Maintenance Supervisor, or other designated representative, upon entering the premises, and receive any reports of elevator, escalator, or moving walkway equipment deficiencies that need correction. Contractor's representative shall also check out with the Authority's representative upon completion of any service visit and submit any reports as required herein.

Contractor shall be fully responsible for the safety and protection of all persons and of all work and salvage material connected with the contract. Contractor shall use proper precaution to fully protect all persons, its own work, and the property of the Authority and others from injury and damage. Contractor shall be liable for injury to all persons and shall repair any damage to property belonging to the Authority and others caused by Contractor through negligence, carelessness, or any other cause.

Contractor shall comply with the Department of Labor, Safety and Health Regulations for construction promulgated under the Occupational Safety and Health Act of 1970 (PL 91-596) and under Section 107 of the Contract Work Hours and Safety Standards Act (PL91-54). Authorized representatives of the Department of Labor shall be permitted access to the project for inspections.

Contractor shall comply with codes and standards of the State of California Department of Industrial Relations; whether listed or not. Where conflicts exist from one code to another, the more stringent shall apply.

Contractor shall maintain all Conveyances in proper, safe, and acceptable operating condition. ~~Contractor shall conduct all required tests, inspections preventive maintenance and repairs of Conveyances in accordance with all applicable statutes and regulations, industry standards, and manufacturer's recommendations throughout the term of this Agreement.~~

Contractor shall be required to keep the Authority informed of the general condition of each unit being serviced, as well as additional recommendations for service and/or replacement. Whenever Contractor becomes aware of improvements that should be made to a Conveyance, Contractor shall so inform the Authority in writing and provide recommendations for implementing such improvements.

Contractor shall be required to maintain and submit to the Authority a copy of the results of all tests conducted on the Conveyances on a monthly basis. Contractor shall also be required to maintain and submit to the Authority all tests, all lubrication schedules, maintenance schedules, inspection checklists and reports, repair time tickets and reports, and safety test report forms pertaining to the equipment listed herein.

When conducting inspections of the Conveyances, Contractor shall take all reasonable and appropriate measures to ensure that such inspections do not interfere with the operation of the Airport. Contractor shall take all reasonable and appropriate actions needed to ensure that no Conveyance is out of operation for longer than TWO (2) hours as the result of testing, inspection, maintenance or repair. In the event Contractor comes to believe that a Conveyance

may be inoperable for more than EIGHT (8) hours in order to accomplish the required testing, inspection, maintenance, or repair, Contractor shall immediately notify Authority of the potential for such event, the reasons why extended service is required and Contractor's best estimate as to when the subject Conveyance will be returned to operation.

When providing Services, Contractor shall, unless expressly authorized by the Authority, use only new materials, parts and equipment that are standard in the industry, recommended by the appropriate manufacturer, approved by Underwriters Laboratory, compatible with the existing equipment and readily available. Contractor shall install such material, parts, and equipment in accordance with manufacturer specifications and standard industry practice.

Contractor shall be responsible for furnishing all labor, parts, materials, equipment, etc., necessary to service and maintain the Conveyances and to keep the Conveyances in a proper, safe, and dependable operating condition for maximum operating efficiency.

Contractor shall be required to maintain a supply of frequently used replacement parts, lubricants and miscellaneous supplies required for routine preventive maintenance and common emergency call-back service repairs in the Authority-designated storage area at no charge. All replacement parts furnished under this Agreement will be original equipment manufactured ("OEM"). Major electronic and mechanical assemblies routinely considered by the industry to be replaceable units must be available for emergency shipment from Contractor's supplier within twenty-four (24) hours. Contractor shall provide order acknowledgements and delivery estimates from Contractor's supplier to verify that all critical parts have been ordered.

All replacement parts and equipment charged to the Authority for services under the contract, if awarded, will be at cost plus mark-up as defined in Attachment G.

Contractor shall, for the duration of the contract, maintain the following means of communication with the Authority:

- A. Twenty-four (24) hour live answering service; and
- B. Cellular telephones operating twenty-four (24) hours per day for field employees; and
- C. Twenty-four (24) hour email.

Contractor shall have a maximum of **one (1) hour** to provide initial response and for emergency service calls, **two (2) hours** from time of initial contact to arrive on-site.

## **LICENSES AND PERMITS**

Contractor shall, without additional expense to the Authority, be responsible for obtaining any necessary licenses, permits, certifications, accreditations, fees and approvals for complying with any federal, state, county, municipal, and other laws, codes, and regulations applicable to the performance of the work or to the products or services to be provided under this contract including, but not limited to, any laws or regulations requiring the use of licensed contractors to perform parts of the work.

Contractor shall schedule, coordinate, participate in all inspections required by California statute or regulation needed to maintain all required equipment certifications and permits. In the event deficiencies are identified during these inspections, Contractor shall take timely action as

required, but in no event longer than 30 days as required by state law, to correct said deficiencies. Contractor shall timely notify appropriate governmental agencies that said deficiencies have been corrected.

Except as expressly provided otherwise in the contract, Contractor shall bear all costs associated with the tests, inspections, preventive maintenance and repairs to the Conveyances, with exception of the fees for the State Annual Inspection for permitting. This obligation does not apply in the case of any breakage, loss or damage to a Conveyance when such loss or damage is caused intentionally or as the result of a malicious act and /or misuse by a person or persons other than Contractor, its subcontractors, agents, or employees.

Contractor must hold a current C-11 State of California Contractor's License throughout the term of the contract.

## EQUIPMENT LIST AND LOCATIONS

### **Elevators:**

Conveyance # 159273  
Location: 2509 Hollywood Way  
Owner ID: RPS #1  
Make: Hyundai

Conveyance # 159277  
Location: 2509 Hollywood Way  
Owner ID: RPS #2  
Make: Hyundai

Conveyance # 161941  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

Conveyance # 107757  
Location: 2800 Clybourn  
Owner ID: MillionAir  
Make: Oliver & Williams

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Conveyance # 044406  
Location: 2627 Hollywood Way  
Owner ID: Kitchen  
Make: Oliver & Williams

Conveyance # 050314  
Location: 2627 Hollywood Way  
Owner ID: Structure  
Make: Oliver & Williams

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### **Escalators:**

Conveyance # 161947  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

Conveyance # 161946  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

### **Moving Walkways:**

Conveyance # 161912  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

Conveyance # 161913  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

Conveyance # 161914  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

Conveyance # 161915  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

Conveyance # 161916  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

Conveyance # 161917  
Location: 2507 Hollywood Way  
Owner ID: North Tower  
Make: OTIS

**EXHIBIT B**  
**Preventive Maintenance Schedule**

(attached)

## ELEVATOR PREVENTATIVE MAINTENANCE

**NOTE:** Contractor to provide a sheet for each service and to be submitted with invoice.

BUILDING NAME:	MECHANIC:
ELEVATOR #:	DATE OF PREVIOUS SERVICE:
CHECK SERVICE TYPE: <input type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUAL <input type="checkbox"/> ANNUAL <input type="checkbox"/> UNSCHEDULED (attach "24/7 RESPONSE CALL SHEET" sheet for unscheduled service)	
Mechanic to initial EACH LINE indicating inspection has been completed. Note any irregularities or items requiring additional attention.	DATE/TIME OF SERVICE:
<b>MONTHLY SERVICE</b>	<b>NOTES</b>
Car door reopening device – check and adjust to meet maintenance guidelines.	
Car ride and levelling operation.	
Complete car door operator and all linkages	
In car communication device, emergency lighting unit, alarm bell, fan and door open/close buttons.	
Car and hall push button and indicator lamps.	
Check machine room lighting and temperature. Report any problems to the Owner.	
Check pit lighting and ensure no water is present. Report any problems to the Owner.	
Check hydraulic oil level and adjust to comply with min and max level. Fill out oil loss log.	
Thoroughly clean oil cooler filter.	
Elevator phone is tested to ensure it is in working.	
<b>QUARTERLY SERVICE</b>	<b>NOTES</b>
Check, clean and lubricate car door restrictor device.	
Check, clean and lubricate door protective and re-opening device.	
Check and clean car gate switch and contacts	
Check, clean and lubricate Car door clutch, track, rollers and eccentrics.	
Check and clean car and hoistway door lower guides.	
All hoistway doors self-closing.	
Check and clean hoistway door lock contacts and beaks.	



QUARTERLY SERVICE (cont.)	NOTES
Check, clean and lubricate hoistway door pickup rollers, hangers and rollers and eccentrics and closers.	
Check and clean hoistway access devices and switches.	
Check and clean hoistway door retainers and interconnecting means.	
Check and clean hoistway door panels and sight guards	
Thoroughly clean the machine room, replace any burnt light bulbs or tubes (bulbs and tubes provided by the Owner)	
Thoroughly clean the pit. Replace any burnt light bulbs or tubes (bulbs and tubes provided by the Owner)	
Thoroughly clean the car top. Replace any burnt light bulbs.	
Check and clean car top fan.	
Check car top operator for proper operation.	
Check packing glands of valves and cylinders and tighten or replace as necessary to prevent excessive loss of fluid. Oil leakage collected from the cylinder packing gland shall not exceed manufacturer recommendation. Check condition and color of the hydraulic oil, if oil appears to be contaminated identify on time ticket and advise Supervisor. Filter any oil that is being returned to the tank.	
Test all pit stop switches.	
Check car and hall push button stations for operation, proper fastening and condition of the buttons.	
SEMI-ANNUAL SERVICE	NOTES
Clean and check all controller components including: proper operation of relays, condition of contacts, coils, resistors, fuses (sizes), connection at terminals, overload settings and oil level in dash pots and vacuum and maintain controller clean and free from dirt.	
Check roller guides and slippers for condition and alignment. Ensure proper lubrication of rails where slippers are used.	
Check V-belts for wear, fraying, or cracking. Replace belts as a full matching set when required. Maintain a very tight tension.	
Ensure the cab fans are operational and grills are clean.	
Check all hoistway limit switches and safety operating switches for proper fastening and operation	
Check motor, bearings and motor windings of non-submersible motors.	
Test the Group Operation to ensure that all circuits and time settings are properly adjusted to suit building traffic	

ANNUAL SERVICE	NOTES
Clean the hoistway equipment including hoistway ledges, projections; check brackets, rail fastenings and entrance fastenings. Make repairs as necessary.	
Test the battery operated emergency lowering feature to ensure that the elevator will not descend when the mainline disconnect switch is in the OFF position and that it complies with state and local codes.	
Check total length of ALL traveling cables for wear and travelling cable hangers for tightness. Replace any badly worn travelling cables and beam protectors. If required provide metal beam protectors if the pad protectors are wearing.	
Measure up and down levelling times and ensure excessive levelling times are corrected. Times should not be any longer than manufactures recommendation and state code.	
Test the overloads, clean and adjust as required; inspect main motor connections and clean and tighten where necessary.	
Adjust car and door dwell times per state and local codes.	
Test the relief valve setting by applying pressure from the pump after inching the empty car upward to engage the plunger stop ring, or by closing the main shut-off valve. Reset if necessary. Reseal relief valve if the setting is altered or if the seal is disturbed.	
Test power closing force on horizontally sliding doors. Ensure maximum force does not exceed state and local codes.	
Test the closing time of the elevator doors for conformance with the data tag.	
Where provided, test the means to restrict hoistway or car door opening for conformance with state and local codes.	
Test cylinder and buried piping for leakage.	
Where provided, pressure test the PVC encapsulation to ensure no leakage and that no accumulation of liquid in the cavity between the cylinder and the PVC has	
When provided, test the plunger gripper as per state and local codes.	
Test all redundancy circuits and verify their proper operation. Record the results of the tests in the log book.	
Test the firefighter's emergency operation and complete, "Maintenance Checklist for Firefighter's Emergency Operation – Record of Inspection Check".	

<b>ANNUAL SERVICE (cont.)</b>	<b>NOTES</b>
Test the pressure switch and related circuits as per state and local codes.	
Test the low oil protection operation for compliance with state and local codes.	
Where provided, test the flexible hose and fitting assemblies as per state and local codes.	
Adjust speed control to provide smooth acceleration and deceleration with the design limitations of the equipment.	
Test the normal terminal stopping device as per state and local codes.	
Test the emergency terminal speed-limiting device and emergency terminal stopping device to ensure conformity with state and local codes.	
Where provided, check the standby or emergency power operation as per state and local codes.	
Supervisor inspection of complete installation.	

## ESCALATOR PREVENTATIVE MAINTENANCE

**NOTE:** Contractor to provide a sheet for each service and to be submitted with invoice.

BUILDING NAME:	MECHANIC:
ESCALATOR #:	
CHECK SERVICE TYPE: <input type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUAL <input type="checkbox"/> ANNUAL <input type="checkbox"/> UNSCHEDULED (attach "24/7 RESPONSE CALL SHEET" for unscheduled service)	
Mechanic to initial EACH LINE indicating inspection has been completed. Note any irregularities or items requiring additional attention.	DATE/TIME OF SERVICE:
<b>MONTHLY SERVICE</b>	<b>NOTES</b>
Comb Fingers - Clean, check condition, tighten screws and alignment.	
Comb Plate - Clean plate and gap.	
Steps & Risers - Check for damage.	
Floorplate - Clean and inspect for damage.	
Steps and Wheels - Check condition, check alignment, examine wheels, tighten step nuts and clean.	
Lubricator - Check oil level.	
Coupling - Check for vibration and noise.	
Main Drive Chain - Check for abnormal wear and/or corrosion; check that the chain is adequately lubricated.	
Skirt Panels - Check clearance force and clean.	
Safety Strips - Check condition.	
Deck Moldings - Clean.	
Interior Panels - Clean.	
Newel Ends - Check for any unusual noise or temperature and clean.	
Step Guide Rollers - Check alignment.	
Handrail Drive Chains - Lead/Lag check, clean and check condition.	
Handrail – make sure they are not running hot, make sure handrails do not slip under normal pressure. Check handrail speed.	
Step Chain - Check condition and insure they are receiving proper lubrication.	
Main Drive Shaft - Check sprocket wear.	

Tension Carriage - Check condition.	
<b>QUARTERLY SERVICE</b>	<b>NOTES</b>
Main Drive Chain - Check for proper chain slack.	
Pawl Brake - Check for operation.	
Machine Brake - Check torque, check operation.	
Gear Reducer - Check oil level. Fill if needed.	
Comb Plate Impact switches - Check tripping forces. Check for broken Comb Plates, all broken plates shall be replaced.	
Handrail drive chains - Check for elongation of chain and tension.	
Take-up device - Check handrail tension.	
Handrail Drive Sheave Pressure Rollers - Check spring force.	

<b>SEMI-ANNUAL SERVICE</b>	<b>NOTES</b>
Gear Reducer - Check sprockets for wear.	
Brakes – Fits to shafts should be secured, no rest or corrosion at the surface, check flexible coupling, should be tight, all pints and bushing securely in place. Brake torque should be verified and adjusted.	
Step Chain Track - Clean track rails.	
Step Chain Guide Shoe - Lubricate to meet maintenance guidelines.	
Step Roller Track - Clean track rails.	
Up-Thrust Guides - Clean.	
Turn-around Track Rail - Clean track rails.	
Steps and Wheels - Grease step wheel shoe.	
Step Chain - Check tension.	
Handrail Guides - Check condition, rollers, all bearings should be cleaned and turn freely.	
Handrail – make adjustments to handrail slack take-up device, adjustment shall be maintained to prevent handrail damage.	
Tension Carriage Rollers – Lubricate to meet maintenance guidelines.	
Return Guides - Check for abnormal wear, clean.	
Lubricator - Clean lubricator brushes, check tubing condition.	
Motor – Motors shall be cleaned and free of lint, air vent shall be clean and open.	
<b>ANNUAL SERVICE</b>	<b>NOTES</b>
Motor Bearings - Replenish grease. Motor shall be lubricated according to maintenance guidelines.	
Main Drive Bearings - Add grease to grease fittings.	

Tension Carriage Bearings - Add grease to fittings.	
Handrail Drive Bearings - Add Grease to grease fittings.	

# MOVING WALKWAYS PREVENTATIVE MAINTENANCE

**NOTE:** Contractor to provide a sheet for each service and to be submitted with invoice.

BUILDING NAME:	MECHANIC:
MOVING WALKWAYS #:	
CHECK SERVICE TYPE: <input type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUAL <input type="checkbox"/> ANNUAL <input type="checkbox"/> UNSCHEDULED (attach "24/7 RESPONSE CALL" sheet for unscheduled service)	
Mechanic to initial EACH LINE indicating inspection has been completed. Note any irregularities or items requiring additional attention.	DATE/TIME OF SERVICE:
<b>MONTHLY SERVICE</b>	<b>NOTES</b>
Comb Fingers - Clean, check condition, tighten screws and alignment.	
Comb Plate - Clean plate and gap.	
Floorplate - Clean and inspect for damage.	
Steps and Wheels - Check condition, check alignment, examine wheels, tighten step nuts and clean.	
Lubricator - Check oil level.	
Coupling - Check for vibration and noise.	
Main Drive Chain - Check for abnormal wear and/or corrosion; check that the chain is adequately lubricated.	
Skirt Panels - Check clearance force and clean.	
Safety Strips - Check condition.	
Deck Moldings - Clean.	
Interior Panels - Clean.	
Newel Ends - Check for any unusual noise or temperature and clean.	
Step Guide Rollers - Check alignment.	
Handrail Drive Chains - Lead/Lag check, clean and check condition.	
Handrail – make sure they are not running hot, make sure handrails do not slip under normal pressure. Check handrail speed.	
Step Chain - Check condition and insure they are receiving proper lubrication.	
Main Drive Shaft - Check sprocket wear.	



Tension Carriage - Check condition.	
<b>QUARTERLY SERVICE</b>	<b>NOTES</b>
Comb Fingers - Clean, check condition, tighten screws and ALIGNMENT.	
Comb Plate - Clean plate and gap.	
Floorplate - Clean and inspect for damage.	
Steps and Wheels - Check condition, check alignment, examine wheels, tighten step nuts and clean.	
Lubricator - Check oil level.	
Coupling - Check for vibration and noise.	
Main Drive Chain - Check for abnormal wear and/or corrosion; check that the chain is adequately lubricated.	
Skirt Panels - Check clearance force and clean.	

<b>SEMI-ANNUAL SERVICE</b>	<b>NOTES</b>
Gear Reducer - Check sprockets for wear.	
Brakes – Fits to shafts should be secured, no rest or corrosion at the surface, check flexible coupling, should be tight, all pins and bushing securely in place. Brake torque should be verified and adjusted.	
Step Chain Track - Clean track rails.	
Step Chain Guide Shoe - Lubricate to meet maintenance guidelines.	
Step Roller Track - Clean track rails.	
Up-Thrust Guides - Clean.	
Turn-around Track Rail - Clean track rails.	
Steps and Wheels - Grease step wheel shoe.	
Step Chain - Check tension.	
Handrail Guides - Check condition, rollers, all bearings should be cleaned and turn freely.	
Handrail – make adjustments to handrail slack take-up device, adjustment shall be maintained to prevent handrail damage.	
Tension Carriage Rollers – Lubricate to meet maintenance guidelines.	
Return Guides - Check for abnormal wear, clean.	
Lubricator - Clean lubricator brushes, check tubing condition.	
Motor – Motors shall be cleaned and free of lint, air vent shall be clean and open.	
<b>ANNUAL SERVICE</b>	<b>NOTES</b>
Motor Bearings - Replenish grease. Motor shall be lubricated according to maintenance guidelines.	
Main Drive Bearings - Add grease to grease fittings.	



Tension Carriage Bearings - Add grease to fittings.	
Handrail Drive Bearings - Add Grease to grease fittings.	

**EXHIBIT C**  
**Fee Schedule**

(attached)

## FEE SCHEDULE

### Preventative Maintenance Services

	CONVEYANCE & LOCATION	INDICATE PRICE PER SERVICE				TOTAL ANNUAL PRICE
		MONTHLY (12/YEAR)	QUARTERLY (4/YEAR)	SEMI-ANNUAL (2/YEAR)	ANNUAL (1/YEAR)	
	<b>Elevators:</b>					
1	Conveyance # 159273 Location: 2509 Hollywood Way Owner ID: RPS #1 Make: Hyundai	\$2,340.00	0	0	\$855.00	\$3,195.00
2	Conveyance # 159277 Location: 2509 Hollywood Way Owner ID: RPS #2 Make: Hyundai	\$2,340.00	0	0	\$855.00	\$3,195.00
3	Conveyance # 161941 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$2,340.00	0	0	\$855.00	\$3,195.00
4	Conveyance # 107757 Location: 2800 Clybourn Owner ID: MillionAir Make: Oliver & Williams	\$2,340.00	0	0	\$855.00	\$3,195.00
5	Conveyance # 044406 Location: 2627 Hollywood Way Owner ID: Kitchen Make: Oliver & Williams	\$2,340.00	0	0	\$855.00	\$3,195.00
6	Conveyance # 050314 Location :2627 Hollywood Way Owner ID: Parking Structure Make: Oliver & Williams	\$2,340.00	0	0	\$855.00	\$3,195.00
	<b>Escalators:</b>					
7	Conveyance # 161947 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,620.00	0	0	\$2,628.00	\$7,248.00
8	Conveyance # 161946 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,620.00	0	0	\$2,628.00	\$7,248.00

# FEE SCHEDULE

	CONVEYANCE & LOCATION	MONTHLY (12/YEAR)	QUARTERLY (4/YEAR)	SEMI- ANNUAL (2/YEAR)	ANNUAL (1/YEAR)	TOTAL ANNUAL PRICE
	<b>Moving Walkways:</b>					
9	Conveyance #161912 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,860.00	0	0	\$2,628.00	\$7,488.00
10	Conveyance # 161913 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,860.00	0	0	\$2,628.00	\$7,488.00
11	Conveyance # 161914 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,860.00	0	0	\$2,628.00	\$7,488.00
12	Conveyance # 161915 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,860.00	0	0	\$2,628.00	\$7,488.00
13	Conveyance # 161916 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,860.00	0	0	\$2,628.00	\$7,488.00
14	Conveyance # 161917 Location: 2507 Hollywood Way Owner ID: North Tower Make: OTIS	\$4,860.00	0	0	\$2,628.00	\$7,488.00
	<b>TOTAL MAINTENANCE PRICE:</b>	<b>\$52,440.00</b>	<b>0</b>	<b>0</b>	<b>\$26,154.00</b>	<b>\$78,594.00</b>

(continued)

## Alisa DeHoyos

---

**From:** Chad Babcock <chad@elevatorsetc.org>  
**Sent:** Wednesday, October 24, 2018 3:49 PM  
**To:** Alisa DeHoyos  
**Subject:** RE: Proposal for RFP MA18-01

That is correct.

**Chad Babcock**  
General Manager



4327 E. Cesar E. Chavez Ave  
Los Angeles, CA 90022  
360-791-1246 (cell) | 909-599-2400 (office)  
[chad@elevatorsetc.org](mailto:chad@elevatorsetc.org) | [www.elevatorsetc.org](http://www.elevatorsetc.org)

---

**From:** Alisa DeHoyos <ADeHoyos@bur.org>  
**Sent:** Wednesday, October 24, 2018 3:18 PM  
**To:** 'Chad Babcock' <chad@elevatorsetc.org>  
**Subject:** RE: Proposal for RFP MA18-01

Also, please confirm the highlighted sentence below. This was the conclusion I came to based on the zero price quoted, as this work will still need to be performed.

---

Thanks,  
Alisa

---

**From:** Chad Babcock <[chad@elevatorsetc.org](mailto:chad@elevatorsetc.org)>  
**Sent:** Wednesday, October 24, 2018 3:13 PM  
**To:** Alisa DeHoyos <[ADeHoyos@bur.org](mailto:ADeHoyos@bur.org)>  
**Subject:** RE: Proposal for RFP MA18-01

Sorry but this was a clerical error.  
On attachment G Fee Schedule, the total should read \$52,440.00  
Not \$66,480.00

**Chad Babcock**  
General Manager



4327 E. Cesar E. Chavez Ave  
Los Angeles, CA 90022  
360-791-1246 (cell) | 909-599-2400 (office)

---

**From:** Alisa DeHoyos <[ADeHoyos@bur.org](mailto:ADeHoyos@bur.org)>  
**Sent:** Wednesday, October 24, 2018 2:39 PM  
**To:** 'Chad Babcock' <[chad@elevatorsetc.org](mailto:chad@elevatorsetc.org)>  
**Subject:** Proposal for RFP MA18-01

Hi Chad:

I'm having difficulty determining your pricing on this RFP.

You've listed a price for the monthly services on the elevators of \$2,340/month, escalators at \$4,620/month, and moving walkways at \$4,860/month. Are these supposed to be the price for all twelve months, or the per month price?

Am I to assume that you'll perform the quarterly and semi-annual service, but that is included in the monthly service price? The numbers aren't calculating out for me, so I'm guessing I'm interpreting something incorrectly.

Help!

**Alisa DeHoyos**  
Manager, Procurement  
Burbank-Glendale-Pasadena Airport Authority

---

O: 8185651359  
C: 8183813480



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[hollywoodburbankairport.com](http://hollywoodburbankairport.com)  
2627 N Hollywood Way Burbank, CA 91505  
[Facebook](#) [Twitter](#) [Instagram](#)

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## FEE SCHEDULE

### On-Call Repair Services and Emergency Repair Services Labor Rates and Materials & Parts Mark-Up

Labor Rates					
#		Rates / Hour			
		Foreman	Journeyman	Apprentice	Other: List
1	Standard Time	\$258.00	\$258.00	\$180.00	
2	Overtime (1.5)	\$437.00	\$437.00	\$306.00	
3	Double Time (Weekends and Holidays)	\$515.00	\$515.00	\$360.00	
4	Emergency Service Calls	Straight Time \$258.00	\$258.00	\$180.00	
		Over Time \$437.00	\$437.00	\$306.00	

#### Other Terms:

1. All parts/materials must be OEM or a previously Authority-approved equivalent. Invoices presented (which include reimbursable materials) shall be accompanied by fully supported and documented receipts. No "inventoried" parts shall be reimbursable unless a parts list accompanies the Fee Schedule at bid due date. Contractor may mark-up materials used on hourly work (not part of the standard maintenance scheduled work) by 10 % (NTE 10%).
2. All Unit Prices shall be inclusive of all labor, standard inventoried parts, consumable tools, equipment, travel and fuel (sur)charges, general and administrative support and fees, overhead and profit, and all taxes.
3. Hourly rates shall be inclusive of all labor, consumable tools, travel and fuel (sur)charges, general administrative support, overhead and profit and all taxes.

\*\*\*

All listed prices shall be firm, fixed price for the three (3) year base term. For each extension option exercised by the Authority, the Fee Schedule shall be increased based on the most recent previous twelve-month period published Consumer Price Index (CPI) rate for all indices, Los Angeles County or by 5%, whichever is less.

**EXHIBIT D**  
**General Provisions and Special Provisions**

(attached)



**GENERAL PROVISIONS  
AND  
SPECIAL PROVISIONS  
FOR  
RFP MA18-01  
ELEVATOR, ESCALATOR & MOVING WALKWAY  
PREVENTATIVE MAINTENANCE, ON-CALL REPAIR & EMERGENCY REPAIR SERVICES  
HOLLYWOOD BURBANK AIRPORT**



## **GENERAL PROVISIONS**

### **SECTION 0. GENERAL PROVISIONS DEFINED**

#### **0-1 STANDARD SPECIFICATIONS**

The Work described herein shall be done in accordance with the provisions of the 2015 edition of "Standard Specifications for Public Works Construction" ("Standard Specifications"), except for those provisions that are expressly not incorporated by a provision in the Contract Documents.

#### **0-2 NUMBERING OF SECTIONS**

The numbering of sections and subsections in these General Provisions is compatible with the numbering in the Standard Specifications. Subsections of architectural and/or other work may be numbered according to the Construction Specifications Institute (CSI) format.

#### **0-3 SUPPLEMENTATION OF STANDARD SPECIFICATIONS**

The Sections that follow supplement, but do not replace, the Standard Specifications, except as otherwise indicated herein. In the event of any conflict between the Standard Specifications and these General Provisions, these General Provisions shall control.

### **SECTION 1. TERMS, DEFINITIONS, ABBREVIATIONS, UNITS OF MEASURE, AND SYMBOLS**

Provisions below shall supplement, but not replace, those provisions in Section 1 of the Standard Specifications.

#### **1-2 TERMS AND DEFINITIONS**

---

Whenever in the Standard Specifications or in the Contract Documents the following terms are used, they shall be understood to mean the following:

**Airport Designated Representative (ADR)** – Person designated by the Director, Engineering and Planning to have design and/or construction management oversight responsibilities for the project.

**Agency** – The Burbank-Glendale-Pasadena Airport Authority.

**Board** – The Commission of the Burbank-Glendale-Pasadena Airport Authority.

**Contract Documents** – As defined in Standard Specifications Section 1-2, but also including the General Provisions and Special Provisions.

**County** – County of Los Angeles, California

**Director, Engineering and Maintenance** – Anthony DeFrenza, unless and until written notice of a

change in the Director, Engineering and Maintenance is given by the Authority to Contractor.

Engineer – Shall be the Engineer of Record.

Inspector – An authorized representative of the Authority, assigned by the Authority to make inspections of Work performed by or materials supplied by the Contractor.

Laboratory – A laboratory authorized by the Authority to test materials and Work involved in the Contract.

Project – See Work.

Submittal – Any drawing, calculation, specification, product data, samples, manuals, requests for substitutes, spare parts, photographs, survey data, traffic control plans, record drawings, Bonds or similar items required to be submitted to the Authority under the terms of the Contract.

### 1-3 ABBREVIATIONS

The institutions listed in Section 1-3.3 of the Standard Specifications shall be supplemented by the list below:

<b>Abbreviation</b>	<b>Word or Words</b>
AAN .....	American Association of Nurserymen
ACI .....	American Concrete Institute
AGCA .....	Associated General Contractors of America
APWA .....	American Public Works Association
ASME .....	American Society of Mechanical Engineers
CRSI .....	Concrete Reinforcing Steel Institute
CSI .....	Construction Specifications Institute
IEEE .....	Institute of Electric and Electronic Engineers
NEC .....	National Electric Code
NEMA .....	National Electrical Manufacturers Association
NFPA .....	National Fire Protection Association
SSS .....	State of California Standard Specifications, Latest edition, Department of Transportation
SSP .....	State of California Standard Plans, Latest edition, Department of Transportation

## SECTION 2. SCOPE AND CONTROL OF THE WORK

The provisions below shall supplement, but not replace, those provisions in Section 2 of the Standard Specifications.

### 2-2 ASSIGNMENT

Any purported assignment without written consent of the Authority shall be null, void, and of no effect, and the Contractor shall hold harmless, defend and indemnify the Authority and its officers, officials, employees, agents and representatives with respect to any claim, demand or action arising from or relating to any unauthorized assignment.

If the Authority opts to consent to assignment, the Authority's consent shall be contingent upon: (1) a letter from the Surety agreeing to the assignment and assigning the Payment Bond to the assignee without any reduction, or the assignee supplying a new Payment Bond in the amount originally required under the Contract Documents; and (2) the assignee supplying all of the required insurance in the amounts required in the Contract Documents. Until the Surety assigns the Payment Bond or the assignee supplies a new Payment Bond, and until the assignee supplies all of the required insurance, an assignment otherwise consented to in writing by the Authority shall not be effective. Even if the Authority consents to assignment, no assignment shall relieve the Contractor of liability under the Contract.

## 2-4 CONTRACT BONDS

The Payment Bond shall remain in force until expiration of the time within which the California Labor Commissioner may serve a civil wage and penalty assessment against the principal, any of its subcontractors, or both the principal and its subcontractors pursuant to Labor Code Section 1741, and until the expiration of the time within which a joint labor management committee may commence an action against the principal, any of its subcontractors, or both the principal and its subcontractors pursuant to Labor Code Section 1771.2. The Payment Bond must be submitted using a form approved by Authority counsel.

## 2-5 PLANS AND SPECIFICATIONS

### 2-5.2 Precedence of the Contract Documents

With regard to Section 2-5.2 in the Standard Specifications, in the event of an actual conflict, the Special Provisions shall control over the Special Provisions, and the Request for Proposals shall control over the Proposal, such that the order of precedence shall be as follows:

1. Permits issued by regulatory agencies with jurisdiction.
2. Change Orders and Supplemental Agreements, whichever occurs last.
3. Airport Conveyance Equipment Services Agreement.
4. Addenda.
5. Request for Proposals.
6. General Provisions.
7. Special Provisions.
8. Standard Specifications.
9. Reference Specifications
10. Proposal.

## 2-7 SUBSURFACE DATA

If the Authority or its consultants have made investigations of subsurface conditions in areas where the Work is to be performed, such investigations shall be deemed made only for the purpose of study and design. If a geotechnical or other report has been prepared for the Project, the Contractor may inspect the records pertaining to such investigations subject to and upon the conditions hereinafter set forth. The inspection of the records shall be made in the Airport Engineering Office. It is the Contractor's sole responsibility to determine whether such investigations exist, and the Authority makes no affirmative or negative representation concerning the existence of such investigations.

The records of any such investigations are made available solely for the convenience of the Contractor. It is expressly understood and agreed that the Authority, the ADR, the Engineer, their agents, consultants or employees assume no responsibility whatsoever with respect to the sufficiency or accuracy of any investigations, the records thereof, and the interpretations set forth therein. No warranty or guarantee is expressed or implied that the conditions indicated by any such investigations or records are representative of those existing in the project area. The Contractor agrees to make such independent investigations and examination as necessary to be satisfied of the conditions to be encountered in the performance of the Work.

The Contractor represents that it has studied the Specifications and other Contract Documents, and all surveys and investigation reports of subsurface and latent physical conditions, has made such additional surveys and investigations as necessary for the performance of the Work at the Contract Price in accordance with the requirements of the Contract Documents, and that it has correlated the results of all such data with the requirements of the Contract Documents. No claim of any kind shall be made or allowed for any error, omission or claimed error or omission, in whole or in part, of any geotechnical exploration or any other report or data furnished or not furnished by the Authority.

## **2-10 INSPECTION**

The Contractor shall arrange and pay for all off-site inspection of the Work required by any ordinance or governing authorities. The Contractor shall also arrange and pay for other inspections, including tests in connection therewith, as may be assigned or required.

## **SECTION 3. CHANGES IN WORK**

The provisions below shall supplement, but not replace, those provisions in Section 3 of the Standard Specifications.

---

### **3-2 CHANGES INITIATED BY THE AGENCY**

The Authority reserves the right, without notice to the Surety, to increase or decrease the quantity of any item or portion of the Work described in the Contract Documents or to alter or omit portions of the Work so described, as may be deemed necessary or expedient by the ADR, without in any way making the Contract void. Such increases, alterations or decreases of Work shall be considered and treated as though originally contracted for, and shall be subject to all the terms, conditions and provisions of the original Contract. The Contractor shall not claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease, alteration or omission of any kind of Work to be done.

### **EXTRA WORK**

---

New and unforeseen work will be classified as Extra Work only when the Work is not covered and cannot be paid for under any of the various items or combination of items for which a bid price appears on the Proposal. The Contractor shall not do any Extra Work except upon written order from the ADR.

## **SECTION 4. CONTROL OF MATERIALS**

### **MATERIALS AND WORKMANSHIP**

The provisions below shall supplement, but not replace, those provisions in Section 4-1 of the Standard Specifications.

The Contractor and all Subcontractors, suppliers, and vendors shall guarantee that the Work will meet all requirements of this Contract as to the quality of materials, equipment, and workmanship.

#### Test of Materials

Except as elsewhere specified, the Authority shall bear the cost of testing materials and workmanship that meet or exceed the requirements indicated in the Standard Specifications and the Special Provisions. The cost of all other tests, including the retesting of material or workmanship that fails to pass the first test, shall be borne by the Contractor.

If the Contractor requests to substitute an equivalent item for a brand or trade name item, the burden of proof as to the comparative quality and suitability of alternative equipment or articles or materials shall be upon the Contractor, and the Contractor shall furnish, at its own expense, all information necessary or related thereto as required by the ADR. All requests for substitution shall be submitted, together with all documentation necessary for the ADR to determine equivalence, no later than ten (10) Days after the contract award, unless a different deadline is listed in the Special Provisions.

### SECTION 5 UTILITIES

The provisions below shall supplement, but not replace, those provisions in Section 5 of the Standard Specifications.

#### 5-1 LOCATION

The location and existence of any underground Utility or substructure has not been obtained. The methods used and costs involved to locate existing elements, points of connection and all construction methods are the Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed by the Authority. The Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include contacting Underground Service Alert and other private underground locating firm(s), utilizing specialized locating equipment, hand trenching, or both. For every Dig Alert Identification Number issued by Underground Service Alert during the course of the Project, the Contractor must submit to the Authority a copy of the Underground Service Alert form.

##### 5-1.3 Entry by Utility Owners

The right is reserved to the owners of public utilities or franchises to enter the project site for the purpose of making repairs or changes in their property that may be necessary as a result of the Work as well as any other reason authorized by the Authority. When the Contract Documents provide for the utility owners to alter, relocate or reconstruct a Utility, or when the Contract Documents are silent in this regard and it is determined by the ADR that the utility owners must alter, relocate or reconstruct a Utility, the Contractor shall schedule and allow adequate time for those alterations, relocations or reconstructions by the respective utility owners. Authority employees and agents shall likewise have the right to enter upon the project site at any time and for any reason or no reason at all.

## **5-2 PROTECTION**

If the Contractor damages or breaks the Utilities, it will be the Contractor's responsibility to repair the Utility at no cost to the utility owner or the Authority.

## **5-3 REMOVAL**

Facilities encountered during the prosecution of the Work that are determined to be abandoned shall be removed by the Contractor as required for the Work, unless directed otherwise by the ADR. The remaining portion of the existing Utility which is left in place shall be accurately recorded, in elevation and plan, on the control set of Contract Drawings.

## **5-4 RELOCATION**

The Contractor shall cooperate fully with all forces of the Authority or other public or private agencies engaged in the relocation, altering, or otherwise rearranging of any facilities that interfere with the progress of the Work. The Contractor shall schedule the Work so as to minimize interference with the relocation, altering, or other rearranging of facilities.

## **5-6 COOPERATION**

The Contractor's attention is directed to the fact that Work may be conducted at or adjacent to the site by other contractors during the performance of the Work under this Contract. The Contractor shall conduct its operations so as to cause a minimum of interference with the work of such other contractors, and shall cooperate fully with such contractors to provide continued safe access to their respective portions of the site, as required to perform work under their respective contracts. Compensation for compliance shall be included in the various items of the Work, and no additional compensation shall be allowed therefor.

---

## **5-7 NOTIFICATION**

The Contractor shall notify the ADR and the owners of all Utilities and substructures not less than forty-eight (48) hours before starting construction.

## **SECTION 6. PROSECUTION, PROGRESS AND ACCEPTANCE OF THE WORK**

The provisions below shall supplement, but not replace, those provisions in Section 6 of the Standard Specifications.

### **TERMINATION OF THE CONTRACT FOR CONVENIENCE**

---

In addition to the reasons for termination listed in Section 6-5 of the Standard Specifications, which allow termination upon any written notice, the Authority may cancel the Contract for any other reason or for no reason upon thirty (30) Days' written notice. The rest of the procedure outlined in Section 6-5 shall apply to such situation, including the Contractor's required immediate notification of Subcontractors and suppliers and the payment. In no event (including termination for impossibility or impracticability, due to conditions or events beyond the control of the Authority, for any other reason or for no reason) shall the total amount of money to Contractor exceed the amount which would have been paid to Contractor for the full performance of the services described in the Contract.

Furthermore, some of the Authority's projects are funded in whole or in part by funds other than the Authority's general fund. If this Project is funded by such external funds in whole or in part, or if those external funds are terminated or reduced at any time and for any reason or for no reason at all, and the Authority determines at its discretion that no other funding is available for continuation of this Project, the Authority will not be obligated to continue funding for the services contained in these Contract Documents and may terminate the Project immediately. The Authority shall reimburse the Contractor for its work satisfactorily completed until the termination date. In no event shall the total amount of money to the Contractor exceed the amount which the Authority has received in funding from its external source. The Special Provisions may include further details in this regard.

## **DELAYS AND EXTENSIONS OF TIME**

Unless otherwise agreed in writing, an adjustment to the Contract Time by reason of a Change Order shall be agreed to at the time the Change Order is issued and accepted by Contractor. If the Change Order does not reserve the right of the parties, or either of them, to seek an adjustment to the Contract Time, then the parties forever relinquish and waive such right and there shall be no further adjustments to the Contract Time.

### **Extensions of Time**

In the event it is deemed appropriate by the Authority to extend the time for completion of the Work, any such extension shall not release any guarantee for the Work required by the Contract Documents, nor shall any such extension of time relieve or release the Sureties on the Bonds executed. In executing such Bonds, the Sureties shall be deemed to have expressly agreed to any such extensions of time. The amount of time allowed by an extension of time shall be limited to the period of the delay giving rise to the same as determined by the Authority. Notwithstanding any dispute which may arise in connection with a claim for adjustment of the Contract Time, the Contractor shall promptly proceed with the Work.

---

### **Payment for Delays**

Notwithstanding any other terms and conditions of the Contract Documents, the Authority shall have no obligation whatsoever to increase the Contract Price or extend the time for delays.

Unless compensation and/or mark-up is agreed upon by the Authority, the Contractor agrees that no payment of compensation of any kind shall be made to the Contractor for damages or increased overhead costs caused by any delays in the progress of the Contract, whether such delays are avoidable or unavoidable or caused by any act or omission of the Authority or its agents. Any accepted delay claim shall be fully compensated for by an extension of time to complete the performance of the Work.

---

This Section shall not apply to compensable delays caused solely by the Authority. If a compensable delay is caused solely by the Authority, the Contractor shall be entitled to a Change Order that: (1) extends the time for completion of the Contract by the amount of delay caused by the Authority; and (2) provides equitable adjustment, as determined by the Authority, to the Contractor.

## **COMPLETION, ACCEPTANCE AND WARRANTY**



## Acceptance

The Project will not be considered complete and ready for issuance of a Notice of Completion until all required Work is completed, the project site is cleaned up in accordance with Section 7-8 of the Standard Specifications, the General Provisions, and the Special Provisions, and all of the following items have been received by the ADR:

All written guarantees and warranties;

Duplicate copies of all operating instructions and manufacturer's operating catalogs and data, together with such field instructions as necessary to fully instruct Authority personnel in correct operation and maintenance procedures for all equipment installed listed under the electrical, air conditioning, heating, ventilating and other trades. This data and instructions shall be furnished for all equipment requiring periodic adjustments, maintenance or other operation procedures.

The Contractor shall allow at least seven (7) Working Days' notice for final inspection. Such notice shall be submitted to the ADR in writing.

## Warranty

For the purposes of the calculation of the start of the warranty period, the Work shall be deemed to be completed upon the date of recordation of the Notice of Completion. If that direction is contingent on the completion of any items remaining on a punchlist, the Work shall be deemed to be completed upon the date of the ADR's acceptance of the final item(s) on that punchlist.

The Contractor shall repair or replace defective materials and workmanship as required in Section 6-8.3 of the Standard Specification at its own expense. Additionally, the Contractor agrees to defend, indemnify and hold the Authority harmless from claims of any kind arising from damage, injury or death due to such defects.

---

The parties agree that no certificate given shall be conclusive evidence of the faithful performance of the Contract, either in whole or in part, and that no payment shall be construed to be in acceptance of any defective Work or improper materials. Further, the certificate or final payment shall not terminate the Contractor's obligations under the warranty herein. The Contractor agrees that payment of the amount due under the Contract and the adjustments and payments due for any Work done in accordance with any alterations of the same, shall release the Authority and its officers and employees from any and all claims or liability on account of Work performed under the Contract or any alteration thereof.

## SECTION 7. RESPONSIBILITIES OF THE CONTRACTOR

---

The first paragraph of Section 7-3.1 of the Standard Specifications shall not be incorporated and shall instead be replaced with the following:

The Contractor shall provide and maintain insurance naming the Authority and its officials, officers, employees, attorneys, agents, designated volunteers, and independent contractors in the role of Authority officials as insureds or additional insureds regardless of any inconsistent statement in the policy or any subsequent endorsement whether liability is attributable to the Contractor or the Authority. The insurance provisions shall not be construed to limit the Contractor's indemnity obligations contained in the Contract. The Authority will not be liable for

any accident, loss, or damage to the Work before completion, except as otherwise specified in Section 6-10.

The first sentence of Section 7-8.4.2 shall not be incorporated, and shall instead be replaced with the following:

Construction materials and equipment shall not be stored in Streets, roads, or highways unless otherwise specified in the Special Provisions or approved by the ADR.

The first sentence of the second paragraph of Section 7-9 of the Standard Specifications shall not be incorporated, and shall instead be replaced with the following:

The Contractor shall relocate, repair, replace, or reestablish all existing improvements within the project limits which are not designated for removal (e.g., curbs, sidewalks, driveways, signal loops, fences, walls, sprinkler systems, signs, Utility installations, pavements, structures, etc.) which are damaged or removed as a result of the Contractor's or the Subcontractors' operations or as required by the Plans and Specifications.

The last paragraph of Subsection 7-9 of the Standard Specifications shall not be incorporated, and shall instead be replaced with the following:

All costs to the Contractor for protecting, removing, restoring, relocating, repairing, replacing, or reestablishing existing improvements shall be included in the Proposal.

Section 7-12 of the Standard Specifications shall not be incorporated, and shall instead be replaced with the following:

The names, addresses and specialties of the Contractor, Subcontractors, architects or engineers may not be displayed on any signage within the public right-of-way. This signage prohibition includes advertising banners hung from truck beds or other equipment.

Otherwise, the provisions below shall supplement, but not replace, those provisions in Section 7 of the Standard Specifications.

#### THE CONTRACTOR'S EQUIPMENT AND FACILITIES

A noise level limit of 90 dbA at a distance of fifty (50) feet shall apply to all construction equipment on or related to the job whether owned by the Contractor or not. The use of excessively loud warning signals shall be avoided, except in those cases required for the protection of personnel.

#### LABOR

##### Public Work

The Contractor acknowledges that the Project is a "public work" as defined in Labor Code Section 1720 et seq. ("Chapter 1"), and that this Project is subject to (a) Chapter 1, including without limitation Labor Code Section 1771 and (b) the rules and regulations established by the California Department of Industrial Relations ("DIR") implementing such statutes. The Contractor shall perform all Work on the Project as a public work. The Contractor shall comply with and be bound by all the terms, rules and regulations described in (a) and (b) as though set forth in full herein.

### Copies of Wage Rates

Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Project are on file at the Airport Engineering Office and will be made available to any interested party on request. By initiating any Work on this Project, the Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and the Contractor shall post such rates at each job site covered by these Contract Documents.

### Job Site Notices

The Contractor is required to post job site notices, as prescribed by regulation.

### Failure to Pay Prevailing Rates

The Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty paid to the Authority, forfeit two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to these Contract Documents by the Contractor or by any Subcontractor.

### Apprentices

The Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Code of Regulations Title 8, Section 200 et seq. concerning the employment of apprentices on public works projects. The Contractor shall be responsible for compliance with these Sections for all apprenticeable occupations. Before commencing Work on this Project, the Contractor shall provide the Authority with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) Days after concluding Work, Contractor and each of its Subcontractors shall submit to the Authority a verified statement of the journeyman and apprentice hours performed under this Contract.

### Debarment or Suspension

The Contractor shall not perform Work with any Subcontractor that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. The Contractor and Subcontractors shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. If the Contractor or any Subcontractor becomes debarred or suspended during the duration of the Project, the Contractor shall immediately notify the Authority.

### Payroll Records

The Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires the Contractor and each Subcontractor to (1) keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform

the Authority of the location of the records. The Contractor has ten (10) Days in which to comply subsequent to receipt of a written notice requesting these records, or as a penalty to the Authority, the Contractor shall forfeit one hundred dollars (\$100) for each Day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due.

#### **Hours of Labor**

The Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. The Contractor shall comply with and be bound by Labor Code Section 1810. The Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty paid to the Authority, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Project by the Contractor or by any Subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code Section 1815, work performed by employees of the Contractor in excess of eight (8) hours per day, and forty (40) hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1-1/2) times the basic rate of pay.

#### **Registration with the DIR**

In accordance with Labor Code Sections 1725.5 and 1771.1, no contractor or subcontractor shall be qualified to bid on, be listed in a bid proposal, subject to the requirements of Public Contract Code Section 4104, or engage in the performance of any contract for public work, unless currently registered and qualified to perform public work pursuant to Section 1725.5.

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#### **Compliance Monitoring and Posting Job Sites**

This Project is subject to compliance monitoring and enforcement by the DIR. The Contractor shall post job site notices, as prescribed by regulation.

#### **Subcontractors**

For every Subcontractor who will perform Work on the Project, the Contractor shall be responsible for such Subcontractor's compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and the Contractor shall include in the written contract between it and each Subcontractor a copy of the provisions in this Section 7-2 of the General Provisions and a requirement that each Subcontractor shall comply with those provisions. The Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure Subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the Subcontractor. Upon becoming aware of the failure of the Subcontractor to pay its workers the specified prevailing rate of wages, the Contractor shall diligently take corrective action to halt or rectify any failure.

#### **Subcontractors/Vendors or Suppliers**

Contractor shall be required to provide a photocopy of the full executed subcontract agreements for all DBE and Non-DBE Subcontractors, Vendors, or Suppliers. All subcontract agreements must be provided prior to submission of any Pay Application.

#### 7-2.9 Prevailing Wage Indemnity

To the maximum extent permitted by law, the Contractor shall indemnify, hold harmless and defend (at the Contractor's expense with counsel reasonably acceptable to the Authority) the Authority, its officials, officers, employees, agents and independent contractors serving in the role of Authority officials, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed in Section 7-2 of the General Provisions by any Person (including the Contractor, its Subcontractors, and each of their officials, officers, employees and agents) in connection with any Work undertaken or in connection with the Contract Documents, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses. All duties of the Contractor under this Section 7-2.9 shall survive expiration or termination of the Contract.

#### LIABILITY INSURANCE

The Contractor shall at all times during the term of the Contract carry, maintain, and keep in full force and effect the insurance referenced in Section 7-3 of the Standard Specifications, as modified below.

##### Additional Insureds

The Authority and its officials, officers, employees, attorneys, agents, designated volunteers, and independent contractors in the role of Authority officials, shall be the insured or named as additional insureds covering the Work, regardless of any inconsistent statement in the policy or any subsequent endorsement, whether liability is attributable to the Contractor or the Authority.

##### No Limitation on Indemnity

The insurance provisions shall not be construed to limit the Contractor's indemnity obligations contained in these Contract Documents.

##### Replacement Insurance

The Contractor agrees that it will not cancel, reduce or otherwise modify the insurance coverage. The Contractor agrees that if it does not keep the required insurance in full force and effect, and such insurance is available at a reasonable cost, the Authority may take out the necessary insurance and pay the premium thereon, and the repayment thereof shall be deemed an obligation of the Contractor and the cost of such insurance may be deducted, at the option of the Authority, from payments due the Contractor. This shall be in addition to all other legal options available to the Authority to enforce the insurance requirements.

##### Certificates of Insurance with Original Endorsements

The Contractor shall submit to the Authority certificates of insurance with the original endorsements, both of which reference the same policy number, for each of the insurance policies

that meet the insurance requirements, not less than one (1) day before beginning of performance under the Contract. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Endorsements may be executed on the Authority's standard forms titled "Additional Insured Endorsement," or on any other form that contains substantially the same terms and is approved by the Authority's Risk Manager. In any case, the endorsements must specifically name the Burbank-Glendale-Pasadena Airport Authority and its officials, officers, employees, attorneys, agents, designated volunteers, and independent contractors in the role of Authority officials as insureds or additional insureds. Current insurance certificates and endorsements shall be kept on file with the Authority at all times during the term of this Contract. The Authority reserves the right to require complete, certified copies of all required insurance policies at any time.

#### **Subcontractors**

The Contractor shall ensure all Subcontractors and their employees are listed as additional insureds on all of the Contractor's insurance.

#### **General Liability Insurance**

Instead of the minimum limits listed in Section 7-3.2 of the Standard Specifications, the coverage shall provide the following minimum limits:

<b>Insurance Coverage Requirements</b>	<b>Limits of Liability</b>
Comprehensive General Liability Aggregate Limit	\$10,000,000
Products/Completed Operations Hazard Aggregate Limit	\$10,000,000
Bodily Injury Limit	\$10,000,000
Property Damage Limit	\$10,000,000
Each Occurrence	\$10,000,000

#### **Workers' Compensation Insurance**

The Workers' Compensation insurance shall have a minimum limit of One Million dollars (\$1,000,000) or the amount required by law, whichever is greater.

#### **Automobile Insurance**

Instead of the minimum limits listed in Section 7-3.4 of the Standard Specifications, the automobile insurance shall have a minimum limit of Ten Million dollars (\$10,000,000) per claim and occurrence and Ten Million dollars (\$10,000,000) in the aggregate for bodily injuries or death of one person and Ten Million dollars (\$10,000,000) for property damage arising from one incident.

#### **INDEMNIFICATION**

The following indemnity provisions shall supersede the indemnity in Section 7-3.1 of the Standard Specifications.

### Contractor's Duty

To the maximum extent permitted by law, the Contractor hereby agrees, at its sole cost and expense, to defend with competent defense counsel approved by the Authority, protect, indemnify, and hold harmless the Authority and its officials, officers, employees, volunteers, attorneys, agents (including those Authority agents serving as independent contractors in the role of Authority representatives), successors, and assigns (collectively "Indemnitees") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or resulting from any act, failure to act, error or omission of the Contractor or any of its officers, agents, attorneys, servants, employees, Subcontractors, material suppliers or any of their officers, agents, servants or employees, and/or arising out of, incident to, related to, in connection with or resulting from any term, provision, image, plan, covenant, or condition in the Contract Documents; including, without limitation, the payment of all consequential damages, attorneys' fees, experts' fees, and other related costs and expenses (individually, a "Claim," or collectively, "Claims"). The Contractor shall promptly pay and satisfy any judgment, award or decree that may be rendered against any of the Indemnitees as to any such Claim. The Contractor shall reimburse Indemnitees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Contractor or Indemnitees. This indemnity shall apply to all Claims regardless of whether any insurance policies are applicable or whether the Claim was caused in part or contributed to by an Indemnitee.

### Civil Code Exception

~~Nothing in this Section 7-4 shall be construed to encompass Indemnitees' sole negligence or willful misconduct to the limited extent that the underlying Contract is subject to Civil Code Section 2782(a) or the Authority's active negligence to the limited extent that the underlying Contract Documents are subject to Civil Code Section 2782(b), provided such sole negligence, willful misconduct or active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction.~~

### Nonwaiver of Rights

~~Indemnitees do not and shall not waive any rights that they may possess against the Contractor because the acceptance by the Authority, or the deposit with the Authority, of any insurance policy or certificate required pursuant to these Contract Documents. This indemnity provision is effective regardless of any prior, concurrent, or subsequent active or passive negligence by Indemnitees and shall operate to fully indemnify Indemnitees against any such negligence.~~

### Waiver of Right of Subrogation.

The Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees, while acting within the scope of their duties, from all Claims arising out of or incident to the activities or operations performed by or on behalf of the Contractor regardless of any prior, concurrent or subsequent active or passive negligence by Indemnitees.

## Survival

The provisions of this Section 7-4 shall survive the expiration or termination of the Contract, are intended to be as broad and inclusive as is permitted by state law, and are in addition to any other rights or remedies that Indemnitees may have under the law. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against the Contractor shall be conclusive in favor of the Indemnitee's right to recover under this indemnity provision.

## PERMITS

Before starting any construction work, the Contractor will be required to obtain all necessary permits from the Authority, as well as all other permits required from all other agencies. Should this Project require construction of trenches or excavations which are five (5) feet or deeper and into which a person is required to descend, the Contractor shall obtain a Cal/OSHA permit and furnish the Authority with a copy before Work can commence on this Project. Contractor shall bear all cost for fees for all agencies except for the Authority's permit fees.

## COOPERATION AND COLLATERAL WORK

The Contractor shall be responsible for coordinating all Work with the Authority's street sweeping, trash pick-up, and street maintenance contractors, emergency services departments, utility companies' crews, and others when necessary. Payment for conforming to these requirements shall be included in other items of Work, and no additional payment shall be made thereof.

## WORKSITE MAINTENANCE

Clean-up shall be done as Work progresses at the end of each day and thoroughly before weekends. The Contractor shall not allow the project site to become littered with trash and waste material, but shall maintain the same in a neat and orderly condition throughout the construction operation. Materials which need to be disposed shall not be stored at the project site, but shall be removed by the end of each Working Day. If the job site is not cleaned to the satisfaction of the ADR, the cleaning will be done or contracted by the Authority and shall be back-charged to the Contractor and deducted from the Contract Price.

The Contractor shall make arrangements for storing its equipment and materials. The Contractor shall make its own arrangements for any necessary off-site storage or shop areas necessary for the proper execution of the Work. Approved areas within project site may be used for temporary storage; however, the Contractor shall be responsible for obtaining any necessary permits from the Authority. In any case, the Contractor's equipment and personal vehicles of the Contractor's employees shall not be parked on the traveled way or on any section where traffic is restricted at any time.

The Contractor shall deliver, handle, and store products in accordance with the manufacturer's written recommendations and by methods and means that will prevent damage, deterioration, and loss including theft. Delivery schedules shall be controlled to minimize long-term storage of products at the project site and overcrowding of construction spaces. In particular, the Contractor shall provide delivery and installation coordination to ensure minimum holding or storage times for products recognized to be flammable, hazardous, easily damaged, or sensitive to deterioration, theft, and other sources of loss.



Storage shall be arranged to provide access for inspection. The Contractor shall periodically inspect to assure products are undamaged and are maintained under required conditions.

The Contractor shall promptly remove from the vicinity of the completed Work, all rubbish, debris, unused materials, concrete forms, construction equipment, and temporary structures and facilities used during construction. Final acceptance of the Work by the Authority will be withheld until the Contractor has satisfactorily complied with the foregoing requirements for final clean-up of the project site.

All costs associated with the clean-up and storage required to complete the Project shall be the sole responsibility of the Contractor.

#### **SAFETY**

The provisions below shall supplement but not replace those provisions in Subsection 7-10 of the Standard Specifications.

##### **Haul routes**

Subsection 7-10.3 of the Standard Specifications shall be deleted and replaced as follows:

The Contractor must obtain the ADR's approval before using any haul routes. Further detail requirements for haul traffic are delineated in the Special Provisions.

##### **Steel Plate Covers**

The Contractor shall cover all openings, trenches and excavations at the end of each Work Day with steel plate covers.

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#### **RECYCLING OF MATERIALS**

Subsection 7-15 is hereby added to the Standard Specifications as follows:

##### **Recycling of Asphalt Concrete, Portland Cement Concrete, Aggregate Base, and Green Waste are Required**

The records of disposal, including scale tonnages, shall be furnished to the Authority on a monthly basis. Failure to comply with the requirements of this Section will result in delay of progress payment.

##### **Contractor's Obligation**

The Authority is committed to a recycling program. If available, it is the obligation of the Contractor, under this Contract, to recycle the waste material through an approved recycling plant. Records and reports of waste recycle will be submitted to the Authority on a regular monthly basis.

#### **SECTION 8. FACILITIES FOR AGENCY PERSONNEL**

The provisions of Section 8 of the Standard Specifications shall apply except as modified herein. No field offices for Authority personnel shall be required; however, Authority personnel shall have

the right to enter upon the Project at all times and shall be admitted to the offices of the Contractor to use the telephone, desk and sanitary facilities provided by the Contractor for its own personnel.

## **SECTION 9. MEASUREMENT AND PAYMENT**

The provisions below shall supplement, but not replace, those provisions in Section 9 of the Standard Specifications.

### **AUDIT**

The Authority or its representative shall have the option of inspecting and/or auditing all records and other written materials used by the Contractor in preparing its billings to the Authority as a condition precedent to any payment to the Contractor or in response to a construction claim or a Public Records Act (Government Code Section 6250 et seq.) request. The Contractor will promptly furnish documents requested by the Authority at no cost. Additionally, the Contractor shall be subject to State Auditor examination and audit at the request of the Authority or as part of any audit of the Authority, for a period of three (3) years after final payment under the Contract. The Contractor shall include a copy of this Section 9-4 in all contracts with its Subcontractors, and the Contractor shall be responsible for immediately obtaining those records or other written material from its Subcontractors upon a request by the State Auditor or the Authority. If the Project includes other auditing requirements, those additional requirements will be listed in the Special Provisions.

## **SECTION 10. ADDITIONAL TERMS**

### **10-1 NONDISCRIMINATORY EMPLOYMENT**

The Contractor shall not unlawfully discriminate against any individual based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation or military and veteran status. The Contractor understands and agrees that it is bound by and will comply with the nondiscrimination mandates of all statutes and local ordinances and regulations.

### **10-2 NOTICE TO PROCEED**

Upon award of this Contract and signing the Contract Documents, the Authority shall issue the Contractor a Notice to Proceed. The Authority will not authorize any Work to be done under these Contract Documents before the Contract has been fully executed. Any Work that is done by the Contractor in advance of such time shall be considered as being done at the Contractor's own risk and responsibility, and as a consequence will be subject to rejection.

### **10-3 CONTRACTOR'S RESPONSIBILITY FOR WORK**

Until the final acceptance of the Work by the Authority as defined in Section 6-8.2 of the General Provisions, by written action of the ADR, the Contractor shall have the charge and care thereof and shall bear the risk of injury or damage to any part of the Work by the action of the elements, criminal acts, or any other cause. The Contractor shall rebuild, repair, restore and make good all injuries or damages to any portion of the Work occasioned by any cause before its completion and acceptance and shall bear the expense thereof, except for such injuries or damages arising

from the sole negligence or willful misconduct of the Authority, its officers, agents or employees. In the case of suspension of Work from any cause whatever, the Contractor shall be responsible for all materials and the protection of Work already completed, shall properly store and protect them if necessary, and shall provide suitable drainage and erect temporary structures where necessary.

#### 10-4 PROCEDURE IN CASE OF DAMAGE TO PUBLIC PROPERTY

Any portions of curb, gutter, sidewalk or any other Authority improvement damaged by the Contractor during the course of construction shall be replaced by the Contractor at its own cost. The cost of additional replacement of curb, gutter or sidewalk in excess of the estimated quantities shown in the Bid form and Specifications, and found necessary during the process of construction (but not due to damage resulting from carelessness on the part of the Contractor during its operation), shall be paid to the Contractor at the unit prices submitted in the Bid.

#### 10-5 REMOVAL OF INTERFERING OBSTRUCTIONS

The Contractor shall remove and dispose of all debris, abandoned structures, tree roots and obstructions of any character encountered during the process of excavation. It is understood that the cost of any such removals are made a part of the unit price bid by the Contractor under the item for excavation or removal of existing Work.

#### 10-6 ACCESS TO PRIVATE PROPERTY

Unless otherwise stated in the Special Provisions, the Contractor shall be responsible for all fees and costs associated with securing permission to access private property for any portion of the Project.

#### 10-7 WORKING DAYS AND HOURS

The Contractor shall do all Work between the hours as specified in the Drawings and Specifications. There are no limitations on the days of the week or Holidays. No Work will be allowed on Authority holidays, which are as follows: New Years Day, Martin Luther King, Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day, unless otherwise authorized in writing 72 hours in advance of proposed Work Day.

In addition, no Work will be allowed on any special Election Day that may be declared. Should a special Election Day be declared, a time extension of one (1) Working Day will be granted for each such Day.

A permit may have other hours or Days for the Contractor to do the Work, and those hours and Days shall supersede any hours and Days written in this Section.

Whenever the Contractor is permitted or directed to perform night Work or to vary the period during which Work is performed during the Working Day, the Contractor shall give twelve (12) hours' notice to the ADR so that inspection may be provided. Also, a charge may be made to the Contractor for approved overtime or weekend inspections requested by the Contractor.

## 10-8 CLAIM DISPUTE RESOLUTION

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an "unresolved dispute" and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract Documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and Article 1.5 (if applicable), and must then adhere to Article 1.5 and Section 9204, as applicable, pursuant to the definition of "claim" as individually defined therein.

## 10-9 THIRD PARTY CLAIMS

The Authority shall have full authority to compromise or otherwise settle any claim relating to the Project at any time. The Authority shall timely notify the Contractor of the receipt of any third-party claim relating to the Project. The Authority shall be entitled to recover its reasonable costs incurred in providing this notice.

## 10-10 COMPLIANCE WITH LAWS

The Contractor shall comply with all applicable federal, state and local laws, ordinances, codes and regulations in force at the time the Contractor performs pursuant to the Contract Documents.

## 10-11 CONTRACTOR'S REPRESENTATIONS

By signing the Contract, the Contractor represents, covenants, agrees, and declares under penalty of perjury under the laws of the State of California that: (a) the Contractor is licensed, qualified, and capable of furnishing the labor, materials, and expertise necessary to perform the services in accordance with the terms and conditions set forth in the Contract Documents; (b) there are no obligations, commitments, or impediments of any kind that will limit or prevent its full performance under the Contract Documents; (c) there is no litigation pending against the Contractor that could adversely affect its performance of the Contract, and the Contractor is not the subject of any criminal investigation or proceeding; and (d) to the Contractor's actual knowledge, neither the Contractor nor its personnel have been convicted of a felony.

## 10-12 CONFLICTS OF INTEREST

The Contractor agrees not to accept any employment or representation during the term of the Contract or within twelve (12) months after acceptance as defined in Section 6-8.2 of the General Provisions that is or may likely make the Contractor "financially interested," as provided in Government Code Sections 1090 and 87100, in any decisions made by the Authority on any

matter in connection with which the Contractor has been retained pursuant to the Contract Documents.

#### 10-13 APPLICABLE LAW

The validity, interpretation, and performance of these Contract Documents shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to the Contract shall be in the Los Angeles County Superior Court.

#### 10-14 TIME

Time is of the essence in these Contract Documents.

#### 10-15 INDEPENDENT CONTRACTOR

The Contractor and Subcontractors shall at all times remain, as to the Authority, wholly independent contractors. Neither the Authority nor any of its officials, officers, employees or agents shall have control over the conduct of the Contractor, Subcontractors, or any of their officers, employees, or agents, except as herein set forth, and the Contractor and Subcontractors are free to dispose of all portions of their time and activities that they are not obligated to devote to the Authority in such a manner and to such Persons that the Contractor or Subcontractors wish except as expressly provided in these Contract Documents. The Contractor and Subcontractors shall have no power to incur any debt, obligation, or liability on behalf of the Authority, bind the Authority in any manner, or otherwise act on behalf of the Authority as agents. The Contractor and Subcontractors shall not, at any time or in any manner, represent that they or any of their agents, servants or employees, are in any manner agents, servants or employees of the Authority. The Contractor and Subcontractors agree to pay all required taxes on amounts paid to them under the Contract, and to indemnify and hold the Authority harmless from any and all taxes, assessments, penalties, and interest asserted against the Authority by reason of the independent contractor relationship created by the Contract Documents. The Contractor shall include this provision in all contracts with all Subcontractors.

#### 10-16 CONSTRUCTION

In the event of any asserted ambiguity in, or dispute regarding the interpretation of any matter herein, the interpretation of these Contract Documents shall not be resolved by any rules of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the Contract Documents or who drafted that portion of the Contract Documents.

#### 10-17 NON-WAIVER OF TERMS, RIGHTS AND REMEDIES

Waiver by either party of any one (1) or more of the conditions of performance under these Contract Documents shall not be a waiver of any other condition of performance under these Contract Documents. In no event shall the making by the Authority of any payment to the Contractor constitute or be construed as a waiver by the Authority of any breach of covenant, or any default that may then exist on the part of the Contractor, and the making of any such payment by the Authority shall in no way impair or prejudice any right or remedy available to the Authority with regard to such breach or default.

#### **10-18 TERM**

The Contract is effective as of the Effective Date listed, and shall remain in full force and effect until the Contractor has fully rendered the services required by the Contract Documents or the Contract has been otherwise terminated by the Authority. However, some provisions may survive the term listed within this Section, as stated in those provisions.

#### **10-19 NOTICE**

Except as otherwise required by law, any notice or other communication authorized or required by these Contract Documents shall be in writing and shall be deemed received on (a) the day of delivery if delivered by hand or overnight courier service during the Authority's regular business hours or (b) on the third (3rd) business day following deposit in the United States mail, postage prepaid, to the address listed on the Contractor's Bid and to the Airport Engineering Office, or at such other address as one party may notify the other.

#### **10-20 SEVERABILITY**

If any term or portion of these Contract Documents is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of these Contract Documents shall continue in full force and effect.

### **END OF GENERAL PROVISIONS**

## **SPECIAL PROVISIONS**

### **SECTION 1. LIQUIDATED DAMAGES**

#### **1-02 Runway/Night Work Area Operations**

The Contractor shall pay the Authority as liquidated damages (but not as a penalty): (i) the sum of Five Thousand Dollars (\$5,000) for the first fifteen (15) minute period of each morning that a runway or identified night work area is not opened for operations at the listed time; (ii) an additional Five Thousand Dollars (\$5,000) for the second fifteen (15) minute period of each morning that a runway or identified night work area is not opened at the listed time; and (iii) an additional Fifty Thousand Dollars (\$50,000) per hour (or portion of an hour) thereafter of each morning that a runway or identified night work area is not opened for operations at the listed time.

#### **1-03 Incursions**

The Contractor shall confine its apparatus, the storage of materials and the operations of its workmen to limits indicated by law and directions of the ADR. The Contractor shall not load or permit any part of the structure to be loaded with a weight that will endanger its safety. Access on or near runways, taxiways, or the Security Identification Display Area ("SIDA") is absolutely prohibited, except with continuous escort by an authorized agent of the Authority. The Contractor shall pay the Authority as liquidated damages (but not as a penalty) the sum of Five Thousand Dollars (\$5,000) per instance of unapproved vehicular incursion or access on a runway, taxiway, or SIDA. This provision is limited to damages for disruption in airport operations and/or security. This provision shall not apply to any damages to property or personal injury arising out of any incursion, and the Contractor shall be fully liable for the full amount of all of such damages.

#### **1-04 Traffic Safety**

The Contractor shall keep the work site, and adjacent areas, in a neat, clean and orderly manner. If there exists a situation which is deemed unsafe for vehicle or pedestrian traffic, the ADR may stop the Work and order the appropriate corrective action at no additional expense to the Authority. If the Contractor fails to remedy the deficiency in a reasonable time frame, the Authority may clean or make whatever changes are necessary to the site using its own forces, and may charge the Contractor for associated expenses. In addition, the Contractor shall pay the Authority as liquidated damages (but not as a penalty) the sum of One Hundred Dollars (\$100.00) per hour until the remediation work is complete.

#### **1-05 Acknowledgements**

Liquidated damages are cumulative for each item. The Authority shall not be liable to the Contractor or any Subcontractor for any losses or damages incurred by the Contractor or any such Subcontractor arising from the Contractor's, or any such Subcontractor's inability to complete the Work prior to the expiration of the construction period.

The parties agree that the Authority would suffer substantial damages as the result of any delays by the Contractor in completing the items described above within the applicable time periods specified above, and that it would be impracticable or extremely difficult to fix the actual amount of damages caused by such delays. Therefore, the parties agree that the above amounts are

reasonable approximations of the actual damages to be suffered by the Authority by reason of any such delays.

## **SECTION 2. FIELD ACCESS IDENTIFICATION PROGRAM**

### **2-01 Applications**

The following information must be provided to the Authority before any type of field access badge may be issued:

1. List of company officials with samples of its signatures who may authorize production of new badges and the reissue of expired badges.
2. Company phone numbers for verification purposes.
3. List of all employees and dates of hire who will need field/ramp access I.D. cards.
4. A brief description of the area where access is required.
5. All employees requiring unescorted access and vehicle driving privileges to the worksite must submit to a criminal history records check a minimum of two weeks prior to the project start date. Applicants who successfully complete the criminal history check will need to schedule a two hour airport security and driver's training class with Airport Operations. Applicants will be badged upon successful completion of this class and will be eligible to escort other employees on the work site.

The Contractor shall bear all expense associated with processing employees through the Criminal History Records Check and Badging (currently \$60/Applicant, fingerprinting \$30/Applicant). Contact the Administrative Specialist at (818) 840-8833 for more information.

6. An applicant information form approved by the manager listed in item (1) one for each employee.

Employees that are approved to have an I.D. card must show a current Driver's License before processing can begin.

Photos for I.D. cards are taken Monday through Friday 8:00 a.m. to 4:00 p.m., and will be issued at that time.

At the completion of the project all badges issued to contractor or subcontractor shall be returned to Airport Operations. Failure to return the Identification Badge will result in forfeiture of retention payment in the amount of \$150.00 per badge not returned.

### **2-02**

The Contractor will have a specified number of access points to the AOA dependent upon its work area. The Contractor is responsible for the security of specified AOA access points. If the Contractor wishes to use a gate guard to secure a gate, the guard must be badged under the responsibility of the Contractor. If at any time, airport security of the gate is compromised because of Contractor or a Subcontractor personnel's dereliction of duty, the Project will be shut-down until investigation is complete and the Operations Department Representative instructs personnel to



resume construction activity. The Contractor and Subcontractor personnel must abide by Airport, FAA, TSA, local laws, rules and regulations. Failures to do so will subject the individual to Violation Enforcement Program established by the Authority and possible criminal prosecution.

## **2-03 Vehicles**

Gate access and driving privileges on the AOA must be approved by the ADR or his/her designated representative. The field driving privilege is contingent upon compliance with all rules and regulations as stipulated by the Authority. Infractions of the Motor Vehicle Rules and Regulations of the Authority will result in an immediate escort off of airport property and may result in the assessment of runway/taxiway incursion liquidated damages, as specified above.

### **SECTION 3. REQUIRED SECURITY TRAINING**

Any project involving access to the Security Identification Display Area ("SIDA") requires the following:

1. Security training pursuant to Federal Aviation Regulation 107.25 must be received by sufficient personnel to ensure that at least one individual who has received the training is present at the job site at all times.
2. Security training is offered by Airport Operations and can be coordinated by contacting the Manager, Airport Operations or an Operations Duty Supervisor.

### **SECTION 4. AIRPORT REGULATIONS**

The Contractor shall abide by the rules, regulations and requirements of the Authority relating to access to and protection of property. The Contractor shall also abide by the directions of the ADR, as well as by applicable regulations of the FAA.

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### **SECTION 5. QUALITY CONTROL/QUALITY ASSURANCE**

#### **5-01 Quality Control**

Quality Control is the inspection, analysis, and control over what is being done, manufactured, or fabricated, so that the specified level of quality is achieved and maintained. The Contractor has the sole responsibility for all Quality Control of the work. The Contractor shall hire and pay for an independent firm that will perform inspections, tests, and other quality control services required by the ADR. Employment of testing laboratory shall in no way relieve Contractor of its obligation to perform Work in accordance with requirements of Contract Documents.

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#### **5-02 Quality Assurance**

Quality Assurance is the inspection, testing, and other relevant actions taken by an owner or its representative to ensure that the desired level of quality is in accordance with the applicable standards or specifications for the product or work. The Authority will test or observe at its discretion to see that the specified standards of the specifications and Governing Agencies are met by the Contractor.

## **SECTION 6. SAFETY**

### **6-01 General**

The provisions of this safety and security plan and associated procedures are applicable within the boundaries of the Airport. A complete understanding of all procedures and requirements contained herein is required to ensure safety during construction. This safety plan is a part of this Agreement and deviations from the requirements established herein will be sufficient cause for contract termination.

Required reference material associated with this safety plan includes:

FAA AC 150/5200 18C, Airport Safety Self-Inspection

FAA AC 150/5210-5B, Painting, Marking and Lighting of Vehicles Used on an Airport

FAA AC 150/5370 2E, Operational Safety on Airports During Construction

FAA AC 150/5370-13A, Offpeak Construction of Airports Using Hot-Mix Asphalt

Copies of these documents are available on the FAA website:

[http://www.faa.gov/airports\\_airtraffic/airports/resources/advisory\\_circulars/](http://www.faa.gov/airports_airtraffic/airports/resources/advisory_circulars/).

### **6-02 Contractor Safety Officer Appointment**

The Contractor shall appoint its on-site Construction Superintendent or other qualified individual(s) as its duly authorized representative to serve as Contractor Safety officer (CSO) for the duration of the contract. The CSO shall thoroughly understand the safety and security requirements of this Agreement, the necessity for them and shall have sufficient authority to implement its provisions without significant deviation. The Contractor shall notify the ADR in writing of the name of the individual(s) selected for the assignment.

The CSO shall represent the Contractor on safety and security requirements compliance. The CSO shall be especially knowledgeable regarding the requirements of FAA AC's 150/5200 18, Airport Self Inspection Guide and 150/5370 2 Operational Safety on Airports During Construction, latest edition.

### **6-03 Contractor Safety Officer Responsibilities**

Prior to the desired date for commencement of the Work, the CSO shall accomplish the following:

1. Develop and submit in writing a detailed work sequence schedule with dates and times specified for all milestone events. This sequence schedule shall conform, as a minimum, to the events specified in Section 7-04 below, and shall be subject to the approval of the ADR. To assure adequate time for coordination, this document shall be submitted at least one week prior to the date of the preconstruction conference.
2. Develop and submit in writing a detailed outline of the procedures to be followed to maintain safety and security of both Contractor operations and the integrity of airport landside and airside operations during the prosecution of contract work. This plan shall detail, in addition, the procedures to be followed in the event of an accident or fire involving Contractor personnel and

the Contractor's efforts to maintain fire protection and security. These procedures shall be subject to the approval of the ADR and reflect any change as may be deemed necessary.

3. Conduct at least one meeting of all Contractor supervisory personnel prior to the start of the Work. The purpose of this meeting is to review the approved work sequence schedule and safety and security procedures. Attendance at this meeting by the CSO, all Contractor supervisory personnel and the ADR is mandatory. This meeting shall also be open to other employees of the Contractor and others as the ADR may deem appropriate. Minutes of this meeting shall be taken by the CSO, copies provided to each supervisor and kept on file in the Contractor's construction office for periodic review and updating.

4. Develop a safety and security orientation program and provide a briefing for all employees of the Contractor and Subcontractors that will be used on the project. A similar briefing will be given to new employees prior to their use on the Work. In addition, the CSO shall be responsible for briefing, from time to time, all Contractor personnel on any changes to safety and security measures deemed necessary.

#### **6-04 Construction Sequencing**

The Contractor shall prepare a construction schedule and submit to the ADR at least one week prior to the pre-construction conference.

The Contractor shall acquaint its supervisors and employees with the sequence of construction and the relationship to airport activity and aircraft operations that are inherent to this airport. No runway, taxiway, apron or airport roadway shall be closed without the written approval of the ADR, to enable necessary NOTAMS and/or advisories to airport fixed based operators, tenants and users.

The Contractor shall contact the ADR a minimum of ten (10) days prior to any requested closing.

Any construction activity within 200 feet of the centerline of an active runway or within 85 feet of the centerline of an active taxiway or apron requires the closure of the affected area. These safety areas are shown on the phasing plan.

The ADR will arrange for an inspection prior to return to service of any facility, that has been closed for work, on or adjacent thereto, or that has been used for a crossing point or haul route by the Contractor.

#### **6-05 Marking and Lighting**

Proper marking and lighting of areas on the airfield associated with the construction shall be the responsibility of the Contractor. This will include properly marking and lighting closed runways, taxiways, taxilanes, and aprons, the limits of construction, material storage areas, equipment storage areas, haul routes, parking areas and other areas defined as required for the Contractor's exclusive use. The Contractor shall erect and maintain around the perimeter of these areas suitable marking and warning devices visible for day and night use. Temporary barricades, flagging, and flashing warning lights shall be required at critical access points. The type and location of marking and warning devices will be approved by the ADR.

Special emphasis shall be given to open trenches, excavations, heavy equipment marshalling areas, and stockpiled material located in the airport operations area, which shall be predominantly marked by the Contractor with flags and lighted by approved light units during hours of restricted visibility and darkness. All marking shall be in accordance with FAA Advisory Circular (AC) 150/5340 1J or latest edition.

#### 6-06 Traffic Control

The Contractor shall establish and maintain a list of Contractor and subcontractor vehicles authorized to operate on the site. Contractor employee vehicles shall be restricted to the Contractor's staging area and are not allowed in the AOA at any time. To be authorized to operate on the airport, each Contractor or subcontractor's vehicle shall:

1. Be marked/flagged for high daytime visibility and lighted for nighttime operations. Vehicles that are not marked and/or lighted shall be escorted by a vehicle appropriately marked and/or lighted. Vehicles requiring escort shall be identified on the list.
2. Be identified with the name and/or logo of the Contractor and be of sufficient size to be identified at a distance. Vehicles needing intermittent identification could be marked with tape or with commercially available magnetically attached markers. Vehicles that are not appropriately identified shall be escorted by a vehicle that conforms to this requirement. Vehicles requiring escort shall be identified on the list.
3. Be operated in a manner that does not compromise the safety of either landside or airside airport operations. If, in the opinion of the ADR, any vehicle is operated in a manner not fully consistent with this requirement, the ADR has the right to restrict operation of the vehicle or prohibit its use on the airport.

#### 6-07 Construction Site Access.

The Contractor's access to the site shall be as shown on the Contract Layout Plan. No other access points shall be allowed unless approved by the ADR. All Contractor traffic authorized to enter the site shall be experienced in the route or guided by Contractor personnel. The Contractor shall be responsible for traffic control to and from the various construction areas on the site, and for the operation and security of the access gate to the site. A Contractor's flagman or traffic control person shall monitor and coordinate all Contractor traffic at the access gate with Airport Security. The Contractor shall not permit any unauthorized construction personnel or traffic on the site. Access gates to the site shall be locked and secured at all times when not attended by the Contractor. If the Contractor chooses to leave any access gate open, it shall be attended by Contractor personnel who are familiar with the requirements of the Airport Security Program. The Contractor is responsible for the immediate cleanup of any debris deposited along the access route as a result of his construction traffic. Directional signing from the access gate along the delivery route to the storage area, plant site or work site shall be as directed by the ADR. In addition, the following requirements are applicable:

1. All Contractor traffic authorized to travel on the airport shall have been briefed as part of the Contractor's construction safety and security orientation program, be thoroughly familiar with the access procedures and route for travel or be escorted by personnel authorized by the CSO.

2. The Contractor shall install work site identification signs at the authorized access point(s). If, in the opinion of the ADR, directional signs are needed for clarity, they shall be installed along the route authorized for access to each construction site.

3. Under no circumstance will Contractor personnel be permitted to drive their individually owned vehicles to any construction site on the airport. All vehicles must be parked in the area designated for employee parking and out of secured airport property.

4. In addition to the inspection and cleanup required at the end of each shift, the Contractor is responsible for the immediate cleanup of any debris generated along the construction site access route(s) as a result of construction related traffic or operations whether or not created by Contractor personnel.

#### **6-08 Material Suppliers**

All material suppliers, subcontractors and visitors to the work site are obligated to follow the same safety and security operating procedures as the Contractor. All material suppliers shall make their deliveries using the same access points and routes as the Contractor and shall be advised of the appropriate delivery procedures at the time the materials order is placed. The Contractor shall not use the Airport address for any delivery but shall use the street address appropriate to the location of the entrance of the work site. If it is not practical to conform to the vehicle identification requirements and the safety and security operations program requirements, the Contractor shall be prepared to escort all suppliers, subcontractors and visitors while they are on the airport.

#### **6-09 Personnel Identification.**

All employees, agents, vendors, invitees, etc. of the Contractor or subcontractors requiring access to the construction site shall, conform to the Security Program. The Contractor is required to remove all materials and equipment not approved to stay within the work area at the end of each shift. At the end of the project all badges issued to personnel necessary to facilitate the Work shall be returned to the Authority prior to final payment.

#### **6-10 General Safety Requirement**

All Contractor vehicles that are authorized to operate on the airport outside of the designated construction area limits or haul routes as defined herein shall display in full view above the vehicle a flashing amber (yellow) dome-type light or a three foot by three foot, or larger, orange and white checkerboard flag, each checkerboard color being one foot square. Vehicles must be under control of a Contractor mobile (two-way) radio operator (flagmen) monitoring the Airport frequency. Vehicle operators must be vigilant for conflict with any aircraft and give way to any operating aircraft.

All Contractor vehicles that are required to operate outside of the construction area limits as defined herein and cross active runways, taxiways, aprons, or runway approach clear zones shall do so under the direct control of a flagman who is monitoring the Airport frequency. Flagmen and two way radios shall be furnished by the Contractor. Flagmen shall be instructed in the use of two way radios prior to use. All aircraft traffic on runways, taxiways and aprons shall have priority over Contractor's traffic.

Construction vehicles not in use for extended periods during the work day, or during nights and weekends (nonwork periods) shall be parked away from active runways, taxiways, and aprons in designated vehicle marshalling areas.

In order to protect all aircraft traffic, aviation related businesses, terminal apron areas, etc. from potential damage caused by foreign object debris ("FOD") generated by construction activities, the Contractor shall provide a vacuum truck as required at the startup of construction to daily vacuum all pavements affected by construction. The vacuum truck shall remain on-site for the duration of the project and shall be available at the discretion of the Authority to vacuum pavement areas adjacent to the construction areas to ensure no FOD is present on pavements within 500 feet of any construction area. Protecting the aircraft, airport tenants, users, public, etc. against FOD is a critical safety issue therefore the cost of the vacuum truck will be included in the cost established for this specification item.

#### **6-10 Construction Control**

A primary and alternate responsible Contractor's representative shall be designated by the Contractor. The Contractor's representatives shall be available locally on a 24 hour basis. Names of the primary and alternate, including phone number, shall be made available to the ADR by the Contractor. The Contractor shall insure that the names and phone numbers are kept current and made available to the ADR.

#### **6-11 Construction Techniques**

Construction shall be planned and conducted throughout this project in such a manner as to allow the maintenance of completely safe airport operations. Every effort shall be made to reduce the impact of construction activity on overall airport operations. To this end the Contractor's activities shall be conducted in such a manner so as to preclude, except where absolutely required, open excavations, trenches, ditches and above ground obstacles such as booms on cranes or obstacle markers such as wooden saw horses. The primary responsibility for assuring that the safest possible construction techniques are followed rests with the Contractor.

### **END OF SPECIAL PROVISIONS**

## EXHIBIT E

### Service Call Sheet Form

[illegible]

**EXHIBIT F**  
**Non-AIP Project Federal Requirements**

**1. General Civil Rights Provisions**

Contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds Contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

**2. Civil Rights – Title VI Assurance**

During the performance of this contract, Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees as follows:

A. Compliance with Regulations: Contractor will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

B. Non-discrimination: Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

C. Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding, or negotiation made by Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Contractor of Contractor’s obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

D. Information and Reports: Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Authority or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Contractor will so certify to the Authority or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of Contractor’s noncompliance with the Non-discrimination provisions of this contract, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

1. Withholding payments to Contractor under the contract until Contractor complies;
- and/or
2. Cancelling, terminating, or suspending a contract, in whole or in part.



F. **Incorporation of Provisions:** Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Contractor will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Contractor may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, Contractor may request the United States to enter into the litigation to protect the interests of the United States.

G. During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
2. 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
4. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
5. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
6. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
7. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
8. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
9. The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

3. Federal Fair Labor Standards Act

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Contractor has full responsibility to monitor compliance to the referenced statute or regulation. Contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

4. Occupational Safety and Health Act

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Contractor retains full responsibility to monitor its compliance and its subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

**TERMINAL SPACE LEASE**

BETWEEN

**BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY**

AND

**HG BURBANK JV**

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## **TERMINAL SPACE LEASE**

THIS TERMINAL SPACE LEASE ("Lease") is dated \_\_\_\_\_, 2021 and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and HG BURBANK, JV, a California joint venture ("Tenant").

In consideration of the mutual covenants, conditions, and agreements contained herein, Landlord and Tenant hereby agree as follows:

### **1. LEASED PREMISES.**

1.1 Location of Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain premises more particularly described in Exhibit "A" attached hereto (individually, a "Space", but collectively, the "Leased Premises"), located in the terminal buildings described in Exhibit "A" ("Building"), situated within the Hollywood Burbank Airport ("Airport"), including the right in common with others, to the use of certain of the "common use facilities" of the Airport as set forth in Section 13, upon the terms and subject to the conditions set forth in this Lease.

1.2 Acceptance of the Leased Premises. Tenant hereby accepts the Leased Premises in their condition existing as of the date hereof, without representation or warranty, express or implied. Tenant hereby agrees that the Leased Premises are in a good and tenantable condition and acknowledges that Tenant has inspected the Leased Premises and available common use facilities of the Airport to its satisfaction and acknowledges that Landlord is not obligated to make any repairs or alterations to the Leased Premises or common use facilities.

The Leased Premises, and any other areas that may be used by Tenant under this Lease (herein, the "subject premises") have not been inspected by a Certified Access Specialist (CASP). A CASp can inspect the subject premises and determine whether they comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, a commercial property owner or lessor may not prohibit a lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties must mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the subject premises.

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

1.3 Reservations to Landlord. Tenant further accepts the Leased Premises subject to any and all existing easements and encumbrances. Landlord reserves the right, without obligation, to install, lay, construct, maintain and repair utilities and appurtenances necessary or convenient

in connection therewith in, over, upon, through, across, under and along the Leased Premises or any part thereof, and to enter the Leased Premises for any and all such purposes. Landlord also reserves the right to grant franchises, licenses, easements, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises. No right reserved by Landlord in this Section shall be so exercised as to interfere unreasonably with Tenant's operations hereunder.

1.4 Landlord's Right of Access. Landlord shall have free access to the Leased Premises 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 the Leased Premises, the Building or elsewhere on the Airport, making repairs which Landlord may be required or permitted to make hereunder, and exhibiting the same to prospective purchasers or Tenants. Such entry shall be made in a manner which will not unreasonably interfere with Tenant's use of the Leased Premises, except in case of emergency. In the event that Tenant is not personally present to open and permit such entry, Landlord may enter by means of a master key or may enter forcibly and shall incur no liability to Tenant as a result of such entry, and this Lease shall not be affected thereby.

1.5 Relocation of Leased Premises. Landlord's Executive Director shall have the right, at any time and from time to time, to designate a new or different area or areas within the Airport for use by Tenant for the Leased Premises by delivering to Tenant written notice thereof ("Relocation Notice"). Upon any such designation, Tenant shall relocate its business and operation, or so much thereof as Landlord designates, to such new or different area or areas and Landlord shall pay the costs of said relocation. In the event that Tenant is dissatisfied with the new or different area or areas, Tenant, by delivering written notice to Landlord within thirty (30) calendar days following the date of the Relocation Notice, may terminate this Lease, effective thirty (30) calendar days after giving such written notice to Landlord.

1.6 Landlord Right to Change Kiosk/Products. The Executive Director of Landlord shall have the right to elect from time to time in his or her sole and absolute discretion, by written notice to Tenant, that Tenant promptly substitute (at Tenant's cost) a comparable Kiosk for any Kiosk installed by Tenant pursuant to Section 6.1 below.

## **2. TERM.**

2.1 Commencement Date; Tenant's Right to Extend. The term of this Lease ("Term") shall commence at 12:01 a.m. on \_\_\_\_\_, 2021 ("Commencement Date") and shall continue until the date that is three calendar years thereafter or until earlier terminated as provided herein. Subject to written consent of the Executive Director of Landlord for each extension, Tenant shall have the right to extend the term of this Lease up to two (2) times for one (1) calendar year for each extension upon written notice to Landlord given at least thirty (30) days prior to expiration of the then-current term (but only if this Lease shall not have been previously terminated in accordance with its terms).

2.2 Termination. Landlord's Executive Director shall have the right to terminate this Lease upon thirty (30) days' prior written notice to Tenant. Additionally, Landlord may from time to time elect to terminate this Lease as to one or more than one Kiosk, but less than all Kiosks,

upon thirty (30) days' prior written notice to Tenant. The Executive Director of Landlord shall have the authority to give any and all notices on behalf of Landlord under this Section 2.2, as well as any other notices under this Lease to be given by Landlord.

2.3 Default. Landlord shall have the right to terminate this Lease immediately upon the occurrence of an Event of Default by Tenant as provided in Section 11.1.

### 3. RENT.

3.1 Rent. Commencing on the Commencement Date, Tenant shall pay monthly rent ("Monthly Rent") to Landlord for each Kiosk, without setoff or deduction, prorated for the partial calendar months at the beginning and end of the Term. Monthly Rent for each Kiosk shall be separately calculated. Monthly Rent for each Kiosk shall be the greater of: (A) nine percent (9%) of Gross Revenue (defined in Section 3.3.1 below) from the applicable Kiosk for the applicable calendar month (or prorated portion thereof for a partial calendar month); or (B) Two Hundred Fifty and No/100 Dollars (\$250.00) increased by three percent (3%) on a cumulative/compounded basis on each anniversary of the Commencement Date.

3.2 Rental Payments. The fixed minimum portion of the Monthly Rent shall be paid in advance on or before the first day of each calendar month, without demand, notice, offset or deduction, and any additional Monthly Rent shall be paid on or before the twentieth day of the following calendar month, together with the delivery of the monthly statement of Gross Revenue described in Section 3.4 below.

3.3 Gross Revenue. Tenant shall use its best efforts to maximize its Gross Revenue generated from sales of products and services in the Leased Premises.

3.3.1 Definition. The term "Gross Revenue", as used herein, shall mean and include the following:

3.3.1.1 The entire amount of the price charged, whether wholly or partly for cash or on credit or otherwise, for all products and/or services sold or rented at or from any part of a Space, or through the substantial use of the applicable Space, by Tenant or anyone acting on Tenant's behalf or under a sublease, license or concession from Tenant.

3.3.1.2 All gross receipts of Tenant or any other person from any operations in, at or from the applicable Space which are neither included in nor excluded from Gross Revenue by any other provision of this Agreement, but without any duplication.

3.3.1.3 The entire amount of the price charged for all orders obtained or received by personnel operating from, reporting to, or under the supervision of any employee or agent located at or operating out of the applicable Space, or which Tenant would, in the normal course of its operations, credit or attribute to its business in the applicable Space, whether or not such order is filled elsewhere.

3.3.1.4 All deposits not refunded to purchasers.

3.4 Gross Revenue Statements. During the first year of the Term, Tenant shall submit to Landlord, together with each payment of the Monthly Rent payable on or before the 20th day of each month pursuant to Section 3.2, a written statement, in such form and detail as is required by Landlord, signed and certified by Tenant to be true, correct and accurate, setting forth the amount of Tenant's Gross Revenue, separately stated for each Kiosk, during the preceding month of the Term. Within twenty (20) days after the end of the Term, Tenant shall submit to Landlord a written statement, in such form and detail as is required by Landlord, signed and certified by Tenant to be true, correct and accurate, setting forth the amount of Tenant's Gross Revenue during the last month of the Term, and concurrently with the delivery of such statement, Tenant shall pay the additional Monthly Rent due for the last month. In the event that Tenant fails to furnish any written statement of Gross Revenue as provided in this Section it shall be deemed a default of Tenant.

3.5 Maintenance of Books and Records; Landlord Right to Audit. For the purpose of ascertaining the amount of the payments of the Monthly Rent payable by Tenant to Landlord pursuant to Section 3.1, Tenant shall prepare and maintain, at all times during the term hereof for a period of not less than three (3) years following the expiration or earlier termination of this Agreement and in accordance with the current accounting requirements of Landlord, as such may be changed at any time and from time to time during the term hereof, full, complete and proper books, records and accounts of the business and operations conducted by Tenant in each Kiosk (and such records shall be maintained separately for each Kiosk). Tenant shall make all books, records and accounts relating to the business and operations conducted by Tenant on the Leased Premises available for inspection by Landlord and its designated representatives and Landlord and its designated representatives shall have the right to inspect the same at all reasonable times. At any time during the term hereof or within three (3) years following the termination of this Agreement, Landlord shall have the right, but not the obligation, to cause an audit to be conducted by an auditor selected by Landlord, including any employee or contractor of Landlord, of Tenant's books, records and accounts relating to the Leased Premises for the period covered by such written statement, including, without limitation, all federal, state, county or city reports and income and other tax returns, bank statements, operating manuals and procedures, sales receipts, active and inactive files, general ledgers, invoices, rental orders and check registers. Tenant shall cooperate with and shall provide all information requested by such auditor and shall make Tenant's employees available to cooperate with and provide all information requested by such auditor. Any deficiency disclosed by any such audit shall be paid by Tenant upon demand. The cost of any such audit shall be paid by Landlord; provided, however, in the event that any such audit shall disclose an additional liability for the Monthly Rent for any Kiosk for any period in excess of two percent (2%) of the Monthly Rent paid by Tenant for such Kiosk for such period, in addition to such deficiency, Tenant shall pay to Landlord upon demand the cost of such audit.

3.6 Controls.

3.6.1 Records. Tenant shall operate its business upon the Airport so that all Gross Revenue, whether occurring as a result of cash or credit transactions from any operations, are

recorded separately for each Kiosk at the time of the event on a register or other recording device with the following minimum controls:

3.6.1.1 Subtotal controls printed on the Gross Revenue journal showing the applicable date, which subtotals are not to be eradicated.

3.6.1.2 Daily total controls printed on the Gross Revenue journal showing the applicable date.

3.6.2 Daily Gross Revenue Report. Tenant shall maintain a daily Gross Revenue posting report for each Kiosk showing the activity of each Kiosk on each business day, including total cash Gross Revenue, total credit Gross Revenue, grand total, overages and shortages. Reports are to be maintained at all times during the term hereof and for a minimum of three (3) years following the termination hereof and are to be reconciled to any periodic Gross Revenue report and the written statement for reporting Gross Revenue in computing the Monthly Rent.

3.6.3 Compliance. Landlord shall have the right, at any time and from time to time, to inspect and review all records required to be maintained by Tenant pursuant to this Section 3.6. Failure to comply with these requirements by Tenant shall be considered a default under Section 11.1.7 hereof.

### 3.7 Taxes.

3.7.1 Possessory Interest and Other Taxes. Tenant shall pay, as additional rent under this Lease, all "taxes" imposed by any authority having the direct or indirect power to tax and which are applicable to the Leased Premises during the term of this Lease. As used herein, the term "taxes" shall include any form of possessory interest tax, assessment (including public facilities maintenance district levy or assessment or any public transit or other benefit assessment district levy or assessment), license fee, commercial rental tax, any tax or excise on rents, levy, penalty or tax (other than net income, inheritance or estate taxes) imposed by any authority having the direct or indirect power to tax, including any federal, state, county or city, government, or any school, agricultural, lighting, drainage, or other improvement district thereof, as against any legal or equitable interest of Landlord in the Leased Premises or in the real property of which the Leased Premises are a part, as against Landlord's right to rent or other income therefrom, or as against Landlord's business of leasing the Leased Premises. In this regard, Tenant recognizes and understands that this Lease might be held to create a possessory interest subject to property taxation and that Tenant might be subject to the payment of property taxes levied on such interest.

3.7.2 Personal Property Tax. Tenant shall pay before delinquency any and all taxes and assessments on the furniture, fixtures, equipment and other personal property of Tenant located or used in the Leased Premises, whether assessed to Tenant or assessed to Landlord as part of the real property.

### 3.8 Utilities.

3.8.1 Payment. Tenant shall obtain and pay all costs, expenses for telephone utilities and services, other than gas, heat, light, power and air conditioning services payment of which shall be included in Monthly Rent, supplied to the Leased Premises, together with any taxes



thereon and any connection fees, prior to when such charges are due, and Tenant shall indemnify, defend and hold harmless Landlord from and against any claims and liabilities therefor. In the event that any utilities or services are not separately metered to Tenant, Tenant shall pay to Landlord, as additional rent under this Lease, Tenant's proportionate share, determined by Landlord, of all charges jointly metered with other premises in the Building or elsewhere at the Airport within fifteen (15) calendar days following the delivery to Tenant of a statement with respect thereto.

3.8.2 No Obligation to Furnish. Notwithstanding any other provisions of this Lease, Tenant acknowledges that Landlord has no obligation to provide any utilities or services to the Leased Premises. Tenant shall bear all costs of installing all required electrical facilities (including new power outlets), and any such improvements shall require Landlord's prior written consent. Landlord shall not be liable to Tenant under any circumstances for damages or loss to Tenant's property, injury to persons or property, or consequential damages, however occurring, through, in connection with, or incidental to any such utilities or services not being provided or inadequately being provided or any permanent or temporary cessation or other interruption of any such utilities or services.

3.8.3 Compliance with Utility Supplier Rules. Tenant shall comply with all rules and regulations which Landlord, any governmental agencies or authorities, or any utility company may establish for the use, proper functioning and protection of any utilities or services.

3.9 Net Lease. Landlord shall receive all amounts payable by Tenant pursuant to this Section 3 or any other provision of this Lease, free and clear of any and all other impositions, taxes, liens, charges or expense of any nature whatsoever in connection with the ownership and operation of the Leased Premises. In addition to the amounts payable by Tenant pursuant to this Section 3, Tenant shall pay to the parties respectively entitled thereto all other impositions, operating charges, maintenance charges, construction costs, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease during the term hereof, except only those amounts payable by Landlord as provided in Section 5.1.1. All of such charges, costs and expenses shall constitute additional rent, and upon the failure of Tenant to pay any of such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

3.10 Interest on Past Due Payments. Any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease which is not paid within five (5) days following the delivery by Landlord to Tenant of written notice thereof 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 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 Event of Default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease.

3.11 Financial Information. Within ten (10) calendar days following a written request by Landlord, Tenant shall furnish to Landlord copies of the most recent annual report of Tenant, together with all financial statements included therein.

3.12 Address for Payment. The payment of Monthly Rent and all other amounts due to Landlord hereunder shall be paid at the office of Landlord; Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, ATTENTION: Controller, or at such other place as Landlord may designate from time to time in writing.

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

4.1 Principal Use of Airport. Tenant hereby acknowledges that the principal use of the Airport consists of the operation of a public airport and that all other businesses and operations which now are or hereafter permitted by Landlord, to be conducted on or at the Airport, including Tenant's use of the Leased Premises pursuant to this Lease, must be at all times compatible with such principal use, as Landlord, in its sole discretion, shall determine.

4.2 Authorized Use of Leased Premises; Stocking. Tenant shall use the Leased Premises solely for the installation, operation and maintenance of the Kiosks described in Exhibit "B" attached hereto (the "Kiosks") which are to be installed by Tenant at Tenant's cost in the areas of the Leased Premises designated on Exhibit "A" attached hereto (each a "Space"), provided that Tenant complies with all of Tenant's obligations under Section 6 with respect to the Kiosks and Landlord shall have approved of any construction, and any installation of utilities, in connection with the Kiosks pursuant to Section 6. The Kiosks shall be used solely for the sale of items reasonably approved in writing by the Executive Director of Landlord, in his or her sole and absolute discretion, which items shall include, but not be limited to, Apple, Beats & Brookstone branded products; provided, however, that if the Executive Director disapproves any item, then Tenant may terminate this Lease upon thirty (30) days prior written notice to Landlord given within ten (10) days after delivery of the Executive Director's written disapproval. Tenant shall restock the Kiosks within seventy-two (72) hours.

4.3 Licenses, Permits: Compliance With Laws. Tenant, at Tenant's own cost and expense, shall obtain and maintain in effect at all times during the term hereof all licenses, permits, certificates, approvals and other authorizations required with respect to the Leased Premises, the Kiosks and the conduct of Tenant's business in the Leased Premises by any federal, state, county, city or other governmental authority or agency having jurisdiction over Tenant, Tenant's business and operations, the Leased Premises, the Kiosks, the Building or the other areas of the Airport, including, without limitation, all licenses, permits, certificates, approvals and other authorizations required by the FAA. Without limiting the generality of the foregoing, Tenant shall comply with all applicable federal, state, county and city statutes, regulations, rules, ordinances and all orders of any department, bureau or agency or any governmental authority having jurisdiction over Tenant, Tenant's business and operations and the occupancy, maintenance and use of the Leased Premises for the purpose demised hereunder including, without limitation, the provisions of Sections 23 and 24 and all rules and regulations promulgated by the FAA.

#### **4.4 Restrictions On Use.**

4.4.1 No Other Use. Tenant shall not use or permit the use of the Leased Premises for any purpose other than the purposes set forth in Section 4.2.

4.4.2 Manner of Use. Tenant shall not use or permit the use of the Leased Premises, the Kiosks, the Building 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, occupants, licensees, concessionaires or other users or customers of the Building or any other areas 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 therein, over the premiums for such policies in effect on the Commencement Date hereof. Tenant, at its expense, shall comply with all rules, orders, regulations, or requirements of the National Board of Fire Underwriters, or any other similar body.

4.4.3 Continuous Operation. Tenant shall continuously and uninterruptedly during the term of this Lease use the Leased Premises for the purpose described in Section 4.2, except to the extent reasonably required for purposes of constructing, installing, repairing or maintaining the Kiosks. Any cessation or interruption of Tenant's business upon the Leased Premises for a continuous period in excess of twenty (20) calendar days, unless permitted pursuant to the preceding sentence or caused by circumstances outside of the control of Tenant, shall constitute an Event of Default under Section 11.1. Tenant shall post a notice on or near each Kiosk described in Section 4.2 which advises customers to call a specified telephone number in the event of any defects or problems in the operation of the Kiosks or for any information relating to the Kiosks.

4.4.4 Interference with Utilities, Police, Fire Fighting. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing or sewer facilities or devices or portions thereof on or servicing the Leased Premises, the Building or elsewhere on the Airport, nor shall Tenant do or permit to be done anything which may interfere with free access or passage to the Leased Premises, the Building or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks adjoining the Building, the common use facilities of the Airport or the public areas adjacent thereto. In addition, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

4.4.5 Interference with Fire Exits. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of fire exits, elevators or escalators in or adjacent to Leased Premises, the Building or elsewhere at the Airport, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto.

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

programs and that they will require assurances from their licensees or permittees, as required by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

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

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

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

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

4.6.4 Reservation of Rights. There is hereby reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises and the other areas of the Airport. This public right of flight shall include the right to cause within said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from or operating on the Airport.

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

4.6.6 Interference with Aircraft. Tenant shall not make use of the Leased Premises or any other areas of the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event the aforesaid covenant is breached, Landlord reserves the right to enter upon the Leased Premises or any other areas of the Airport and cause the abatement of such interference, at the expense of Tenant.

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

4.6.8 Unauthorized Access. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas, including, without limitation, the precautions established pursuant to Section 4.7.

4.7 Airport Security.

4.7.1 Compliance. Tenant shall cause its officers, contractors, agents, sponsors and employees to comply with all existing and future security regulations adopted by Landlord pursuant to Part 1520 and 1542, Title 49 of the Code of Federal Regulations, as it may be amended from time to time. With respect to Airport security, it is a material requirement of this Lease that Tenant shall comply with all rules, regulations, written policies, and authorized directives from Landlord and/or the Transportation Security Administration ("TSA"). Violation by Tenant or any of its employees of any rule, regulation, or authorized directive from Landlord or TSA with respect to Airport security shall constitute a material breach of this Agreement. Any person who violates such rules may be subject to revocation of his/her access authorization. Tenant will fully reimburse Landlord for any fines or penalties levied against Landlord for security violations as a result of any actions on the part of the Tenant, its agents, contractors, suppliers, guests, customers, sponsors, or employees. Tenant will also fully reimburse Landlord for any attorney fees or related costs paid by Landlord as a result of any such violation.

4.7.2 Changes in Security Status. Tenant understands and acknowledges that all rules, regulations, written policies, and authorized directives from Landlord and/or the TSA under this Agreement is subject to changes in alert status as determined by the TSA, which is subject to change without notice. If the security status of the Airport changes at any time, Tenant shall take immediate steps to comply and assist its employees, agents, independent contractors, invitees, successors, and assigns in complying with security modifications that occur as a result of the changed status. At any time, Tenant may obtain current information from the Landlord's security department regarding the Airport's security status in relation to Tenant operations at the Airport.

4.7.3 Access Keys and Badges. Tenant shall return to Landlord all access keys or access badges issued to its officers, contractors, agents, sponsors and employees for any area of the Airport, once this Agreement expires or terminates or upon Landlord's demand. If Tenant fails to do so, Tenant shall be liable to reimburse Landlord for all of Landlord's costs for work required to prevent compromise of the Airport security system. Landlord may withhold funds in the amount of such costs from any amounts due and payable to Tenant.

4.7.4 Breach. Any breach or violation by Tenant of, or failure by Tenant to comply with, this Section 4.7 shall constitute a breach of and an Event of Default under Section 11.1.

**5. MAINTENANCE AND REPAIRS.**

5.1 Landlord's Obligations.

5.1.1 Landlord Obligations. During the term of this Lease, Landlord shall keep and maintain in good condition and repair, reasonable wear and tear excepted, according to the standards established by Landlord, as the same may be changed at any time and from time to time, (i) the foundations, roof and other structural components of the Building, including the structural portions of the exterior walls of the Leased Premises, and (ii) all sprinklers, plumbing, sewer,



electrical, water, gas, drains, heating, ventilating and air conditioning machines, facilities and equipment serving the Leased Premises, but only to the extent such machines, facilities or equipment are located within the Airport and only to the point of connection or distribution to the Leased Premises, as determined by Landlord, and are not located within any easement in favor of a municipal or public utility supplier; provided, however, that Landlord shall have no obligation to repair any damage to any of the foregoing to the extent caused by the willful or negligent act or omission, including, without limitation, any overuse or abuse, of Tenant or the agents, employees, or invitees of Tenant, which damage shall be repaired promptly by Tenant, at Tenant's sole cost and expense. Landlord shall have no obligation to commence any maintenance or repair required under this Section until thirty (30) calendar days after the receipt by Landlord of written notice of the need for such maintenance or repair. Landlord shall not be liable to Tenant for any injury to or interference with Tenant, Tenant's business and operations or use or occupancy of the Leased Premises arising out of, resulting from or relating to the performance of any maintenance or the making of any repairs, except to the extent arising out of, resulting from or relating to the active negligence or willful misconduct of Landlord.

5.1.2 Tenant Waiver. Except as provided in Section 5.1.1, Landlord shall have no obligation to maintain or make any repairs to the Leased Premises. Tenant 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 Landlord under Section 5.1.1, or which place obligations upon Landlord in addition to those provided in Section 5.1.1. Landlord shall not be liable to Tenant by reason of any injury to or interference with Tenant's business arising from or connected with the need for or the making of any repairs, alterations, or improvements to the Leased Premises. To the extent that Tenant is prevented from using the Leased Premises for the purpose specified in Section 4.2 as a result of the damage or destruction to the Leased Premises caused by the breach of this Lease, active negligence or willful misconduct of Landlord, Tenant shall be entitled to an abatement of the Monthly Rent for the period during which Tenant is prevented from using the Leased Premises.

## 5.2 Tenant's Obligations.

5.2.1 Maintenance. Tenant shall repair, at Tenant's cost, any damage to carpeting and any damage to interior walls caused by or resulting from the installation or maintenance or relocation of any Kiosk. Except as expressly provided in Section 5.1.1 hereof, Tenant, at Tenant's sole expense, shall maintain the Leased Premises and Kiosks, in good order, condition, and repair and in a neat, attractive, sanitary condition, free from waste or debris according to standards established by Landlord (whether or not such part of the Leased Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such part of the Leased Premises) including, without limitation, all of the following: (i) all ceilings, floors, interior walls, non-structural components of exterior walls, store fronts, windows, doors, plate glass, showcases, skylights, entrances, and vestibules located within the Leased Premises, and (ii) trade fixtures, furniture and other personal property located in or used in the Leased Premises, including, without limitation, the Kiosks and any and all other Alterations (as defined in Section 6.2). Tenant shall make any and all repairs required pursuant to this Section as and when the same become necessary to maintain the Leased Premises and every part thereof in

good order condition and repair, but in no event later than thirty (30) calendar days following the delivery to Tenant of the need for such repair, or immediately in the event of an emergency. All repairs to the Leased Premises made by Tenant as provided in this Lease shall be performed in accordance with all applicable statutes, regulations, rules and ordinances and all requirements and orders of any and all federal, state, county, city and other governmental authorities and agencies having jurisdiction with respect thereto and Tenant shall secure all licenses, permits, approvals and authorizations required with respect thereto.

5.2.2 Tenant Failure to Repair. In the event that Tenant fails to make any repair to the Leased Premises or Kiosks pursuant to Section 5.2.1 within thirty (30) calendar days following the delivery to Tenant of written notice of the requirement therefor, or immediately in the event of an emergency, Landlord shall have the right, but not the obligation, at Landlord's option, to enter upon the Leased Premises and put the same in good order, condition and repair, and in a neat, attractive and sanitary condition, free from waste and debris, and the cost thereof shall become due and payable, upon demand, by Tenant to Landlord as additional rent under this Lease.

## **6. KIOSKS, IMPROVEMENTS AND ALTERATIONS.**

6.1 Kiosks. On or before \_\_\_\_\_, 2021, Tenant shall install the Kiosks in the Leased Premises. Upon written request by Tenant to the Executive Director of Landlord, the Executive Director of Landlord shall have the authority to enter into a written amendment to this Lease adding an additional kiosk in an additional location, but may decline to do so in his or her sole and absolute discretion; however, any such amendment must include a date by which Tenant must install the additional kiosk, and that the additional kiosk shall be subject to all of the provisions of this Lease relating to Kiosks, including without limitation the monthly rent formula then applicable to the other Kiosks (with its adjusted minimum rent amount), and that such rent shall apply/commence upon execution of the amendment, if such an amendment is indeed signed. The Kiosks (including such additional Kiosk, if approved) shall be installed in accordance with and subject to all of the provisions of this Lease relating to Alterations, including, without limitation, the provisions of Section 6.2, 6.3, 6.4 and 6.5, and shall be bolted to the floor, bolted to the wall, or both, as elected by Tenant subject to the reasonable approval of Landlord.

6.2 Construction. Without in each instance obtaining the prior written approval of Landlord, which approval shall not be unreasonably withheld or delayed, Tenant shall not construct, install or make any modifications, alterations, improvements, or additions including, without limitation, the Kiosks (collectively, "Alterations"), in, on or to the Leased Premises. Landlord may impose, as a condition of such consent, such reasonable requirements as to the contractor, time, manner, method, design and construction in which the Alterations shall be done as Landlord determines. No such Alterations shall be undertaken until Tenant shall have procured and paid for all permits, licenses, approvals and authorizations required by all governmental authorities and agencies having jurisdiction thereof. Prior to the commencement of any Alterations, Tenant shall comply with the rules and guidelines established by Landlord for such work pursuant to Landlord's policy on tenant improvements attached hereto as Exhibit "D", as the same may be amended from time to time. All plans shall be subject to Landlord's approval (which approval shall not be unreasonably withheld or delayed) and, when required by the Airport Engineer, shall be prepared, stamped and signed by a California licensed architect or engineer.

Engineers shall be licensed for the particular discipline required. No work required in connection with any Alterations shall commence prior to receiving written approval of Landlord. All work done in connection with any Alterations shall be done at Tenant's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with all applicable federal, state, county and city statutes, regulations, rules and ordinances and all orders of any and all governmental authorities having jurisdiction thereof. In order to expedite plan review and approval and to insure that the proposed Alterations will be compatible with the Airport uses, Tenant first shall submit to Landlord for approval a schematic or conceptual plan. Landlord shall have the right to inspect and reject any work not done in accordance with the plans and specifications, and Tenant shall immediately repair or remove such work in accordance with this Section. Within thirty (30) calendar days following Landlord's request, Tenant shall furnish to Landlord a set of "as built" plans and specifications.

6.3 Indemnity. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all responsibilities, liabilities, obligations, damages, injuries, claims, demands, losses, awards, judgments, costs or expenses, arising out of, resulting from or relating to the Kiosks, or any and all Alterations constructed, installed or made by Tenant on, in or to the Leased Premises pursuant to this Section 6. Tenant hereby assigns to Landlord any and all warranties or guaranties of contractors and subcontractors furnishing labor, materials, equipment and services in connection with the Alterations, which assignment shall be effective during the term of this Lease.

6.4 Payment. Tenant shall pay, when due, all claims for labor, materials, equipment and services furnished or alleged to have been furnished to or for Tenant at or for use in the Leased Premises, the Kiosks, the Building or any other areas of the Airport, which claims are or may be secured by any lien against the Leased Premises or the other areas of the Airport or any interest therein. In the event any such lien is filed against the Leased Premises, the Building or any other areas of the Airport, it shall be discharged or bonded by Tenant, at Tenant's expense, within (10) calendar days after written notice thereof is delivered to Tenant. Landlord shall have the right to post such notices of non-responsibility as are provided for in the mechanics' lien laws of California.

6.5 Landlord's Property. Subject to Section 12, the Kiosks and items in them shall remain Tenant's personal property and shall not become or be considered real property or a part of the Building or the Airport, regardless of whether or by what means they are or may become attached or affixed to the Building. Tenant shall reimburse Landlord upon demand for any and all taxes, charges, assessments and other government levies payable by Landlord upon, measured by or reasonably attributable to the cost or value of the Kiosks and Tenant shall be responsible for insuring the Kiosks pursuant to Section 7.1.1.2.

## **7. INSURANCE; INDEMNITY; WAIVERS.**

### **7.1 Tenant Requirements.**

7.1.1 General. Tenant, at all times during the term hereof and at Tenant's sole cost and expense, shall maintain in effect the policies of insurance with limits of liability as provided in this Section 7.1.1.



7.1.1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance written on an occurrence basis covering the liability of Tenant and Landlord arising out of, resulting from or relating to death or injuries to persons or damage to or loss of property occurring on, in, under or about the Leased Premises in the minimum amount of Two Million Dollars (\$2,000,000) per occurrence.

7.1.1.2 Fire Insurance. A policy or policies of hazard insurance insuring against loss or damage to or destruction of (i) Tenant's fixtures, Alterations, personal property and equipment (including the Kiosks) located in, on or at the Leased Premises in an amount not less than one hundred percent (100%) of their replacement value, and (ii) all plate glass in the Leased Premises, if any, on an "All Risk" basis.

7.1.1.3 Workers' Compensation Insurance. Workers' compensation insurance in accordance with applicable law and employers' liability coverage in the minimum amount of One Million Dollars (\$1,000,000) covering Tenant's liability for its business and operations at the Leased Premises.

7.1.1.4 Motor Vehicle Liability. Motor vehicle liability insurance coverage, including hired and non-owned vehicle coverage, which provides public liability and property damage liability coverages of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury, including death, or property damage occurring as a result of the ownership, use or operation of motor vehicles in connection with Tenant's business and operations at the Leased Premises.

7.1.2 Adjustment of Insurance Coverage and Limits. Landlord may add to or change the types or coverages of insurance or the minimum limits of liability required to be maintained by Tenant pursuant to Section 7.1.1 by written notice to Tenant of such additions or changes. If Tenant elects not to maintain such additional or changed insurance or limits of liability, Tenant may terminate this Lease in its entirety by written notice of termination given to Landlord prior to the expiration of said thirty (30) calendar days. If Tenant does not terminate this Lease, Tenant shall obtain such additional or changed types of insurance or coverages or shall increase its insurance limits of liability as may be required by Landlord and failure to do so shall be an Event of Default under Section 11.1.5.

7.1.3 Policy Requirements. Each insurance policy required to be maintained by Tenant pursuant to Section 7.1.1 (i) shall be obtained from an insurance company authorized to conduct business in the State of California and having a rating of not less than A VIII in A.M. Best's Insurance Guide; (ii) except for workers' compensation, shall name Landlord as an additional named insured; and (iii) shall provide that Landlord be given at least thirty (30) calendar days' prior written notice of the termination, cancellation or amendment thereof. Concurrently with the execution and delivery of this Lease, Tenant shall furnish to Landlord a certificate or copy of each such insurance policy and prior to the expiration, cancellation or termination thereof, Tenant shall deliver to Landlord certificates or copies of any and all extensions renewals or replacements thereof.

7.1.4 No Limitation of Liability. Tenant acknowledges and agrees that the limits of liability provided in the insurance policies maintained by Tenant pursuant to Section 7.1.1 shall in no event be considered as limiting the liability of Tenant under this Lease.

7.2 Indemnification. Tenant shall defend, indemnify and hold harmless Landlord and its commissioners, officers, employees, agents and contractors, from and against any and all claims, demands, actions, suits, proceedings, damages, losses, liabilities, obligations, costs and expenses, including, without limitation, attorneys' fees, arising out of, resulting from or relating to the use or occupancy of the Leased Premises or operation of the Kiosks, except to the extent caused by the active negligence or willful misconduct of Landlord.

7.3 Exemption of Landlord from Liability. Tenant, on behalf of itself and its directors, officers, partners, employees, agents, representatives and contractors hereby waives all claims against Landlord with respect to this Lease, the Leased Premises, the Kiosk, the Building and the Airport, and Landlord shall not be liable, for any injury or death to persons or any damage or loss to any property in, on or about the Leased Premises, the Building or any other areas of Airport, arising out of, resulting from or relating to this Lease (including Tenant's use or occupancy of the Leased Premises), including, without limitation, any of the following: (i) latent or patent defects in the construction or condition of the Leased Premises, the Building or any other areas of the Airport; (ii) Acts of God; (iii) fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Leased Premises, the Building 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 equipment, or lighting fixtures of or serving the Leased Premises, the Building or any other areas of the Airport; (vi) the use or occupancy of the Leased Premises, whether said damage or injury results from conditions arising upon the Leased Premises, the Building or upon other areas of the Airport, or from other sources; or (vii) any damage or loss arising from any act or neglect of any other tenant, licensee, concessionaire or customer of the Airport.

## **8. ASSIGNMENT AND SUBLETTING.**

Tenant shall not voluntarily or by operation of law assign, sublet, transfer or mortgage, hypothecate, grant a security interest in or otherwise encumber all or any part of Tenant's rights or interest in or to this Lease or the Leased Premises. 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 of no force or effect. For the purposes of this Section, if Tenant is a corporation, any assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance or other event which results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record to less than a majority of any class of voting stock of Tenant, or if Tenant is a partnership, any assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance of a partnership interest or interests or other event which results, or upon foreclosure would result, in the reduction of the profit and loss participation of the present general partners to less than fifty-one percent (51%), or if Tenant is a corporation, partnership, trust or other entity, any change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity, shall be deemed to be a prohibited assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section.

## **9. EMINENT DOMAIN.**

9.1 Entire or Substantial Taking. In the event that the entire Leased Premises, or so much thereof as to make the balance not reasonably adequate for the conduct of Tenant's business, shall be taken under the power of eminent domain, this Lease automatically shall terminate as of the date of the vesting of title in such condemning entity.

9.2 Awards. Any award for any taking of all or any part of the Leased Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business, provided, however, that in determining the value of Tenant's business, all goodwill attributable to the location of the business shall belong to Landlord and Tenant's business shall be valued based solely upon its operating results.

9.3 Condemnation by Landlord. Nothing in this Lease shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord.

## **10. SUBORDINATION.**

10.1 Subordination. This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting the Leased Premises, the Building or the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof. Tenant shall execute and deliver to Landlord or any other party requiring such subordination, within ten (10) calendar days following its receipt, any and all documents which may be required to effectuate such subordination. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a mortgagee, beneficiary, bond trustee, secured party or other lien holder, so long as such amendment, alteration or modification does not cause Tenant material financial loss, and that Tenant's written consent to any such amendment, alteration or modification shall not be unreasonably withheld or delayed. Tenant shall give prompt written notice to each mortgagee, beneficiary, bond trustee, secured party or lien holder, of which Tenant has written notice, of any Event of Default of Landlord, and Tenant shall allow such mortgagee, beneficiary, bond trustee, secured party or lien holder a reasonable length of time (in any event, not less than thirty (30) calendar days from the date of such notice) in which to cure such Event of Default.

10.2 Attornment. In the event that any mortgage, deed of trust, bond indenture, security interest, lien or other encumbrance is foreclosed, Tenant, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Leased Premises, agrees to enter into a new Lease covering the Leased Premises for the remainder of the term of this Lease, on the same provisions herein provided. Alternatively, upon such foreclosure, Tenant shall, upon written request, attorn to the purchaser and recognize the purchaser as Landlord under this Lease.

## **11. DEFAULTS AND REMEDIES.**

11.1 Default by Tenant. Any of the following shall constitute an Event of Default by Tenant under this Lease:

11.1.1 Bankruptcy, Insolvency or Receivership. (i) The consent of Tenant to the appointment of a receiver, trustee or liquidator of all or a substantial portion of Tenant's assets; or (ii) the adjudication of Tenant as a bankrupt or insolvent; or (iii) the filing by Tenant of a voluntary petition in bankruptcy; or (iv) the admittance by Tenant in writing of Tenant's inability to pay its debts as they become due; or (v) the failure by Tenant to pay its debts as they become due; or (vi) the making by Tenant of a general assignment for the benefit of creditors; or (vii) the filing by Tenant of a petition or answer seeking reorganization or arrangement with creditors; or (viii) the taking by Tenant of advantage of any insolvency law; or (ix) the entrance of any order, judgment or decree upon an application of a creditor of Tenant by a court of competent jurisdiction approving a petition seeking appointment of a receiver, trustee or assignee of all or a substantial part of Tenant's assets, when such order, judgment or decree is not vacated within thirty (30) calendar days.

11.1.2 Assignment, Subletting or Encumbrance. An attempted assignment, transfer, mortgage, grant of a security interest in, hypothecation or other encumbrance by Tenant of Tenant's rights or interests in this Lease or in the Leased Premises in violation of Section 8.

11.1.3 Abandonment or Termination. The vacation or abandonment by Tenant of the Leased Premises in violation of Section 4.4.3, or the termination of Tenant's right to possession by operation of law or as herein set forth, in each case for more than ten (10) days after delivery of written notice from Landlord, except in conjunction with the exercise by Tenant of any express right of Tenant to terminate this Lease.

11.1.4 Nonpayment of Rent. The failure by Tenant to pay any installment of Monthly Rent, any additional rent, or any other sum due hereunder within ten (10) days after delivery of written notice from Landlord that same is due and payable.

11.1.5 Insurance. Failure to maintain the insurance required by Section 7.

11.1.6 Security Deposit. Failure to perform any obligations of Tenant under Section 17 within ten (10) days after delivery of written notice from Landlord.

11.1.7 Gross Revenue Records and Reports. Tenant's failure to comply with any of the provisions of Sections 3.3, 3.4 or 3.5 within ten (10) days after delivery of written notice from Landlord that same is due.

11.1.8 Security. Tenant violates any provision of Section 4.7.

11.1.9 Other. The breach of or failure to perform by Tenant of any representation, warranty, covenant or agreement under this Lease, other than those described in Sections 11.1.1 through 11.1.8, (i) after the delivery to Tenant of written notice thereof and Tenant's failure to cure such breach or failure within thirty (30) calendar days following the delivery of such written notice; provided, however, in the event that the nature of Tenant's obligation is such that more than thirty

(30) calendar days are required for its performance, Tenant shall not be deemed to be an Event of Default if Tenant shall commence such performance within such thirty (30) calendar day period and thereafter diligently prosecutes the same to completion; or (ii) immediately in the event of An emergency.

11.2 Remedies. Upon the occurrence of any Event of Default under this Lease, Landlord, at its option and election, and without further demand or notice, in addition to all other rights and remedies of Landlord, shall have the right to declare this Lease, including the leasehold estate in the Leased Premises, ended and terminated (or to declare this Lease terminated as to the Space(s) and Kiosk(s) with respect to which an Event of Default shall have occurred, if so elected by Landlord in its sole and absolute discretion), to re-enter the Leased Premises, to remove and eject all persons therefrom, to take possession thereof, and to enjoy the Leased Premises, together with all additions, Alterations and improvements thereto and Tenant shall be liable for the unpaid portion of any and all accrued Monthly Rent hereunder and the amount of any and all damages incurred by or on behalf of Landlord with respect to the Events of Default. In the event that Landlord may have reentered any Leased Premises after an Event of Default hereunder without having declared this Lease terminated, Landlord shall have the right at any time thereafter to elect to terminate this Lease and all of the rights and remedies of Tenant in and to the Leased Premises as provided herein.

11.3 Personal Property. [Intentionally Omitted.]

11.4 Waiver. Tenant hereby waives all claims and demands against Landlord for damages or loss arising out of or in connection with any lawful re-entering and taking possession of the Leased Premises.

11.5 Waiver of Redemption. In the event of the lawful exercise by Landlord of any one or more of its rights and remedies under this Section 11, Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future laws, and further releases Landlord, from any and all claims, demands and liabilities by reason of such exercise by Landlord.

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

11.7 Termination of Landlord Liability. Landlord shall be under no obligation to observe or perform any covenant of this Lease on its part to be observed or performed for the benefit of Tenant, which accrues after the date of any Event of Default.

11.8 Default by Landlord. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has



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

## **12. SURRENDER AT END OF TERM.**

By the expiration of this Lease, and promptly upon any earlier termination of this Lease, Tenant shall quit and surrender the applicable Leased Premises to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and Tenant shall remove the Kiosks and their contents, and shall promptly repair any damages to the Leased Premises caused by such removal. If Tenant fails to do so, Landlord may do so, and may dispose of the same in any manner without liability to Tenant (and Tenant hereby waives any and all statutes or other law to the contrary), or Landlord may retain the same as Landlord's property without liability or obligation to Tenant (and Tenant hereby waives any and all statutes or other law to the contrary). Tenant's obligation to perform this covenant shall survive the expiration or other termination of the term hereof.

## **13. COMMON USE FACILITIES.**

13.1 Common Use Facilities. In conjunction with Tenant's use of the Leased Premises, and solely for the purposes hereinbefore set forth in this Lease, Tenant is hereby granted the nonexclusive right during the term of this Lease to enter upon or make customary and reasonable use of such areas of the Building and the other areas of the Airport as Landlord may from time to time designate as "common use facilities." Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use such facilities and shall be in strict compliance with all laws, rules, directions and orders of Landlord applicable thereto. Within ten (10) days following the termination of this Lease, the applicable Kiosk(s) and any and all of Tenant's other trade fixtures, equipment and personal property shall be removed by Tenant, at its sole cost and expense, and the applicable Space shall be restored and repaired to the condition existing as of the Commencement Date, subject to reasonable wear and tear, casualty and damage by the elements.

13.2 Public Areas. During the term of this Lease, Tenant, and its officers, directors, employees, agents, representatives, customers, passengers, guests and invitees, shall be entitled to use all public areas located in the Building, and the other areas of the Airport, in common with Landlord and with other persons authorized by Landlord from time to time to use said facilities.

13.3 Restrictions on Use. Landlord reserves the right, in its sole discretion, to make changes at any time and from time to time in the size, shape, location, number and extent of all areas of the Airport, including all common use facilities and public areas, or any of them, and specifically further reserves the right to designate portions of the common use facilities and public areas for the use of certain tenants of the Airport.

13.4 Holdroom Space and Baggage Claim Space Excluded. As used herein, the terms “common use facilities” and “public areas” do not include any holdroom space or baggage claim space within the Airport. Tenant is not granted any rights under this Lease to use said holdroom space or baggage claim space, whether on a non-exclusive basis or otherwise.

13.5 Parking. Notwithstanding that Landlord may lease parking spaces to employees of Airport tenants, as such parking spaces may be available, it is expressly understood and agreed that Landlord is not responsible or obligated to provide Tenant or its officers, directors, its employees, agents, representatives, contractors, licensees, invitees or permittees, with any parking spaces within the Airport or otherwise, as an appurtenance to this Lease. Tenant shall be solely responsible for arranging any and all necessary parking incidental to this Lease.

#### **14. SERVICES.**

14.1 Fire and Security. Landlord is not obligated to Tenant to furnish any fire-fighting services or security services to the Leased Premises. Tenant shall maintain its own security services for the Leased Premises and agrees that the maintenance by Landlord of either security or fire-fighting services shall not constitute a waiver of this provision. Tenant acknowledges that the Leased Premises are within the municipal’ service area of the City of Burbank.

14.2 Landlord Not Responsible. Landlord shall not be liable in damages or otherwise for any failure or interruption of any services, or of any utilities to the Leased Premises, and no such failure or interruption shall entitle Tenant to terminate this Lease or to an abatement of rent. Landlord shall not be liable to Tenant under any circumstances for damage or loss of Tenant’s property, injury to person or property, or consequential damages, however occurring, through, in connection with, or incidental to failure to furnish any of the foregoing.

#### **15. QUIET ENJOYMENT.**

Upon paying the rent and other sums due hereunder and observing and performing all the provisions on Tenant’s part to be observed and performed pursuant to this Lease, Tenant may peaceably and quietly enjoy the Leased Premises, subject to the provisions of this Lease and to any mortgages, deeds of trust, bond indentures, security interests, liens and other encumbrances secured by the Airport or its revenues.

#### **16. ATTORNEYS’ FEES AND COSTS.**

In the event any action or proceeding is brought by either party against the other under this Lease, the prevailing party shall be entitled to recover its costs, and, for the fees of its attorneys in such action or proceeding, in such amount as the court may adjudge reasonable as attorneys’ fees.

#### **17. SECURITY DEPOSIT.**

Concurrently with the execution of this Lease, Tenant shall deliver to Landlord the sum of \$1,500.00. [SUM EQUAL TO THREE TIMES THE INITIAL BASE MONTHLY RENT FOR EACH KIOSK] Upon an Event of Default on the part of Tenant with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of rent or any other amount due hereunder, subject to any applicable notice and cure periods as provided in Section

11, Landlord may apply all or any part of said sums for the payment of any amount in default, to cure any Event of Default or to repair any damage to the Leased Premises caused by Tenant and to pay any and all damages to which Landlord is otherwise entitled as a result of such default. In the event that Landlord elects to apply any of the sums delivered by Tenant to Landlord pursuant to this Section, Tenant shall, within thirty (30) days after written demand therefor, deliver to Landlord a sum sufficient to restore the sums held by Landlord, and Tenant's failure to do so shall be an Event of Default. In the event Landlord applies any funds as provided in this Section, such action shall not constitute an election or waiver of any other rights or remedies which Landlord may have by virtue of Tenant's default. Landlord shall delivery any unapplied portion of such deposit(s) to Tenant within one hundred and twenty (120) days after the expiration or earlier termination of this Lease. TENANT HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1950.7 TO THE EXTENT INCONSISTENT WITH THE PROVISIONS OF THIS SECTION.

#### **18. TRANSFER OF LANDLORD'S INTEREST.**

In the event of any transfer of Landlord's interest in the Leased Premises, the transferor automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer upon confirmation that the transferee agrees to accept all obligations and liabilities accruing under this Agreement from and after the date of such transfer.

#### **19. LEASE INTERPRETATION.**

19.1 Incorporation of Prior Agreements; Amendments. This Lease contains the entire agreement between the parties hereto, and no prior 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 obligation in favor of Landlord. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Lease which Landlord determines is necessary or advisable in order to comply with applicable laws, rules and resolutions of Landlord in effect from time to time.

19.2 No Representations by Landlord. Tenant acknowledges that neither Landlord nor any of Landlord's agents, representatives, employees or officers have made any representations or promises with respect to the Airport or the Leased Premises, except as herein expressly set forth. Tenant acknowledges that it has not executed this Lease in reliance upon any representations or promises of Landlord or Landlord's commissioners, officers, employees, agents or representatives, with respect to the Airport or the Leased Premises, except as herein expressly set forth.

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



19.4 Relationship Between Parties. Nothing contained in this Lease shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto, other than the relationship of landlord and tenant.

## **20. WAIVERS.**

The waiver by either party of any provision of this Lease shall not be deemed to be a waiver of any other provision hereof or of any subsequent breach of any other provision hereof or of any subsequent breach of the same or any other provision. Landlord's consent to any act by Tenant requiring Landlord's consent shall not be deemed to render unnecessary the obtaining of Landlord's consent to any subsequent act by Tenant, whether or not similar to the act so consented. The subsequent acceptance of any rent or any other amount due from Tenant hereunder by Landlord shall not be deemed to be a waiver of any preceding breach or Event of Default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount.

## **21. PERFORMANCE OF TENANT'S COVENANTS BY LANDLORD.**

In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for at least ten (10) calendar days after written notice thereof from Landlord to Tenant (but no notice shall be required in an emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand and without waiving or releasing Tenant from any obligation to Landlord, to make such payment or perform such other act for the account of Tenant, to the extent Landlord may deem desirable. All sums so paid by Landlord and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 3.9 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid, Landlord shall have the same rights and remedies as for the nonpayment of rent.

## **22. SUCCESSORS AND ASSIGNS.**

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

## **23. RULES AND REGULATIONS.**

Tenant shall comply with all uniform rules and regulations established by Landlord for use of the Airport, the Building or the Leased Premises, as the same may be amended from time to time by Landlord. Landlord shall provide Tenant with a copy of all such rules and regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other tenant, occupant, licensee, concessionaire or other user of the Airport of any of said rules and regulations.

## **24. TOXIC MATERIALS.**

24.1 Prohibited Without Consent. Tenant shall not cause or permit any Toxic Materials (as defined in Section 24.2) to be brought onto, stored, used or disposed of in, on or about the

Leased Premises by Tenant, its agents, employees, contractors, licensees, subtenants or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold or delay so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to Tenant's business and will be stored, used and disposed of in a manner that complies with all Environmental Laws (as defined in Section 24.2).

24.2 Compliance with Environmental Laws. Tenant shall comply, at its sole cost, with all federal, state and local laws and governmental orders applicable to all Toxic Materials and to the lawful conduct of Tenant's business. The term "Toxic Materials" means any hazardous or toxic material, 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 Landlord 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 "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 by federal, state, regional or local governments, agencies or authorities relating to or governing in any way the environmental condition of soil, air, water, groundwater or the presence of Toxic Materials in or affecting all or any portion of the Leased Premises or any others areas of the Airport.

24.3 Indemnity. Tenant shall be solely responsible for and shall indemnify, hold harmless and defend Landlord, its commissioners, officers, employees and agents, and the Cities of Burbank, Glendale and Pasadena, California, from and against any and all liabilities, claims, costs, penalties, fines, losses (including without limitation, (i) diminution in value of the Airport, the Leased Premises, the Building or any other areas of the Airport or any improvements thereon; (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, the Leased Premises, the Building or any other areas of the Airport or any improvements thereon; (iii) damages arising from any adverse impact on marketing of space in the Airport, the Leased Premises, the Building or any other areas of the Airport or any improvements therein; and (iv) sums paid in settlement of claims), liabilities, losses, damages, injuries, causes of action, judgments, and expenses (including, without limitation, attorneys' fees, consultant fees and expert fees), which arise during or after the term of this Lease as a result of the receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Toxic Materials in, on or about the Leased Premises, the Building or any other areas of the Airport by Tenant or its agents, employees, contractors, licensees, subtenants or invitees arising out of or relating to this Lease (including Tenant's use or occupancy of the Leased Premises). The foregoing indemnification by Tenant includes, without limitation, any and all costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work necessary to bring the Leased Premises, the Building or any other areas of the Airport into compliance with the Environmental Laws or required by any federal, state or local governmental agency or political subdivision because of Toxic Materials present in the soil, subsoils, groundwater or elsewhere from, in, on, under or about the Leased Premises, the Building or any other areas of the Airport. The indemnification by Tenant under this Section shall survive the termination of this Lease.

24.4 Prohibited Substances. The following substances are strictly prohibited from being brought onto the Leased Premises, the Building or any other areas of the Airport in any quantities whatsoever: (i) arsines; (ii) dioxins, including dioxin precursors and intermediates; (iii) polychlorinated biphenyls; and (iv) anything contained in the California List of Extremely Hazardous Chemicals.

## 25. MISCELLANEOUS.

### 25.1 Offset Statement.

25.1.1 Delivery. Tenant shall from time to time, upon not less than fifteen (15) calendar days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing:

25.1.1.1 Certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect);

25.1.1.2 Setting forth the dates to which the rent and other charges, if any, are paid; and

25.1.1.3 Acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder (or specifying such defaults if any are claimed).

25.1.2 Reliance. Any such statement may be relied upon by any encumbrancer of the Leased Premises or of all or any portion of the Airport. Tenant's failure to deliver such statement within such time shall be conclusive evidence upon Tenant that:

25.1.2.1 This Lease is in full force and effect, without modification except as may be represented by Landlord;

25.1.2.2 There are no uncured defaults in Landlord's performance; and

25.1.2.3 Not more than one month's installment of the Monthly Rent has been paid in advance.

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

25.3 Notices. Whenever notice is to be given under the terms of this Lease, it shall be personally delivered or be sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To Landlord:

BURBANK-GLENDALE-PASADENA AIRPORT  
AUTHORITY

2627 Hollywood Way  
Burbank, CA 91505  
Attn: Executive Director

To Tenant:

HG Burbank JV  
One Meadowlands Plaza, Ninth Floor  
East Rutherford, New Jersey 07073

With a copy to:

HG Burbank JV  
One Meadowlands Plaza, Ninth Floor  
East Rutherford, New Jersey 07073  
Attn: General Counsel

In the event a different address is furnished by either party to the other party in writing, notices shall thereafter be sent or delivered to the new address. Any such notice shall be deemed given as of the date of personal delivery or forty-eight hours after it is mailed, except that a notice of a change in address shall be deemed given as of the date of receipt thereof. A notice given in any other manner shall be deemed given as of the date it is actually received by the party for whom intended. It is recognized that Landlord may employ a manager or operator of the Airport, as an agent of Landlord, and any notices to Landlord hereunder shall be given to both Landlord and any such manager or operator.

25.4 Brokers. Tenant warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease, and Tenant agrees to defend, indemnify and hold Landlord harmless from any claim for any compensation, commission or other charge by any finder or any other real estate broker or agent.

25.5 Recording. Tenant shall not record this Lease without the prior written consent of Landlord. In the event Landlord consents to recordation of this Lease or a memorandum thereof, any documentary transfer taxes shall be paid by Tenant.

25.6 Governing Law. This Lease be governed by- and construed pursuant to the law of the State of California.

25.7 Time of Essence. Time is of the essence of this Lease.

25.8 Signs. Tenant shall not, without the prior written consent of Landlord, install or affix any signs or advertisements on or to the exterior of the Leased Premises or the Airport.

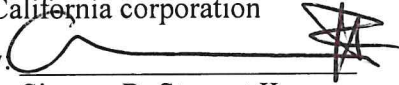
IN WITNESS WHEREOF, this Lease has been executed by the undersigned as of the date first set forth above.

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

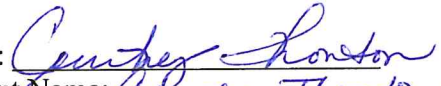
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

HG BURBANK JV,  
a Joint Venture

By: Stewart Manhattan Investments, Inc.,  
a California corporation

By:   
Simeon R. Stewart II,  
Chief Executive Officer

By: Hudson Group (HG) Retail, LLC,  
a Delaware limited liability company,

By:   
Print Name: Courtney Thornton  
Title: V.P. Corporate Strategy &  
Business Development

**EXHIBIT "A"**

**DESCRIPTION(S) OF LEASED PREMISES**

(Attached.)

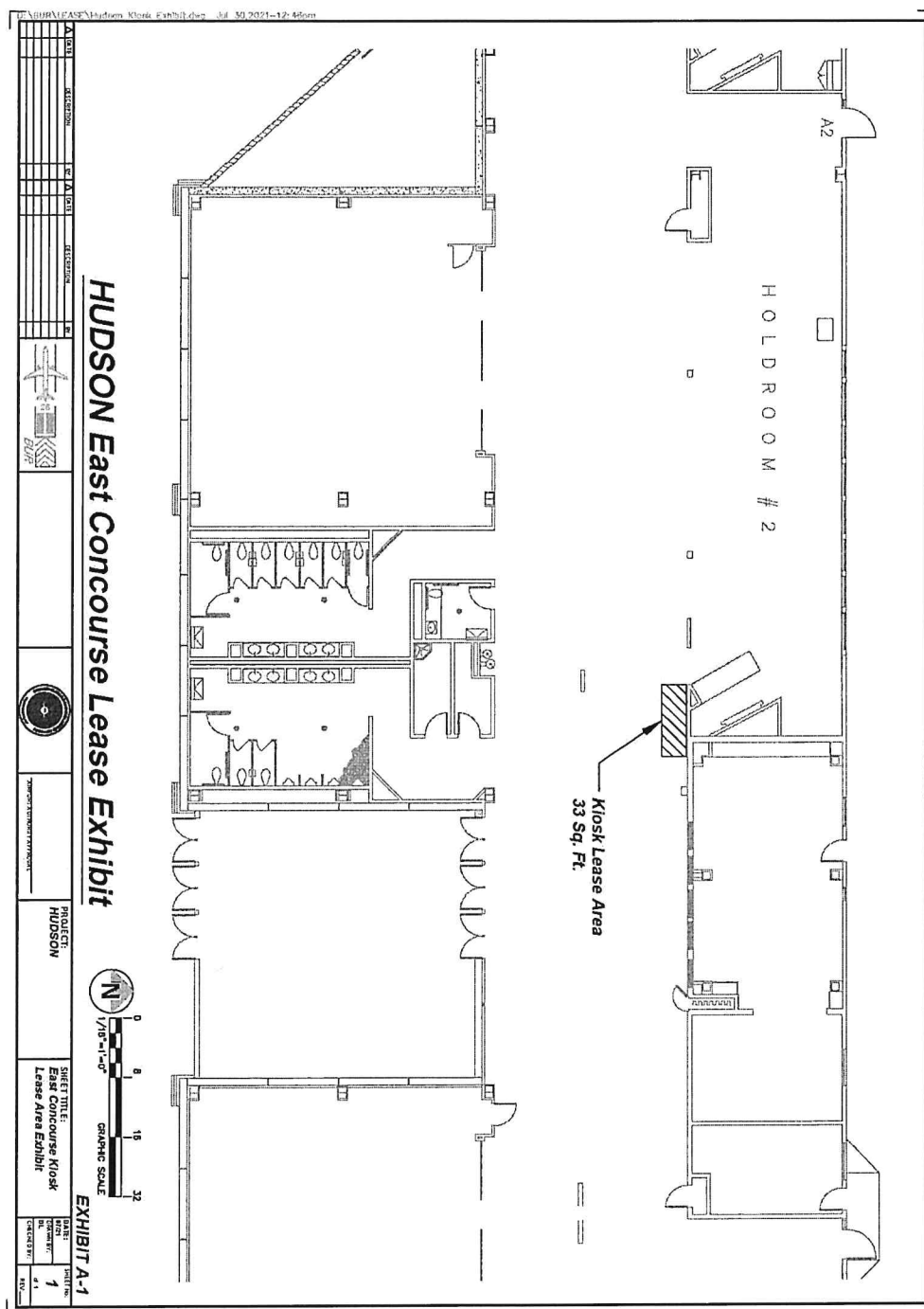


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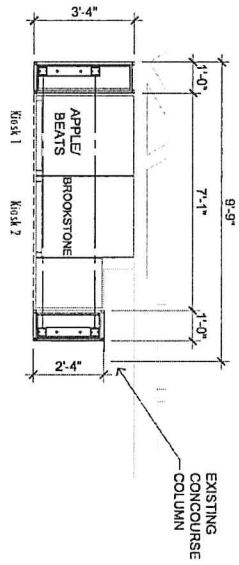
**EXHIBIT "B"**

**DESCRIPTIONS OF KIOSKS**

(Attached.)



# FLOOR PLAN / RENDERINGS



**EXHIBIT "C"**

**FAA GRANT AGREEMENT ASSURANCES**

- A. Tenant, for itself, its representatives, successors in interest, and permitted assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.
- B. Tenants for itself and its representatives, successors in interest and permitted assigns as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that
1. No person on the ground of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;
  2. In the construction of any improvements on, over or under the Leased Premises, if allowed, and the furnishings of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
  3. Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- C. In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Lease and to re-enter and to repossess the Leased Premises, and hold the Leased Premises as if this Lease had never been made. This provision does not become effective until the procedures of 49 Code of Federal Regulations Part 21 are followed and completed, including expiration of appeal rights.
- D. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

- E. Noncompliance with Provision D, above shall constitute a material breach hereof and in the event of such noncompliance Landlord shall have the right to terminate this Lease and the estate hereby created without liability therefor or, at the election of Landlord or the United States, either or both thereof shall have the right to judicially enforce Provisions A, B, C and D above.
- F. Applicant agrees that it shall insert the above five provisions in any permitted sublease, license or agreement by which said Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or service to the public at the Leased Premises.

**EXHIBIT "D"**

**TENANT IMPROVEMENTS POLICY**

(Attached.)

**REQUEST FOR APPROVAL  
PROPOSED TENANT IMPROVEMENT**



**SUBMITTALS RECEIVED LESS THAN TEN BUSINESS DAYS PRIOR TO PROJECT  
START DATE WILL BE REJECTED.**

**1. INFORMATION**

Tenant \_\_\_\_\_ Building # \_\_\_\_\_  
Name of Contact \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_ Email: \_\_\_\_\_  
Describe Proposed Improvements \* \_\_\_\_\_

Estimated cost of improvements \_\_\_\_\_  
Estimated start date \_\_\_\_\_ Completion date \_\_\_\_\_

\*\*\*Attach sketches or drawings as required to clearly indicate the type, size, height  
and location of proposed improvements\*\*\*

**2. PRE-CONSTRUCTION**

Contractor \_\_\_\_\_ License # \_\_\_\_\_  
Address \_\_\_\_\_  
Contract Price \_\_\_\_\_ Phone # \_\_\_\_\_  
Construction Commencement Date \_\_\_\_\_ End Date \_\_\_\_\_

\*\*\*Applicant must submit required Certificate of Insurance, Material and Labor Bond  
two weeks prior to the start of construction\*\*\*

Tenant Representative (Signed) \_\_\_\_\_ Date \_\_\_\_\_

**3. INITIAL APPROVALS**

Operations	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Business & Properties	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Engineering Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Environmental & Noise	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Fire Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
ICT Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Maintenance Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Police & Security	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		

**4. FINAL APPROVAL**

Airport Administration (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

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### INSTRUCTIONS FOR COMPLETING THIS FORM

The following procedures are to be followed by all Airport Tenants desiring to make improvements to their leasehold. Close adherence to the procedures and regulations outlined below will greatly aid in expediting the processing and approval of each Proposed Improvement.

1. Tenant shall complete Section 1 and 2 of this form and submit to: Burbank-Glendale-Pasadena Airport Authority, Business, Property and Administrative Services Department, 2627 Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request Form, the Business, Property and Administrative Services Department will review the Proposed Improvement and, if the proposal is considered to be basically acceptable, it will then be forwarded to Airport Engineering for further review and evaluation. However, if the proposal is not considered to be basically acceptable, the Request Form will be returned to the Tenant accompanied by a written statement from the Authority as to why the request is being denied at this stage or if additional information is required.
3. In addition to the submission of the Tenant Improvement Form, Tenant shall also provide final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements: five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Business, Property and Administrative Services Department for review by all applicable Airport Departments with final review and approval by Airport Administration.
4. The Business, Property and Administrative Services Department and Engineering Department will determine any impact of the Proposed Improvement on the Airport Master Plan, Airport Facilities, Navigable Airspace Requirements of Federal Aviation Regulations Part 77, and/or if it conforms to the Airport Rules and Regulations.
5. Prior to the start of construction and after all insurance and bond requirements have been satisfied, an Indemnification & Defense Agreement has been submitted to the Authority, and Building permits and any other necessary permits are on file with the Authority, a pre-construction meeting must be held in the Authority Administrative offices. When all of these requirements have been satisfied, approval to begin construction will be granted on the Tenant Improvement Form and a copy returned to the Tenant. The form will indicate whether approval has been granted, and if not granted, the reason for denial.
6. All Tenants shall, within thirty (30) days after completion, submit to Business, Property and Administrative Services Department one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Business, Property and Administrative Services Department.
7. The itemized summary shall be signed by the contractor and notarized.

NOTES: a.) For smaller projects costing less than \$5,000, the Authority may, at its discretion, waive any or all of the above requirements.  
b.) Airport approval does not constitute a substitution of approval from any other governmental agency having jurisdiction.

### PLANS AND SPECIFICATIONS

Plans shall be drawn to scale and dimensioned on standard size drawing sheets for future reference and file retention, and shall be of sufficient clarity to indicate the nature and extent of the work proposed and show in detail that it conforms to the provisions of the governing codes, ordinances, rules and regulations. The minimum number of drawings normally acceptable with each set of plans submitted for final review and approval will generally consist of a plot plan, foundation plan, floor plan, elevations, framing section and details. Electrical, plumbing, heating and air conditioning plans and details shall be submitted when applicable. Foundation recommendations, including calculations and a soils investigation report shall be submitted when appropriate or requested by Airport Engineering. All design documents, including required calculations, shall be prepared, stamped, and signed by a licensed professional engineer or architect registered in the State of California. Engineers shall be licensed for the specific discipline required. Drawings/specifications and/or calculations prepared by contractors and/or fabricators will not be acceptable.

### OTHER REQUIREMENTS INSURANCE REQUIREMENT

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form:

Comprehensive General Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence.
	\$1,000,000 for Personal Injury for each occurrence.
Comprehensive Automobile Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence.
Workers' Compensation:	California statutory requirements

Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Business, Property and Administrative Services Department. Each of said insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

### BOND REQUIREMENT

The Tenant shall require the contractor to obtain a material and labor bond equal to the contract price of the work. A copy of said bond shall be forwarded to Airport Engineering.

### INDEMNIFICATION & DEFENSE AGREEMENT

The Tenant and its Contractor agree to and do hereby indemnify, defend and hold harmless the Burbank-Glendale-Pasadena Airport Authority, and its officers, agents, employees and contractors from all claims, demands, liabilities, losses, damages, costs and expenses, of any nature whatsoever, caused by or arising from, directly or indirectly, any act or omission (including, without limitation, negligent acts, negligent omissions, willful misconduct and any violation of the terms of that certain Lease or this Request form between Tenant and Authority in, on or near the Bob Hope Airport by Contractor, or its subcontractors, agents or employees (including without limitation work done by Contractor for Tenant on Tenant's leased premises).

### PREVAILING WAGES

As part of Tenant's obligations under the terms of the Lease to comply with applicable law, Tenant acknowledges and agrees that if Tenant is provided improvement funds from the Burbank-Glendale-Pasadena Airport Authority, or a rent credit based on timely construction of improvements, then Tenant shall (and shall cause its contractors to) pay prevailing wages for such improvements and shall otherwise comply with California Labor Code Sections 1720 et seq. (including all recordkeeping and reporting requirements).

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**CONCESSION AND LEASE AGREEMENT**

**BETWEEN THE**

**BURBANK - GLENDALE – PASADENA AIRPORT AUTHORITY**

**AND**

**CERTIFIED FOLDER DISPLAY, INC.**

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## CONCESSION AND LEASE AGREEMENT

THIS CONCESSION AND LEASE AGREEMENT (this "Agreement") is dated as of 11/12, 2015, and is entered into by and between the BURBANK - GLENDALE - PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale, and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and CERTIFIED FOLDER DISPLAY, INC., a California corporation ("Tenant").

### I. GRANT OF CONCESSION.

1.1 General; Permitted Use. The purpose of this Agreement is to provide information on activities and attractions in the Burbank/Los Angeles local area and the Southern California region via brochure and magazine floor display racks. In consideration of the terms and conditions to be performed by Tenant, Landlord grants to Tenant the non-exclusive right to conduct and operate a commercial advertising display business at the Bob Hope Airport ("Airport"), upon the terms and subject to the conditions set forth in this Agreement.

Tenant shall finance, design, construct, develop, install, maintain, manage and/or operate prime quality, expertly designed, commercial advertising displays at the Airport that include five pocket brochure display racks, and Tenant shall keep the brochures and display racks in a clean and orderly condition at all times and shall keep the display racks stocked with brochures and magazines from local/regional visitor attractions as well as visitor bureaus.

Because of Landlord's substantial interest in protecting the health and welfare of its citizens, Tenant agrees that it shall not allow any advertising in the Leased Premises which:

- (a) contains profanity or obscenity;
- (b) includes nude photographs or nude illustrations of any person. For the purpose of this Agreement "nude" means devoid of any opaque covering of the genitals, pubic hair, buttocks, perineum, anus or anal region of any person; or any portion of the breast, at or below the areola thereof, of any female person;
- (c) contains any material in violation of applicable laws, including and without limitation to laws regulating copyrights, trademarks, and other forms of intellectual property;
- (d) is deceptive or misleading;
- (e) depicts (through either words, photographs or illustrations) explicit sexual acts, "Explicit sexual acts", as used in this Agreement means depictions of sexual intercourse, oral copulation, anal intercourse, oral-anal copulation, bestiality, sadism, masochism or excretory functions in conjunction with sexual activity, masturbation or lewd exhibition of the genitals, whether any of the above conduct is depicted or described as being performed among

or between members of the same or opposite sex or between humans and animals, or other acts involving any physical contact with a person's or animal's genitals, pubic region, pubic hair, perineum, anus or anal region;

- (f) depicts commercial advertising for tobacco or other smoking products;
- (g) depicts physical violence against any person or animal;
- (h) is prohibited by law or order of any court of competent jurisdiction;
- (i) are free-standing, outdoor billboards; and
- (j) are aromatic (scented) advertising displays.

1.2 Nonexclusive. Tenant acknowledges and understands that the grant to Tenant of the right to conduct and operate a commercial advertising display business at the Airport pursuant to this Agreement is non-exclusive. Additionally, Tenant acknowledges and understands that Landlord reserves the right to grant to persons, partnerships, firms, corporations and other entities, other than Tenant ("Other Concessionaires"), rights to conduct and operate the same or similar businesses at the Airport.

## 2. LEASED PREMISES.

2.1 Location of the Leased Premises. Landlord leases to Tenant, and Tenant hires from Landlord, certain premises shown and described on the site plan attached as Exhibit "A" ("Leased Premises"), which Leased Premises are situated within the main terminal building and the Regional International Transportation Center at the Airport (collectively, "Building"), within the Airport, together with the right, in common with others, to the use of certain of the "common use facilities" of the Airport as set forth in Section 17 below, upon the terms and subject to the conditions set forth in this Agreement.

2.2 Acceptance of the Leased Premises. Tenant accepts the Leased Premises in their current "AS-IS" condition existing as of the date hereof, without representation or warranty, express or implied. Tenant agrees that the Leased Premises are in a good and tenantable condition, but need to be vacated by the current tenant thereof. Tenant acknowledges that Tenant has inspected the Leased Premises and available common use facilities of the Airport to its satisfaction. Additionally, Tenant acknowledges that, except as expressly provided in Section 6.1.1, Landlord is not obligated to make any repairs or alterations to the Leased Premises or any common use facilities.

2.3 Reservations to Landlord. Tenant further accepts the Leased Premises subject to any and all existing easements and encumbrances. Landlord reserves the right, without obligation, to install, lay, construct, maintain and repair utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises or any part thereof, and to enter the Leased Premises for any and all such purposes.

Landlord also reserves the right to grant franchises, easements, licenses, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises. No right reserved by Landlord in this Section shall be so exercised as to interfere unreasonably with Tenant's operations.

2.4 Landlord's Right of Access. Landlord shall have free access to the Leased Premises 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 the Leased Premises, the Buildings or elsewhere on the Airport, making repairs which Landlord may be required or permitted to make, and exhibiting the same to prospective purchasers or Tenants. Such entry shall be made in a manner which will not unreasonably interfere with Tenant's use of the Leased Premises, except in case of emergency. In the event that Tenant is not personally present to open and permit such entry, Landlord may enter the Leased Premises by means of a master key or may enter forcibly and shall incur no liability to Tenant as a result of such entry, except for any willful misconduct on the part of Landlord or any of its employees, agents, representatives or contractors.

### 3. TERM.

3.1 Commencement Date. The term of this Agreement shall commence on January 1, 2016 ("Commencement Date"), and shall continue until the date that is one (1) calendar year thereafter, as extended by Tenant under Section 3.2 below, unless earlier terminated as provided herein, including a termination pursuant to Section 3.3 below.

3.2 Tenant Extension Options. Tenant shall have five (5) one-year extension options, which Tenant may exercise by giving written notice to Landlord at least ninety (90) days prior to the then-scheduled expiration of this Agreement; provided, however, that each such exercise of an extension option must be approved in writing by the Executive Director of the Authority in order to be effective.

#### 3.3 Early Termination.

3.3.1 Rights to Terminate. Either party may, in its sole and absolute discretion, terminate under this Agreement upon one hundred and twenty (120) days' prior written notice to the other.

3.3.2 Rights of Tenant. Upon the termination of this Agreement, all rights of Tenant under this Agreement with respect to the terminated area of the Leased Premises shall terminate and Landlord shall be under no duty or obligation to enter into a new lease or other agreement with Tenant or to extend this Agreement with respect to any other premises at the Airport.

3.3.3 Tenant Acknowledgments. The provisions of this Section 3.3 are contractual and arise from Landlord's unwillingness to enter into a long term lease of the Leased Premises without the right to terminate this Agreement as provided herein. Tenant acknowledges that under these circumstances, including those recited above, such provisions are reasonable and Tenant is willing to accept Landlord's termination right in order to obtain a longer lease term and in consideration of the payment provisions contained herein. Exercise by Landlord of its



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

4. PAYMENTS BY TENANT. In consideration of Landlord (i) granting to Tenant a concession to operate an on-airport retail men's grooming and lifestyle products business at the Airport, and (ii) leasing to Tenant the Leased Premises, Tenant shall pay to Landlord, without setoff or deduction, the amounts set forth in this Section 4.

4.1 Concession Fee.

4.1.1 Amount; Payment. Commencing on the Commencement Date, Tenant shall pay to Landlord twenty-five percent (25%) of monthly Gross Sales (the "Concession Fee"). The Concession Fee shall be paid monthly on or before the twentieth (20th) day of each calendar month, on the basis of the preceding calendar month's Gross Sales. The payment of the Additional Concession Fee due for any partial calendar month at the beginning or end of the term of this Agreement shall be prorated on the basis of a thirty (30) day month. Tenant shall use its best efforts to maximize its Gross Sales generated from sales of products, goods, merchandise and services in the Leased Premises, and shall operate its business in the Leased Premises from at least 5 A.M. to 11 P.M. seven (7) days a week (unless otherwise approved in writing by the Executive Director).

4.1.1.1 Definitions.

4.1.1.1.1. Gross Sales. The term "Gross Sales", as used herein, shall mean and include the following:

(i) all monies or other consideration of any nature paid or payable to or generated or earned by Tenant (including, but not limited to fees paid by customers and other financial institutions, all gross revenues generated or received by subtenants, joint venture partner(s) and/or equity partner(s), or other occupants of the Leased Premises, if any) for the conduct of its business at the Airport pursuant to this Agreement. Such monies or other consideration shall include all transactions made in connection with the operations or using the improvements or the Tenant's equipment at the Airport, regardless of when or where the order therefor is received. Gross Sales shall include all such transactions, whether for cash or for credit, regardless of whether a final collection is made in credit transactions. Gross Sales shall include, without limitation:

A. The full amount of any and all deposits that are forfeited by customers in connection with the conduct of business of Tenant under the Agreement; and

B. The full amount of any and all insurance proceeds that are paid on any business interruption insurance policy to Concessionaire.

4.1.1.1.2. Exclusions. The term "Gross Sales," as used herein shall not include the following:

A. Any and all federal, state, municipal or other sales or use tax now or hereafter imposed on any customer as part of the price of any item of merchandise sold or service rendered, and collected by Tenant on behalf of any such customer and required to be paid by Tenant to any governmental agency; and

B. The proceeds from the sale of capital assets;  
and

C. Any and all receipts of Tenant that arise solely from its operations under any other agreement with Landlord at the Airport and that are subject to a percentage fee or flat fee under that other agreement.

4.1.1.2 Gross Sales Statements.

4.1.1.2.1. Monthly Statements. Tenant shall submit to Landlord, together with each payment of the Concession Fee payable pursuant to Section 4.1.2.1, a written statement, in such form and detail as is required by Landlord, signed and certified by Tenant to be true, correct and accurate, setting forth the amount of Tenant's Gross Sales during the preceding calendar month.

4.1.1.2.2. Annual Statements. Within forty-five (45) days following the end of each calendar year, or within forty-five (45) days following the earlier termination of this Agreement, Tenant shall submit to Landlord either (i) a written statement, in such form and detail as is required by Landlord, setting forth the amount of Tenant's Gross Sales during the preceding calendar year or portion thereof, prepared and certified as to accuracy by the chief financial officer of Tenant; or (ii) Tenant's financial statements for the preceding calendar year, including a balance sheet, a statement of income and expenses and a statement of cash flow, prepared in accordance with generally accepted accounting principles consistently applied, and certified as to accuracy by the chief financial officer of Tenant.

4.1.1.2.3. Failure to Furnish Statements. In the event that Tenant fails to furnish any monthly or annual written statement of Gross Sales as provided in Section 4.1.1.2.1 or Section 4.1.1.2.2, in addition to any other remedies available to Landlord, Landlord shall have the right, but not the obligation, to engage an accountant selected by Landlord, including any employee or contractor of Landlord, to prepare a written statement of Tenant's Gross Sales for the period Tenant has failed to furnish such statement, the cost of which shall be paid by Tenant as additional rent, and Tenant shall make available to Landlord all of Tenant's books, records and accounts for purposes of preparing such statement. Any statement prepared in accordance with this Section shall be conclusive as to the period covered.

4.2 Maintenance of Books and Records; Landlord Right to Audit. For the purpose of ascertaining the amount of the payments of the Concession Fee payable by Tenant to Landlord pursuant to Sections 4.1.1, Tenant shall prepare and maintain, for a period of not less than three (3) years following the expiration or termination of this Agreement and in accordance with the current accounting requirements of Landlord, as such may be changed at any time and

from time to time during the term, full, complete and proper books, records and accounts of the business and operations conducted by Tenant on the Leased Premises. Tenant shall make all books, records and accounts relating to the business and operations conducted by Tenant on the Leased Premises available for inspection by Landlord and its designated representatives and Landlord and its designated representatives shall have the right to inspect the same at all reasonable times. At any time within three (3) years following the receipt by Landlord of any monthly or annual written statement of Gross Sales furnished by Tenant to Landlord pursuant to Section 4.1.1.2.1 or Section 4.1.1.2.2, Landlord shall have the right, but not the obligation, to cause an audit to be conducted by an auditor selected by Landlord, including any employee or contractor of Landlord, of Tenant's books, records and accounts relating to the Leased Premises for the period covered by such written statement, including, without limitation, all federal, state, county or city reports and income and other tax returns, bank statements, operating manuals and procedures, sales receipts, active and inactive files, general ledgers, invoices, rental orders and check registers. Tenant shall cooperate with and shall provide all information requested by such auditor and shall make Tenant's employees available to cooperate with and provide all information requested by such auditor. Any deficiency disclosed by any such audit shall be paid by Tenant upon demand. The cost of any such audit shall be paid by Landlord; provided, however, in the event that any such audit shall disclose an additional liability in any period for the Concession Fee in excess of two percent (2%) of the Concession Fee paid by Tenant for any period, in addition to such deficiency, Tenant shall pay to Landlord upon demand the cost of such audit.

4.3 Partial Calendar Months. The monthly payment of the Concession Fee shall be prorated for any partial calendar months during the term on the basis of a thirty (30) day calendar month.

4.4 Taxes. Tenant shall pay, as additional rent under this Agreement, all "taxes" imposed by any authority having the direct or indirect power to tax and which are applicable to the Leased Premises. As used herein, the term "taxes" shall include any form of possessory interest tax, assessment (including any public transit or other benefit assessment district levy or assessment), license fee, commercial rental tax, any tax or excise on rents, levy, penalty or tax (other than net income, inheritance or estate taxes) imposed by any authority having the direct or indirect power to tax, including any federal, state, county or city government, or any school, agricultural, lighting, drainage, or other improvement district thereof, as against any legal or equitable interest of Landlord in the Leased Premises, as against Landlord's right to rent or other income therefrom, or as against Landlord's business of leasing the Leased Premises. In this regard, Tenant recognizes and understands that this Agreement may create a possessory interest in some or all of the Leased Premises subject to property taxation and that Tenant may be subject to the payment of taxes levied on such interest. Tenant shall pay all taxes within fifteen (15) days following the delivery to Tenant of a statement therefor.

4.5 Utilities. Landlord shall pay all water, gas, heat, light, power, air conditioning, and other utilities and services (excluding telephone charges and internet and computer related services and charges) supplied to the Leased Premises together with any and all taxes thereon and any connection fees.

4.6 Payments Net to Landlord. Landlord shall receive the amounts payable by Tenant to Landlord pursuant to this Section 4 or any other provision of this Agreement free and clear of any and all other impositions, taxes, liens, charges or expenses of any nature whatsoever in connection with the ownership and operation of the Leased Premises. All amounts payable by Tenant to Landlord or any other person pursuant to this Section 4 shall constitute rent, irrespective of their designations hereunder, and upon the failure of Tenant to pay any of such amounts, Landlord shall have the same rights and remedies as otherwise provided in this Agreement for the failure of Tenant to pay to Landlord any amounts of rent due.

4.7 Payment. All amounts of Concession Fee and other payments due to Landlord pursuant to this Section 4 or any other provision of this Agreement shall be paid at the offices of Landlord at the following address: Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, ATTENTION: Controller, or at such other place as Landlord may designate from time to time in writing.

4.8 No Abatement of Rent or Fees. Tenant acknowledges and agrees that Tenant shall not be entitled to any abatement of or reduction of any amount payable by Tenant pursuant to this Section 4 or any other provision of this Agreement, except as expressly provided for herein.

4.9 Interest on Past Due Payments. Any amount due from Tenant pursuant to this Section 4 or any other provision of this Agreement which is not paid 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 (but not more than the maximum rate permissible by law); provided, however, that the payment of any interest pursuant to this Section shall not excuse or cure any default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Section 4 or any other provision of this Agreement.

## 5. USE AND CONDUCT OF BUSINESS BY TENANT.

5.1 Principal Use of Airport. Tenant hereby acknowledges that the principal use of the Airport consists of the operation of a public airport and that all other businesses and operations which now or hereafter are permitted by Landlord to be conducted on or at the Airport, including Tenant's business and operations pursuant to this Agreement, must be at all times compatible with and subordinate to such principal use, as Landlord, in its sole discretion, shall determine, including the exercise of Landlord's rights pursuant to Section 3.3.1.

### 5.2 Conduct of Tenant's Business.

5.2.1 Standards. Tenant shall comply strictly with the terms, conditions and requirements set forth in this Section 5.2. In its use of the Airport pursuant to this Agreement, Tenant shall maintain the highest degree and standards of service to meet the needs of the traveling public. Nothing herein shall diminish Tenant's maintenance and repair obligations under Section 6.2 below.

5.2.2 Tenant shall place, display and maintain advertisements in the Leased Premises pursuant to the following standards, guidelines and procedures.

- (a) Tenant shall clean all display advertising at least weekly.
- (b) Tenant shall monitor all display advertising at least twice per week.
- (c) At the Executive Director's discretion, faded or otherwise damaged advertisement displays or brochures or magazines must be removed and replaced with new displays, brochures or magazines.
- (d) When the Tenant becomes aware or is told by Landlord that repair or replacement of equipment is required, it shall make necessary equipment repairs and replacements within forty-eight (48) hours, or request and receive the Executive Director's approval of a longer time frame.
- (e) Maintenance personnel must be available for emergency service daily during Airport business hours (5:00 a.m. to 11:00 p.m., subject to change), and must be available for emergency contact 24 hours a day, 365 days a year.
- (f) To the extent possible regular cleaning will be done during hours of least passenger use of the Airport, flight and shuttle bus activity, per a schedule approved by the Executive Director.
- (g) All of Tenant's personnel, while on or about the Airport shall be clean, neat in appearance, appropriately attired, and courteous to the public at all times. No such personnel on or about the Airport shall use improper language, act in a loud, boisterous, or otherwise improper manner in the Airport. Tenant shall take all appropriate steps to prevent the occurrence or recurrence of any such acts of misconduct or inappropriate conduct in public by its personnel in the Leased Premises, the Airport or the Building.
- (h) Display advertising shall not obstruct, overpower, or otherwise interfere with other signage providing travelers and other Airport users with needed information about gate, ticket counter, baggage claim, restrooms or other amenities. The Executive Director shall have sole authority in his discretion to identify any such situations.
- (i) All such displays are to be checked and stocked at least three times per week. A display maintenance review and restocking schedule must be promptly provided to the Executive Director. The Executive Director may require a more frequent stocking schedule if the racks are found to be, in the Executive Director's sole discretion, empty too often. Displays that include racks for brochure stock should never have less than 50% of stock.

5.2.3 Conduct of Employees. Tenant shall control the conduct, demeanor, and appearance of its officers, employees, agents, representatives and contractors and shall require all of its employees to wear clean and neat appearing clothing and shall take all actions necessary to ensure their courteous, polite and inoffensive conduct and demeanor. Upon objection from Landlord concerning the conduct, demeanor, or appearance of any such person, Tenant immediately shall take all steps necessary to correct or to remove the cause of the objection.

5.2.4 Maintenance of Business. Tenant shall not cause any business to be conducted away from the Airport but shall take all reasonable measures, in every proper manner, to maintain, develop and increase the business conducted by Tenant pursuant to this Agreement.

5.2.5 Interference with Utilities, Police, Fire Fighting. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing or sewer systems, facilities or devices or portions thereof on or servicing the Leased Premises, the Buildings or elsewhere on the Airport. Nor shall Tenant do or permit to be done anything which may interfere with free access or passage to the Leased Premises, the streets, roads, parking lots, curb areas, entryways, exits, sidewalks adjoining the Leased Premises, the Buildings or the common use facilities of the Airport or the public areas adjacent thereto. In addition, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

5.2.6 Interference with Fire Exits. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of fire exits, elevators or escalators in or adjacent to Leased Premises, the Buildings or elsewhere at the Airport, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto.

5.2.7 Nuisance. Tenant shall not use or permit the use of the Leased Premises, the Buildings or the 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 therein, over the premiums for such policies in effect at the Commencement Date. Tenant, at its expense, shall comply with all rules, orders, regulations, or requirements of the National Board of Fire Underwriters, or any other similar body.

5.3 Licenses and Permits; Compliance with Laws. Tenant, at Tenant's own cost and expense, shall obtain and maintain in effect at all times all licenses, permits, certificates, approvals and other authorizations required by any federal, state, county, city or other governmental authority or agency having jurisdiction over Tenant, Tenant's business and operations, the Leased Premises, the Buildings and the other areas of the Airport. Tenant shall comply with all applicable federal, state, county and city statutes, regulations, rules and ordinances and all orders of any federal, state, county, city or other governmental authority or agency having jurisdiction over Tenant, Tenant's business and operations, the Leased Premises, the Buildings and the other areas of the Airport.

5.4 Non-Discrimination and Affirmative Action. Tenant 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 Landlord from time to time. In addition, Tenant shall undertake an affirmative action program as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal Regulations Part 152, Subpart E. Tenant agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by such subpart.

5.5 Disadvantaged Business Enterprise Commitment. It is the policy of the Landlord to insure that Disadvantaged Business Enterprises (hereinafter "DBE"), as defined by the United States Department of Transportation, are granted the maximum practical opportunity to participate in contracts and concessions granted by Landlord. Accordingly, Tenant shall provide the maximum opportunity for direct DBE participation in the management and/or operation of the concession business herein authorized. Further, Tenant covenants to use good faith efforts to provide opportunities for DBE's in its award of contracts for goods and services at the Airport. Tenant agrees to promptly return any information requested by Landlord in order to determine compliance with this Section.

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

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

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

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

5.6.4 Reservation of Rights. There is hereby reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises and other areas of the Airport. This public right of flight shall include the right to cause within such airspace any noise inherent in the operation of any aircraft used for navigation or flight through such airspace or landing at, taking off from or operating on the Airport.

5.6.5 Height Restrictions. Tenant shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Leased Premises or elsewhere at the Airport in violation of federal height restrictions and obstruction criteria or any

more restrictive height restrictions and obstruction criteria established from time to time by Landlord. In the event these covenants are breached, Landlord reserves the right to enter upon the Leased Premises or other areas at the Airport to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Tenant.

5.6.6 Interference with Aircraft. Tenant shall not make use of the Leased Premises or any other areas at the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event this covenant is breached, Landlord reserves the right to enter upon the Leased Premises or other areas at the Airport and cause the abatement of such interference, at the expense of Tenant.

5.6.7 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 nonexclusive use of the Airport, by the United States during the time of war or national emergency or otherwise.

5.6.8 Unauthorized Access. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas.

5.6.9 Security Checks. Tenant agrees to maintain records of background checks for all employees of Tenant and to make such records available to the FAA and Landlord as may be requested from time to time.

## 5.7 Airport Security.

5.7.1 Compliance. Tenant shall cause its officers, contractors, agents, sponsors and employees to comply with all existing and future security regulations adopted by Landlord pursuant to Part 1520 and 1542, Title 49 of the Code of Federal Regulations, as it may be amended from time to time. With respect to Airport security, it is a material requirement of this Lease that Tenant shall comply with all rules, regulations, written policies, and authorized directives from Landlord and/or the Transportation Security Administration ("TSA"). Violation by Tenant or any of its employees of any rule, regulation, or authorized directive from Landlord or TSA with respect to Airport security shall constitute a material breach of this Agreement. Any person who violates such rules may be subject to revocation of his/her access authorization. Tenant will fully reimburse Landlord for any fines or penalties levied against Landlord for security violations as a result of any actions on the part of the Tenant, its agents, contractors, suppliers, guests, customers, sponsors, or employees. Tenant will also fully reimburse Landlord for any attorney fees or related costs paid by Landlord as a result of any such violation.

5.7.2 Changes in Security Status. Tenant understands and acknowledges that all rules, regulations, written policies, and authorized directives from Landlord and/or the TSA under this Agreement is subject to changes in alert status as determined by the TSA, which is subject to change without notice. If the security status of the Airport changes at any time, Tenant shall take immediate steps to comply and assist its employees, agents, independent



contractors, invitees, successors, and assigns in complying with security modifications that occur as a result of the changed status. At any time, Tenant may obtain current information from the Landlord's security department regarding the Airport's security status in relation to Tenant operations at the Airport.

5.7.3 Access Keys and Badges. Tenant shall return to Landlord all access keys or access badges issued to its officers, contractors, agents, sponsors and employees for any area of the Airport, once this Agreement expires or terminates or upon Landlord's demand. If Tenant fails to do so, Tenant shall be liable to reimburse Landlord for all of Landlord's costs for work required to prevent compromise of the Airport security system. Landlord may withhold funds in the amount of such costs from any amounts due and payable to Tenant.

5.7.4 Breach. Any breach or violation by Tenant of, or failure by Tenant to comply with, any provision of the Airport security shall constitute a breach of and an event of default under Section 14.1.1.7.

## 6. MAINTENANCE AND REPAIRS.

### 6.1 Landlord's Obligations.

6.1.1 Landlord Obligations. Subject to the provisions of Section 10, during the term of this Agreement, Landlord shall keep and maintain in good condition and repair, reasonable wear and tear excepted, according to the standards established by Landlord, as the same may be changed at any time and from time to time, (i) the foundations, roof and other structural components of the Buildings, including the structural portions of the exterior walls of the Leased Premises, and (ii) all sprinklers, plumbing, sewer, electrical, water, gas, drains, heating, ventilating and air conditioning systems, facilities and equipment serving the Leased Premises, but only to the extent such systems, facilities or equipment are located within the Airport and only to the point of connection or distribution to the Leased Premises, as determined by Landlord, and are not located within any easement in favor of a municipal or public utility supplier; provided, however, that Landlord shall have no obligation to repair any damage to any of the foregoing to the extent caused by the willful or negligent act or omission, including, without limitation, overuse or abuse, of Tenant or the agents, employees, or invitees of Tenant, which damage shall be repaired promptly by Tenant, at Tenant's sole cost and expense. Landlord shall have no obligation to commence any maintenance or repair required under this Section until thirty (30) days after the receipt by Landlord of written notice of the need for such maintenance or repair. Landlord shall not be liable to Tenant for any injury to or interference with Tenant, Tenant's business and operations or use or occupancy of the Leased Premises arising out of, resulting from or relating to the performance of any maintenance or the making of any repairs.

6.1.2 Tenant Waiver. Except as provided in Section 6.1.1, Landlord shall have no obligation to maintain or make any repairs to the Leased Premises. Tenant hereby waives any and all rights provided in Civil Code Sections 1941 through Section 1942, inclusive, and waives, to the extent permissible, any rights under other statutes or laws now or hereafter in effect which are contrary to the obligations of Landlord under Section 6.1.1, or which place obligations upon Landlord in addition to those provided in Section 6.1.1. Landlord shall not be

liable to Tenant by reason of any injury to or interference with Tenant's business arising from or connected with the need for or the making of any repairs, alterations, or improvements to the Leased Premises.

## 6.2 Tenant's Obligations.

6.2.1 Maintenance. Subject to the provisions of Section 10, and, except as expressly provided in Section 6.1.1, Tenant, at Tenant's sole expense, shall maintain the Leased Premises, in good order, condition, and repair and in a neat, attractive, sanitary condition, free from waste or debris according to standards established by Landlord (whether or not such part of the Leased Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such part of the Leased Premises) including all of the following: (i) all ceilings, floors, interior walls, non-structural components of exterior walls, store fronts, windows, doors, plate glass, showcases, skylights, entrances, and vestibules located within the Leased Premises, and (ii) trade fixtures, furniture and other personal property located in or used in the Leased Premises, including any and all Alterations (as defined in Section 8.4); and (iii) all lights (including replacement of light bulbs). Tenant shall make any and all repairs required pursuant to this Section as and when the same become necessary to maintain the Leased Premises and every part thereof in good order condition and repair, but in no event later than thirty (30) days following the delivery to Tenant of the need for such repair, or immediately in the event of an emergency. All repairs to the Leased Premises made by Tenant as provided in this Agreement shall be performed in accordance with all applicable statutes, regulations, rules and ordinances and all requirements and orders of any and all federal, state, county, city and other governmental authorities and agencies having jurisdiction and Tenant shall secure all required licenses, permits, approvals and authorizations.

6.2.2 Tenant Failure to Repair. In the event that Tenant fails to make any repair to the Leased Premises pursuant to Section 6.2.1 within thirty (30) days following the delivery to Tenant of written notice of the requirement therefor, or immediately in the event of an emergency, Landlord shall have the right, but not the obligation, at Landlord's option, to enter upon the Leased Premises and put the same in good order, condition and repair, and in a neat, attractive and sanitary condition, free from waste and debris, and the cost thereof shall become due and payable, upon demand, by Tenant to Landlord as additional rent.

## 7. RELOCATION OF LEASED PREMISES. [INTENTIONALLY OMITTED]

## 8. IMPROVEMENTS AND ALTERATIONS.

8.1 Construction. Tenant shall not, without in each instance obtaining the prior written consent of Landlord, which consent may be granted or withheld, in Landlord's sole discretion, construct, install or make any modifications, alterations, improvements, or additions ("Alterations") in, on or to the Leased Premises. Landlord may impose, as a condition of such consent, such requirements as to the contractor, time, manner, method, design and construction in which the Alterations shall be done as Landlord determines, in its sole discretion. No such Alterations shall be undertaken until Tenant shall have procured and paid for all required permits, licenses, approvals and authorizations of all governmental authorities and agencies

having jurisdiction. Prior to the commencement of any Alterations, Tenant shall complete, execute and return to Landlord the form attached hereto as Exhibit "C", as the same may be amended from time to time, and shall comply with all instructions attached thereto and with any and all construction rules and regulations, Landlord delivered to Tenant. All plans shall be subject to Landlord's approval and, when required by the Airport Engineer, shall be prepared, stamped and signed by a California licensed architect or engineer. Engineers shall be licensed for the particular discipline required. No work required in connection with any Alterations shall commence prior to receiving written approval of Landlord. All work done in connection with any Alterations shall be done at Tenant's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with all applicable federal, state, county and city statutes, regulations, rules and ordinances and all orders of any and all governmental authorities having jurisdiction. In order to expedite plan review and approval and to insure that the proposed Alterations will be compatible with the Airport uses, Tenant first shall submit to Landlord for approval a schematic or conceptual plan. Landlord shall have the right to inspect and reject any work not done in accordance with the plans and specifications, and Tenant shall immediately repair or remove such work in accordance with this Section. Within thirty (30) days following the completion of any Alterations, Tenant shall furnish to Landlord a set of "as built" plans and specifications.

8.2 Indemnity. Tenant shall defend, indemnify and hold harmless Landlord from and against any and all responsibilities, liabilities, obligations, damages, injuries, claims, demands, losses, awards, judgments, costs or expenses, arising out of, resulting from or relating to any and all Alterations constructed, installed or made by Tenant on, in or to the Leased Premises pursuant to this Section 8 by virtue of Landlord's review of the plans and specifications relating thereto or otherwise. Tenant assigns to Landlord any and all warranties or guaranties of contractors and subcontractors furnishing labor, materials, equipment and services in connection with the Alterations, which assignment shall be effective upon the expiration or earlier termination of this Agreement.

8.3 Payment. Tenant shall pay, when due, all claims for labor, materials, equipment and services furnished or alleged to have been furnished to or for Tenant at or for use in the Leased Premises or any other areas of the Airport, which claims are or may be secured by any lien against the Leased Premises or the other areas of the Airport or any interest therein. In the event any such lien is filed against the Leased Premises or any other areas of the Airport, it shall be discharged by Tenant, at Tenant's expense, within (10) days after written notice thereof is delivered to Tenant. Landlord shall have the right to post such notices of nonresponsibility as are provided for in the mechanics' lien laws of California.

8.4 Landlord's Property. Except for personal property and trade fixtures not permanently affixed to the Leased Premises, all Alterations made in, on or to the Leased Premises by or on behalf of Tenant pursuant to this Section 8, upon the expiration or other termination of this Agreement, shall become Landlord's property and shall be surrendered with the Leased Premises, unless Landlord 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, such Alterations made by or on behalf of Tenant in the Leased Premises, as Landlord may select, shall be removed by Tenant, at its sole cost and expense, at or prior to the expiration of the term of this Agreement, the Leased Premises shall be restored and

repaired to the condition existing as of the Commencement Date, subject to reasonable wear and tear, casualty and damage by the elements. In the event of the termination of this Agreement, any such removal shall be accomplished within thirty (30) days after such termination.

9. INSURANCE; INDEMNITY; WAIVERS.

9.1 Tenant Requirements.

9.1.1 General. Tenant, at all times and at Tenant's sole cost and expense, shall maintain in effect the policies of insurance with limits of liability as provided in this Section 9.1.1.

9.1.1.1 Commercial General Liability Insurance. A policy of commercial general liability insurance written on an occurrence basis, including contractual and products liability, covering the liability of Tenant and Landlord arising out of, resulting from or relating to injuries to or death of persons and damage to or loss of property occurring on, in, under or about the Leased Premises or caused by any products sold in or from the Leased Premises in the minimum amount of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, including death, or property damage.

9.1.1.2 Fire Insurance. A policy or policies of hazard insurance insuring against loss or damage to or destruction of (i) Tenant's fixtures, Alterations, personal property and equipment located in, on, or at the Leased Premises in an amount not less than one hundred percent (100%) of their replacement value, and (ii) if applicable, all plate glass in the Leased Premises, on an all risk basis.

9.1.1.3 Workers' Compensation Insurance. Statutory workers' compensation insurance and employers' liability coverage in the minimum amount of One Million Dollars (\$1,000,000) covering Tenant's liability for its business and operations at the Leased Premises.

9.1.1.4 Motor Vehicle Liability. Motor vehicle liability insurance coverage, including hired and non-owned vehicle coverage, which provides public liability and property damage liability coverages of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, or property damage occurring as a result of the ownership, use or operation of motor vehicles in connection with Tenant's business and operations at the Leased Premises.

9.1.2 Adjustment of Insurance Coverage and Limits. Landlord may add to or change the types or coverages of insurance or the minimum limits of liability required to be maintained by Tenant pursuant to Section 9.1.1 by written notice to Tenant of such additions or changes. If Tenant elects not to maintain such additional or changed insurance or limits of liability, Tenant may terminate this Agreement in its entirety by written notice of termination given to Landlord prior to the expiration of such thirty (30) days. If Tenant does not terminate this Agreement, Tenant shall obtain such additional or changed types of insurance or coverages or shall increase its insurance limits of liability as may be required by Landlord and failure to do so shall be an event of default under Section 14.1.1.9.

9.1.3 Policy Requirements. Each insurance policy required to be maintained by Tenant pursuant to Section 9.1.1 (i) shall be obtained from an insurance company authorized to conduct business in the State of California and having a rating of not less than A VII in A.M. Best's Insurance Guide; (ii) except for workers' compensation, shall name Landlord as an additional insured; and (iii) shall provide that Landlord be given at least thirty (30) days' prior written notice of the termination, cancellation or amendment thereof. Concurrently with the execution and delivery of this Agreement, Tenant shall furnish to Landlord a certificate or copy of each such insurance policy and prior to the expiration, cancellation or termination thereof, Tenant shall deliver to Landlord certificates or copies of any and all extensions renewals or replacements thereof.

9.1.4 No Limitation of Liability. Tenant acknowledges and agrees that the limits of liability provided in the insurance policies maintained by Tenant pursuant to Section 9.1.1 shall in no event be considered as limiting the liability of Tenant under this Agreement.

9.2 Indemnification. Tenant shall defend, indemnify and hold harmless Landlord and its commissioners, officers, employees, agents and contractors (collectively, "Landlord Parties"), from and against any and all claims, demands, actions, suits, proceedings, damages, losses, liabilities, obligations, costs and expenses, including, without limitation, attorneys' fees (collectively, "Claims"), arising out of, resulting from or relating to the use or occupancy of the Leased Premises, the Buildings or any other areas of the Airport by Tenant and its subtenants, licensees, directors, officers, partners, employees, agents, representatives, contractors and customers.

9.3 Exemption of Landlord from Liability. Tenant, on behalf of itself and its directors, officers, partners, employees, agents, representatives, contractors and customers hereby waives all claims against Landlord, and Landlord shall not be liable, for any injury or death to persons or any damage or loss to any property in, on or about the Leased Premises, the Buildings or any other areas of Airport, arising out of, resulting from or relating to (i) latent or patent defects in the construction or condition of the Leased Premises, the Buildings or any other areas of the Airport; (ii) Acts of God; (iii) fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Leased Premises, the Buildings or any other areas of the Airport; (iv) riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief; (v) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Leased Premises, the Buildings or any other areas of the Airport; (vi) the use or occupancy of the Leased Premises, the Buildings or any other areas of the Airport by Tenant or any of its directors, officers, partners, employees, agents, representatives, contractors and customers, whether such damage or injury results from conditions arising upon the Leased Premises, the Buildings or upon other areas of the Airport, or from other sources; or (vii) any damage or loss arising from any act or neglect of any other tenant, licensee, concessionaire (including the Other Concessionaires) or customer of the Airport.

10. DAMAGE AND DESTRUCTION.

10.1 Definitions.

10.1.1 "Leased Premises Damage" shall mean if the Leased Premises are damaged or destroyed to any extent.

10.1.2 "Leased Premises Building Partial Damage" shall mean if any of the Building of which the Leased Premises are a part are damaged or destroyed to the extent that the cost of repair is less than fifty percent (50%) of the then Replacement Cost (as defined in Section 10.1.5) of the Building.

10.1.3 "Leased Premises Building Total Destruction" shall mean if any of the Building of which the Leased Premises are a part are damaged or destroyed to the extent that the cost of repair is fifty percent (50%) or more of the then Replacement Cost of the Building.

10.1.4 "Insured Loss" shall mean damage or destruction which was caused by an event required to be covered by the insurance described in Section 9.1. The fact that an Insured Loss has a deductible amount shall not make the loss an uninsured loss.

10.1.5 "Replacement Cost" shall mean the amount of money necessary to be spent in order to repair or rebuild the damaged area to the condition that existed immediately prior to the damage occurring, excluding all improvements made by Tenant or any other tenants of the Building.

10.2 Leased Premises Damage; Leased Premises Buildings Partial Damage.

10.2.1 Insured Loss. Subject to the provisions of Sections 10.4 and 10.5, if at any time during the term of this Agreement there is damage which is an Insured Loss and which falls into the classification of Leased Premises Damage or Leased Premises Building Partial Damage, then Landlord shall as soon as reasonably possible and to the extent the required materials and labor are readily available through usual commercial channels, at Landlord's expense, repair such damage (excluding any and all Alterations and Tenant's trade fixtures and other personal property) to its condition existing at the time of the damage, and this Agreement shall continue in full force and effect.

10.2.2 Uninsured Loss. Subject to the provisions of Sections 10.4 and 10.5, if at any time during the term of this Agreement there is damage which is not an Insured Loss and which falls into the classification of Leased Premises Damage or Leased Premises Building Partial Damage, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's expense), which damage prevents Tenant from making any substantial use of the Leased Premises, Landlord may at Landlord's option either (i) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Agreement shall continue in full force and effect, or (ii) give written notice to Tenant within thirty (30) days after the date of occurrence of such damage of Landlord's intention to cancel and terminate this Agreement as of the date of the occurrence of such damage, in which event this Agreement shall terminate as of the date of the occurrence of such damage.

10.3 Leased Premises Buildings Total Destruction. Subject to the provisions of Sections 10.4 and 10.5, if at any time during the term of this Agreement there is damage, whether or not it is an Insured Loss, which falls into the classification of Leased Premises Building Total Destruction, then Landlord may, at Landlord's option either (i) repair such damage as soon as reasonably possible at Landlord's expense (to the extent the required materials are readily available through usual commercial channels) to its condition existing at the time of the damage (excluding any and all Alterations and Tenant's trade fixtures and other personal property), and this Agreement shall continue in full force and effect, or (ii) give written notice to Tenant within thirty (30) days after the date of occurrence of such damage of Landlord's intention to cancel and terminate this Agreement, in which case this Agreement shall terminate as of the date of the occurrence of such damage.

10.4 Damage Near End of Term. If at any time during the last Annual Period of this Agreement there is substantial damage to the Leased Premises, Landlord may at Landlord's option cancel and terminate this Agreement as of the date of occurrence of such damage by giving written notice to Tenant of Landlord's election to do so within thirty (30) days after the date of occurrence of such damage.

10.5 Tenant Right to Terminate. If Landlord shall be obligated to repair or restore the Leased Premises or the Building under the provisions of this Section 10 and shall not commence such repair or restoration within ninety (90) days after such occurrence, or if Landlord shall not complete the restoration and repair within six (6) months after such occurrence, Tenant may at Tenant's option, terminate this Agreement by giving Landlord written notice of Tenant's election to do so at any time prior to the commencement or completion, respectively, of such repair or restoration. In such event this Agreement shall terminate as of the date of such notice.

10.6 Tenant Cooperation. Tenant agrees to cooperate with Landlord in connection with any such restoration and repair, including but not limited to the approval and/or execution of plans and specifications required.

10.7 Continuation of Business. In the event that some or all of the Leased Premises are destroyed or damaged, unless this Agreement is terminated pursuant to this Section 10, Tenant shall continue the operation of its business in the Leased Premises to the extent reasonably practicable from the standpoint of prudent business management. Tenant shall have no claim against Landlord for any damage suffered by Tenant by reason of any such damage, destruction, repair or restoration of the Leased Premises.

10.8 Waiver by Tenant. Tenant hereby waives the provisions of Civil Code Sections 1932, 1933, and 1941 through 1942, inclusive, and of any other statute or law now or hereafter in effect which is contrary to the obligations of Tenant under this Section 10 or which relieves Tenant therefrom, or which places upon Landlord obligations in addition to those provided for in this Section 10.

11. ASSIGNMENT AND SUBLETTING. Tenant shall not voluntarily or by operation of law assign, transfer, sublease, mortgage, hypothecate or otherwise encumber all or any part of Tenant's rights or interest in or to this Agreement or the Leased Premises. Any

attempted assignment, transfer, sublease, mortgage, hypothecation or encumbrance in violation of this Section shall be wholly void and shall be an event of default under Section 14.1.1.3. For purposes of this Section, if Tenant is a corporation any assignment, transfer, mortgage, hypothecation, grant of a security interest or other event which results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record to less than a majority of any class of voting stock of Tenant, or if Tenant is a partnership any assignment, transfer, mortgage hypothecation or grant of security interest in partnership interest or other event which results, or upon foreclosure would result, in the reduction of the profit and loss participation of the present general partners to less than fifty-one percent (51%), or if Tenant is a corporation, partnership, trust or other entity any change in the direct power to direct or cause the direction of the management and policies of such business or entity, shall be deemed to be a prohibited assignment, transfer, sublease, mortgage, hypothecation or other encumbrance under this Section.

## 12. EMINENT DOMAIN.

12.1 Entire or Substantial Taking. In the event that the entire Leased Premises, or so much thereof as to make the balance not reasonably adequate for the conduct of Tenant's business, shall be taken under the power of eminent domain, this Agreement automatically shall terminate as of the date of the vesting of title in such condemning entity. The termination of this Agreement as to all of the Leased Premises by Landlord pursuant to Section 3.3.1 shall not be deemed to be a taking under this Section.

12.2 Partial Taking. In the event of any taking under the power of eminent domain which does not result in a termination of this Agreement pursuant to Section 12.1, the Concession Fee shall not be altered, but Landlord and Tenant shall each, at its own expense, promptly restore the remaining portion or the Leased Premises for which they are obligated hereunder to repair to as near its former condition as is reasonably possible, and this Agreement shall continue in full force and effect.

12.3 Awards. Any award for any taking of all or any part of the Leased Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business, provided, however, that in determining the value of Tenant's business, all goodwill attributable to the location of the business shall belong to Landlord and Tenant's business shall be valued based solely upon its operating results.

12.4 Condemnation by Landlord. Nothing in this Agreement (including Section 3.3.1) shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord.



### 13. SUBORDINATION.

13.1 Subordination. This Agreement is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens and other encumbrances, security interests now or hereafter affecting the Leased Premises or the other areas of the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof. Tenant shall execute and deliver to Landlord or any other party requiring such subordination, within ten (10) calendar days following its receipt, any and all documents which may be required to effectuate such subordination. Tenant further agrees that this Agreement shall be amended, altered or modified in accordance with the reasonable requirements of a mortgagee, beneficiary, bond trustee, secured party or other lien holder, so long as such amendment, alteration or modification does not cause Tenant material financial loss, and that Tenant's written consent to any such amendment, alteration or modification shall not be unreasonably withheld or delayed. Tenant shall give prompt written notice to each mortgagee, beneficiary, bond trustee, secured party or lien holder, of which Tenant has written notice, of any default of Landlord, and Tenant shall allow such mortgagee, beneficiary, bond trustee, secured party or lien holder a reasonable length of time (in any event, not less than thirty (30) days from the date of such notice) in which to cure such default.

13.2 Attornment. In the event that any mortgage, deed of trust, bond indenture, security interest, lien or other encumbrance is foreclosed, Tenant, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Leased Premises, agrees to enter into a new Nonexclusive Gift and News Lease and Concession Agreement covering the Leased Premises for the remainder of the term of this Agreement, on the same provisions herein provided. Alternatively, upon such foreclosure, Tenant shall, upon written request, attorn to the purchaser and recognize the purchaser as the landlord under this Agreement.

### 14. DEFAULTS AND REMEDIES.

#### 14.1 Defaults and Remedies.

14.1.1 Event of Default. Any of the following shall constitute an event of default under this Agreement:

14.1.1.1 (i) The consent of Tenant to the appointment of a receiver, trustee or liquidator of all or a substantial portion of Tenant's assets; or (ii) the adjudication of Tenant as a bankrupt or insolvent; or (iii) the filing by Tenant of a voluntary petition in bankruptcy; or (iv) the admittance by Tenant in writing of Tenant's inability to pay its debts as they become due; or (v) the making by Tenant of a general assignment for the benefit of creditors; or (vi) the filing by Tenant of a petition or answer seeking reorganization or arrangement with creditors; or (vii) the taking by Tenant of advantage of any insolvency law; or (viii) the entrance of any order, judgment or decree upon an application of a creditor of Tenant by a court of competent jurisdiction approving a petition seeking appointment of a receiver or trustee of all or a substantial part of Tenant's assets.

14.1.1.2 An assignment by Tenant for the benefit of creditors, or the appointment of a receiver, guardian, conservator, trustee, assignee or any similar person to take charge of all or any part of Tenant's property, when such assignment or appointment is not vacated within thirty (30) days.

14.1.1.3 An attempted assignment, sublease, transfer, mortgage, grant of security interest, hypothecation or other encumbrance of Tenant's interest in this Agreement or in the Leased Premises in violation of Section 11.

14.1.1.4 Vacation or abandonment of the Leased Premises or any cessation or interruption of Tenant's business in violation of the last sentence of Section 4.1.2.1 (unless beyond Tenant's control), or termination of Tenant's right to possession of the Leased Premises by operation of law or as herein set forth, except in conjunction with the exercise by Tenant of any express right of Tenant to terminate this Agreement.

14.1.1.5 Failure by Tenant to pay any amount due hereunder when due and payable, when such failure to pay continues for ten (10) days following written notice to Tenant that such amount is past due.

14.1.1.6 Failure by Tenant to obtain and/or maintain in effect all licenses, permits, approvals, authorizations and registrations required by applicable federal, state and local statutes, regulations, rules, ordinances and governmental orders required in connection with the conduct of Tenant's business.

14.1.1.7 Failure by Tenant to maintain, replace or increase the letter of credit or cash deposit as provided in Section 22.1.

14.1.1.8 Failure by Tenant to maintain the insurance required under Section 9.1.

14.1.1.9 (i) Occurrence of any non-curable default in the keeping or performance of any other provisions of this Agreement to be kept and performed by Tenant, or (ii) failure to remedy any curable default in the keeping or performance of any other provisions of this Agreement to be kept and performed by Tenant (a) within a period of thirty (30) days after the delivery to Tenant of written notice of such default (or, in the event such curable default is of such a nature as to reasonably require more than thirty (30) days to cure, if Tenant shall fail to commence such cure within such time or thereafter fails diligently to prosecute the same to completion), or (b) immediately in the event of an emergency.

14.1.1.10 The issuance of any attachment or execution against Tenant or Tenant's property whereby the Leased Premises may be taken, occupied or used or attempted to be taken, occupied or used by anyone other than Tenant, when such attachment or execution shall not be released within thirty (30) days.

14.1.1.11 The taking by any other process of law of the leasehold estate in the Leased Premises hereby created in Tenant, or any part thereof.

14.1.1.12 The delivery to Tenant of more than three (3) written notices of default under this Section during any twelve (12) month period, which shall be a noncurable event of default.

14.1.1.13 The occurrence of any event of default by Tenant in any other written agreement between Landlord and Tenant after giving affect to any applicable grace period or opportunity to cure.

14.2 Remedies. Upon the occurrence of any event of default, Landlord, at its option and election, and without further demand or notice, shall have all of its rights and remedies at law, in equity, and under this Lease and all such rights and remedies shall be cumulative to the extent permitted by law. Landlord's remedies shall include:

14.2.1 Termination of Agreement. The right to declare this Agreement, including the leasehold estate in the Leased Premises terminated, and to re-enter the Leased Premises to remove and eject all persons therefrom, to take possession thereof, and to enjoy the Leased Premises, together with all additions, alterations and improvements thereto, and Landlord shall have all of the rights and remedies of a landlord provided in Civil Code Section 1951.2, which statute is incorporated herein by this reference as though set forth in full. In computing Landlord's damages pursuant to Civil Code Sections 1951.2(1) and (2), the "worth at the time of award" shall be computed by allowing interest at a rate of ten percent (10%) per annum. The amount of damages which Landlord may recover in the event of such termination shall include the worth at the time of the award of the amount by which the unpaid amounts required to be paid by Tenant pursuant to Section 4 for the balance of the term after the time of award exceeds the amount of such losses that Tenant proves could be reasonably avoided, computed in accordance with Civil Code Section 1951.2(4)(b), plus reasonable attorneys' fees and leasing commissions. In the event that Landlord may have reentered the Leased Premises after an event of default hereunder without having declared this Agreement terminated, Landlord shall have the right at any time thereafter to elect to terminate this Agreement and all of the rights and remedies of Tenant in and to the Leased Premises as provided in this Section 14.2.

14.2.2 Maintain Possession. The right to maintain Tenant's right to possession of the Leased Premises, in which case this Agreement shall continue in effect whether or not Tenant shall have abandoned the Leased Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Agreement, including the right to receive the Concession Fee and any and all other amounts payable by Tenant to Landlord under this Agreement.

14.2.3 Secured Party. The right to exercise any and all rights available to Landlord as a secured party under the Commercial Code with respect to the Collateral (as defined in Section 22.2) and/or, at Landlord's option, at any time during the term of this Agreement, to require Tenant to forthwith remove some or all of the Collateral.

14.3 Waiver. Tenant waives all claims and demands against Landlord for damages or loss arising out of or in connection with any lawful re-entering and taking possession of the Leased Premises as provided in Section 14.2.

14.4 Waiver of Redemption. In the event of the lawful exercise by Landlord of any one or more of its rights and remedies under Section 14.2, Tenant waives any and all rights of redemption or relief from forfeiture under Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future laws, and further releases Landlord, from any and all claims, demands and liabilities by reason of such exercise by Landlord.

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

14.6 Termination of Landlord Liability. Landlord shall be under no obligation to observe or perform any covenant of this Agreement on its part to be observed or performed for the benefit of Tenant, which accrues after the date of any default by Tenant.

14.7 Determination of Rental Amount. For purposes of this Section 14, the amounts due for each calendar month after re-entry by Landlord, or termination of this Agreement by Landlord pursuant to Section 14.1, shall be deemed to be the Concession Fee and any and all other amounts due under Section 3. The Gross Sales of Tenant for the twelve (12) month period immediately preceding an event of default shall be used for purposes of calculating the amount of the Concession Fee payable to Landlord for any period following such default.

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

15. SURRENDER AT END OF TERM. Upon the expiration or other termination of this Agreement, Tenant shall quit and surrender the Leased Premises to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and, except as otherwise provided in this Agreement, Tenant shall remove all of its personal property and shall promptly repair any damages to the Leased Premises caused by such removal. Tenant's obligation to perform this covenant shall survive the expiration or other termination of this Agreement. All Alterations made to the Leased Premises shall be the property of Landlord and shall be surrendered with the Leased Premises upon termination or the expiration of this Agreement, unless Landlord requires their removal. In the event that Landlord requires the removal of any Alterations upon the termination or expiration of this Agreement, Tenant shall remove the same and shall repair any and all damage to the Leased Premises caused by such removal.

16. HOLDOVER BY TENANT. In the event that Tenant shall hold the Leased Premises after the expiration or termination of the term hereof, with the consent of Landlord, expressed or implied, such holding over or use, in the absence of written agreement on the subject, shall be deemed to have created a tenancy with respect to the Leased Premises from month to month, terminable on thirty (30) days' written notice by either party to the other. Such period of holdover and/or use otherwise shall be subject to the same provisions as contained in this Agreement.

17. COMMON USE FACILITIES.

17.1 Common Use Facilities. In conjunction with Tenant's use of the Leased Premises and for the purposes set forth in this Agreement, Tenant is hereby granted the non-exclusive right during the term of this Agreement to enter upon or make customary and reasonable use of such areas of the Airport as Landlord may from time to time designate as "common use facilities." Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use such facilities.

17.2 Public Areas. Tenant and its officers, directors, employees, agents, representatives and customers, shall be entitled to use all public areas located in the passenger terminal building, including waiting rooms, restrooms and toilet facilities, in common with Landlord and with other persons authorized by Landlord from time to time to use such facilities.

17.3 Restrictions on Use. Landlord reserves the right, in its sole discretion, to make changes at any time and from time to time in the size, shape, location, number and extent of the common use facilities and public areas, or any of them, and specifically further reserves the right to designate portions of the common use facilities and public areas for the use of certain tenants, licensees and concessionaires of the Airport.

17.4 Airfield, Holdroom Space and Baggage Claim Space Excluded. As used herein, the terms "common use facilities" and "public areas" do not include the airfield, holdroom space or baggage claim space within the Airport. Tenant is not granted any rights under this Agreement to use such airfield, holdroom space or baggage claim space, whether on a non-exclusive basis or otherwise.

17.5 Parking. Notwithstanding that Landlord may lease parking spaces to employees of Airport tenants, as such parking spaces may be available, it is expressly understood and agreed that Landlord is not responsible or obligated to provide Tenant or its officers, directors, employees, agents, representatives or customers with any parking spaces within the Airport or otherwise, as an appurtenance to this Agreement. Tenant shall be solely responsible for arranging any and all necessary parking incidental to this Agreement.

18. SERVICES.

18.1 Services. In the event that, at the request of Tenant, Landlord provides other additional services with respect to the Leased Premises, the common use facilities or other areas of the Airport, including, but not limited to, security, janitorial, maintenance and repair service, Tenant shall pay its proportionate share, determined by Landlord, in its sole discretion,

of all charges therefor within ten (10) days following receipt of a statement for such additional services.

18.2 Fire and Security. Landlord is not obligated to Tenant to furnish any fire fighting services or security services to the Leased Premises, the common use facilities or other areas of the Airport. Tenant acknowledges that the Leased Premises, the common use facilities and other areas of the Airport are within the municipal service area of the City of Burbank.

18.3 Landlord Not Responsible. Landlord shall not be liable in damages or otherwise for any failure or interruption of any services, or of any utilities to the Leased Premises, and no such failure or interruption shall entitle Tenant to terminate this Agreement or to an abatement of rent. Landlord shall not be liable to Tenant under any circumstances for damage or loss of Tenant's property, injury to person or property, or consequential damages, however occurring, through, in connection with, or incidental to failure to furnish any of the foregoing.

19. QUIET ENJOYMENT. Upon paying the amounts payable by Tenant and observing and performing all the provisions on Tenant's part to be observed and performed pursuant to this Agreement, Tenant may peaceably and quietly enjoy the Leased Premises, subject, nevertheless, to the provisions of this Agreement and to any mortgages, deeds of trust, bond indentures, security interests, liens and other encumbrances secured by the Airport or its revenues.

20. ATTORNEYS' FEES AND COSTS. In the event any action or proceeding is brought by either party against the other under this Agreement (including in any bankruptcy proceeding), the prevailing party shall be entitled to recover its costs, and, the fees of its attorneys in such action or proceeding, in such amount as the court may adjudge reasonable as attorneys' fees (including in any bankruptcy proceeding).

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

22. SECURITY. As security for the full and faithful performance of each and every provision of this Agreement to be performed by Tenant, Tenant shall provide to Landlord the security set forth in Sections 22.1 and 22.2.

22.1 Security Deposit. Concurrently with the execution of this Agreement, Tenant shall deposit with Landlord a cash deposit or a negotiable irrevocable and unconditional letter of credit, in a form and issued by a bank acceptable to Landlord, in an amount equal to Six Hundred and No/100 Dollars (\$600.00). Each letter of credit shall be effective for one calendar year and shall be renewed by Tenant annually in the required amount. Failure to deliver a renewed or replacement letter of credit or letter of credit amendment on or before thirty (30) days prior to expiration of the then-current letter of credit shall constitute a material breach of this Agreement and Landlord shall be entitled to present the existing letter of credit for payment. In the event Tenant defaults with respect to any provision of this Agreement, including the provisions relating to the payment of any amount due hereunder, Landlord may draw against all

or any part of such letter of credit on deposit, as applicable, for the payment of any amount in default, to cure any other default or to repair damages to the Leased Premises caused by Tenant. In the event that Landlord draws against any such deposit or letter of credit pursuant to this Section, Tenant shall, within five (5) business days after written demand therefor, obtain and deliver to Landlord a replacement letter of credit, or additional cash deposit, as applicable, to increase or restore such letter of credit or cash deposit to the then required amount, and Tenant's failure to do so shall be an event of default under this Agreement. In the event Landlord draws against the letter of credit or uses any cash deposit as provided in this Section, such action shall not constitute a waiver of any other rights or remedies which Landlord may have by virtue of Tenant's default. TENANT HEREBY WAIVES THE PROVISIONS OF CIVIL CODE SECTION 1950.7 TO THE EXTENT INCONSISTENT WITH THE PROVISIONS OF THIS SECTION.

22.2 Security Interest. Tenant grants to Landlord a security interest in all fixtures, furniture, equipment, improvements, Alterations, additions and other personal property (other than inventory) constructed, installed, located or used in the Leased Premises, together with all proceeds, replacements, improvements and additions thereto and all insurance policies with respect thereto and all proceeds and rights thereunder ("Collateral"). Tenant represents and warrants to Landlord that Tenant owns the Collateral free and clear of any and all claims, rights, security interests, liens, mortgages or other encumbrances and Landlord shall have a first priority security interest therein, and authorizing Landlord to prepare, sign and file an UCC-1 financing statement for the Collateral. Tenant shall (if requested by Landlord) promptly execute and deliver to Landlord one or more UCC-1 Financing Statements covering the Collateral, in form acceptable to Landlord, in order to perfect Landlord's security interest in the Collateral.

### 23. LEASE INTERPRETATION.

23.1 Entire Agreement; Amendments. 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 obligation in favor of Landlord. 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. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Agreement which Landlord determines is necessary or advisable in order to comply with applicable laws, rules and resolutions in effect from time to time.

23.2 No Representations by Landlord. Tenant acknowledges that neither Landlord nor any of Landlord's agents, representatives, employees or officers have made any representations or promises with respect to the Airport or the Leased Premises, except as herein expressly set forth. Tenant acknowledges that it has not executed this Agreement in reliance upon any representations or promises of Landlord or Landlord's commissioners, officers, employees, agents or representatives, with respect to the Leased Premises or the Airport, except as herein expressly set forth.

23.3 Examination of Agreement. Submission of this Agreement for examination or signature by Tenant does not constitute a reservation of or option for lease, concession or license agreement, and it is not effective as a lease, concession or license agreement or otherwise until execution and delivery by both Landlord and Tenant.

23.4 Relationship Between Parties. Nothing contained in this Agreement shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto, other than the relationship of landlord and tenant, owner and concessionaire, and licensor and licensee.

24. 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 any other provision hereof or of any subsequent breach of the same or any other provision. Landlord's consent to any act by Tenant requiring Landlord's consent shall not be deemed to render unnecessary the obtaining of Landlord's consent to any subsequent act by Tenant, whether or not similar to the act so consented. The subsequent acceptance by Landlord of any amount due from Tenant hereunder shall not be deemed to be a waiver of any preceding breach or event of default by Tenant of any provision of this Agreement, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount.

25. PERFORMANCE OF TENANT'S COVENANTS BY LANDLORD. In the event that Tenant at any time fails to make any payment or perform any other act under this Agreement, and such failure continues for at least five (5) business days after written notice thereof from Landlord to Tenant (but no notice shall be required in an emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand and without waiving or releasing Tenant from any obligation to Landlord, to make such payment or perform such other act for the account of Tenant, to the extent Landlord may deem desirable. In connection therewith, Landlord may pay expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Agreement. All sums so paid by Landlord and all expenses incurred in connection therewith, together with interest thereon at an annual rate specified in Section 4.12 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid, Landlord shall have the same rights and remedies as for the nonpayment of rent.

26. SUCCESSORS AND ASSIGNS. The provisions contained in this Agreement shall bind and inure to the benefit of Landlord, Tenant and, except as otherwise provided in this Agreement, their respective successors and assigns.

27. RULES AND REGULATIONS. Tenant shall comply with all uniform rules and regulations established by Landlord for use of the Leased Premises, and the other areas of the Airport, as the same may be amended from time to time by Landlord. Landlord shall provide Tenant with a copy of all such rules and regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other Tenant or occupant of the Airport of any of such rules and regulations.



## 28. TOXIC MATERIALS.

28.1 Prohibited without Consent. Tenant shall not cause or permit any Toxic Materials (as hereinafter defined) to be brought onto, stored, used or disposed of in, on or about the Leased Premises by Tenant, its agents, employees, contractors, licensees, subtenants or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold or delay so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to Tenant's business and will be stored, used and disposed of in a manner that complies with all Environmental Laws (as hereinafter defined).

28.2 Compliance with Environmental Laws. Tenant shall comply, at its sole cost, with all federal, state and local laws and governmental orders applicable to all Toxic Materials and to the lawful conduct of Tenant's business. 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 Landlord 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 "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 by federal, state, regional or local governments, agencies or authorities relating to or governing in any way the environmental condition of soil, air, water, groundwater or the presence of Toxic Materials in or affecting all or any portion of the Leased Premises or any others areas of the Airport.

28.3 Indemnity. Tenant shall not be liable to Landlord for any Toxic Materials located on the Leased Premises prior to the date on which Landlord tenders possession of the Leased Premises to Tenant provided that Tenant does not, once Tenant discovers any such Toxic Materials, cause them to be further disturbed or released. Tenant shall be solely responsible for and shall indemnify, hold harmless and defend Landlord, its commissioners, officers, employees and agents, and the Cities of Burbank, Glendale and Pasadena, California, from and against any and all liabilities, claims, costs, penalties, fines, losses (including without limitation, (i) diminution in value of the Airport, the Leased Premises or any other areas of the Airport or any improvements thereon; (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, the Leased Premises or any other areas of the Airport or any improvements thereon; (iii) damages arising from any adverse impact on marketing of space in the Airport, the Leased Premises or any other areas of the Airport or any improvements therein; and (iv) sums paid in settlement of claims), liabilities, losses, damages, injuries, causes of action, judgments, and expenses (including, without limitation, attorneys' fees, consultant fees and expert fees), which arise during or after the term of this Agreement as a result of the receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Toxic Materials in, on or about the Leased Premises or any other areas of the Airport by Tenant or its agents, employees, contractors, licensees, subtenants or invitees. The foregoing indemnification by Tenant includes any and all costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work

necessary to bring the Leased Premises or any other areas of the Airport into compliance with the Environmental Laws or required by any federal, state or local governmental agency or political subdivision because of Toxic Materials present in the soil, subsoils, groundwater or elsewhere from, in, on, under or about the Leased Premises or any other areas of the Airport. The indemnification by Tenant under this Section shall survive the expiration or termination of this Agreement.

28.4 Prohibited Substances. The following substances are strictly prohibited from being brought onto the Leased Premises or any other areas of the Airport in any quantities whatsoever: (i) arsines; (ii) dioxins, including dioxin precursors and intermediates; (iii) polychlorinated biphenyls; and (iv) anything contained in the California List of Extremely Hazardous Chemicals.

29. CONFIDENTIAL INFORMATION; TRADEMARKS.

29.1 Confidential Information.

29.1.1 Prohibition Against Disclosure. Each party covenants and agrees, for itself and its employees, agents, representatives and contractors, that, except as provided in Section 29.1.2, such party and its employees, agents, representatives and contractors shall maintain and keep in strict confidence and shall not disclose to any other person or entity any information of a confidential or proprietary nature ("Confidential Information"), relating to the other party or the other party's business or properties. Each party acknowledges and understands that legal remedies may not be adequate in connection with a breach of the provisions of this Section, and, therefore, each party consents to injunctive relief in connection with the enforcement of this Section.

29.1.2 Permitted Disclosures. Notwithstanding the provisions of Section 29.1.1, each party shall have a right to disclose Confidential Information (i) to such party's officers, employees, agents, representatives, contractors and consultants as may be necessary in connection with the performance of this Agreement and of such persons' duties; (ii) in connection with litigation, including in response to discovery requests; (iii) in connection with any applicable law or any agency, including any and all notices, plans or other documents required to be filed with any regulatory agency; (iv) in connection with the California Public Records Act, Government Code Section 6250 et seq.; (v) in connection with the issuance by Landlord of bonds or other securities; (vi) in connection with Landlord's application for or compliance with the requirements of any federal, state or local funding program, grant or other financing; (vii) in connection with the preparation and issuance of financial statements of such party; or (viii) as otherwise required by law.

29.1.3 Exclusion from Definition. Notwithstanding the provisions of Section 29.1.1, the term "Confidential Information," as used herein, shall not include any information relating to a party to the extent that the information (i) was already known by the other party at the time of disclosure to the other party; (ii) is or becomes publicly available through no fault of the other party; or (iii) is disclosed by the other party to a third party, provided that at the time of such disclosure such third party was lawfully in possession of such information and did not acquire it under an obligation of confidentiality.

29.2 Trademarks. Tenant acknowledges and agrees that any and all names, trademarks, tradenames and logos (collectively, "Trademarks") owned or used by Landlord are proprietary to Landlord, and Tenant shall not use any of the Trademarks for any purpose whatsoever.

29.3 Survival. The provisions of this Section 29 shall survive the expiration or termination of this Agreement.

30. MISCELLANEOUS.

30.1 Offset Statement.

30.1.1 Delivery. Tenant shall from time to time, upon not less than ten (10) days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing:

30.1.1.1 Certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect);

30.1.1.2 Setting forth the dates to which the rent, fees and other charges, if any, are paid; and

30.1.1.3 Acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder (or specifying such defaults if any are claimed).

30.1.2 Reliance. Any such statement may be relied upon by any encumbrancer of the Leased Premises or of all or any portion of the Airport. Tenant's failure to deliver such statement within such time shall be conclusive evidence upon Tenant that:

30.1.2.1 This Agreement is in full force and effect, without modification except as may be represented by Landlord;

30.1.2.2 There are no uncured defaults in Landlord's performance; and

30.1.2.3 Not more than one month's installment of the rent or fees has been paid in advance.

30.2 Personal Property Taxes. Tenant shall pay before delinquency any and all taxes and assessments on the furniture, fixtures, equipment and other personal property of Tenant located in the Leased Premises or on the Alterations to the Leased Premises installed by, paid for or belonging to Tenant, whether assessed to the Tenant or assessed to the Landlord with the real property.

30.3 Disclaimer of Partnership or Agency. Neither Landlord nor Tenant are the legal representatives or agents of the other party for any purpose whatsoever and neither party

shall have the power or authority to assume or create, in writing or otherwise, any obligation or responsibility of any kind, express or implied, to transact business, to make any warranty or otherwise to act in any manner in the name of or on behalf of the other party. This Agreement shall not be construed as constituting or creating a partnership between Landlord and Tenant or as creating any other form of legal association between Landlord and Tenant which would impose liability upon one party for the act or the failure to act of the other party.

30.4 Interpretation. The Section headings, paragraph captions and marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision hereof. The terms "include," "includes," and "including" are nonexhaustive.

30.5 Notices. Whenever notice is to be given under the terms of this Agreement, it shall be personally delivered or be sent by certified mail, return receipt requested, postage prepaid, addressed as follows:

To Landlord: BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Executive Director

To Tenant: Certified Folder Display, Inc.  
1120 Joshua Way  
Vista, CA 92801  
Attn: Bill Deering

In the event a different address is furnished by either party to the other party in writing, notices shall thereafter be sent or delivered to the new address. Any such notice shall be deemed given as of the date of personal delivery or forty-eight hours after it is mailed, except that a notice of a change in address shall be deemed given as of the date of receipt thereof. A notice given in any other manner shall be deemed given as of the date it is actually received by the party for whom intended.

30.6 Brokers. Tenant warrants that it has not had any dealings with any real estate broker or agent in connection with this Agreement, and Tenant agrees to defend, indemnify and hold Landlord harmless from any claim for any compensation, commission or other charge by any finder or any other real estate broker or agent.

30.7 Recording. Tenant shall not record this Agreement without the prior written consent of Landlord. In the event Landlord consents to recordation of this Agreement or a memorandum thereof, any documentary transfer taxes shall be paid by Tenant.

30.8 Governing Law. This Agreement be governed by and construed pursuant to the law of the State of California.

30.9 Time of Essence. Time is of the essence of this Agreement.

30.10 Signs. Tenant shall not, without the prior written consent of Landlord, install or affix any signs or advertisements on or to the exterior of the Leased Premises or the Airport.

30.11 Landlord's Agent. It is recognized that Landlord may employ a manager or operator of the Airport, as an agent of Landlord, and any notices to Landlord hereunder shall be given to both Landlord and any such manager or operator:

30.12 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 attorneys' fees and costs.


30.13 Waiver. No waiver of any breach or default shall be construed as a continuing waiver of any provision or as a waiver of any other or subsequent breach of any provision contained in this Agreement.

30.14 Executive Director Authority. Landlord's Executive Director shall have the authority to give all approvals and consents on behalf of Landlord hereunder.

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


**LANDLORD:**

BURBANK - GLENDALE - PASADENA  
AIRPORT AUTHORITY

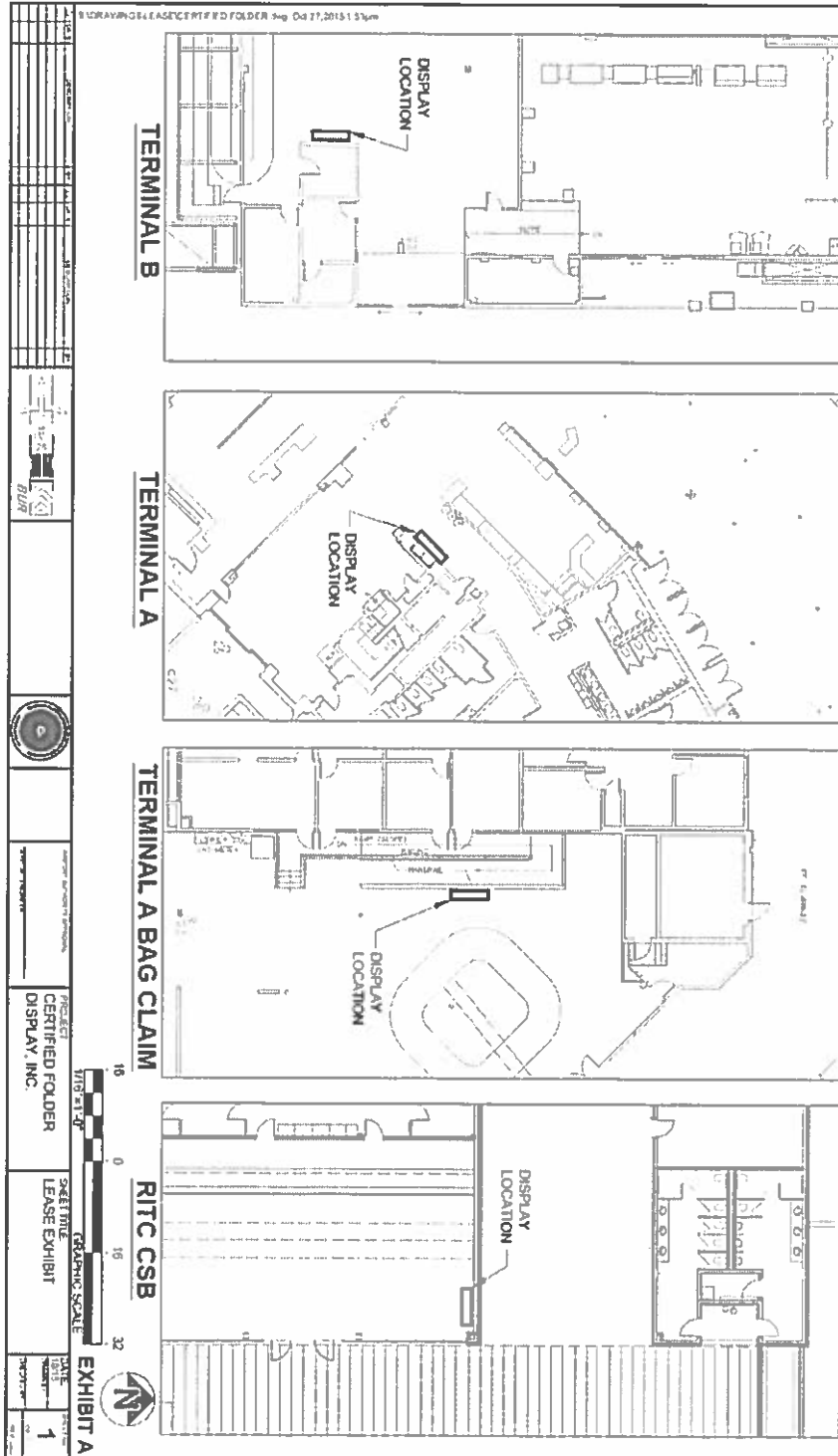
By:   
Print Name: Frank Quintero  
Title: President

**TENANT:**

CERTIFIED FOLDER DISPLAY, INC.,

By:   
Bill Deering,  
Senior Vice President  
BILL DEERING  
SR. VICE PRESIDENT

# **EXHIBIT "A"** **LEASED PREMISES**



## **EXHIBIT "B"**

### **FAA GRANT AGREEMENT ASSURANCES**

#### **NONDISCRIMINATION**

- A. Tenant, for itself, its representatives, successors in interest, and permitted assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.
- B. Tenant for itself and its representatives, successors in interest and permitted assigns as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:
1. No person on the ground of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;
  2. In the construction of any improvements on, over or under the Leased Premises, if allowed, and the furnishings of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
  3. Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulations may be amended.
  4. This Agreement is also subject to the requirements of the U.S. Department of Transportation regulations 49 CFR part 23. Tenant agrees that it will not discriminate against any business owner's race, color, national, origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR part 23.
- C. In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Agreement and to exclude Tenant from conducting

business on the Leased Premises, and hold the Leased Premises as if this Agreement had never been made.

- D. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
- E. Noncompliance with Provision D, above shall constitute a material breach hereof and in the event of such noncompliance Landlord shall have the right to terminate this Agreement without notice and without liability therefor or, at the election of Landlord or the United States, either or both thereof shall have the right to judicially enforce Provisions A, B, C and D above.
- F. Applicant agrees that it shall insert the above five provisions in any permitted sublease, license or agreement by which such Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or service to the public at the Leased Premises, and in any subsequent concession agreement or contract covered by 49 CFR part 23 that it enters, and shall cause those businesses to similarly include the statements in further agreements.



**EXHIBIT "C"**  
**TENANT IMPROVEMENT REQUEST FORM**



**REQUEST FOR APPROVAL**  
**PROPOSED TENANT IMPROVEMENT**

**MUST BE SUBMITTED AT LEAST TEN BUSINESS DAYS PRIOR TO PROJECT START DATE. LARGER PROJECTS REQUIRE ADDITIONAL LEAD TIME.**

**1. INFORMATION**

Tenant \_\_\_\_\_ Building # \_\_\_\_\_  
Name of Contact \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_ Email: \_\_\_\_\_  
Describe Proposed Improvements \* \_\_\_\_\_

Estimated cost of improvements \_\_\_\_\_  
Estimated start date \_\_\_\_\_ Completion date \_\_\_\_\_

\*\*\*Attach sketches or drawings as required to clearly indicate the type, size, height  
and location of proposed improvements\*\*\*

**2. PRE-CONSTRUCTION**

Contractor \_\_\_\_\_ License # \_\_\_\_\_  
Address \_\_\_\_\_  
Contract Price \_\_\_\_\_ Phone # \_\_\_\_\_  
Construction Commencement Date \_\_\_\_\_ End Date \_\_\_\_\_

\*\*\*Applicant must submit required Certificate of Insurance, Material and Labor Bond  
two weeks prior to the start of construction\*\*\*

Tenant Representative (Signed) \_\_\_\_\_ Date \_\_\_\_\_

**3. INITIAL APPROVALS**

Airside Operations	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments _____			
Landside Operations	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments _____			
Business & Properties	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments _____			
Engineering Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments _____			
Environmental & Noise	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments _____			
Fire Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments _____			
ICT Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)

Comments \_\_\_\_\_  
 Maintenance Department (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed (Y/N)  
 Comments \_\_\_\_\_  
 Police & Security (Approver) \_\_\_\_\_ Date \_\_\_\_\_ Pre-Con Needed (Y/N)  
 Comments \_\_\_\_\_

#### 4. FINAL APPROVAL

Airport Administration (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

### INSTRUCTIONS FOR COMPLETING THIS FORM

The following procedures are to be followed by all Airport Tenants desiring to make improvements to their leasehold. Close adherence to the procedures and regulations outlined below will greatly aid in expediting the processing and approval of each Proposed Improvement.

1. Tenant shall complete Section I of this form and submit to: Burbank-Glendale-Pasadena Airport Authority, Business, Property and Administrative Services Department, 2627 Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request Form, the Business, Property and Administrative Services Department will review the Proposed Improvement and, if the proposal is considered to be basically acceptable, it will then be forwarded to Airport Engineering for further review and evaluation. However, if the proposal is not considered to be basically acceptable, the Request Form will be returned to the Tenant accompanied by a written statement from the Authority as to why the request is being denied at this stage or if additional information is required.
3. In addition to the submission of the Tenant Improvement Form, Tenant shall also provide final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements: five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Business, Property and Administrative Services Department for review by all applicable Airport Departments with final review and approval by Airport Administration.
4. The Business, Property and Administrative Services Department and Engineering Department will determine any impact of the Proposed Improvement on the Airport Master Plan, Airport Facilities, Navigable Airspace Requirements of Federal Aviation Regulations Part 77, and/or if it conforms to the Airport Rules and Regulations.
5. Prior to the start of construction and after all insurance and bond requirements have been satisfied, an Indemnification & Defense Agreement has been submitted to the Authority, and Building permits and any other necessary permits are on file with the Authority, a pre-construction meeting must be held in the Authority Administrative offices. When all of these requirements have been satisfied, approval to begin construction will be granted on the Tenant Improvement Form and a copy returned to the Tenant. The form will indicate whether approval has been granted, and if not granted, the reason for denial.
6. All Tenants shall, within thirty (30) days after completion, submit to Business, Property and Administrative Services Department one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Business, Property and Administrative Services Department. The itemized summary shall be signed by the contractor and notarized.

NOTES: a.) For smaller projects costing less than \$5,000, the Authority may, at its discretion, waive any or all of the above requirements.  
 b.) Airport approval does not constitute a substitution of approval from any other governmental agency having jurisdiction.

### PLANS AND SPECIFICATIONS

Plans shall be drawn to scale and dimensioned on standard size drawing sheets for future reference and file retention, and shall be of sufficient clarity to indicate the nature and extent of the work proposed and show in detail that it conforms to the provisions of the governing codes, ordinances, rules and regulations. The minimum number of drawings normally acceptable with each set of plans submitted for final review and approval will generally consist of a plot plan, foundation plan, floor plan, elevations, framing section and details. Electrical, plumbing, heating and air conditioning plans and details shall be submitted when applicable. Foundation recommendations, including calculations and a soils investigation report shall be submitted when appropriate or requested by Airport Engineering. All design documents, including required calculations, shall be prepared, stamped, and signed by a licensed professional engineer or architect registered in the State of California. Engineers shall be licensed for the specific discipline required. Drawings/specifications and/or calculations prepared by contractors and/or fabricators will not be acceptable.

### OTHER REQUIREMENTS INSURANCE REQUIREMENT

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form:

Comprehensive General Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. \$1,000,000 for Personal Injury for each occurrence.
Comprehensive Automobile Liability:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence.
Workers' Compensation:	California statutory requirements

Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Business, Property and Administrative Services Department. Each of said insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

### **BOND REQUIREMENT**

The Tenant shall require the contractor to obtain a material and labor bond equal to the contract price of the work. A copy of said bond shall be forwarded to Airport Engineering.

### **INDEMNIFICATION & DEFENSE AGREEMENT**

The Tenant and its Contractor agree to and do hereby indemnify, defend and hold harmless the Burbank-Glendale-Pasadena Airport Authority, and its officers, agents, employees and contractors from all claims, demands, liabilities, losses, damages, costs and expenses, of any nature whatsoever, caused by or arising from, directly or indirectly, any act or omission (including, without limitation, negligent acts, negligent omissions, willful misconduct and any violation of the terms of that certain Lease between Tenant and Authority in, on or near the Bob Hope Airport by Contractor, or its subcontractors, agents or employees (including without limitation work done by Contractor for Tenant on Tenant's leased premises).