



November 17, 2022

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, November 21, 2022, 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, November 21, 2022

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, November 21, 2022

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR (Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)
 - a. Committee Minutes
(For Note and File)
 - 1) Executive Committee
 - (i) October 5, 2022 ***[See page 1]***
 - 2) Operations and Development Committee
 - (i) October 3, 2022 ***[See page 3]***
 - 3) Legal, Government and Environmental Affairs Committee
 - (i) October 3, 2022 ***[See page 5]***
 - b. Commission Minutes
(For Approval)
 - 1) October 17, 2022 ***[See page 8]***
 - 2) November 7, 2022 ***[See page 15]***
 - c. Award of Professional Services Agreement for
Parking Lot Reconfiguration Electrical Work ***[See page 18]***
 - d. Award of Terminal Space Lease ***[See page 25]***
 - e. Eighth Amendment to Concession Agreement
Airport Advertising Program ***[See page 27]***
 - f. Amendment No. 1 to Courtesy Shuttle Services Agreement ***[See page 33]***
 - g. First Extension Option - Airfield Lighting Electrical Inspection,
Testing and On-Call Repair Services ***[See page 37]***

- h. AB 361 Findings for Special Brown Act Requirements for Teleconference Meetings ***[See page 41]***
- i. Agenda Item Protocol ***[See page 43]***
- 6. ITEMS FOR COMMISSION APPROVAL
 - a. Committee Assignments
- 7. ITEMS FOR COMMISSION DISCUSSION
 - a. Update on the Replacement Passenger Terminal Progressive Design Builder Selection
- 8. ITEMS FOR COMMISSION INFORMATION
 - a. Life Saving Award – Airport Police Department
 - b. FAA Part 139 Inspection Report
 - c. September 2022 Passenger and Air Cargo Statistics ***[See page 47]***
 - d. September 2022 Ground Transportation Statistics
 - e. September 2022 Parking Revenue Statistics
- 9. 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)
 - b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(California Government Code Section 54956.9(d)(1))

Name of Case: In re: Passenger Facility Charge Investigation (Under Seal)
- 10. ITEMS PULLED FROM CONSENT CALENDAR
- 11. EXECUTIVE DIRECTOR COMMENTS
- 12. COMMISSIONER COMMENTS
(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a future meeting.)
- 13. ADJOURNMENT

COMMISSION NEWSLETTER

Monday, November 21, 2022

[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 Executive Committee meeting of October 5, 2022, approved minutes of the Operations and Development Committee meeting of October 3, 2022; and approved minutes of the Legal, Government and Environmental Affairs Committee meeting of October 3, 2022, are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. Draft copies of the October 17, 2022, regular and November 7, 2022, special Commission meeting minutes are attached for the Commission's review and approval.
- c. AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR PARKING LOT RECONFIGURATION ELECTRICAL WORK. A staff report is included in the agenda packet. At its meeting on October 17, 2022, the Operations and Development Committee voted unanimously (3–0) to recommend that the Commission:
(1) Award a Construction Agreement in the amount of \$105,000 to ISSA Electric Inc., (2) Approve a project budget for Construction Management, Field Oversight and Contract Administration to be completed by Staff for a not to exceed amount of \$10,000; and (3) Approve a project contingency of \$13,000.
- d. AWARD OF TERMINAL SPACE LEASE. A staff report is included in the agenda packet. At its meeting on October 17, 2022, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve a proposed Terminal Space Lease with Prepango, LLC., to provide a post-security concession kiosk in Terminal A at Hollywood Burbank Airport. Prepango proposes to install an unmanned retail store kiosk located across from Gate A3 for the purposes of selling "Kylie Cosmetics", a leading women's cosmetic brand.
- e. EIGHTH AMENDMENT TO CONCESSION AGREEMENT – AIRPORT ADVERTISING PROGRAM. A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval of the Commission for a proposed Eighth Amendment ("Amendment") to the Concession Agreement for Airport Advertising Program ("Agreement") with Lamar Airport Advertising Company. The proposed Amendment extends the Agreement to the earlier of December 31, 2026, or the date the Replacement Passenger Terminal opens.

- f. **AMENDMENT NO. 1 TO COURTESY SHUTTLE SERVICES AGREEMENT.** A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks Commission approval of a proposed Amendment No. 1 ("Amendment") to the Courtesy Shuttle Services Agreement dated March 1, 2022 ("Agreement") with MV Transportation, Inc., scheduled to expire on December 31, 2022. The proposed Amendment revises the cost of the contract from \$234,797.61 per month to \$239,493.56 per month, plus the cost of fuel, and extends the performance term of the Agreement to June 30, 2023. If approved, the proposed Amendment would become effective December 31, 2022.
- g. **FIRST EXTENSION OPTION – AIRFIELD LIGHTING ELECTRICAL INSPECTION, TESTING, AND ON-CALL REPAIR SERVICES.** A staff report is included in the agenda packet. Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission to exercise the first of two one-year extension options and a 3% fee schedule increase for the Airfield Lighting Electrical Inspection, Testing and On-Call Repair Services Agreement with Vellutini Corporation dba Royal Electric Company.
- h. **AB 361 FINDINGS FOR SPECIAL BROWN ACT REQUIREMENTS FOR TELECONFERENCE MEETINGS.** A staff report is included in the agenda packet. Staff has placed this item on the agenda to give the Commission an opportunity to make the findings specified in AB 361 (2021) for special Brown Act requirements for teleconference meetings.
- i. **AGENDA ITEM PROTOCOL.** A staff report is included in the agenda packet. At its meeting on November 7, 2022, the Executive Committee voted unanimously (3–0) to recommend that the Commission establish an agenda item protocol for items submitted to the Commission or a Committee.

6. ITEMS FOR COMMISSION APPROVAL

- a. **COMMITTEE ASSIGNMENTS.** This item is included in the agenda to provide the Commission President the opportunity to make any standing committee appointments that she may wish to make.

7. ITEMS FOR COMMISSION DISCUSSION

- a. **UPDATE ON REPLACEMENT PASSENGER TERMINAL ("RPT") PROGRESSIVE DESIGN BUILDER SELECTION.** No staff report attached. Staff will update the Commission on the selection of the RPT Progressive Design Builder.

8. ITEMS FOR COMMISSION INFORMATION

- a. **LIFE SAVING AWARD – AIRPORT POLICE DEPARTMENT.** No staff report is attached. Airport Police Chief and Director of Public Safety Edward Skvarna will bestow the Airport Police Department Life Saving Award to Sergeant Jerry Maeda for his response on October 7, 2022, to a male passenger that suffered a seizure in the lobby of Terminal A adjacent to the Lunchbox Restaurant. The passenger was being

escorted via wheelchair service to his gate when he fell ill. Sargent Maeda, with the assistance of J. Davis Skycap personnel, placed the passenger on the floor, monitored his breathing, and was checking for medical information when the passenger's breathing stopped. Sargent Maeda knew time was of the essence and initiated live-saving measures with CPR and mouth-to-mouth resuscitation with only the passenger's wellbeing in mind. The passenger regained consciousness and Sargent Maeda held his head in such a manner as to ensure his alignment and airway remained open until the Airport Fire Department and Burbank Fire Department arrived and transported the passenger to the hospital.

- b. FAA PART 139 INSPECTION REPORT. No staff report attached. The Federal Aviation Administration (FAA) regulates airports with air carrier service under Title 14, Part 139 of the Code of Federal Regulations. Commercial service airports are inspected by the FAA on an annual basis to confirm adherence to Part 139 and other compliance directives. This includes an inspection checklist of over 120 items including recordkeeping, airfield facilities, fueling operations, and Aircraft Rescue Firefighting facilities. This year's inspection for BUR was conducted May 9-10, 2022. After all corrective action items were completed, the inspection was officially concluded on October 5, 2022.
- c. SEPTEMBER 2022 PASSENGER AND AIR CARGO STATISTICS. No staff report attached. The September 2022 passenger count of 542,102 was up nearly 5% compared to September of 2019's 518,033 passengers. Also compared to September of 2019, air carrier aircraft operations in September 2022 were flat, while cargo volume was down 18%, at 6.8 million pounds.
- d. SEPTEMBER 2022 GROUND TRANSPORTATION STATISTICS. No staff report attached. Staff will update the Commission on Ground Transportation activities for the month of September 2022.
- e. SEPTEMBER 2022 PARKING REVENUE STATISTICS. No staff report attached. Staff will present parking revenue data for the month of September 2022.

Approved on November 2, 2022

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

WEDNESDAY, OCTOBER 5, 2022

A regular meeting of the Executive Committee was called to order on this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 9:01 a.m., by Commissioner Gabel-Luddy.

1. ROLL CALL

Present: Commissioners Gabel-Luddy, Williams (via teleconference) and Najarian (via teleconference)

Absent: NONE

Also Present: Staff: Frank Miller, Executive Director, John Hatanaka, Senior Deputy Executive Director, Kathy David, Deputy Executive Director, Finance and Administration; Patrick Lammerding, Deputy Executive Director, Planning and Development

Authority Counsel: Terence Boga, Esq.,
Richards Watson & Gershon

Roger Johnson, Senior Program Manager,
Jacobs Program Management Co.

2. Approval of Agenda

Motion Commissioner Najarian (via teleconference) moved approval of the agenda; seconded by Commissioner Williams (via teleconference).

Motion Approved A voice vote was taken to accommodate those participating via teleconference. The motion was approved unanimously (3–0).

3. Public Comment

There were no public comments.

4. Approval of Minutes

a. September 26, 2022

A draft copy of the minutes of the September 26, 2022 special meeting, were included in the agenda packet for review and approval.

Motion Commissioner Najarian (via teleconference) moved approval of the minutes; seconded by Commissioner Williams (via teleconference).

Motion Approved

A voice vote was taken to accommodate those participating via teleconference. The motion was approved unanimously (3–0).

5. Items for Discussion

**a. Replacement Passenger Terminal
Project Decision and Risk Matrix**

Roger Johnson of Jacobs Project Management Co. made a presentation to the Committee and discussed the Committee's role in project decision making for the Replacement Passenger Terminal.

6. Items for Information

a. 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 to discuss, the meeting was adjourned at 9:55 a.m.

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

MONDAY, OCTOBER 3, 2022

A regular meeting of the Operations and Development Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:31 a.m., by Commissioner Devine.

1. ROLL CALL

Present: Commissioners Devine (via teleconference), Hampton (via teleconference), Gabel-Luddy

Absent: NONE

Also Present: Staff: John Hatanaka, Senior Deputy Executive Director, Lewis Pianka, Assistant Chief, Airport Fire Department, Ray Hunting, Airport Security Manager

2. Approval of Agenda

Agenda was approved as presented.

Motion Commissioner Gabel-Luddy moved approval of the agenda; 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).

3. Public Comment

There were no public comments.

4. Approval of Minutes

a. September 19, 2022

A draft copy of the September 19, 2022, minutes were included in the agenda packet for review and approval.

Motion Commissioner Hampton (via teleconference) moved approval of the minutes; seconded by Commissioner Gabel-Luddy.

Motion Approved There being no objection, a voice vote was taken to accommodate those participating via teleconference. The minutes were approved as presented (3–0).

5. Items for Approval

**a. Authorization to Acquire
Replacement Airport Fire
Department Rescue Vehicle**

Staff sought a Committee recommendation to the Commission for authorization to issue a future purchase order in a not-to-exceed amount of

\$400,000 to acquire a previously owned Aircraft Rescue and Fire Fighting vehicle.

Due to the current supply chain environment, orders placed for new vehicles have a wait time of 2-3 years. Because the current vehicle has exceeded its useful operational life, Staff research has shown that a secondary market for fire pumper vehicles with significant useful life (5-7 years) would be acceptable.

Motion

Commissioner Hampton (via teleconference) moved approval; seconded by Commissioner Gabel-Luddy.

Motion Approved

There being no objection, a voice vote was taken, and the motion was approved (3–0).

b. Award of Professional Services Agreement - Airport Security, Traffic Control and Consumer Item Inspection Services

Staff sought a Committee recommendation to the Commission for approval to award a Professional Services Agreement to Universal Protection Service LP for Airport Security, Traffic Control, and Consumer Item Inspection Services. The proposed Agreement is for a three-year base term starting November 1, 2022, through October 31, 2025, with two (2) one-year extension options.

The proposed Agreement is for a three-year initial contract price not-to-exceed \$5,987,415 for Airport Security and Traffic Control Services. This cost is subject to a potential annual increase based on prevailing Consumer Price Index for the Los Angeles area (all indices) as published by the U.S. Department of Labor, Bureau of Labor Statistics (“CPI”), not-to-exceed 6% after the first year of the Agreement. The proposed three-year base cost for Consumer Item Inspection Services is \$595,568 which is fully reimbursable by two concessionaires utilizing these services, MCS Burbank, LLC and HG Burbank JV.

Motion

Commissioner Hampton (via teleconference) moved approval; seconded by Commissioner Gabel-Luddy.

Motion Approved

There being no objection, a voice vote was taken, and the motion was unanimously approved (3–0).

6. Items for Discussion

a. Committee Pending Items

Staff updated the Committee on future pending items.

7. Adjournment

There being no further business to discuss, the meeting was adjourned at 8:54 a.m.

Approved October 17, 2022

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

MONDAY, OCTOBER 3, 2022

A regular meeting of the Legal, Government and Environmental Affairs Committee was called to order this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 10:25 a.m., by Commissioner Williams.

1. ROLL CALL

Present:

Commissioners Williams, Najarian (via teleconference) and Dyson (via teleconference)

Absent:

NONE

Also Present:

Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; David Kwon, Director, Financial Services; Maggie Martinez, Director Noise and Environmental Affairs

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

2. Staff Announcement: AB 23

The 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

Agenda was approved as presented.

4. Public Comment

There were no public comments.

5. Approval of Minutes

a. September 19, 2022

A draft copy of the September 19, 2022, minutes was included in the agenda packet for review and approval.

Motion

Commissioner Najarian (via teleconference) moved approval of the minutes, seconded by Commissioner Dyson (via teleconference).

Motion Approved

The minutes were approved as presented (3–0).

6. Items for Approval

a. **Transfer of Custody Services for the Authority's Managed Assets The Bank of New York Mellon Corporate Trust Company, N.A.**

Normally this item would have been presented to the Finance and Administration Committee, but that Committee was not able to meet on October 3, 2022, due to lack of a quorum. Due to the time sensitivity of this item, Staff presented to the Legal, Government and Environmental Affairs Committee to recommend to the Commission approval of a proposed transfer of the Authority's managed assets from Bank of America's (BofA) Global Custody and Agency Services to the Bank of New York Mellon Corporate Trust Company's, N.A., Global Custody Services.

In June 2022, BofA notified Staff that it would be terminating its Global Custody and Agency Services which provides custodial services for the Authority's investment portfolio accounts. These assets must be transitioned to another custodian by the end of November 2022.

Motion

Commissioner Dyson (via teleconference) moved approval; seconded by Commissioner Najarian (via teleconference).

Motion Approved

There being no objection, a voice vote was taken, and the motion was unanimously approved (3–0).

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

Due to a previous association with proposed service provider, Commissioner Williams recused herself from this item. Commissioner Najarian assumed the chair duties. Staff sought a Committee recommendation to the Commission for approval of a new Professional Services Agreement with Trifiletti Consulting, Inc., to provide for continued environmental services in support with the Authority's Memorandum of Understanding and the implementation of the voluntary Airport measures identified in the Air Quality Improvement Plan with the South Coast Air Quality Management District. The proposed PSA will cover the period from November 1, 2022, to October 31, 2023, with a not-to-exceed annual amount of \$120,000.

Motion

Commissioner Dyson (via teleconference) moved approval; seconded by Commissioner Najarian (via teleconference).

Motion Approved

There being no objection, a voice vote was taken, and the motion was unanimously approved (2–0).

Commissioner Williams returned to chair the remainder of the meeting.

7. Items for Discussion

**a. Hertz Corporation
Electric Vehicle Program at
Hollywood Burbank Airport**

Staff informed the Committee on the Hertz Corporation's investment into electric vehicles and supporting electric charging stations for their operation at the Regional Intermodal Transportation Center.

8. Items for Information

a. Committee Pending Items

Staff had no updates of future pending items to present to the Committee.

9. Adjournment

There being no further business to discuss, the meeting was adjourned at 10:49 a.m.

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

MONDAY, OCTOBER 17, 2022

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 Gabel-Luddy.

1. ROLL CALL

Present: Commissioners Gabel-Luddy, Williams, Najarian (via teleconference), Devine (via teleconference), Ovrom (via teleconference), Dyson, Hampton (arrived 9:08 a.m.)

Absent: NONE

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Adam Schmitt, Commander, Airport Security Coordinator; Edward Skvarna, Chief of Police, Director of Public Safety; Nerissa Sugars, Director, Marketing and Air Service; Tom Janowitz, Senior Manager, Ground Access

Also Present:
Terence Boga, Esq., Authority General Counsel,
Richards Watson Gershon

2. PLEDGE OF ALLEGIANCE

Edward Skvarna, Chief of Police, Director of Public Safety, led the Pledge of Allegiance.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

MOTION

Commissioner Dyson moved approval of the modified agenda; seconded by Commissioner Williams.

MOTION APPROVED

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

AYES: Commissioners Gabel-Luddy, Williams, Najarian (via teleconference), Devine (via teleconference), Ovrom (via teleconference), Dyson

NOES: NONE:

ABSENT: Commissioner Hampton

4. PUBLIC COMMENT

There were no public comments.

5. CONSENT CALENDAR

Commissioner Ovrom requested Item No. 5.f. be pulled for further review. Commissioner Dyson requested Item No. 5.c. be pulled from the Consent Calendar for further review.

a. Committee Minutes (For Note and File)

1) Executive Committee

- (i) **September 26, 2022** Approved minutes of the September 26, 2022, Executive Committee special meeting were included in the agenda packet for information purposes.

2) Operations and Development Committee

- (i) **September 19, 2022** Approved minutes of the September 19, 2022, Operations and Development Committee meeting were included in the agenda packet for information purposes.

3) Legal, Government and Environmental Affairs Committee

- (i) **September 19, 2022** Approved minutes of the September 19, 2022, Legal, Government and Environmental Affairs Committee meeting were included in the agenda packet for information purposes.

b. Commission Minutes (For Approval)

- 1) **October 3, 2022** A copy of the draft minutes of the October 3, 2022, Commission meeting were included in the agenda packet for review and approval.

- c. **Award of Professional Services Agreement – Airport Security, Traffic Control and Consumer Item Inspection Services** ***This item was pulled for further discussion and appears under Item No. 9 Items Pulled from Consent Calendar.***

- d. **Transfer of Custody Services for the Authority's Managed Assets - The Bank of New York Mellon Corporate Trust Company, N.A.** At its meeting on October 3, 2022, the Legal, Government and Environmental Affairs Committee voted unanimously (3-0) to recommend that the Commission approve a transfer of the Authority's managed assets from Bank of America's (BoFA) Global Custody and Agency Services ("GCAS") to the Bank of New York Mellon Corporate Trust Company, N.A. Staff received notification from BoFA that by the end of 2022 BoFA would be terminating the GCAS which provides custodial services for the Authority's investment portfolio accounts.

Normally, this item would have been presented to the Finance and Administration Committee. However, due

to the time sensitivity and lack of a quorum, it was referred to the Legal, Government and Environmental Affairs Committee.

e. Award of Professional Services Agreement – Trifiletti Consulting, Inc.

At its meeting on October 3, 2022, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve a new Professional Services Agreement with Trifiletti Consulting, Inc. to provide for continued environmental services in support with the Authority’s Memorandum of Understand and the implementation of the voluntary Airport measures identified in the Air Quality Improvement Plan with the South Coast Air Quality Management District. This PSA will be effective from November 1, 2022, to October 31, 2023.

f. Memorandum of Understanding Burbank Airport Police Officers Association

This item was pulled for further discussion and appears under Item No. 9 Items Pulled from Consent Calendar.

MOTION

Commissioner Devine moved approval of the Consent Calendar; seconded by Commissioner Najarian.

MOTION APPROVED

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

AYES: Commissioners Gabel-Luddy, Williams, Devine (via teleconference), Najarian (via teleconference), Hampton (via teleconference), Ovrom (via teleconference), Dyson

NOES: NONE

ABSENT: NONE

ABSTAINED: Commissioner Ovrom (Item No. 5.b.1)

6. ITEMS FOR COMMISSION APPROVAL

a. Determinations Regarding Return to in-Person meetings and AB 361 Findings for Special Brown Act Requirements for Teleconference Meetings

Staff requested that the Commission provide direction on the return to in-person Commission and Committee meetings at the Airport. Additionally, the Commission was tasked with determining findings as specified in statute AB 361 (2021) for special Brown Act requirements for teleconference meetings.

The Commission discussed whether the Authority should be able to utilize that statute’s teleconference meeting flexibility for another thirty (30) days. They also

discussed the possibility for the public to attend the meetings in-person.

After much discussion, it was decided that hybrid meetings will continue until the first scheduled meeting in January 2023 when in-person meetings will begin. In the interim, staff will meet with the Executive Committee to discuss the issue of how to structure public comment.

MOTION

Commissioner Devine moved approval; seconded by Commissioner Najarian.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (6–0, 1 absent).

AYES: Commissioners Gabel-Luddy, Williams, Devine (via teleconference), Najarian (via teleconference), Hampton (via teleconference), Dyson

NOES: NONE

ABSENT: Commissioner Ovrom

7. ITEMS FOR COMMISSION INFORMATION

- | | |
|--|--|
| a. August 2022 Passenger and Air Cargo Statistics | Staff presented an update on the August 2022 Passenger and Air Cargo statistics. |
| b. August 2022 Ground Transportation Statistics | Staff presented an update on the August 2022 Ground Transportation statistics. |
| c. August 2022 Parking Revenue Statistics | Staff presented an update on the August 2022 Parking Revenue statistics. |

8. CLOSED SESSION

The meeting convened to Closed Session at 9:26 a.m.

**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)

**Meeting Reconvened to
Open Session**

The meeting reconvened to open session at 9:34 a.m. with (6) Commissioners present.

Closed Session Report

There was nothing to report from Closed Session.

9. ITEMS PULLED FROM CONSENT CALENDAR

5.c. Award of Professional Services Agreement – Airport Security, Traffic Control and Consumer Item Inspection Services

At its meeting on October 3, 2022, the Operations and Development Committee voted unanimously (3–0) to recommend that the Commission award a Professional Services Agreement (“Agreement”) to Universal Protection Service LP for Airport Security, Traffic Control and Consumer Item Inspection Services. The Agreement is for a three-year base term beginning November 1, 2022, through October 31, 2025, with two (2) one-year extension options.

The Agreement, for a three-year initial contract price not-to-exceed \$5,987,415 for Airport Security and Traffic Control Services, is subject to a potential annual increase based on prevailing Consumer Price Index for the Los Angeles area. The proposed three-year base cost for the Consumer Item Inspection Services is \$595,568 which is fully reimbursable by two concessionaires utilizing these services, MCS Burbank, LLC and HG Burbank JV.

MOTION

Commissioner Williams moved approval; seconded by Commissioner Najarian.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (6–0, 1 absent).

AYES: Commissioners Gabel-Luddy, Williams, Devine (via teleconference), Najarian (via teleconference), Hampton (via teleconference), Dyson

NOES: NONE

ABSENT: Commissioner Ovrom

5.f. Memorandum of Understanding – Burbank Airport Police Officers Association

Staff presented for Commission approval a replacement Memorandum of Understanding (“MOU”) with the Burbank Airport Police Officers Association incorporating changes in compensation and benefits. The new MOU will be in effect from February 1, 2023, through June 30, 2026.

The changes are a 4.5% annual wage increase over the term of the MOU, an increase in Peace Officers Standards and Training Certificate pay by certificate level, an increase in the employer contribution to an officer’s retirement program, and an increase of the maximum accrual for Compensatory hours.

MOTION

Commissioner Ovrom moved approval; seconded by Commissioner Hampton.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (7-0).

AYES: Commissioners Gabel-Luddy, Williams, Devine (via teleconference), Najarian (via teleconference), Hampton (via teleconference), Ovrom (via teleconference), Dyson

NOES: NONE

ABSENT: NONE

10. EXECUTIVE DIRECTOR COMMENTS

The Executive Director reported to the Commission that he made a presentation to the Burbank City Council on Tuesday, October 11. The report included information on the recovery of passenger traffic; the scheduling of the selection of an artist to create the public art for the Regional Intermodal Transportation Center (RITC); and an update on the Replacement Passenger Terminal Building. The Mayor indicated that it was a positive report. This information was to be given to the Pasadena City Council at its regularly scheduled meeting.

The Progressive Design-Build Seminar for the Replacement Passenger Terminal (RPT) was also reported at the City Council meetings. The seminar held on Monday, October 17 and Tuesday, October 18, 2022, will provide all parties involved to network and discuss issues pertinent to the building of the RPT.

The Executive Director also reported that he along with staff would be meeting with Alaska Airlines in Seattle, WA, to discuss potential future improvements in service.

11. COMMISSIONER COMMENTS

(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a future meeting)

Commissioner Hampton requested a report on the economic impact of local businesses doing business with the Airport amongst the Tri-Cities.

12. ADJOURNMENT

The meeting was adjourned at 10:20 a.m. in the memory of Commissioner Selvidge.

MOTION

Commissioner Ovrom moved to adjourn the meeting, seconded by Commissioner Williams.

MOTION APPROVED

A voice vote was taken to accommodate those participating via teleconference. The motion was approved (7-0).

AYES: Commissioners Gabel-Luddy, Devine (via teleconference), Williams, Najarian (via teleconference), Hampton (via teleconference), Ovrom (via teleconference), Dyson

NOES: NONE

ABSENT: NONE

Emily Gabel-Luddy, President

Date

Ara Najarian, Secretary

Date

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

MONDAY, NOVEMBER 7, 2022

A special meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:01 a.m., by Commissioner Gabel-Luddy.

1. ROLL CALL

Present: Commissioners Gabel-Luddy (via teleconference), Williams (via teleconference), Najarian (via teleconference), Devine (via teleconference), Hampton (via teleconference), Ovrom (via teleconference), Dyson (via teleconference)

Absent: NONE

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

2. PLEDGE OF ALLEGIANCE

John Hatanaka, Senior Deputy Executive Director, led the pledge of allegiance.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

MOTION

Commissioner Ovrom moved approval of the agenda; seconded by Commissioner Devine.

MOTION APPROVED

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

AYES: Commissioners Gabel-Luddy (via teleconference), Williams, (via teleconference), Najarian (via teleconference), Devine (via teleconference), Hampton (via teleconference), Ovrom (via teleconference), Dyson (via teleconference),

NOES: NONE:

ABSENT: NONE

4. PUBLIC COMMENT

There were no public comments.

5. CONSENT CALENDAR

Commissioner Ovrom requested that Item No. 5.a. be pulled from the Consent Calendar for further discussion.

a. AB 361 Findings for Special Brown Act Requirements for Teleconference Meetings

Included in the agenda package was a report on AB 361 which details the findings specified in AB 361 (2021) for special Brown Act requirements for teleconference meetings.

Commissioner Williams requested that the issue of how to handle public comment be agendaized for the next meeting of the Executive Committee.

MOTION

Commissioner Devine moved approval of the Consent Calendar; seconded by Commissioner Najarian.

MOTION APPROVED

There being no objection, a voice vote was taken to accommodate those participating via teleconference. The motion was approved (5–2–0).

AYES: Commissioners Gabel-Luddy (via teleconference), Williams, (via teleconference), Najarian (via teleconference), Devine (via teleconference), Hampton (via teleconference)

NOES: Commissioners Ovrom (via teleconference), Dyson (via teleconference)

ABSENT: NONE

6. EXECUTIVE DIRECTOR COMMENTS

The Executive Director announced that the swearing in of the recently appointed Commissioner from the City of Pasadena, Andy Wilson, would be taking place later in the day.

7. COMMISSIONER COMMENTS

(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a future meeting)

Commissioner Devine thanked the Executive Director for a report he gave at the recent meeting of the City of Glendale Council.

8. ADJOURNMENT

The meeting was adjourned at 10:17 a.m.

MOTION

Commissioner Devine moved approval to adjourn the meeting; seconded by Commissioner Ovrom.

MOTION APPROVED

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

AYES: Commissioners Gabel-Luddy (via teleconference), Williams, (via teleconference), Najarian (via teleconference), Devine (via teleconference), Hampton (via teleconference),

Ovrom (via teleconference), Dyson (via teleconference)

NOES: NONE

ABSENT: NONE

Emily Gabel-Luddy, President

Date

Ara Najarian, Secretary

Date

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 21, 2022**

**AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR
PARKING LOT RECONFIGURATION ELECTRICAL WORK**

Prepared by Tom Janowitz, Senior Manager, Ground Access and
Patrick Lammerding, Deputy Executive Director, Planning and Development

SUMMARY

At its meeting on October 17, 2022, the Operations and Development Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission:

- Award a Construction Agreement in the amount of \$105,000 to ISSA Electric Inc.
- Approve a project budget for Construction Management, Field Oversight and Contract Administration to be completed by Staff for a not to exceed amount of \$10,000; and
- Approve a project contingency of \$13,000

BACKGROUND

In preparation for the development of the Replacement Passenger Terminal on the Adjacent Property, the Lot A public parking facility with a capacity of 1,592 spaces and the adjoining Employee parking lot with 567 spaces are anticipated to be closed in the fall of 2023.

This anticipated closure will have a significant impact on the availability of public parking. In order to maximize the availability of parking at the Airport, Staff reviewed the current public parking lots, and the potential for development of additional parking spaces. From its review, Staff determined that Lot B on Hollywood Way, currently leased for vehicle storage with 638 spaces, can be returned to serve airport employee parking needs. Parking Lot C on Thorton Avenue can remain in service as is with its capacity of 517 spaces.

In reviewing close-in parking accommodations near or next to the current terminal the following inventory was confirmed: Lot D with 612 spaces, Lot E with 201 spaces, Lot G with 253 spaces, and the short-term parking structure with 438 spaces. The valet operation has a capacity of 2,386 spaces and does not have the same level of average occupancy as the self-service parking lots. Self-serve parking provides short term patrons, averaging approximately 1.5 days stay, with an ease-of-use option that is operationally more cost efficient.

Staff is therefore recommending that a portion of the valet area be reconfigured to accommodate a new self-serve parking area, to be identified as Lot F, with 434 spaces which would include seven (7) Americans with Disabilities Act (ADA) accessible spaces. This lot would be approximately 3 to 5 minutes walking distance to the terminal and use the currently deployed Skidata revenue control system. The lot would enter from Avenue A and exit via Avenue B. In order to implement this reconfiguration, the first phase of work to be

completed is the electrical scope. The electrical scope of work was identified and bid as a standalone project. Four bids were received in response to the posted RFB:

- ISSA Electric Inc: \$105,000
- Ferreira Coastal Construction Company: \$119,695
- Crosstown: \$166,300
- Royal Electric Co.: \$444,444

Bids were reviewed and determined to be responsive. ISSA Electric Inc., as the low bidder is being recommended for award.

PROJECTED COSTS:

PHASE ONE

Electrical – ISSA Electrical Inc. \$ 105,000

Upon completion of Phase One, the second phase of the project can be implemented. Phase Two entails the installation of paving, curbs, fencing, signage, security and control systems. The costs for these elements will be bid separately by trade, except for those items which are exclusively under current contract. The estimated cost by category for Phase Two is as follows:

Civil / Paving / Curb	\$ 100,000
Fencing / Gate	\$ 90,000
Striping / Signs	\$ 20,000
Parking Revenue Control – Skidata, current provider	\$ 78,000
Digital Video Security System – SAS, current provider	\$ 30,000
Access Control – Securitech, current provider	\$ 22,000
Network Cable Install	\$ 25,000
Construction Management and Contract Administration	\$ 45,000
Contingency for Unforeseen Items	\$ <u>60,000</u>

Phase One and Two Total \$ 575,000

Staff will publicly solicit bids for those Phase Two services, which are not currently under contract, by a specific vendor. For those items that have a specific vendor, the proposed project was reviewed by each vendor and proposals were obtained. Staff will present the Phase Two components of the project for the Committee's consideration at a future date.

FUNDING

The adopted FY 2022-2023 Facility Improvement Program Budget includes \$575,000 for Public Parking Lot Improvements.

SCHEDULE

The electrical project scope will commence after the award and execution of the Construction Agreement. A request for bids for Phase Two services will be posted such that a Construction Agreement can be considered by the Committee and Commission to be in

place to commence the civil and paving work as soon as the electrical work is completed. The remaining elements of the project (fencing, striping and signage followed by the installation of parking revenue control, DVSS equipment, and access control equipment) will be scheduled to commence immediately after the electrical and paving work is completed.

OPERATIONAL IMPACTS

Construction will be coordinated with the valet operator to minimize impact to the valet operations and the work which impacts traffic on Avenue A and B will be completed at night to minimize impacts to the airport vehicular traffic.

RECOMMENDATION

At its meeting on October 17, 2022, the Committee voted unanimously (3–0) to recommend that the Commission approve Phase One of the proposed Lot F development with an award of a Construction Agreement in the amount of \$105,000 to ISSA Electric Inc., with a project budget of \$10,000 for in-house construction management, field oversight, and contract administration with contingency for unforeseen items of \$13,000.

CONSTRUCTION AGREEMENT

(Burbank-Glendale-Pasadena Airport Authority/ISSA Electric, Inc.)

THIS CONSTRUCTION AGREEMENT (“Agreement”) is dated October 17, 2022 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency (“Authority”) and ISSA Electric, Inc., a California corporation, (“Contractor”). Contractor’s CSLB license number is 1028054. Contractor’s DIR registration number is 1000675422.

In consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Contract Documents. The Contract Documents consist of this Agreement, the Notice Inviting Bids, the Instructions to Bidders, the Bid (including documentation accompanying the Bid and any post-Bid documentation submitted before the Notice of Award), the Bonds, permits from regulatory agencies with jurisdiction, General Provisions, Special Provisions, General Federal Provisions, Special Federal Provisions, Plans, Standard Plans, Standard Specifications, Reference Specifications, Addenda, Change Orders, Supplemental Agreements and the BUR Clean Construction Policy to the extent attached to this Agreement. Such attachments are incorporated herein by reference.
2. Scope of Services. Contractor shall perform the Work in a good and workmanlike manner for the project identified as **PARKING RECONFIGURATION ELECTRICAL PROJECT** (“Project”), as described in this Agreement and in the Contract Documents.
3. Compensation. In consideration of the services rendered hereunder, Authority shall pay Contractor a not to exceed amount of one hundred five thousand dollars (\$105,000.00) in accordance with the prices as submitted in the Bid.
4. Incorporation by Reference. All of the following documents are attached hereto and incorporated herein by reference: Workers’ Compensation Certificate of Insurance, Additional Insured Endorsement (Comprehensive General Liability), Additional Insured Endorsement (Automobile Liability), and Additional Insured Endorsement (Excess Liability).
5. Antitrust Claims. In entering into this Agreement, Contractor offers and agrees to assign to Authority all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Business and Professions Code Section 16700 et seq.) arising from purchases of goods, services, or materials pursuant to this Agreement. This assignment shall be made and become effective at the time Authority tenders final payment to Contractor without further acknowledgment by the parties.
6. Prevailing Wages. Authority and Contractor acknowledge that the Project is 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. Execution Warranty. Any person executing this Agreement on behalf of Contractor warrants and represents that he or she has the authority to execute this Agreement on behalf of Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

9. Entire Agreement. This Agreement, including the Contract Documents and any other documents incorporated herein by specific reference, represents the entire and integrated agreement between Authority and Contractor related to the Project. This Agreement supersedes all prior oral or written negotiations, representations or agreements related to the Project. This Agreement may not be modified or amended, nor any provision or breach waived, except in a writing signed by both parties that expressly refers to this Agreement.

10. Counterparts. This Agreement may be executed in counterpart originals, duplicate originals, or both, each of which is deemed to be an original for all purposes.

[SIGNATURES ON FOLLOWING PAGE]

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

ISSA Electric, Inc.
3994 Mennes Avenue
Riverside, CA 92509

DocuSigned by:
Melisa Sanchez
2FAC97767C07480
☐ Chairperson ☒ President ☐ Vice President

DocuSigned by:
Melisa Sanchez
2FAC97767C07480
☐ Secretary ☐ Asst. Secretary
☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

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

President

Approved as to form:

Richards, Watson & Gershon
A Professional Corporation

BID SHEETS**PARKING RECONFIGURATION ELECTRICAL PROJECT ["Project"]**Bidder's Name: ISSA ELECTRIC, INC.

To the Burbank-Glendale-Pasadena Airport Authority:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the construction agreement to furnish all labor, materials, equipment and supplies for the Project in accordance with the Contract Documents to the satisfaction and under the direction of the Manager, Construction Services, at the following prices:

BASE AMOUNT:

ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICES	EXTENDED AMOUNT
1.	AS DESCRIBED IN PROJECT DOCUMENTS	1	LS	\$105,000.00	\$105,000.00
TOTAL BASE AMOUNT					<u>\$105,000.00</u>

TOTAL BID PRICE = BASE AMOUNTTOTAL BID PRICE IN DIGITS: \$ 105,000.00TOTAL BID PRICE IN WORDS: One Hundred Five Thousand and Zero CentsSignature: Title: Project ManagerDate: 7-25-22

Signature: _____

Title: _____

Date: _____

A Schedule of Values must be provided upon request.

References must be provided upon request.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 21, 2022**

AWARD OF TERMINAL SPACE LEASE

Prepared by Scott Kimball, Deputy Executive Director
Operations, Business, Procurement, SMS

SUMMARY

At its meeting on October 17, 2022, the Legal, Government and Environmental Affairs Committee (“Committee”) voted unanimously (3–0) to recommend that the Commission approve a proposed Terminal Space Lease (“Lease”) with Prepango, LLC (“Prepango”) to provide a post-security concession kiosk in Terminal A at Hollywood Burbank Airport. Prepango proposes to install an unmanned retail store kiosk located across from Gate A3 for the purposes of selling “Kylie Cosmetics”, a leading women’s cosmetic brand.

Normally, this item would have been presented to the Finance and Administration Committee, but that Committee did not meet on October 17, 2022, due to lack of a quorum. Because of the time sensitivity of this item, it was presented to the Legal, Government and Environmental Affairs Committee.

BACKGROUND

Prepango, LLC founded in 2009, is a Minority Business Enterprise that operates, delivers and specializes in custom vending solutions. Prepango has extensive airport experience and has grown to become the market leader in vending machines/kiosks in the travel retail industry. Currently, Prepango operates in over 20 major airports including Los Angeles International Airport, Ontario International Airport, JFK International Airport, Harry Reid Las Vegas International Airport and Chicago-O’Hare International Airport.

Prepango’s kiosk utilizes software that is cloud based which allows the company to monitor, ship and forecast its inventory in real time to ensure its kiosk is always stocked and fully operational.

Through a reference check, Prepango is in good standing and current with its obligations at the various Airports that it serves.

DETAILS

Key components of the proposed Lease are:

Premises: Post-security in Terminal A, across from Gate A3 Holdroom

Use: Provide Kylie branded cosmetic products

Term: Three (3) years, commencing November 1, 2022

Extension: None

Termination: 30-days prior written notice to Tenant

Rent: Monthly rent will be 11% of Prepango's monthly gross revenue derived from its kiosk sale

Other: Executive Director shall have the ability to remove, relocate or add additional kiosks on an as-needed basis

REVENUE IMPACT

As the installation of the proposed kiosk sells a highly popular line of branded cosmetics, it is anticipated that the proposed terminal lease will provide additional operating revenue from the 11% of gross monthly sales.

RECOMMENDATION

At its meeting on October 17, 2022, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve the proposed Terminal Space Lease with Prepango and authorize the Authority President to execute same.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 21, 2022**

**EIGHTH AMENDMENT TO CONCESSION AGREEMENT
AIRPORT ADVERTISING PROGRAM**

Prepared by Scott Kimball
Deputy Executive Director, Operations, Business and SMS

SUMMARY

Subject to the recommendation of the Operations and Development Committee (“Committee”) at its meeting immediately preceding the Commission meeting, Staff seeks approval of the Commission for a proposed Eighth Amendment (“Amendment”) to the Concession Agreement for Airport Advertising Program (“Agreement”) with Lamar Airport Advertising Company (“Lamar”). The proposed Amendment extends the Agreement to the earlier of December 31, 2026, or the date the Replacement Passenger Terminal (“RPT”) opens.

BACKGROUND

On May 17, 2004, the Authority and F/F/E Display Services (“F/F/E”), a d/b/a name of Alliance Corporation, entered into the Agreement. The Agreement granted F/F/E the exclusive right to operate an advertising concession at the Airport. The scope of these services includes interior diorama displays and wall wraps, television monitors in the holdrooms, advertising displays in the bus/transit shelters, and displays on specific exterior areas of the terminal facility and ancillary Airport facilities/areas.

Effective August 26, 2006, Alliance Corporation changed its d/b/a name from F/F/E Display Services to Alliance Airport Advertising (“Alliance”), and in March 2015, Alliance submitted a request for the Authority’s Consent to Change of Ownership from Alliance Airport Advertising to Lamar Airport Advertising Company. The Consent to Change of Ownership was approved on June 15, 2015.

The Agreement has been amended and extended several times through the years and currently is set to expire on December 31, 2022 or on the date that the current passenger terminal closes, whichever occurs first.

In August 2022, Lamar reached out to staff and inquired about extending the Agreement to either the earlier of December 31, 2026, or the date that the RPT opens and the existing terminal is closed. In the event the RPT is not opened by December 31, 2026, the proposed Amendment would continue on a month-to-month basis unless terminated by either party upon 30 days prior written notice.

The proposed Amendment also requires Lamar to invest \$195,000 on mutually agreed upon new capital improvements by December 31, 2023. These improvements are to consist of replacing the existing signs with energy efficient tension fabric signs, upgrading the

Airport's WiFi system to provide more reliable bandwidth service in both Terminals A and B as well as expansion of the WiFi service to the terminal curbside.

DETAILS

Key components of the proposed Amendment are:

Premises:	Terminal at the Airport
Use:	Airport Advertising
Term:	From January 1, 2023 to the either of December 31, 2026 or the date the RPT opens. In the event the RPT opening is delayed beyond December 31, 2026 the Agreement shall continue on a month-to-month basis.
Termination:	May occur on either the earlier of December 31, 2026 or on the date the RPT opens. If the RPT opening is delayed beyond December 31, 2026, the Agreement may be terminated with a 30-days prior written notice by either party.
Rent:	Greater of the annual Minimum Annual Guarantee ("MAG") or 47% of gross revenue receipts. The MAG for the period from August 2022 to July 2023 shall be \$53,938.02 per month.

REVENUE IMPACT

The proposed Amendment is estimated to generate an additional \$107,000 per year upon completion of the required improvements.

RECOMMENDATION

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

EIGHTH AMENDMENT TO CONCESSION AGREEMENT FOR AIRPORT ADVERTISING PROGRAM

This Eighth Amendment to the “May 17, 2004 Concession Agreement for Airport Advertising Program (“Agreement”) is executed by the Burbank-Glendale-Pasadena Airport Authority, a California joint powers authority (“Authority”), and Lamar Airport Advertising Company, a Nevada corporation formerly known as “Alliance Corporation” (“Lamar”).

R E C I T A L S

A. The Authority and Alliance Corporation executed the Agreement to provide for Alliance’s development and management of an airport advertising program at the Bob Hope Airport (commonly known as Hollywood Burbank Airport), including a minimum \$250,000 capital investment.

B. The Authority executed a June 15, 2015 Consent to Change of Ownership for Concession Agreement for Airport Advertising Program to memorialize its consent to a change of ownership and control of Alliance Corporation.

C. The Authority has executed the following amendments to the Agreement (collectively, the “Prior Amendments”), and Lamar hereby ratifies the same:

1. A June 18, 2007 First Amendment to memorialize Alliance’s name change and update Alliance’s contact information.

2. An October 6, 2008 Second Amendment to extend the term and clarify the Minimum Annual Guarantee payment requirement.

3. A November 4, 2013 Third Amendment to: extend the term; establish a new extension option for Authority; clarify the Minimum Annual Guarantee payment requirement; and establish a new \$250,000 capital investment requirement.

4. A June 4, 2018 Fourth Amendment to: remove the Authority from the process of Lamar’s review and approval of proposed signs and advertisements; extend the term; revise the Authority’s extension option; establish a new \$95,000 capital investment requirement; and provide for a contingent \$75,000 capital investment requirement.

5. An April 6, 2020 Fifth Amendment to establish a COVID-19 pandemic relief plan that provides a three month abatement of the Minimum Annual Guarantee payment requirement.

6. An August 17, 2020 Sixth Amendment to extend the COVID-19 pandemic relief plan by six months.

7. A December 14, 2020 Seventh Amendment to further extend the COVID-19 relief, as to payments due under the Agreement.

D. The parties desire to further amend the Agreement to extend the term of the Agreement; require new improvements costing up to \$195,000, and make certain other changes as described below.

NOW, THEREFORE, the parties agree as follows:

1. Extension of Term. The term of the Agreement is hereby extended to the earlier of: (i) December 31, 2026, or (ii) the date on which the existing Airport terminal building is permanently closed by Authority. Authority will give Lamar at least ninety (90) days' prior written notice of the permanent closure of the existing Airport terminal building. Upon the scheduled expiration of such fixed term, the Agreement shall continue on a month-to-month basis, such that it shall be terminable by either party upon thirty (30) days prior written notice, and the Executive Director of the Authority may give such notice on behalf of the Authority.

2. Required New Improvements. Failure to comply with this Section 2 shall constitute a default under the Agreement. On or before February 28, 2023, Lamar shall submit to Authority detailed plans for the new improvements described on Exhibit "A" attached hereto ("New Improvements") for approval by Authority (and the Executive Director of Authority may give such approval, provided it is in writing). On or before March 31, 2023, Lamar shall obtain all permits required for the New Improvements and, subject to delays beyond its control (*i.e.*, so-called "force majeure delays or supply chain interruptions"), shall commence construction of the New Improvements by such date. On or before December 31, 2023, subject to delays beyond its control (*i.e.*, so-called "force majeure delays or supply chain interruptions"), Lamar shall complete the New Improvements.

Within thirty (30) business days after completion, Lamar shall submit reasonable evidence of the cost of the New Improvements to Authority.

Section 3.1.4 of the Agreement shall no longer apply to any improvements made by Lamar or its predecessor Alliance prior to the date hereof, but Section 3.1.4 of the Agreement shall apply to such New Improvements and additional improvements, such that if Authority terminates the Agreement prior to December 31, 2026, then Authority shall reimburse Lamar for the unamortized portion of the New Improvements, which shall be calculated based on a term ending on December 31, 2026.

3. Amendment of Section 4.2. Section 4.2 of the Agreement is hereby amended by replacing "fifty percent (50%)" with "forty-seven percent (47%)" in such Section.

4. Preservation of Agreement. Except as expressly modified by this Eighth Amendment, all of the provisions of the Agreement (as amended by the Prior Amendments) shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this Eighth Amendment and the provisions of the Agreement (as amended by the Prior Amendments), the provisions of this Eighth Amendment shall control.

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

TO EFFECTUATE THIS EIGHTH AMENDMENT, the parties have caused their duly authorized representatives to execute this Eighth Amendment by signing below.

LAMAR:

LAMAR AIRPORT ADVERTISING COMPANY,
a Nevada corporation



Christopher Trares
Vice President

AUTHORITY:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

By: _____
Print Name: _____
Title: _____

Approved as to form:

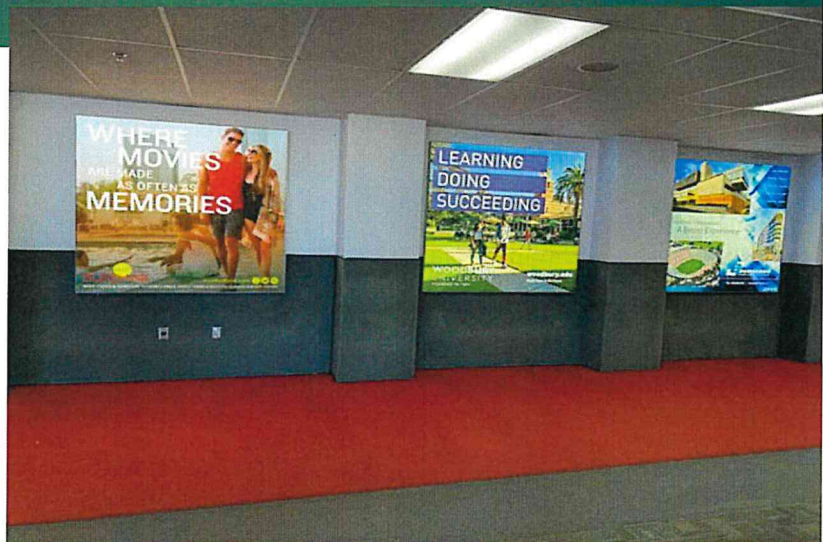
Richards, Watson & Gershon
A Professional Corporation

EXHIBIT "A"
GENERAL DESCRIPTION OF REQUIRED NEW IMPROVEMENTS

LAMAR AIRPORT ADVERTISING'S HOLLYWOOD BURBANK AIRPORT ADVERTISING CONCESSION
\$195,000 CAPITAL INVESTMENT PROPOSAL – BRIDGE AGREEMENT TO REPLACEMENT TERMINAL OPENING
REDUCE QUANTITY OF BACKLIT WALL SIGNS, REPLACE ALL WITH ENERGY EFFICIENT TENSION FABRIC SIGNS, UPGRADE WIFI
(Airport installs new WiFi wiring)

BACKLIT TENSION FABRIC SIGNS

Replacing up to 61 locations with consideration towards removing historically undersold locations and reducing visual clutter.



MORE ROBUST WiFi THROUGHOUT THE TERMINAL

UPGRADE WiFi THROUGHOUT THE AIRPORT

- NEW ACCESS POINTS
- UPDATE ROUTERS & PORTAL SERVERS
- EXPAND SERVICE TO THE CURB
- CREATE TWO SEPARATE SYSTEMS TO ALLOW INDEPENDENT BANDWIDTH IN TERMINAL A & B
- UPGRADE SWITCH GEAR IN ALL ROOMS, UPDATE FIBER LINKS, AND MDF & IDF ROOMS
- AIRPORT TO INSTALL NEW WIFI WIRING

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 21, 2022**

**AMENDMENT NO. 1 TO
COURTESY SHUTTLE SERVICES AGREEMENT**

Presented by Tom Janowitz
Senior Manager, Ground Access

SUMMARY

Subject to the recommendation of the Operations and Development Committee (“Committee”) at its meeting immediately preceding the Commission meeting, Staff seeks Commission approval of a proposed Amendment No. 1 (“Amendment”) to the Courtesy Shuttle Services Agreement dated March 1, 2022 (“Agreement”) with MV Transportation, Inc. (“MV”) scheduled to expire on December 31, 2022. The proposed Amendment revises the cost of the contract from \$234,797.61 per month to \$239,493.56 per month, plus the cost of fuel, and extends the performance term of the Agreement to June 30, 2023. If approved, the proposed Amendment would become effective December 31, 2022.

BACKGROUND

MV has provided the courtesy shuttle service between the Airport’s remote parking lots and terminal from 2015 to 2020. During the COVID-19 pandemic, with the closure of the remote lots, this service was suspended in 2020.

Coinciding with the rebound in passenger traffic, the Commission began to reopen the remote parking lots and on October 18, 2021, MV was awarded a month-to-month agreement for courtesy shuttle services while Staff issued an RFP for courtesy shuttle services over a longer-term.

Upon completion of a competitive selection process, MV was awarded a ten-month Agreement on February 22, 2022, for the fixed-route shuttle services to the Authority’s remote parking lots and Employee Parking Lot. The intent of the term of this Agreement was to provide Staff an opportunity to continue shuttle services while it researched a shift to electric shuttle vehicles.

On April 26, 2022, a Request for Information (“RFI”) was issued to determine if the shuttle service industry was in a position with the necessary expertise to operate an electric vehicle fleet at the Airport. The results of the RFI are to be incorporated into a future solicitation for these shuttle services.

With the Authority’s current parking management service agreement for the self-park lots, the valet parking operation and employee parking lot scheduled to expire on June 30, 2023, Staff plans on issuing a Request for Proposals (“RFP”) in early 2023 combining both parking management services and shuttle service operations utilizing the information gained from the RFI on migrating to an all-electric shuttle fleet. The potential efficiencies gained with one

operator for both services will support achieving the goals of the Authority's Air Quality Improvement Plan.

DETAILS

The proposed Amendment increases the monthly cost of the shuttle operation to \$239,493.56, which represents a 2% increase to the current monthly rate of \$234,797.61. The 2% increase reflects the upcoming increases in MV's employees that are covered under a collective bargaining agreement.

Under the proposed Amendment, MV will continue to utilize its fleet of CNG-powered, 18-passenger ADA-compliant vehicles dedicated to the Airport.

As previously stated, the proposed Amendment extends the term of the Agreement to allow the Authority to incorporate courtesy shuttle services and information obtained from the RFI to transition to an all-electric shuttle fleet into the upcoming RFP for Self-Park Management, Valet Parking Management, Employee Parking Management and Shuttle Services. This RFP will be issued in the second half of FY 2023 for services beginning July 1, 2023. Combining the parking management and shuttle operation services into one agreement has potential cost savings and operational efficiencies for the Authority.

BUDGET IMPACT

The FY 2023 adopted budget included appropriations of \$3,000,000 for shuttle services which can accommodate the increase in cost of the proposed Amendment. Since the beginning of the fiscal year, shuttle fuel costs (which are budgeted separately) have been volatile due to price fluctuations and will continue to be monitored as the fiscal year progresses.

RECOMMENDATION

Subject to the recommendation of the Committee at its meeting immediately preceding the Commission meeting, Staff seeks Commission approval of the proposed Amendment with MV and authorize the President to execute the same.

AMENDMENT NO. 1
TO COURTESY SHUTTLE SERVICES AGREEMENT
(Burbank-Glendale-Pasadena Airport Authority / MV Public Transportation, Inc.)

THIS AMENDMENT NO. 1 ("First Amendment") to the March 1, 2022 Courtesy Shuttle Services Agreement ("Agreement") executed by the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency ("Authority"), and MV Public Transportation, Inc., a California corporation ("Operator"), is dated November 21, 2022 ("Effective Date") for reference purposes. Operator and Authority may each be referred to hereinafter individually as a "party" or collectively as the "parties."

RECITALS

- A. The parties executed the Agreement to provide for the Authority's retention of Operator to provide airport shuttle services.
- B. The parties desire to amend the Agreement to extend the term six months and increase the monthly fee.

NOW, THEREFORE, the parties agree as follows:

1. Modifications.

- a. Paragraph (C) of Section 1 (Definitions) of the Agreement is amended to read as follows:

"C. 'Contract Amount' shall mean \$239,493.56 per month, plus the cost of fuel."

- b. Section 4 (Term) of the Agreement is amended to read as follows:

"4. **Term:** The term of this Agreement begins on the Effective Date and ends on June 30, 2023."

2. Effectiveness. This First Amendment shall be effective on December 31, 2022.

3. Counterparts. This First Amendment may be executed in one or more counterparts (including by means of telecopied signature page or as a PDF or similar attachment to an electronic communication).

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

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

MV Transportation, Inc.

By: DocuSigned by:
Kevin Klika
0AFE8ECCBDC5478...

Print Name: Kevin Klika

☐ Chairperson ☒ President ☐ Vice President

By: [Signature]

Print Name: Jamie Pierson

☐ Secretary ☐ Asst. Secretary
☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

Burbank-Glendale-Pasadena Airport Authority

Emily Gabel-Luddy, President

Approved as to form:

Richards, Watson & Gershon
A Professional Corporation

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 21, 2022**

**FIRST EXTENSION OPTION
AIRFIELD LIGHTING ELECTRICAL INSPECTION, TESTING, AND ON-CALL
REPAIR SERVICES**

Prepared by Anthony Defrenza
Director, Engineering and Maintenance

SUMMARY

Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks approval from the Commission to exercise the first of two one-year extension options and a 3% fee schedule increase for the Airfield Lighting Electrical Inspection, Testing and On-Call Repair Services Agreement ("Agreement") with Vellutini Corporation dba Royal Electric Company ("Royal Electric").

BACKGROUND

In December 2020, the Commission awarded a two-year contract to Royal Electric for monthly testing and inspection services of the airfield lighting system at a cost of \$43,300 annually. The Agreement includes two one-year extension options with an allowable 3% increase for each extension year. The Agreement also includes rates for on-call repair and emergency services if needed. The existing agreement expires January 31, 2023.

An operational airfield lighting system is critical to the success and safety of the airport's daily operations. The FAA provides detailed guidance on best practices associated with testing and inspection, and with preventative maintenance activities, for different components of a typical airport's airfield lighting system. The Authority's Maintenance Department is the primary provider of preventative maintenance and undertakes certain necessary repairs to the airfield lighting system. The on-call services of a qualified electrical contractor that has expertise with airfield lighting systems will ensure back-up support to the Maintenance Department, assist with maintaining stricter compliance with recommendations that are issued by the FAA as well as improve the reliability and longevity of the existing system.

In accordance with Section 4.C. of the Agreement, for each extension option exercised by the Authority, the Fee Schedule may be increased 3% upon Contractor request and Commission approval. As such, the values provided in the updated Fee Schedule table (attached) have been increased by 3% and if approved will be effective February 1, 2023.

Royal Electric's satisfactory performance under the terms of the existing agreement, its unique specialty and extensive experience with airfield lighting systems, and its familiarity with Hollywood Burbank Airport's airfield lighting system is the basis for Staff's recommendation to extend the term of the Agreement.

BUDGET

Appropriations for these services are included in the adopted FY 2023 budget.

RECOMMENDATION

Subject to the recommendation of the Operations and Development Committee at its meeting immediately preceding the Commission meeting, Staff seeks Commission approval of the first extension option, a 3% fee schedule increase, and authorization for staff to issue the notice of extension to Royal Electric.

DRAFT



November 21,
2022

Via e-mail

Mr. Randy Sondreal
**Vellutini Corporation dba Royal Electric
Company**
8481 Carbide Court
Sacramento, CA 95828

**Re: Airfield Lighting Electrical Inspection, Testing and On-Call
Repair Services dated January 19, 2021 Exercise Extension
Option Number 1**

Dear Mr. Randy Sondreal:

I write on behalf of the Burbank-Glendale-Pasadena Airport Authority ("Authority") with reference to the January 19, 2021, Airfield Lighting Electrical Inspection, Testing and On-Call Repair Services Agreement ("Agreement") executed by the Authority and Vellutini Corporation dba Royal Electric Company ("Royal Electric"). 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 November 21, 2022, meeting, the Authority Commission approved the exercise of Extension Option 1, extending the term through January 31, 2024.

In accordance with Section 4.C., for each extension option exercised by the Authority, the Fee Schedule may be increased 3% upon Contractor request. As such, the values provided in the updated Fee Schedule table (attached) have been increased by 3.0% and will be effective February 1, 2023.

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

Anthony DeFrenza
Director, Engineering and Maintenance

Exhibit F

Burbank-Hollywood Airport Oncall Maintenance			
Projected Contract Term: Feb 2023 thru January 2025			
<u>SEE ATTACHED CHECKLISTS FOR SPECIFIC SCOPE OF WORK</u>	<u>PROPOSED SCHEDULE</u>		
<u>WORK PERIOD</u>	<u>SCHEDULED DAYS</u>	<u>ASSESMENTS TAKING PLACE</u>	<u>PROJECTED BILLING BASED ON ATTACHMENT F - FEE SCHEDULE</u>
Mar-23		Quarterly	\$ 4,700.00 \$4,841
Jun-23		Quarterly/Semi-Annual	\$ 15,200.00 \$15,656
Sep-23		Quarterly	\$ 4,700.00 \$4,481
Dec-24		Quarterly/Semi-Annual/Annual	\$ 18,700.00 \$19,261
Mar-24		Quarterly	\$ 4,700.00 \$4,841
Jun-24		Quarterly/Semi-Annual	\$ 15,200.00 \$15,656
Sep-24		Quarterly	\$ 4,700.00 \$4,841
Dec-24		Quarterly/Semi-Annual/Annual	\$ 18,700.00 \$19,261
		TOTAL BASE	\$ 86,600.00 \$89,198

<u>DAILY RATE FOR NORMAL TASK ORDERS</u>	<u>INCLUDED</u>	
\$3,605	2 Electricians, 1 truck with Standard Tools including travel	**Based negotiated labor agreements anything over 4 hours is considered an 8 hr day.
\$ 3,500.00		

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 21, 2022**

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

Prepared by Terence Boga, Esq.
General Counsel

SUMMARY

Staff has placed this item on the agenda to give the Commission an opportunity to make the findings specified in AB 361 (2021) for special Brown Act requirements for teleconference meetings.

BACKGROUND

Since the start of the COVID-19 pandemic and Governor Newsom's relaxation of Brown Act requirements, the Authority has followed the course of many other local public agencies and held teleconference meetings to promote social distancing and protect public safety. The Governor's executive orders allowed 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 executive orders expired on September 30, 2021 and teleconference meetings now are conducted pursuant to AB 361, which confers similar flexibility.

In order for a local public agency to be subject to the AB 361 special Brown Act requirements for teleconference meetings, the legislative body of the agency must periodically make two findings. First, the legislative body must find 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.

Governor Newsom is rolling back his COVID-19 executive orders in phases, but he has left his COVID-19 state of emergency declaration in effect through February 2023. Furthermore, the State of California and the County of Los Angeles have recommended measures to promote social distancing. In particular, 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 continues to recommend that employers take steps to reduce indoor crowding and to enable employees and visitors to physically distance from each other.

On October 17, 2022, the Commission reached a consensus on returning to in-person meetings in January 2023. Thus, as of now, the Commission's stated intent is to continue holding teleconferencing meetings through the end of 2022. In accordance with the

Commission's instruction on October 17, the Executive Committee's next agenda will include an item for evaluation of public comment options.

RECOMMENDATION

Staff recommends that the Commission make the AB 361 findings for special Brown Act requirements for teleconference meetings. If the Commission concurs with this recommendation, then the appropriate motion is:

"I move that the Commission make the following findings: (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
NOVEMBER 21, 2022**

AGENDA ITEM PROTOCOL

Presented by Terence Boga
Authority General Counsel

SUMMARY

At its meeting held on November 2, 2022, the Executive Committee voted unanimously (3-0) to recommend that the Commission establish an agenda item protocol for items submitted to the Commission or a Committee.

BACKGROUND

The Authority's longstanding practice is that the Executive Director has the primary responsibility for agendizing items for Commission and Committee meetings. Historically, the Executive Director consults with the Commission President and the Committee Chairperson regarding agenda items as necessary. Additionally, in response to the Executive Committee's September 7, 2022 discussion of staff presentations, the Executive Director started placing on the consent calendar items that have a Committee recommendation. This new practice is not followed if the Committee has given a contrary direction.

PROPOSED POLICY

In response to Commissioner requests, staff drafted a resolution to establish an agenda item protocol for the Executive Committee's consideration. The protocol seeks to memorialize the following: (i) the Executive Director's longstanding responsibility for managing meeting agendas; and (ii) the process by which Commissioners may have items placed on either a Commission or Committee meeting agenda. The latter component of the protocol is meant to ensure that Commissioners do not unilaterally ask or instruct staff to agendize an item. Instead, as initially drafted, the resolution specified a process similar to the Burbank City Council's process when a Council Member proposes an agenda item. The Executive Committee directed staff to revise the draft and, as currently written, proposed Resolution No. 496 specifies the following process for a Commissioner to have an item agendized:

- Step One: A Commissioner makes an agenda item request at a Commission meeting during the Commissioner Comments portion of the meeting. If two other Commissioners concur, then the request will be agendized for a preliminary discussion at the next Executive Committee meeting.
- Step Two: At the preliminary discussion, the Executive Committee may direct the Executive Director to agendize the item for a future Commission or Committee meeting, defer the request for consideration at a later date, or table the request (i.e., determine that the item shall not be agendized at a future Commission or Committee meeting). The Executive Committee shall take into consideration staff workload, impact on existing and potential litigation, and any other relevant factors.

RECOMMENDATION

The Executive Committee recommends that the Commission adopt proposed Resolution No. 496 to establish an agenda item protocol.

Attachment: Proposed Resolution No. 496

RESOLUTION NO. 496

**A RESOLUTION OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY COMMISSION
ESTABLISHING AN AGENDA ITEM PROTOCOL**

The Burbank-Glendale-Pasadena Airport Authority Commission finds, resolves and determines as follows:

Section 1. Agenda Item Protocol.

A. The Executive Director shall have primary responsibility for agendizing items for Commission and Committee meetings. Items submitted to the Commission with a Committee recommendation shall be placed on the consent calendar unless contrary direction is given by the Committee or a contrary determination is made by the Executive Director. Agenda items shall be scheduled in a manner that promotes meeting efficiency and respects the time constraints of Commissioners who also serve on a City Council or otherwise have a competing demand for their engagement.

B. The Executive Director shall consult with the President regarding Commission agenda item matters as necessary. The Executive Director shall consult with the Committee chairperson regarding that Committee's agenda item matters as necessary.

C. Commissioners shall not unilaterally ask or instruct the Executive Director or other staff to agendize an item for a Commission or Committee meeting. Any Commissioner who desires to have an item agendized for Commission or Committee consideration shall make a request at a Commission meeting during the Commissioner Comments portion of the meeting. If two other Commissioners express support for the request, then the request (not the actual item) shall be agendized for the next Executive Committee meeting for a preliminary discussion. At the preliminary discussion, the Executive Committee may direct the Executive Director to agendize the item for a future Commission or Committee meeting, defer the request for consideration at a later date, or table the request (i.e., determine that the item shall not be agendized for a future Commission or Committee meeting). The Executive Committee shall take into consideration staff workload, impact on existing and potential litigation, and any other relevant factors.

Section 2. Effective Date. This Resolution shall be effective upon adoption.

Adopted this ___st day of November, 2022.

Emily Gabel-Luddy, President

Attest:

Ara Najarian, Secretary

STATE OF CALIFORNIA)
)ss.
COUNTY OF LOS ANGELES)

I, Frank R. Miller, do hereby certify that the foregoing resolution was duly and regularly adopted by the Commissioners of the Burbank-Glendale-Pasadena Airport Authority at its regular meeting held on the __st day of November 2022 by the following vote:

AYES:

NOES:

ABSENT:

Frank R. Miller
Assistant Secretary

Hollywood Burbank Airport

REVENUE PASSENGERS			September			January - September		
Signatory Airlines	2022	2021	% Change	2022	2021	% Change		
Alaska Airlines	50,228	39,036	28.67%	353,485	241,998	46.07%		
American Airlines	33,762	37,367	-9.65%	258,190	220,109	17.30%		
Avelo Airlines	29,532	24,167	22.20%	273,162	180,147	51.63%		
Delta Airlines	14,249	16,986	-16.11%	134,237	111,334	20.57%		
Flair Airlines	1,607	0	N/A	15,697	0	N/A		
JetBlue Airways	7,326	11,316	-35.26%	98,148	40,308	143.50%		
Southwest Airlines	359,113	247,668	45.00%	2,951,716	1,421,375	107.67%		
Spirit Airlines	16,953	5,804	192.09%	97,880	26,938	263.35%		
United Airlines	25,437	11,890	113.94%	133,522	37,136	259.55%		
Non-Signatory Airlines								
Frontier Airlines	3,895	12,523	-68.90%	64,145	37,662	70.32%		
Total Revenue Passengers	542,102	406,757	33.27%	4,380,182	2,317,007	89.04%		
Inbound (deplaned)	272,621	203,780	33.78%	2,194,301	1,160,647	89.06%		
Outbound (enplaned)	269,481	202,977	32.76%	2,185,881	1,156,360	89.03%		
AIRCRAFT OPERATIONS								
	September			January - September				
	2022	2021	% Change	2022	2021	% Change		
Landings & Takeoffs								
Air Carrier	5,679	4,745	19.68%	49,655	27,245	82.25%		
Air Taxi	2,420	2,012	20.28%	17,816	14,185	25.60%		
General Aviation	2,389	2,529	-5.54%	21,009	21,229	-1.04%		
Military Itinerant	51	31	64.52%	329	310	6.13%		
Subtotal	10,539	9,317	13.12%	88,809	62,969	41.04%		
Pass Through BUR Airspace								
Civil Local	1,816	2,138	-15.06%	19,479	26,983	-27.81%		
Military Local	0	0	N/A	0	0	N/A		
Subtotal	1,816	2,138	-15.06%	19,479	26,983	-27.81%		
Total Aircraft Operations	12,355	11,455	7.86%	108,288	89,952	20.38%		

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

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

General Aviation: Civil aviation operations for personal use

Military Itinerant: Military aviation activities

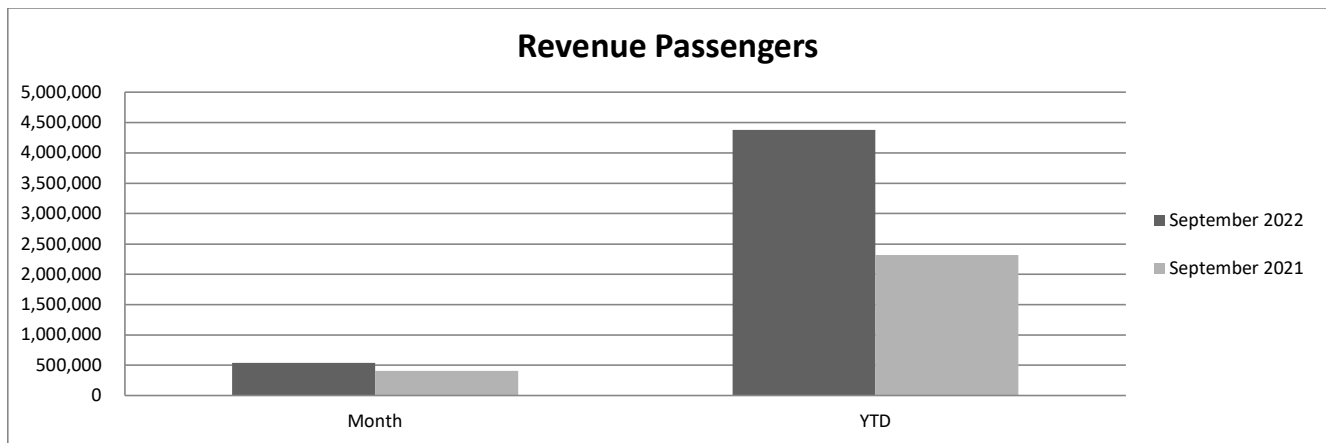
Civil Local: Civil aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR

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

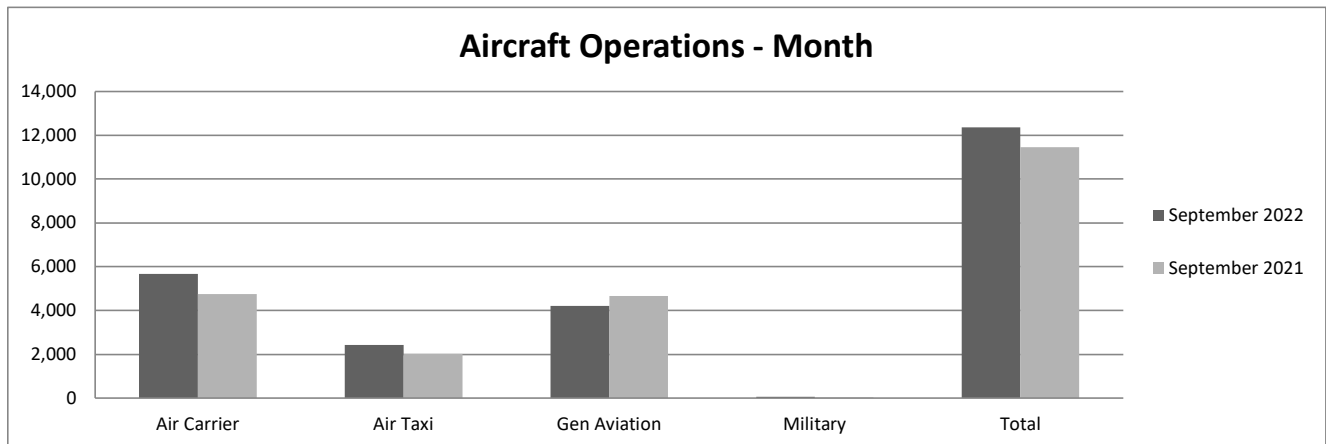
Hollywood Burbank Airport

AIR CARGO (lbs.)	September			January - September		
Signatory Airlines	2022	2021	% Change	2022	2021	% Change
Alaska Airlines	2,216	1,049	111.25%	13,539	4,824	180.66%
American Airlines	0	0	N/A	621	1,584	-60.80%
Avelo Airlines						
Delta Airlines						
Flair Airlines						
JetBlue Airways						
Southwest Airlines	173,328	282,455	-38.64%	1,805,664	1,635,778	10.39%
Spirit Airlines						
United Airlines						
Non-Signatory Airlines						
Frontier Airlines						
Other Scheduled Carriers						
Federal Express	2,638,837	4,188,320	-37.00%	29,918,314	39,783,522	-24.80%
United Parcel Service	3,811,546	4,314,735	-11.66%	34,350,412	37,231,086	-7.74%
Charter/Contract Carriers						
Ameriflight	169,014	216,923	-22.09%	1,550,997	1,823,419	-14.94%
Total Air Cargo	6,794,941	9,003,482	-24.53%	67,639,547	80,480,213	-15.96%
Inbound (deplaned)	3,448,123	4,454,249	-22.59%	34,110,972	39,865,820	-14.44%
Outbound (enplaned)	3,346,818	4,549,233	-26.43%	33,528,575	40,614,393	-17.45%

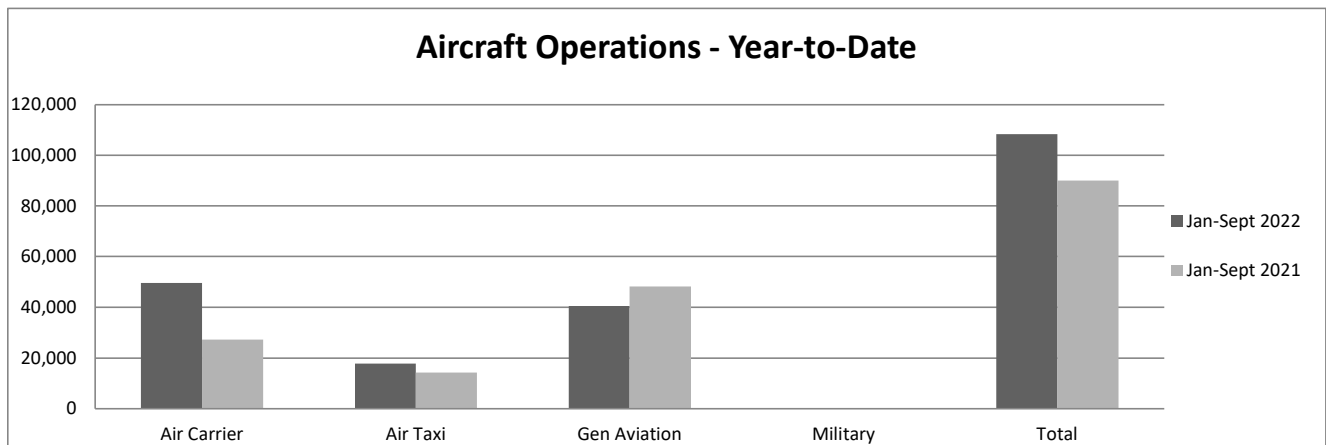
MAIL (lbs.)	September			January - September		
	2022	2021	% Change	2022	2021	% Change
	0	0	N/A	0	0	N/A
Total Mail	0	0	N/A	0	0	N/A
Inbound (deplaned)	0	0	N/A	0	0	N/A
Outbound (enplaned)	0	0	N/A	0	0	N/A



Revenue Passengers	Month	YTD
September 2022	542,102	4,380,182
September 2021	406,757	2,317,007
% Change	33.27%	89.04%



Aircraft Operations - MO	Air Carrier	Air Taxi	Gen Aviation	Military	Total
September 2022	5,679	2,420	4,205	51	12,355
September 2021	4,745	2,012	4,667	31	11,455
% Change	19.68%	20.28%	-9.90%	64.52%	7.86%



Aircraft Operations - YTD	Air Carrier	Air Taxi	Gen Aviation	Military	Total
Jan-Sept 2022	49,655	17,816	40,488	329	108,288
Jan-Sept 2021	27,245	14,185	48,212	310	89,952
% Change	82.25%	25.60%	-16.02%	6.13%	20.38%

Hollywood Burbank Airport

REVENUE PASSENGERS

	September			January - September		
Signatory Airlines	2022	2019	% Change	2022	2019	% Change
Alaska Airlines	50,228	52,811	-4.89%	353,485	468,181	-24.50%
American Airlines	33,762	26,850	25.74%	258,190	266,116	-2.98%
Avelo Airlines	29,532	0	N/A	273,162	0	N/A
Delta Airlines	14,249	26,574	-46.38%	134,237	177,116	-24.21%
Flair Airlines	1,607	0	N/A	15,697	0	N/A
JetBlue Airways	7,326	18,493	-60.39%	98,148	183,334	-46.46%
Southwest Airlines	359,113	349,837	2.65%	2,951,716	3,102,592	-4.86%
Spirit Airlines	16,953	12,784	32.61%	97,880	64,971	50.65%
United Airlines	25,437	30,684	-17.10%	133,522	256,937	-48.03%
Non-Signatory Airlines						
Frontier Airlines	3,895	0	N/A	64,145	0	N/A
Total Revenue Passengers	542,102	518,033	4.65%	4,380,182	4,519,247	-3.08%
Inbound (deplaned)	272,621	260,657	4.59%	2,194,301	2,259,128	-2.87%
Outbound (enplaned)	269,481	257,376	4.70%	2,185,881	2,260,119	-3.28%

AIRCRAFT OPERATIONS

	September			January - September		
	2022	2019	% Change	2022	2019	% Change
Landings & Takeoffs						
Air Carrier	5,679	5,701	-0.39%	49,655	49,502	0.31%
Air Taxi	2,420	1,975	22.53%	17,816	17,079	4.32%
General Aviation	2,389	2,798	-14.62%	21,009	24,321	-13.62%
Military Itinerant	51	60	-15.00%	329	399	-17.54%
Subtotal	10,539	10,534	0.05%	88,809	91,301	-2.73%
Pass Through BUR Airspace						
Civil Local	1,816	1,496	21.39%	19,479	19,343	0.70%
Military Local	0	0	N/A	0	0	N/A
Subtotal	1,816	1,496	21.39%	19,479	19,343	0.70%
Total Aircraft Operations	12,355	12,030	2.70%	108,288	110,644	-2.13%

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

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

General Aviation: Civil aviation operations for personal use

Military Itinerant: Military aviation activities

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

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

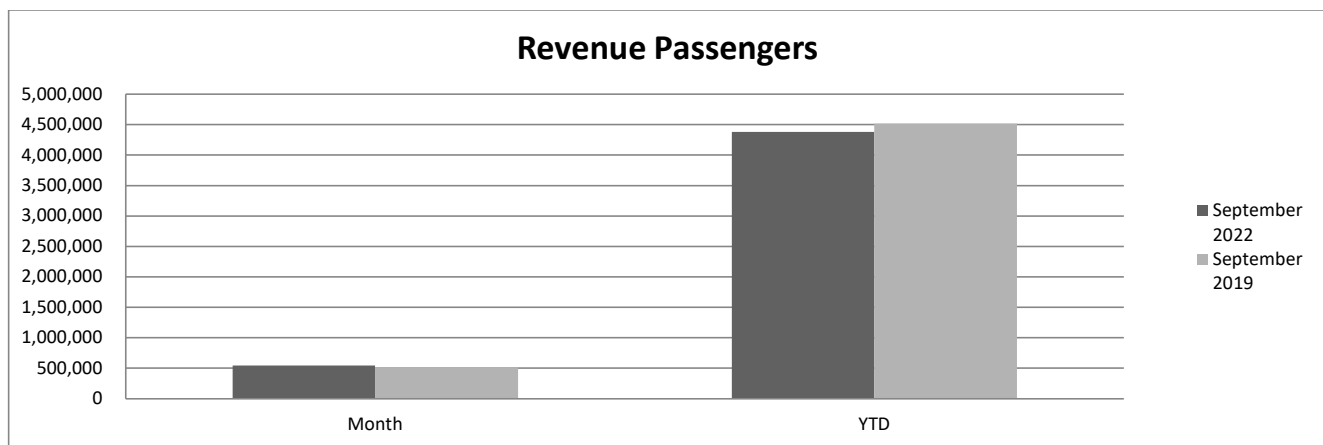
* 2019 Year-to-Date numbers include January - February 2020, and March - September 2019 totals.

Hollywood Burbank Airport

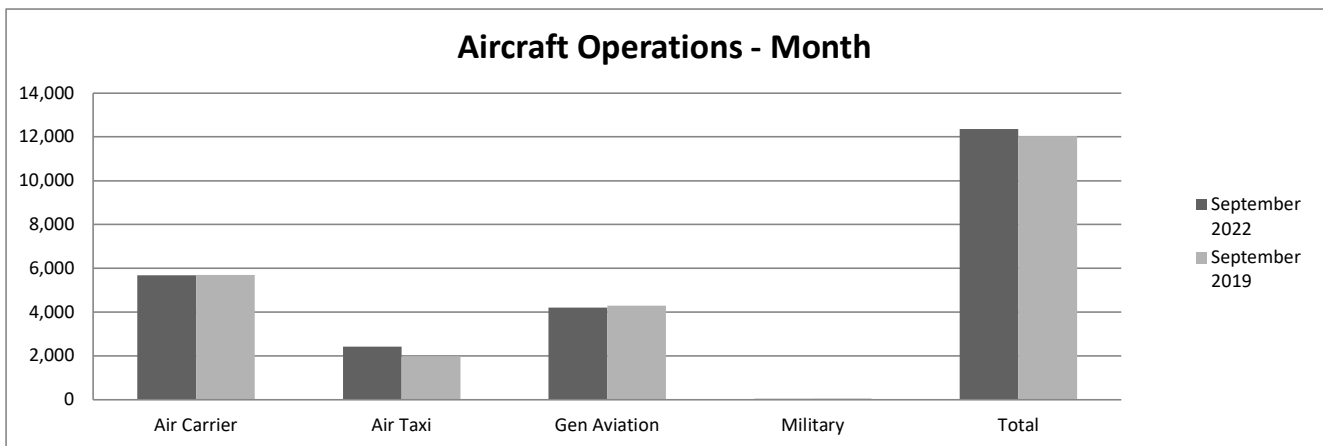
AIR CARGO (lbs.)	September			January - September		
Signatory Airlines	2022	2019	% Change	2022	2019	% Change
Alaska Airlines	2,216	923	-100.00%	13,539	5,900	129.47%
American Airlines	0	0	N/A	621	231	168.83%
Avelo Airlines						
Delta Airlines	0	0	N/A	0	55	-100.00%
Flair Airlines						
JetBlue Airways						
Southwest Airlines	173,328	164,659	-100.00%	1,805,664	1,513,259	19.32%
Spirit Airlines						
United Airlines	0	5,337	N/A	0	51,870	-100.00%
Non-Signatory Airlines						
Frontier Airlines						
Other Scheduled Carriers						
Federal Express	2,638,837	3,817,093	-30.87%	29,918,314	38,359,034	-22.00%
United Parcel Service	3,811,546	3,998,441	-4.67%	34,350,412	37,330,337	-7.98%
Charter/Contract Carriers						
Ameriflight	169,014	264,391	-36.07%	1,550,997	2,203,785	-29.62%
Total Air Cargo	6,794,941	8,250,844	-17.65%	67,639,547	79,464,471	-14.88%
Inbound (deplaned)	3,448,123	4,191,388	-17.73%	34,110,972	39,632,891	-13.93%
Outbound (enplaned)	3,346,818	4,059,456	-17.56%	33,528,575	39,831,580	-15.82%

MAIL (lbs.)	September			January - September		
	2022	2019	% Change	2022	2019	% Change
American Airlines	0	0	N/A	0	6,032	-100.00%
Total Mail	0	0	N/A	0	6,032	-100.00%
Inbound (deplaned)	0	0	N/A	0	3,016	-100.00%
Outbound (enplaned)	0	0	N/A	0	3,016	-100.00%

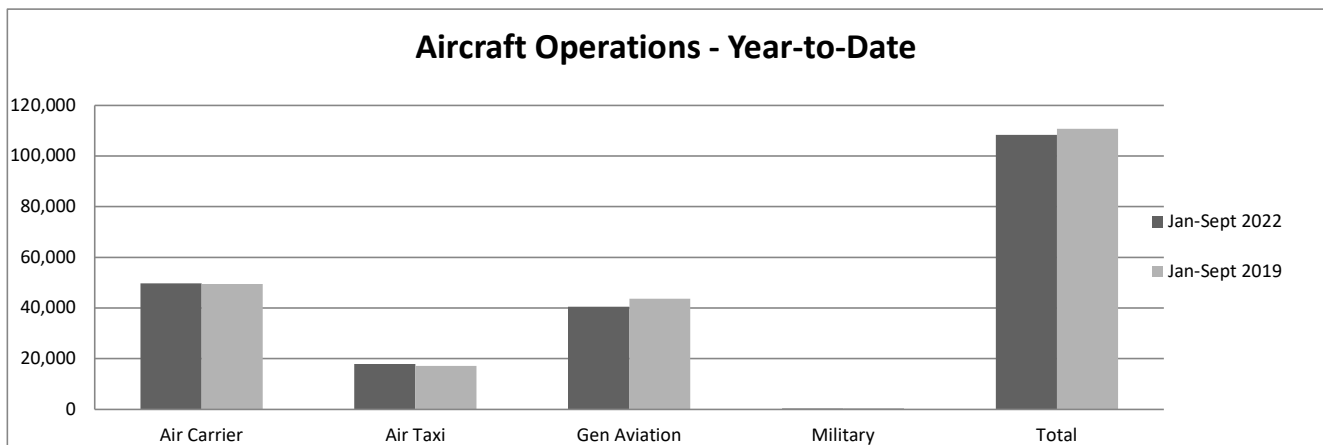
* 2019 Year-to-Date numbers include January - February 2020, and March - September 2019 totals.



Revenue Passengers	Month	YTD
September 2022	542,102	4,380,182
September 2019	518,033	4,519,247
% Change	4.65%	-3.08%



Aircraft Operations - MO	Air Carrier	Air Taxi	Gen Aviation	Military	Total
September 2022	5,679	2,420	4,205	51	12,355
September 2019	5,701	1,975	4,294	60	12,030
% Change	-0.39%	22.53%	-2.07%	-15.00%	2.70%



Aircraft Operations - YTD	Air Carrier	Air Taxi	Gen Aviation	Military	Total
Jan-Sept 2022	49,655	17,816	40,488	329	108,288
Jan-Sept 2019	49,502	17,079	43,664	399	110,644
% Change	4.32%	-13.62%	-7.27%	-17.54%	-2.13%

TERMINAL SPACE LEASE

BETWEEN

**BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY**

AND

PREPANGO, LLC

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TERMINAL SPACE LEASE

THIS TERMINAL SPACE LEASE ("Lease") is dated _____, 2022 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 Prepango, LLC, a Delaware limited liability company ("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 use certain "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 and Add Kiosks. 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, and may enter into amendments of this Lease that adds Kiosks to this Lease and increase/add the rent and security deposits for the new Kiosks.

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 _____, 2022 ("Commencement Date") and shall continue until the date that is three calendar years thereafter or until earlier terminated as provided herein.

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 Monthly 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 eleven percent (11%) of Gross Revenue (defined in Section 3.3.1 below) from the applicable Kiosk for the applicable calendar month.

3.2 Rental Payments. The 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 cost related to expenses for telecom and data communication services together with any taxes thereon and any connection fees. Gas, heat, light, power and air conditioning services shall be included in the Monthly Rent associated to the Leased Premises.

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, Kylie 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. Tenant shall ensure First In First Out (FIFO) Method is being used when products are being restocked to ensure expired product is not present in the units. If expired product is dispensed upon purchase in any units, Tenant shall remedy the situation and issue a refund to the customer within three (3) to five (5) business days.

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 ten (10) 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.

4.7 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.

4.8 Airport Security.

4.8.1 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.

4.8.2 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.

4.8.3 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.

4.8.4 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 working order, condition, 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 floors, interior walls, non-structural components of exterior walls, store fronts and showcases located within the Leased Premises, and (ii) trade fixtures, lighting, 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 working 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 _____, 2022, 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 Kiosk 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 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.

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 \$500.00 per 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:

PREPANGO, LLC
806 Starboard St.
Chula Vista, CA 91914
Attn: Marcos Modiano

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: _____

Approved as to Form:

Richards, Watson & Gershon,
Authority Counsel

PREPANGO, LLC

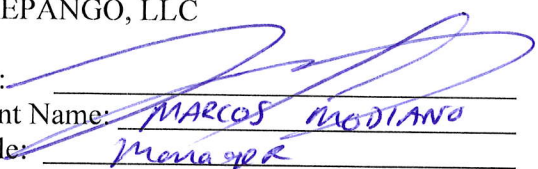
By: 
Print Name: MARCOS MODIANO
Title: Manager

EXHIBIT "A"

DESCRIPTION(S) OF LEASED PREMISES

(Attached.)

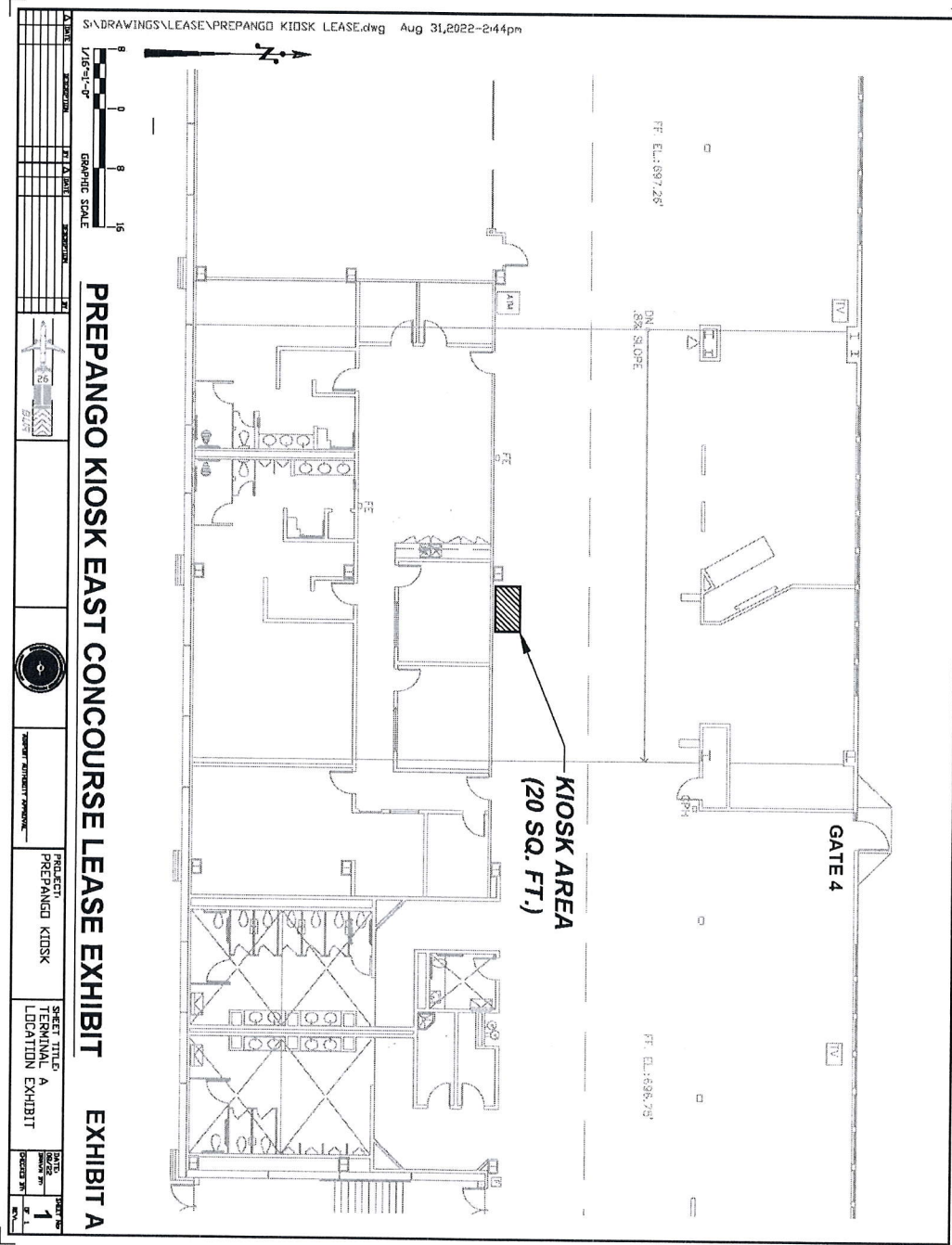


Exhibit "A"
Page 2 of 2

EXHIBIT "B"

DESCRIPTIONS OF KIOSK

(Attached.)

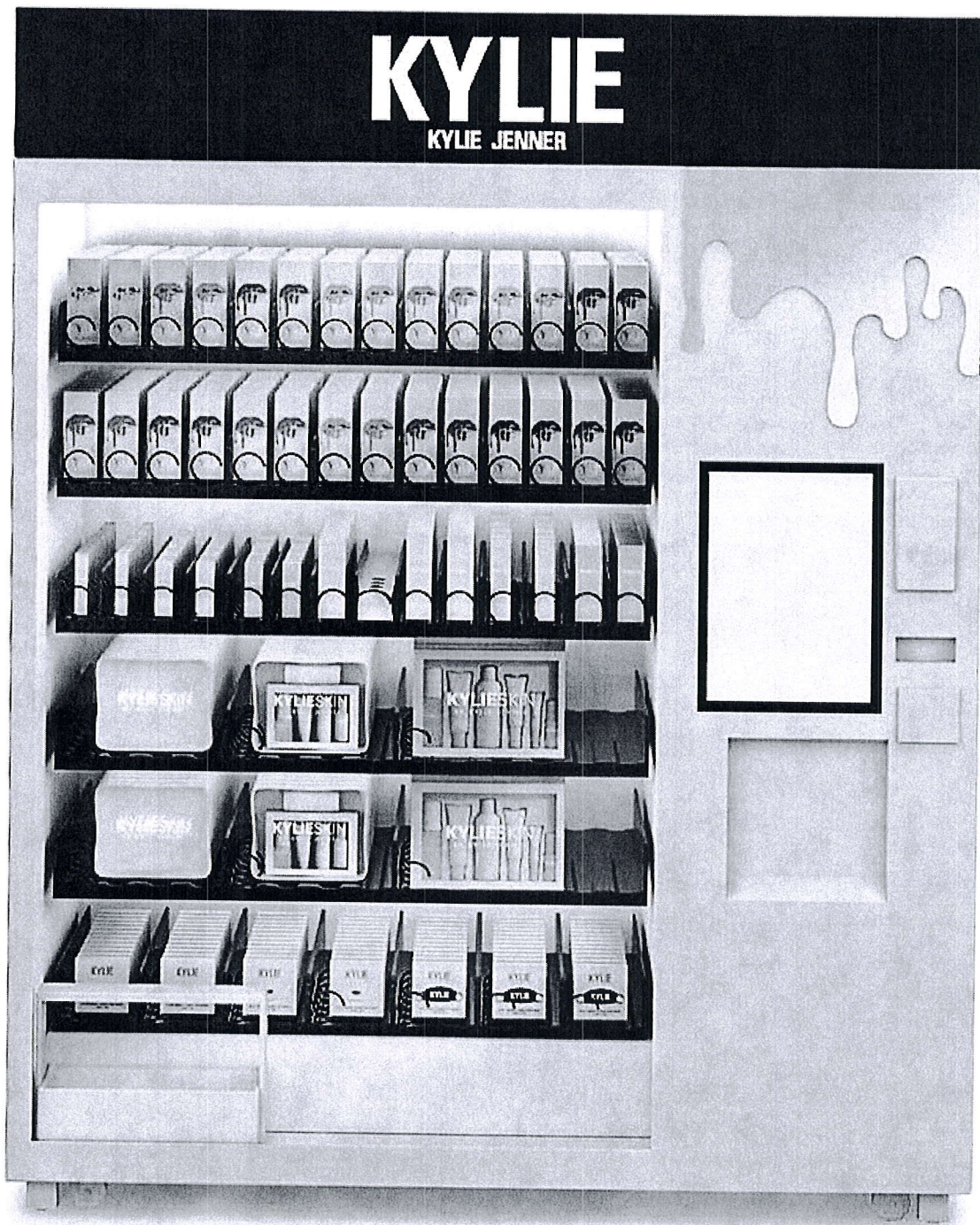


Exhibit "B"
Page 2 of 3

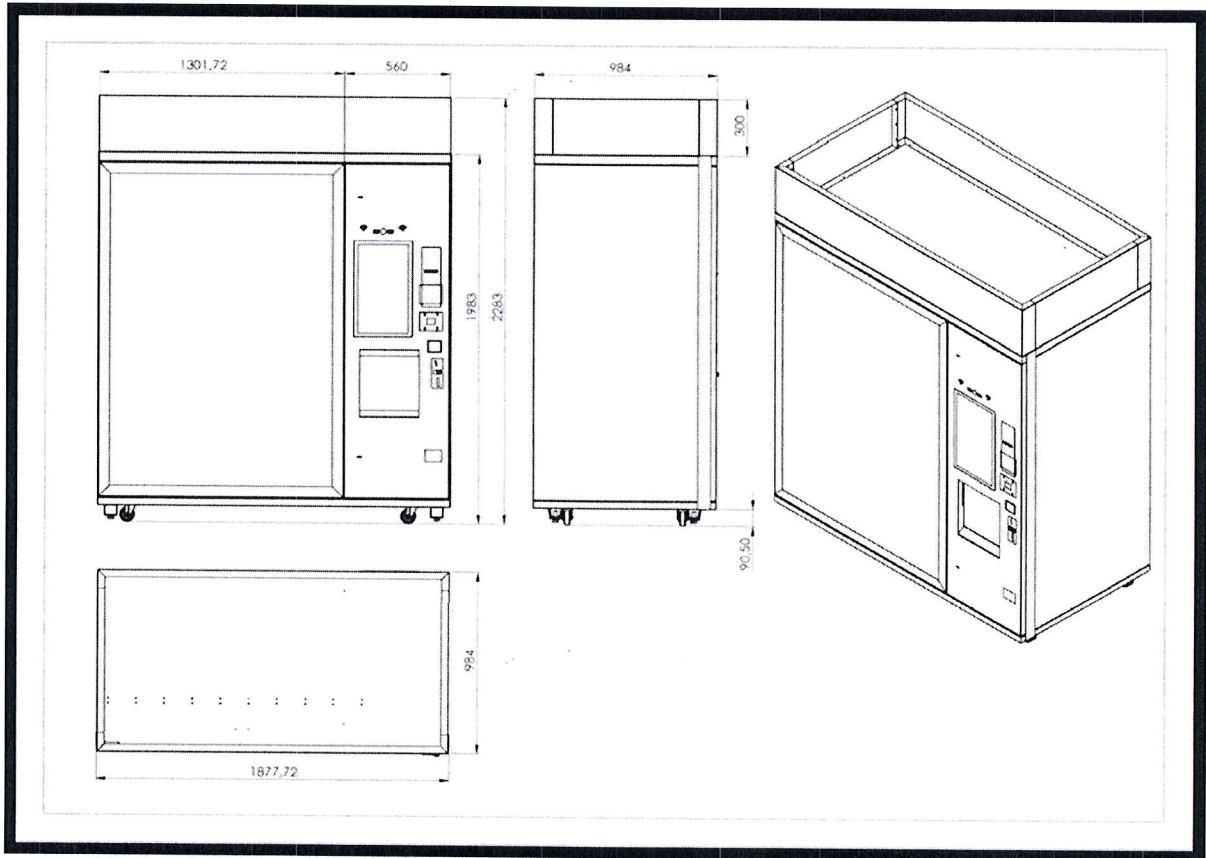


Exhibit "B"
Page 3 of 3

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 leaschold. 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.
Comprehensive Automobile Liability:	\$1,000,000 for Personal Injury for each occurrence.
Workers' Compensation:	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. 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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