



February 29, 2024

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

NOTICE is hereby given that a special meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, March 4, 2024, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, CA 91505.

In addition to attending the meeting in person, 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

Special Meeting of March 4, 2024

Airport Skyroom

9.00 A.M.

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



*Members in-person attendance or participation at meeting 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 three minutes or to such other period of time as may be specified by the presiding officer.*



*The following activities are prohibited:*

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



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



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



## AGENDA

Monday, March 4, 2024

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT (Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)
5. ITEMS FOR COMMISSION APPROVAL

- a. Revised Amendment to Airport Use Agreement and Replacement Airport Use Agreement Templates **[See page 1]**

***Staff seeks Commission approval of revised templates for an Amendment to Airport Use Agreement (“AUA Amendment”) and replacement Airport Use Agreement (“Replacement AUA”), and authorization for the Executive Director to execute the AUA Amendment and the Replacement AUA with participating airlines subject to any clerical revisions deemed necessary or appropriate by Authority General Counsel.***

- b. Selection of Underwriting Pool for Airport Revenue Bonds for Replacement Passenger Terminal Project and 2024 Bonds Underwriting Syndicate **[See page 3]**

***At its February 29, 2024 special meeting, the Finance and Administration Committee (“Committee”) voted unanimously (3-0) to recommend that the Commission accept the recommendations (as set forth in the attached memorandum) from Public Resources Advisory Group (“PRAG”), the Authority’s independent Municipal Advisor, regarding the selection of:***

- ***Firms that will be part of the pool of potential underwriters (the “Pool”) for the General Airport Revenue Bonds (“GARBS”) that the Authority will issue for the Replacement Passenger Terminal (“RPT”) Project, and***
- ***Firms to be selected, from the Pool, that will form the underwriting syndicate for the initial GARBS that the Authority plans to issue in 2024 (“2024 Bonds”).***

***PRAG recommends the following. The syndicate for the 2024 Bonds will be comprised of seven firms, consisting of: (i) BofA Securities as lead senior manager; (ii) J.P. Morgan Securities and Ramirez & Co. as co-senior managers; and (iii) Barclays Capital Inc., Loop Capital Markets LLC, RBCCM, and Siebert Williams Shank & Co., LLC as co-managers.***



6. COMMISSIONER COMMENTS  
(Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for future meeting.)
7. PUBLIC COMMENT
8. ADJOURNMENT



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MARCH 4, 2024**

**REVISED AMENDMENT TO AIRPORT USE AGREEMENT  
AND REPLACEMENT AIRPORT USE AGREEMENT TEMPLATES**

Presented by John T. Hatanaka  
Senior Deputy Executive Director

**SUMMARY**

Staff seeks Commission approval of revised templates for an Amendment to Airport Use Agreement (“AUA Amendment”) and replacement Airport Use Agreement (“Replacement AUA”), and authorization for the Executive Director to execute the AUA Amendment and the Replacement AUA with participating airlines subject to any clerical revisions deemed necessary or appropriate by Authority General Counsel.

**BACKGROUND**

On December 18, 2023, the Commission considered the proposed forms of an AUA Amendment and a Replacement AUA. Those documents were the outcome of Staff’s extensive negotiations with the Signatory Airlines over the past two years. At the December 18<sup>th</sup> meeting, the Commission approved templates and authorized the Executive Director to execute the AUA Amendment and the Replacement AUA with participating airlines subject to any clerical revisions deemed necessary or appropriate by Authority General Counsel. Staff then prepared and transmitted to the Signatory Airlines an execution copy of each document.

After further review of the AUA Amendment and Replacement AUA, the Signatory Airlines contacted Staff to request a few changes. In response to this request, there has been additional negotiation and redrafting of some language in the documents. Because this redrafting was more than clerical, Staff is seeking the Commission’s approval of revised templates for the AUA Amendment and the Replacement AUA.

The essence of the deal reflected in the AUA Amendment and the Replacement AUA is unchanged from the deal presented to the Commission at the December 18<sup>th</sup> meeting. Execution of the AUA Amendment will extend the term of the airline’s existing Airport Use Agreement until the date of beneficial occupancy (“DBO”) of the Replacement Passenger Terminal (“RPT”). The Replacement AUA will become binding upon execution, but its provisions will govern the airline’s operations at the Airport starting on DBO of the RPT. At that point, the key component of the rates and fees calculation will be the coverage for the Authority’s administrative and operational cost for the various Airport facilities, including the amount needed for bond principal and interest payments.

**SUMMARY OF REVISIONS**

Exhibit A to this report is a redline showing the differences between the original and revised AUA Amendment templates. Exhibit B to this report is a redline showing the differences



between the original and revised Replacement AUA templates. The key revisions are summarized below.

#### AUA Amendment Template

- “Stated Expiration Date” definition changed to mean DBO of the RPT or June 30, 2030, whichever occurs first.

#### Replacement AUA Template

- List of exceptions to “Aircraft Arrivals” definition expanded to include flights that are diverted to the Airport due to mechanical, medical, or other non-meteorological reasons. (§ 1.02(f))
- “Airline Parties” definition changed to include the airline’s affiliates and to exclude the airline’s shareholders and partners. (§ 1.02(j))
- Termination payment options added to give the Authority and the airline more flexibility in the event the contract is terminated by the airline. (§ 2.03(c))
- Exclusive use space reduction option added to give the airline an opportunity to reduce its exclusive use space by up to 25% after five years. (§ 3.01(b)(3))
- Affiliate designation option added to allow the airline to have another aircraft operator, other than a major airline as defined by the FAA, operate at the Airport as if it is a part of the airline. (§ 4.04)
- Rental and fees year-end reconciliation process added to facilitate implementation of new rates and fees formulas. (§ 7.09)
- Form of RPT Funding Plan and 5-Year CPE Projection Report revised to reflect updated numbers. (Exhibit L)

#### RECOMMENDATION

Staff recommends that the Commission approve the revised AUA Amendment and Replacement AUA templates, and that the Executive Director be authorized to execute the AUA Amendment and the Replacement AUA with participating airlines subject to any clerical revisions deemed necessary or appropriate by Authority General Counsel.

Attachments:

- Exhibit A: AUA Amendment Template Redline
- Exhibit B: Replacement AUA Template Redline



**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
MARCH 4, 2024**

**SELECTION OF UNDERWRITING POOL FOR AIRPORT REVENUE BONDS  
FOR REPLACEMENT PASSENGER TERMINAL PROJECT  
AND 2024 BONDS UNDERWRITING SYNDICATE**

Presented by  
John T. Hatanaka  
Senior Deputy Executive Director

**SUMMARY**

At its February 29, 2024 special meeting, the Finance and Administration Committee (“Committee”) voted unanimously (3-0) to recommend that the Commission accept the recommendations (as set forth in the attached memorandum) from Public Resources Advisory Group (“PRAG”), the Authority’s independent Municipal Advisor, regarding the selection of:

- Firms that will be part of the pool of potential underwriters (the “Pool”) for the General Airport Revenue Bonds (“GARBS”) that the Authority will issue for the Replacement Passenger Terminal (“RPT”) Project, and
- Firms to be selected, from the Pool, that will form the underwriting syndicate for the initial GARBS that the Authority plans to issue in 2024 (“2024 Bonds”).

PRAG recommends the following. The syndicate for the 2024 Bonds will be comprised of seven firms, consisting of: (i) BofA Securities as lead senior manager; (ii) J.P. Morgan Securities and Ramirez & Co. as co-senior managers; and (iii) Barclays Capital Inc., Loop Capital Markets LLC, RBCCM, and Siebert Williams Shank & Co., LLC as co-managers.

Additionally, PRAG recommends that three firms – Goldman Sachs & Co., LLC, Wells Fargo Bank, N.A. and Raymond James & Associates, Inc. – be part of the Pool, even though they will not be part of the underwriting syndicate for the 2024 Bonds. To the extent the Authority issues additional GARBS for the RPT Project, the Authority may select firms from the Pool to serve as underwriters for the future issuances. Currently, it is anticipated that additional GARBS will be issued in 2026 or 2027, around the time of opening of the RPT.

**BACKGROUND**

To sell the 2024 Bonds, the Authority will need assistance from underwriters. Underwriters are investment banks that will buy the 2024 Bonds from the Authority, and then re-sell the 2024 Bonds to investors. The Authority and the underwriters will execute a contract, commonly called a “Bond Purchase Agreement.” Before the signing of the Bond Purchase Agreement, the Authority will first select the firms that will serve in that role. The selected underwriters will assist in the development of the bond documents, the seeking of rating assignments, and the marketing of the 2024 Bonds. The Bond Purchase Agreement will be signed when the terms of the 2024 Bonds (e.g., the principal amounts, the interest rates,



maturity dates) are determined and “locked-in.” After the signing of the Bond Purchase Agreement, there will be a short period (one to two weeks) for the parties to finalize the documents before the closing date (i.e., when the 2024 Bonds will be issued and funds will be received). Because of the size of the 2024 Bonds (currently anticipated to be approximately \$860 million), the Municipal Advisor recommends to have a syndicate of seven firms to serve as underwriters.

Citigroup Global Markets (“Citi”) was initially identified as the lead senior manager for the 2024 Bonds. Staff and PRAG had planned to issue a Request for Qualifications (“RFQ”) in January 2024 to allow the Commission to select qualified firms to be co-senior managers and managers. A lead senior manager heads the entire syndicate and is involved in all document preparation, and rating and marketing processes. Co-senior managers support the lead senior manager by providing input into all of these processes. Co-managers support the transaction primarily during the marketing process. Unfortunately, Citi decided that month to withdraw from the public finance underwriting market. As a result, the RFQ took on even greater importance, in that it would also be used to identify a replacement lead senior manager for the 2024 Bonds. The broad community of potential underwriting firms was alerted and the RFQ was issued via PlanetBids.

On February 16, 2024, the Authority received Statements of Qualifications (“SOQs”) from 14 respondents. PRAG reviewed the SOQs and determined that 13 of the respondents met the minimum qualifications. PRAG’s review and recommendations, including a scoring summary, is attached.

### RECOMMENDATION

At its February 29, 2024 special meeting, the Committee voted unanimously (3-0) to recommend that the Commission accept PRAG’s recommendations for: (i) the underwriting pool for the GARBS, and (ii) the underwriting syndicate for the 2024 Bonds.



# Replacement Passenger Terminal Project Underwriter Pool RFQ Results

Burbank-Glendale-Pasadena Airport Authority  
Special Commission Meeting

March 4, 2024



# Underwriting Pool Request for Qualifications (RFQ)

Financing Status Update



# Underwriting Firms and Their Roles\*

- To issue its bonds to fund the RPT project, the Authority needs to engage one or more investment banks to serve in a syndicate of underwriting firms
- The banks serve as intermediaries, purchasing the bonds from the Authority and reselling them to investors
- The banks work with the Authority and their advisers with the goal of obtaining the lowest interest rates by:
  - Assisting in development of documentation (including the preliminary official statement)
  - Setting the terms (i.e., structure) for the bonds
  - Seeking credit ratings
  - Marketing the bonds to investors

\* *These descriptions relate only to negotiated sales; alternative arrangements (i.e., competitive sales and private placements) work differently.*



# Underwriting Firms and Their Roles\* (cont'd)

- After an order period, the syndicate collectively will make an offer for all of the bonds to be issued, including any for which there is insufficient investor interest
  - The firm offer is documented in a bond purchase agreement (BPA)
- For large transactions, such as the Authority's 2024 bonds, issuers typically engage a syndicate consisting of multiple firms
  - Increases the marketing reach (i.e., more salespersons and more brokers)
  - Diversifies risk to any one firm
  - Lead senior managers head the overall structuring and marketing efforts
  - Co-senior managers provide input throughout the process
  - Co-managers contribute primarily during the marketing process only

*\* These descriptions relate only to negotiated sales; alternative arrangements (i.e., competitive sales and private placements) work differently.*



# Underwriter RFQ Schedule

- 41\* firms were notified
- 25\* firms have downloaded the RFQ
- 14 Statements of Qualifications (SOQs) were received

Activity	Date/Timing
RFQ Issued	1/8/2024
RFQ Questions/Requests for Clarification Deadline	1/19/2024
Statement of Qualifications (SOQ) Submission Deadline	2/16/2024
Notification of Selection	February/March 2024
Draft/review documentation for 2024 Bonds	February/March 2024
Committee Recommendation/Commission Approval of 2024 Bonds	March/April 2024
Pricing/Execution of 2024 Bonds	May 2024

\* *Unique firms*



# Minimum Qualifications

Minimum Qualification	Rationale
Served as a senior manager for at least one airport revenue bond financing since April 2020	<ul style="list-style-type: none"><li>• Underwriting pool member should be able to make meaningful contributions to the financing</li><li>• Senior managers encounter the day-to-day nuanced issues that co-managers would not encounter</li><li>• Experience in airport financings since COVID is materially different</li></ul>
Lead person must have a minimum of three recent years of public finance experience and is authorized to sign contract for the firm	<ul style="list-style-type: none"><li>• Personal recent experience in municipal bonds is essential for good service</li><li>• Sufficiently senior position to ensure commitment of firm resources</li></ul>
Hold and at all times maintain all required federal and state licenses and registrations	<ul style="list-style-type: none"><li>• Regulatory compliance</li></ul>
At least one full-time professional supervisory employee with a Municipal Securities Principal license	<ul style="list-style-type: none"><li>• Regulatory compliance</li></ul>

- 13 of the 14 responding firms met the Minimum Qualifications



# Questions and Evaluation Criteria Focus on 3 Areas

- Relevant capabilities and experience
  - Firm experience, marketing and distribution capabilities, capital position, and capital commitment
  - Staff qualifications, experience, and references
- Recommendations (“ideas”)
  - Structure (amortization, bond terms, investments, etc.)
    - Sensitivity analysis (risk assessment)
  - Credit rating perspective
- Past service to the Authority
  - History of service related to financing the Project
  - Highlight of “helpful” examples



# Scoring Approach

- Scoring ranged from 1-5
  - Normalized to use the full range
- Established rubrics for each question
  - Where possible, scoring was based on math
  - Reflected quality of responses
  - Depth, understanding, and uniqueness (appropriate) were tracked
  - Penalties for errors or misstatements were also assigned
- Scores were weighted based on importance
  - Alternate weights were tested; results were largely the same



# Evaluation Results

	Question										
Firm	Firm Experience	Staff Experience	Marketing Capabilities	Capital Position	Capital Commitment	Plan of Finance Recommendations	Credit Rating Outlook/Strategies	Service to Authority	Pricing Proposal	Total Weighted Score	Rank
Weighting	10%	10%	10%	5%	5%	25%	20%	10%	5%	100%	
Barclays Capital Inc.	4	5	4	4	3	3	3	4	3	3.6	4
BofA Securities	5	5	4	4	5	3	4	4	4	4.0	1
Cabrera Capital Markets LLC	2	4	2	1	2	2	2	1	1	2.0	12
Goldman Sachs & Co. LLC	4	5	4	4	3	2	3	3	5	3.3	9
J.P. Morgan Securities LLC.	5	5	5	4	4	3	3	4	5	3.9	2
Loop Capital Markets LLC	3	5	3	2	1	4	3	4	4	3.5	6
Ramirez & Co.	4	5	4	2	3	4	3	4	5	3.8	3
Raymond James & Associates, Inc.	3	4	3	3	2	3	4	1	5	3.2	10
RBCCM	3	4	4	3	4	3	4	2	3	3.4	7
Siebert Williams Shank & Co., LLC	3	4	4	2	2	5	3	1	4	3.5	5
Stern Brothers & Co.	1	4	2	1	1	2	2	1	3	2.0	13
Truist Securities	1	3	3	5	1	2	2	1	3	2.2	11
Wells Fargo Bank N.A.	3	5	4	5	4	3	3	1	4	3.3	9
Recommended for Pool and Initial Team						Recommended for Pool only					



# Recommendations

## ■ Underwriting Pool Members\*

- Barclays Capital Inc.
- BofA Securities
- Goldman Sachs & Co. LLC
- J.P. Morgan Securities LLC
- Loop Capital Markets LLC
- Ramirez & Co.
- Raymond James & Associates, Inc.
- RBCCM
- Siebert Williams Shank & Co., LLC
- Wells Fargo Bank N.A.

## ■ Syndicate for 2024 Bonds

- Lead Senior Manager
  - BofA Securities
- Co-Senior Managers
  - J.P. Morgan Securities LLC
  - Ramirez & Co.
- Co-managers
  - Barclays Capital Inc.
  - Loop Capital Markets LLC
  - RBCCM
  - Siebert Williams Shank & Co., LLC

*\* Alphabetical order*



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**PUBLIC RESOURCES ADVISORY GROUP**

**MEMORANDUM**

TO: Burbank-Glendale-Pasadena Airport Authority

FROM: Public Resources Advisory Group (PRAG)

SUBJECT: Review of Statements of Qualifications (SOQs) for the Underwriting Pool for Airport Revenue Bonds

DATE: February 25, 2024

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On February 16, 2024, the Authority received a total of 14 SOQs from financial institutions in response to its Request for Qualifications (RFQ ADM 24-02 Underwriting Pool Member) (RFQ). PRAG has reviewed each of these SOQs following the two-tiered approach included in the RFQ, which specify the “Minimum Requirements” to qualify for selection and the “Evaluation Criteria” for the qualifying proposers. The combination of Minimum Requirements and Evaluation Criteria reflects an effort to obtain the services of the most qualified firms and the best financing plan for the Authority. This memo summarizes the results of PRAG’s review of the SOQs following this two-tiered approach.

**Minimum Requirements.** The four “Minimum Requirements” consist of: (1) the proposing firm must have served as a senior manager for at least one airport revenue bond financing since April 2020; (2) the proposing lead person must have a minimum of three recent years of public finance experience and is authorized to sign a bond purchase agreement; (3) the proposing firm must hold, and at all times maintain, all licenses and registrations; and (4) the proposing firm must have at least one full-time professional supervisory employee with a Municipal Securities Principal license. These criteria help to ensure that all selected firms for the underwriting pool and the individuals serving the Authority from those firms would be able to provide a full range of meaningful contributions to developing and implementing the financing plan of the Authority.

PRAG began its review by comparing each respondent’s SOQ against the Minimum Requirements. Each firm deemed qualified for consideration to be selected for the underwriting pool must meet all four of the Minimum Requirements. Of the 14



## Review of Underwriter Pool SOQs

February 25, 2024

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SOQs, 13 of the proposed met the Minimum Requirements, and one did not. The following table lists the names of the proposers and whether they met the Minimum Requirements.

Firm	Meets <u>ALL</u> Minimum Requirements	Senior Manager of Airport Revenue Bonds	Lead Person Experience and Authority	Firm Licenses and Registrations	Firm Municipal Securities Principal
AmeriVet Securities, Inc.	no	No	yes	yes	yes
Barclays Capital Inc.	yes	Yes	yes	yes	yes
BofA Securities	yes	Yes	yes	yes	yes
Cabrera Capital Markets LLC	yes	Yes	yes	yes	yes
Goldman Sachs & Co. LLC	yes	Yes	yes	yes	yes
J.P. Morgan Securities LLC.	yes	Yes	yes	yes	yes
Loop Capital Markets LLC	yes	Yes	yes	yes	yes
Ramirez & Co.	yes	Yes	yes	yes	yes
Raymond James & Associates, Inc.	yes	Yes	yes	yes	yes
RBCCM	yes	Yes	yes	yes	yes
Siebert Williams Shank & Co., LLC	yes	Yes	yes	yes	yes
Stern Brothers & Co.	yes	Yes	yes	yes	yes
Truist Securities	yes	Yes	yes	yes	yes
Wells Fargo Bank N.A.	yes	Yes	yes	yes	yes

**Evaluation Criteria.** The RFQ describes the Evaluation Criteria for those meeting the Minimum Requirements as: (1) relevant experience in municipal financings; (2) recommendations for the financing(s); and (3) history of service to the Authority related to financing the replacement passenger terminal (RPT) project. The questions in the RFQ generally align to one of the three elements of the Evaluation Criteria. The questions covered a range of topics including: (a) firm's experience in California public finance and airport financings (post-COVID); (b) assigned personnel's experience; (c) marketing and distribution capabilities and expected contributions; (d) capital position of the firm and demonstrated willingness to commit capital for their clients' bond offerings; (e) plan of finance recommendations; (f) credit rating outlook and strategies; (g) history of services to the Authority; and (h) pricing proposal.

Negotiated bond underwriting services are unique among the types of services delivered. They include negotiating pricing with bond investors, setting the terms of bonds to take advantage of market opportunities, assistance with obtaining credit ratings, among other things, all of which can materially impact the overall debt service cost to the issuers. Direct compensation to underwriters (in the form of management fees, if any, and takedowns (i.e., broker commissions) represent only a



# Review of Underwriter Pool SOQs

February 25, 2024

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small fraction of the potential cost to the issuer as a result of these services. Therefore, underwriter qualifications and proposals are generally evaluated holistically, rather than primarily on cost. The responses to each question were scored on a range of one to five (with one being the poorest and five being the best) and weighted according to their importance for implementing the Authority's financing program. The table below sets forth the scores assigned by PRAG to the responses for each question from each of the 13 proposers which met the Minimum Requirements, as well as the calculated overall score and rank.

Firm	Question									Total Weighted Score	Rank
	Firm Experience	Staff Experience	Marketing Capabilities	Capital Position	Capital Commitment	Plan of Finance Recommendations	Credit Rating Outlook/Strategies	Service to Authority	Pricing Proposal		
<i>Weighting</i>	10%	10%	10%	5%	5%	25%	20%	10%	5%	100%	
Barclays Capital Inc.	4	5	4	4	3	3	3	4	3	3.6	4
BofA Securities	5	5	4	4	5	3	4	4	4	4.0	1
Cabrera Capital Markets LLC	2	4	2	1	2	2	2	1	1	2.0	12
Goldman Sachs & Co. LLC	4	5	4	4	3	2	3	3	5	3.3	9
J.P. Morgan Securities LLC.	5	5	5	4	4	3	3	4	5	3.9	2
Loop Capital Markets LLC	3	5	3	2	1	4	3	4	4	3.5	6
Ramirez & Co.	4	5	4	2	3	4	3	4	5	3.8	3
Raymond James & Associates, Inc.	3	4	3	3	2	3	4	1	5	3.2	10
RBCCM	3	4	4	3	4	3	4	2	3	3.4	7
Siebert Williams Shank & Co., LLC	3	4	4	2	2	5	3	1	4	3.5	5
Stern Brothers & Co.	1	4	2	1	1	2	2	1	3	2.0	13
Truist Securities	1	3	3	5	1	2	2	1	3	2.2	11
Wells Fargo Bank N.A.	3	5	4	5	4	3	3	1	4	3.3	9

Recommended for Pool and Initial Team

Recommended for Pool only

**Recommendations.** The scores above demonstrate a clear break between the top 10 firms and the firms ranked 11 through 13. Therefore, PRAG believes that the top 10 proposers should be selected as members of the Authority's underwriting pool. These firms are (in alphabetical order): (1) Barclays Capital Inc.; (2) BofA Securities; (iii) Goldman Sachs & Co. LLC; (4) J.P. Morgan Securities LLC; (5) Loop Capital Markets LLC; (6) Ramirez & Co.; (7) Raymond James &



Associates, Inc.; (8) RBCCM; (9) Siebert Williams Shank & co., LLC; and (10) Wells Fargo Bank N.A.

Additionally, the RFQ specifies that the SOQs may be used to select the members of the underwriting syndicate and their roles for the financings of the Authority. To ensure the timely delivery of proceeds to coincide with the key approvals for the RPT's component Guaranteed Maximum Price (cGMP) process around April/May 2024, PRAG believes it would be prudent to select members of the underwriting syndicate using results of the above scores. The selection will allow those firms to work with the Authority's staff and the financing team to expeditiously complete developing the documents and prepare for the sale of the Authority's general airport revenue bonds (GARBs). The formal and final approval of the team would occur during the approval of those bond documents at a later date.

For the initial issuance of GARBs, PRAG believes it would appropriate to assign a total of seven underwriting firms based on the anticipated size (approximately \$800 million), with one lead senior manager, two co-senior managers and four co-managers. Based on the above scores, (1) BofA Securities would be assigned the role of lead senior manager, (2)(a) J.P. Morgan Securities LLC and (b) Ramirez & Co. as co-senior managers, and (3)(w) Barclays Capital Inc., (x) Loop Capital Markets LLC, (y) RBCCM, and (z) Siebert Williams Shank & Co., LLC. As co-managers. We expect the precise underwriting liabilities will be negotiated with the lead senior manager as representative of the syndicate following market standards.



**Hollywood Burbank Airport**  
**Underwriter Statement of Qualifications**  
**Scoring Summary Worksheet**  
2/25/2024

Firm	Weight	Barclays	BofA	Cabrera	Goldman Sachs	J.P. Morgan	Loop	Ramirez	Raymond James	RBCCM	Siebert	Stern Bros.	Truist	Wells Fargo
Public Finance Experience	10%	4	5	2	4	5	3	4	3	3	3	1	1	3
Staff Qualification and Experience	10%	5	5	4	5	5	5	5	4	4	4	4	3	5
Marketing & Distribution Capabilities	10%	4	4	2	4	5	3	4	3	4	4	2	3	4
Capital Position	5%	4	4	1	4	4	2	2	3	3	2	1	5	5
Capital Commitment	5%	3	5	2	3	4	1	3	2	4	2	1	1	4
Plan of Finance Recommendations	25%	3	3	2	2	3	4	4	3	3	5	2	2	3
Credit Rating Perspective	20%	3	4	2	3	3	3	3	4	4	3	2	2	3
Service to Authority	10%	4	4	1	3	4	4	4	1	2	1	1	1	1
Pricing Proposal	5%	3	4	1	5	5	4	5	5	3	4	3	3	4
<b>Total Weighted Score</b>	<b>100%</b>	<b>3.6</b>	<b>4.0</b>	<b>2.0</b>	<b>3.3</b>	<b>3.9</b>	<b>3.5</b>	<b>3.8</b>	<b>3.2</b>	<b>3.4</b>	<b>3.5</b>	<b>2.0</b>	<b>2.2</b>	<b>3.3</b>
<b>Rank</b>		<b>4</b>	<b>1</b>	<b>12</b>	<b>9</b>	<b>2</b>	<b>6</b>	<b>3</b>	<b>10</b>	<b>7</b>	<b>5</b>	<b>13</b>	<b>11</b>	<b>8</b>



**AMENDMENT NO. \_\_ TO  
AIRPORT USE AGREEMENT**  
(Burbank-Glendale-Pasadena Airport Authority / \_\_\_\_\_)

This Amendment No. \_\_ (“\_\_\_\_\_ Amendment”) to the October 1, 2009 Airport Use Agreement (“Agreement”) executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and \_\_\_\_\_ (“Airline”), [a][an] \_\_\_\_\_ corporation, is dated \_\_\_\_\_, 202\_ for reference purposes. Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Agreement.

**RECITALS**

A. The parties executed the Agreement to set forth their respective rights, privileges, and obligations with respect to Airline’s use and occupancy of the Bob Hope Airport and to facilitate the development, promotion, and improvement of air commerce.

B. Pursuant to request of the Authority and consent of Airline, the Agreement’s initial Stated Expiration Date of June 30, 2014 was extended to June 30, 2019.

C. The parties have executed amendments to the Agreement (collectively, the “Prior Amendments”), including:

1. [A May 6, 2019 Amendment No. \_\_ to: (i) extend the Expiration Date by one year; and (ii) establish a process for an additional month-to-month extension of the Expiration Date if necessary to complete negotiations for a new contract.

2. An April 6, 2020 Amendment No. \_\_ to establish a COVID-19 pandemic relief plan that provides a three month deferral of rent, joint use fees, and landing fees.

3. A February 7, 2022, Amendment No. \_\_ to: (i) extend the Expiration Date to the end of the Authority’s FY 2025; (ii) incorporate measures from the Authority’s air quality improvement plan; and (iii) advance the Authority’s RPT Program.]

D. The parties desire to further amend the Agreement to extend the Expiration Date to the replacement passenger terminal date of beneficial occupancy. Additionally, the parties desire to memorialize certain acknowledgements regarding the RPT Program financing.

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

**1. Amendment of Article I.** Section 1.02 (Definitions) of Article I (Basic Information; Definitions; Exhibits) of the Agreement is amended by adding “Design-Build Agreement,” “Replacement AUA,” “Replacement AUA Commencement Date” and “RPT 1<sup>st</sup> FY Annual Budget” definitions to read as follows:

“‘Design-Build Agreement’ shall mean the Design-Build Agreement, dated December 19, 2022, between the Authority and Holder, Pankow, TEC – A Joint Venture, as the design-builder of the RPT Program.



‘Replacement AUA’ shall mean the Airport Use Agreement to be executed by Airline and Authority, substantially consistent with the template approved by the Authority Commission on ~~December 18, 2023~~ March 4, 2024.

‘Replacement AUA Commencement Date’ shall mean the ‘Commencement Date’ as such term is defined in the Replacement AUA.

‘RPT 1<sup>st</sup> FY Annual Budget’ shall mean the Annual Budget for the Fiscal Year during which the Replacement AUA Commencement Date will occur.”

**2. Amendment of Article I.** Section 1.02 (Definitions) of Article I (Basic Information; Definitions; Exhibits) of the Agreement is amended by revising the “Stated Expiration Date” definition to read as follows:

“‘Stated Expiration Date’ shall mean the earlier of: (i) the Replacement AUA Commencement Date; or (ii) June 30, 2030. The target date for the Replacement AUA Commencement Date is October 1, 2026.”

**3. RPT Program Financing Acknowledgements.**

A. Airline affirms that it has participated, and it shall continue to participate, in good faith in meetings with the Authority and the RPT Program design-builder with regard to design and cost. After acceptance the GMP (as defined in the Design-Build Agreement) by the Authority, a Majority-In-Interest approval, in writing, will be required for any modification (other than a modification required by an Agency (other than the Authority), a court ruling or applicable law) to the scope of the RPT Program that would necessitate a change order to amend the then-approved GMP amount.

B. Airline acknowledges that sources of funds to finance the RPT Program will include proceeds from Bonds to be issued by the Authority. Notwithstanding any other provision of the Agreement (including Section 8.02), without obtaining approval from any Signatory Airline, the Authority may take the following actions as the Authority deems necessary or appropriate for financing the cost of the RPT Program: (i) enter into any Bond Resolution and (ii) execute any amendment or supplement to Bond Resolutions.

C. The RPT 1<sup>st</sup> FY Annual Budget (which will be prepared and adopted before the Replacement AUA Commencement Date) will take into account the rates and provisions that will become effective pursuant to the Replacement AUA.

D. From the effective date of this \_\_\_\_\_ Amendment to the Replacement AUA Commencement Date, the Authority shall continue to calculate Rental, fees and charges in accordance with Articles VI and VII of the Agreement, unless the Authority determines that adjustment is necessary for any of the following reasons: (i) to meet the Bond Resolution requirements, including requirements relating to rate covenant and requirements for issuance of Bonds to finance the RPT Program, (ii) for payment of cost incurred for the RPT that cannot be capitalized; or (iii) to adjust for any significant drop in Airport activity resulting in Authority revenue decrease.



Exhibit A

4. **Counterparts.** This \_\_\_\_\_ 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.

5. **Effective Date.** Subject to satisfaction of the condition precedent specified in Section 6, this \_\_\_\_\_ Amendment shall be effective upon execution.

6. **Condition Precedent.** Effectiveness of this \_\_\_\_\_ Amendment is contingent upon execution, by Airline and the Authority, of the Replacement AUA.

7. **Preservation of Agreement.** Except as expressly modified by this \_\_\_\_\_ 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 \_\_\_\_\_ Amendment and the provisions of the Agreement (as amended by the Prior Amendments), the provisions of this \_\_\_\_\_ Amendment shall control.

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

[Name of Airline].

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

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

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

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

☐ Chairperson ☐ President ☐ Vice President

☐ Secretary ☐ Asst. Secretary

☐ Chief Finance Officer ☐ Asst. Treasurer

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

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Frank R. Miller, Executive Director

Approved as to form:

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



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**AIRPORT USE AGREEMENT**

**BETWEEN**

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**AND**

**[AIRLINE NAME]**

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## AIRPORT USE AGREEMENT

THIS AIRPORT USE AGREEMENT (“Agreement”) is dated ~~December 18, 2023~~, for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and [airline name] (“Airline”), a [state] [entity type].

### RECITALS

A. The Authority owns and operates Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”).

B. Airline is an air carrier certificated by the Federal Aviation Administration.

C. The parties are executing this Agreement to facilitate the development, promotion, and improvement of air commerce by providing for Airline’s use of the Airport.

D. This Agreement is substantially consistent with the template approved by the Authority Commission on March 4, 2024.

NOW, THEREFORE, the parties agree as follows:

### ARTICLE I INTRODUCTORY MATTERS

#### 1.01 Contact Information.

<b>Authority’s Overnight Delivery and Street Address:</b>	2627 Hollywood Way Burbank, California 91505 Attention: Executive Director
<b>Authority’s E-mail Address:</b>	<a href="mailto:FMiller@bur.org">FMiller@bur.org</a>
<b>Authority’s Payment Address:</b>	2627 Hollywood Way Burbank, California 91505 Attention: Director, Financial Services
<b>Airline’s Overnight Delivery and Street Address:</b>	[address]
<b>Airline’s E-mail Address:</b>	[address]

1.02 Definitions. The following definitions shall apply for purposes of this Agreement unless the context otherwise requires:

(a) AAAC: Airline Airport Affairs Committee.

(b) Agency: any federal, state, or local government agency, other than the Authority, with jurisdiction over the Airport.



(c) Affiliate: as specified in Section 4.04.

(e)(d) AIP Requirements: FAA Airport Improvement Program requirements set forth in the attached Exhibit K.

(d)(e) Air Transportation: carriage of passengers, personal property, cargo, or mail by aircraft.

(e)(f) Aircraft Arrivals: aircraft arrivals at the Airport (including scheduled, charter, sight-seeing, test, ferry, courtesy, and inspection flights). Aircraft Arrivals ~~do~~ not include a flight that immediately returns to the Airport after departure due to mechanical, meteorological, or other precautionary reasons: or that is diverted to the Airport from its intended destination because of mechanical, medical, or other precautionary reasons other than meteorological reasons.

(f)(g) Airfield Area: portions of the Airport that provide for the landing and takeoff, handling, servicing, loading and unloading, and other operations of aircraft. Airfield Area includes support airfield-related facilities (e.g., field lighting, navigational aids, and ~~air~~service roads).

(g)(h) Airfield Area Requirement: as specified in Section 6.03(b).

(h)(i) Airline: [airline name] and its successors. Airline includes any permitted assignee or other transferee under Section 10.01.

(i)(j) Airline Parties: Airline and its ~~shareholders, partners,~~Affiliates, if any, and their respective directors, officers, employees, agents, representatives, and contractors. If Airline enters into any Wet Lease for operations at the Airport, Airline Parties shall include the Wet Lease lessor and its ~~shareholders, partners,~~ directors, officers, employees, agents, representatives, and contractors.

(j)(k) Airport: Bob Hope Airport, as shown on the Airport Layout Plan, and any other real property acquired or leased by the Authority for Airport Purposes.

(k)(l) Airport Cost Centers: the following cost centers, more fully described on the attached Exhibit C. Prior to the Commencement Date, if the Authority determines that any update to Exhibit C is appropriate, the Authority shall provide an updated Exhibit C to Airline, and such updated Exhibit C shall supersede the prior versions.

(1) Airfield Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of the Airfield Area.

(2) Authority Areas Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of the Authority Areas.



(3) Other Buildings and Areas Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of those portions of the Airport not included in any other cost center.

(4) Parking and Roadway Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of access roads to the Replacement Passenger Terminal and those portions of the Airport devoted to automobile parking.

(5) Replacement Passenger Terminal Cost Center: revenues received and expenses (including Coverage on Bonds) incurred in connection with the operation, maintenance, and improvement of the Replacement Passenger Terminal.

~~(h)~~(m) Airport Daily Operating Requirement: as specified in Section 6.03(b)(2)(E).

~~(m)~~(n) Airport Engineer: Burbank-Glendale-Pasadena Airport Authority Director of Engineering and Maintenance or such person's designee.

~~(n)~~(o) Airport Expense: all costs and expenses of operating the Airport or incidental to, or arising out of, the operation of the Airport. Airport Expense includes Coverage on Bonds and the costs of defending, settling, or satisfying Airport-related litigation.

~~(o)~~(p) Airport Layout Plan: Airport Layout Plan set forth in the attached Exhibit A. Airport Layout Plans subsequently approved by the FAA shall automatically be attached as Exhibit A and shall supersede prior versions.

~~(p)~~(q) Airport Manager: person designated by the Authority to exercise functions with respect to the rights and obligations of the Authority under this Agreement. As of the execution of this Agreement, the Airport Manager is TBI Airport Management, Inc. a Delaware corporation.

~~(q)~~(r) Airport Purpose: any action or undertaking by the Authority reasonably related to: (i) the development and preservation of the Airport as a destination for air commerce and as an industrial or commercial site; or (ii) the operation and preservation of the Authority.

~~(r)~~(s) Airport Revenue: "Revenues" as specified in any Bond Resolution.

~~(s)~~(t) Airport Rules and Regulations: July 1, 2023 Airport Rules and Regulations or any successor adopted by the Authority Commission. The Airport Rules and Regulations are available on the Authority's webpage ([hollywoodburbankairport.com](http://hollywoodburbankairport.com)), and Airline may obtain a hard copy from the Authority upon request.

~~(t)~~(u) Alterations: as specified in Section 9.01.

~~(u)~~(v) Annual Budget: capital and operating budgets prepared by the Airport Manager and approved by the Authority Commission.

~~(v)~~(w) Approved Alterations: as specified in Section 9.01.



~~(w)~~(x) Apron Area: aircraft parking and maneuvering areas adjacent to the Replacement Passenger Terminal. The preliminary plot plan for the Apron Area is set forth in the attached Exhibit B. When available, the final Apron Area plot plan shall automatically be attached as Exhibit B and shall supersede prior versions.

~~(x)~~(y) Authority: Burbank-Glendale-Pasadena Airport Authority and its successors.

~~(y)~~(z) Authority Areas: areas designated on Exhibit C and any property or improvements subsequently acquired by the Authority with either: (i) funds other than Airport Revenue; or (ii) Airport Revenue allocable to the Authority Areas Cost Center.

~~(z)~~(aa) Authority Commission: Burbank-Glendale-Pasadena Airport Authority Commission.

~~(aa)~~(bb) Authority Parties: the Authority, the Airport Manager, the Cities of Burbank, Glendale, and Pasadena, California, and their respective commissioners, officials, directors, officers, employees, agents, ~~representatives, contractors,~~ successors, and assigns.

~~(bb)~~(cc) Bond Resolution: indenture, trust agreement, resolution, or similar instrument, however denominated, pursuant to which bonds, notes, or other evidences of indebtedness of the Authority have been or will be issued, as originally executed or as the same may be amended or supplemented.

~~(cc)~~(dd) Bonds: notes, revenue bonds, and other evidences of indebtedness previously or subsequently issued by the Authority for an Airport Purpose pursuant to a Bond Resolution.

~~(dd)~~(ee) BTMO: Burbank Transportation Management Organization.

~~(ee)~~(ff) Capital Improvement: an item charged to a capital account in the Authority's financial statements.

~~(ff)~~(gg) Claims: any and all demands, claims, actions, causes of action, proceedings, judgments, damages, awards, penalties, fines, losses, liabilities, obligations, costs, and expenses including interest, court costs, and reasonable attorney fees.

~~(gg)~~(hh) Commencement Date: as specified in Section 2.02(b).

~~(hh)~~(ii) Common Use Fees: Airline's share of the fees payable by Signatory Airlines for the license to use the Common Use Space.

~~(ii)~~(jj) Common Use Formula: a formula that: (i) equally allocates among all Signatory Airlines 20% of the fees for the use of the Common Use Space; and (ii) allocates 80% of such fees among all Signatory Airlines according to the ratio of (A) the number of each Signatory Airline's enplaning passengers at the Airport during each month of the Fiscal Year to (B) the total number of enplaning passengers of all Signatory Airlines for that month.



~~(jj)~~(kk) Common Use Space: Replacement Passenger Terminal space licensed to Airline and other Signatory Airlines for the uses specified in Section 4.01(b)(2). The Authority shall provide Airline a description of the Common Use Space and a related plot plan when available. Such description and plot plan shall automatically be attached as Exhibit M.

~~(kk)~~(ll) Confidential Information: information of a proprietary or otherwise confidential nature.

~~(ll)~~(mm) Contamination: any spilling, discharging, releasing, or disposing of Hazardous Substances on, in, under, or about the Airport, or any other contamination or deterioration of groundwater, subsoil, or soil in, on, under, or originating from the Airport.

~~(mm)~~(nn) Cost: costs and expenses of planning, designing, acquiring, constructing, installing, and financing a Capital Improvement, placing a Capital Improvement in operation, or disposing of a Capital Improvement, and obtaining requisite governmental approvals. Payment of any Cost shall include reimbursement to the Authority for any of the costs included in this definition and paid by the Authority but which have not previously been reimbursed to the Authority and which are not reimbursed from contributions in aid of construction. Cost includes funds required for the following:

(1) Costs of preliminary investigation and development, the performance or acquisition of feasibility and planning studies, and the securing of regulatory approvals.

(2) Costs for land and land rights, engineering and contractors' fees, labor, materials, equipment, utility services and supplies, legal fees, and financing expenses.

(3) Working capital and reserves in such amounts as shall be determined by the Authority.

(4) Interest accruing in whole or in part on Bonds prior to and during construction of a Capital Improvement, and for such additional period as the Authority determines.

(5) Proceeds of Bonds deposited in any fund or account required by a Bond Resolution.

(6) Payment of principal, premium, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption or otherwise) of any note or other evidence of indebtedness the proceeds of which were applied to any of the costs of a Capital Improvement.

(7) Training and testing costs allocable to the acquisition, placing in operation, or construction of a Capital Improvement.

(8) Costs of insurance applicable to the period of construction and placing a Capital Improvement in operation.



(9) Costs relating to injury and damage claims arising out of the acquisition or construction of a Capital Improvement less proceeds of insurance.

(10) Taxes, and payments in lieu of taxes, applicable to the period of construction and placing a Capital Improvement in operation.

(11) Amounts payable with respect to capital costs for the expansion, reinforcement, or other improvement of facilities determined by the Authority to be necessary in connection with the utilization of a Capital Improvement, and the costs associated with the removal from service or reductions in service of any facilities as a result of the expansion, reinforcement, or other improvement of such facilities or the construction of a Capital Improvement.

(12) Costs of issuance of any Bonds.

(13) Fees and expenses pursuant to any lending facility, credit facility, or agreement applicable to the period for construction and placement of a Capital Improvement in operation.

(14) All other Authority-incurred costs allocable to the acquisition, construction, or placement of a Capital Improvement in operation.

~~(nn)~~(oo) Coverage: a percentage, specified in the corresponding Bond Resolution, of the Debt Service or Accrued Debt Service (as such terms are defined in the Bond Resolution), in connection with the rate covenant set forth in the Bond Resolution. Coverage also means the dollar amount computed by applying such percentage to Debt Service.

~~(ee)~~(pp) CUPPS: IATA-certified common use passenger processing system.

~~(pp)~~(qq) CUSS: IATA-certified common use self-service system.

~~(qq)~~(rr) Default Event: as specified in Section 15.01.

(ss) Design-Build Agreement: the Design-Build Agreement, dated December 19, 2022, between the Authority and Holder, Pankow, TEC – A Joint Venture, as the design-builder of the RPT Program.

~~(rr)~~(tt) Disability Equipment: equipment for use in boarding and unloading of mobility-impaired passengers.

~~(ss)~~(uu) Disability Law: any applicable law or court ~~ruling~~order pertaining to access to Airport facilities, Airport services, or aircraft by disabled persons.

~~(tt)~~(vv) Environmental Law: any applicable law or court ~~ruling~~order pertaining to the environment, Hazardous Substances, pollutants, occupational safety and health, industrial hygiene, or environmental conditions on, under, or about the Airport.



~~(uu)~~(ww) Equipment: as specified in the attached Exhibit I. The list of Equipment in Exhibit I is subject to change based on modifications to the RPT Program before the Commencement Date. To the extent that such changes are warranted, the Authority shall prepare an updated Exhibit I and the updated Exhibit I shall supersede the prior versions.

~~(vv) Equipment Maintenance Agreement: that certain Equipment Maintenance Agreement executed by Signatory Airlines and a Subcontractor for maintenance and repair of the Equipment.~~

(ww)(xx) Exclusive Use Space: Replacement Passenger Terminal space leased by the Authority to Airline. Pursuant to Sections 1.05(a) and 4.01(b), the Exclusive Use Space shall be described in a memorandum (which memorandum shall automatically be attached as Exhibit N).

(xx)(yy) Executive Director: Burbank-Glendale-Pasadena Airport Authority Executive Director.

(yy)(zz) Expiration Date: as specified in Section 2.02(c).

(zz)(aaa) FAA: Federal Aviation Administration.

(aaa)(bbb) Fiscal Year: period beginning on July 1 of any year and ending on June 30 of the following year.

(bbb)(ccc) GMP: guaranteed maximum price.

(ccc)(ddd) GSE: ground support equipment.

(ddd)(eee) Hazardous Substances: any hazardous or toxic substance, material, or waste that is or shall become regulated by an Agency. Hazardous Substances includes any material or substance that is: (i) defined or listed as a “hazardous waste,” “extremely hazardous waste,” “restrictive hazardous waste,” or “hazardous substance;” (ii) considered a waste, condition of pollution, or nuisance under Environmental Law; (iii) petroleum or a petroleum product or fraction thereof; (iv) asbestos or asbestos-containing materials; (v) flammable or explosive substances; (vi) mold, mold spores, or fractions thereof; or (vii) substances designated by an Agency to cause cancer or reproductive toxicity.

(eee)(fff) IATA: International Air Transport Association.

(fff)(ggg) Landing Fees: as specified in Section 6.03.

(ggg)(hhh) Landing Fee Rate: as specified in Section 6.03(b) and as adjusted pursuant to Article VII.

(hhh)(iii) Lockheed: Lockheed Martin Corporation and its successors.

~~(jii) Major Airline: An airline that is a “Group III” carrier under 14 C.F.R. 241.04.~~



~~(iii)~~(kkk) Majority-In-Interest: a numerical majority of Signatory Airlines, which numerical majority shall have landed more than 75% of the Total Landed Weight at the Airport during the immediately preceding Fiscal Year.

~~(jjj)~~(lll) Maximum Gross Landing Weight: certified maximum weight of an aircraft as certified by the aircraft manufacturer.

~~(kkk)~~(mmm) MUFIDS: IATA-certified multi-use flight information display and paging system.

~~(lll)~~(nnn) Noise Abatement Rules: Noise Abatement Rules reaffirmed, clarified, and restated by Authority Commission Resolution No. 471. The Noise Abatement Rules are set forth in the attached Exhibit D.

~~(mmm)~~(ooo) Non-Airline Revenue: revenue received by the Authority from sources other than Signatory Airlines. Non-Airline Revenue includes PFC revenue.

~~(nnn)~~(ppp) Non-Storm Water Discharge: discharge to storm sewer systems that is not entirely composed of storm water.

~~(ooo)~~(qqq) Operating Permit: Airport Use and Facilities Operating Permit issued by the Authority to non-Signatory Airlines.

~~(ppp)~~(rrr) PFC: passenger facility charge (as defined in 14 C.F.R. Section 158.3) imposed by the Authority.

~~(qqq)~~(sss) PFC Law: any applicable law or court ruling pertaining to the Authority's PFC program.

~~(rrr)~~(ttt) Premises: collectively, the Exclusive Use Space and the Common Use Space. Common Use Space areas shall only constitute "Premises" during the period of time for which Airline has a license to use such areas.

~~(sss)~~(uuu) Prior Use Agreement: [date] Airport Use Agreement executed by the parties (as amended).

~~(ttt)~~(vvv) Public Areas: Replacement Passenger Terminal space made available by the Authority for use by the Authority Parties, the Airline Parties, passengers, and other members of the general public.

~~(uuu)~~(www) Rental: as specified in Section 6.01 and as adjusted pursuant to Article VII.

~~(vvv)~~(xxx) Replacement Passenger Terminal: Replacement Passenger Terminal that is to be constructed in the northeast quadrant of the Airport and is designated "future" on the Airport Layout Plan in effect as of the execution of this Agreement.



~~(www)~~(yyy) Replacement Passenger Terminal Requirement: as specified in Section 7.04.

~~(xxx)~~(zzz) Required Insurance: as specified in Section 12.01.

~~(yyy)~~(aaaa) RPT Base Rate: as applicable to each Fiscal Year, a dollar amount per square foot (calculated by the Authority before the commencement of the Fiscal Year) that equals the estimated Replacement Passenger Terminal Requirement (calculated according to Section 7.04) divided by the sum of: (i) the aggregate square feet of exclusive use space leased to all Signatory Airlines; and (ii) the square feet of Common Use Space.

~~(zzz)~~(bbbb) RPT Program: the Authority's Replacement Passenger Terminal Program. The RPT Program generally consists of: (i) construction of a Replacement Passenger Terminal; (ii) construction of ancillary improvements including aircraft apron, roads (entrance, loop, and secondary), parking facilities, a replacement airline cargo building, and a GSE maintenance building; and (iii) demolition of the Terminal Building.

~~(aaa)~~(cccc) Security Deposit: as specified in Section 25.01.

~~(bbb)~~(dddd) Senior Lien: as specified in Section 19.01.

~~(eee)~~(eeee) Senior Lienholder: as specified in Section 19.01.

~~(ddd)~~(ffff) Signatory Airlines: ~~passenger~~ airlines providing scheduled transportation of persons or property by air to and from the Airport that have executed an Airport Use Agreement with the Authority substantially similar to this Agreement and lease Exclusive Use Space in the Replacement Passenger Terminal pursuant to such agreement. Signatory Airlines includes Airline.

~~(eee)~~(gggg) Special Funds: funds or accounts permitted by, established under, or identified in a Bond Resolution, held and administered by the Trustee or the Authority, and such other funds as the Authority may from time to time establish.

~~(fff)~~(hhhh) State: State of California.

~~(ggg)~~(iiii) Storm Water: storm water runoff, snowmelt runoff, and storm water surface runoff and drainage.

~~(hhh) Subcontractor: an independent contractor hired to maintain and repair Equipment pursuant to the Equipment Maintenance Agreement.~~

~~(iii)~~(jjjj) Tenant Improvement Request: as specified in Section 9.01(a).

~~(jjj)~~(kkkk) Terminal Building: terminal building that is located in the southeast quadrant of the Airport and is designated "demolish" on the Airport Layout Plan in effect as of the execution of this Agreement.



~~(kkkk)~~(llll) Total Landed Weight: sum of the Maximum Gross Landing Weights for all Aircraft Arrivals of Airline over a stated period of time.

~~(llll)~~(mmmm) Total Landed Weight of the Signatory Airlines: sum of the Maximum Gross Landing Weights for all Aircraft Arrivals of Signatory Airlines over a stated period of time.

~~(mmmm)~~(nnnn) Trustee: entity designated by a Bond Resolution to act in a fiduciary capacity, either as a trustee or as a fiscal agent, with respect to the issuance of Bonds.

~~(nnnn)~~(oooo) TSA: Transportation Security Administration.

~~(oooo)~~(pppp) TSA Regulations: 49 C.F.R. Parts 1542 and 1544.

~~(pppp)~~(qqqq) Wet Lease: a lease between Airline, as lessee, and ~~aan~~ FAA-certificated aircraft operator, as lessor, under which the lessor provides aircraft, crew and maintenance, and lessee provides fuels, airport fees, duties, taxes and other charges.

### 1.03 Rules of Construction.

(a) General. Unless otherwise indicated or apparent from the context, the following rules of construction shall apply. The singular includes the plural and vice versa; the term “shall” is mandatory and the term “may” is permissive; the term “day” means calendar day; the term “business day” means a non-holiday weekday; the phrase “for [number] days” means for [number] consecutive days; the phrase “at any time” means at any time and from time to time; and the terms “include,” “includes,” and “including” are illustrative and nonexhaustive.

(b) Cross-References. Cross-references are to articles, sections, or paragraphs of this Agreement unless otherwise indicated or apparent from the context.

(c) Law References. References to a statutory code or legislative bill refer to California law unless otherwise indicated or apparent from the context. References to a statute, regulation, or ordinance shall be deemed to refer to the then-current version of the statute, regulation, or ordinance.

1.04 Relationship to Prior Use Agreement. Until the Commencement Date, Airline’s use of the Airport shall be pursuant to the Prior Use Agreement. Upon the Commencement Date, the Prior Use Agreement shall be terminated and of no further force or effect; provided, however, that this provision does not excuse any prior breach of, or liability arising under, the Prior Use Agreement; that survives the expiration or termination of the Prior Use Agreement.

### 1.05 RPT Space Memoranda.

(a) Usage. The parties shall execute memoranda to memorialize the Commencement Date and the Common Use Space as reasonably determined by the Authority, and shall execute a memorandum to memorialize their consensus agreement on the Exclusive Use Space. If non-substantive clarifications of this Agreement are necessary or appropriate for its proper



implementation, the parties may execute additional operating memoranda to memorialize their consensus on such clarifications.

(b) Execution. The memoranda pursuant to Section 1.05(a) shall not require Authority Commission approval and may be unilaterally executed by the Executive Director on behalf of the Authority. Airline's [position title] is authorized to execute operating memoranda on its behalf.

1.06 Exhibit List.

Exhibit A:	Airport Layout Plan
Exhibit B:	Apron Area
Exhibit C:	Airport Cost Centers
Exhibit D:	Noise Abatement Rules
Exhibit E:	Landing Fees Report Form
Exhibit F:	Tenant Improvement Request Form
Exhibit G:	Extension Request
Exhibit H:	Extension Acceptance Certificate
Exhibit I:	Equipment to be Operated and Maintained by Consortium
Exhibit J:	Inspection Form (Sample Only)
Exhibit K:	AIP Requirements
Exhibit L:	Form of 5-Year Funding Plan and CPE Projection
Exhibit M:	Description of Common Use Space
Exhibit N:	Description of Exclusive Use Space



## ARTICLE II EFFECTIVE DATE, AIRPORT USE PERIOD, AND TERMINATION

### 2.01 Effective Date.

(a) Designation. Subject to satisfaction of the condition precedent in paragraph (b) below, this Agreement shall be effective and binding on the parties upon execution.

(b) Condition Precedent. Effectiveness of this Agreement is contingent upon the parties' execution of the [number] Amendment to the Prior Use Agreement, the template of which was approved by the Authority Commission on ~~December 18, 2023~~ March 4, 2024.

### 2.02 Airport Use Period.

(a) Designation. The period during which Airline may use the Airport pursuant to this Agreement shall begin on the Commencement Date and shall end on the Expiration Date.

(b) Commencement Date. The Commencement Date for this Agreement is the date on which the Authority provides Airline beneficial occupancy of the Replacement Passenger Terminal. Beneficial occupancy occurs on the date that the Authority, pursuant to ~~an a City of Burbank-issued~~ occupancy permit (including a temporary certificate of occupancy) ~~issued by the City of Burbank,~~, allows Airline to use space in the Replacement Passenger Terminal for revenue-generating operations, at which time the Terminal Building will close.

(c) Expiration Date. Subject to extension as provided in this paragraph, the Expiration Date for this Agreement is June 30, 2035. The Expiration Date shall be June 30, 2040 if both of the following conditions are satisfied: (i) no later than June 30, 2034 the Authority delivers to Airline a duly executed Extension Request in the form set forth in the attached Exhibit G; and (ii) no later than August 15, 2034 Airline delivers to the Authority a duly executed Extension Acceptance Certificate in the form set forth in the attached Exhibit H.

### 2.03 Termination by Airline

(a) Thirty Day Termination. If Airline is not in default in its payments or other obligations to the Authority, Airline may terminate this Agreement on 30-days written notice upon the occurrence of any of the following events:

(1) An Agency prohibits Airline from operating such aircraft as Airline may reasonably need to operate into, from, or through the Airport and such prohibition has remained in force for 30 days.

(2) Airline has been unable to use the Premises for 30 days due to a defect or unsafe operating condition existing at the Airport.

(3) Airline has been unable to use the Premises for 30 days due to war or other casualty beyond the control of Airline.



(4) An obstacle has been erected on or in the vicinity of the Airport that would cause the cancellation, termination, or modification of Airline's air carrier operating certificate or similar authorization establishing minimum safety standards for the operation of Airline.

(b) Sixty Day Termination. If Airline is not in default in its payments or other obligations to the Authority, Airline may terminate this Agreement on 60-days written notice upon the FAA's termination or suspension of Airline's right to operate into, from, or through the Airport.

(c) Termination Payment. Upon termination of this Agreement pursuant to paragraph (a) or (b) above, Airline shall ~~immediately pay to do one of the following:~~

(1) Pay the Authority ~~an amount~~ a lump sum, due on the termination date, equal to either: (i) the total of Rental that would otherwise become due and payable under this Agreement between the termination date and the Expiration Date; or (ii) an alternative sum agreed to by the parties. In any calculation of Rental, the charges per square foot in effect as of the termination date shall be used, without adjustment for future escalations under Section 7.04 and without discounting future payments to their present value. Furthermore, such calculations of Rental shall be based upon the amount of the Exclusive Use Space leased by Airline as of either the termination date or the Commencement Date, whichever is greater.

(2) Continue to pay the monthly Rental on the Exclusive Use Space and Common Use Fees, calculated as if Airline continues to use its Exclusive Use Space pursuant to this Agreement until the earlier of: (A) the Expiration Date, or (B) such time as the entirety of such Exclusive Use Space is leased to one or more Signatory Airlines (provided that, for any month during which another air carrier leases a portion of such Exclusive Use Space, Airline's obligation for the monthly Rental and Common Use Fees shall be calculated based on the unleased portion).

(3) Pay to the Authority an alternative sum agreed to by the parties,

(d) Survival. Airline's obligations under this Section shall survive the termination of this Agreement.

2.04 Termination by the Authority. The Authority may terminate this Agreement pursuant to Section 15.02 upon the occurrence of a Default Event.

2.05 Surrender of the Premises. No notice to quit possession on the Expiration Date shall be given by the Authority. Upon the Expiration Date, Airline shall peaceably surrender possession of the Premises in good condition (reasonable wear and tear, acts of God, fire, and other casualties excepted) and the Authority shall have the right to take possession. Airline shall have 60 days from expiration or termination of this Agreement to remove trade fixtures, equipment, and other personal property installed or placed by it in, on, or about the Airport subject, however, to any valid lien that the Authority may have for unpaid rents or fees. Airline shall not abandon any of its property on the Premises. Property not removed by Airline within such 60-day period shall, at the option of the Authority, become a part of the land on which it is located and title shall vest in the Authority. Authority property damaged by or as the result of the removal of



Airline's property shall be restored by Airline, at Airline's expense, to the condition existing prior to such damage.

2.06 Holdover by Airline. Airline has no right to possess or occupy the Premises after the Expiration Date without written authorization from the Executive Director. During any holdover period, Airline shall be subject to conditions imposed by the Executive Director, this Agreement, and all charges that are charged to non-Signatory Airlines, including landing fees and fuel charges. Such holdover shall be deemed to have created: (i) with respect to the Exclusive Use Space, a month-to-month tenancy; and (ii) with respect to the Common Use Space a license, terminable on 30 days' written notice by either party to the other. Holdover consent shall not require Authority Commission approval and may be unilaterally issued by the Executive Director.

### ARTICLE III GRANT OF RIGHTS TO USE AIRPORT

#### 3.01 Grant of Rights to Use.

(a) General. The Authority grants to Airline the right to conduct activities on the Airport directly connected with Airline's business of Air Transportation upon the terms and subject to the conditions set forth in this Agreement.

(b) Exclusive Use Space Lease.

(1) The Authority leases to Airline, and Airline leases from the Authority, the Exclusive Use Space for Airline's exclusive use, subject to this Agreement.

(2) The Authority may provide Airline with access to the Exclusive Use Space prior to the Commencement Date and, in such event, such early occupancy shall be subject to all the terms and conditions of this Agreement except those related to the payment of Rental.

~~(4)~~(3) No earlier than 180 days before and no later than 90 days before the fifth anniversary of the Commencement Date, Airline may give the Authority notice of Airline's intent to reduce the Exclusive Use Space by up to 25% of the square footage. In such event, the parties shall execute a new memorandum to describe the modified Exclusive Use Space. The reduction of Exclusive Use Space shall become effective (and such memorandum shall become the new Exhibit N to this Agreement) as of the fifth anniversary of the Commencement Date. If the Authority reasonably incurs costs to make the surrendered Exclusive Use Space suitable for rent to another tenant, then Airline shall pay such costs within 30 days of receipt of an invoice from the Authority.

~~(b)~~(c) Common Use Space License. The Authority grants to Airline a non-exclusive license to use the Common Use Space in common with others, subject to this Agreement and the direction of the Authority. At any time the Authority may: (i) reduce, expand, or otherwise modify the Common Use Space; and (ii) grant to others a license to use the Common Use Space.



~~(e)~~(d) Acceptance of Space. ~~Airline accepts the Premises in the condition existing as of the Commencement Date.~~ The parties acknowledge that, before the Commencement Date, the Authority will deliver the Exclusive Use Space shell space (including baseline utility connections) to Airline and Airline will undertake its tenant improvements to the Exclusive Use Space. The parties also acknowledge that Airline has been afforded the option of utilizing, at its own expense, the RPT Program design-builder for performance of such tenant improvements. Subject to any punch list items identified to the Authority within 15 days, Airline shall be deemed to have accepted the Exclusive Use Space upon delivery. Start of tenant improvements shall conclusively be deemed acceptance of the Exclusive Use Space regardless of any outstanding punch list items identified to the Authority.

~~(d)~~(e) Civil Code Section 1938 Disclosures. In accordance with Civil Code Section 1938(a), the parties acknowledge that, as of the execution of this Agreement, the Premises have not been inspected by a certified access specialist. Additionally, the parties acknowledge the disclosure specified in Civil Code Section 1938(e), which states:

“A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises 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, the commercial property owner or lessor may not prohibit the 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 shall 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 premises.”

~~(e)~~(f) Reservations to the Authority. Airline further accepts the Premises subject to any and all existing easements and encumbrances. The Authority reserves the right (without obligation) to install, lay, construct, maintain, and repair necessary or convenient utilities and appurtenances in, over, upon, through, across, under, and along the Premises and to enter the Premises for any and all such purposes. The Authority 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 Premises. No right reserved by the Authority in this subsection shall be so exercised as to interfere unreasonably with Airline’s operations, and the Authority shall, upon completion of any work authorized under this provision, restore the condition of the Premises as nearly as possible to that existing before exercise of rights reserved by this Section.

~~(f)~~(g) Authority’s Right of Access. The Authority shall have access to the Premises at all times in cases of emergency. The Authority shall also, after providing Airline notice at least 24 hours in advance, have access to the Premises at all times for the purpose of examining the same to ascertain if they are in good repair, inspecting any work in progress, making repairs that the Authority may be required or permitted to make, or exhibiting the same to prospective or actual purchasers, tenants, licensees, or other users of the Airport. Such entry shall be made in a manner that will not unreasonably interfere with Airline’s use of the Premises, except in case of emergency. In the event that Airline is not personally present to open and permit entry to



Exclusive Use Space, the Authority may enter by means of a master key or may enter forcibly and shall incur no liability to Airline as a result of such entry.

### 3.02 Common Use.

(a) Gate and Space Allocations. The Authority shall assign all Replacement Passenger Terminal gates and terminal space (except dedicated airline ticket offices, baggage service offices, and administrative spaces) to Signatory Airlines on a common use basis, pursuant to the Authority's Joint and Common Use Facilities Policy (as updated from time to time). Any unused gates will be Authority-controlled on a common use basis.

(b) Technology. The Authority shall incorporate a CUPPS and other common use passenger processing technology throughout the Replacement Passenger Terminal. The Common Use Formula shall apply to fees associated with the CUPPS and other common use passenger processing technology.

## ARTICLE IV PERMISSIBLE USES

### 4.01 Use of Airport and Facilities.

(a) Principal Use of Airport. Airline acknowledges that the principal use of the Airport consists of the operation of a public airport. Airline also acknowledges that all other businesses conducted on or at the Airport, including Airline's business of Air Transportation, must at all times be compatible with and subordinate to such principal use as determined by the Authority in its sole and absolute discretion.

#### (b) Permissible Uses.

(1) Exclusive Use Space. Airline shall use the Exclusive Use Space solely for the purposes described in the memorandum contemplated under Section 1.05(a) (which memorandum shall be automatically attached as Exhibit N) and solely in connection with Airline's business of Air Transportation.

(2) Common Use Space. Airline shall use the Common Use Space solely for:  
(i) sale of Air Transportation, handling, ticketing, billing, and manifesting of passengers; ~~(ii) taxiing, servicing, loading, unloading, and parking of Airline's aircraft; and (iii) and (ii)~~ storage of a reasonable amount of equipment required in connection with Airline's business of Air Transportation.

(3) Airport Areas. Airline shall use all Airport areas, facilities, equipment, improvements, and services solely for purposes relating to Airline's business of Air Transportation: including taxiing, servicing, loading, unloading, and parking of Airline's aircraft. Such use shall be limited to one or more of the following:

(A) The repairing, maintaining, conditioning, servicing, testing, parking, or storage of aircraft or other equipment operated by Airline or the United States Government; provided, however, such right shall not be construed as authorizing the conduct of



a separate business by Airline but shall permit Airline to perform such functions only as an incident to its conduct of Air Transportation.

(B) The ground training of personnel in the service or employ of, or to be employed by, Airline or the United States Government; provided, however, such right shall not be construed as authorizing the conduct of a separate business by Airline but shall permit Airline to perform such functions only as an incident to its conduct of Air Transportation.

(C) The sale, lease, transfer, disposal, or exchange of Airline's aircraft, engines, accessories, and other equipment or supplies; provided, however, such right shall not be construed as authorizing the conduct of a separate business by Airline but shall permit Airline to perform such functions only as an incident to its conduct of Air Transportation. Airline shall not sell aviation fuel, propellants, or lubricants except when such aviation fuel, propellants, or lubricants are not available for sale by an authorized supplier located on the Airport.

(D) The servicing by Airline, or by the Authority or the Authority's designee, of aircraft and other equipment operated by Airline on the Apron Area with aviation fuel, propellants, lubricants, or any other materials or supplies required by Airline.

(E) The landing, take-off, flying, taxiing, towing, loading, and unloading of aircraft or other equipment used by Airline in its conduct of Air Transportation.

(F) The installation and operation of advertising signs representing Airline's business, which signs shall be substantially uniform in size, type, and location with those of other Signatory Airlines. The number, type, size, design, and location of all of such signs shall be consistent with the Authority's graphic standards and shall be subject to the prior written approval of the Authority.

(G) The installation, maintenance, and operation, by Airline alone or in conjunction with other Signatory Airlines, or through a designee, of air-to-ground communications and communications systems between suitable locations on the Airport, subject to the prior written approval of the Authority.

(H) Customary fueling and servicing of Airline's aircraft at its aircraft parking positions preparatory to loading and take-off or immediately following landing and unloading, or any maintenance of aircraft, vehicles, or equipment at places and in accordance with the Airport Rules and Regulations so long as such activities are not unreasonably unsightly, offensive, or annoying to the public and provided that the same shall not interfere with other operations of the Airport.

#### 4.02 Conduct of Airline's Business.

(a) Manager. Airline shall designate an individual who shall be authorized to serve as manager of Airline's operations at the Airport. On or before the Commencement Date, Airline shall notify the Authority in writing of the name, title, qualifications, and experience of such manager. Such manager shall be vested with full power with respect to the method, manner, and conduct of Airline's operations at the Airport and shall be present at the Airport at all times during the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday. Airline shall



designate another individual as Airline's authorized substitute manager should the principal manager become unavailable, and the same experience and authorization requirements shall apply to the substitute manager.

(b) Interference with Utilities, Police, Fire Fighting. Airline shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing, or sewer systems, facilities, or devices on or servicing the Premises or elsewhere on the Airport. Nor shall Airline do or permit to be done anything that may interfere with free access or passage to the Premises, the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, or adjacent public areas, or any other areas of the Airport. In addition, Airline shall not hinder police, fire fighting, or other emergency personnel in the discharge of their duties.

(c) Interference with Fire Exits. Airline shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of fire exits, elevators, or escalators in or adjacent to the Premises or elsewhere at the Airport, including connected or appurtenant lines, pipes, wires, conduits, and equipment.

(d) Nuisance. Airline shall not use or permit the use of the Premises 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, concessionaires, licensees, or users of the Airport; (iii) invalidate or cause the cancellation of or be in conflict with any fire or other hazard insurance policies covering the Airport; or (iv) increase the premiums for any fire insurance policies covering the Airport. Airline, at its expense, shall comply with all rules, orders, regulations, and requirements of the National Board of Fire Underwriters or any similar body applicable to Airline's operations.

(e) Vending Machines. Airline shall not place any vending machines or similar devices in or on the Premises or elsewhere at the Airport except as approved by Authority.

(f) Boarding, Enplaning and Unloading Passengers. No Airline Party shall knowingly board, enplane, or unload, or permit the boarding, enplaning, or unloading of, revenue passengers except as authorized by federal law and the Airport Rules and Regulations.

(g) Authority Noise Abatement Rules. Airlines shall conduct its business and flight operations in compliance with the Noise Abatement Rules as enforced by the Authority pursuant to the Airport Noise and Capacity Act of 1990.

4.03 Wet Leases. Airline may enter into one or more Wet Leases for its operations at the Airport, subject to all of the following with respect to each Wet Lease:

(a) Airline shall be responsible for complying with all applicable law with respect to the Wet Lease arrangement~~5.2~~.

(b) The Wet Lease shall impose no liability or obligation on the Authority, unless otherwise agreed to in writing by the Authority~~5.2~~.



(c) For purposes of this Agreement, all actions of (or inaction by) the Wet Lease lessor at or related to the Airport shall ~~be deemed~~deem to be those of Airline, regardless of any arrangement between the lessor and Airline;~~and.~~

(d) Airline shall remain fully liable for all Airline obligations, liabilities and duties under this Agreement (and the Authority shall not be bound by the delegation of any such obligation, liabilities or duties under the Wet Lease).

4.04 - Affiliates. Airline may designate another FAA-certificated aircraft operator to be an “Affiliate” of Airline under this Agreement, subject to the following requirements:

(a) The designation shall be in writing and shall be given to the Authority no later than 30 days before becoming effective.

(b) The Affiliate shall either: (i) be a parent or subsidiary of Airline; (ii) share an IATA code with Airline at the Airport (code-sharing partner); or (iii) otherwise operate under essentially the same trade name as Airline at the Airport and use essentially the same livery as Airline. Notwithstanding the preceding, no Major Airline that is a mainline air carrier shall be classified as an Affiliate of another Major Airline unless the relationship between such airlines satisfies either clause (i) or (iii). Furthermore, the Affiliate’s passenger tickets shall be sold in the name of Airline, and not in the Affiliate’s own name.

(c) While an aircraft operator is Airline’s Affiliate, the Affiliate may operate at the Airport as if it is part of Airline and, for all purposes of this Agreement, the Authority shall treat the Affiliate as part of Airline (for example, the calculation of Airlines’ Landing Fees shall include the Affiliate’s Total Landed Weight, and Airline’s monthly reports under Section 6.03(c) shall include the information for the Affiliate). Airline shall be responsible for all reporting and submissions to the Authority, and compliance with all provisions of this Agreement, related to the Affiliate’s activities at or pertaining to the Airport.

(d) Without limiting the foregoing, all actions of (or inaction by) the Affiliate at or related to the Airport shall deem to be those of Airline, regardless of any arrangement between the Affiliate and Airline; and the Authority shall have the right to enforce any violation by the Affiliate as if the violation was committed by Airline.

(e) Airline shall notify the Authority in writing of the cessation of any Affiliate designation at least 45 days in advance; provided that any obligation or liability incurred before such cessation date shall survive.

4.04.05 Compliance with Laws. Airline shall comply with all applicable laws in the conduct of its business of Air Transportation at the Airport.

4.054.06 AIP Requirements. Airline shall comply with the AIP Requirements in the conduct of its business of Air Transportation at the Airport. In the event of a conflict between the AIP Requirements and the provisions of this Agreement, the AIP Requirements shall control.

4.064.07 Maintenance, Development or Improvement of Landing Area. ~~The~~Subject to the provisions of Section 5.01 to the extent applicable, the Authority reserves the right to maintain



and further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Airline, and without interference or hindrance.

4.074.08 Agreements with and Rights of United States. This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between the Authority and the United States Government, or any lawful requirement of the United States Government, relative to the development, operation, or maintenance of the Airport. This Agreement shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or nonexclusive use of the Airport, by the United States Government during the time of war or national emergency or otherwise.

4.084.09 Reservation of Rights. There is reserved to the Authority, 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 Premises and all other areas of the Airport. This public right of flight includes the right to cause within such airspace any noise inherent in the operation of any aircraft used for navigation or flight through such airspace or landing at, taking off from, or operating on the Airport.

4.094.10 Height Restrictions. Airline shall not erect or permit the erection by any Airline Party of any structure or object, nor permit the growth of any tree, on the Premises or elsewhere at the Airport in violation of federal height restrictions and obstruction criteria or any more restrictive height restrictions and obstruction criteria established by the Authority. In the event of a breach by Airline, the Authority may enter upon the Premises or other areas at the Airport to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Airline.

4.104.11 Interference with Aircraft. Airline shall not make use of the Premises or any other areas at the Airport in any manner that might interfere with the landing or taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event of a breach by Airline, in addition to all other available rights and remedies, the Authority shall have the right to enter upon the Premises or other areas at the Airport and cause the abatement of such interference, at the expense of Airline.

4.114.12 Construction of Alterations. In the event Airline plans any future structure or building ~~is planned~~ for the Premises or in the event of any Airline-planned modification or alteration of any present or future building or structure situated on the Premises, Airline shall comply with the notification and review requirements set forth in 14 C.F.R. Part 77.

4.124.13 Non-Exclusive Rights. This Agreement does not grant Airline any exclusive right or privilege within the meaning of 49 U.S.C. Section 40103(e) with respect to any activity on the Airport; provided, however, Airline shall have the right to exclusive possession of the Exclusive Use Space.

4.134.14 Airport Security.

(a) Security Requirements. Within 30 days of the Commencement Date, Airline shall submit the following to the Authority as required by the TSA Regulations: (i) Airline's security program; and (ii) a letter confirming insurance coverage.



(b) Unauthorized Access. Airline shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas.

(c) Security Checks. Airline shall comply with the TSA's background check requirements, including references and prior employment history, for all Airline employees, agents, representatives, and contractors who have unescorted access to the airfield side of the Airport security fence. Airline shall maintain records of background checks for such persons, and shall, to the extent permitted by law, make such records available to the TSA and the Authority as may be requested from time to time.

(d) Violations by Airline. Upon receipt of any written notice from the Authority of a violation of the TSA Regulations by Airline, Airline shall promptly engage security personnel or undertake other necessary security procedures as reasonably requested by the Authority to cure such violation. Airline shall pay any fine or penalty imposed on the Authority by the TSA as a result of such violation.

#### 4.144.15 Special Lift Equipment Requirements.

(a) Equipment. Airline shall acquire and maintain Disability Equipment sufficient to permit Airline to comply with applicable federal and state laws regarding aircraft access by disabled persons. Disability Equipment shall be compatible with the aircraft and the other facilities and equipment used by Airline in its operations at the Airport.

(b) Training. Airline shall train, or cause to be trained, each Airline Party who maintains or operates Disability Equipment so as to assure the safe, proper, and efficient use.

(c) Passengers. Airline shall maintain, operate, and use Disability Equipment and provide all other necessary assistance in connection with boarding and unloading of disabled passengers in accordance with Disability Law. Airline shall use Disability Equipment in accordance with the manufacturer's specifications and in a safe, proper and efficient manner.

4.154.16 Commercial Ground Handling and Support. Any affiliate, subsidiary company, or third party that provides ground handling and support services to Airline shall be required to execute the Authority's Non-Exclusive License Agreement to Conduct Commercial Aviation Ground Handling and Support Services.

## **ARTICLE V CAPITAL IMPROVEMENTS**

### **5.01 Review of Capital Improvements.**

(a) Report. If the Authority decides to undertake a Capital Improvement, the Cost of which is to be funded by the inclusion of (i) the purchase price, (ii) the construction cost, (iii) the annual debt service on Bonds, or (iv) Signatory Airlines' lease payments, fees for use of the Common Use Space, or landing fees during any subsequent Fiscal Year(s), then the Authority shall submit a report on such Capital Improvement to Signatory Airlines. Such report shall be submitted at least 60 days prior to the expiration of the then current Fiscal Year and shall include the following:



(1) A description of the proposed Capital Improvements, together with Cost estimates and any available preliminary drawings.

(2) A statement of the need for such Capital Improvement.

(3) A statement of the benefits to be derived from such Capital Improvement.

(4) The allocation of the Cost to the various Airport Cost Centers.

(5) The Authority's preferred means of financing the Cost.

(b) Approval Requirement. Except as provided in this Section, Capital Improvements identified in the report specified in paragraph (a) above shall be subject to approval by Signatory Airlines as provided in paragraph (c) below.

(c) Approval Process. In the event approval of a Capital Improvement is not withheld by a Majority-In-Interest of Signatory Airlines in accordance with this paragraph, the Authority may include the Cost for such Capital Improvement in the Rental and the Landing Fee Rate of Signatory Airlines.

(1) First Meeting. Within a reasonable time, but no sooner than 30 days after distribution of the report, the Authority shall convene a meeting of Signatory Airlines for the purpose of discussing and obtaining Signatory Airline's approval. The Capital Improvement shall be deemed approved unless approval is withheld in writing by a Majority-In-Interest of Signatory Airlines within 30 days of such meeting.

(2) Second Meeting. If the Capital Improvement is not approved at the first meeting, the Authority shall have the option to convene a second meeting of Signatory Airlines. Such second meeting shall be held within 45 days after the first meeting, upon notice by the Authority. At the second meeting, the Authority shall respond to questions raised during the first meeting and shall ask for reconsideration of the Capital Improvement. Upon reconsideration, the proposed Capital Improvement shall be deemed approved, unless approval is withheld in writing by a Majority-In-Interest of Signatory Airlines within 30 days of such meeting. If approval is so withheld, such Capital Improvement shall be deferred that Fiscal Year. The Authority may seek Signatory Airlines' approval of such Capital Improvement in a future Fiscal Year by repeating the process set forth in this paragraph.

(d) Small Project Exception. Approval by Signatory Airlines shall not be required in the case of a Capital Improvement if the Cost to be borne by the Authority does not exceed \$1,000,000; provided, however, the total Cost to be borne by the Authority of Capital Improvements not approved by the Signatory Airlines shall not exceed \$2,000,000 in any Fiscal Year. Capital Improvements described in paragraph (e) below shall not be included in making any such computation.

(e) Additional Exceptions. Approval by Signatory Airlines shall not be required in the case of a Capital Improvement, and the Authority may include the Cost of such Capital Improvement in the succeeding Fiscal Year's Rental and Landing Fee Rate for Signatory



Airlines, if the Authority shall determine that such Capital Improvement is necessary or prudent to:

- (1) Ensure compliance with a requirement of an Agency ~~(exclusive of the Authority)~~.
- (2) Permit the continued operation, maintenance, and development of the Airport.
- (3) Maintain or create functional capability at the Airport at a level that is required (i) by public health, safety or welfare or (ii) by the Bond Resolution for the security of Bonds.
- (4) Satisfy judgments against the Authority rendered by a court of competent jurisdiction.
- (5) Repair or replace Airport property damaged by casualty to a condition appropriate for the continued use of such property for its intended purpose.
- (6) Acquire land to preserve the Airport or its operations.

5.02 Set Aside. Beginning with the first full Fiscal Year after the Commencement Date, the Authority shall set aside a fund equal to \$3 million in annual general purposes account deposits to allow for routine capital expenditures and other expenditures deemed necessary by the Executive Director. The amount of this set-aside fund shall be increased by 3% each Fiscal Year. This discretionary account shall be funded/replenished up to a maximum balance not to exceed the then-current cap and amount and the funds necessary to do so shall be included in the rate base for Signatory Airlines each year. Expenditures from this fund shall not otherwise be included in Airline rates and charges. No approval from the Signatory Airlines shall be required for expenditures from this fund, notwithstanding Section 5.01.

5.03 Replacement Passenger Terminal Program. As of the date of this Agreement, the estimated cost of the portion of the RPT Program — consisting of: (i) work on the northeast quadrant of the Airport (including construction of the replacement passenger terminal, roadways, parking facilities, apron and service and support facilities) and (ii) the demolition of the existing terminal and parking structure in the southeast quadrant of the Airport — is approximately \$1.25 billion. Airline affirms that it has participated, and it shall continue to participate, in good faith in meetings with the Authority and the RPT Program design-builder with regard to design and cost. Before the Commencement Date, the Authority shall furnish to Airline a report, substantially in the form set forth in Exhibit L, prepared by a consultant retained by the Airport summarizing the funding plan for the RPT Program and a five-year projection of the cost per enplaned passenger for the Airport.

## **ARTICLE VI RENTAL, CHARGES, AND FEES**

### **6.01 Rental.**



(a) Requirement. As rent for the lease of the Exclusive Use Space, Airline shall pay the amounts set forth in this Section (“Rental”).

(b) Monthly Rental. The monthly Rental will equal the following: the number of square feet of space (regardless of type of use) leased to Airline, multiplied by the then-current RPT Base Rate, and then divided by 12 (i.e., the number of months in a year).

(c) Payment. Rental shall be paid to the Authority monthly in advance, on or before the first day of each month, without notice or demand and without deduction or setoff.

(d) Adjustment. Rental shall be subject to adjustment as provided in Article VII.

#### 6.02 Common Use Fees.

(a) Requirement. As compensation for the license to use the Common Use Space, Airline shall pay its share of the amounts set forth in this Section (“Common Use Fees”).

(b) Calculation.

(1) Not later than the last day of each month (including the month following expiration or termination of this Agreement), the Authority shall deliver to Airline an invoice setting forth the Common Use Fees and Airline’s share of such Common Use Fees for such month.

(2) The Common Use Fees for any month will equal: the total number of square feet of the Common Use Space, multiplied by the then current RPT Base Rate, and then divided by 12 (i.e., the number of months in a year).

(3) The Common Use Fees for each month shall be allocated among Signatory Airlines according to the Common Use Formula for such month set forth in the respective reports delivered by Airline pursuant to Section 6.03(c)(2) and by other Signatory Airlines pursuant to their respective agreements with the Authority. In the event that any Signatory Airline, including Airline, fails to furnish the Authority with the passenger enplanement report for any month, the Common Use Fees for such month shall be determined by assuming that the total enplanements for such Signatory Airline during such month was the same as during the most recent month for which such figure is available. Any necessary adjustment in such Common Use Fees shall be calculated after an accurate report is delivered to the Authority by the applicable Signatory Airline for the month in question, and resulting surpluses or deficits shall be applied to the Common Use Fees for the next succeeding month after such accurate report is made available to the Authority.

(c) Payment. The Common Use Fees shall be paid to the Authority on a monthly basis, without deduction or set-off, within 15 days following the delivery of the invoice.

(d) Adjustment. Common Use Fees shall be subject to adjustment as provided in Article VII.

#### 6.03 Landing Fees.



(a) Requirement. For the use of the facilities of the Airport other than the Exclusive Use Space and the Common Use Space, Airline shall pay monthly landing fees (“Landing Fees”).

(b) Landing Fee Rate.

(1) For each Fiscal Year, the Authority shall determine the Landing Fee Rate before the commencement of such Fiscal Year, in connection with the adoption of the related Annual Budget. The projected Landing Fees to be collected by the Authority based on this rate shall be sufficient to provide for the estimated expenses of the Airfield Cost Center (the “Airfield Area Requirement”) for the Fiscal Year.

(2) The Airfield Area Requirement for a Fiscal Year shall be calculated by totaling the following amounts:

(A) The estimated maintenance expenses, operating and administrative expenses, capital outlays, replacements, and renewals of the Airfield Cost Center for the Fiscal Year, as reflected in the Authority’s Annual Budget.

(B) All amounts required by Bond Resolutions to be paid or set-aside (e.g., interest and principal payments on Bonds, debt service reserve fund deposits, operating reserve deposits) during the Fiscal Year that are allocable to the Airfield Cost Center.

(C) The estimated expense of services, if any, to be provided by the Cities of Burbank, Glendale, and Pasadena to the Airfield Cost Center for the Fiscal Year.

(D) Any Airport Expense, assessment, or charge for the Fiscal Year allocable to the Airfield Cost Center.

(E) Any deficiency in any Special Fund of the Authority, including for the accumulation to, and maintenance of, an amount of unencumbered cash (or cash equivalents) equal to 540 days of the Airport Daily Operating Requirement. Airport Daily Operating Requirement means the dollar amount necessary for the Authority to maintain operation of the Airport for one full day, assuming no revenue.

(F) Any adjustment pursuant to Section 5.01(c).

~~(G) Any deficit resulting from actual operations of the Airfield Area during the preceding Fiscal Year.~~

(3) The Airfield Area Requirement for a Fiscal Year shall be net of the following amounts:

(A) Estimated Non-Airline Revenue (i.e., revenue received by the Authority from sources other than Signatory Airlines) from the Airfield Cost Center for the Fiscal Year.



(B) Estimated Other Buildings and Area Cost Center net revenue (deficit) for the Fiscal Year.

~~(C) — The amount by which the total Rental and Common Use Fees for the preceding Fiscal Year exceeded the Replacement Passenger Terminal Requirement for such Fiscal Year, as such Replacement Passenger Terminal Requirement was adjusted under Section 7.04(b).~~

(4) The Landing Fee Rate for a Fiscal Year shall be calculated by dividing the Airfield Area Requirement for such Fiscal Year by the estimated composite Maximum Gross Landing Weight of all Aircraft Arrivals of all Signatory Airlines during such Fiscal Year, as estimated by the Authority, based upon estimates of use provided by the Signatory Airlines; provided, however, the Landing Fee Rate shall not be less than ~~\$.00~~\$0.50 per 1,000 pounds.

(c) Calculation.

(1) Airline's Landing Fees for a month shall be the product of the then applicable Landing Fee Rate multiplied by Airline's Total Landed Weight for the month.

(2) Airline shall furnish to the Authority on or before the 20<sup>th</sup> day of each month (including the month following expiration or termination of this Agreement) an accurate report of Airline's operations at the Airport during the preceding month, setting forth the Landing Fees owed for such month. Such report shall include: (A) Airline's total number of Aircraft Arrivals, by type of aircraft and Maximum Gross Landing Weight of each type of Aircraft; (B) the calculation of the Landing Fees for each type of aircraft and a total of the Landing Fees for that month as shown in the space provided on the report form; (C) the total number of Airline's enplaning and deplaning passengers; and (D) the amount, expressed by weight, of Airline's freight, mail and other cargo for such month. The Maximum Gross Landing Weight for each Aircraft Arrival shall be rounded up to the nearest 1,000 pound unit for Landing Fees computation. The current standard form for the report is set forth in Exhibit E. The Authority may change the standard form from time to time.

(3) In the event that Airline fails to furnish the Authority with a report for any month, Airline's Landing Fees for such month shall be determined by assuming that the Total Maximum Gross Landed Weight for Airline for such month was the same as during the most recent month for which such figure is available for Airline. Any necessary adjustment in such Landing Fees shall be calculated after an accurate report is delivered to the Authority by Airline for the month in question, and resulting surpluses or deficits shall be applied to Airline's Landing Fees for the next succeeding month after such accurate report is made available to the Authority.

(d) Payment. Airline shall pay Landing Fees to the Authority, without notice or demand and without deduction or setoff, no later than the first day of the second month following the month of Aircraft Arrivals to which the Landing Fees relate. For purposes of illustration, the Landing Fees for the month of January are due and payable by the following March 1.

(e) Adjustment. The Landing Fee Rate shall be subject to adjustment as provided in Article VII.



6.04 Passenger Facility Charge. Airline agrees to the Authority's imposition of a PFC at the Airport. Airline shall collect from its passengers the funds required by the Authority's PFC program and shall remit the same to the Authority in accordance with PFC Law and the Authority's PFC program.

6.05 Late Charge. Any payment not received from Airline on or before the due date shall be assessed a late charge at the rate of 1.5% per month, in addition to all other remedies available to the Authority with respect to such failure, including the provisions of Article XV. The late charge shall accrue the day after the payment due date and on a monthly basis thereafter.

6.06 Interest on Past Due Payments. Any amount due from Airline that is not paid within 10 days of the due date shall bear interest from the due date until paid at a rate equal to 5% in excess of the prevailing prime rate established by banks located in Los Angeles, California for pricing commercial loans, on the first day of the month during which such payment default begins (but not more than the maximum rate permissible by law); provided, however, that the payment of any late fee or interest pursuant to this Section shall not excuse or cure any default by Airline with respect to its obligations to pay any amount due from Airline.

6.07 Maintenance of Books and Records. Airline shall keep and preserve, during the term of this Agreement and for a period of 24 months following expiration or termination, full, true and accurate books of account and records of all Airline's aircraft landings at the Airport. Airline shall make such books and records available to the Authority's representatives for inspection and audit at the Airport during business hours.

6.08 Acceptance of Payments. The acceptance by the Authority of any payment made by Airline shall not preclude the Authority from verifying the accuracy of Airline's reports or from recovering any additional payment actually due from Airline.

6.09 Furnishing Information. Airline shall, upon request and to the greatest extent possible, furnish the Authority information regarding Airline's current or future operations (including forecasts) at the Airport. Except for consolidated statistics for all airlines, the Authority shall not release such information without first obtaining Airline's consent unless required to do so by law or to facilitate the sale of Bonds.

6.10 Changes in Scheduling. Airline shall, at the earliest date possible, but no later than 15 days prior to any change in schedule, discuss with the Authority its consideration of any changes to its schedule of operations or the type and series of aircraft used at the Airport. Such discussions shall be kept confidential unless disclosure is required by law.

6.11 Inspection and Audit. The Authority shall have the right from time to time to inspect and audit the books, records, and other data of the Airline relating to this Agreement. Audits shall be performed during business hours on reasonable notice and shall be at the Authority's expense except as provided in this Section. In the event that any audit determines that Airline has a deficiency in the amounts due and payable to the Authority, Airline shall pay to the Authority the deficiency so determined within 10 days after receipt of an invoice. In the event that the deficiency is more than 5% of the amounts paid by Airline with respect to the relevant category of charges (i.e., Rental, Common Use Fees, or Landing Fees, or additional rental pursuant to



Section 6.12), Airline shall also pay to the Authority the cost of such audit within such 10 day period.

6.12 Additional Rental. The Authority, after reasonable notice to Airline, may cure any default of Airline. Airline shall reimburse all amounts paid or costs incurred by the Authority to cure any such default. Any amounts levied or assessed by the Authority for violations by Airline of the Noise Abatement Rules or the Airport Rules and Regulation shall be payable with the next succeeding installment of monthly Rental due under this Agreement.

6.13 Payments. All reports and payments required to be delivered or paid by Airline to the Authority pursuant to this Agreement shall be delivered to the Authority as set forth in Section 1.01, or to such other place as may be designated by the Authority.

6.14 Taxes.

(a) Airline shall pay all taxes (including any possessory interest tax or personal property tax), assessments, and charges that may be levied against Airline or become a lien by virtue of any levy, assessment, or charge against Airline by any Agency upon or in respect of the Premises or such Airport facilities as are made available for use by Airline, or in respect to or upon any personal property belonging to Airline situated on the Premises or any of the other Airport facilities. Payment of such taxes, assessments, and charges shall be made by Airline directly to the Agency with jurisdiction.

(b) Airline may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of the Premises as taxable or assessable property, directly against the taxing or assessing Agency.

(c) Upon expiration or termination of this Agreement, all lawful taxes then levied, or that constitute a lien upon any of the Premises or such facilities of the Airport as are made available for use by Airline or any taxable interest therein, shall be paid in full by Airline.

## ARTICLE VII

### ADJUSTMENT OF RENTAL, ~~JOINT~~COMMON USE FEES, AND LANDING FEE RATE; YEAR-END RECONCILIATION

7.01 Effective Date of Adjustments. The Rental, Common Use Fees, and Landing Fee Rate shall be subject to adjustment as provided below. Such adjustments shall be effective on the first day of the Fiscal Year to which they apply, subject to Section 7.07.

7.02 Records of Airport Cost Centers.

(a) The Authority shall maintain accounting records that will reflect the following items for each of the Airport Cost Centers: (i) annual revenues; (ii) maintenance and operating expenses (including administrative expenses); and (iii) any other documented expenses of the Authority incurred for Airport purposes and charged to the Airport.

(b) The Authority shall further maintain records evidencing the allocation of capital funds obtained from the proceeds of Bonds or other capital fund sources to each Airport Cost



Center. Included in the allocation to each Airport Cost Center shall be its proportionate share of the expenses of Bond issuance, capitalized interest and funding of Special Funds, determined with reference to the allocation of costs funded through Bonds or other capital fund sources. All state and federal funds received by the Authority with respect to any project or improvement at the Airport shall be deposited into the appropriate Special Fund.

### 7.03 Reports by the Authority.

(a) At least 120 days prior to the end of each Fiscal Year, Airline shall submit to the Authority, in writing, Airline's composite Maximum Gross Landing Weight forecast for the succeeding Fiscal Year. The Authority shall include in each agreement with other Signatory Airlines a requirement that each such Signatory Airline submit a comparable report.

(b) If all Signatory Airlines have timely submitted such forecasts, at least 60 days prior to the end of such Fiscal Year the Authority shall submit to Signatory Airlines the following reports:

(1) The Authority's proposed Annual Budget for the succeeding Fiscal Year reflecting all estimated Airport maintenance, operating and administrative expenses and all proposed outlays for Capital Improvements at the Airport for the succeeding Fiscal Year which are not separately scheduled pursuant to Article V. The proposed Annual Budget shall include a statement of estimated Airport Revenue from all sources other than Signatory Airlines.

(2) A schedule of the principal and interest payments to accrue and Coverage to be applicable during the succeeding Fiscal Year in connection with the Bonds.

(3) A schedule of the Capital Improvements proposed for the succeeding Fiscal Year which will impact the Common Use Fees or the Landing Fee Rate.

(4) A preliminary calculation of the Common Use Fees and the Landing Fee Rate for the succeeding Fiscal Year.

(5) The amount proposed to be deposited into the set-aside account established under Section 5.02.

(c) Within 30 days after receipt of each report, a meeting shall be held among the Authority and Signatory Airlines, at which time Airline may present objections which it may have to the items within the applicable report (except objections within the scope of Article V). The Authority shall give due consideration to any suggestions, comments, or requests of Airline but shall retain absolute discretion to make all final decisions with respect to the reports.

(d) Before the beginning of the Fiscal Year, the Authority shall adopt an Annual Budget which shall include any revisions made as a result of the Authority's discussions with Airline regarding the reports relating to such Fiscal Year and as a result of the Authority's budget process. The Authority shall promptly furnish Airline with a copy of such approved Annual Budget together with the calculation of the Rental, Common Use Fees, and the Landing Fee Rate which shall be effective upon commencement of the Fiscal Year.



(e) If an Annual Budget for a Fiscal Year is not adopted by the Authority prior to commencement of such Fiscal Year, the Rental, Common Use Fees, and Landing Fee Rate in effect at the end of the preceding Fiscal Year shall remain in effect until: (i) the new Annual Budget has been adopted by the Authority; and (ii) the Authority has calculated the new Rental, Common Use Fees, and Landing Fee Rate. The new Rental, Common Use Fees, and Landing Fee Rate shall then be effective retroactively to the beginning of such Fiscal Year; provided, however, in the event that all Signatory Airlines submit timely forecasts as required by paragraph (a) above and the Authority does not submit to Signatory Airlines the reports listed in paragraph (b) above at least 60 days prior to the beginning of such Fiscal Year, the new Rental, Common Use Fees, and the Landing Fee Rate shall only be effective retroactively to the date that the Authority does submit the reports or to the start of the Fiscal Year, whichever is later.

#### 7.04 Adjustments of Rental and Common Use Fees.

(a) The Rental and Common Use Fees then in effect shall be subject to adjustment by the Authority in connection with the adoption of each Annual Budget to amounts sufficient to provide for the expenses of the Replacement Passenger Terminal Cost Center (the “Replacement Passenger Terminal Requirement”) for the Fiscal Year to which such Annual Budget relates. Whenever the adjustment calculation involves an estimate, the estimate of the Authority shall be used.

(b) The Replacement Passenger Terminal Requirement for a Fiscal Year shall be calculated by totaling the following amounts:

(1) The estimated amounts for maintenance, operating and administrative expenses, capital outlays, replacements, and renewals of the Replacement Passenger Terminal Cost Center for the Fiscal Year, as reflected in the Authority’s Annual Budget.

(2) All amounts required by Bond Resolutions to be paid or set-aside (e.g., interest and principal payments on Bonds, debt service reserve fund deposits, operating reserve deposits) during the Fiscal Year that are allocable to the Replacement Passenger Terminal Cost Center.

(3) The estimated expense of services, if any, to be provided by the Cities of Burbank, Glendale, and Pasadena to the Replacement Passenger Terminal Cost Center for the Fiscal Year.

(4) An amount determined by the Authority, equal to the total estimated deficit (or, if there is an estimated surplus, the total estimated surplus as a credit) resulting from actual operations of the Parking and Roadway Cost Center for the Fiscal Year.

(5) Any Airport Expense, assessment, or charge for the Fiscal Year allocable to the Replacement Passenger Terminal Cost Center.

(6) Any adjustment pursuant to Section 5.01(c).

~~(7) Any deficit resulting from actual operations of the Replacement Passenger Terminal during the preceding Fiscal Year.~~



(c) The Replacement Passenger Terminal Requirement for a Fiscal Year shall be net of the total estimated Non-Airline Revenue from the Replacement Passenger Terminal Cost Center for the Fiscal Year.

7.05 Authority Areas Cost Center.

(a) Except as expressly provided, Airline shall not be liable for any cost or expense incurred in connection with the development, operation, and maintenance of the Authority Areas, and such costs and expenses shall not be a factor in any calculation or adjustment of Rental, Common Use Fees, or the Landing Fee Rate.

(b) The debt service on Bonds allocable to the acquisition by the Authority of those Authority Areas which are designated on Exhibit C as of the Commencement Date shall be taken into account in any adjustment of Rental, Common Use Fees, or the Landing Fee Rate. Debt service on Bonds issued to acquire additional property to be included in the Authority Areas Cost Center shall not be used as a factor in calculating future Rental, Common Use Fees, or Landing Fee Rates unless the Capital Improvement has been approved pursuant to Article V or otherwise agreed to, in writing, by a Majority-In-Interest of Signatory Airlines.

7.06 Disclosure of Financial Statements. For the purpose of keeping Airline informed as to Airport Revenue and Airport Expenses, the Authority shall make available to Airline the annual audit of its financial statements and its statements of revenues and expenses of the Airport. The Authority shall provide information as to the basis for allocation and the distribution of revenues and expenses not set forth in the statement of revenues and expenses or whose allocation is set forth in this Agreement. The Authority shall respond to questions raised by Airline as a result of Airline's review of the statement of revenues and expenses.

7.07 Extraordinary Adjustments of Landing Fee Rate.

(a) If, at any time Airport Revenue is insufficient to pay, when due, all items included in the reports prepared pursuant to this Article, or to pay any other Airport Expense, the Authority may, upon notice to Airline, immediately increase the Landing Fee Rate to such amount as is sufficient to assure that all such items, expenses, and costs shall be paid in full solely from Airport Revenue.

(b) In the event that total Landing Fees of all Signatory Airlines for any quarter vary by more than 10% from the projected total Landing Fees for such quarter, the Landing Fee Rate shall, if deemed necessary by the Authority, be adjusted for the balance of such Fiscal Year by an amount equal to the difference (between projected and actual total Landing Fees) divided by the estimated Maximum Gross Landing Weight of Aircraft Arrivals during the balance of such Fiscal Year.

(c) In the event that actual Airport Expenses exceed the projected Airport Expenses used to calculate the Landing Fee Rate for a Fiscal Year, or if actual Airport Revenue is less than projected Airport Revenue, Airline's proportionate share of the difference shall be charged to Airline's Landing Fee over the remaining billing periods in the Fiscal Year.



#### 7.08 Year-End Reconciliation.

(a) After the end of each Fiscal Year, the Authority shall: (i) recalculate the Replacement Passenger Terminal Requirement and the Airfield Area Requirement, based on such Fiscal Year actual operating results and (ii) determine the total Rental (“Recalculated Rent”), total Common Use Fees (“Recalculated Common Use Fees”) and total Landing Fees (“Recalculated Landing Fees”) that Airline would have paid during such Fiscal Year according to such recalculation.

(b) The term “Recalculated Total” refers to the sum of Recalculated Rent, Recalculated Common Use Fees and Recalculated Landing Fees. The term “Total Received” refers to the sum of Rent, Common Use Fees and Landing Fees actually paid by Airline during such Fiscal Year.

(c) No later than the November 15th following the end of such Fiscal Year, the Authority shall provide Airline a statement (“Year-End Statement”), specifying the amounts of the Recalculated Rent, the Recalculated Common Use Fees, the Recalculated Landing Fees, and the Recalculated Total, as well as the Total Received.

(d) If the Recalculated Total is greater than the Total Received, then Airline shall pay the difference no later than 30 days after the Authority’s delivery of the Year-End Statement and an associated invoice.

(e) If the Total Received is greater than the Recalculated Total, the Authority shall issue a credit memo to Airline in the amount of the difference. Airline may use the balance evidenced by the credit memo on any payment within the 12 months after the credit memo was issued.

### **ARTICLE VIII MAINTENANCE**

8.01 Airline’s Responsibilities. Airline shall, at its sole cost and expense and in a manner acceptable to the Authority, perform all of the following:

(a) Maintain the Premises in a neat, clean, and orderly condition free from litter, debris, refuse, petroleum products, or grease that may result from activities of Airline or the Airline Parties.

(b) Remove all oil and grease spillage or other damage that is attributable to Airline’s aircraft and other equipment.

(c) ~~Perform~~Except as otherwise set forth herein, perform ordinary preventative maintenance and ordinary upkeep of all facilities; within the Exclusive Use Space, Airport personal property used by Airline, and equipment including fixtures, doors, baggage conveyors and belts, floor coverings, ticket counters, and baggage examination and inspection facilities and other facilities used by Airline within the Premises; provided, however, the Authority, at its own cost and expense, shall maintain the exterior portions of the walls and roof of the Premises and all central mechanical distribution systems in good repair and condition.



(d) Immediately repair any damage occasioned by the fault or negligence of Airline Parties.

(e) Promptly remove Airline's damaged or disabled aircraft from any area of the Airport (including any runways, taxiways, aprons, and gate positions) to such storage areas as may be designated by the Authority, following approval by the National Transportation Safety Board, the FAA, or other Agency having jurisdiction. Airline may store such damaged or disabled aircraft only for such length of time and upon such terms and conditions as may be established by the Authority. Should Airline fail to remove its damaged or disabled aircraft in accordance with this Section, the Authority may cause the removal and storage of such damaged or disabled aircraft, and Airline shall reimburse the Authority for all costs of such removal and storage.

#### 8.02 Authority's Responsibilities.

(a) General. The Authority shall use reasonable efforts to keep, or make appropriate arrangements to keep, Public Areas adequately and attractively supplied, equipped, furnished and decorated, clean and presentable. Except as otherwise expressly provided, the Authority shall provide and supply in Public Areas and other areas of the Airport not otherwise subject to the exclusive use of the Airline or other Signatory Airlines, adequate signage, heat, electricity, light, power, air-conditioning, sewage, water and janitorial services (including waste removal). The Authority also shall provide field lighting, adequate to meet FAA standards, for all landing, taxiing, and ramp areas and also for all vehicular parking areas.

(b) Airline Obligations. The undertakings by the Authority under this Section shall not relieve any Airline Party or users of the Airport, including Airline, of any of their respective duties, obligations or responsibilities to maintain any property or facilities at the Airport or any such Airline Parties' or users' respective duties, obligations or responsibilities to use due care in using Public Areas, Common Use Space, or other areas of the Airport.

#### 8.03 Consortium Responsibilities.

(a) Upon the Authority's prior written approval, Signatory Airlines shall establish a consortium to perform the following tasks at no less than IATA Level of Service "C" requirements:

(1) Operation and maintenance of the Equipment listed in the attached Exhibit I, baggage makeup areas and the inline explosive detection system (portion of which is not maintained by the TSA and subject to funding by TSA to include such system in the Replacement Passenger Terminal).

(2) Operation and maintenance of the CUPPS, CUSS, baggage scales and the electrical charging system for ground equipment that serves the Replacement Passenger Terminal.

(3) Construction, operation, and maintenance of MUFIDS.



(b) Consortium responsibilities shall include: operations; preventative maintenance; repair; replacement; cleaning; spare parts management; and on-call response and service.

8.04 Waiver. The Authority shall not be liable to any Airline Party for loss or damage occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, civil authority or any other cause beyond the reasonable control of the Authority.

## **ARTICLE IX ALTERATIONS AND IMPROVEMENTS**

### 9.01 Construction.

(a) Airline shall not, without in each instance obtaining the prior written consent of the Authority, which consent may be granted or withheld in the Authority's sole and absolute discretion, construct, install or make any modifications, alterations, improvement, or additions ("Alterations") in, on or to the Premises. Airline shall submit a written request of the proposed Alterations ("Tenant Improvement Request") to the Authority. A current standard form of Tenant Improvement Request is set forth in Exhibit F. The Authority may change such standard form from time to time.

(b) Alterations to the Premises approved by the Authority ("Approved Alterations") shall be subject to conditions imposed by the Authority in its sole discretion. Such conditions may include requirements as to the contractor, time, manner, method, design and construction in which the Approved Alterations shall be done.

(c) No Approved Alterations shall be undertaken until Airline shall have procured and paid for all permits, licenses, approvals and authorizations of all required Agencies having jurisdiction thereof and the Authority's written consent to commence work. Prior to the commencement of any Approved Alterations, Airline shall comply with the Authority's instructions and requirements set forth in the Tenant Improvement Request. All plans shall be subject to the Authority's approval and, when required by the Airport Engineer, shall be prepared, stamped and signed by a State-licensed architect or engineer. Engineers shall be licensed for the particular discipline required.

(d) All work done in connection with any Approved Alterations shall be done at Airline's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with applicable laws. In order to expedite plan review and approval and to ensure that the proposed Approved Alterations will be compatible with the Airport uses, Airline first shall submit to the Authority for approval a schematic or conceptual plan. The Authority shall have the right to inspect and reject any work not done in accordance with the plans and specifications approved by the Authority, and Airline shall immediately repair or remove such work. Within 30 days following the completion of any Approved Alterations, Airline shall furnish to the Authority a set of "as built" plans and specifications.

(e) Airline's construction or installation of Approved Alterations shall not extend the term of this Agreement.



9.02 Assignment. Airline assigns to the Authority any and all warranties or guaranties of contractors and subcontractors furnishing labor, materials, equipment, and services in connection with the Approved Alterations, which assignment shall be effective upon the expiration or termination of this Agreement.

9.03 Payment. Airline shall pay, when due, all claims for labor, materials, equipment and services furnished or alleged to have been furnished to or for Airline at or for use in the Premises or any other areas of the Airport, which claims are or may be secured by any lien against the Premises or any other areas of the Airport. In the event any such lien is filed against the Premises or any other areas of the Airport in connection with Approved Alterations, it shall be discharged by Airline, at Airline's expense, within 10 days after written notice is delivered to Airline. The Authority shall have the right to post such notices of nonresponsibility as are provided for in the mechanics' lien laws of the State.

9.04 Authority's Property. Upon the Expiration Date, except for personal property and trade fixtures not permanently affixed to the Premises, all Approved Alterations made by or on behalf of Airline shall become the Authority's property and shall be surrendered with the Premises, unless the Authority shall elect otherwise not less than ~~1530~~ days prior to the Expiration Date. In the event of such election, such Approved Alterations made by or on behalf of Airline in the Premises, as the Authority may select, shall be removed by Airline, at its sole cost and expense prior to the Expiration Date, and the Premises shall be restored and repaired to the condition existing as of the Effective Date, subject to reasonable wear and tear, casualty and damage by the elements.

## **ARTICLE X ASSIGNMENT OR SUBLEASE**

### **10.01 Assignment or Sublease.**

(a) Except for any Wet Lease permitted under Section 4.03, or unless previously agreed to in writing by the Authority, Airline shall not voluntarily assign, transfer, sublease, convey, mortgage, grant a security interest in, hypothecate, or otherwise encumber all or any part of Airline's rights or interest in or to the Premises or this Agreement or take any action which results in any of the foregoing by operation of law. Any attempted assignment, sublease, transfer, conveyance, mortgage, hypothecation, grant of a security interest in, or other encumbrance in violation of this Section shall be wholly void.

(b) The occurrence of any of the following shall be deemed to be a prohibited assignment, sublease, transfer, conveyance, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section.

(1) If Airline is a corporation, any assignment, transfer, conveyance, mortgage, hypothecation, grant of a security interest in or other encumbrance or other event that results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record (as of the execution of this Agreement) to less than a majority of any class of voting stock of Airline.



(2) If Airline is a partnership, any assignment, transfer, conveyance, mortgage, hypothecation, grant of security interest in partnership interest or other encumbrance or other event that results, or upon foreclosure would result, in the reduction of the profit and loss participation of the present general partners (as of the execution of this Agreement) to less than 51%.

(3) If Airline 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.

## **ARTICLE XI DAMAGE OR DESTRUCTION**

11.01 Repairable Damage. Should the Premises be damaged by fire or other casualty not caused by any Airline Party, and if the damage is repairable within a reasonable time from the date of the occurrence, the space shall be repaired with due diligence by the Authority; provided, however, the Authority will exert its reasonable effort to provide Airline with temporary substitute space, if available, until such time as the repairs are completed.

11.02 Complete Destruction. Should the Premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot, in the opinion of the Authority, be repaired within a reasonable time after the occurrence, the Authority shall have the option to terminate this Agreement to the extent that it shall apply to the affected building, rooms or other space. In the event that this Section shall become applicable, the Authority shall advise Airline within 60 days after the happening of any such damage whether the Authority has elected to continue the Agreement in effect as to the space damaged or destroyed or to terminate it. If the Authority shall fail to notify Airline of its election within such 60 day period, the Authority shall be deemed to have elected to terminate this Agreement as to the space damaged or destroyed, and the Agreement shall automatically terminate as to such space 90 days after the occurrence of the damage. If the Authority shall elect to continue this Agreement in effect with respect to such damaged space, it shall commence and prosecute with due diligence any work necessary to restore or repair the space; provided, however, the Authority will exert its reasonable efforts to provide Airline with temporary substitute space, if available.

11.03 Waiver by Airline. Airline waives the provisions of Civil Code Sections 1932, 1933, and 1941 through 1942, and of any other law that is contrary to or relieves the obligations of Airline under this Agreement, or that places upon the Authority obligations in addition to those provided for in this Article.

## **ARTICLE XII INSURANCE**

12.01 Obligation to Maintain Insurance. Airline shall maintain in effect the insurance coverage and limits of liability as provided in this Article ("Required Insurance"). In the event that Airline fails to maintain any of the Required Insurance, the Authority shall have the right (but not the obligation) to obtain some or all of the Required Insurance at Airline's sole expense. ~~In addition, the Authority, at its election, exercised by delivery to Airline of written notice, shall have the~~



~~right to maintain some or all of the Required Insurance provided that: (i) the Authority reserves the same right in all new or renewal Airport use agreements; and (ii) the cost to Airline of insurance maintained by the Authority does not exceed the cost of such insurance if obtained by Airline.~~ In the event the Authority elects to maintain some or all of the Required Insurance, ~~either because of Airline's failure to provide Required Insurance or the Authority's election to provide some or all of the~~ Required Insurance, Airline shall pay to the Authority its proportionate share of the premiums for all Required Insurance maintained by the Authority within 10 days following the delivery to Airline of each written statement setting forth the amount of such premiums and the applicable premium period.

12.02 Liability and Workers' Compensation Coverages. Airline shall maintain in effect insurance protecting Airline and each Authority Party from and against claims arising out of, resulting from, or relating to the conduct by Airline of its business of Air Transportation and otherwise relating to Airline's use of the Airport pursuant to this Agreement as follows:

(a) Comprehensive Airline Liability Insurance. Comprehensive Airline liability covering bodily injury, death, property damage and passenger liability insurance, including war and allied perils coverage under extended coverage endorsement AVN52D or equivalent, airport premises and operations liability, aircraft liability, contractual liability, products and completed operations liability and independent contractors liability, all written on an occurrence basis in an amount not less than \$300,000,000 combined single limit for bodily injury, death, property damage and passenger liability each occurrence and each aircraft, and, with respect to products and completed operations liability, in the annual aggregate, and, provided that Airline has complied with the requirements of subsection (b) below, as respects the coverage provided for bodily injury and property damage under extended coverage endorsement AVN52E or equivalent (war and allied perils coverage), subject to a sub-limit of \$25,000,000 any one occurrence and in the annual aggregate, as respects non-passenger third-party liability only, within the full policy limit and not in addition thereto.

(b) FAA Insurance. So long as the FAA is issuing war risk insurance for aircraft hull, passenger, crew, and third-party liability as representative of the United States of America under 49 U.S.C. Ch. 443, Airline shall obtain and maintain the maximum amount of coverage available to Airline from the FAA or other available sources. During the period that such FAA insurance is available to Airline, the provisions of Section 13.02 shall apply.

(c) Automobile Liability Insurance. ~~Automobile~~For any vehicle operations on or about the Airport, automobile liability insurance covering all owned, non-owned, and hired vehicles written on an occurrence basis in an amount not less than \$5,000,000 combined single limit for each occurrence for bodily injury, death and property damage.

(d) Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance written in accordance with California statutory limits and employer's liability insurance, in amounts not less than the following:

- (1) Bodily injury by accident - \$51,000,000 - each accident
- (2) Bodily injury by disease - \$51,000,000 - policy limit



(3) Bodily injury by disease - \$~~51~~,000,000 - each employee

The employer's liability insurance shall not contain an occupational disease exclusion.

(e) War Risk Liability Coverages. All policies of liability insurance shall include war risk liability extensions.

12.03 Property Insurance. Airline shall maintain in effect property insurance written on an all risk of direct physical loss basis covering Airline's fixtures, tenant improvements and betterments, personal property, and equipment located at the Airport in an amount not less than 100% of the replacement value thereof. The proceeds of such insurance shall be used to repair or replace the insured property. Airline shall also maintain in effect aircraft physical damage insurance (aka hull insurance) covering all aircraft operated by Airline against "All Risks" of loss or damage in an amount not less than 100% of the replacement value thereof.

12.04 Business Interruption Coverage. Airline shall maintain in effect business interruption insurance, insuring against damage or economic loss caused by any interruption of Airline's business of Air Transportation or use of the Airport due to an insured peril in an amount at least equal to the sum of the then current annual Rental, Landing Fees, Common Use Fees, and PFC charges required to be paid by Airline to the Authority.

12.05 Adjustment of Required Insurance. Airline acknowledges that the types and amounts of Required Insurance may become inadequate. Airline shall add such insurance or coverage and increase such minimum limits of liability by such amounts as may be required at any time by the Authority, if the Authority shall adopt a resolution or other written policy requiring such additional insurance coverage or limits of liability from Signatory Airlines.

12.06 Policy Requirements. Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each ~~authorized to conduct business in the State~~ accepted in the United States airline industry and reasonably acceptable to the Authority and having a rating of not less than A-X in A.M. Best's Insurance Guide or otherwise acceptable to the Authority. ~~Within 10 days prior~~ Airline's insurance broker shall provide intent to the Commencement Date and renew no later than 10 days prior to expiration of policy renewal dates thereafter. Thereafter, Airline shall deliver to the Authority certificates of insurance issued by the insurance companies and evidencing that all Required Insurance has been obtained and is being maintained by Airline, together with copies of endorsements: (i) requiring the insurers to give to the Authority at least 30 days' prior written notice of the cancellation or non-renewal of any Required Insurance; (ii) with respect to the "all risk" property insurance, naming the Authority as a loss payee; (iii) providing that all Required Insurance is primary insurance without right of contribution of any other insurance carried by or on behalf of any Authority Party; (iv) requiring insurers to provide a waiver of subrogation in favor of Authority Parties; and (v) with respect to the comprehensive airline liability, automobile liability and employer's liability insurance, naming (A) Airline and the Airline Parties as named insureds, and (B) except for workers' compensation insurance, all of the Authority Parties as "additional insureds." ~~Unless otherwise approved in writing by the Authority, the definition of "additional insured" and the coverage of the Authority as an additional insured under Airline's liability insurance policies shall be as provided in the 1997 Insurance Services Office CG 20 10~~



~~Additional Insured endorsement.~~ The failure of Airline to provide such certificates of insurance, together with such endorsements, or, if a notice of cancellation or non-renewal of any Required Insurance has been delivered to Airline, the failure of Airline to replace the Required Insurance which is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute a Default Event. In no event shall any Authority Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by Airline.

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

### **ARTICLE XIII INDEMNIFICATION**

13.01 General. In addition to any other claim or indemnity under this Agreement, or by operation of law to which the Authority is entitled to, to the fullest extent permitted by law, Airline shall defend, indemnify, and hold harmless the Authority Parties from and against any and all Claims arising out of, resulting from, relating to, or in connection with this Agreement, the conduct of Airline's Air Transportation business or operations at the Airport, or Airline's use of the Premises or other areas of the Airport by Airline or any Airline Party, including any violation of the Noise Abatement Rules, TSA Regulations, Airport Rules and Regulations, or Disability Law or arising out of, resulting from or relating to any Approved Alteration or other improvement, alteration or facility constructed, installed or made by Airline on the Premises.

13.02 War Risk Indemnification. During the period that the FAA makes available to Airline war risk insurance coverage as described in Section 12.02(b), to the fullest extent permitted by law **but not more than the limits of such insurance**, Airline shall release, indemnify, defend, and hold harmless the Authority Parties from and against any and all Claims, which in any way arise out of or result from flight activities of Airline, the screening, ticketing, boarding or transporting of passengers by Airline, the use or occupancy by Airline of any space or facilities at the Airport or the performance of services by the Authority for the use or benefit of Airline, including injury to or death of any person, damage to or destruction of any property, real or personal (including property owned, leased, or under the control of Airline), and liability or obligations under or with respect to any violation of law, but in all cases only to the extent that: (i) such Claims are not covered by other insurance of the Authority; and (ii) coverage in the form of war risk insurance under the Airline's insurance policies as required by Sections 12.02(a) and 12.02(c), including extended coverage endorsement AVN52D and/or insurance provided by the FAA as described in Section 12.02(b) is available to Airline. Airline's indemnification obligations shall apply regardless of whether or not the damage, loss or injury complained of arises out of or relates to the negligence (whether active, passive or otherwise) of, or was caused in part by, an Authority Party. Airline's indemnification obligations shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits paid or payable by Airline under workers' compensation laws, disability benefits acts or other employee benefit laws or regulations.



13.03 Exculpation of the Authority from Liability. Airline, on behalf of itself and the Airline Parties, waives any and all Claims against the Authority Parties, and the Authority Parties shall not be liable for any Claim arising out of, resulting from, relating to, or in connection with any cause whatsoever, including: (i) latent or patent defects in the construction or condition of the Airport, including any Contamination; (ii) fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Airport; (iii) flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, civil authority or any other cause beyond the reasonable control of the Authority; (iv) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Airport; (v) the use of the Airport by any Airline Party, whether such damage or injury results from conditions arising upon the Airport, or from other sources; or (vi) any damage or loss arising from any negligent acts or omissions or willful misconduct of any other tenant, licensee, concessionaire or customer of the Airport or any other person or entity; except to the extent any of the foregoing arises from the gross negligence or willful misconduct by the Authority.

13.04 Survival. Airline's indemnification obligations under this Article shall survive expiration or termination of this Agreement.

#### **ARTICLE XIV EMINENT DOMAIN**

14.01 Entire or Substantial Taking. In the event that the Premises or any other portion of the Airport, or so much thereof as to make the balance not reasonably adequate for the conduct of Airline's business of Air Transportation, shall be taken under the power of eminent domain, this Agreement automatically shall terminate as of the date of the vesting of title in such condemning entity.

14.02 Partial Taking. In the event of any taking under the power of eminent domain that does not result in a termination of this Agreement pursuant to Section 14.01, the Authority and Airline shall each, at its own expense, promptly modify the Premises or remaining portion of the Airport for which they are obligated hereunder, so that it will as much as reasonably possible serve the same function as before, and this Agreement shall continue in full force and effect.

14.03 Awards. Any award for any taking of all or any part of the Premises or any other areas of the Airport under the power of eminent domain shall be the property of the Authority, whether or not such award shall be made as compensation for diminution in value for the taking of the fee. This Section shall not be deemed to preclude Airline from obtaining, or as giving the Authority any interest in, any award to Airline for loss of or damage to Airline's trade fixtures and removable personal property or damages for cessation or interruption of Airline's business. In determining the value of Airline's business, all goodwill attributable to the location of the business shall belong to the Authority and Airline's business shall be valued based solely upon its operating results.



14.04 Condemnation by the Authority. Nothing in this Agreement shall impair, limit or otherwise affect the power of eminent domain of the Authority or the exercise of such power by the Authority.

## **ARTICLE XV DEFAULT AND REMEDIES**

15.01 Default Events. Each of the following shall constitute a Default Event:

(a) (i) The voluntary or involuntary appointment of a receiver, trustee or liquidator to take possession of all or substantially all of the assets of Airline when such appointment is not dismissed, terminated or vacated in 60 days; or (ii) a general assignment by Airline for the benefit or protection of creditors; or (iii) Airline's admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by Airline under any statute relating to insolvency, bankruptcy, reorganization, arrangement, composition, liquidation, dissolution or other relief for debtors; unless, in the case of an involuntary petition filed against Airline to have Airline adjudged a bankrupt or for reorganization or arrangement, the petition is dismissed within 60 days.

(b) Any attachment, execution, distraint, judicial seizure, or other process of law pursuant to which Airline's rights or interest in the Premises or this Agreement may be taken, occupied or used by anyone other than Airline, when such attachment, execution, distraint, judicial seizure, or other process of law shall not be released, dismissed or stayed within 90 days.

(c) An attempted or purported assignment, sublease, transfer, conveyance, mortgage, grant of security interest, hypothecation or other encumbrance of all or any part of Airline's rights or interests under this Agreement or in the Premises in violation of Article X.

(d) Vacation or abandonment of the Premises or of possession of the Premises, except in conjunction with the exercise by Airline of any express right of Airline to terminate this Agreement.

(e) The failure by Airline to cure a violation of the Security Requirements within 30 days of Airline's receipt of the notice described in Section 4.13(d).

(f) The failure by Airline to pay any amount when due, where such failure to pay within 10 business days following receipt of the Authority's notice; provided, however, that after two instances within a consecutive 12-month period notice shall not be required and such a failure shall immediately constitute an ~~Event of Default~~ Event.

(g) ~~Any~~ Subject to notice of violation from the Authority and 10 days to cure, any violation by Airline of a provision of Article XII.

(h) ~~The~~ Subject to notice of violation from the Authority and 10 days to cure, the failure by Airline to maintain in effect all licenses, permits, approvals, authorizations and registrations required by law.



(i) The failure by Airline to comply with the Airport Rules and Regulations within 30 days of Airline's receipt of the notice of such violation.

(j) Any violation by Airline of the Noise Abatement Rules; provided, however, that Airline may cure any such default within 24 hours after written notice by the Authority to Airline of such default, or, if the cure of such default is not in the opinion of the Authority reasonably susceptible to cure within 24 hours, Airline may cure such default within 20 days of the delivery of such written notice of default.

(k) ~~The Subject to notice of violation from the Authority and 10 days to cure, the~~ failure by Airline to notify Authority of a violation of Environmental Law by Airline or any of its agents or employees, after Airline obtains knowledge of such violation.

(l) The failure by Airline to replenish the Security Deposit within 10 business days of Airline's receipt of the notice described in Section 25.02.

(m) (i) The occurrence of any non-curable default in the keeping or performance of any provision of this Agreement to be kept and performed by Airline other than those described in subsections (a) through (1) of this Section, or (ii) failure to remedy any curable default in the keeping or performance of any other provision of this Agreement to be kept and performed by Airline other than those described in subsections (a) through (1) of this Section (A) within a period of 30 days after the delivery to Airline of written notice of such default (or, in the event such curable default is of such a nature as to reasonably require more than 30 days to cure, if Airline shall fail to commence such cure within such time or thereafter fails diligently to prosecute the same to completion), or (B) immediately in the event of an emergency.

(n) The occurrence and continuation of any default, breach or non-performance by Airline under this Agreement or any other written agreement between the Authority and Airline, ~~or by Airline or Sub-Contractor under the Equipment Maintenance Agreement,~~ after giving effect to any applicable grace period, notice requirement or opportunity to cure such default, breach or non-performance.

15.02 Remedies. Upon the occurrence and continuance of any Default Event by Airline, the Authority may:

(a) Terminate Airline's right to possession of the Premises ~~by~~ on 30 days notice to Airline, in which case this Agreement shall terminate upon the date specified in the notice and Airline shall ~~immediately~~ surrender possession of the Premises to the Authority on the date specified in the notice. In such event, the Authority shall be entitled to recover from Airline:

(1) The unpaid amounts (including late charges and interest) payable by Airline under this Agreement which have accrued to the date of termination;

(2) The worth at the time of termination of the Rental which would have accrued under this Agreement from the date of termination until the Expiration Date less the worth at the time of termination of the amount of such Rental loss that Airline proves could have been reasonably avoided; and



(3) Any other amount necessary to compensate the Authority for all damages and losses proximately caused by Airline's failure to perform its obligations under this Agreement including the cost of recovering possession of the Premises, expenses of reletting (including advertising), brokerage commissions and fees, costs of putting the Premises in good order, condition and repair, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, court costs, all costs for maintaining the Premises, all costs incurred in the appointment of and performance by a receiver to protect the Premises or the Authority's interest under the Agreement and any other reasonable cost.

(b) Pursue any other remedy now or hereafter available to the Authority under the laws of the State, including the remedy provided in Civil Code Section 1951.4, to continue this Agreement in effect and enforce all rights and remedies under this Agreement, including the right to recover amounts payable by Airline hereunder as it becomes due, even though Airline has breached this Agreement and abandoned the Premises or failed to take possession of the Premises upon tender thereof by the Authority. In the event Airline fails to take possession of the Premises and commence payment of amounts due, the Authority shall have all of the rights and be entitled to recover from Airline all of the damages described in this Section.

(c) If the Authority terminates this Agreement pursuant to paragraph (a), unless and until removed in accordance with Section 2.05, take exclusive possession of all of Airline's fixtures, furniture, equipment, improvements, additions, alterations and other personal property on the Premises or other areas of the Airport, and to use the same, without rent or charge, until all defaults are cured, or, at its option, to require Airline to forthwith remove to same.

(d) The "worth at the time of termination" of an amount referred to in Section 15.02(a)(2) shall be computed by discounting such amount at one percentage point above the discount rate of the Federal Reserve Bank of San Francisco at the time of termination.

15.03 Waiver. Airline waives all claims and demands against the Authority for damages or loss arising out of or in connection with any re-entering and taking possession of the Premises following a Default Event.

15.04 Waiver of Redemption. In the event of the lawful exercise by the Authority of any one or more of its rights and remedies hereunder, Airline waives any and all rights of redemption or relief from forfeiture under Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future laws, and further releases the Authority from any and all claims, demands and liabilities by reason of such exercise by the Authority.

15.05 Cumulative Remedies. The various rights and remedies reserved to the Authority shall be cumulative, and, except as otherwise provided by law, the Authority 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 remedy allowed by law or in equity. No delay or omission of the Authority to exercise any right or remedy shall be construed as a waiver of any such right or remedy or waiver of any Default Event.

15.06 Performance of Airline's Covenants by the Authority. In the event that Airline at any time fails to make any payment or perform any other act under this Agreement, the Authority



shall have the right, but not the obligation, immediately or at any time thereafter, without notice or demand and without waiving any right or releasing Airline from any obligation to the Authority, to make such payment or perform such other act for the account of Airline, to the extent the Authority may deem desirable. In connection therewith, the Authority may pay reasonable expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Agreement. All sums so paid by the Authority and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 6.06, shall be payable to the Authority on demand.

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

15.08 Default by the Authority. The Authority shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation for 30 days following the delivery by Airline to the Authority of written notice specifying the obligation the Authority has failed to perform; provided, however, in the event that the nature of the Authority's obligation is such that more than 30 days are required for its performance, the Authority shall not be deemed to be in default if it shall commence such performance within such 30 day period and thereafter diligently prosecutes the same to completion. In the event of the Authority's default under this Agreement, subject to the notice and cure provisions described above in this Section, Airline's sole remedy shall be to terminate this Agreement with no further obligation or liability by either party.

## **ARTICLE XVI ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION**

### **16.01 Hazardous Substances and Environmental Compliance.**

(a) Airline shall carry no Hazardous Substances onto the Airport that are not permitted by law to be carried by passenger aircraft except those items required to maintain Airline's aircraft.

(b) Airline shall comply with all Environmental Law and shall not engage in any activity on or about the Airport that violates any Environmental Law. In conducting its operations and maintenance on the Airport, Airline shall comply with such regulations regarding the storage, distribution, processing, handling, and disposal, including Storm Water discharge requirements, of Hazardous Substances including gasoline, aviation fuel, jet fuel, diesel fuel, lubricants and/or solvents, regardless of whether the obligation for such compliance is placed on the owner of the land, owner of the improvements or user of the improvements.

(c) Airline shall at its own expense take all investigatory and remedial action required or ordered by any Agency or Environmental Law for clean-up and removal of any Contamination caused by Airline or an Airline Party.

(d) Airline shall not allow or cause the entry of any Hazardous Substances under its control into the Airport Storm Water drainage system unless authorized by Environmental Law



and the Airport's Storm Water discharge permit. Airline shall not allow or cause the entry of any unauthorized Non-Storm Water Discharge that is under its control into the Storm Water drainage system of the Airport or into the Storm Water drainage system of any of its surrounding communities, unless such substances are first properly treated by equipment installed with the approval of the Authority for that purpose, and Airline complies with recommendations made by the State and/or federal Environmental Protection Agency and the Airport's Storm Water discharge permit requirements. Airline shall bear all costs and any other expenses related to the prohibited entry of such oil, fuel or other Hazardous Substances into such drainage systems prohibited by Environmental Law.

(e) Airline shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code Section 25249 et seq. Airline shall provide prompt written notice to the Authority within five days of receipt of all written notices of violation of any Environmental Law received by Airline.

#### 16.02 Environmental Indemnification.

(a) To the fullest extent authorized by law, the Airline shall indemnify, defend, and hold harmless the Authority Parties from and against any and all Environmental Law Claims arising out of any actions by the Airline, the Airline's operations at the Airport or any action arising from and which involve any Airline Party, including the following:

(1) Airline's placing, disposing, allowing or releasing of Hazardous Substances upon or within the Airport including any such claims, demands, liabilities and/or obligations related to Airline's release of Hazardous Substances on the Airport since the time Airline first occupied the Airport.

(2) Airline's release of Hazardous Substances upon or within the Airport.

(3) Airline's violation of any Environmental Law, except that Airline's obligations under this paragraph shall not extend to known conditions that are, as of the date of this Agreement, the subject of investigation and remediation by Lockheed or others, or remediation conditions that arise from operations of third parties that are not affiliated with Airline that take place off of the Airport. A party shall be deemed to be affiliated with Airline if it is an employee, officer, director, agent, subtenant, contractor or subcontractor of Airline or if it is controlled by, or under common control with, Airline.

(4) Airline's causing or allowing any prohibited discharge into the Airport Storm Water drainage system that is prohibited by Section 16.01.

(b) This indemnification includes reasonable attorney's fees/~~costs~~ and other costs incurred by the Authority in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Agency because of any Hazardous Substances being present in the soil or groundwater under the Airport: to the extent caused by Airline or Airline Party. However, Airline's indemnity obligation shall not apply in the event of any claims for any loss, damage or expense arising from the violation of Environmental Law by, or the sole or active negligence or willful misconduct of, the Authority or agents, servants or independent contractors who are directly responsible to the Authority.



(c) In the event the indemnitees described hereinabove are named as defendants or respondents in any lawsuit or administrative proceeding, Airline shall, at the request of the Authority, represent the indemnitee with qualified counsel that the Authority determines, in its ~~sole and exclusive~~ reasonable discretion, is acceptable, unless the Authority, at its sole and exclusive discretion, undertakes legal representation, in which event the Airline shall reimburse the Authority for the reasonable costs incurred by it in defending such lawsuit or administrative proceeding, including reasonable attorney's fees, expert and consultant's fees, and investigative and court costs.

(d) In the event that a monetary judgment is awarded against the Authority and the Airline because of the concurrent negligence of the Authority and the Airline or their respective officers, subcontractors, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.

(e) The rights and obligations of the parties set forth in this Article shall survive expiration or termination of this Agreement.

#### 16.03 Disclosure.

(a) Records. Airline shall keep sufficient records such that, within 15 days of the Authority's written request, Airline shall submit to the Authority the following documents: (i) an inventory or list of all compounds or products that contain Hazardous Substances which were used, stored or disposed of by each Airline Party on or about the Airport during the prior year, (ii) all Material Safety Data Sheets for such compounds or products containing Hazardous Substances, (iii) an estimate of the quantity or volume of such products or compounds used, stored or disposed of on or about the Airport during the prior year, and (iv) copies of all hazardous waste manifests for wastes generated on the Airport and sent offsite for treatment, storage, disposal or recycling.

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

(c) Notice. If any Airline Party is required by law to give notice to any Agency about any Contamination, Airline shall immediately give notice of such Contamination to the Authority's Director of Noise and Environmental Affairs or such other person as may be designated by the Authority. Notice shall be provided immediately by telephone at (818) 840-8840 and shall be confirmed by written notice not later than the next business day. This obligation to notify the Authority shall also extend to any personal injuries or property damage to third parties resulting directly or indirectly from such Contamination. If Airline becomes aware of the presence of or use of any Hazardous Substances not authorized in accordance with the terms of this Agreement, or of any Contamination not subject to the notification provisions of the first sentence of this Section, Airline shall immediately give written notice of such condition to the Authority ~~to the extent required by Health and Safety Code Section 25359.7.~~



16.04 Annual Site Investigation. Without limiting its other rights with respect to the Premises, the Authority shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Airport during each year of the term of this Agreement, and to utilize the services of an environmental consultant or consulting firm for such inspection and assessment. Airline shall pay its share (as determined by the Authority) of the reasonable cost of each such annual inspection of the Airport. If the environmental inspection and assessment of the Airport discloses the existence of any Airline Contamination, Airline shall take any and all action as provided in Section 16.01. In the event that the Authority elects not to conduct an annual environmental inspection and assessment, or if the Authority's environmental inspection and assessment fails to discover or disclose any Airline's Contamination, Airline shall not be excused from performing its obligations or relieved from liability to the Authority under this Article.

16.05 Air Quality Improvement Plan. Airline shall comply with the following provisions of the Authority's Air Quality Improvement Plan:

(a) Ground Support Equipment Emissions Policy. Airlines and other entities own and operate GSE to support arriving, departing, and parked aircraft at the Airport. The Authority's GSE policy will ensure that the Authority achieves airport-wide GSE emissions targets. Airline will use commercially available efforts to achieve an airport average composite emissions factor for its GSE fleet which is equal to or less than 1.66 horsepower-hour of nitrogen oxides (g/hp-h of NO<sub>x</sub>) by January 1, 2023, and 0.74 g/hp-h of NO<sub>x</sub> by January 1, 2031. Upon achieving the 2023 and 2031 emissions targets, Airline shall be required to ensure its fleet average continues to meet the Airport emissions targets. Airline's obligation to meet the 2031 target shall be contingent on the installation of adequate infrastructure to support zero-emission GSE, which is operationally feasible and commercially available. Airline's "Burbank Airport GSE fleet" shall be comprised solely of GSE operated at the Airport. Emissions performance of GSE operating at the Airport cannot be averaged with emissions performance of GSE operating at other airports to demonstrate compliance with the Airport GSE emissions targets.

(b) Clean Construction Policy. The Authority has adopted a Clean Construction Policy, which may be accessed/found at <http://hollywoodburbankairport.com/green-initiatives/>. For all Airport capital improvement projects undertaken by Airline, Airline shall comply, and shall cause its contractors to comply, with such Clean Construction Policy, and shall otherwise ensure its contractors follow clean construction policies to reduce emissions of NO<sub>x</sub> such as using low-emission vehicles and equipment, recycling construction and demolition debris, and minimizing non-essential trips through better schedule coordination.

(c) Burbank Airport Employee Ride Share Policy. The Authority has joined the BTMO, which serves all Airport employees and all Airport tenant employers, including employers with less than 250 employees. Airline is encouraged to also join and to actively participate in the BTMO as an individual member.



## ARTICLE XVII NO OBLIGATION TO PROVIDE UTILITIES OR SERVICES

17.01 The Authority Not Responsible. ~~Except to the extent provided through infrastructure for which the Authority is responsible,~~ Airline acknowledges that the Authority has no obligation to provide utilities or services to the Exclusive Use Space. Airline shall comply with all rules, regulations and other requirements which any provider or supplier of utilities or services may establish for the use, proper functioning and protection of any such utility or service.

17.02 Fire and Security. ~~The~~~~Except to the extent required by applicable law, the~~ Authority is not obligated to Airline to furnish any fire fighting services or security services for the Premises or other areas of the Airport. Airline acknowledges that the Airport are within the municipal service areas of the City of Burbank and the City of Los Angeles.

## ARTICLE XVIII PUBLIC AREAS

18.01 Public Areas. Airline Parties shall be entitled to use all Public Areas located in the ~~Replacement Passenger Terminal—Building,~~ including waiting rooms, restrooms and toilet facilities, in common with the Authority and with other persons authorized by the Authority from time to time to use such facilities.

18.02 Restrictions on Use. The Authority reserves the right, in its sole and absolute discretion, to make changes at any time and from time to time in the size, shape, location, number and extent of Public Areas, or any of them, and specifically further reserves the right to designate portions of Public Areas for the exclusive or non-exclusive use of certain tenants concessionaires, licensees, vendors and other users of the Airport.

18.03 Parking. Notwithstanding that the Authority may lease motor vehicle parking spaces to employees of Airport tenants as such parking spaces may be available, it is expressly understood and agreed that the Authority is not responsible or obligated to provide Airline or Airline Parties with any motor vehicle parking spaces within the Airport or otherwise, as an appurtenance to this Agreement. Airline shall be solely responsible for arranging any and all necessary motor vehicle parking incidental to this Agreement.

## ARTICLE XIX SUBORDINATION

19.01 Subordination. This Agreement is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting the Premises or any other areas of the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof (“Senior Lien” and the holder thereof being a “Senior Lienholder”). Airline shall execute and deliver to the Authority or any other party requiring confirmation of such subordination, within ten calendar days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such subordination. Airline further agrees that this Agreement shall be amended, modified or supplemented in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, modification or supplement does not alter the rights or duties of Airline under



this Agreement and that Airline's written consent to any such amendment, modification or supplement shall not be unreasonably withheld or delayed. Airline shall give prompt written notice to each Senior Lienholder of which Airline has written notice, of any default of the Authority, and Airline shall allow such Senior Lienholder a reasonable length of time (in any event, not less than 30 days from the date of such notice) in which to cure such default.

19.02 Attornment. Subject to the terms of any nondisturbance agreement between Airline and a Senior Lienholder, in the event that any Senior Lien is foreclosed, Airline, 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 Premises or any other area of the Airport, agrees to (i) enter into a new Airport use agreement for the remainder of the term of this Agreement with substantially the same provisions or (ii) attorn to the purchaser and recognize the purchaser as the Authority under this Agreement, provided such purchaser agrees to assume in writing all obligations of the Authority under this Agreement.

19.03 Subordination to Bond Resolution. Without limiting any of the foregoing:

- (a) This Agreement is made subject and subordinate to each Bond Resolution.
- (b) In conflicts between this Agreement and any Bond Resolution, such Bond Resolution shall govern.
- (c) So long as any Bonds secured by a Bond Resolution are outstanding, all Airport Revenue, including interest income, shall be deposited, maintained, and paid as set forth in such Bond Resolution.

## **ARTICLE XX QUIET ENJOYMENT**

Upon payment of all the amounts due hereunder and the observance and performance by Airline of all the provisions on Airline's part to be observed and performed pursuant to this Agreement, Airline may peaceably and quietly enjoy the Exclusive Use Space, subject to the provisions of this Agreement and to any mortgages, deeds of trust, bond indentures, security interests, liens and other encumbrances secured by the Airport or its revenues.

## **ARTICLE XXI AIRPORT RULES AND REGULATIONS**

Airline shall comply with the Airport Rules and Regulations. Airline acknowledges that the Airport Rules and Regulations are available on the Authority's webpage (hollywoodburbankairport.com), and Airline may obtain a hard copy from the Authority upon request. Violations of the Airport Rules and Regulations by Airline or its personnel shall be punishable as stated in the Airport Rules and Regulations including by administrative fines. The Authority shall not be responsible to Airline for the nonperformance of any other airline, tenant, occupant, licensee, concessionaire or user of the Airport of any of the Rules and Regulations. All such Airport Rules and Regulations shall be enforced by the Authority in a non-discriminatory manner.



## **ARTICLE XXII CONFIDENTIAL INFORMATION**

22.01 Prohibition Against Disclosure. Each party covenants and agrees, for itself and its employees, agents, representatives and contractors, that, except as provided in Section 22.02, such party and its employees, agents, representatives and contractors shall maintain and keep in strict confidence and shall not disclose to any other person or entity any Confidential Information relating to the other party or the other party's business or properties. Each party acknowledges and understands that legal remedies may not be adequate in connection with a breach of the provisions of this Article, and, therefore, each party consents to injunctive relief in connection with the enforcement of this Article.

22.02 Permitted Disclosures. Notwithstanding the provisions of Section 22.01, each party shall have a right to disclose Confidential Information (i) to such party's officers, employees, agents, representatives, contractors and consultants as may be necessary in connection with the performance of this Agreement and of such persons' duties; (ii) in connection with litigation, including in response to discovery requests; (iii) in connection with any applicable law or any Agency, including any and all notices, plans or other documents required to be filed with any regulatory agency; (iv) in connection with the California Public Records Act; (v) in connection with the issuance by the Authority of Bonds; (vi) in connection with the Authority's application for or compliance with the requirements of any funding program, grant or other financing; (vii) in connection with the preparation and issuance of financial statements of such party; or (viii) as otherwise is required by law.

22.03 Exclusion from Definition. Notwithstanding the provisions of Section 22.01, the term "Confidential Information" shall not include any information relating to a party to the extent that the information: (i) was already known by the other party at the time of disclosure to the other party; (ii) is or becomes publicly available through no fault of the other party; or (iii) is disclosed by the other party to a third party, provided that at the time of such disclosure such third party was lawfully in possession of such information.

22.04 Survival. The provisions of this Article shall survive expiration or termination of this Agreement.

## **ARTICLE XXIII COVENANT NOT TO GRANT MORE FAVORABLE TERMS**

23.01 Authority Covenant. The Authority covenants and agrees not to enter into any lease, contract or any other agreement with any other certificated air carrier containing more favorable terms than this Agreement, or to grant to any certificated air carrier engaged in Air Transportation, rights, privileges or concessions with respect to the Airport which are not accorded Airline under this Agreement, unless the same rights, terms and privileges are concurrently made available to Airline; provided, however, this covenant shall not extend to Exclusive Use Space, or any leases, contracts or other agreements in effect as of the date hereof with any other certificated air carrier or to any leases, contracts or other agreements with any carrier operating only aircraft of less than 30,000 pounds gross weight.



23.02 Agreement with Other Aircraft Operator. In the event that any aircraft operator shall undertake any operation at the Airport for Air Transportation, the Authority shall require, to the extent legally permissible, such other aircraft operator to execute and deliver an agreement, permit, lease or contract with the Authority providing for:

(a) The payment of landing fees at rates and on such other terms and conditions as are not less than those rates or terms and conditions currently in effect for the Signatory Airlines;

(b) The payment of rental for any space leased from the Authority in the Replacement Passenger Terminal-Building at rates not less than those rates then payable by the Signatory Airlines for similar space or, if space has been constructed by the Authority for such operator, then at rates that compensate the Authority for the cost of providing, maintaining, operating and administering such space over the term of the agreement with such operator;

(c) The payment for the use by such aircraft operator for all common leased areas and operating costs of all baggage handling or passenger service systems, calculated and billed to such operator as in the case of the Signatory Airlines; and

(d) The rent and landing fees for such aircraft operator shall be at least 135% of the rates payable by the Signatory Airlines; and in any event, the landing fees payable by such aircraft operator shall not be less than \$1.56 per 1,000 pounds of Maximum Gross Landing Weight.

#### **ARTICLE XXIV AIRLINES COMMITTEE**

24.01 Airline Representative. With respect to all matters required or permitted hereunder to be approved by the Signatory Airlines or a Majority-In-Interest, and further with respect to any other matter arising pursuant to this Agreement, Airline appoints and will continue to permit a representative to act in its behalf. Such person is and shall be Airline's designated representative on the AAAC.

24.02 Approval. Whenever in this Agreement approval of an act, thing or document is required or permitted by a Majority-In-Interest of Signatory Airlines, such act may be taken, such thing may be done or such document shall be considered approved if a Majority-In-Interest as certified by the then Chairman of the AAAC, has not objected in writing. The Authority, Signatory Airlines, and all affected third parties may rely upon such approval as conclusively binding on Airline.

#### **ARTICLE XXV SECURITY DEPOSIT**

25.01 Security Deposit.

(a) To guarantee the faithful performance by Airline of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder, Airline shall deposit with the Authority on the Commencement Date an irrevocable letter of credit, surety bond or cash ("Security Deposit") in the amount equal to three times the estimated monthly Rental and



Landing Fees due during the first full Fiscal Year after the Commencement Date, as determined by the Authority. The Authority may use the Security Deposit to pay delinquent rentals, fees and other charges payable by Airline hereunder (including PFCs) in order to ensure prompt payment thereof. Airline shall be obligated to maintain such Security Deposit during the term of this Agreement.

(b) If the Security Deposit shall be in the form of an irrevocable letter of credit or surety bond, then such Security Deposit shall be in a form and with a company reasonably acceptable to Authority and licensed to do business in the State. In the event that any such Security Deposit shall be for a period less than the full period required by this Section or if the Security Deposit shall be canceled, Airline shall provide a renewal or replacement Security Deposit for the remaining required period at least 60 days prior to the date of the expiration or cancellation of such Security Deposit and it shall contain a provision allowing for a draw on the then Existing Security Deposit if a renewal or replacement is not provided by such date.

(c) The Authority shall not pay interest on the Security Deposit and shall not be required to keep the Security Deposit separate from its other funds and accounts. If Airline shall have fully performed all terms and conditions of this Agreement, any cash constituting the Security Deposit shall be paid to Airline no later than 30 days after the Expiration Date, without interest; provided, however, if the provisions of Section 2.04 apply, the Authority shall retain such Security Deposit.

**25.02 Continuing Obligation.** The obligation of Airline to provide and maintain the Security Deposit mentioned above shall be a continuing obligation in the nature of a payment obligation. In the event Authority is required to draw down or collect against Airline's Security Deposit for any reason, Airline shall, within 10 business days after Authority's written notice to Airline of such draw down or collection, take such action as may be necessary to replenish the existing Security Deposit to its original amount or to provide additional or supplemental Security Deposit from another source so that the aggregate of all Security Deposits is equal to the required amount. The Authority shall not be barred from drawing down or collecting against Airline's Security Deposit by: (i) the insolvency of Airline; (ii) the election of Airline to take the benefit of any present or future insolvency statute; (iii) a general assignment by Airline for the benefit of creditors; or (iv) any action of Airline to seek a reorganization or the readjustment of its indebtedness under any law including the filing by Airline of a voluntary petition of bankruptcy or the institution of proceedings against Airline or the adjudication of Airline as bankrupt.

## **ARTICLE XXVI MISCELLANEOUS**

**26.01 JPA Supermajority Vote Requirement Incorporation.** The Supermajority Vote requirements of Section 2.3.5 of the Authority's governing Amended and Restated Joint Exercise of Powers Agreement, which apply to certain decisions of the Authority Commission, are incorporated by reference.



26.02 Depreciation / Tax Credit Claim Waiver. Airline hereby makes an irrevocable election (binding on itself and all successors in interest, if any) that it will not claim depreciation or investment tax credits with respect to any of the property being leased hereunder.

26.03 Offset Statement.

(a) Airline shall from time to time, upon not less than 10 days' prior written notice from the Authority, execute, acknowledge and deliver to the Authority a statement in writing:

(1) Certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect).

(2) Setting forth the dates to which the Rental, Common Use Fees, Landing Fee and other charges, if any, are paid.

(3) Acknowledging that there are not, to Airline's knowledge, any uncured defaults on the part of the Authority hereunder (or specifying such defaults if any are claimed).

(b) Any such statement may be relied upon by any encumbrancer of the Premises or any other areas of the Airport. Airline's failure to deliver such statement within such time shall be conclusive evidence upon Airline that:

(1) This Agreement is in full force and effect, without modification except as may be represented by the Authority;

(2) There are no uncured defaults in the Authority's performance; and

(3) Not more than one month's installment of the Rental, Common Use Fees or Landing Fee has been paid in advance.

26.04 Notices. Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed in Section 1.01, or to such other addresses as the parties may, from time to time, designate in writing. Any notice delivered by e-mail that concerns breach or termination of this Agreement shall concurrently be sent by deposit in the United States mail, postage prepaid but such notice shall be deemed received on the day of e-mail delivery.

26.05 Recording. Airline shall not record this Agreement without the prior written consent of the Authority. In the event the Authority consents to recordation of this Agreement or a memorandum thereof, any documentary transfer taxes shall be paid by Airline.

26.06 Governing Law. This Agreement shall be governed by and construed pursuant to the law of the State of California.



26.07 Attorney Fees. In the event of any action or proceeding (including any bankruptcy proceeding) to enforce or construe any of the provisions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to attorney fees and costs.

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

26.09 Nonliability of Individuals. No commissioner, councilman, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

26.10 Generally Accepted Accounting Principles. Whenever any report or disclosure referred to in this Agreement consists, either in whole or in part, of financial information, such report or disclosure shall be prepared in accordance with generally accepted accounting principles.

26.11 No Representations by the Authority. Airline acknowledges that neither the Authority nor any of the Authority Parties have made any representations, warranties or promises with respect to the Premises or any other areas of the Airport, except as herein expressly set forth. Airline acknowledges that it has not executed this Agreement in reliance upon any representations, warranties or promises of the Authority or any of the Authority Parties, with respect to the Airport, the Premises or any other areas of the Airport, except as herein expressly set forth.

26.12 Relationship Between Parties. Nothing contained in this Agreement shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto, other than the relationship of landlord and tenant and licensor and licensee. Neither the Authority nor Airline are the legal representatives or agents of the other party for any purpose whatsoever and neither party shall have the power or authority to assume or create, in writing or otherwise, any obligation or responsibility of any kind, express or implied, to transact business, to make any warranty or otherwise to act in any manner in the name of or on behalf of the other party. This Agreement shall not be construed as constituting or creating a partnership between the Authority and Airline or as creating any other form of legal association between the Authority and Airline which would impose liability upon one party for the act or the failure to act of the other party.



26.13 Trademarks. ~~Airline~~Each party acknowledges and agrees that any and all names, trademarks, tradenames and logos (collectively, “Trademarks”) owned or used by the ~~Authority~~other party are proprietary to ~~the Authority~~that party, and ~~Airline~~the other party shall not, without express written consent, use any of the Trademarks for any purpose whatsoever. (provided that the delivery of such Trademark to the other party upon request shall be deemed express consent without additional writing or explanation).

26.14 Survival. Expiration or termination of this Agreement shall not affect rights or obligations of the parties expressly designated as continuing.

26.15 Successors and Assigns. The provisions contained in this Agreement shall bind and inure to the benefit of the Authority, Airline and, except as otherwise provided in this Agreement, their respective successors and assigns.

26.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

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

26.18 Entire Agreement. This Agreement (and the attached Exhibits) represents the entire and integrated contract between the parties regarding Airline’s use of the Airport. Subject to Section 1.04, this Agreement supersedes all prior oral or written negotiations, representations and contracts related to Airline’s use of the Airport. This Agreement may not be amended, nor any provision or breach waived, except in a writing that is signed by the parties and that expressly refers to this Agreement.

**[SIGNATURES ON FOLLOWING PAGE]**



**EXECUTED:**

[airline name]

[use this signature block if Airline is a corporation]

\_\_\_\_\_  
☐ Chairperson ☐ President ☐ Vice President

\_\_\_\_\_  
☐ Secretary ☐ Asst. Secretary  
☐ Chief Finance Officer ☐ Asst. Treasurer

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

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

[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.]

[use this signature block if Airline is a limited liability company]

\_\_\_\_\_  
Manager

\_\_\_\_\_  
Manager

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

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

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
President

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

Approved as to form:

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



**EXHIBIT A**  
**Airport Layout Plan**

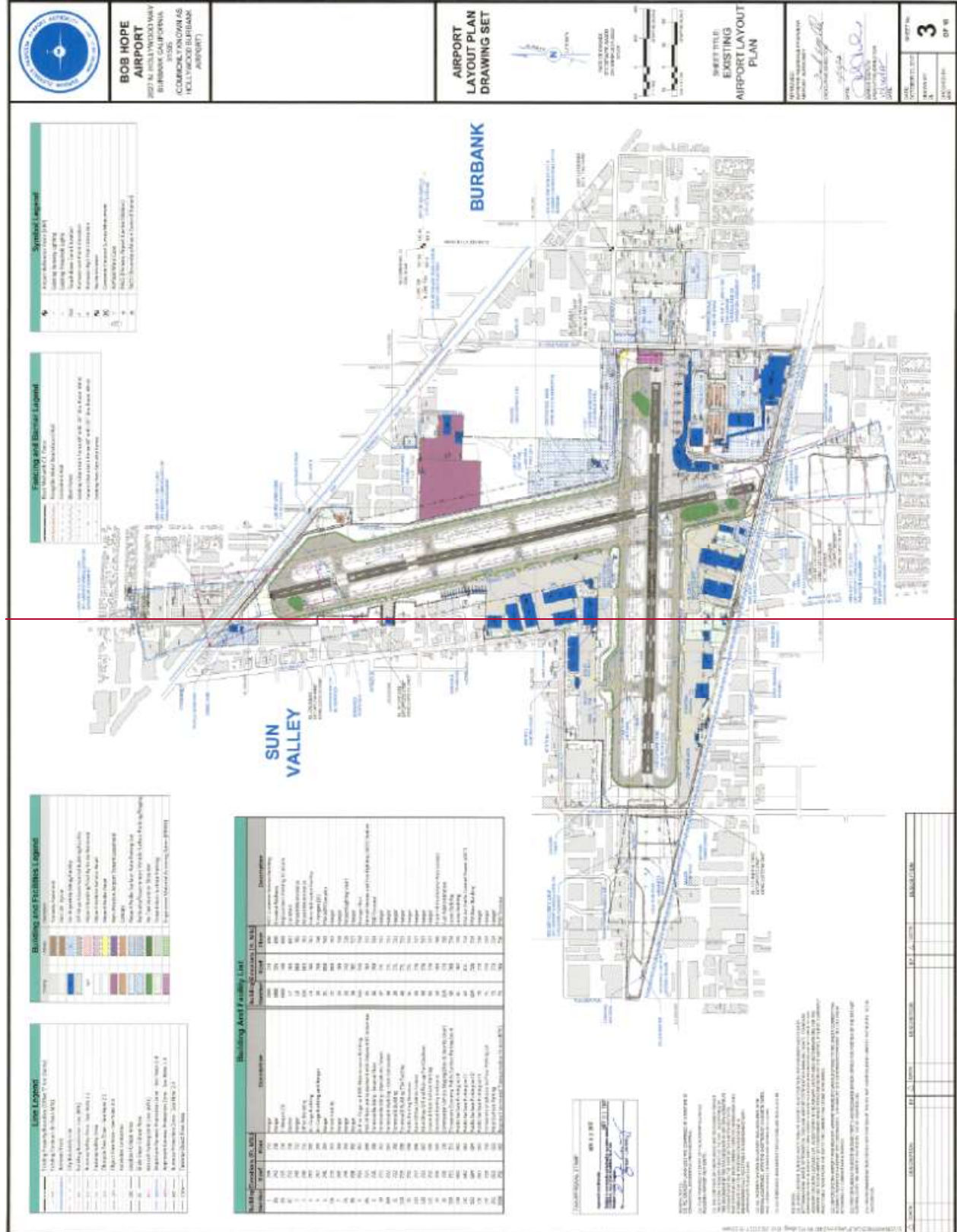
See Attached Plot Plan

**EXHIBIT**



|





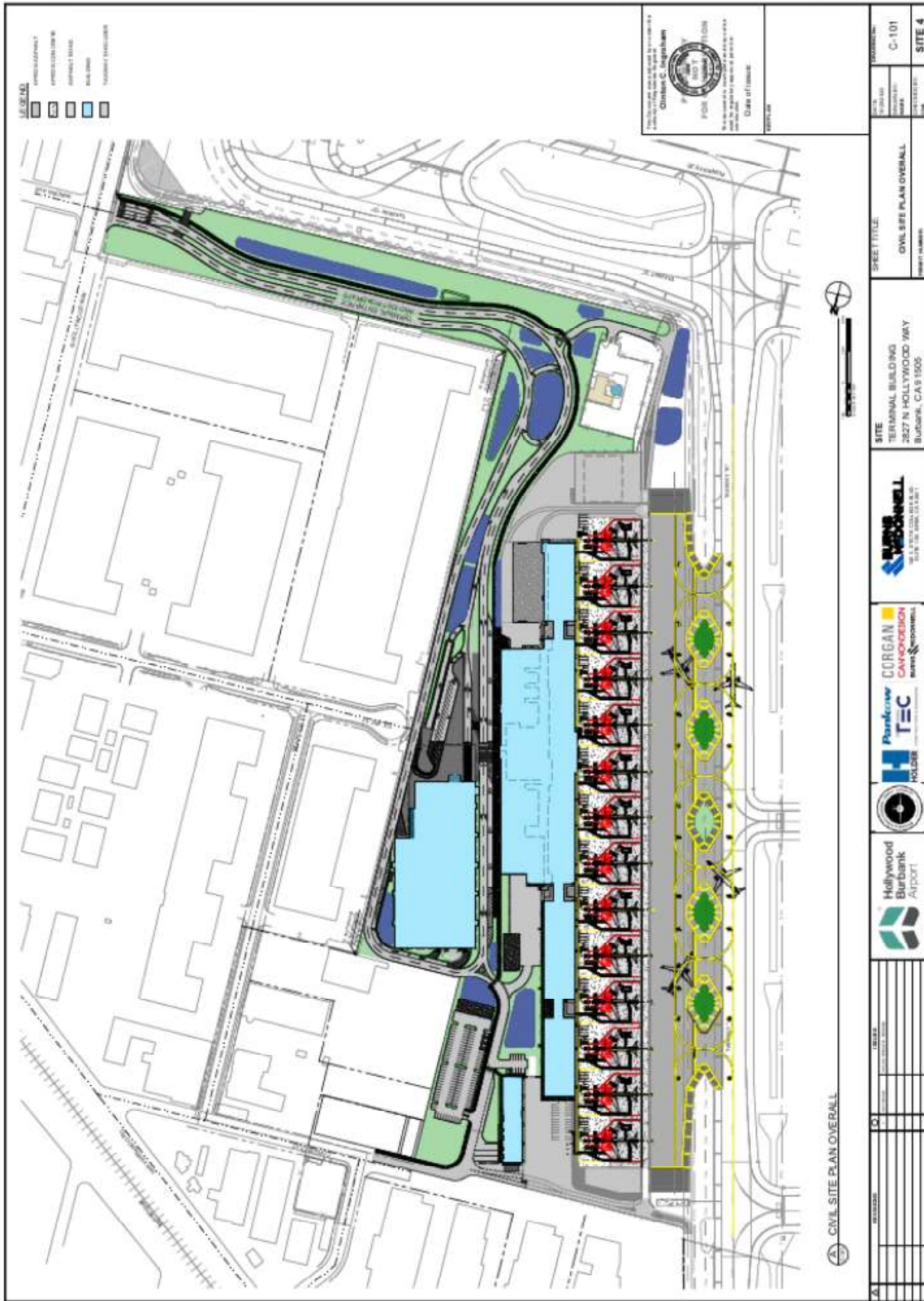


**EXHIBIT B**  
**Description of Apron Area**

See attached plot plan for layout of such space at Airport.

See Attached Plot Plan







## EXHIBIT C

### Airport Cost Centers

<u>Code Number</u>	<u>Title and Descriptive Use</u>
TERMINAL BUILDING AREA: <i>(Replacement Passenger Terminal Cost Center)</i>	
4-01-30	Maintenance Airport Terminal Building
4-01-31	Operations, Security Airport Terminal Building
4-01-33	Non-Operating Expenses
4-01-35	TV and Movie Location
4-01-40	Operations, Land Side
PARKING AND ROADWAY AREA: <i>(Parking and Roadway Cost Center)</i>	
4-02-21	Maintenance
4-02-22	Parking Operations
4-02-23	Operations, Security
4-02-24	Non-Operating Expenses
AIRFIELD AREA: <i>(Airfield Cost Center)</i>	
4-03-40	Operations, Air Side
4-03-80	Maintenance Runways, Taxiways, & Perimeter Roadway
4-03-82	Operations, Security Runways, Taxiways, & Perimeter Roadway
4-03-84	Non-Operating Expenses
LEASED BUILDINGS AND AREAS: <i>(Other Buildings and Areas Cost Center)</i>	
4-04-08	Maintenance based Buildings & Areas
4-04-10	Operations, Security-Leased Buildings & Areas
4-04-36	Airport Authority Areas or Facilities
4-04-38	Non-Operating Expenses

*Airport Cost Center* - Each Airport Cost Center is allocated a portion of the following expenses:  
based on direct expenses and pro rata share of indirect costs:

ADMINISTRATIVE:	
4-05-01	Administrative Overhead
PUBLIC RELATIONS:	
4-06-01	Public Relations
NOISE:	
4-06-02	Noise Related
AIRPORT DEVELOPMENT:	
4-07-01	Airport Development Fund



**EXHIBIT D**  
**Notice Abatement Rules**

Authority Commission Resolution No. 471

(attached)



**EXHIBIT E**  
**Landing Fees Report Form**

(attached)



AIRLINE:
MONTH:
YEAR:



Name:		
Phone #:		
Email:		

## NUMBER OF LANDINGS

[illegible][illegible]

Per 1,000 lbs.

[illegible]

Total:

STATISTICAL DATA			
	INBOUND	OUTBOUND	TOTAL
NO. OF FLIGHTS			-
PASSENGERS			-
NO. OF NON-REVENUE			
PASSENGERS			-
NO. OF CONNECTING			
PASSENGERS			-
AIR CARGO (POUNDS)			
MAIL (POUNDS)			-

I certify that the information submitted in this report is true and correct.

Please complete and return the signed report, along with applicable supporting documents and payment to the Airport Authority ***on or before the 20th of the month*** for the previous month's activity to:

**Burbank-Glendale-Pasadena Airport Authority**  
2627 Hollywood Way  
Burbank, CA 91505  
Attn: Accounting/Finance Department

Additionally, please email the completed electronic version of the report to [landingfee@bur.org](mailto:landingfee@bur.org).

DATE	SIGNATURE
NAME	TITLE



AIRLINE:
MONTH:
YEAR:

## CONTACT INFORMATION

Name:	
Phone #:	
Email:	

**REPORT ALL LANDINGS FOR THE MONTH BY AIRCRAFT MAKE AND MODEL, NUMBER OF LANDINGS AND STATISTICAL DATA.**

## NUMBER OF LANDINGS

[illegible]

## STATISTICAL DATA

STATISTICAL DATA			
	INBOUND	OUTBOUND	TOTAL
NO. OF FLIGHTS			-
PASSENGERS			-
NO. OF NON-REVENUE PASSENGERS			-
NO. OF CONNECTING PASSENGERS			-
MAIL CARGO (POUNDS)			-
MAIL (POUNDS)			-

**TOTAL LANDING FEE DUE:**

Please complete and return the signed report, along with applicable supporting documents and payment to the Airport Authority **on or before the 20th of the month** for the previous month's activity to:

**Burbank-Glendale-Pasadena Airport Authority**  
2627 Hollywood Way  
Burbank, CA 91505  
**Attn: Accounting/Finance Department**

Additionally, please email the completed electronic version of the report to [landingfee@bur.org](mailto:landingfee@bur.org)

I certify that the information submitted in this report is true and correct.

<b>SIGNATURE</b>	<b>TITLE</b>
<b>DATE</b>	<b>NAME</b>



**EXHIBIT F**  
**Tenant Improvement Request Form**

**~~REQUEST FOR APPROVAL~~**  
**~~PROPOSED TENANT IMPROVEMENT~~**

**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. ~~PRELIMINARY APPROVALS~~**

Airport Administration: Approved/Disapproved \_\_\_\_\_ Date \_\_\_\_\_

Comments \_\_\_\_\_

Airport Engineering: Approved/Disapproved \_\_\_\_\_ Date \_\_\_\_\_

Comments \_\_\_\_\_

Airport Operations: Approved/Disapproved \_\_\_\_\_ Date \_\_\_\_\_

Comments \_\_\_\_\_

**3. ~~FINAL REVIEW AND APPROVAL~~**

Airport Operations (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

Contracts & Properties (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

Engineering Department (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

Environmental & Noise (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

Fire Department (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

IT Department (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

Maintenance Department (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

Safety & Security (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_

**4. ~~PRE CONSTRUCTION~~**

Contractor \_\_\_\_\_ License # \_\_\_\_\_

Address \_\_\_\_\_

Contract Price \_\_\_\_\_ Phone # \_\_\_\_\_

Construction Commencement Date \_\_\_\_\_ End Date \_\_\_\_\_

\*\*\*Be sure to have a Certificate of Insurance, Material and Labor Bond and an Indemnification & Defense Agreement.

Tenant Representative (Signed) \_\_\_\_\_ Date \_\_\_\_\_

**5. ~~FINAL APPROVAL~~**

Airport Engineering (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_



**REQUEST FOR APPROVAL  
PROPOSED TENANT IMPROVEMENT**



**MUST BE SUBMITTED AT LEAST TEN BUSINESS DAYS PRIOR TO PROJECT  
START DATE. LARGER PROJECTS REQUIRE ADDITIONAL LEAD TIME.**

**1. INFORMATION**

Tenant \_\_\_\_\_ Building # \_\_\_\_\_  
Name of Contact \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_ Email: \_\_\_\_\_  
Describe Proposed Improvements \* \_\_\_\_\_  
\_\_\_\_\_  
Estimated cost of improvements \_\_\_\_\_  
Estimated start date \_\_\_\_\_ Completion date \_\_\_\_\_

\*\*\*Attach sketches or drawings as required to clearly indicate the type, size, height  
and location of proposed improvements\*\*\*

**2. PRE-CONSTRUCTION**

Contractor \_\_\_\_\_ License # \_\_\_\_\_  
Address \_\_\_\_\_  
Contract Price \_\_\_\_\_ Phone # \_\_\_\_\_  
Construction Commencement Date \_\_\_\_\_ End Date \_\_\_\_\_

\*\*\*Applicant must submit required Certificate of Insurance, Material and Labor Bond  
two weeks prior to the start of construction\*\*\*

Tenant Representative (Signed) \_\_\_\_\_ Date \_\_\_\_\_

**3. INITIAL APPROVALS**

Operations	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Business & Properties	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Engineering Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Environmental & Noise	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Fire Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
ICT Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Maintenance Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Safety Department	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		
Police & Security	(Approver) _____	Date _____	Pre-Con Needed (Y/N)
Comments	_____		

**4. FINAL APPROVAL**

Airport Administration (Reviewed by) \_\_\_\_\_ Date \_\_\_\_\_



## INSTRUCTIONS FOR COMPLETING THIS FORM

The following procedures are to be followed by all Airport Tenants desiring to make improvements to their leasehold. Close adherence to the procedures and regulations outlined below will greatly aid in expediting the processing and approval of each Proposed Improvement.

1. ~~1.~~ Tenant shall complete Section 1 and 2 of this form and submit to: Burbank-Glendale-Pasadena Airport Authority, ~~Administration~~Business, Property and Administrative Services Department, 2627~~5~~ Hollywood Way, Burbank, CA 91505.
2. ~~2.~~ Upon receipt of this Request Form, ~~Airport Administration~~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. ~~3.~~ ~~The Airport Administration and Engineering departments~~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.
- ~~3.4.~~ 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. ~~Upon completion the form will be returned to the Tenant. The form will indicate whether preliminary approval has been granted, and if not granted, the reason for denial.~~
4. ~~Upon receipt of preliminary approval, the Tenant shall proceed with preparing 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 Airport Engineering for review by the Airport Operations Department, Airport Safety & Security, Airport Maintenance, Airport Fire Department, Authority Insurance Underwriter, and final review and approval by Airport Administration.~~
- ~~4.5.~~ ~~5.~~ ~~After the plans have received final approval and the Tenant has received written confirmation of this approval on this form, the Tenant shall then complete Section 4 and re-submit this form to the Authority, notifying Engineering of their intent to begin construction. Prior to receiving approval to begin~~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 ~~form~~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.
- ~~5.6.~~ ~~6.~~ All Tenants shall, within thirty (30) days after completion, submit to ~~Airport Engineering~~Business, Property and Administrative Services Department one set of ~~"as built"~~"as built" plans. Also, an itemized summary of construction costs shall be forwarded to ~~Airport Administration~~Business, Property and Administrative Services Department. The itemized summary shall be signed by the contractor and notarized.

NOTES: ~~(a)~~ (a) For smaller projects costing less than \$5,000, the Authority may, at its discretion, waive any or all of the above requirements.

~~(b)~~ (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

### INSURANCE

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 <u>for each occurrence.</u> <u>\$1,000,000 for Personal Injury</u> for each occurrence. <del>\$1,000,000 for Personal Injury for each occurrence.</del>
Comprehensive Automobile Liability:-	\$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence.
Workers' Compensation:-	California statutory requirements

Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with ~~Airport Engineering. Each of such~~ 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 ~~such~~ said bond shall be forwarded to Airport Engineering.

## INDEMNIFICATION & DEFENSE AGREEMENT

The Tenant and its Contractor agree to and do hereby indemnify, defend and hold harmless the Burbank-Glendale-Pasadena Airport Authority, and its officers, agents, employees and contractors from all claims, demands, liabilities, losses, damages, costs and expenses, of any nature whatsoever, caused by or arising from, directly or indirectly, any act or omission (including, without limitation, negligent acts, negligent omissions, willful misconduct and any violation of the terms of that certain Lease between Tenant and Authority in, on or near the Bob Hope Airport by Contractor, or its subcontractors, agents or employees (including without limitation work done by Contractor for Tenant on Tenant's leased premises)).

### PREVAILING WAGES

As part of Tenant's obligations under the terms of the Lease to comply with applicable law, Tenant acknowledges and agrees that if Tenant is provided improvement funds from the Burbank-Glendale-Pasadena Airport Authority, or a rent credit based on timely construction of improvements, then Tenant shall (and shall cause its contractors to) pay prevailing wages for such improvements and shall otherwise comply with California Labor Code Sections 1720 et seq. (including all recordkeeping and reporting requirements).



**EXHIBIT G**  
**Request for Extension**

[insert Airline's  
contact information]

Re: Request for Extension of Airport Use Agreement

The Burbank-Glendale-Pasadena Airport Authority (“Authority”) hereby requests \_\_\_\_\_ (“Airline”) to extend the Stated Expiration Date of the Airport Use Agreement, dated \_\_\_\_\_, 20\_\_\_\_ (the “Airport Use Agreement”), by and between Airline and Authority to \_\_\_\_\_. This Request for Extension (this “Request”) is being delivered by the Authority to Airline pursuant to Section 2.02(c) of the Airport Use Agreement.

Capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Airport Use Agreement.

Dated: \_\_\_\_\_, 20\_\_\_\_\_

BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY

By: \_\_\_\_\_  
Authorized Representative



**EXHIBIT H**  
**Certificate of Acceptance**

Burbank-Glendale-Pasadena  
Airport Authority  
2627 Hollywood Way  
Burbank, California 91505  
Attention: Executive Director

Re: Request for Extension of Airport Use Agreement

\_\_\_\_\_ (“Airline”) hereby consents to the request by the Burbank-Glendale-Pasadena Airport Authority (“Authority”) to extend the Stated Expiration Date of the Airport Use Agreement, dated \_\_\_\_\_, 20\_\_\_\_ (the “Airport Use Agreement”), by and between Airline and Authority. The Stated Expiration Date of the Airport Use Agreement shall be \_\_\_\_\_. This Certificate of Acceptance is delivered pursuant to Section 2.02(c) of the Airport Use Agreement.

Capitalized terms used but undefined herein shall have the meanings ascribed thereto in the Airport Use Agreement.

Dated: \_\_\_\_\_, 20\_\_\_\_

[AIRLINE]

By: \_\_\_\_\_  
Authorized Representative



**EXHIBIT I**  
**DESCRIPTION OF EQUIPMENT**  
**TO BE OPERATED AND MAINTAINED BY CONSORTIUM\***

Out-bound Baggage Conveyor Systems

In-line Baggage Screening Conveyor Systems

In-bound Baggage Conveyor Systems

Baggage Claim Carousels

Electric Battery Charger System for Ground Service Equipment (Airside)

Common Use Passenger Processing System hardware (including but not limited to desktop computers, keyboards, monitors, printers, reading devices, self-service kiosks, flight and baggage flight information displays, ticket counter baggage scales and telephone support systems) and software

Aircraft Boarding Equipment

Spare Parts Inventory

Curbside Skycap Counter ~~and Baggage Conveyor~~



\* The Consortium scope of work will be finalized upon formation of the Consortium. In the event the Consortium pursuant to Section 8.03 is not formed by the Commencement Date, the Authority shall operate and maintain the Equipment until such time the Consortium is formed, whenever that may be. For clarification, the Authority's cost and expenses to operate and maintain the Equipment will be included in the rate base for calculating rent and fees under this Agreement.



**EXHIBIT J**  
**Inspection Form**  
**(Sample Only)**

**Bob Hope Airport – In-line EDS Baggage Inspection**  
**Mechanical Dynamic Inspection – Node 1: ‘A’ Carriers**

**Sunday**

Page 1 of 2

	Item to be Verified / Tested	AC-100	N1-102	N1-103	N1-104	N1-105	N1-106	N1-107	N1-108
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight	Night	Night	Night					
9	Grease								

Notes:

	Item to be Verified / Tested	N1-109	N1-110	N1-201	N1-202	N1-203	N1-204	N1-205	N1-206
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

	Item to be Verified / Tested	N1-207	N1-208	N1-209	N1-210	N1-211	N1-212	N1-117	N1-118
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

Date:

Time: \_\_\_\_\_

Employee: \_\_\_\_\_



**Bob Hope Airport – In-line EDS Baggage Inspection  
Mechanical Dynamic Inspection – Node 1: ‘A’ Carriers**

**Sunday**

Page 2 of 2

	Item to be Verified / Tested	AC-1	AC-2	N1-400	N1-401	N1-200	N1-111	N1-112	N1-113
1	Gearbox Temp								
2	Motors Amp Draw					Night Work			
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight	Night Work	Night Work	Night Work	Night Work				
9	Grease								

Notes:

	Item to be Verified / Tested	N1-114	N1-115	N1-116	N1-303	N1-304	N1-301	N1-302	N1-213
1	Gearbox Temp								
2	Motors Amp Draw								
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

	Item to be Verified / Tested	N1-214	N1-215	N1-300	N1-216	N1-217	N1-218	N1-219	N1-MU1
1	Gearbox Temp								
2	Motors Amp Draw			Night Work					Night Work
3	Belt tracking								
4	Excessive vibration								
6	Abnormal noises								
7	Bearing temp								
8	Photo eye - Aligned & Tight								
9	Grease								

Notes:

Date:

Time: \_\_\_\_\_

Employee: \_\_\_\_\_



## **EXHIBIT K**

### **AIP Requirements**

For purposes of this Exhibit, the term “Contractor” means “Airline.”

#### **1. General Civil Rights Provisions**

A. In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

B. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

C. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

#### **2. Civil Rights – Title VI Assurance**

A. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

6. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);



7. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

B. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities,



including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3.     Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4.     Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5.     Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a.     Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b.     Cancelling, terminating, or suspending a contract, in whole or in part.

6.     Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.



**EXHIBIT L**  
**Form of RPT Funding Plan and 5-Year CPE Projection Report**  
**(per Section 5.03)**

See Attached



## Table L-1 PROJECT FUNDING SOURCE

TABLE L-1 PROJECT FUNDING SOURCES

November 13, 2023 - Draft Preliminary and Subject to Change

	2024 BONDS	2026 BONDS	AIP GRANTS	BIL - AIG	BIL - ATP	PFC	FDR	Total
Terminal Building	\$336,956,533	\$144,409,943		\$12,794,137	\$30,000,000	\$17,105,498	\$100,000,000	\$641,266,111
Sitework	72,178,631	30,933,699	32,846,847	15,622,840		20,420,690		\$172,002,707
Support Facilities	10,039,156	4,302,496						\$14,341,652
Parking Garage	230,600,723	98,828,881						\$329,429,604
Roadways	2,117,645	907,562						\$3,025,207
Airside	20,493,155	8,782,781	22,853,153			7,617,719		\$59,746,808
Demolition Terminal & Parking Garage	0	14,155,077		11,473,322		3,259,513		\$28,887,912
<b>Total</b>	<b>\$672,385,843</b>	<b>\$302,320,438</b>	<b>\$55,700,000</b>	<b>\$39,890,299</b>	<b>\$30,000,000</b>	<b>\$48,403,420</b>	<b>\$100,000,000</b>	<b>\$1,248,700,000</b>



TABLE L-2 CASH FLOW AND DEBT SERVICE COVERAGE  
November 13, 2023 - Draft Preliminary and Subject to Change

(For Fiscal Years Ending June 30)

	BUDGET FY 2024	PROJECTED					
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
NET REVENUES							
Total Signatory Airline Revenues	\$6,258,017	\$6,323,440	\$59,110,611	\$91,989,396	\$95,422,124	\$96,875,254	\$97,245,733
Total Non-Signatory (Cargo) Airline Revenues	\$397,018	\$422,014	\$440,363	\$781,968	\$833,566	\$873,931	\$897,794
Total Non-Airline Revenues	61,788,996	66,886,522	71,916,571	73,442,723	74,965,195	76,502,670	78,072,765
Total Non-Operating Revenues <sup>1</sup>	5,450,000	1,942,222	1,811,284	1,811,284	1,811,284	1,811,284	1,811,284
Debt Service Coverage Fund Interest	0	0	0	0	0	0	0
Total Pledged Revenues	73,894,031	75,574,198	133,278,829	168,025,373	173,032,170	176,063,139	178,027,576
Less: Operating Expenses	(64,077,394)	(62,235,172)	(67,073,829)	(69,811,655)	(71,908,050)	(74,851,656)	(77,091,774)
Net Revenues	9,816,637	13,339,026	66,205,001	98,213,717	101,124,120	101,211,483	100,935,802
RATE COVENANT: SECTION 6.05(a)							
Net Revenues	\$ 9,816,637	\$ 13,339,026	\$ 66,205,001	\$ 98,213,717	\$ 101,124,120	\$ 101,211,483	\$ 100,935,802
Add: Offsets to Debt Service							
PFC Revenue applied to Debt Service	0	0	0	0	0	0	0
CFC Revenue applied to Debt Service	4,600,000	4,808,859	4,913,586	5,018,849	5,124,838	5,231,520	5,338,634
Less:							
Debt Service on Existing Bonds	(10,399,933)	(5,832,439)	(5,835,069)	(5,835,469)	(5,833,360)	(5,833,464)	(5,835,225)
Debt Service on Future GARs	0	0	(59,266,866)	(92,037,488)	(96,891,500)	(96,873,638)	(96,879,182)
Commercial Paper Program Interest	(907,394)	(1,044,644)	(2,267,543)	(1,675,154)	0	0	0
Deposits to O&M Reserve Account	(2,101,957)	0	(749,109)	(684,457)	(524,099)	(735,902)	(560,030)
Deposits to Authority Discretionary Account	0	0	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Must Not Be Less Than Zero	1,007,352	11,270,803	0	0	0	0	0
DEBT SERVICE COVERAGE							
Net Revenues	\$ 9,816,637	\$ 13,339,026	\$ 66,205,001	\$ 98,213,717	\$ 101,124,120	\$ 101,211,483	\$ 100,935,802
Transfer <sup>2</sup>	0	0	9,030,435	17,853,916	20,875,907	20,632,994	20,783,914
Adjusted Net Revenues	\$ 9,816,637	\$ 13,339,026	\$ 75,235,436	\$ 116,067,634	\$ 122,000,027	\$ 121,844,477	\$ 121,719,716
Accrued Debt Service (on Series bonds)							
Debt Service	\$ 10,399,933	\$ 5,832,439	\$ 65,101,935	\$ 97,872,956	\$ 102,724,860	\$ 102,707,102	\$ 102,714,407
Less: Offsets to Debt Service							
PFC Revenue applied to Debt Service	0	0	0	0	0	0	0
CFC Revenue applied to Debt Service	(4,600,000)	(4,808,859)	(4,913,586)	(5,018,849)	(5,124,838)	(5,231,520)	(5,338,634)
Accrued Debt Service	\$ 5,799,933	\$ 1,023,580	\$ 60,188,349	\$ 92,854,107	\$ 97,600,022	\$ 97,475,582	\$ 97,375,773
Must Be At Least 1.25	1.69	13.03	1.25	1.25	1.25	1.25	1.25
APPLICATION OF REVENUES							
Cash and investments - Beginning Balance	\$ 195,901,701	\$ 129,481,495	\$ 120,752,298	\$ 120,752,298	\$ 120,752,298	\$ 120,752,298	\$ 120,752,298
Change in assets	1,007,352	11,270,803	0	0	0	0	0
Authority funds used for capital projects	(40,000,000)	(20,000,000)	0	0	0	0	0
Cash and investments - Ending Balance	\$ 156,909,053	\$ 120,752,298	\$ 120,752,298	\$ 120,752,298	\$ 120,752,298	\$ 120,752,298	\$ 120,752,298

NOTES:

- Non-operating revenues represent investment/interest income, which is equal to a rate of 1.5% applied to the cash and investments ending balance.
- The Authority intends to maintain an amount equal to 25 percent of the maximum annual debt service on outstanding GARs and Commercial Paper interest in the Coverage Fund to provide such a Transfer in FY 2028 and each subsequent fiscal year.



TABLE L-3 AVERAGE AIRLINE COST PER ENPLANED PASSENGER

November 13, 2023 - Draft Preliminary and Subject to Change

(For Fiscal Years Ending June 30)

	BUDGET FY 2024	PROJECTED					
		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Airline Terminal Space Rentals	\$2,147,614	\$2,147,614	\$54,023,715	\$83,108,458	\$86,116,630	\$87,287,677	\$87,569,030
Airline Landing Fee Revenues	4,110,403	4,175,826	5,086,896	8,880,938	9,305,494	9,587,577	9,676,703
<b>Total Airline Revenue</b>	<b>\$6,258,017</b>	<b>\$6,323,440</b>	<b>\$59,110,611</b>	<b>\$91,989,396</b>	<b>\$95,422,124</b>	<b>\$96,875,254</b>	<b>\$97,245,733</b>
Enplaned Passengers	3,150,748	3,293,805	3,365,537	3,437,637	3,510,234	3,583,305	3,656,672
<b>Average Airline Cost per Enplaned Passenger</b>	<b>\$1.99</b>	<b>\$1.92</b>	<b>\$17.56</b>	<b>\$26.76</b>	<b>\$27.18</b>	<b>\$27.04</b>	<b>\$26.59</b>
<b>Average Airline Cost per Enplaned Passenger (2023 dollars)</b>	<b>\$1.95</b>	<b>\$1.81</b>	<b>\$16.23</b>	<b>\$24.24</b>	<b>\$24.14</b>	<b>\$23.54</b>	<b>\$22.70</b>

February 28, 2024 – Subject to Change

	Terminal	Parking Facilities	Sitework	Roadways	Airside	Support Facilities	Demolition Terminal & Parking Garage	Total
AIP Grants	\$0	\$0	\$32,846,846	\$0	\$22,713,318	\$0	\$0	\$55,560,164
BIL-AIG	12,794,137	0	15,622,770	0	0	0	11,473,322	\$39,890,229
BIL-ATP	47,300,000	0	0	0	0	0	0	\$47,300,000
PFC	24,582,442	0	12,973,311	0	7,541,542	0	3,259,513	\$48,356,808
GARB/CP	566,090,748	267,811,694	124,555,188	4,367,580	36,063,716	25,395,307	19,535,267	\$1,043,819,500
FDR	100,000,000	0	0	0	0	0	0	\$100,000,000
<b>Total</b>	<b>\$750,767,327</b>	<b>\$267,811,694</b>	<b>\$185,998,115</b>	<b>\$4,367,580</b>	<b>\$66,318,576</b>	<b>\$25,395,307</b>	<b>\$34,268,102</b>	<b>\$1,334,926,701</b>



## TABLE L-2 CASH FLOW AND DEBT SERVICE COVERAGE

February 28, 2024 – Subject to Change

(For Fiscal Years Ending June 30)

		BUDGET FY 2024	PROJECTED							
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
NET REVENUES										
Total Signatory Airline Revenues		\$6,108,581	\$6,140,780	\$6,171,734	\$12,484,898	\$74,129,763	\$74,880,340	\$75,699,523	\$76,594,144	\$77,602,146
Total Non-Signatory (Cargo) Airline Revenues		\$397,018	\$409,325	\$422,014	\$929,070	\$1,203,143	\$1,273,289	\$1,348,116	\$1,426,296	\$1,511,632
Total Non-Airline Revenues		63,134,819	72,546,341	76,508,445	81,711,110	88,415,827	90,185,631	91,971,782	93,791,736	95,607,532
Total Non-Operating Revenues <sup>1</sup>		5,450,000	2,407,845	2,129,973	2,174,367	2,280,770	2,282,487	2,285,602	2,289,981	2,293,915
Debt Service Coverage Interest		0	0	0	0	0	0	0	0	0
Total Pledged Revenues		75,090,418	81,414,291	85,232,166	97,299,446	166,029,503	168,621,747	171,305,023	174,102,158	177,015,229
Less: Operating Expenses		(64,077,394)	(60,635,273)	(63,149,715)	(69,231,600)	(71,789,485)	(74,450,053)	(77,217,666)	(80,097,339)	(83,094,144)
Net Revenues		11,013,024	20,779,018	22,082,451	28,067,846	94,240,018	94,171,694	94,087,357	94,004,820	93,921,085
RATE COVENANT: SECTION 6.05(a)										
Net Revenues	\$	12,230,024	\$ 22,056,868	\$ 23,424,193	\$ 29,476,676	\$ 95,719,289	\$ 95,724,928	\$ 95,718,253	\$ 95,717,261	\$ 95,719,148
Add: Offsets to Debt Service										
PFC Revenue applied to Debt Service		0	0	0	0	0	0	0	0	0
CFC Revenue applied to Debt Service		4,600,000	5,251,493	5,367,841	5,484,742	5,602,241	5,720,550	5,833,464	5,835,225	5,833,087
Less:										
Debt Service on Existing Bonds		(10,399,933)	(5,833,134)	(5,832,439)	(5,835,069)	(5,835,469)	(5,833,360)	(5,833,464)	(5,835,225)	(5,833,087)
Debt Service on Future GARBs		0	0	0	(17,744,278)	(91,732,113)	(91,739,363)	(91,734,363)	(91,735,113)	(91,738,813)
Commercial Paper Program Interest		0	0	0	0	0	0	0	0	0
Deposits to O&M Reserve Account		(2,126,347)	0	0	(1,288,551)	(639,471)	(665,142)	(691,903)	(719,918)	(749,201)
Deposits to Authority Discretionary Account		0	0	0	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Must Not Be Less Than Zero		4,303,744	21,475,227	22,959,596	7,093,520	114,478	207,614	291,988	262,230	231,134
DEBT SERVICE COVERAGE										
Net Revenues	\$	12,230,024	\$ 22,056,868	\$ 23,424,193	\$ 29,476,676	\$ 95,719,289	\$ 95,724,928	\$ 95,718,253	\$ 95,717,261	\$ 95,719,148
Transfer <sup>2</sup>		0	0	0	0	19,237,386	19,090,287	18,949,700	18,951,630	18,954,368
Adjusted Net Revenues	\$	12,230,024	\$ 22,056,868	\$ 23,424,193	\$ 29,476,676	\$ 114,956,675	\$ 114,815,215	\$ 114,667,953	\$ 114,668,891	\$ 114,673,516
Accrued Debt Service (on Series bonds)										
Debt Service	\$	10,399,933	\$ 5,833,134	\$ 5,832,439	\$ 23,579,347	\$ 97,567,581	\$ 97,572,722	\$ 97,567,826	\$ 97,570,337	\$ 97,571,899
Less: Offsets to Debt Service										
PFC Revenue applied to Debt Service		0	0	0	0	0	0	0	0	0
CFC Revenue applied to Debt Service		(4,600,000)	(5,251,493)	(5,367,841)	(5,484,742)	(5,602,241)	(5,720,550)	(5,833,464)	(5,835,225)	(5,833,087)
Accrued Debt Service	\$	5,799,933	\$ 581,641	\$ 464,598	\$ 18,094,605	\$ 91,965,340	\$ 91,852,172	\$ 91,734,363	\$ 91,735,113	\$ 91,738,813
Must Be At Least 1.25		2.11	37.92	50.42	1.63	1.25	1.25	1.25	1.25	1.25
APPLICATION OF REVENUES										
Cash and investments - Beginning Balance	\$	196,219,257	\$ 160,523,001	\$ 141,998,228	\$ 144,957,824	\$ 152,051,344	\$ 152,165,822	\$ 152,373,436	\$ 152,665,424	\$ 152,927,654
Change in assets		4,303,744	21,475,227	22,959,596	7,093,520	114,478	207,614	291,988	262,230	231,134
Authority funds used for capital projects		(40,000,000)	(40,000,000)	(20,000,000)	0	0	0	0	0	0
Cash and investments - Ending Balance	\$	160,523,001	\$ 141,998,228	\$ 144,957,824	\$ 152,051,344	\$ 152,165,822	\$ 152,373,436	\$ 152,665,424	\$ 152,927,654	\$ 153,158,788

NOTES:

- 1 Non-operating revenues represent investment/interest income, which is equal to a rate of 1.5% applied to the cash and investments ending balance.
- 2 The Authority intends to maintain an amount equal to 25 percent of the maximum annual debt service on outstanding GARBs and Commercial Paper interest in the Surplus Fund to provide such a Transfer in FY 2028 and each subsequent fiscal year. It is assumed that each annual transfer shown for a given Fiscal Year would be made into the Surplus Fund before the beginning of the Fiscal Year.



TABLE L-3 AVERAGE AIRLINE COST PER ENPLANED PASSENGER

February 28, 2024 – Subject to Change

(For Fiscal Years Ending June 30)

	BUDGET FY 2024	PROJECTED							
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Airline Terminal Space Rentals	\$2,147,614	\$2,147,614	\$2,147,614	\$2,100,114	\$60,908,133	\$61,126,750	\$61,389,471	\$61,719,907	\$62,118,614
Airline Landing Fee Revenues	3,960,968	3,993,166	4,024,120	10,384,784	13,221,630	13,753,590	14,310,052	14,874,237	15,484,784
Total Airline Revenue	\$6,108,581	\$6,140,780	\$6,171,734	\$12,484,898	\$74,129,763	\$74,880,340	\$75,699,523	\$76,594,144	\$77,603,400
Enplaned Passengers	3,037,933	3,107,031	3,175,868	3,245,032	3,314,549	3,384,547	3,455,001	3,525,742	3,596,614
Average Airline Cost per Enplaned Passenger	\$2.01	\$1.98	\$1.94	\$3.85	\$22.36	\$22.12	\$21.91	\$21.72	\$21.59
Average Airline Cost per Enplaned Passenger (2023 dollars)	\$1.97	\$1.90	\$1.83	\$3.55	\$20.26	\$19.65	\$19.07	\$18.54	\$18.41

SOURCES: Burbank-Glendale-Pasadena Airport Authority, FY 2024 (Budget), September 2023; Ricondo & Associates, Inc., FY2025 - FY2032 (Projected), February 2024.



**EXHIBIT M**  
**Description of Common Use Space**

[To be attached when available before Commencement Date]



**EXHIBIT N**  
**Description of Exclusive Use Space**

[To be attached when available, see Section 4.01(b)(1)]