



December 30, 2025

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

NOTICE is hereby given that a regular meeting of the Executive Committee will be held Wednesday, January 7, 2026, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 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: (978) 990-5000  
Access Code: 880737*

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

REGULAR MEETING  
OF THE  
EXECUTIVE COMMITTEE  
Airport Skyroom  
Wednesday, January 7, 2026  
9:00 a.m.

*The public comment period is the opportunity for members of the public to address the Committee on agenda items and on Airport-related non-agenda matters that are within the Committee'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 of the public are requested to observe the following decorum when attending or participating in meetings of the Committee:*

- *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 Committee 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 Committee'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 Committee 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

Wednesday, January 7, 2026

1. Roll Call
2. Approval of Agenda
3. Public Comment
4. Approval of Minutes
  - a. December 3, 2025 **[See page 1]**
5. Items for Approval
  - a. Equipment Maintenance and Operating Agreement  
Start-Up Assistance Loan  
Burbank Airline Consortium **[See page 3]**  
  
***Staff seeks an Executive Committee (“Committee”) recommendation to the Commission to approve an Equipment Maintenance and Operating Agreement (“Agreement”), copy attached, with Burbank Airline Consortium, LLC (“BAC”). The Agreement provides for BAC’s operation and maintenance of certain common use systems and ground support equipment (collectively, “Equipment”), identified in the Airport Use Agreement (“AUA”), serving airlines operating at the Replacement Passenger Terminal (“RPT”). The Agreement includes a start-up assistance loan to BAC in an amount not-to-exceed \$2 million.***
6. Items for Information
  - a. Replacement Passenger Terminal Project Construction Update  
  
***No staff report attached. An updated video will be presented.***
  - b. Visitor Program  
  
***No staff report attached. Staff has started to work with the Legal Committee on a potential program after the Replacement Passenger Terminal opens. Staff will advise the Committee on the TSA approved visitor programs at other California Airports and elements of which may be incorporated at the RPT.***
  - c. Committee Pending Items **[See page 5]**
7. Adjournment

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

**WEDNESDAY, DECEMBER 3, 2025**

A regular meeting of the Executive Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:13 a.m., by Commissioner Talamantes.

**1. ROLL CALL**

**Present:** Commissioners Talamantes and Quintero

**Absent** Commissioner Hampton

**Also Present:** Staff: John Hatanaka, Executive Director

Susan F. Gray, Susan F. Gray & Co.;  
Roger Johnson, Executive Program Advisory;  
Perry Martin, Sr. Program Manager,  
Jacobs Project Management Co.

**2. Approval of Agenda**

**Motion** Commissioner Quintero moved approval of the agenda; seconded by Commissioner Talamantes.

**Motion Approved** The motion was approved (2-0, 1 absent).

**3. Public Comment**

Stefanie Girard, Burbank, California, commented on Item 5.a.

**4. Approval of Minutes**

**a. November 5, 2025**

The agenda packet included a draft copy of the November 5, 2025, Committee meeting minutes for review and approval.

**Motion** Commissioner Quintero moved approval of the minutes; seconded by Commissioner Talamantes.

**Motion Approved** The motion was approved (2-0, 1 absent).

**5. Items for Approval**

**a. Additional Public Artwork Opportunity - Replacement Passenger Terminal**

At the direction of the Commission at its meeting on December 16, 2024, Staff returned to the Commission with five procurement and lightbox connector artwork program scenarios. At its meeting of March 17, 2025, the Commission directed Staff to pursue an Additional Artwork Opportunity program under Scenario E described

in the staff report of March 17, 2025. This program will showcase three artists per year on a 4-month rotation among the connectors located in the Replacement Passenger Terminal over a six-year period.

Staff recommended that the Committee recommend to the Commission that license agreements for the first three years be awarded to the nine artists identified by the Art Advisory Group for this additional artwork program, and that Staff and the project team be instructed to work with the selected artists to meet the RPT project schedule.

**Motion**

Commissioner Quintero moved approval; seconded by Commissioner Talamantes.

**Motion Approved**

The motion was approved (2-0, 1 absent).

**6. Items for Discussion**

**a. Replacement Passenger Terminal Concession Underground Utilities**

Jacobs Project Management and Staff discussed with the Committee the challenges of the Concessions underground utilities construction and the recommended option for the long-term base building infrastructure and to maintain the project completion schedule. A roll call vote was taken on the recommendation.

**Motion**

Commissioner Quintero moved approval; seconded by Commissioner Talamantes.

**Motion Approved**

The motion was approved (2-0, 1 absent).

**7. Items for Information**

**a. Replacement Passenger Terminal Project Construction Update**

Jacobs Project Management provided a construction update and the latest progress video.

**b. Committee Pending Items**

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

**8. Adjournment**

There being no further business, the meeting was adjourned at 10:23 a.m.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
EXECUTIVE COMMITTEE  
JANUARY 7, 2026**

**EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT  
START-UP ASSISTANCE LOAN  
BURBANK AIRLINE CONSORTIUM**

Presented by John T. Hatanaka  
Executive Director

**SUMMARY**

Staff seeks an Executive Committee (“Committee”) recommendation to the Commission to approve an Equipment Maintenance and Operating Agreement (“Agreement”), copy attached, with Burbank Airline Consortium, LLC (“BAC”). The Agreement provides for BAC’s operation and maintenance of certain common use systems and ground support equipment (collectively, “Equipment”), identified in the Airport Use Agreement (“AUA”), serving airlines operating at the Replacement Passenger Terminal (“RPT”). The Agreement includes a start-up assistance loan to BAC in an amount not-to-exceed \$2 million.

**DISCUSSION**

***Background***

In connection with the upcoming opening of the RPT, the Commission approved the form of a new AUA on March 4, 2024. Each such AUA is a long-term contract that governs the terms under which the airline will operate at Hollywood Burbank Airport (“Airport”) once the RPT opens. Airlines that have AUAs are referred to as “signatory airlines.” Other airlines will operate at the RPT under a month-to-month Operating Permit and are referred to as “non-signatory airlines.” To date, five airlines have signed the new AUA: Southwest, Alaska, American, Delta and United. These five airlines account for over 85% of the Fiscal Year 2024-25 total passenger count at the Airport.

The new AUA contemplated that the signatory airlines would form an equipment consortium to operate and maintain certain common use systems and ground support equipment serving all airlines that operate at the RPT. The Equipment includes baggage handling systems, the common use passenger processing system, the common-use self-service system, the multi-user flight information display system, and the electrical charging system for ground equipment. While this will be new for the Airport, equipment consortiums have successfully operated for several decades at numerous airports, including Chicago-O’Hare, Chicago-Midway, San Francisco International, Los Angeles International and Ontario International.

In late 2025, BAC was formed to be the equipment consortium entity at the Airport. BAC is a limited liability company, governed by a member agreement. Only signatory airlines may become BAC members.

Of the responsibilities that BAC will assume, some are currently handled by the Authority, and some are currently handled by the individual airlines or their contractors. By shifting these responsibilities to BAC, the Authority will save operating costs. Because its members are signatory airlines, BAC is motivated to run an efficient operation at the Airport at a level of service that meets the airlines' evolving needs as well as the Authority's standards. Also, in circumstances where the Authority might currently have to deal with multiple parties, execution of the Agreement will allow the Authority to work with and hold responsible a single entity, BAC. In sum, this arrangement will be beneficial to both the airlines and the Authority.

### ***Proposed Agreement***

The proposed Agreement is drafted to have the same duration as the new AUA. Thus, the initial expiration date would be June 30, 2035, and there would be a possible five-year extension upon the parties' mutual agreement.

The Agreement sets forth BAC's responsibilities for the operation and maintenance of the Equipment. Throughout, the Authority will remain the owner of the Equipment. BAC is required to provide quarterly and annual status reports, and will prepare a plan each year regarding potential refurbishment, replacement or upgrades. BAC will be responsible for all costs of Equipment operation, maintenance and use, as well as the cost of refurbishment, upgrade, or replacement. BAC will be required to give signatory and non-signatory airlines operating at the RPT access to the Equipment, subject to non-discriminatory reasonable rules and fees. BAC may establish fees (to be collected from airlines that use its services) in sufficient amounts to cover its operating costs and other obligations. BAC will be able to charge airlines that are not members of BAC rates that are up to 135% higher than those charged to BAC members, which is the same rate differential that applies under an Operating Permit.

### ***Start-Up Loan***

BAC has requested the Authority's help, in the form of a low-interest loan, for start-up costs. Exhibit D of the Agreement is the form of a Promissory Note that will evidence the loan. Pursuant to the Agreement, loan proceeds must be used for BAC's operations related to the RPT. This will be a draw-down loan. Loan proceeds will be disbursed only upon BAC's submission of requests, each specifying the amount for the disbursement, along with supporting documents (including invoices or evidence of contractual commitments). The disbursement period will end on the thirtieth day after RPT opening and the disbursements will not exceed \$2 million in total. The principal amount of the loan will equal the sum of the disbursed loan proceeds. The loan will carry a simple annual interest rate of 2%, and will have a 10-year monthly repayment schedule, starting the third month after RPT opening. Prepayments, without penalty, will be permitted.

### **RECOMMENDATION**

Staff recommends that the Committee recommend to the Commission approval of the Agreement with BAC and authorization for the President to execute the same.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
EXECUTIVE COMMITTEE  
JANUARY 7, 2026**

**COMMITTEE PENDING ITEMS**

**Future**

**Tentative Presentation**

1. GSA/TSA TI Buildout - RPT

TBD

**EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT**  
**BETWEEN**  
**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**  
**AND**  
**BURBANK AIRLINE CONSORTIUM, LLC**  
**AT**  
**HOLLYWOOD BURBANK AIRPORT**

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EXHIBIT LIST

Exhibit A	Consortium Equipment
Exhibit B	BAC Property
Exhibit C	Maintenance Standards
Exhibit D	Form of Promissory Note
Exhibit E	Federal Requirements

## EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT

This Equipment Maintenance and Operating Agreement (“Agreement”) is dated January 20, 2026 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency (“Authority”), and Burbank Airline Consortium, LLC, a California limited liability company (“BAC”), which is duly designated to perform certain duties and obligations on behalf of the Member Air Carriers (defined below) serving Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”).

### RECITALS

- A. The Authority owns and operates the Airport and has the power to grant rights and privileges with respect thereto.
- B. The Authority is constructing a new passenger terminal (“Replacement Passenger Terminal”) in the northeast quadrant of the Airport, which will replace the existing passenger terminal in the southeast quadrant of the Airport.
- C. The Authority has entered into, and may from time to time enter into additional, Airport Use Agreements (“AUAs”) with air carriers (“Signatory Airlines”), under which the Signatory Airlines have long-term leases at the Replacement Passenger Terminal for their operation of passenger flight services to and from the Airport.
- D. BAC is a consortium comprised of Signatory Airlines as BAC’s members.
- E. BAC is formed to provide equipment maintenance and operation services to the Signatory Airlines and other air carriers operating at the Airport, subject to the terms of BAC’s member agreements and this Agreement.
- F. BAC desires to obtain from the Authority, and the Authority desires to grant to BAC, the right to maintain, operate, and use certain Authority-owned equipment and systems (“Consortium Equipment”).
- G. BAC additionally desires to obtain a loan from the Authority, up to \$2 million at a simple interest rate of 2% per annum, for start-up cost assistance.
- H. The AUAs follow a “residual” model under which each fiscal year: (i) the rates and charges payable to the Authority by the Signatory Airlines will be in sufficient amounts to cover the Authority’s operational costs; and (ii) the Authority’s revenues (from sources other than the AUAs) in excess of the Authority’s operational costs and permitted allowances will result in a lowering of the rates and charges payable by the Signatory Airlines.
- I. The Authority is willing to approve BAC’s loan request due to the residual model of rates and charges under the AUAs.

NOW, THEREFORE, in consideration of the promises, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and BAC, intending to be legally bound, agree as follows:

## ARTICLE 1 DEFINITIONS; INTERPRETATION

### 1.01 Definitions.

The following terms and phrases shall have the following meanings for purposes of this Agreement:

“Agency” means any federal, state, or local government agency, other than the Authority.

“Agreement” means this Equipment Maintenance and Operating Agreement (including all exhibits, attachments, and schedules).

“Air Carrier” means an “air carrier” or “foreign air carrier” as such terms are defined in 49 U.S.C. § 40102, and which is operating at the Airport.

“Airport” means Bob Hope Airport (commonly known as Hollywood Burbank Airport).

“Airport Manager” means the 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.

“Airport Rules and Regulations” means the 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)).

“Airport Terminal” means the Replacement Passenger Terminal (under construction as of the execution of this Agreement) in the northeast quadrant of the Airport, including all user movement areas, public areas, baggage claim areas, interconnecting hallways, and concourses.

“Airport Use Agreement” or “AUA” means the Airport Use Agreement (or similar agreement) between the Authority and an Air Carrier, under which the Air Carrier has a long-term lease (i.e., of multiple years and not on a month-to-month basis) of Airport space for the Air Carrier’s operations to provide scheduled air transportation of persons or property to and from the Airport.

“Authority” means the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency.

“Authority Commission” means the Burbank-Glendale-Pasadena Airport Authority Commission.

“Authority Parties” means 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.

“BAC” means Burbank Airline Consortium, LLC, its successors, and permitted assigns.

“BAC Agents” means BAC’s employees, consultants, subcontractors, licensees, vendors, affiliates, invitees (not including Air Carrier passengers), servicepersons, or contractors, or other persons performing services on behalf of or for the benefit of BAC, regardless of location.

“BAC Member Committee” means the Member Committee established under the Member Agreement to manage BAC.

“BAC Property” means the equipment, systems, furnishings, and fixtures owned by BAC and used at the Consortium Operation Areas in connection with BAC’s performance of its obligations under this Agreement. BAC Property is listed in Exhibit B.

“Commencement Date” has the meaning specified in Section 2.02.

“Confidential Information” means information of a proprietary or otherwise confidential nature, but excludes 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.

“Consortium Equipment” means the Authority-owned equipment and systems to be operated, maintained, and used by BAC in accordance with this Agreement, and as described on Exhibit A.

“Consortium Equipment Refurbishment and Replacement Plan” or “Plan” has the meaning specified in Section 3.09(c).

“Consortium Manager” has the meaning specified in Section 3.11(a).

“Consortium Manager Agreement” means a contract between BAC and a counterparty pursuant to which the counterparty assumes the duties of a Consortium Manager.

“Consortium Operation Areas” means the areas in the Airport for BAC’s operation, maintenance, and use of the Consortium Equipment pursuant this Agreement, as designated by the Authority.

“Consortium Vendor” means one or more vendors or service providers engaged by BAC to: (i) maintain, repair, or operate the Consortium Equipment; (ii) procure or install replacement Consortium Equipment; (iii) procure parts for the Consortium Equipment; or (iv) provide other services relating to the Consortium Equipment and the BAC Property.

“Consortium Vendor Agreement” means a contract between BAC and a Consortium Vendor pursuant to which the Consortium Vendor provides services relating to the Consortium Equipment and the BAC Property.

“Contamination” means 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.

“CUPPS” means an IATA-certified common use passenger processing system.

“CUSS” means an IATA-certified common use self-service system.

“Disbursement Period” has the meaning specified in Section 4.01(g).

“Effective Date” has the meaning specified in Section 2.01.

“Environmental Law” means any applicable law or court order pertaining to the environment, Hazardous Substances, pollutants, occupational safety and health, industrial hygiene, or environmental conditions on, under, or about the Airport.

“Equipment Access Agreement” means a contract between BAC and a Handler to allow access to the Consortium Equipment by the Handler.

“Equipment Use Agreement” means a contract between BAC and any Non-Member Air Carrier seeking to use the Consortium Equipment and the Services.

“Event of Default” shall have the meaning specified in Section 10.01.

“Executive Director” means Burbank-Glendale-Pasadena Airport Authority Executive Director (or, in the absence of the Executive Director, such other Authority officer designated by the Authority Commission) or such person’s designee.

“Expiration Date” the date on which this Agreement is scheduled to expire, as specified in Section 2.04.

“FAA” means the Federal Aviation Administration or its successor.

“Federal Requirements” means the federal requirements set forth in the attached Exhibit E, which requirements are applicable to projects not funded by an Airport Improvement Program grant from the Federal Aviation Administration.

“Fiscal Year” means the annual period from July 1 through June 30.

“GSE” or “Ground Support Equipment” means ground support equipment (whether powered or non-powered) that is used to perform ground functions to support Air Carriers on Airport premises.

“Handler” means any person that: (i) executes an Equipment Access Agreement; and (ii) obtains all necessary approvals from the Authority to perform handling services for one or more Air Carriers.

“Hazardous Substances” means 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.

“IATA” means the International Air Transport Association or its successor.

“License Agreement” means a “Non-Exclusive License Agreement” (or similar agreement) between a licensee and the Authority, under which the Authority grants the licensee the right to operate at the Airport.

“Loan” means the loan extended by the Authority to BAC for start-up cost assistance pursuant to Section 4.01.

“Maintenance Standards” means the maintenance standards set forth in the attached Exhibit C.

“Member Air Carrier” means an Air Carrier that is a party to the Member Agreement and is a member of BAC.

“Member Agreement” means the Burbank Airline Consortium Member Agreement between the Member Air Carriers pertaining to the allocation of rates, fees, and charges established pursuant to this Agreement and other expenses of BAC, and covering other related issues such as membership, governance, default, withdrawal, insurance, and indemnification.

“MUFIDS” means an IATA-certified multi-use flight information display and paging system.

“Non-Member Air Carrier” means an Air Carrier that: (i) uses the Airport; (ii) is not a party to the Member Agreement and is not a member of BAC; and (iii) has executed an Equipment Use Agreement.

“Note” means the promissory note, in the form set forth in attached Exhibit D, executed by BAC to memorialize the Loan.

“Operating Permit” means a contract between the Authority and an Air Carrier (other than an Airport Use Agreement) under which the Air Carrier leases space for the Air Carrier’s operations to provide air transportation of persons or property to and from the Airport.

“Operating Reserve Account” means the operating account established and maintained by BAC pursuant to Section 4.06.

“ORAT” means Operational Readiness and Airport Transfer processes, as determined by the Authority, to be undertaken in preparation of the RPT Opening Date.

“Required Insurance” means insurance requirements specified in Article 9.

“RPT Opening Date” means the first date on which the Airport Terminal is opened to the travelling public and serves commercial flights. As of the execution of this Agreement, the RPT Opening Date is anticipated to be October 13, 2026.

“Services” means the services to be performed by BAC pursuant to this Agreement.

“Signatory Airline” means an Air Carrier that has executed an Airport Use Agreement.

“State” means the State of California.

“TSA” means the Transportation Security Administration or its successor.

“User” means any Member Air Carrier, Non-Member Air Carrier, or Handler.

## **1.02 Interpretation.**

Unless otherwise expressly indicated or apparent from the context:

- (a) Article and Section references are to provisions of this Agreement.
- (b) The word “person” shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public agencies, as well as natural persons.
- (c) Words importing the singular shall include the plural and vice versa.
- (d) References to a contract or instrument shall mean such contract or instrument as the same may from time to time be supplemented or amended.
- (e) References to a statute, regulation, or ordinance shall be deemed to refer to the then-current version of the statute, regulation, or ordinance.
- (f) The words “including,” “includes” and “include” shall be deemed to be followed by words “without limitation” or “but not limited to” or words of similar import.
- (g) In the event of conflicts between this Agreement and the Airport Use Agreement, the Airport Use Agreement shall control.
- (h) Use of the word “or” in a series such as a, b, or c means any one or more of the items in the series.

- (i) The word “shall” is mandatory and the word “may” is permissive.

**1.03 Exhibits.**

(a) The attached Exhibits A through E are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibits A through D, the provisions of this Agreement shall prevail. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of Exhibit E, the provisions of Exhibit E shall prevail.

(b) Whenever information in an exhibit becomes outdated, the parties may substitute an updated exhibit. Such substitution shall not require Authority Commission approval.

**ARTICLE 2  
TERM; USE OF AIRPORT PREMISES**

**2.01 Effective Date.**

The Effective Date of this Agreement is January 20, 2026.

**2.02 Rights as of Commencement Date.**

BAC shall have the right to operate, maintain, and use the Consortium Equipment at the Airport as of the Commencement Date. “Commencement Date” means a date to be designated by the Authority once the City of Burbank issues a temporary certificate of occupancy for the Airport Terminal. The Authority shall notify BAC of the Commencement Date at least five days in advance. As of the execution of this Agreement, the Commencement Date is expected to occur in May 2026.

**2.03 Cooperation Before RPT Opening Date.**

BAC shall cooperate with the Authority with respect to preparation for the RPT Opening Date. BAC, at its sole expense, shall participate in ORAT activities as requested by the Authority.

**2.04 Expiration Date.**

The initial Expiration Date of this Agreement shall be June 30, 2035. No later than one June 30, 2034, the Authority may deliver to BAC a request for a five-year extension. If BAC approves such request by August 15, 2034, then the term of this Agreement shall be extended to June 30, 2040. Authority Commission approval shall be required for exercise of the extension option.

**2.05 Use of Airport Premises.**

(a) From the Commencement Date to the Expiration Date (or earlier termination of this Agreement), BAC shall be granted: (i) a revocable non-exclusive license to use the Consortium Operation Areas; and (ii) the rights of ingress to and egress from the Consortium Operation Areas via the public areas of the Airport, Airport roadways, and common-use roadways, exercised in a reasonable manner. BAC shall obtain the Authority's prior approval before accessing other areas of the Airport. However, no Authority approval is needed for BAC to enter into an Airport tenant's leased space as that tenant's invitee.

(b) Before the Commencement Date, the Authority shall specify the Consortium Operation Areas to BAC. The Authority may from time to time designate a different location for any portion of the Consortium Operation Areas. Unless required for urgent health, safety, or legal reasons (as determined by the Executive Director), the Authority shall give 30-days notice of such a relocation. BAC accepts the Consortium Operation Areas in their "as is, where is, and with all faults" conditions, without any Authority warranty.

**ARTICLE 3  
USE AND OPERATION OF CONSORTIUM EQUIPMENT**

**3.01 Right to Operate, Maintain and Use Consortium Equipment.**

BAC shall have the right and obligation to operate, maintain, and use the Consortium Equipment in accordance with this Agreement.

**3.02 Permitted Uses.**

BAC shall operate the Consortium Equipment and the BAC Property at the Consortium Operation Areas for the handling of flights and passengers by Member Air Carriers and other Air Carriers using the Consortium Equipment, and for the performance of activities reasonably necessary or convenient in connection with the foregoing.

**3.03 Limitations Upon Use.**

BAC shall not operate the Consortium Equipment for purposes other than the purposes specified in this Agreement. BAC shall not do, or cause or permit anything to be done, in connection with the Consortium Equipment, or bring or keep anything which will increase the risk of fire or explosion on Airport property; shall not create a nuisance; shall not obstruct or interfere with the rights of others on Airport property; shall not commit or suffer to be committed any waste in relation to the Consortium Equipment; and shall not use or allow the Consortium Equipment to be used for any unlawful purposes or to be operated in such a way as to interfere with Airport safety.

**3.04 Compliance With Laws and Regulations; Licenses and Permits.**

At all times, BAC shall comply with the Airport Rules and Regulations and all applicable laws. Violations of the Airport Rules and Regulations by BAC or BAC Agents shall be punishable

as stated in the Airport Rules and Regulations including by administrative fines. BAC shall comply with the Federal Requirements set forth in the attached Exhibit D. BAC shall, at its own expense, obtain and keep current all licenses, permits, approvals, and certificates required for its operation at the Airport and pay all fees promptly when due, subject to BAC's right to contest such fees.

### **3.05 Authority's Disclaimer of Liability.**

The Authority shall have no liability for any damage to persons or property as a result of the operation, maintenance, use, or misuse of any Consortium Equipment unless, and only to the extent that, such damage results from the sole negligence or willful misconduct of the Authority.

### **3.06 Access to Consortium Equipment.**

(a) BAC shall operate, maintain, and use the Consortium Equipment, affording all Air Carriers access to the Consortium Equipment, subject to non-discriminatory reasonable rules and fees established by BAC.

(b) BAC may require the following conditions precedent to the use of the Consortium Equipment:

(i) For a Non-Member Air Carrier, such Air Carrier has a current Operating Permit to operate at the Airport and has entered into an Equipment Use Agreement with BAC.

(ii) For a Handler, such Handler has a current License Agreement to operate at the Airport and has entered into an Equipment Access Agreement with BAC.

(iii) The related Equipment Use Agreement or Equipment Access Agreement addresses payment of fees, insurance, indemnification, and other matters as may reasonably be required by BAC.

(c) BAC shall provide notice to the Executive Director of any default under an Equipment Use Agreement or an Equipment Access Agreement.

### **3.07 Acceptance of Consortium Equipment.**

BAC accepts the right and obligation to operate and use the Consortium Equipment in its "as-is" condition with no representation or warranty by the Authority. The Authority shall assign any rights under a warranty provided by a third party in connection with the Consortium Equipment. No provision of this Agreement shall restrict or otherwise limit the right of BAC to pursue a claim or exercise any right under such third-party warranties. At the request of BAC, the Authority shall cooperate and provide reasonable assistance (including the provision of relevant information) for BAC to pursue any claim or exercise any right under any such third-party warranty. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS

FOR USE OF THE CONSORTIUM EQUIPMENT, OR WARRANTY WITH RESPECT THERETO. BAC ACKNOWLEDGES THAT THE AUTHORITY IS NOT A CONTRACTOR OR A MANUFACTURER OR A DEALER OF THE CONSORTIUM EQUIPMENT (OR ANY COMPONENT THEREOF). BAC ACCEPTS THE CONSORTIUM EQUIPMENT AS IS-WHERE IS.

**3.08 Consortium Equipment Maintenance.**

BAC shall maintain the Consortium Equipment (including the performance of inspections and testing) in a manner consistent with legal requirements, manufacturer guidelines, prevailing industry standards, and the Maintenance Standards.

**3.09 Consortium Equipment Refurbishment, Alterations or Replacement.**

(a) BAC may, subject to compliance with all applicable permitting requirements, at its own cost and with prior approval of the Authority, refurbish the Consortium Equipment. For the purposes of this Agreement, "refurbish" shall mean the process to renew, repair, or restore the operational or aesthetic condition of the Consortium Equipment during which components are inspected and replaced as necessary, but does not include performance of routine preventative maintenance or cleaning tasks. Any Consortium Equipment that is refurbished by BAC shall remain the property of the Authority. BAC shall assure that: (i) no refurbishment shall result in any lien being placed on the Consortium Equipment; and (ii) no refurbishment shall reduce the Consortium Equipment's useful life, violate any warranty condition on the Consortium Equipment, or otherwise reduce the value of the Consortium Equipment.

(b) BAC may, subject to compliance with all applicable permitting requirements, at its own cost and with prior approval of the Authority, install any improvement or do any remodeling, construction, or modification to the Consortium Equipment. Any such installation, remodeling, construction or modification ("Alteration") shall be part of the Consortium Equipment and all Consortium Equipment shall remain the property of the Authority. BAC shall assure that: (i) no Alteration shall result in any lien placed on the Consortium Equipment; and (ii) no Alteration shall reduce the Consortium Equipment's useful life, violate any warranty condition on the Consortium Equipment, or otherwise reduce the value of the Consortium Equipment.

(c) BAC shall submit to the Authority: (i) a Consortium Equipment Refurbishment and Replacement Plan (as described below) on or before September 1 after the first anniversary of the Effective Date; and (ii) an updated Plan each September 1 thereafter. During each Fiscal Year, BAC shall, at its own cost and without reimbursement from the Authority, replace or refurbish Consortium Equipment according to the then-current Plan.

(i) Each Consortium Equipment Refurbishment and Replacement Plan shall specify, for the ensuing five Fiscal Years: a list of Consortium Equipment expected to be in need of refurbishment or replacement, the proposed scope of refurbishment, suggested replacement equipment, a refurbishment or replacement schedule, proposed budget, and stated

reason(s) for refurbishment or replacement (e.g., obsolescence, end of useful life, no longer cost effective to repair, etc.).

(ii) The Authority shall have the right to expand the list of Consortium Equipment that should be upgraded (as defined below). In the event BAC objects to the upgrades, BAC shall give notice of such objection, the parties shall discuss the resolution, and the Plan shall be revised to include such resolution. Should the parties fail to reach a consensus, the Plan shall be revised according to the Authority's list of upgrades.

(iii) For purposes of this Agreement, an "upgrade" is defined as a refurbishment or replacement of an item of Consortium Equipment (including systems, sub-systems, or system components) that significantly changes the capability of such Consortium Equipment (system, sub-system, or system component), and that is being made specifically to effect a change in capability and to benefit Users. The term "upgrade" does not include any refurbishment or replacement that is required to maintain Consortium Equipment in good condition or good working order ("Like-Kind Replacement"). Replacement of an item of Consortium Equipment or component by a similar item of Consortium Equipment or component will be deemed a Like-Kind Replacement regardless of whether such replacement changes the capability of the Consortium Equipment or component, provided that: (i) the same item of Consortium Equipment or component is no longer available from the manufacturer or broader marketplace; and (ii) the replacement or refurbishment is required to maintain such item of Consortium Equipment or component in good condition or good working order.

(iv) In its sole discretion, the Authority may agree to a re-scheduling, temporary delay, or permanent deferral of any items included in the Plan.

(d) In the event additional Consortium Equipment is required to meet new customer service or technology requirements or to support changes in aviation security pursuant to legal requirements, BAC shall submit a plan (including description of the additional Consortium Equipment, budget, schedule, and scope of work for installation) to the Authority for approval. BAC shall incorporate into the plan such changes as required by the Authority. BAC, at its own cost and without reimbursement from the Authority, shall procure and install the additional Consortium Equipment according to the plan approved by the Authority.

### **3.10 Title to Consortium Equipment.**

Unless expressly stated otherwise in Exhibit A the Authority shall be the owner of, and have full title to, the Consortium Equipment (in their original form, or as refurbished or upgraded and including any replacement), regardless whether any procurement was accomplished using Authority or BAC funds.

### **3.11 Consortium Manager, Consortium Vendors; Adequate Staffing.**

(a) BAC shall at all times retain a qualified, competent and experienced manager ("Consortium Manager") who shall manage and supervise BAC's operations, with authorization to make representations and take ordinary actions with respect to such operations (including control of on-site personnel) on BAC's behalf. All approvals, consents, representations

and commitments of such Consortium Manager shall be binding upon BAC and notices to the Consortium Manager shall constitute notice to BAC. The Consortium Manager shall generally be available to be contacted by the Authority during regular business hours (between 8:00 AM to 5:00 PM PST). A qualified, competent, and experienced subordinate shall be in charge and available at all times during the Consortium Manager's absence. Subject to Section 3.12, BAC may enter into a Consortium Manager Agreement to retain a third-party to serve as the Consortium Manager. BAC shall provide the Authority the name and relevant contact information before any Consortium Manager assumes the post, and shall furnish advance notification to the Authority regarding any changes. BAC shall give 30-days notice to the Executive Director before removing or replacing a Consortium Manager.

(b) In addition to Consortium Manager Agreements, BAC may enter into other subcontracts, in the form of Consortium Vendor Agreements, to carry out BAC's responsibilities under this Agreement.

(c) If the Executive Director determines that the Consortium Manager or any Consortium Vendor is not performing under its respective agreement or whose performance is detrimental to the Consortium Equipment, the Airport, passengers, public safety, or security, the Executive Director shall notify BAC. BAC shall promptly propose remedial actions. BAC shall terminate and replace such non-performing party with a qualified replacement satisfactory to the Executive Director, if either: (i) BAC fails to respond within five days of the Executive Director's notice (provided that the Executive Director may specify a shorter deadline if the Executive Director deems appropriate in view of the circumstances), or (ii) if the Executive Director determines that BAC's proposed remedial actions are inadequate, or (iii) the problem persists after implementation of the remedial actions.

(d) At all times, a subcontractor's performance under its subcontract with BAC at or around the Airport (or otherwise relating to BAC's responsibilities under this Agreement) shall be deemed to be under BAC's supervision. All acts or omissions of such subcontractor shall be deemed to be those of BAC. The Authority shall have the right to enforce any violation by a subcontractor as if the violation was committed by BAC, and accordingly exercise remedies against BAC pursuant to this Agreement. Any such delegation of duties under a subcontract shall not limit or reduce the obligations and responsibilities of BAC under this Agreement. BAC shall notify the Executive Director of any default under the Consortium Manager Agreement or Consortium Vendor Agreements. BAC shall enforce the terms and conditions of the Consortium Manager Agreement and all Consortium Vendor Agreements at its own expense and in a diligent manner.

(e) BAC, by itself or through subcontractors, shall have available qualified and properly trained personnel in adequate numbers to perform its responsibilities under this Agreement.

### **3.12 Forms of Consortium Contracts.**

(a) As used below, "Consortium Contracts" mean the Equipment Use Agreements, the Equipment Access Agreements, the Consortium Vendor Agreements, and the Consortium Manager Agreement.

(b) With respect to each category of Consortium Contract, BAC shall provide the Authority a form of the contract no later than 30 days before executing the first of such contracts. Each Consortium Contract shall contain indemnification of the Authority Parties, in the form acceptable to the Authority. BAC shall make such modifications as the Authority may reasonably request. Thereafter, BAC shall: (i) provide the Authority at least 30 days to review any substantive changes to the form or any material amendments to the then-existing Consortium Contracts, and (ii) incorporate such changes as the Authority may reasonably request. BAC shall only enter into Consortium Contracts that substantially conform to forms approved by the Authority.

### **3.13 Security Program.**

(a) BAC shall adopt and implement a security program that: (i) complies with applicable laws; (ii) is consistent and compatible in all respect with Authority's overall security program for the Airport; and (iii) is acceptable to the Authority and the TSA. Modifications to the security program shall be subject to the Authority's advance approval. Upon receipt of the Authority's request, BAC shall amend the security program in accordance with such request within 30 days (or such shorter time period as the Authority may, in its sole discretion, require).

(b) In connection with its operations, BAC may receive, gain access to or otherwise obtain certain knowledge and information related to the Authority's overall Airport security program. BAC acknowledges that all such knowledge and information is of a highly confidential nature. BAC covenants and agrees that no person, whether a BAC employee or a third party, shall be permitted or gain access to such knowledge and information, unless such person has been approved by the Authority in advance in writing, which approval may be granted or withheld by the Authority in its sole discretion. Subject to the foregoing, BAC is permitted to direct such security knowledge and information to its employees who require same to conduct BAC operations or to comply with any law or with the Airport Rules and Regulations.

(c) Without limiting Section 9.07, BAC shall be responsible for any breach of security that occurs as a result of BAC's or any BAC Agent's negligence or willful misconduct. BAC shall indemnify and hold harmless the Authority Parties from and against any and all fines, claims, costs, expenses, damages and liabilities, including all attorneys' fees and costs resulting directly or indirectly from such breach or any violation of this Section. The Authority shall provide BAC notice of and consult with BAC regarding any claims that the Authority has knowledge of and are related to BAC shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas.

### **3.14 Annual Meeting.**

The Executive Director and BAC shall meet at least annually on or about February 1 to review matters of interest to the parties and to review BAC's performance over the last Fiscal Year.

**3.15 Authority Representative for BAC Member Committee Meetings.**

(a) The Executive Director's designee ("Authority Representative") shall be invited to participate in, and shall be provided with agendas of, meetings of the BAC Member Committee. The Executive Director shall designate the Authority Representative in writing.

(b) Except as otherwise provided in the Member Agreement, the Authority Representative shall be able to participate in meetings of the BAC Member Committee; however, the Authority Representative shall not be vested with voting privileges, or any other privileges or responsibilities of membership, at the Member Committee meetings.

(c) Except as otherwise provided in the Member Agreement, the Authority Representative shall be provided copies of any reports provided to members of the BAC Member Committee.

**ARTICLE 4  
START-UP LOAN; FINANCIAL OBLIGATIONS**

**4.01 Start-Up Loan.**

(a) To assist BAC with its start-up costs, the Authority is willing to extend a Loan of up to \$2 million, subject to the conditions set forth in this Section.

(b) BAC shall use Loan proceeds only for its operations related to the Airport Terminal as contemplated in this Agreement.

(c) To initiate the Loan, BAC shall deliver to the Authority, a duly executed Note, in the form set forth in Exhibit E. All terms and provisions of the Note are incorporated and made a part of this Agreement.

(d) To request a disbursement of Loan funds, BAC shall submit to the Authority all of the following: (i) a written request, specifying the amount for the disbursement, (ii) related invoices or evidence of contractual commitments; and (iii) such other supporting documents as the Executive Director may require.

(e) Within 15 days of the Authority's receipt of a disbursement request, the Executive Director shall notify, or cause the Authority's Director of Financial Services to notify, BAC whether the request has been denied (and, in such case, include an explanation for the denial) or granted (and, in such case, specify a disbursement date).

(f) Each disbursement shall be in the form of a check issued by the Authority and shall be either: (i) given to BAC's authorized representative at the office of the Authority's Director of Financial Services at a mutually acceptable time; or (ii) at BAC's request, sent to a physical address (and not a P.O. Box) specified by BAC by registered mail (or by FedEx or another

overnight courier), receipt required. BAC shall designate, in writing, its representative(s) authorized for in-person collection of the disbursement checks. Once a check is given to a BAC authorized representative (for in-person pick-up) or mailed, BAC assumes all risks for any delays, mis-delivery or other related losses. BAC shall reimburse the Authority, on demand, for any expense relating to stop-payment or re-issuance of checks.

(g) All Loan disbursements shall be made during the "Disbursement Period" – which begins on the day that the Note is delivered to, and accepted by the Executive Director, and ends on the thirtieth day after the RPT Opening Date. BAC shall submit its final disbursement request at least five days before the close of the Disbursement Period.

#### **4.02 Financial Obligations.**

(a) BAC shall be responsible for all cost of the operation, maintenance, and use of the Consortium Equipment.

(b) BAC shall pay all cost of any refurbishment, upgrade, or replacement of Consortium Equipment and all cost of additional Consortium Equipment pursuant to Article 3.

(c) BAC shall pay all cost of utilities required for performing its obligations under this Agreement. BAC shall be responsible for paying bills sent directly to BAC by a utility provider. For usage through the Authority's account with a utility provider, the Authority shall invoice BAC for use based on the rates charged to the Authority by the utility provider (and may include administrative charges established by the Authority from time to time). Notwithstanding the foregoing, if a utility service is not separately metered, the cost for such utility will be charged to BAC and the Authority shall recapture such cost through the rates and charges process under the Airport Use Agreement.

(d) The Authority's undertaking of maintenance or repair, or remedial actions for which BAC is otherwise responsible under this Agreement (including those pursuant to Section 6.01 or at BAC's request) shall be at BAC's cost. Related Authority invoices shall be paid within 30 days of receipt.

(e) The Authority has no obligation to provide vehicle parking spaces to any BAC Agent. Upon BAC's request, the Authority has the discretion to make spaces available at locations in common with employees of Airport tenants. To the extent that the Authority provides parking spaces, the Authority shall charge BAC a monthly fee based on the then-current rate for such spaces. Parking fees shall be due upon receipt of each Authority invoice.

(f) BAC shall pay an allocable share of the cost for trash removal and recycling services based on the cost to the Authority, as allocated in any manner that the Authority deems reasonable. Trash removal and recycling charges shall be due 30 days of invoice from the Authority.

(g) The foregoing list does not limit BAC's obligation to pay as required under other provisions of this Agreement.

#### **4.03 Payments to Authority.**

(a) On demand, BAC shall pay any costs which it is obligated to make to the Authority unless otherwise specified in this Agreement or in an Authority invoice. BAC shall be responsible for attorneys' fees and costs incurred by the Authority for collection of overdue payments.

(b) All payments to the Authority shall be paid in lawful money of the United States of America without presentment, abatement, setoff, or deduction. The Authority may accept payment without prejudice to its right to recover the balance of such amount due and to pursue any other available remedies.

(c) Each payment shall be accompanied with a detailed remittance advice, or clear instructions, outlining what charges are being paid. BAC shall be responsible for any charges imposed by an intermediary financial institution for the transmission of a payment to the Authority. Unless otherwise directed by the Authority in writing, payment (or remittance advice, if payment made via Automated Clearing House (ACH) or Electronic Fund Transfer (EFT) or similar method) required by this Agreement shall be made payable to "Burbank-Glendale-Pasadena Airport Authority" and delivered to the Authority's Accounting/Finance Department at the address set forth in Section 15.01, with an electronic copy to AR@bur.org.

#### **4.04 Security Deposit.**

(a) BAC shall, on or before the Commencement Date, deposit with the Authority cash ("Security Deposit") in the amount of \$10,000 to guarantee the faithful performance and payments due to the Authority. The Authority may use the Security Deposit to pay delinquent charges payable by BAC.

(b) The Authority, in its sole discretion, may adjust such Security Deposit requirement from time to time upon a determination that an additional amount is reasonably necessary to protect the Authority and the Airport from changed circumstances. After the Loan has been repaid in full, at BAC's request, the Authority may, in its sole discretion, lower the Security Deposit requirement to an amount not less than \$1,000.

(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 BAC shall have fully performed all terms and conditions of this Agreement, any cash constituting the Security Deposit shall be paid to BAC no later than 30 days after the Expiration Date, without interest; provided, however, if BAC does not timely vacate the Airport premises, the Authority shall retain the Security Deposit but such retention shall not limit any rights of the Authority arising from BAC's violation of Section 5.02.

(d) BAC's obligation to provide and maintain the Security Deposit shall be a continuing obligation in the nature of a payment obligation. In the event the Authority is required to draw down or collect against the Security Deposit for any reason, BAC shall, within 10 business days after the Authority's written notice to BAC of such draw down or collection, take such action as may be necessary to replenish the Security Deposit to its required amount. The Authority shall

not be barred from drawing down or collecting against BAC's Security Deposit by: (i) BAC's insolvency; (ii) BAC's election to take the benefit of any present or future insolvency statute; (iii) a general assignment by BAC for the benefit of creditors; or (iv) any action of BAC to seek a reorganization or the readjustment of its indebtedness under any law including the filing by BAC of a voluntary petition of bankruptcy or the institution of proceedings against BAC or the adjudication of BAC as bankrupt.

#### **4.05 BAC Accounting and Records.**

(a) BAC shall maintain separate books and records that shall show a true and accurate record of all income (including payments collected from Members and Non-Member Air Carriers), and all cost and expenses incurred in connection with BAC's operation under this Agreement.

(b) All such books and records shall be kept in accordance with generally accepted accounting principles (GAAP), consistently applied.

(c) The Authority shall have the right, through its representatives, to inspect such books and records upon written request made at least 36 hours before the inspection. BAC shall maintain the books and records in a physical location readily accessible by the Authority for at least six years after the end of the Fiscal Year to which they pertain or, in the event of a claim by the Authority, until such claim for payments shall have been resolved. This provision shall survive the expiration or termination of this Agreement.

#### **4.06 Operating Reserve Account.**

BAC shall establish and maintain an operating reserve account ("Operating Reserve Account") and shall draw upon the Operating Reserve Account to pay operating expenses, including amounts payable to the Authority, as they become due when no other funds are immediately available. BAC warrants that the Member Agreements provide for: (i) each Member's required contribution for the initial deposits into the Operating Reserve Account; and (ii) the prompt replenishment of the Operating Reserve Account whenever there is such a withdrawal.

### **ARTICLE 5 TRANSFERS UPON TERMINATION; HOLDOVER**

#### **5.01 Transfer of Work-in-Progress; Assignment of Warranty Rights.**

Upon expiration or termination of this Agreement, BAC shall transfer title to the Authority, and deliver in the manner, at the times, and to the extent, if any, directed by the Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to the Authority. With respect to any warranty relating to the Consortium Equipment that runs to the benefit of BAC, BAC shall assign its rights under such warranty to the Authority upon the termination of this Agreement.

#### **5.02 Peaceable Vacation of Premises and Cessation of Rights.**

On expiration or termination of this Agreement, BAC's license to use the Consortium Operating Areas (and related ingress and egress rights) shall cease and no notice to vacate shall be given by the Authority. All of BAC's rights and privileges with respect to the operation, maintenance, and use of the Consortium Equipment and access to Airport facilities in connection therewith shall cease as of such date. BAC shall peaceably leave the Consortium Equipment at the Airport locations designated by the Authority in a condition similar to that which existed at the Commencement Date or at the time of installation, if later, except for reasonable wear and tear, damage due to casualty (subject to Article 11), and other events outside of the control of BAC. All paper and electronic documents and records related to the operation, use, and maintenance of the Consortium Equipment, including all original equipment manufacturer's manuals, bulletins, and other documents and all records, reports and other documentation produced by BAC or the Consortium Vendors shall be delivered to the Authority. At all times the Authority shall retain full title to the Consortium Equipment.

#### **5.03 Removal of BAC Property.**

(a) No later than expiration or termination of this Agreement, BAC shall remove, or caused to be removed, all BAC Property and other BAC personal property from the Consortium Operation Areas and other Airport facilities. If such removal causes damage to any Authority property, BAC shall be responsible for cost to repair such damages to restore the Authority property to the condition as it existed before the damage.

(b) Any BAC Property and other BAC personal property not so removed by the expiration or termination of this Agreement shall be a "Holdover Property." The Authority shall have the right to move any Holdover Property to a location at the Airport or a warehouse for temporary storage, and charge BAC for storage cost, at a rate determined by the Authority, due upon invoice. The Authority shall not have any liability relating to the Holdover Property, and BAC shall indemnify and hold harmless the Authority from and against all liability relating thereto. The Holdover Property shall be deemed abandoned after BAC's failure to remove such property within 60 days after expiration or termination of this Agreement. Thereafter, the Authority shall have the right to sell the same. The Authority may either: (i) keep such proceeds; or (ii) apply the proceeds first to the expenses (inclusive of Authority administrative cost) of such removal, storage and sale, second to any sum owed by BAC to the Authority, and any balance remaining shall be paid to BAC.

#### **5.04 Survival.**

This Article shall survive expiration or termination of this Agreement.

**ARTICLE 6**  
**AUTHORITY INSPECTIONS; EQUIPMENT WARRANTIES; TECHNICAL LIAISONS**

**6.01 Inspections by Authority; Performance by the Authority upon Failure by BAC.**

(a) The Authority shall have the right, without any obligation to do so, at any reasonable time after reasonable notice to be provided in writing no less than 24 hours, and as often as it considers necessary, to inspect the Consortium Equipment so long as such inspection does not unreasonably interfere with the Users' permitted use of the same. In the event the Authority identifies a maintenance or repair need, it shall give written notice thereof to BAC.

(b) The Authority may, by notice to BAC, direct BAC to perform such maintenance and repair of the Consortium Equipment at BAC's cost within a reasonable period of time determined by Authority, which could be immediate if the situation requires. If BAC fails to perform such maintenance or repair by the deadline, the Authority may perform such maintenance and repair, at BAC's cost.

(c) In the event the Authority reasonably believes that there is a Consortium Equipment problem that interferes with essential facilities or endangers the safety of operations at the Airport, the Authority may, by written or verbal notice (followed up in writing) to BAC, direct BAC to take immediate remedial action to protect such facilities and eliminate such danger. If BAC will not or is unable to do so immediately, then the Authority may do so at BAC's cost.

**6.02 Authority Property.**

If the Authority permits BAC to use any property owned by the Authority, including fixtures, furnishings, or equipment, BAC shall use such property for its intended purposes and with due care, according to applicable legal and safety standards. If such usage results in any damage to the Authority property (other than reasonable wear and tear), then BAC shall, at the Authority's option, either: (i) repair, and as necessary, replace such property at BAC's expense; or (ii) reimburse the Authority for the cost of the repair or replacement.

**6.03 Warranties.**

BAC shall reasonably obtain on the Authority's behalf all customary warranties for the Consortium Equipment in connection with BAC's repair, maintenance, and replacement obligations. The parties shall reasonably cooperate with each other to enforce all warranties on the Consortium Equipment. BAC, as the entity responsible for maintenance, and the Authority, as owner, shall both cooperate to take all reasonable steps to enforce such warranties.

**6.04 Liaisons.**

Each party shall designate a technical representative to liaise with the other party on technical and operational issues, as appropriate. Each party shall cooperate and permit the other party's representative to participate in technical and operational activities, including periodic inspections and Consortium Equipment problem-solving.

**ARTICLE 7**  
**BAC MEMBERSHIP, RATES AND CHARGES, OTHER EQUIPMENT USAGE**

**7.01 BAC Membership.**

Status as a Signatory Airline is a prerequisite that must be achieved before an Air Carrier may become a Member Air Carrier. All Member Air Carriers will join BAC pursuant to the terms of the Member Agreement. Every Signatory Airline shall be given an opportunity to become a Member Air Carrier, subject to the terms of the Member Agreement. The Member Agreement shall provide that an Air Carrier will lose its membership to BAC upon the loss of its Signatory Airline status.

**7.02 Rates and Charges.**

(a) BAC shall operate and maintain the Consortium Equipment and shall, subject to applicable restrictions or requirements imposed by law, fix, charge and collect such rates, fees and charges, including those payable pursuant to the Member Agreement, for the use of and services provided for the use of the Consortium Equipment, which will, together with any other available funds, be sufficient to pay the cost of operating, maintaining, repairing, refurbishing, and replacing the Consortium Equipment and to make all payments and to pay all other obligations of BAC. BAC may fix, charge and collect rates, fees and charges for the use of the Consortium Equipment and services provided by BAC to Non-Member Air Carriers at an effective rate not to exceed 135% of the highest effective rate charged to any Member Air Carrier prior to any adjustments made pursuant to the Member Agreement. No Non-Member Air Carrier shall be charged at an effective rate less than the rate charged to any Member Air Carrier.

(b) BAC warrants that the Member Agreement provides for the following:

(i) Member Air Carriers' extraordinary contributions in a timely manner whenever the revenues from the rates and charges described in subsection (a), together with the amount available to be drawn in the Operating Reserve Account, are insufficient to pay for all of BAC's obligations under the Note and this Agreement.

(ii) Member Air Carriers' consent to BAC's assignment under Section 10.03 and the Authority's right to collect directly from Member Air Carriers upon an Event of Default.

**7.03 Member Agreement.**

BAC represents and warrants that BAC has furnished to the Authority a true and correct form of its Member Agreement. BAC shall give the Authority at least 60 days to review prior to making any substantive change to the form or executing any material amendment to the then-existing contracts, and BAC shall incorporate changes to the form as the Authority may reasonably request.

**ARTICLE 8  
REPRESENTATIONS AND WARRANTIES**

**8.01 Representations of BAC.**

BAC represents and warrants to the Authority that:

(a) BAC is a duly formed California limited liability company and is authorized to do business in the State of California.

(b) This Agreement is duly authorized, valid, binding and enforceable on BAC.

(c) All consents, approvals and authorizations of government entities or by or on behalf of any creditors or any other third party for the valid execution and delivery of this Agreement by BAC, and BAC's performance of its obligations under and compliance with this Agreement, have been obtained and are in full force and effect.

(d) No other approvals of BAC's governing body, the BAC Member Committee, or any Member Air Carrier are required for BAC to execute and perform this Agreement.

(e) Except as disclosed in writing to the Authority before execution of this Agreement, there are no actions, suits, or proceedings pending with service of process accomplished or, to BAC's best knowledge, threatened in writing against or affecting BAC, by or before any court, arbitrator, or government entity that: (i) would adversely affect BAC's ability to perform its obligations under this Agreement; or (ii) relate to BAC's execution, delivery or performance of this Agreement.

(f) BAC's execution, delivery, and performance of this Agreement do not conflict with or and would not result in a violation of, or breach of, or constitute a default under, any agreement or instrument to which BAC is a party or by which it is bound.

**8.02 Representations of the Authority.**

The Authority represents and warrants to BAC that:

(a) This Agreement is duly authorized, valid, binding and enforceable on the Authority.

(b) All consents, approvals and authorizations of government entities or any other third party for the valid execution and delivery of this Agreement, and the Authority's performance of its obligations under and compliance with this Agreement, have been obtained and are in full force and effect.

(c) No other approvals of the Authority Commission are required for the Authority to execute and perform this Agreement.

**ARTICLE 9  
INSURANCE AND INDEMNIFICATION**

**9.01 Obligation to Maintain Insurance.**

BAC shall maintain in effect the insurance coverage and limits of liability as provided in this Article ("Required Insurance"). In the event that BAC 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 BAC's sole expense. In the event the Authority elects to maintain some or all of the Required Insurance, BAC shall pay to the Authority its proportionate share of the premiums for all Required Insurance maintained by the Authority, and payment shall be remitted within 10 days following the delivery to BAC of each written statement setting forth the amount of such premiums and the applicable premium period.

**9.02 General Liability and Workers' Compensation Coverages.**

BAC shall maintain in effect insurance protecting BAC from and against claims arising out of, resulting from, or relating to the conduct by BAC of its business and otherwise relating to BAC's use of the Airport pursuant to this Agreement as follows:

(a) Comprehensive General Liability Insurance. Comprehensive General 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, contractual liability, products and completed operations liability and independent contractors liability, all written on an occurrence basis in an amount not less than \$50,000,000 combined single limit for bodily injury, death, property damage and passenger liability each occurrence, and, with respect to products and completed operations liability, in the annual aggregate, and, provided that BAC has complied with the requirements of subsection (b) below, as respects the coverage provided for bodily injury and property damage under extended coverage endorsement AVN52D 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) Automobile Liability Insurance. Automobile liability insurance covering all owned, non-owned, and hired vehicles written on an occurrence basis in an amount not less than \$5,000,000 combined single limit for each occurrence for bodily injury, death and property damage.

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

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

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

### **9.03 Property Insurance.**

BAC shall maintain in effect property insurance written on an all risk of direct physical loss basis covering BAC'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. The proceeds of such insurance shall be used to repair or replace the insured property.

### **9.04 Adjustment of Required Insurance.**

BAC acknowledges that the types and amounts of Required Insurance may become inadequate. BAC 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.

### **9.05 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 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 to the Commencement Date and 10 days prior to policy renewal dates thereafter, BAC 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 BAC, together with copies of endorsements: (i) requiring the insurers to give 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 the Authority Parties; and (v) with respect to the comprehensive general liability, automobile liability and employer's liability insurance, naming (A) BAC and the Member Air Carriers 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 BAC's liability insurance policies shall be as provided in the 1997 Insurance Services Office CG 20 10 Additional Insured endorsement. The failure of BAC 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 BAC, the failure of BAC to replace the Required Insurance which is the subject matter of such notice of cancellation or non renewal prior to the effectiveness of such cancellation or non renewal, shall in either case constitute an Event of Default. 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 BAC.

**9.06 No Limitation of Liability.**

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

**9.07 Indemnification of Authority.**

(a) To the fullest extent provided by law, excluding however any act caused by the Authority's sole negligence or willful misconduct, BAC shall indemnify, defend and hold harmless the Authority Parties from and against all liability for claims, suits, causes of action, liabilities, losses, costs and expenses (including attorneys' fees) (collectively, "Losses") for which the Authority Parties may be held liable by reason of injury (including death) to any person (including BAC's employees, if any) or damage to any property whatsoever kind or nature of every kind relating to or arising in connection with:

(i) Any act or omission of BAC or a BAC Agent arising out of or in any manner connected with the Consortium Equipment and its operations pursuant to this Agreement or its activities at and around the Airport.

(ii) Any material breach, violation or nonperformance of any covenant, term or condition of this Agreement to be performed or observed by BAC, or of any restrictions of record or of any applicable laws affecting the Consortium Equipment or BAC Property, or the ownership, occupancy or use thereof.

(b) In case any action or proceeding is brought against the Authority by reason of any matter referred to in this Section, BAC, upon written notice from the Authority (which shall be promptly given), shall: (i) respond to the Authority in writing regarding BAC's plan of action within seven days of the Authority's notice, and (ii) at BAC's sole cost and expense, resist or defend such action or proceeding by counsel approved by the Authority in writing (which approval shall not be unreasonably withheld), provided that no approval of counsel shall be required in each instance where the action or proceeding is resisted or defended by counsel of an insurance carrier obligated to resist or defend such action or proceeding, and further provided that the Authority may engage at its own expense its own counsel to participate in the defense of any such action.

(i) If BAC determines that the defense of such action is not covered by this Section, BAC shall immediately notify the Authority.

(ii) If BAC fails to defend such action as required by this Article, BAC will be responsible for all defense costs and actual expenses incurred by the Authority insofar as permitted by law as well as any settlement amounts paid or payable by the Authority and/or damages awarded against the Authority by a court of competent jurisdiction.

(iii) The Authority shall be notified in advance of any potential settlements of any action defended herein and BAC shall also be notified of any potential settlements in the event of an Authority defense of such action.

(iv) The provisions of Section as they apply to occurrences or actual or contingent liabilities arising during the term of this Agreement shall survive the expiration or any earlier termination of this Agreement for the applicable statute of limitations, but no longer than six years.

#### **9.08 Indemnification of BAC.**

(a) To the fullest extent provided by law, excluding however any act caused by BAC's negligence or willful misconduct, the Authority shall indemnify, defend and hold harmless BAC and its officers, agents, employees, representatives, successors and assigns (collectively, "Representatives") from and against all Losses for which BAC or its Representatives may be held liable by reason of injury (including death) to any person (including Authority's employees, if any) or damage to any property whatsoever kind or nature relating to or arising in connection with:

(i) Any negligent, reckless or intentional act or omission of the Authority, its agents, employees, contractors or sublessees arising out of or in any manner connected with the Consortium Equipment (or the Airport premises on which such Consortium Equipment is stored or used).

(ii) Any material breach, violation or nonperformance of any covenant, term or condition of this Agreement to be performed or observed by the Authority, or of any restrictions of record or of any applicable laws, ordinances, statutes, rules, codes or regulations, affecting the Consortium Equipment, or the ownership, occupancy or use thereof.

The indemnification contained in this Section applies to this Section only. Said indemnification does not apply to BAC-maintained equipment or property, except to the extent caused by the Authority's gross negligence.

(b) In case any action or proceeding is brought against the Authority by reason of any matter referred to in this Section, the Authority, upon written notice from BAC (which shall be promptly given), shall at Authority's sole cost and expense, resist or defend such action or proceeding by counsel approved by BAC in writing (which approval shall not be unreasonably withheld), provided that no approval of counsel shall be required in each instance where the action or proceeding is resisted or defended by counsel of an insurance carrier obligated to resist or defend such action or proceeding, and further provided that BAC may engage at its own expense its own counsel to participate in the defense of any such action.

(i) If the Authority determines that the defense of such action is not covered by this Agreement, the Authority shall immediately give BAC notice thereof.

(ii) If the Authority fails to defend such action as required by this Section, the Authority will be responsible for all defense costs and actual expenses incurred by BAC insofar as permitted by law as well as any settlement amounts paid or payable by BAC and/or damages awarded against BAC by a court of competent jurisdiction.

(iii) BAC shall be notified in advance of any potential settlements of any action defended herein and the Authority shall also be notified of any potential settlements in the event of BAC defense of such action.

(iv) The provisions of this Section as they apply to occurrences or actual or contingent liabilities arising during the term of this Agreement shall survive the expiration or any earlier termination of this Agreement for the applicable statute of limitations, but no longer than six years.

## ARTICLE 10 DEFAULT AND RIGHTS AND REMEDIES UPON DEFAULT

### 10.01 Events of Default.

The occurrence of any of the following shall constitute a material breach of the Agreement by BAC and an Event of Default:

(a) BAC voluntarily abandons, deserts or vacates the Airport and ceases operation of the Consortium Equipment without the consent of the Authority; provided, however, BAC shall be excused if such cessation or failure to use the Consortium Equipment is caused by reason of war, strike, embargo, riot, civil commotion, acts of public enemies, earthquake, other natural disasters, governmental order, action of the elements, or any other similar cause beyond BAC's control.

(b) Any principal or interest payment under the Note is 10 days past due.

(c) BAC's failure to make payment due under this Agreement (other than principal or interest pursuant to the Note), if such failure continues for 30 days after receipt of notice to BAC.

(d) BAC's failure to observe and comply with the requirements of Section 3.13, Article 9, or Article 13.

(e) BAC's failure to observe and perform any other provision or covenant of this Agreement to be observed or performed by BAC, where such failure continues for 30 days after notice to BAC; provided, however, that if the nature of the default is such that the same cannot reasonably be cured within such 30 day period, BAC shall not be deemed to be in default if BAC shall within such period commence such cure and thereafter diligently prosecute the same to completion, and advise the Authority of same, but in no event for longer than 60 days after notice to BAC without the consent of the Authority.

(f) The filing of a petition by or against BAC for relief in bankruptcy or insolvency or for its reorganization or for the appointment pursuant to any local, state or federal bankruptcy or insolvency law of a receiver or trustee of any part of BAC's property; or, an assignment by BAC for the benefit of creditors; or the taking possession of the property of BAC by any local, state or federal governmental officer or agency or court-appointed official for the dissolution or liquidation of BAC or for the operating, either temporarily or permanently, of

BAC's business. If any such action is commenced against BAC the same shall not constitute a default if BAC files a motion to dismiss such action within 30 days after its filing and such action is dismissed or discharged within 90 days after the action against BAC was commenced.

(g) Notwithstanding anything set forth in Section 10.01(a), (b), (c), and (d) above to the contrary, in no event shall the Authority be obligated to send more than two notices for any single default in any 12 month period for any of the failures described in those subsections. The same default occurring after the Authority has sent two notices for such default within a 12 month period shall be an automatic Event of Default. In any event, more than six Events of Default in any 12 month period will render the next default an automatic Event of Default.

(h) A default by BAC, not cured within the applicable cure period, under any other contract with the Authority.

#### **10.02 Remedies of Authority.**

Upon the occurrence and during the continuance of an Event of Default, the Authority shall have the following rights and remedies in addition to all other rights and remedies available at law or in equity:

(a) The Authority may declare all outstanding principal of the Loan, and interest accrued thereon, immediately due and payable pursuant to the terms of the Note.

(b) The Authority may terminate this Agreement and BAC's rights hereunder at any time by written notice to BAC. BAC expressly acknowledges that in the absence of such written notice from the Authority, no other act of the Authority (including its use of the Consortium Equipment, its leasing or re-licensing of the Consortium Equipment and use of the Consortium Equipment for BAC's account, its exercise of any other rights and remedies under this Section), shall constitute an acceptance of BAC's surrender, or constitute a termination, of this Agreement. Upon such written notice, this Agreement shall terminate and Authority shall be entitled to recover any and all actual damages from BAC for such breach, including:

(i) The reasonable cost of recovering the use of the Consortium Equipment; plus

(ii) The reasonable cost of removing any Alterations to the Consortium Equipment; plus

(iii) Any other amount not otherwise covered by the foregoing provisions necessary to compensate the Authority for all the detriment proximately caused by BAC's failure to perform its obligations under this Agreement.

(c) The Authority may continue this Agreement in full force and effect and may enforce all of its rights and remedies under this Agreement, including the right to recover fees as they become due. During any period when an Event of Default remains uncured, the Authority may use, lease or license all or any part of the Consortium Equipment for BAC's account to any person, for such term (which may be a period beyond the remaining term of this Agreement), at

such fees and on such other terms and conditions as the Authority deems advisable without terminating this Agreement. In the event of any use, lease or license, monies and rents received by the Authority from such use, lease or license shall be applied as follows: (1) to the payment of fees then due and payable hereunder; (2) to the payment of future fees as the same may become due and payable hereunder; (3) to the payment of the costs of maintaining, preserving, altering and preparing the Consortium Equipment for use, lease or license, the other costs of use, lease or license, including brokers' commissions, attorneys' fees and expenses of removal of BAC's personal property, trade fixtures and Alterations; and (4) the balance, if any, shall be paid to BAC upon (but not before) expiration of this Agreement.

(d) During the continuance of an Event of Default, the Authority may, without terminating this Agreement, remove and store all of BAC's personal property, Alterations and trade fixtures from the Airport and the Consortium Equipment. If the Authority removes and stores such property, and if BAC fails to pay the cost of such removal and storage after written demand therefor or to pay any rent then due, then after the property has been stored for a period of 30 days or more, the Authority may sell such property at public or private sale, in the manner and at such times and places as the Authority deems commercially reasonable following reasonable notice to BAC of the time and place of such sale. The proceeds of any such sale shall be applied first to the payment of the expenses for removal and storage of the property, the preparation for and the conducting of such sale, reasonable attorneys' fees and other legal expenses incurred by the Authority in connection therewith, and the balance shall be applied as provided in Section 10.02(b) above. BAC waives all claims for damages that may be caused by the Authority's actions pursuant to this Section, and BAC shall hold the Authority harmless from and against any loss, cost or damage resulting from any such act, except to the extent caused by the Authority's gross negligence or willful misconduct.

(e) The Authority may require BAC to remove any and all Alterations from the Consortium Equipment or, if BAC fails to do so within 30 days after the Authority's request, the Authority may do so at BAC's expense.

(f) The Authority may cure the Event of Default at BAC's expense. If the Authority pays any sum or incurs any expense in curing the Event of Default, BAC shall reimburse the Authority upon demand for the amount of such payment or expense with interest at the rate of the lower of 1.5% per month and the highest rate permitted by law from the date the sum is paid or the expense is incurred until the Authority is reimbursed by BAC.

### **10.03 Assignment of Rights to Collect Member Fees and Charges.**

BAC assigns to the Authority the right, during any period when an Event of Default remains uncured and money is then owing to the Authority, to collect fees and charges due from Member Air Carriers, and to call for and collect extraordinary contributions from Member Air Carriers, pursuant to the Member Agreements, until all amounts owed to the Authority have been paid.

### **10.04 No Waiver.**

No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power occurring upon any default shall impair any right or power or be construed to be a waiver, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

#### **10.05 Disputed Obligations.**

Notwithstanding anything to the contrary in this Agreement, if a dispute arises between the parties with respect to any obligation or alleged obligation of BAC to pay money, the payment under protest by BAC of the amount claimed by Authority to be due shall not waive any of BAC's rights, and if any court or other body having jurisdiction including Authority determines that all or any part of the protested payment was not due, then Authority shall as promptly as reasonably practicable reimburse BAC any amount determined as not due together with interest at the rate of the lower of 1.5% per month and the highest rate permitted by law from the date such amount was paid by BAC until BAC is reimbursed by the Authority.

### **ARTICLE 11 DAMAGE, DESTRUCTION, AND CONDEMNATION**

#### **11.01 Damage, Abandonment or Destruction.**

(a) If the Consortium Equipment, or any portion thereof, is damaged or destroyed by fire or other casualty, the proceeds of insurance shall be available to BAC, and BAC shall, to the extent of such proceeds, and subject to such reasonable terms and conditions as may be imposed by the Authority: (i) repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed Consortium Equipment, to substantially the same condition, character and utility value as existed prior to the event causing such damage or destruction; or (ii) such other condition, character and value as may be agreed upon by the Authority and BAC.

(b) BAC shall not destroy or cause to be destroyed, injure, deface, or disturb in any way, property of any nature on the Airport, nor willfully abandon any personal property or BAC Property on the Airport.

(c) If, for any reason other than damage or destruction caused by BAC's gross negligence or intentional misconduct or BAC's failure to meet the requirements of Section 9.01, the net proceeds of insurance on account of such damage or destruction are insufficient to restore or replace the Consortium Equipment, BAC may terminate this Agreement by giving notice to the Authority within 90 days after the event causing such damage or destruction; provided, however, in the event BAC is diligently seeking a determination as to insurance coverage, such 90-day period will be extended at BAC's request, for up to 120 days after the event. In the event BAC fails to give such termination notice, then BAC will be deemed to have waived the right to terminate this Agreement. In the event BAC timely gives such notice of termination, the Authority may, at its sole option, restore or replace the Consortium Equipment at the Authority's cost (without right to reimbursement by BAC), by giving notice of such election to BAC within 60

days after BAC's notice of termination. In the event the Authority timely gives such notice, then BAC's right to terminate and exercise thereof shall be deemed null and void; this Agreement shall continue in full force and effect; and the Authority shall proceed to cause such restoration and repair promptly, at its cost (without right to reimbursement by BAC). Absent such election, the Authority shall have no obligation to perform such restoration or repair.

#### **11.02 Condemnation.**

(a) Any condemnation or taking of a substantial part of the Consortium Equipment that results in the Consortium Equipment being unsuitable, or the use thereof being economically unfeasible, is herein referred to as a "Total Taking." In the event of a taking of the Consortium Equipment other than a Total Taking (a "Partial Taking"), and other than a condemnation or taking where the Authority is the condemnor, this Agreement shall remain in effect and, if the net proceeds of any award received by the Authority on account of such Partial Taking are sufficient for the purpose, the Authority shall make such net proceeds available to BAC, and BAC shall forthwith (subject to unavoidable delays) apply such net proceeds to the restoration or replacement of such portion of the Consortium Equipment so taken as nearly as possible to (i) such condition, character and utility value as existed prior to such Partial Taking, or (ii) to such other condition, character and value as may be agreed upon by the Authority and BAC.

(b) In the event of a Partial Taking, if the net proceeds of any award received by the Authority on account of such Partial Taking are insufficient to restore or replace the portion of the Consortium Equipment so taken, or in the case of any taking where the Authority is the condemnor, BAC may terminate this Agreement.

(c) In the event of a Total Taking, this Agreement shall terminate and the net proceeds received by the Authority on account of such Total Taking shall be retained by the Authority.

### **ARTICLE 12 TAXES AND LIENS**

#### **12.01 Taxes, Assessments and Other Charges and Related Liens.**

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

(b) The Authority makes no representation regarding whether BAC might be subject to any possessory interest tax. If a possessory interest tax is levied or imposed, then BAC shall pay such tax when due without any credit or offset to the moneys that are due and payable to the Authority.

(c) BAC may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of any Consortium Operation Area or such other Airport facilities as taxable or assessable property, directly against the taxing or assessing Agency.

(d) Upon expiration or termination of this Agreement, all lawful taxes then levied, or that constitute a lien upon any Consortium Operation Area or such other Airport facilities made available for use by BAC or any taxable interest therein, as appropriately prorated if applicable, shall be paid in full by BAC immediately, or as soon as a statement of taxation has been issued by the appropriate taxing Agency if termination occurs during the interval between the attachment of the lien and the issuance of a statement.

(e) To the extent that the Authority forwards to BAC a bill or assessment notice relating to a tax, assessment, or charge coming due for which BAC is responsible, BAC shall pay the tax, assessment, or charge promptly before the due date (and concurrently notify the Authority of such payment).

(f) If BAC fails to pay any tax, assessment, or charge, the Authority may (but has no obligation to), after five days' notice to BAC, pay, discharge, or adjust such tax, assessment, or charge for BAC's benefit. In such event, BAC, on receipt of written demand of the Authority, shall reimburse the Authority promptly for the full amount with interest at the rate of 1.5% per month (subject to the maximum rate permitted by law). Any receipt showing payment by the Authority shall be prima facie evidence that the amount of such payment was necessary and reasonable and made by the Authority on BAC's behalf.

#### **12.02 Other Liens Upon Consortium Equipment.**

(a) BAC shall not to permit or suffer any vendors', mechanics', laborers', materialmen's, statutory or other liens to be imposed upon the Consortium Equipment or any part thereof or on BAC's interest therein as a result of its activities without promptly discharging the same. BAC may, if it so desires, contest any such lien in good faith.

(b) BAC shall in no event permit any lien to be imposed on the Authority's interest as licensor and fee owner of the Consortium Equipment as a consequence of any act or omission of BAC or as a consequence of the existence of BAC's interest under this Agreement without promptly discharging the same.

(c) In the event of a contest, BAC shall provide a bond in an amount and form acceptable to Authority in order to clear the record of any such lien.

(d) BAC shall assume the defense of and indemnify and hold harmless the Authority against any and all liens and charges of any and every nature and kind which may at any time be established against such Consortium Equipment and improvements thereto and thereon owned by the Authority, subject to this Agreement, or any part thereof, as a consequence of any act or omission of BAC or as a consequence of the existence of BAC's interest under this Agreement.

#### **12.03 Liens Upon Airport Property.**

(a) BAC shall not directly or indirectly create or permit or suffer to be created or to remain any lien upon any Airport real property, including any fixtures, improvements or appurtenances. In the event any such lien is created by or permitted by BAC, BAC shall within 10 days of the filing, cause the lien to be discharged as of record, by bond or as otherwise allowed by law. Nothing herein impedes the Authority's right to post and keep Airport property any notices that may be required by law or which Authority may deem proper for the protection of Authority and the Airport property from such liens.

(b) In the event of BAC's failure to clear the record of any such lien within such time period, the Authority may (but is not required to) remove such lien by paying the full amount or by bonding or in any other manner the Authority deems appropriate, without investigating the validity of such lien, and irrespective of the fact that BAC may contest the propriety, and BAC, upon demand, shall pay the Authority the amount so paid by the Authority in connection with the discharge of such lien, together with interest thereon at the rate of 1.5% per month or the maximum legal rate, whichever is greater, and reasonable expenses incurred in connection therewith, including reasonable attorneys' fees, which amounts are due and payable to the Authority.

#### **12.04 No Consent by Authority.**

Nothing contained in this Agreement shall be construed as a consent on the part of the Authority to subject the Authority's estate in any portion of the Airport to any lien or liability under the laws of the State of California.

#### **12.05 Survival.**

This Article shall survive termination and expiration of this Agreement.

### **ARTICLE 13 ENVIRONMENTAL MATTERS**

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

(a) BAC 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 the Consortium Equipment.

(b) BAC 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, BAC 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) BAC 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 BAC.

(d) BAC shall not allow or cause the entry of any Hazardous Substances under its control into the Airport's storm water drainage system unless authorized by Environmental Law and the Airport's Storm Water discharge permit. BAC 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 BAC complies with recommendations made by the State and/or federal Environmental Protection Agency and the Airport's storm water discharge permit requirements. BAC 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) BAC 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. BAC 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 BAC.

### **13.02 Environmental Indemnification.**

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

(1) BAC'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 BAC's release of Hazardous Substances on the Airport since the time BAC first occupied the Airport.

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

(3) BAC's violation of any Environmental Law, except that BAC'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 BAC that take place off of the Airport. A party shall be deemed to be affiliated with BAC if it is an employee, officer, director, agent, subtenant, contractor or subcontractor of BAC or if it is controlled by, or under common control with, BAC.

(4) BAC's causing or allowing any prohibited discharge into the Airport storm water drainage system that is prohibited by Section 13.01.

(b) This indemnification includes attorneys' 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. However, BAC's indemnity obligation shall not apply in the event of any claims for any loss, damage or expense arising from 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 Authority Parties are named as defendants or respondents in any lawsuit or administrative proceeding, BAC shall, at the request of the Authority, represent the indemnitee with qualified counsel that the Authority determines, in its sole and exclusive discretion, is acceptable, unless the Authority, at its sole and exclusive discretion, undertakes legal representation, in which event BAC shall reimburse the Authority for the reasonable costs incurred by it in defending such lawsuit or administrative proceeding, including reasonable attorneys' 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 BAC because of the concurrent negligence of the Authority and BAC 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 provisions of this Article shall survive expiration and termination of this Agreement.

### **13.03 Disclosure.**

(a) Records. BAC shall keep sufficient records such that, within 15 days of the Authority's written request, BAC 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 BAC 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. BAC 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 BAC's responses; (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 BAC is required by law to give notice to any Agency about any Contamination, BAC 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 BAC 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.

#### **13.04 Annual Site Investigation.**

Without limiting its other rights, the Authority shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Airport, and to utilize the services of an environmental consultant or consulting firm for such inspection and assessment. BAC 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 BAC Contamination, Airline shall take any and all action as provided in Section 13.01. 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 BAC's Contamination, BAC shall not be excused from performing its obligations or relieved from liability to the Authority under this Article.

#### **13.05 Air Quality Improvement Plan.**

BAC 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. BAC 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, BAC shall be required to ensure its fleet average continues to meet the Airport emissions targets. BAC'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. BAC'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 BAC, BAC 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. BAC is encouraged to also join and to actively participate in the BTMO as an individual member.

## ARTICLE 14 CONFIDENTIAL INFORMATION

### 14.01 Prohibition Against Disclosure.

Each party covenants and agrees, for itself and its employees, agents, representatives and contractors, that, except as provided in Section 14.02, 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.

### 14.02 Permitted Disclosures.

Notwithstanding the provisions of Section 14.01, 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 (unless otherwise legally protected from such disclosure); (iii) to the extent required 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 a bond issuance by the Authority; (vi) to the extent required in connection with the Authority's application for or compliance with the requirements of any funding program, grant or other financing; (vii) to the extent required in connection with the preparation and issuance of financial statements of such party; or (viii) as otherwise is required by law.

### 14.03 Survival.

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

## ARTICLE 15 MISCELLANEOUS PROVISIONS

### 15.01 Notices.

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

(a) For the Authority: **Burbank-Glendale-Pasadena Airport Authority**

Before RPT Opening Date:

2627 N. Hollywood Way  
Burbank, CA 91505

On and After RPT Opening Date:

2827 N. Hollywood Way  
Burbank, CA 91505  
Attention: Executive Director

(b) For BAC: **Burbank Airline Consortium, LLC**

Before RPT Opening Date:

300 N. Continental Blvd., Suite 510  
El Segundo, CA 90245

On and After RPT Opening Date:

2827 N. Hollywood Way  
Burbank, CA 91505

### **15.02 Governing Law; Litigation.**

(a) This Agreement shall be governed by and construed pursuant to the law of the State of California.

(b) In the event that either party shall commence legal action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California. The interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the disputed language. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

### **15.03 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 consent to any act by BAC requiring the Authority's consent shall not be deemed to render unnecessary the obtaining of the Authority's consent to any subsequent act by BAC, whether or not similar to the act so consented. The subsequent acceptance by the Authority of any amount due from BAC shall not be deemed to be a waiver of any preceding breach or Event of Default by BAC of any provision of this Agreement, other than the failure of BAC 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 either party with respect to any provision of this Agreement shall be effective unless such waiver is in writing.

**15.04 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 provision of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

**15.05 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.

**15.06 No Representations by Authority.**

BAC acknowledges that neither the Authority nor any of the Authority Parties have made any representations, warranties or promises with respect to the Consortium Equipment, except as herein expressly set forth. BAC 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 Consortium Equipment, except as herein expressly set forth.

**15.07 Relationship of Parties.**

(a) Nothing contained in this Agreement shall be construed to create the relationship of principal and agent, partnership, joint venture or any other similar relationship between the parties hereto, other than the relationship of licensor and licensee. Neither the Authority nor BAC 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 BAC or as creating any other form of legal association between the Authority and BAC which would impose liability upon one party for the act or the failure to act of the other party.

(b) BAC is and shall remain an independent contractor with respect to all services performed under this Agreement. BAC has full and exclusive liability for the payment of any and all contributions or taxes for social security; unemployment insurance, or old age

retirement benefits pensions or annuities now or hereafter imposed under any law that are measured by the wages, salaries, or other remuneration paid to persons employed by BAC on work performed under this Agreement.

(c) This Agreement is intended for the sole protection and benefit of the parties and their successors, and permitted assigns. No other person shall have any right of action based this Agreement.

#### **15.08 Force Majeure.**

Neither the Authority nor BAC shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations imposed under this Agreement by reason of strikes, boycotts, labor disputes, embargoes, shortage of energy or materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, pandemic or epidemic, or any other circumstances for which it is not responsible or which is beyond its control. The Authority shall be under no obligation to furnish any service or supply any utility if and to the extent and during any period that the furnishing of any such service or the supplying of any such utility, or the use of any device or component necessary therefore, shall be prohibited or rationed by any federal or state law, rule, regulation, requirement, order or directive. Under no circumstances shall the happening of any event provided for in this section excuse BAC from paying the rentals, fees and charges payable to the Authority by BAC.

#### **15.09 Successors and Assigns.**

BAC may not assign any of its interests, rights or obligations under this Agreement without the Authority's express written consent. No rights shall inure to the benefit of any successors of BAC unless the Authority's prior approval for the transfer to such successor has first been obtained. Subject to the foregoing restrictions, all of the covenants, conditions and agreements contained herein shall extend to and be binding upon the legal representatives, successors and assigns of the respective parties hereto.

#### **15.10 Entire Agreement.**

This Agreement (and the attached Exhibits) and the Note, upon its delivery, represent the entire and integrated contract between the parties regarding its subject matter. No other agreements or promises, written or oral, are incorporated except as specifically set forth in this Agreement. 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.

#### **15.11 Agreement Subordination.**

In the event of conflicts between this Agreement and the Airport Use Agreement, the Airport Use Agreement shall control. This Agreement is also subject and subordinate to all mortgages, deeds of trust, bond indentures, liens and other encumbrances, security interests now or hereafter affecting the Airport premises, and to all renewals, modifications, replacements, consolidations and extensions thereof.

**15.12 Executive Director.**

The exercise of the extension option under Section 2.04 shall require Authority Commission approval. For other cases where the Authority's approval or consent is required pursuant to this Agreement, the Executive Director is authorized to give or withhold such approvals and consents on behalf of the Authority. The Executive Director, without additional Authority Commission action, is also authorized to execute amendments to this Agreement that do not have a negative financial impact on the Authority.

**15.13 No Waiver By Virtue of Authority Review.**

No Authority review or approval of any act of BAC or document provided by BAC shall in any way serve to attenuate, diminish or limit BAC's obligations, nor shall such review or approval constitute a waiver of non-compliance with the terms of this Agreement.

**15.14 Electronic Signatures.**

Each party agrees, and affirms its intent, that if it signs this Agreement using an electronic signature, such party is signing, adopting, and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

**15.15 Counterparts.**

This Agreement may be executed by each party on separate counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement between BAC and the Authority to be executed as of the dates set forth below.

**EXECUTED:**

**Burbank Airline Consortium, LLC**

By: 

Print Name: Steve Hubbell

Title: ~~Manager~~ Chair Person

Date: 12/10/25

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

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

Title: Manager

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**

\_\_\_\_\_  
Jess A. Talamantes, President

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

Approved as to form:

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

**EXHIBIT A**  
**Consortium Equipment and Tasks**

As outlined in Exhibit I of the Airport Use Agreement, dated March 4, 2024, the following equipment and systems shall constitute Consortium Equipment:

- 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
- Pre-Conditioned Air Systems
- 400Hz Ground Power Systems

Pursuant to Section 8.03 of the Airport Use Agreement, BAC shall perform the following tasks at no less than "Optimum" IATA Level of Service:

- 1) Operation and maintenance of the Consortium Equipment, 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 at the Airport).
- 2) Operation and maintenance of the CUPPS, CUSS, baggage scales and the electrical charging system for ground equipment that serves the Airport Terminal.
- 3) Construction, operation, and maintenance of MUFIDS.

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

**EXHIBIT B**  
**BAC Property**

None at the time of Agreement execution. To be updated from time to time.

**EXHIBIT C**  
**Maintenance Responsibilities and Standards**

**Overview**

These Maintenance Responsibilities and Standards (“Maintenance Standards”) establish the minimum requirements to be maintained by BAC for the Consortium Equipment. Provisions of the Maintenance Standards must be met or exceeded by BAC and all Consortium Vendors. Failure to maintain the Maintenance Standards specified herein may constitute a default in accordance with this Agreement.

**Standard of Performance**

BAC will perform, or cause to be performed, all services required of it under the terms and conditions of this Agreement with that degree of skill, care, and diligence normally exercised by those performing similar types of services in projects of a comparable scope and magnitude. BAC will use its best efforts to assure timely and satisfactory performances of services in the manner that fulfills the stated purposes of this Agreement. BAC will at all times act in the best interest of the Authority and Member Air Carriers, consistent with the obligations assumed by it in entering into this Agreement.

BAC will require its contractors and subcontractors (collectively, “BAC Contractors”) of any tier to perform all services required of them in accordance with these standards. BAC will further require BAC Contractors of any tier to perform again, or cause to be performed again, at their own expense, any and all services which are required to be re-performed as a direct or indirect result of such failure.

**Goals and Objectives**

The purpose of the Maintenance Standards is to establish the minimum service requirements and quality standards to be maintained by BAC for Consortium Equipment to extend their useful life.

The goal of the Maintenance Standards is to ensure excellent services levels for the Authority and all Member Air Carriers.

**The objectives of the Minimum Standards are to:**

- Provide clear delineation of services ownership, accountability, roles and/or responsibilities.
- Present a clear, concise, and measurable description of services provision to the Airport.
- Match perceptions of expected service provision with actual service support and delivery.
- Provide the Authority with transparent and accessible maintenance records.

### **BAC Requirements related to the Maintenance Standards include:**

- Meeting response times associated with service-related incidents
- Generating reports on service levels for the Authority
- Training required staff on equipment and associated service support tools
- Maintaining, storing and procuring spare parts, tools, and accessories for Consortium Equipment
- Providing and maintaining a Computerized Maintenance Management System ("CMMS") to be used for record maintenance of Consortium Equipment maintained by BAC
- Providing appropriate notification to the Authority and all affected stakeholders regarding scheduled maintenance
- Facilitating all service support activities involving incidents, problems, changes, releases, and configuration management
- Providing Consortium Vendor personnel with the appropriate qualifications and security credentials to perform their work
- Performing all manufacturer-recommended preventative maintenance in accordance with the manufacturer's recommended schedule and specifications
- Performing maintenance in the public circulation areas between the hours of 2100 and 0500 when practical to minimize passenger inconvenience and disruptions
- Maintaining and repairing Consortium Equipment in proper working order in accordance with manufacturer recommendations, specification or standard industry practice, whichever is most stringent
- Maintaining a complete set of all maintenance records, including preventative maintenance, reactive maintenance, corrective maintenance records, and inventory levels, and providing same to the Authority upon request
- Maintaining records of all user and maintenance training activities including trainer and trainees
- Logging maintenance work orders in the CMMS
- Staffing and maintaining a 24/7/365 dispatch office located in the terminal complex to provide support to all users and stakeholders

### **Service Exceptions**

BAC will meet or exceed all service levels and standards contained herein. However, certain events are outside the control of BAC and will affect the level of service that BAC is able to provide.

Unless caused by a Consortium Vendor the following issues will be deemed outside the control of BAC and will not be factored in determining BAC's achievement of service levels, including but not limited to:

- An act of negligence by tenants using or operating Consortium Equipment
- Loss of terminal utility infrastructure that affects Consortium Equipment
- Fire or security event requiring the shutdown of the terminal facilities, system, or equipment.

Although BAC cannot control or eliminate these types of issues, BAC will mitigate them by providing refresher training to the responsible parties or take alternative actions to mitigate future

similar incidents. BAC will be responsible for notifying the responsible parties and providing support information to the Authority as needed.

### **Service Management**

The effective provision of the in-scope services will result in consistent service levels. The following sections provide relevant detail defining Maintenance Standard requirements for service availability, monitoring, measurement, reporting, and other related components of in-scope services.

### **Service Maintenance Window**

All system equipment, and/or related components require regularly scheduled maintenance in order to meet established service levels. These activities will render system and/or applications unavailable for normal use. BAC will coordinate all scheduled maintenance with the affected parties to minimize disruptions. Maintenance that impacts the public will be performed between the hours of 2100 and 0500 when practical.

### **Availability Restrictions**

Scheduled maintenance must be coordinated with all tenants and stakeholders and accommodate regular and irregular operations. Tenants and the Authority must be provided the opportunity to make a proceed/abort decision prior to the start of scheduled maintenance and preventive maintenance.

### **Reporting**

As part of the Maintenance Standards, BAC will be responsible to provide the Authority with reports related to Consortium Equipment, each containing the information below.

### **Quarterly**

BAC will submit to the Authority a quarterly status report on the Consortium Equipment. The quarterly status report will be provided within 90 days of the end of each quarter, and will include, at a minimum the following information:

### **System and Equipment Status Report**

- Number of service requests by category
- Number of open service requests
- Number of closed service request by category
- Scheduling of major maintenance activities for the next 90 days
- Overall availability of Consortium Equipment
- Recurring issues and mitigation plan(s)
- Training activities

- Inventory levels

### **Annual Report**

BAC will submit to the Authority an annual status report for the Consortium Equipment. The annual status report will be provided 90 days after the end of each Fiscal Year, and will include, at a minimum, a summary of the quarterly status reports for each month of the year, and the following information:

### **Incident Reporting**

An incident report will be provided for any incident that occurs in the area of responsibility of BAC. The incident report will provide a copy of the service request and will include, at a minimum, the following information:

- Incident number
- Date of incident
- Time of incident
- Duration of incident
- Location of incident
- Description of incident
- Cause of incident
- Effect of incident
- Resolution of incident
- Action to be taken against offending party, as appropriate
- Mitigation plan to prevent future similar incidents

**EXHIBIT D**  
**FORM OF PROMISSORY NOTE**

**PROMISSORY NOTE**

**DATE:** \_\_\_\_\_, 202\_\_

**PRINCIPAL AMOUNT:** An amount to exceed \$2 million.  
Actual principal amount, as of close of the Disbursement Period (defined below), shall be inserted in Annex-1 pursuant to Section 1(b) below

**INTEREST RATE:** Simple interest at 2% per annum, accruing from first day after close of the Disbursement Period (except when Default Rate applies pursuant to the terms below)

**PAYMENT SCHEDULE** As set forth in Annex-2.  
Payment due on the 1<sup>st</sup> day of each calendar month, commencing the third month after RPT Opening Date, and continuing for 10 years (subject to prepayment or other adjustments as provided herein).

\* \* \*

For value received, **Burbank Airline Consortium, LLC**, a California limited liability company (“**BAC**”), promises to pay to **Burbank-Glendale-Pasadena Airport Authority**, a California joint power agency (“**Authority**”), the Principal Amount described above, plus accrued interest and other charges owing, in accordance with the terms and schedule set forth herein.

This Promissory Note (the “**Note**”) evidences the Loan made pursuant to Section 4.01 of the Equipment Maintenance and Operating Agreement, dated as of \_\_\_\_\_, 202\_ (“**Agreement**”), between BAC and the Authority. Capitalized terms used but not defined herein have the meanings ascribed in the Agreement. The Agreement (as the same may be amended and supplemented from time to time) is incorporated as though set forth herein.

So long as any amount owed hereunder remains outstanding, this Note shall be kept in the offices of Authority’s Director of Financial Services (“**Director of Financial Services**”), or such other location designated by the Authority’s Executive Director.

**I. Draw-Downs; Principal Amount**

(a) Upon each disbursement of Loan funds pursuant to Section 4.01 of the Agreement, the Director of Financial Services shall record the disbursement amount in Annex-1. The Authority shall make disbursements only during the Disbursement Period. “**Disbursement Period**” means

the period between (i) the day on which the Note is delivered to, and accepted by, the Executive Director, and (ii) the 30th day after RPT Opening Date.

(b) Within 10 days after the close of the Disbursement Period, the Director of Financial Services shall: (i) complete Section II of Annex-1, and (ii) insert the Payment Schedule in Annex-2. The Payment Schedule shall specify the Principal Amount, the interest, and the total due on each Payment Date (defined below). The Director of Financial Services shall promptly transmit copies of the completed Annex-1 and Annex-2 to BAC. Within five days after receiving such transmission, BAC shall send written notification to the Director of Financial Services of any objection to the Authority's calculations and specify the proposed correction. If the Director of Financial Services agrees with BAC's proposed correction, the Director of Financial Services shall promptly revise and send copies of the corrected Annex 1 and Annex-2 to BAC. In the absence of any written objection from BAC within five days, the Principal Amount shown in Annex-1 and the Payment Schedule in Annex-2, as transmitted by the Authority Director to BAC, shall be final and conclusive.

(c) The Principal Amount due each month shall be the same (or approximately the same, to the extent practicable) throughout the repayment period.

(d) At any time during the Disbursement Period, the outstanding Principal Amount shall equal the most recently recorded "Draw-Down Total," as shown in Annex-1.

(e) At any time after the Disbursement Period, the outstanding Principal Amount shall equal the last "Draw-Down Total" shown in Annex-1, less the aggregate Principal Amount paid or pre-paid based on the Authority's records. Upon BAC's request, with respect to any payment, the Authority shall furnish a receipt to BAC specifying the principal and interest received.

## 2. Interest; Payment Dates; Payment Method

(a) Interest shall begin to accrue on the 31<sup>st</sup> day after RPT Opening Date (i.e., the first day after the close of the Disbursement Period), at the simple interest rate of 2% per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

(b) BAC shall make principal and interest payments according to the Payment Schedule, without demand or offset.

(c) Payments shall be due on the first day of each month, commencing the third calendar month after RPT Opening Date (each, a "Payment Date"). (For illustration: Assuming that the RPT Opening Date is in October 2026, then the first Payment Date shall be January 1, 2027).

(d) BAC shall deliver payments to the Authority in the manner prescribed in Section 4.03(b) and (c) of the Agreement.

### 3. Prepayment

(a) No prepayment shall be accepted during the Disbursement Period. After the Disbursement Period, subject to the requirements of this Section 3, BAC may prepay, without penalty, all or a portion of the outstanding Principal Amount on any Payment Date, in addition to the scheduled principal and interest payment due on that Payment Date.

(b) Any partial prepayment shall be applied to scheduled principal payments in inverse order of maturity (i.e., with the latest due date) and shall have the effect of shortening the repayment term of this Note. Prepayment shall only be in an amount sufficient to shorten the repayment period by one or more whole years. (*For illustration:* At the end of the Disbursement Period, if the Principal Amount of the Note is \$2 million, then the Principal Amount due each year will be \$200,000 (or \$16,667 each month) and the last principal and interest payment date will be December 1, 2026. Later, BAC makes a prepayment of \$600,000. Then, upon such prepayment, the repayment term will be shortened by three years, and the last principal and interest payment due date will December 1, 2023.)

(c) At least 30 days before any proposed prepayment, BAC shall send to the Authority's Executive Director (and copying the Director of Financial Services) a written notice specifying the prepayment amount.

(d) Within 15 days after receiving a prepayment notice, the Director of Financial Services shall send to BAC a draft of the Payment Schedule that will take effect after the prepayment. No later than 10 days before the proposed prepayment date, BAC shall either, by writing to the Director of Financial Services: (i) state BAC's objection to the draft Payment Schedule and specify the alleged error, or (ii) confirm its acceptance of the draft Payment Schedule. No prepayment shall be made or accepted until the BAC and the Director of Financial Services mutually agree on the new Payment Schedule. Upon the Authority's receipt of the prepayment, the agreed-upon new Payment Schedule shall be inserted into Annex-2 to replace the outdated Payment Schedule.

### 4. Event of Default; Remedies; Acceleration Upon Default or Agreement Termination

(a) Upon an Event of Default and so long as it is continuing and remains uncured, this Note shall bear interest at the Default Rate.

(b) "Default Rate" means the lesser of: (i) 2% plus the Prime Rate (defined below) as of noon New York time on the date that Event of Default first occurred, or (ii) the highest rate permitted by law.

(c) "Prime Rate" means: (i) the rate under the heading "Bank Prime Loan" published in H.15(519) (weekly statistical release by the Board of Governors of the Federal Reserve System, titled "Selected Interest Rates"), or (ii) if such rate is no longer published, the prime lending rate of the-then largest lending institution (by assets) in the United States.

(d) Upon an Event of Default, or upon the termination of the Agreement for any reason, the Authority may declare the entire outstanding Principal Amount, all accrued interest and any

other charges due hereunder, to be due and payable immediately. Upon the Authority's written notice to BAC of the declaration, all such amounts shall be immediately due and payable, without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which BAC expressly waives.

(e) Pursuant to Section 10.03 of the Agreement, upon an Event of Default, the Authority shall have the right, as BAC's assignee, to collect fees and charges due from Member Air Carriers, and to call for and collect extraordinary contributions from Member Air Carriers, pursuant to the Member Agreements, until all amounts owed to the Authority under this Note and the Agreement have been paid.

(f) The Authority may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights under this Note and the Agreement. No remedy conferred upon or reserved to the Authority in this Note and the Agreement is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note and the Agreement or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by law.

#### **5. Late Charge; Authority Recovery of Costs**

(a) If any Principal Amount or interest payable under this Note is 10 or more days past due (whether due at stated maturity, upon acceleration or otherwise), BAC shall pay a late charge equal to 5% of the amount past due.

(b) BAC shall, on demand, pay the out-of-pocket expenses and disbursements of the Authority, including reasonable attorney fees, and related expenses and disbursements, in connection with: (i) the preparation, execution, delivery, administration, defense and enforcement or preservation of rights in connection with any workout, restructuring or waiver with respect to the Loan, and (ii) the occurrence of an Event of Default and collection and other enforcement proceedings resulting therefrom.

#### **6. No Waiver by Authority**

A waiver by the Authority of any default or breach of duty or contract hereunder or under the Agreement shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by the Authority to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence in such default, and every power and remedy conferred upon the Authority hereby or this Note or the Agreement may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

#### **7. Severability; Governing Law; Amendment**

(a) The unenforceability or invalidity of any provision or provisions of this Note (as determined by a court of competent jurisdiction) as to any persons or circumstances shall not

render that provision or those provisions unenforceable or invalid as to any other provisions or circumstances, and all provisions of this Note, in all other respects, shall remain valid and enforceable.

(b) This Note shall be governed and construed in accordance with the laws of the State of California. In the event that either party shall commence legal action to enforce or interpret this Note, the prevailing party shall be entitled to recover its costs of suit including reasonable attorneys' fees. The venue for litigation shall be Los Angeles County, California.

(c) Neither this Note nor any term hereof may be waived, amended, discharged, modified, changed, or terminated orally; nor shall any waiver of any provision hereof be effective except by an instrument in writing signed by BAC and Authority.

**8. Certain Waivers by BAC**

BAC waives for itself and any person or entity who now or may hereafter become liable with respect to this Note, to the fullest extent permitted by law, diligence, presentment, protest and demand, notice of dishonor and all other notices and demands without in any way affecting the liability of BAC and any other person or entity who now or may hereafter become liable with respect to this Note. BAC further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations.

**9. Assignment**

BAC may not assign this Note (or delegate any obligations hereunder) without the Authority's prior written consent, which may be given or withheld in the Authority's sole and absolute discretion.

IN WITNESS WHEREOF, BAC has caused this Note to be executed in its name and on its behalf by its duly authorized representatives.

**EXECUTED:**

Burbank Airline Consortium, LLC

By:   
Print Name: Steve Hubbell  
Title: Chairperson

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

**ACCEPTED:**

Burbank-Glendale-Pasadena Airport Authority

By: \_\_\_\_\_  
John T. Hatanaka  
Executive Director

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

*[All signatures to be notarized]*

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Los Angeles )

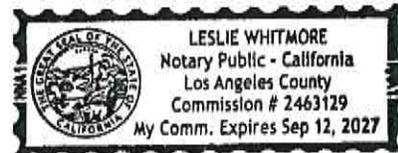
On 12-10-2025 before me, Leslie Whitmore, Notary Public  
(insert name and title of the officer)

personally appeared Steven Guy Hubbell,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Leslie Whitmore (Seal)



ANNEX-1

(Promissory Note, dated \_\_\_\_\_, 202\_\_, by Burbank Airline Consortium, LLC,  
in favor of Burbank-Glendale-Pasadena Airport Authority)

I. **DISBURSEMENTS:**

Date	Disbursement Amount:	Draw-Down Total (i.e., sum of all Disbursements)

II. **PRINCIPAL; FIRST PAYMENT DATE:**

RPT Opening Date: \_\_\_\_\_, 20\_\_

Last Date of Disbursement Period: \_\_\_\_\_, 20\_\_

Principal Amount as of Close of Disbursement Period: \$ \_\_\_\_\_

First Payment Date: \_\_\_\_\_, 20\_\_

**ANNEX-2**  
(Promissory Note, dated \_\_\_\_\_, 202\_\_, by Burbank Airline Consortium, LLC,  
in favor of Burbank-Glendale-Pasadena Airport Authority)

**PAYMENT SCHEDULE**

**[to be attached after close of Disbursement Period]**

**EXHIBIT E**  
**NON-AIP PROJECT FEDERAL REQUIREMENTS**

References in this Exhibit to "Contractor" shall be deemed to refer to BAC. References in this Exhibit to "Sponsor" shall be deemed to refer to the Authority. BAC shall: (i) insert these provisions in each lower tier contract; (ii) incorporate the requirements of these provisions by reference for work done under any purchase orders, rental agreements, and other agreements for supplies or services; and (iii) be responsible for compliance with these provisions by any subcontractor, lower-tier subcontractor, or service provider.

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, creed, sex, 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 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

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

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

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

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

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

7. The Civil Rights Restoration Act of 1987 (P.L. 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 U.S.C. § 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. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681, et seq).

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, creed, sex, 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 including amendments thereto.

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.

# Hollywood Burbank Airport Replacement Passenger Terminal



## Safety

- Work Craft Hours to Date – 2,158,156 Hours
- Safety Orientations to Date – 3,337
- Daily Average Workers Onsite – 940
- Pre-Task-Plans to Date – 13,718
- Site Security Incidents to Date – 0

## Current Construction Statistics

- Terminal Concrete Poured to Date – 18,250 cubic yards
- Garage Concrete Poured to Date – 37,000 cubic yards
- Terminal Steel Erected to Date – 4,200 tons
- Total Virtual Design and Construction Clashes Resolved to Date – 11,300

## Current Construction Activities

### Terminal

- Ongoing Ceiling Install
- Ongoing Interior Buildout
- Ongoing Mechanical, Electrical and Plumbing Install
- Ongoing Exterior Skin Install

### Garage

- Ongoing Vertical Construction
- Ongoing Framing
- Ongoing Overhead Mechanical, Electrical and Plumbing Install
- Started In-Wall Mechanical, Electrical and Plumbing Install

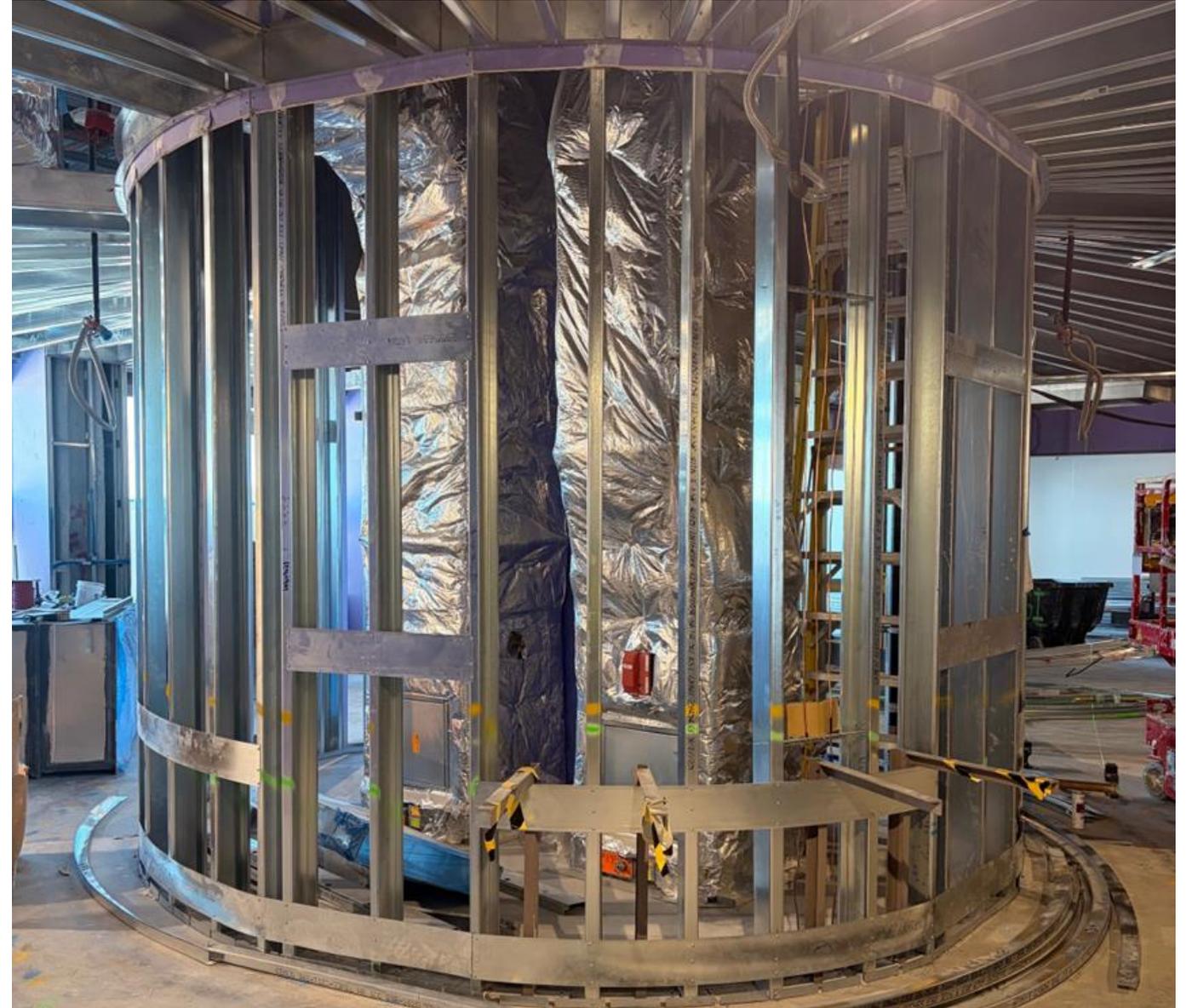
### Civil

- Continued Electrical Ductbank Install
- Continued Airside Paving
- Continued Landside Utility Install
- Started Panhandle Fine Grading for Roadways

Photos



Area C Glazing Looking East

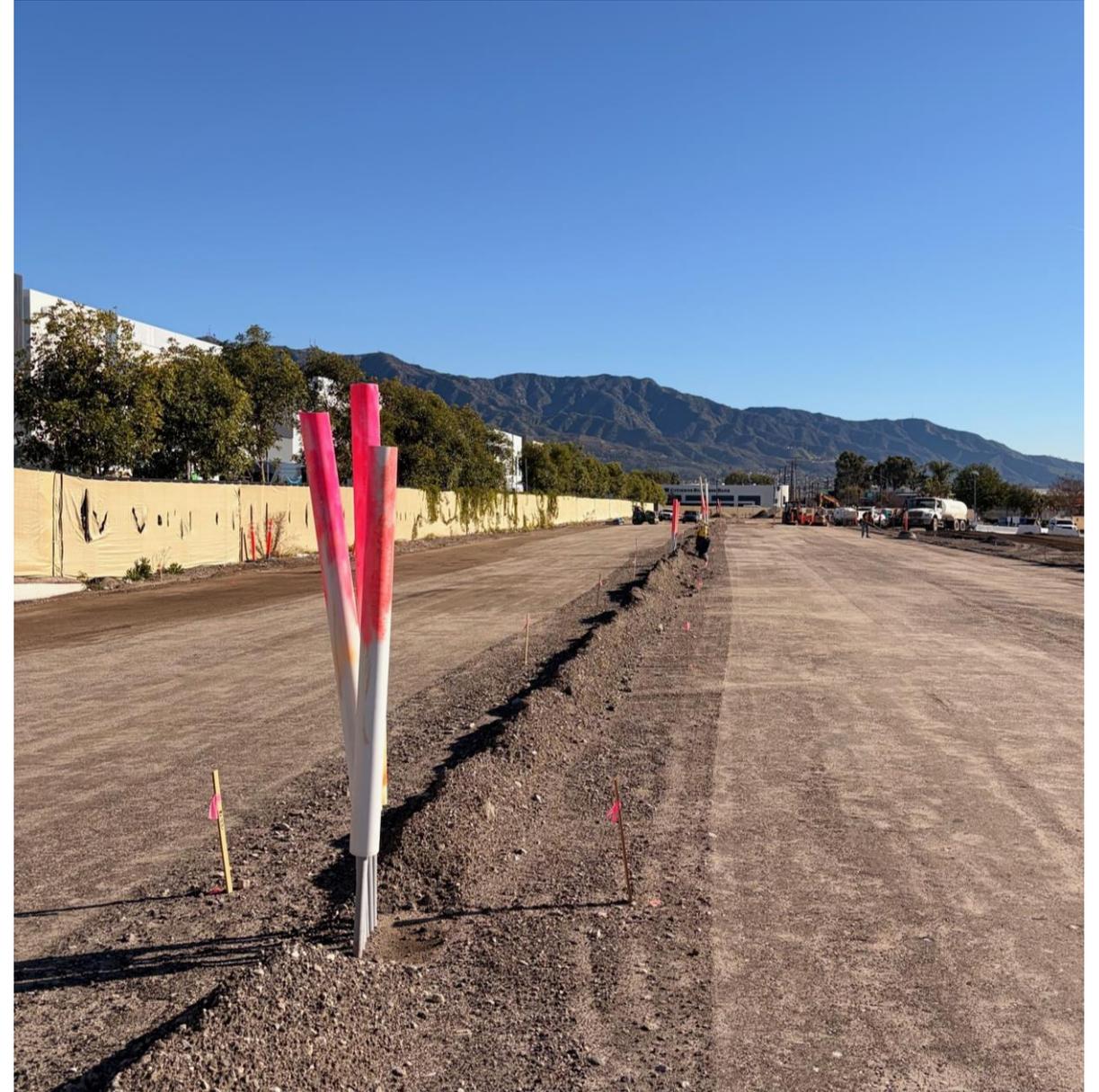


Terminal Level 2 Curved Framing

Photos



Basement Baggage Handling Conveyors



Panhandle Grading

Photos



Area A Bathroom Tiling



Area C Glazing and Ceiling

Photos



Silver Screen Steel Connections to Garage



Garage Helix Ramp Foundations

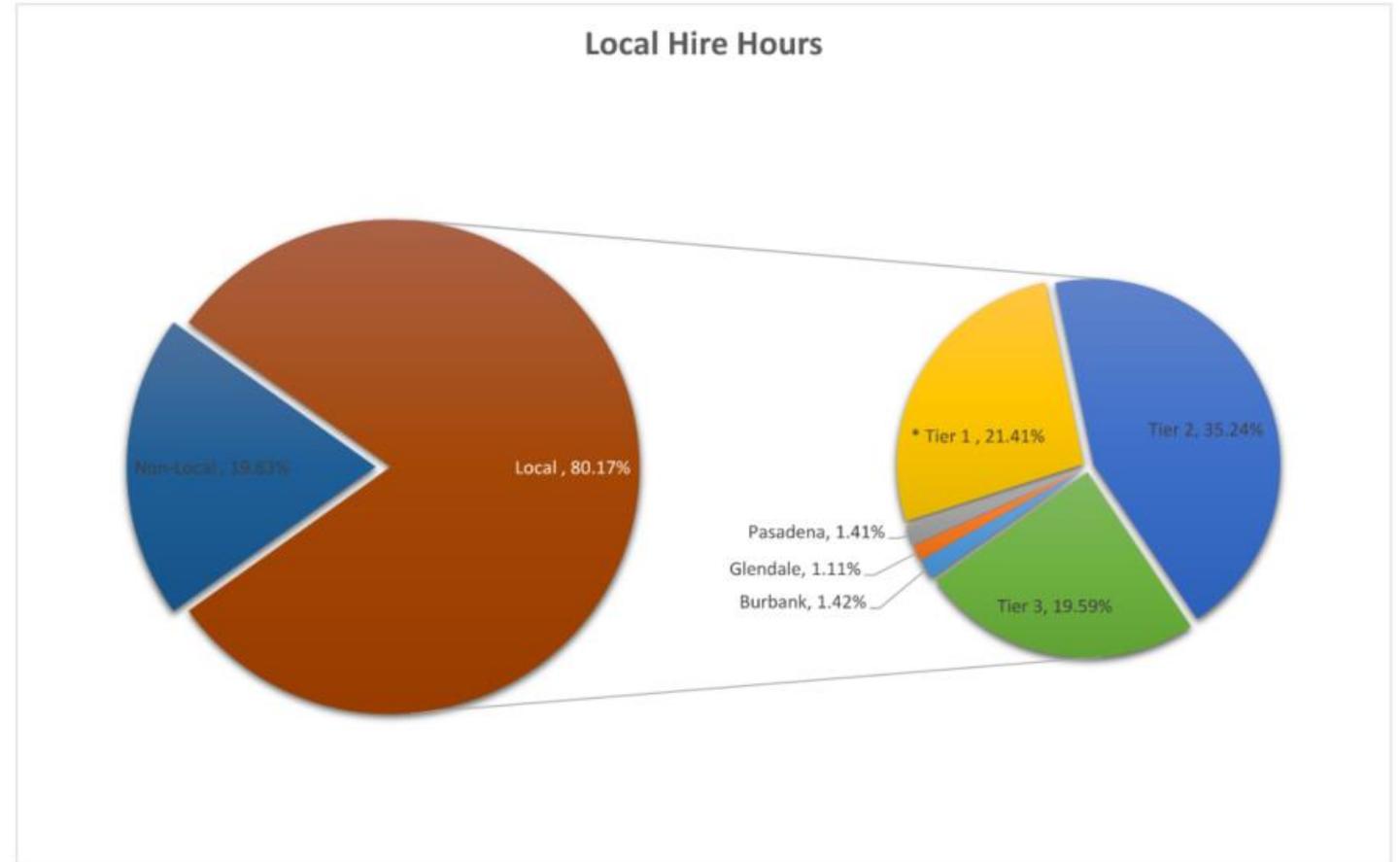
Local Hire Information

Local Hire Performance by Tier (40% Goal)		
	Project Cumulative	%
<b>Project Total</b>	<b>1,467,120.23</b>	<b>-</b>
<b>Local Workforce Hours</b>	<b>1,176,170.11</b>	<b>80.17%</b>
<b>Tier 1 Hours</b>	<b>371,827.43</b>	<b>25.34%</b>
Burbank Hours	20,800.00	1.42%
Glendale Hours	16,239.68	1.11%
Pasadena Hours	20,652.50	1.41%
* Tier 1 Hours Minus Core Cities	314,135.25	21.41%
<b>Tier 2 Hours</b>	<b>516,980.90</b>	<b>35.24%</b>
<b>Tier 3 Hours</b>	<b>287,361.78</b>	<b>19.59%</b>
Non-Local Hours	290,950.12	19.83%

Notes:

\* Core Cities are Burbank, Glendale, Pasadena

Non-local hours are those worked by the workforce from zip codes outside a 50-mile radius of the airport.



**Local Workforce Tier description:**

- **Tier 1** – Zip Codes from within a 15-mile radius of Airport
- **Tier 2** – Zip codes within a 30-mile radius
- **Tier 3** – Zip Codes within a 50-mile radius