



February 12, 2026

CANCELLATION OF THE REGULAR MEETING  
AND  
CALL AND NOTICE OF A SPECIAL MEETING OF THE  
FINANCE AND ADMINISTRATION COMMITTEE  
OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

The Airport Authority administrative offices will recognize the observance of Presidents' Day on Monday, February 16, 2026, and our administrative offices will be closed. Therefore, notice is hereby given that the regular meeting of the Burbank-Glendale-Pasadena Airport Finance and Administration Committee scheduled for Monday, February 16, 2026, in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, CA 91505, has been cancelled.

NOTICE is hereby given that a special meeting of the Finance and Administration Committee will be held on Tuesday, February 17, 2026, at 9:30 a.m., or immediately following the Commission meeting 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

SPECIAL MEETING  
OF THE  
FINANCE AND ADMINISTRATION COMMITTEE

Airport Skyroom  
Tuesday, February 17, 2026  
9:30 a.m., or Immediately Following  
the Conclusion of the Commission Meeting

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

*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.*

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

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the 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

February 17, 2026

1. Roll Call
2. Staff Announcement: AB 23
3. Approval of Agenda
4. Public Comment
5. Approval of Minutes
  - a. February 2, 2026 [See page 1]
6. Items for Approval

- a. Airport Use and Facilities Operating Permit Template [See page 3]

**Staff report attached. Staff seeks a Finance and Administration Committee recommendation to the Commission to: (i) approve a template for the Airport Use and Facilities Operating Permit (“Operating Permit”) and (ii) authorize the Executive Director to execute the Operating Permit with any airline that wish to serve the Airport as a non-signatory airline on or after the Replacement Passenger Terminal opening date, subject to clerical revisions deemed necessary or appropriate by Authority General Counsel.**

- b. Airline Support Facilities Building Lease Template [See page 5]

**Staff report attached. Staff seeks a Finance and Administration Committee recommendation to the Commission to: (i) approve a template for the Airline Support Facilities Building Lease, and (ii) authorize the Executive Director to execute the ASF Building Lease with each tenant, substantially in the form of this template, with such modifications that, in the Executive Director’s judgment, are appropriate for the particular leased space and do not have material negative financial impact on the Authority, and with clerical revisions deemed necessary or appropriate by Authority General Counsel.**

- c. Sixth Amendment to Space Lease [See page 7]  
County of Los Angeles

**Staff seeks a Finance and Administration Committee recommendation to the Commission to approve a proposed Sixth Amendment to Space Lease with the County of Los Angeles, on behalf of the Los Angeles County Department of Medical Examiner (“County”) to extend the term for an additional two years to March 31, 2028, with a rent increase and to include Federal Aviation Administration required language. The County currently occupies 2,100 square feet of parking and storage space located at the back of Hangar 35.**

7. Items for Discussion

- a. RPT Plan of Finance – Bond Financing Schedule Update  
Passenger Forecast

***No staff report attached. Staff will update the Committee on the status of the Replacement Passenger Terminal Plan of Finance.***

- b. FY 2027 Budget Development Schedule

***No staff report attached. Staff will present a proposed schedule for the development of the FY 2027 budget.***

8. Items for Information

- a. Committee Pending Items

***[See page 15]***

9. Adjournment

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

**MONDAY, FEBRUARY 2, 2026**

A regular meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 10:08 a.m., by Commissioner Wilson.

**1. ROLL CALL**

**Present:** Commissioners Wilson, Ovrom and Quintero

**Absent:** None

**Also Present:** Staff: John Hatanaka, Executive Director; Kathy David, Senior Deputy Executive Director; David Kwon, Deputy Executive Director, Finance and Administration

David Bullock, Partner, Macias Gini & O'Connell LLP

**2. Staff Announcement: AB 23**

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

**3. Approval of Agenda**

The agenda was approved as presented.

**Motion**

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

**Motion Approved**

The motion was approved (3–0).

**4. Public Comment**

There were no public comments.

**5. Approval of Minutes**

**a. January 20, 2026**

A draft copy of the minutes of the special meeting of January 20, 2026, was included in the agenda packet for review.

**Motion**

Commissioner Quintero moved approval; seconded by Commissioner Ovrom.

**Motion Approved**

The minutes were approved (3–0).

**6. Items for Approval**

**a. Presentation of Fiscal Year  
2025 Financial Statements and  
Summary of Audit Results**

David Bullock, Partner, Macias Gini & O'Connell LLP ("MGO"), the Authority's auditor, provided the Committee with a summary of MGO's audit and

unmodified opinion of the Authority's financial statements for FY 2025.

**Motion**

Commissioner Ovrom moved approval; seconded by Commissioner Quintero.

**Motion Approved**

The motion was approved (3–0).

**b. Authorization to Engage Rating Agencies for Replacement Passenger Terminal Project Bonds**

Staff presented to the Committee for recommendation to the Commission to approve: (i) the engagement of S&P Global Ratings, Moody's Investors Services, and Fitch Ratings, Inc., for the assignment of bond credit ratings for the Replacement Passenger Terminal project bonds, and (ii) authorization for the Executive Director to execute agreements for such engagements and for the maintenance of the ratings through the term of such bonds.

**Motion**

Commissioner Ovrom moved approval; seconded by Commissioner Quintero.

**Motion Approved**

The motion was approved (3–0).

**7. Items for Discussion**

**a. Replacement Passenger Terminal Plan of Finance Bond Financing Schedule Update**

Staff updated the Committee on the Bond financing schedule.

**8. Items for Information**

**a. Committee Pending Items**

Staff reviewed future items to be presented to the Committee.

**9. Adjournment**

The meeting was adjourned at 10:27 a.m.

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 17, 2026**

**AIRPORT USE AND FACILITIES OPERATING PERMIT TEMPLATE**

Presented by Scott Kimball  
Deputy Executive Director, Business Development

**SUMMARY**

Staff seeks a Finance and Administration Committee (“Committee”) recommendation to the Commission to: (i) approve a template for the Airport Use and Facilities Operating Permit (“Operating Permit”), copy attached, and (ii) authorize the Executive Director to execute the Operating Permit with any airline that wishes to serve the Airport as a non-signatory airline on or after the Replacement Passenger Terminal (“RPT”) opening date, subject to clerical revisions deemed necessary or appropriate by Authority General Counsel.

**BACKGROUND**

Southwest Airlines, Alaska Airlines, Delta Airlines, United Airlines and American Airlines are “signatory airlines” at the Airport. Each signatory airline has two Airport Use Agreements (“AUAs”). The first AUA sets forth the terms of operation until the RPT opens. The second AUA sets forth the terms that will govern after the RPT opens, and this contract expires June 30, 2035 (with a potential extension to June 30, 2040, if both parties agree). Together, the signatory airlines accounted for over 86% of the total number of passengers enplaned and deplaned at the Airport in fiscal year 2025.

An airline that wishes to operate at the Airport without executing an AUA is a non-signatory airline and must execute an Operating Permit. The Operating Permit has a month-to-month term. The current passenger airline Operating Permits, however, will only be effective until the RPT opens. The proposed Operating Permit template is intended to govern the terms for a non-signatory airline’s operation at the Airport on and after the RPT opening date.

The Operating Permit will allow a non-signatory airline to operate at the Airport and be scheduled for gate, holdroom space and ticket counter access after the signatory airlines’ requirements are fulfilled. Pursuant to the AUA, the Authority will charge a non-signatory airline rates that will be at least 135% above a signatory airline’s rates. A non-signatory airline will be charged a higher landing fee and will be assessed an additional surcharge for each gallon of fuel uplifted at the Airport, currently at \$0.05 per gallon. Insurance and environmental requirements will be the same as those for a signatory airline. Either the non-signatory airline or the Authority may terminate the Operating Permit upon thirty days’ notice.

To date, Frontier Airlines, JetBlue Airways, Spirit Airlines, Breeze Airlines and Allegiant Airlines have elected to be non-signatory airlines. Execution of the Operating Permit does not preclude an airline from becoming a signatory airline in the future. Whenever an airline wishes to become a signatory airline, it will be offered an opportunity to do so.

RECOMMENDATION

Staff recommends that the Committee recommend to the Commission: (i) approval of the attached Operating Permit template, and (ii) authorization for the Executive Director to execute the Operating Permit with any airline that wish to serve the Airport as a non-signatory airline on or after RPT opening date, subject to clerical revisions deemed necessary or appropriate by Authority General Counsel.

Attachment:

Exhibit A: Airport Use and Facilities Operating Permit (template)

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 17, 2026**

**AIRLINE SUPPORT FACILITIES BUILDING LEASE TEMPLATE**

Presented by Scott Kimball  
Deputy Executive Director, Business Development

**SUMMARY**

Staff seeks a Finance and Administration Committee (“Committee”) recommendation to the Commission to: (i) approve a template for the Airline Support Facilities Building Lease (“ASF Lease”), copy attached, and (ii) authorize the Executive Director to execute the ASF Building Lease with each tenant, substantially in the form of this template, with such modifications that, in the Executive Director’s judgment, are appropriate for the particular leased space and do not have material negative financial impact on the Authority, and with clerical revisions deemed necessary or appropriate by Authority General Counsel.

**BACKGROUND**

As part of the Replacement Passenger Terminal (“RPT”) project, the Authority is constructing a new Airline Support Facilities Building (“ASF Building”), alongside the new terminal building and new parking garage in the northeast quadrant of the Airport.

The ASF Building will be an approximately 16,000 square feet structure. ASF Building space will be rented to tenants for a combination of office use, passenger airline belly cargo management, and ground support equipment storage and maintenance.

The ASF Building will replace the current air cargo facility, located at the southwest corner of runway 15/33, which is set to be demolished after the RPT opens. The ASF Building is designed to provide a more efficient approach to consolidate support functions into a single centralized location.

The construction of the ASF Building is about 90% complete. Upon Commission approval of the ASF Lease template, staff can begin working with potential tenants to finalize leases. Executing ASF Leases now will afford the tenants sufficient time to complete work within their leased space so that the ASF Building will be able to fulfill the intended function of supporting RPT operations when the RPT opens.

A portion of the proceeds of bonds issued by the Authority in 2024 (and anticipated to be issued in 2026) are being used for the construction of the ASF Building and related facilities (e.g., an adjacent parking lot for the ASF Building tenants). The Authority plans to establish rents under the ASF Leases that, in the aggregate, will be sufficient to pay an allocable amount of debt service based on the portion of bond proceeds used for the ASF Building and such related facilities.

RECOMMENDATION

Staff recommends that the Committee recommend to the Commission: (i) approval of the attached ASF Lease template, and (ii) authorization for the Executive Director to execute the ASF Lease with each tenant, substantially in the form of the template, with such modifications that, in the Executive Director's judgment, are appropriate for the particular leased space and do not have material negative financial impact on the Authority, and with clerical revisions deemed necessary or appropriate by Authority General Counsel.

Attachment:

Exhibit A: Airline Support Facilities Building Lease (template)

**STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 17, 2026**

**SIXTH AMENDMENT TO SPACE LEASE  
COUNTY OF LOS ANGELES**

Presented by Derrick Cheng  
Manager, Business & Properties

**SUMMARY**

Staff seeks a Finance and Administration Committee (“Committee”) recommendation to the Commission to approve a proposed Sixth Amendment (“Amendment”) to Space Lease (“Lease”), copy attached, with the County of Los Angeles, on behalf of the Los Angeles County Department of Medical Examiner (“County”) to extend the term for an additional two years to March 31, 2028 with a rent increase and to include Federal Aviation Administration (“FAA”) required language. The County currently occupies 2,100 square feet of parking and storage space located at the back of Hangar 35.

**BACKGROUND**

On April 7, 2014, the Commission awarded a Space Lease to the County for the purpose of parking and storing emergency response vehicles. The area consists of 2,100 square feet of space inside Hangar 35 located on the northwest quadrant of the Airport. The County shares Hangar 35 with the Airport Fire Department.

The Lease has been amended over the years extending the term to its current expiration date of March 31, 2026.

In July 2025, the County reached out to Staff inquiring about the possibility of an extension of the Lease for an additional two years.

The proposed Amendment will 1) extend the Lease for two years with a rent increase; 2) provide the Executive Director with the authorization to extend the term further under two two-year extension options upon written request from the County, and 3) incorporate the updated federal requirements language mandated by the FAA.

The current rent is \$3,336.32 per month. Under the proposed Amendment, the rent will be increased to \$3,436.41 per month and will be subject to an annual adjustment of 3% effective on the anniversary date of the Lease.

The County is currently a tenant in good standing and has met all its obligations under the Lease.

## DETAILS

Key components of the proposed Amendment are:

<u>Term:</u>	Two-year extension from April 1, 2026, to March 31, 2028
<u>Extension Options:</u>	Two two-year extension options
<u>Rent:</u>	\$3,436.41 per month; \$41,236.92 per year
<u>Adjustments:</u>	3% increase annually

## REVENUE IMPACT

The proposed Amendment will increase the annual rent by \$1,201.08. The monthly rate is subject to a 3% increase per year for the duration of the Lease extension.

## RECOMMENDATION

Staff seeks a Committee recommendation to the Commission to approve the proposed Amendment and authorize the President to execute same.

SIXTH AMENDMENT TO SPACE LEASE

This SIXTH AMENDMENT TO SPACE LEASE ("Sixth Amendment") is dated as of \_\_\_\_\_, 2026 ("Effective Date") is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Tenant").

RECITALS

- A. Landlord and Tenant are parties to a Space Lease Agreement dated April 7, 2014, which was amended by a First Amendment to Space Lease dated April 1, 2016, a Second Amendment to Space Lease dated May 15, 2018, a Third Amendment to Space Lease dated March 9, 2020, a Fourth Amendment to Space Lease dated March 23, 2022, and a Fifth Amendment to Space Lease dated April 1, 2024 (collectively the "Lease").
- B. Landlord and Tenant desire to further amend the Lease as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual terms set forth below, and other consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Extension of Term; Authority to Further Extend. The term of the Lease is extended for two (2) years from April 1, 2026 to March 31, 2028. The Executive Director of the Landlord shall have the authority to further extend the term for up to two extensions of two years each provided the applicable extension is in writing (and is executed by the Tenant).
2. Rent. Commencing on April 1, 2026, monthly base rent shall be \$3,436.41 and shall thereafter be subject to further annual adjustment under Sections 3.2 and 3.3 of the Lease.
3. Federal Requirements. Section 5.5 of the Lease is amended to read as follows:  

"5.5 Federal Requirements. Tenant shall comply the federal requirements set forth in the attached Exhibit B-1, which is incorporated herein by reference."
4. Substitution of Exhibit B-1. The attached Exhibit B-1 is substituted for Exhibit B of the Lease.
5. Governing Law. This Sixth Amendment shall be governed by and construed in accordance with the laws of the State of California (without regard to conflicts of law).
6. No Other Changes. Except as expressly modified herein, all the terms of the Lease shall remain in full force and effect.
7. Entire Agreement; Conflict. This Sixth Amendment, in conjunction with the Lease, as amended, constitutes the entire agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes all oral and written agreements and understandings made and entered into by the parties prior to the Effective Date. Landlord and Tenant hereby affirm, to their

respective knowledge, that on the date hereof no breach or default by either party has occurred and that the Lease, as amended, and all of its terms, conditions, covenants, agreements and provisions, except as hereby modified, are in full force and effect with no defenses or offsets thereto. In the event of any conflict between the terms of the Lease, as amended, and the terms of this Sixth Amendment, the terms of this Sixth Amendment shall control. This Sixth Amendment shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns.

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

LANDLORD:

BURBANK-GLENDALE-PASADENA AIRPORT  
AUTHORITY, a public entity

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

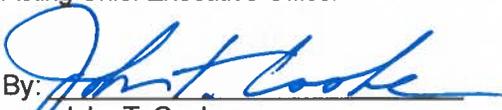
Print Name: \_\_\_\_\_

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

TENANT:

COUNTY OF LOS ANGELES,  
a body corporate and politic

JOSEPH M. NICCHITTA  
Acting Chief Executive Officer

By:   
John T. Cooke  
Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN  
Registrar-Recorder/County Clerk

By:   
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By:   
Roberto Saldana  
Senior Deputy County Counsel

**EXHIBIT B-1**  
**Federal Requirements**

**1. General Civil Rights Provisions**

A. In all its activities within the scope of its airport program, Tenant agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex, 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. If Tenant transfers its obligation to another, the transferee is obligated in the same manner as Tenant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Compliance with Regulations: Tenant 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: Tenant, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Tenant will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by Tenant 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 Tenant of Tenant's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: Tenant 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 Tenant is in the exclusive possession of another who fails or refuses to furnish the information, Tenant 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 Tenant'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 Tenant under the contract until Tenant complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: Tenant 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. Tenant 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 Tenant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Tenant may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, Tenant may request the United States to enter into the litigation to protect the interests of the United States.

**3. Transfer of Real Property Acquired or Improved Under the Airport Improvement Program**

A. Tenant for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of such facilities.

B. In the event of breach of any of the above Nondiscrimination covenants, the Authority will have the right to terminate the Lease and to enter, re-enter, and repossess such lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

**4. Construction/Use/Access to Real Property Acquired Under the Airport Improvement Program**

A. Tenant for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of such facilities.

B. In the event of breach of any of the above Nondiscrimination covenants, the Authority will have the right to terminate the Lease and to enter, re-enter, and repossess such lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 17, 2026**

**COMMITTEE PENDING ITEMS**

	<b><u>Tentative Presentation</u></b>
1. CMIA Quarterly Review	March 16, 2026
2. November Treasurer's Report	March 16, 2026
3. Approval of Lease Amendment, HERC	March 16, 2026
4. Bank of America New Merchant ID Requirement	March 16, 2026
5. First Half FY 2026 Financial Performance Update	March 16, 2026

**AIRPORT USE AND FACILITIES OPERATING PERMIT**

**BETWEEN**

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**AND**

**[AIRLINE NAME]**

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# TABLE OF CONTENTS

	PAGE NO.
ARTICLE I INTRODUCTORY MATTERS .....	1
1.01 Contact Information .....	1
1.02 Definitions.....	2
1.03 Rules of Construction .....	7
1.04 Relationship to Prior Permit.....	7
1.05 Operating Memoranda .....	8
1.06 Exhibit List.....	8
ARTICLE II EFFECTIVE DATE, AIRPORT USE PERIOD, AND TERMINATION.....	8
2.01 Effective Date .....	8
2.02 Airport Use Period .....	8
2.03 Termination by Airline .....	9
2.04 Termination by Authority .....	9
2.05 Surrender of the Premises .....	9
2.06 Holdover by Airline .....	9
ARTICLE III GRANT OF RIGHTS TO USE AIRPORT .....	9
3.01 Grant of Rights to Use .....	9
3.02 Common Use .....	11
ARTICLE IV PERMISSIBLE USES .....	11
4.01 Use of Airport and Facilities.....	11
4.02 Conduct of Airline’s Business .....	13
4.03 Compliance with Laws .....	14
4.04 Federal Requirements .....	14
4.05 Maintenance, Development or Improvement of Landing Area .....	14
4.06 Agreements with and Rights of United States .....	14

TABLE OF CONTENTS

	PAGE NO.
4.07 Reservation of Rights.....	14
4.08 Height Restrictions.....	14
4.09 Interference with Aircraft .....	14
4.10 Construction of Alterations.....	15
4.11 Non-Exclusive Rights .....	15
4.12 Airport Security .....	15
4.13 Special Lift Equipment Requirements .....	15
4.14 Commercial Ground Handling and Support .....	16
4.15 Airline Contractors.....	16
ARTICLE V AUTHORITY IMPROVEMENTS TO PREMISES .....	16
5.01 Alteration to Premises.....	16
5.02 Notice to Airline .....	16
ARTICLE VI RENTAL, CHARGES, AND FEES .....	16
6.01 Non-Signatory Rental .....	16
6.02 Non-Signatory Common Use Fees .....	17
6.03 Non-Signatory Landing Fees .....	17
6.04 Passenger Facility Charge.....	18
6.05 Fuel Surcharge .....	18
6.06 Late Charge.....	18
6.07 Interest on Past Due Payments.....	18
6.08 Maintenance of Books and Records .....	19
6.09 Acceptance of Payments .....	19
6.10 Furnishing Information .....	19
6.11 Changes in Scheduling.....	19

## TABLE OF CONTENTS

	PAGE NO.
6.12 Inspection and Audit.....	19
6.13 Additional Rental.....	19
6.14 Payments.....	19
6.15 Taxes.....	19
6.16 Survival.....	20
ARTICLE VII ADJUSTMENT OF RATES AND FEES .....	20
7.01 Establishment of Fiscal Year Initial Rates.....	20
7.02 Adjustments .....	20
ARTICLE VIII MAINTENANCE .....	21
8.01 Airline’s Responsibilities.....	21
8.02 Authority’s Responsibilities.....	21
8.03 Airline Equipment Consortium.....	22
8.04 Waiver.....	22
ARTICLE IX ALTERATIONS AND IMPROVEMENTS.....	22
9.01 Construction.....	22
9.02 Assignment .....	23
9.03 Payment.....	23
9.04 Authority’s Property .....	23
ARTICLE X ASSIGNMENT OR SUBLEASE .....	24
10.01 No Assignment or Sublease Without Authority Consent .....	24
10.02 Prohibited Transfer .....	24
ARTICLE XI DAMAGE OR DESTRUCTION.....	24
11.01 Repairable Damage.....	24
11.02 Complete Destruction .....	24

## TABLE OF CONTENTS

	PAGE NO.
11.03 Waiver by Airline .....	25
ARTICLE XII INSURANCE .....	25
12.01 Obligation to Maintain Insurance .....	25
12.02 Liability and Workers' Compensation Coverages .....	25
12.03 Property Insurance .....	26
12.04 Business Interruption Coverage .....	26
12.05 Adjustment of Required Insurance .....	26
12.06 Policy Requirements .....	26
12.07 No Limitation of Liability .....	27
ARTICLE XIII INDEMNIFICATION .....	27
13.01 General .....	27
13.02 War Risk Indemnification .....	27
13.03 Exculpation of the Authority from Liability .....	28
13.04 Survival .....	28
ARTICLE XIV EMINENT DOMAIN .....	28
14.01 Entire or Substantial Taking .....	28
14.02 Partial Taking .....	28
14.03 Awards .....	28
14.04 Condemnation by the Authority .....	29
ARTICLE XV DEFAULT AND REMEDIES .....	29
15.01 Default Events .....	29
15.02 Remedies .....	30
15.03 Waiver .....	31
15.04 Waiver of Redemption .....	31

## TABLE OF CONTENTS

	PAGE NO.
15.05 Cumulative Remedies .....	31
15.06 Performance of Airline’s Covenants by the Authority .....	31
15.07 Excuse of Performance by the Authority .....	32
15.08 Default by the Authority .....	32
ARTICLE XVI ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION .....	32
16.01 Hazardous Substances and Environmental Compliance .....	32
16.02 Environmental Indemnification .....	33
16.03 Disclosure .....	34
16.04 Annual Site Investigation.....	34
16.05 Air Quality Improvement Plan.....	35
ARTICLE XVII NO OBLIGATION TO PROVIDE UTILITIES OR SERVICES.....	35
17.01 The Authority Not Responsible .....	35
17.02 Fire and Security .....	36
ARTICLE XVIII PUBLIC AREAS.....	36
18.01 Public Areas .....	36
18.02 Restrictions on Use .....	36
18.03 Parking .....	36
ARTICLE XIX SUBORDINATION.....	36
19.01 Subordination.....	36
19.02 Attornment .....	37
19.03 Subordination to Bond Resolution.....	37

TABLE OF CONTENTS

	PAGE NO.
ARTICLE XX QUIET ENJOYMENT .....	37
ARTICLE XXI AIRPORT RULES AND REGULATIONS .....	37
ARTICLE XXII CONFIDENTIAL INFORMATION.....	37
22.01 Prohibition Against Disclosure.....	37
22.02 Permitted Disclosures .....	38
22.03 Exclusion from Definition .....	38
22.04 Survival.....	38
ARTICLE XXIII SECURITY DEPOSIT .....	38
23.01 Security Deposit.....	38
23.02 Continuing Obligation .....	39
ARTICLE XXIV MISCELLANEOUS .....	39
24.01 JPA Supermajority Vote Requirement Incorporation.....	39
24.02 Depreciation / Tax Credit Claim Waiver .....	39
24.03 Offset Statement.....	39
24.04 Notices .....	40
24.05 Recording.....	40
24.06 Governing Law .....	40
24.07 Attorneys’ Fees .....	40
24.08 No Waiver.....	40
24.09 Nonliability of Individuals.....	41
24.10 Generally Accepted Accounting Principles .....	41
24.11 No Representations by the Authority.....	41
24.12 Relationship Between Parties .....	41
24.13 Trademarks .....	41

TABLE OF CONTENTS

	PAGE NO.
24.14 Survival.....	41
24.15 Successors and Assigns.....	42
24.16 Executive Director .....	42
24.17 Counterparts.....	42
24.18 Incorporation of Mandatory Language.....	42
24.19 Entire Agreement.....	42

**AIRPORT USE AND FACILITIES OPERATING PERMIT**

THIS AIRPORT USE AND FACILITIES OPERATING PERMIT (“Permit”) is dated [date] for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority (“Authority”), a California joint powers agency, and [airline name] (“Airline”), a [state] [entity type].

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

- A. The Authority owns and operates Bob Hope Airport (commonly known as Hollywood Burbank Airport) (“Airport”).
- B. Airline is an air carrier certificated by the Federal Aviation Administration.
- C. The parties are executing this Permit to facilitate the development, promotion, and improvement of air commerce by providing for Airline’s use of the Airport.
- D. This Permit is substantially consistent with the template approved by the Authority Commission on [date].

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

**ARTICLE I  
INTRODUCTORY MATTERS**

1.01 Contact Information.

**Authority’s Overnight Delivery and Street Address:** *Before RPT Opening Date*  
2627 N. Hollywood Way  
Burbank, CA 91505

*After RPT Opening Date*  
2827 N. Hollywood Way  
Burbank, CA 91505

For payments - Attention: Director, Financial Services

For other communication - Attention: Executive Director

**Authority’s Payment Address:** 2627 Hollywood Way  
Burbank, California 91505  
Attention:

**Airline’s Overnight Delivery and Street Address:** [address]

**Airline’s E-mail Address:** [address]

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

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

(b) Federal Requirements: FAA Airport Improvement Program requirements set forth in the attached Exhibit H.

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

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

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

(f) Airline Equipment Consortium: as specified in Exhibit F.

(g) Airline Parties: Airline and its directors, officers, employees, agents, representatives, and contractors.

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

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

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

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

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

(m) Airport Revenue: "Revenues" as specified in any Bond Resolution.

(n) Airport Rules and Regulations: July 1, 2023 Airport Rules and Regulations or any successor adopted by the Authority Commission. The Airport Rules and Regulations are available on the Authority's webpage ([hollywoodburbankairport.com](http://hollywoodburbankairport.com)).

(o) Airport Use Agreement: an Airport Use Agreement executed by the Authority and a Signatory Airline, which agreement sets forth the terms under which the Signatory Airline shall operate at the Airport (including the Signatory Airline's payment of rent, fees, and charges).

(p) Alterations: as specified in Section 9.01(a).

(q) Annual Budget: annual capital and operating budgets prepared by the Airport Manager and approved by the Authority Commission.

(r) Approved Alterations: as specified in Section 9.01(b).

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

(t) Authority: Burbank-Glendale-Pasadena Airport Authority and its successors.

(u) Authority Commission: Burbank-Glendale-Pasadena Airport Authority Commission.

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

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

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

(y) BTMO: Burbank Transportation Management Organization.

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

(aa) Commencement Date: as specified in Section 2.02(b).

(bb) Common Use Formula: (i) a formula that equally allocates among all airlines that have been granted a license to use the Replacement Passenger Terminal 20% of the fees for the

use of the Common Use Space; and allocates 80% of such fees among all airlines according to the ratio of (A) the number of each airline's enplaning passengers at the Airport during each month of the Fiscal Year to (B) the total number of enplaning passengers of all airlines for that month; provided that, the allocation will take into account that the rate to be paid by any non-Signatory Airline will be at least 135% of the rate applicable to a Signatory Airline or (ii) such other formula as may be agreed upon by the airlines and the Authority.

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

(dd) Confidential Information: information of a proprietary or otherwise confidential nature.

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

(ff) CUPPS: IATA-certified common use passenger processing system.

(gg) CUSS: IATA-certified common use self-service system.

(hh) Default Event: as specified in Section 15.01.

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

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

(kk) Environmental Law: 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.

(ll) Equipment: as specified in Exhibit F.

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

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

(oo) FAA: Federal Aviation Administration.

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

(qq) Fuel Surcharge: as specified in Section 6.05(a).

(rr) Fuel Surcharge Rate: as specified in Section 6.05(a).

(ss) GSE: ground support equipment.

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

(uu) IATA: International Air Transport Association.

(vv) Lockheed: Lockheed Martin Corporation and its successors.

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

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

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

(zz) Non-Signatory Airlines: certificated air carriers, excluding Signatory Airlines, providing scheduled transportation of persons or property by air to and from the Airport. Non-Signatory Airlines include Airline.

(aaa) Non-Signatory Common Use Fees: fees payable by Non-Signatory Airlines for the license to use the Common Use Space.

(bbb) Non-Signatory Landing Fee Rate: as applicable to each Fiscal Year, a dollar amount used to calculate the Non-Signatory Landing Fees (determined by the Authority before the commencement of the Fiscal Year, subject to adjustments pursuant to Section 7.02, but in any case taking into consideration the requirement under the Airport Use Agreement that such rate shall be at least 135% of the rate payable by the Signatory Airlines).

(ccc) Non-Signatory Landing Fees: as specified in Section 6.03.

(ddd) Non-Signatory Rental: as specified in Section 6.01.

(eee) Non-Signatory RPT Rate: as applicable to each Fiscal Year, a dollar amount per square foot used to calculate the Non-Signatory Rental and Non-Signatory Common Use Fees (determined by the Authority before the commencement of the Fiscal Year, subject to adjustments pursuant to Section 7.02, but in any case taking into consideration the requirement under the Airport Use Agreement that such rate shall be at least 135% of the rate payable by the Signatory Airlines).

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

(ggg) Old Terminal Building: terminal building that is located in the southeast quadrant of the Airport and is designated “demolish” on the Airport Layout Plan in effect as of the execution of this Permit.

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

(iii) PFC Law: any applicable law or court ruling pertaining to the Authority’s PFC program.

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

(kkk) Prior Permit: collectively, [date] Airport Use and Facilities Operating Permit and [date] Month-to-Month Office Lease, executed by the parties.

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

(mmm)Replacement Passenger Terminal: Replacement Passenger Terminal that is to be constructed in the northeast quadrant of the Airport and is designated “future” on the Airport Layout Plan in effect as of the execution of this Permit.

(nnn) Required Insurance: as specified in Section 12.01.

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

(ppp) Security Deposit: as specified in Section 23.01.

(qqq) Senior Lien: as specified in Section 19.01.

(rrr) Senior Lienholder: as specified in Section 19.01.

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

(ttt) State: State of California.

(uuu) Storm Water: storm water runoff, snowmelt runoff, and storm water surface runoff and drainage.

(vvv) Tenant Improvement Request: as specified in Section 9.01(a).

(www) Termination Date: the termination date of this Permit specified in the notice given by Airline or the Authority, as applicable, pursuant to Article II or Article XV.

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

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

(zzz) TSA: Transportation Security Administration.

(aaaa) TSA Regulations: 49 C.F.R. Parts 1542 and 1544.

### 1.03 Rules of Construction.

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

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

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

1.04 Relationship to Prior Permit. Except as expressly provided herein (including delivery of and access to Exclusive Use Space under Section 3.01), until the Commencement Date, Airline’s use of the Airport shall be pursuant to the Prior Permit. Upon the Commencement Date, the Prior Permit shall be terminated and of no further force or effect; provided, however, that this provision does not excuse any prior breach of, or liability arising under, the Prior Permit that survives the termination of the Prior Permit.

1.05 Operating Memoranda.

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

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

1.06 Exhibit List.

Exhibit A:	Airport Layout Plan
Exhibit B:	Apron Area
Exhibit C:	Noise Abatement Rules
Exhibit D:	Landing Fees Report Form
Exhibit E:	Tenant Improvement Request Form
Exhibit F:	Description of Airline Equipment Consortium
Exhibit G:	Inspection Form (Sample Only)
Exhibit H:	Federal Requirements
Exhibit I:	Description of Common Use Space
Exhibit J:	Description of Exclusive Use Space

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

2.01 Effective Date. This Permit shall be effective and binding on the parties upon execution.

2.02 Airport Use Period.

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

(b) Commencement Date. The Commencement Date for this Permit is the date on which the Authority provides Airline beneficial occupancy of the Replacement Passenger

Terminal. Beneficial occupancy occurs on the date that the Authority, pursuant to a City of Burbank-issued occupancy permit (including a temporary certificate of occupancy), allows Airline to use space in the Replacement Passenger Terminal for revenue-generating operations, at which time the Old Terminal Building will close.

(c) Month-to-Month Extension. This Permit shall be effective until the last day of the month in which the Commencement Date occurs and thereafter shall automatically be extended on a month-to-month basis (ending on the last day of a month) until either: (i) Airline gives written notice of termination pursuant to Section 2.03; or (ii) the Authority gives written notice of termination pursuant to Section 2.04.

2.03 Termination by Airline. Airline may terminate this Permit for convenience at any time on 30-day written notice to the Authority. Such notice shall not preclude the Authority from sooner terminating this Permit for cause if a Default Event occurs.

2.04 Termination by Authority. The Authority may terminate this Permit for convenience at any time on 30-day written notice to Airline. The Authority may also terminate this Permit pursuant to Section 15.02 upon the occurrence of a Default Event.

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

2.06 Holdover by Airline. Airline has no right to possess or occupy the Premises after the Termination Date without written authorization from the Executive Director. Any possession or occupancy of any of the Premises by Airline after the Termination Date without the Executive Director's consent shall constitute an illegal trespass by Airline and a public nuisance to the Authority.

### **ARTICLE III GRANT OF RIGHTS TO USE AIRPORT**

3.01 Grant of Rights to Use.

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

(b) Exclusive Use Space Lease.

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

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

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

(d) Acceptance of Space. The parties acknowledge that, before the Commencement Date, the Authority will deliver the Exclusive Use Space shell space (including baseline utility connections) to Airline. Airline may, with the Authority's approval pursuant to Section 9.01, undertake tenant improvements to the Exclusive Use Space. For Approved Alterations to be undertaken before the Commencement Date, Airline has been afforded the option of utilizing, at its own expense, the RPT Program design-builder for performance of such tenant improvements. If such option is exercised, Airline shall promptly reimburse the Authority upon invoice submission. Airline's start of use of the Exclusive Use Space shall conclusively be deemed acceptance of the Exclusive Use Space.

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

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

(f) Reservations to the Authority. Airline further accepts the Premises subject to any and all existing easements and encumbrances. The Authority reserves the right (without obligation) to install, lay, construct, maintain, and repair necessary or convenient utilities and appurtenances in, over, upon, through, across, under, and along the Premises and to enter the Premises for any and all such purposes. The Authority also reserves the right to grant franchises,

licenses, easements, rights of way, and permits in, over, upon, through, across, under, and along any and all portions of the Premises. No right reserved by the Authority in this subsection shall be so exercised as to interfere unreasonably with Airline's operations, and the Authority shall, upon completion of any work authorized under this provision, restore the condition of the Premises as nearly as possible to that existing before exercise of rights reserved by this Section.

(g) Authority's Right of Access. The Authority shall have access to the Premises at all times in cases of emergency. The Authority shall also, after providing Airline notice at least 24 hours in advance, have access to the Premises at all times for the purpose of examining the same to ascertain if they are in good repair, inspecting any work in progress, making repairs that the Authority may be required or permitted to make, or exhibiting the same to prospective or actual purchasers, tenants, licensees, or other users of the Airport. Such entry shall be made in a manner that will not unreasonably interfere with Airline's use of the Premises, except in case of emergency. In the event that Airline is not personally present to open and permit entry to Exclusive Use Space, the Authority may enter by means of a master key or may enter forcibly and shall incur no liability to Airline as a result of such entry.

### 3.02 Common Use.

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

(b) Technology. The Authority shall incorporate a CUPPS and other common use passenger processing technology throughout the Replacement Passenger Terminal. CUPPS and other common use passenger processing technology will be operated and maintained by the Airline Equipment Consortium. Airline shall pay related fees pursuant to the rates established by the Airline Equipment Consortium. If the operation and maintenance of CUPPS and other common use passenger processing technology is undertaken by the Authority, Airline shall pay associated fees determined by the Authority. The Authority may charge Airline (and other Non-Signatory Airlines) fees that are higher than those charged to the Signatory Airlines.

## **ARTICLE IV PERMISSIBLE USES**

### 4.01 Use of Airport and Facilities.

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

(b) Permissible Uses.

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

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

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

(A) The repairing, maintaining, conditioning, servicing, testing, parking, or storage of aircraft or other equipment operated by Airline or the United States Government; provided, however, such right shall not be construed as authorizing the conduct of a separate business by Airline but shall permit Airline to perform such functions only as an incident to its conduct of Air Transportation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.05 Maintenance, Development or Improvement of Landing Area. The Authority reserves the right to maintain and further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Airline, and without interference or hindrance.

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

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

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

4.09 Interference with Aircraft. Airline shall not make use of the Premises or any other areas at the Airport in any manner that might interfere with the landing or taking off of aircraft from

the Airport, or which might otherwise constitute a hazard. In the event of a breach by Airline, in addition to all other available rights and remedies, the Authority shall have the right to enter upon the Premises or other areas at the Airport and cause the abatement of such interference, at the expense of Airline.

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

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

4.12 Airport Security.

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

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

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

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

4.13 Special Lift Equipment Requirements.

(a) Equipment. Airline shall acquire and maintain Disability Equipment sufficient to permit Airline to comply with Disability Law. Disability Equipment shall be compatible with the aircraft and the other facilities and equipment used by Airline in its operations at the Airport.

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

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

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

4.15 Airline Contractors. Acts or omissions at or around the Airport by Airline's contractors shall be deemed to be acts or omissions of Airline. In the event that such an act or omission by a contractor of Airline violates this Agreement, the Authority may take enforcement actions against Airline as if the violation was committed by Airline. The Authority's rights under this provision are supplemental to and do not supersede any rights available to the Authority under a license agreement between the Authority and Airline's contractor.

## **ARTICLE V AUTHORITY IMPROVEMENTS TO PREMISES**

5.01 Alteration to Premises. The Authority shall have the right to make any additions, improvements, alterations, equipping or furnishing of or to the Premises it deems appropriate. The Authority shall take such steps as it deems appropriate to mitigate any adverse effect of the construction or installation of any such additions, improvements, alterations, equipping, or furnishing of the Premises on Airline's operations at the Airport.

5.02 Notice to Airline. The Authority shall give Airline 30-day advance written notice of any additions, improvements, alterations, equipping, or furnishing of or to the Premises that may adversely affect Airline's operations at the Airport; provided if a 30-day advance notice is not feasible due to legal, public health, or safety considerations (as determined by the Authority), then the notice shall be given as soon as practicable.

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

6.01 Non-Signatory Rental.

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

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

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

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

#### 6.02 Non-Signatory Common Use Fees.

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

(b) Calculation. The Non-Signatory Common Use Fees for any month shall equal: (i) the total square footage of the Common Use Space, multiplied by (ii) the Non-Signatory RPT Rate, and (iii) then divided by 12 (i.e., the number of months in a year). Airline’s share of the Non-Signatory Common Use Fees for each month shall be allocated according to the Common Use Formula.

(c) Payment. Not later than the last day of each month, the Authority shall deliver to Airline an invoice setting forth the Non-Signatory Common Use Fees and Airline’s share of such Non-Signatory Common Use Fees for such month. The Non-Signatory Common Use Fees shall be paid to the Authority on a monthly basis, without deduction or set-off, within 15 days following the delivery of the invoice.

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

#### 6.03 Non-Signatory Landing Fees.

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

(b) Calculation.

(1) Airline’s Non-Signatory Landing Fees for a month shall be the product of the Non-Signatory Landing Fee Rate multiplied by Airline’s Total Landed Weight for the month.

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

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

(c) Payment. Airline shall pay Non-Signatory Landing Fees to the Authority, without notice or demand and without deduction or setoff, no later than the 20th day of the month following the month of Aircraft Arrivals to which the Non-Signatory Landing Fees relate. For purposes of illustration, the Non-Signatory Landing Fees for the month of January are due and payable by the following February 20.

(d) Adjustment. The Non-Signatory Landing Fee Rate shall be subject to adjustment as provided in Article VII.

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

6.05 Fuel Surcharge.

(a) Requirement. Airline shall pay a surcharge ("Fuel Surcharge"), at the rate established by the Authority ("Fuel Surcharge Rate"), for fuel purchased by or on behalf of Airline and delivered to the fuel yard located at the Airport.

(b) Payment. To the extent not paid by the supplier of such fuel, Airline shall pay the Fuel Surcharge (for each gallon of fuel purchased by or on behalf of Airline and delivered to the fuel yard located at the Airport) each month by the fifth day of the next succeeding month, without deduction or set off. Airline shall remit such payments to the into-plane fueling agent designated by the Authority.

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

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

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

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

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

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

6.12 Inspection and Audit. The Authority shall have the right from time to time to inspect and audit the books, records, and other data of the Airline relating to this Permit. Audits shall be performed during business hours on reasonable notice and shall be at the Authority's expense except as provided in this Section. In the event that any audit determines that Airline has a deficiency in the amounts due and payable to the Authority, Airline shall pay to the Authority the deficiency so determined within 10 days after receipt of an invoice. In the event that the deficiency is more than 5% of the amounts paid by Airline with respect to the relevant category of charges (i.e., Non-Signatory Rental, Non-Signatory Common Use Fees, Non-Signatory Landing Fees, Fuel Surcharge, or additional rental pursuant to Section 6.13), Airline shall also pay to the Authority the cost of such audit within such 10-day period.

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

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

6.15 Taxes.

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

upon any personal property belonging to Airline situated on the Premises or any of the other Airport facilities. Payment of such taxes, assessments, and charges shall be made by Airline directly to the Agency with jurisdiction.

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

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

6.16 Survival. Airline's obligation pertaining to any due but unpaid amount owing under this Permit shall survive the termination of this Permit.

## **ARTICLE VII ADJUSTMENT OF RATES AND FEES**

### 7.01 Establishment of Fiscal Year Initial Rates.

(a) In connection with the Authority's adoption of an Annual Budget for each upcoming Fiscal Year, the Authority shall establish the following to become effective at the commencement of such Fiscal Year.

- (1) Non-Signatory RPT Rate.
- (2) Non-Signatory Landing Fee Rate.
- (3) Fuel Surcharge Rate.

(b) The Authority shall provide written notice to Airline of the new Non-Signatory RPT Rate, Non-Signatory Landing Fee Rate, and Fuel Surcharge Rates promptly after adoption of the Annual Budget (but in any event before they become effective).

(c) If an Annual Budget for a Fiscal Year is not adopted by the Authority before commencement of such Fiscal Year, the Non-Signatory RPT Rate, Non-Signatory Landing Fee Rate, and Fuel Surcharge Rate in effect at the end of the preceding Fiscal Year shall remain in effect until: (i) the new Annual Budget has been adopted by the Authority; and (ii) the Authority has established the new Non-Signatory RPT Rate, Non-Signatory Landing Fee Rate, and Fuel Surcharge Rate.

### 7.02 Adjustments.

(a) In addition to Section 7.01, each of the Non-Signatory RPT Rate, Non-Signatory Landing Fee Rate, and Fuel Surcharge Rate shall be subject to adjustment in the sole discretion of the Authority at any time with written notice to Airline pursuant to Section 7.02(b).

(b) The adjusted Non-Signatory RPT Rate, Non-Signatory Landing Fee Rate, and Fuel Surcharge Rate shall be effective as of the date specified in the adjustment notice which shall be the first day of a calendar month which is not less than 45 days after the delivery of such notice.

## **ARTICLE VIII MAINTENANCE**

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

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

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

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

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

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

8.02 Authority's Responsibilities.

(a) General. The Authority shall use reasonable efforts to keep, or make appropriate arrangements to keep, Public Areas adequately and attractively supplied, equipped, furnished and decorated, clean, and presentable. Except as otherwise expressly provided, the Authority shall provide and supply in Public Areas and other areas of the Airport not otherwise subject to the exclusive use of Airline or other airlines, adequate signage, heat, electricity, light, power, air-conditioning, sewage, water and janitorial services (including waste removal). The Authority

also shall provide field lighting, adequate to meet FAA standards, for all landing, taxiing, and ramp areas and also for all vehicular parking areas.

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

#### 8.03 Airline Equipment Consortium.

(a) So long as the Airline Equipment Consortium is operating and maintaining the Equipment, Airline shall comply with the terms (including payment for use of the Equipment) established by the Airline Equipment Consortium.

(b) Airline acknowledges that the Authority has no obligation, and incurs no liability, for the Airline Equipment Consortium's maintenance and operation of the Equipment.

(c) During any time that the Airline Equipment Consortium is not in operation and the Authority instead operates and maintains the Equipment, the Authority reserves the right to charge Airline a fee for the use of the Equipment. At the Authority's discretion, such fee may be either: (i) included in the rate base for calculating rent and fees under this Permit, or (ii) invoiced separately (in which case, Airline shall pay within 30 days after receipt of invoice).

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

## **ARTICLE IX ALTERATIONS AND IMPROVEMENTS**

#### 9.01 Construction.

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

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

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

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

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

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

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

9.04 Authority's Property. Upon the Termination Date, except for personal property and trade fixtures not permanently affixed to the Premises, all Approved Alterations made by or on behalf of Airline shall become the Authority's property and shall be surrendered with the Premises, unless the Authority shall elect otherwise as a condition of approval for the Approved Alterations under Section 9.01(b). In the event of such election, such Approved Alterations made by or on behalf of Airline in the Premises, as the Authority may select, shall be removed by Airline, at its sole cost and expense prior to the Termination Date, and the Premises shall be restored and repaired to the condition existing as of the Commencement Date, subject to reasonable wear and tear, casualty and damage by the elements.

**ARTICLE X  
ASSIGNMENT OR SUBLEASE**

10.01 No Assignment or Sublease Without Authority Consent. Unless previously agreed to in writing by the Authority, Airline shall not voluntarily assign, transfer, sublease, convey, mortgage, grant a security interest in, hypothecate, or otherwise encumber all or any part of Airline's rights or interest in or to the Premises or this Permit or take any action which results in any of the foregoing by operation of law. Any attempted assignment, sublease, transfer, conveyance, mortgage, hypothecation, grant of a security interest in, or other encumbrance in violation of this Section shall be void.

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

(a) If Airline is a corporation, any assignment, transfer, conveyance, mortgage, hypothecation, grant of a security interest or other encumbrance or other event that results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record (as of the execution of this Permit) to less than a majority of any class of voting stock of Airline. For clarification, the foregoing provision do not apply to the sale and purchase of publicly traded stocks on an open securities market

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

(c) If Airline is a corporation, partnership, trust or other entity, any change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity.

**ARTICLE XI  
DAMAGE OR DESTRUCTION**

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

11.02 Complete Destruction. Should the Premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot, in the opinion of the Authority, be repaired within a reasonable time after the occurrence, the Authority shall have the option to terminate this Permit to the extent that it shall apply to the affected building, rooms or other space. In the event that this Section shall become applicable, the Authority shall advise Airline within 60 days after the happening of any such damage whether the Authority has elected to continue the Permit in effect as to the space damaged or destroyed or to terminate it. If the Authority shall fail to notify Airline of its election within such 60-day period, the Authority shall

be deemed to have elected to terminate this Permit as to the space damaged or destroyed, and the Permit shall automatically terminate as to such space 90 days after the occurrence of the damage. If the Authority shall elect to continue this Permit in effect with respect to such damaged space, it shall commence and prosecute with due diligence any work necessary to restore or repair the space; provided, however, the Authority will exert its reasonable efforts to provide Airline with temporary substitute space, if available.

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

## **ARTICLE XII INSURANCE**

12.01 Obligation to Maintain Insurance. Airline shall maintain in effect the insurance coverage and limits of liability as provided in this Article (“Required Insurance”). In the event that Airline fails to maintain any of the Required Insurance, the Authority shall have the right (but not the obligation) to obtain some or all of the Required Insurance at Airline’s sole expense. In the event the Authority elects to maintain some or all of the Required Insurance, because of Airline’s failure to provide Required Insurance, Airline shall pay to the Authority its proportionate share of the premiums for all Required Insurance maintained by the Authority within 10 days following the delivery to Airline of each written statement setting forth the amount of such premiums and the applicable premium period.

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

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

(b) FAA Insurance. So long as the FAA is issuing war risk insurance for aircraft hull, passenger, crew, and third-party liability as representative of the United States of America under 49 U.S.C. Ch. 443, Airline shall obtain and maintain the maximum amount of coverage available

to Airline from the FAA or other available sources. During the period that such FAA insurance is available to Airline, the provisions of Section 13.02 shall apply.

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

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

- (1) Bodily injury by accident - \$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.

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

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

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

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

12.06 Policy Requirements. Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each accepted in the United States airline industry and having a rating of not less than A-X in A.M. Best's Insurance Guide or otherwise acceptable to the Authority. Airline's insurance broker shall provide intent to renew

no later than 10 days prior to expiration of policy. Thereafter, Airline shall deliver to the Authority certificates of insurance issued by the insurance companies and evidencing that all Required Insurance has been obtained and is being maintained by Airline, together with copies of endorsements: (i) requiring the insurers to give to the Authority at least 30 days' prior written notice of the cancellation or non-renewal of any Required Insurance; (ii) with respect to the "all risk" property insurance, naming the Authority as a loss payee; (iii) providing that all Required Insurance is primary insurance without right of contribution of any other insurance carried by or on behalf of any Authority Party; (iv) requiring insurers to provide a waiver of subrogation in favor of Authority Parties; and (v) with respect to the comprehensive airline liability, automobile liability and employer's liability insurance, naming (A) Airline and the Airline Parties as named insureds, and (B) except for workers' compensation insurance, all of the Authority Parties as "additional insureds." The failure of Airline to provide such certificates of insurance, together with such endorsements, or, if a notice of cancellation or non-renewal of any Required Insurance has been delivered to Airline, the failure of Airline to replace the Required Insurance which is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute a Default Event. In no event shall any Authority Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by Airline.

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

### **ARTICLE XIII INDEMNIFICATION**

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

13.02 War Risk Indemnification. During the period that the FAA makes available to Airline war risk insurance coverage as described in Section 12.02(b), to the fullest extent permitted by law but not more than the limits of such insurance, Airline shall release, indemnify, defend, and hold harmless the Authority Parties from and against any and all Claims, which in any way arise out of or result from flight activities of Airline, the screening, ticketing, boarding, or transporting of passengers by Airline, the use or occupancy by Airline of any space or facilities at the Airport, or the performance of services by the Authority for the use or benefit of Airline, including injury to or death of any person, damage to or destruction of any property, real or personal (including property owned, leased, or under the control of Airline), and liability or obligations under or with respect to any violation of law, but in all cases only to the extent that: (i) such Claims are not covered by other insurance of the Authority; and (ii) coverage in the form of war risk insurance

under the Airline's insurance policies as required by Sections 12.02(a) and 12.02(c), including extended coverage endorsement AVN52D and/or insurance provided by the FAA as described in Section 12.02(b) is commercially available to Airline. Airline's indemnification obligations in this Section shall apply regardless of whether or not the damage, loss or injury complained of arises out of or relates to the negligence (whether active, passive or otherwise) of, or was caused in part by, an Authority Party. Airline's indemnification obligations shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits paid or payable by Airline under workers' compensation laws, disability benefits acts or other employee benefit laws or regulations.

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

13.04 Survival. Airline's indemnification obligations under this Article shall survive termination of this Permit.

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

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

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

14.03 Awards. Any award for any taking of all or any part of the Premises or any other areas of the Airport under the power of eminent domain shall be the property of the Authority, whether or

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

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

## **ARTICLE XV DEFAULT AND REMEDIES**

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

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

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

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

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

(e) The failure by Airline to cure a violation of the Security Requirements within 30 days of Airline's receipt of the notice described in Section 4.12(d).

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

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

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

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

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

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

(l) The failure by Airline to replenish the Security Deposit within 10 business days of Airline's receipt of the notice described in Section 23.02.

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

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

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

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

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

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

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

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

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

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

15.05 Cumulative Remedies. The various rights and remedies reserved to the Authority shall be cumulative, and, except as otherwise provided by law, the Authority may pursue any or all such rights and remedies, whether at the same time or otherwise, and no single right shall be deemed to be exclusive of any of the other or of any right or remedy allowed by law or in equity. No delay or omission of the Authority to exercise any right or remedy shall be construed as a waiver of any such right or remedy or waiver of any Default Event.

15.06 Performance of Airline's Covenants by the Authority. In the event that Airline at any time fails to make any payment or perform any other act under this Permit, the Authority shall have the right, but not the obligation, immediately or at any time thereafter, without notice or demand and without waiving any right or releasing Airline from any obligation to the Authority, to make such payment or perform such other act for the account of Airline, to the extent the Authority may deem desirable. In connection therewith, the Authority may pay reasonable

expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Permit. All sums so paid by the Authority and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 6.07, shall be payable to the Authority on demand.

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

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

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

16.01 Hazardous Substances and Environmental Compliance.

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

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

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

(d) Airline shall not allow or cause the entry of any Hazardous Substances under its control into the Airport Storm Water drainage system unless authorized by Environmental Law and the Airport's Storm Water discharge permit. Airline shall not allow or cause the entry of any unauthorized Non-Storm Water Discharge that is under its control into the Storm Water drainage system of the Airport or into the Storm Water drainage system of any of its surrounding communities, unless such substances are first properly treated by equipment installed with the

approval of the Authority for that purpose, and Airline complies with recommendations made by the State and/or federal Environmental Protection Agency and the Airport's Storm Water discharge permit requirements. Airline shall bear all costs and any other expenses related to the prohibited entry of such oil, fuel or other Hazardous Substances into such drainage systems prohibited by Environmental Law.

(e) Airline shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986 (Health and Safety Code Section 25249.5 et seq.). Airline shall provide prompt written notice to the Authority within five days of receipt of all written notices of violation of any Environmental Law received by Airline.

#### 16.02 Environmental Indemnification.

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

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

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

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

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

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

(c) In the event the indemnitees are named as defendants or respondents in any lawsuit or administrative proceeding, Airline shall, at the request of the Authority, represent the indemnitee with qualified counsel that the Authority determines, in its reasonable discretion, is

acceptable, unless the Authority, at its sole and exclusive discretion, undertakes legal representation, in which event the Airline shall reimburse the Authority for the reasonable costs incurred by it in defending such lawsuit or administrative proceeding, including reasonable attorney's fees, expert and consultant's fees, and investigative and court costs.

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

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

#### 16.03 Disclosure.

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

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

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

16.04 Annual Site Investigation. Without limiting its other rights with respect to the Premises, the Authority shall have the right (without obligation) to conduct annually an environmental inspection and assessment of the Airport during each year of the term of this Permit, and to

utilize the services of an environmental consultant or consulting firm for such inspection and assessment. Airline shall pay its share (as determined by the Authority) of the reasonable cost of each such annual inspection of the Airport. If the environmental inspection and assessment of the Airport discloses the existence of any Airline Contamination, Airline shall take any and all action as provided in Section 16.01. In the event that the Authority elects not to conduct an annual environmental inspection and assessment, or if the Authority's environmental inspection and assessment fails to discover or disclose any Airline's Contamination, Airline shall not be excused from performing its obligations or relieved from liability to the Authority under this Article.

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

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

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

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

## **ARTICLE XVII**

### **NO OBLIGATION TO PROVIDE UTILITIES OR SERVICES**

17.01 The Authority Not Responsible. Except to the extent provided through infrastructure for which the Authority is responsible, Airline acknowledges that the Authority has no obligation to provide utilities or services to the Exclusive Use Space. Airline shall comply with all rules,

regulations and other requirements which any provider or supplier of utilities or services may establish for the use, proper functioning and protection of any such utility or service.

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

## **ARTICLE XVIII PUBLIC AREAS**

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

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

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

## **ARTICLE XIX SUBORDINATION**

19.01 Subordination. This Permit is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting the Premises or any other areas of the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof (“Senior Lien” and the holder thereof being a “Senior Lienholder”). Airline shall execute and deliver to the Authority or any other party requiring confirmation of such subordination, within 10 days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such subordination. Airline further agrees that this Permit shall be amended, modified or supplemented in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, modification or supplement does not alter the rights or duties of Airline under this Permit and that Airline’s written consent to any such amendment, modification or supplement shall not be unreasonably withheld or delayed. Airline shall give prompt written notice to each Senior Lienholder of which Airline has written notice, of any default of the Authority, and Airline shall allow such Senior Lienholder a reasonable length of time (in any event, not less than 30 days from the date of such notice) in which to cure such default.

19.02 Attornment. Subject to the terms of any nondisturbance agreement between Airline and a Senior Lienholder, in the event that any Senior Lien is foreclosed, Airline, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Premises or any other area of the Airport, agrees to (i) enter into a new Airport Use and Facilities Operating Permit (or similar instrument) for the remainder of the term of this Permit with substantially the same provisions or (ii) attorn to the purchaser and recognize the purchaser as the Authority under this Permit, provided such purchaser agrees to assume in writing all obligations of the Authority under this Permit.

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

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

## **ARTICLE XX QUIET ENJOYMENT**

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

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

Airline shall comply with the Airport Rules and Regulations. Violations of the Airport Rules and Regulations by Airline or its personnel shall be punishable as stated in the Airport Rules and Regulations including by administrative fines. The Authority shall not be responsible to Airline for the nonperformance of any other airline, tenant, occupant, licensee, concessionaire or user of the Airport of any of the Airport Rules and Regulations. All such Airport Rules and Regulations shall be enforced by the Authority in a non-discriminatory manner.

## **ARTICLE XXII CONFIDENTIAL INFORMATION**

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

provisions of this Article, and, therefore, each party consents to injunctive relief in connection with the enforcement of this Article.

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

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

22.04 Survival. The provisions of this Article shall survive termination of this Permit.

## **ARTICLE XXIII SECURITY DEPOSIT**

23.01 Security Deposit.

(a) To guarantee the faithful performance by Airline of its obligations under this Permit and the payment of all rentals, fees and charges due hereunder, Airline shall deposit with the Authority on the Commencement Date an irrevocable letter of credit, surety bond or cash ("Security Deposit") in the amount equal to the estimated monthly Non-Signatory Rental and Non-Signatory Landing Fees due during the first Fiscal Year after the Commencement Date, as determined by the Authority. The Authority may use the Security Deposit to pay delinquent rentals, fees and other charges payable by Airline hereunder (including PFCs) in order to ensure prompt payment thereof. Airline shall be obligated to maintain such Security Deposit during the term of this Permit.

(b) If the Security Deposit shall be in the form of an irrevocable letter of credit or surety bond, then such Security Deposit shall be in a form and with a company reasonably acceptable to the Authority and licensed to do business in the State. In the event that any such Security Deposit shall be for a period less than the full period required by this Section or if the Security Deposit shall be canceled, Airline shall provide a renewal or replacement Security

Deposit for the remaining required period at least 60 days prior to the date of the expiration or cancellation of such Security Deposit and it shall contain a provision allowing for a draw on the then Existing Security Deposit if a renewal or replacement is not provided by such date.

(c) The Authority shall not pay interest on the Security Deposit and shall not be required to keep the Security Deposit separate from its other funds and accounts. If Airline shall have fully performed all terms and conditions of this Permit, any cash constituting the Security Deposit shall be paid to Airline no later than 30 days after the Termination Date, without interest; provided, however, in the event of termination of this Permit by the Authority upon occurrence of a Default Event, the Authority shall retain such Security Deposit.

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

## **ARTICLE XXIV MISCELLANEOUS**

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

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

24.03 Offset Statement.

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

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

(2) Setting forth the dates to which the Non-Signatory Rental, Non-Signatory Common Use Fees, Non-Signatory Landing Fees, Fuel Surcharges, and other charges, if any, are paid.

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

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

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

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

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

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

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

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

24.07 Attorneys' Fees. In the event of any action or proceeding (including any bankruptcy proceeding) to enforce or construe any of the provisions of this Permit, the prevailing party in any such action or proceeding shall be entitled to attorneys' fees and costs.

24.08 No Waiver. No waiver of any breach or default shall be construed as a continuing waiver of any provision or as a waiver of any other or subsequent breach of any provision contained in this Permit. The waiver by either party of any provision of this Permit 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. A party's consent to any act by the other party requiring the first party's consent shall not be deemed to render unnecessary the obtaining of the consent to any subsequent act by the other party, whether or not similar to the act so consented. The subsequent acceptance by the

Authority of any amount due from Airline hereunder shall not be deemed to be a waiver of any preceding breach or Default Event by Airline of any provision of this Permit, other than the failure of Airline to pay the particular amount so accepted, regardless of the Authority's knowledge of such preceding breach at the time of acceptance of such amount. No waiver on the part of either party with respect to any provision of this Permit shall be effective unless such waiver is in writing.

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

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

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

24.12 Relationship Between Parties. Nothing contained in this Permit shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties, other than the relationship of landlord and tenant and licensor and licensee. Neither the Authority nor Airline is 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 Permit shall not be construed as constituting or creating a partnership between the Authority and Airline or as creating any other form of legal association between the Authority and Airline which would impose liability upon one party for the act or the failure to act of the other party.

24.13 Trademarks. Each party acknowledges and agrees that any and all names, trademarks, tradenames and logos (collectively, "Trademarks") owned by the other party are proprietary to the party owning such Trademarks, and the other party shall not, without express written consent, use any of the Trademarks for any purpose whatsoever (provided that the delivery of such Trademark to the other party upon request shall be deemed express consent without additional writing or explanation). Such written consent may be revoked at any time and from time to time.

24.14 Survival. Termination of this Permit shall not affect rights or obligations of the parties expressly designated as surviving such termination.

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

24.16 Executive Director. For cases where the Authority's approval or consent is required pursuant to this Permit, the Executive Director is authorized to give or withhold such approvals and consents on behalf of the Authority.

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

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

24.19 Entire Agreement. This Permit (and the attached Exhibits) represents the entire and integrated contract between the parties regarding Airline's use of the Airport. Subject to Section 1.04, this Permit supersedes all prior oral or written negotiations, representations and contracts related to Airline's use of the Airport. This Permit 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 Permit.

**[SIGNATURES ON FOLLOWING PAGE]**

**EXECUTED:**

[airline name]

[use this signature block if Airline is a corporation]

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

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

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

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

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

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

\_\_\_\_\_  
Manager

\_\_\_\_\_  
Manager

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

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

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

**Burbank-Glendale-Pasadena Airport Authority**

\_\_\_\_\_  
Executive Director

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

Approved as to form:

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

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

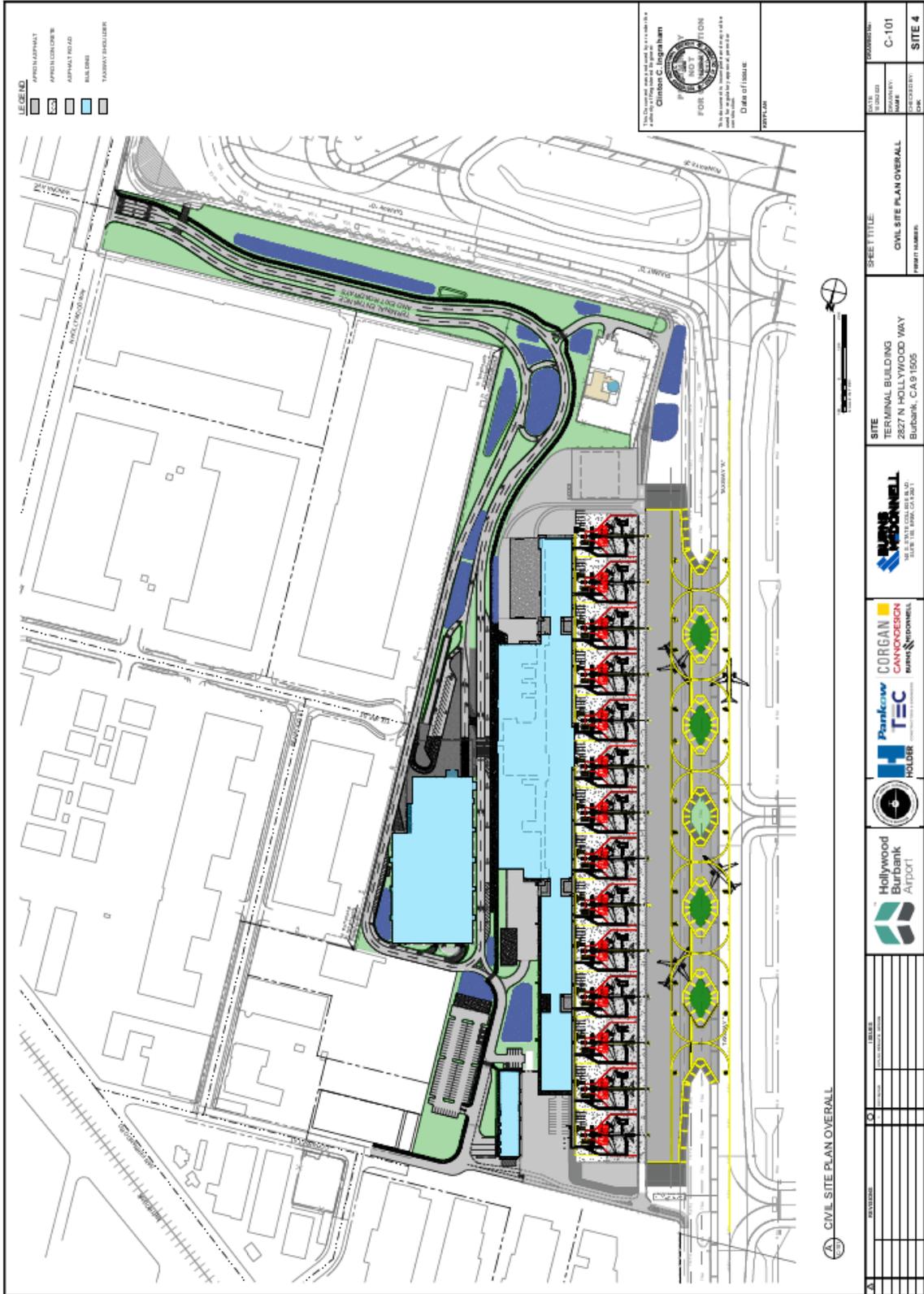
See Attached Plot Plan



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

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

See Attached Plot Plan



**EXHIBIT C**  
**Notice Abatement Rules**

Authority Commission Resolution No. 471

(attached)

**EXHIBIT D**  
**Landing Fees Report Form**

(attached)



## BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

- Step 1:  
Enter your Airline in Cell C3 via the dropdown options. This report shall include your affiliated air carrier activities.
- Step 2:  
Enter the reporting month and year.
- Step 3:  
Complete the Contact Information section.
- Step 4:  
Complete the Aircraft Information section, including the Aircraft Make and Model. The manufacturer certified Maximum Gross Landed Weight (MGLW) will be filled in automatically.
- Step 5:  
Complete the Number of Landings section. Enter number of flights per aircraft using the following criteria:

ARRIVALS	NON-REVENUE ARRIVALS	INCENTIVIZED ARRIVALS
Includes scheduled flights, charters, sight-seeing flights, test flights, ferry, courtesy flights, inspection flights or any other flights.	Any flight that immediately returns to the Airport after departure due to mechanical, meteorological or other precautionary reasons.	Flights from new destinations that currently have a 12 month landing fee waiver.

- Step 6:  
Complete the Statistical Data section.
- Step 7:  
Please complete and return the signed report, along with applicable supporting documents, and payment to the Airport Authority **on or before the 20th of the month** for the previous month's activity to:

**Burbank-Glendale-Pasadena Airport Authority**

**2627 Hollywood Way**

**Burbank, CA 91505**

**Attn: Accounting/Finance Department**

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



**EXHIBIT E**  
**Tenant Improvement Request Form**

**(attached)**

**TENANT IMPROVEMENT  
REQUEST FOR APPROVAL**



***MUST BE SUBMITTED AND APPROVED PRIOR TO THE START OF WORK***

**1. GENERAL INFORMATION**

Tenant \_\_\_\_\_ Date \_\_\_\_\_  
Point of Contact \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_ Email \_\_\_\_\_  
Proposed Improvements\* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated Costs \_\_\_\_\_ Estimated Start Date \_\_\_\_\_ Estimated Completion Date \_\_\_\_\_

*\*Attached any supplemental information such as pictures, materials or equipment specifications, location map, site plans, architectural plans, drawings, project schedule.*

**2. CONTRACTOR INFORMATION**

Company Name \_\_\_\_\_ License# \_\_\_\_\_  
Point of Contact \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_  
Email \_\_\_\_\_

*\*Contractor must submit required Certificate of Insurance, Material and Labor Bond. See Page 3.*

**3. SIGNATURE**

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name \_\_\_\_\_ Company \_\_\_\_\_ Title \_\_\_\_\_

**4. AIRPORT DEPARTMENT APPROVALS**

Business & Property  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

Operations  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

Engineering  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

**4. AIRPORT DEPARTMENT APPROVALS continued**

Maintenance  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

Noise & Environmental  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

Fire  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

Safety SMS  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

Security/Police  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

Parking/Ground Access  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

ICT  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes  No )  
Inserted Comments in TI Supplement (Yes  No )\*

*\*If marked yes, please reference the separate TI Supplement document for more information.*

**5. FINAL APPROVAL**

Airport Administration  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

#### INSTRUCTIONS FOR COMPLETING THIS FORM

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

1. Tenant shall complete Section 1, 2, and 3 of this form and submit to: Burbank-Glendale-Pasadena Airport Authority, Business, Property and Administrative Services Department, 2627 Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request Form, the Business, Property and Administrative Services Department will review the Proposed Improvement and, if the proposal is considered to be basically acceptable, it will then be forwarded to Airport Engineering for further review and evaluation. However, if the proposal is not considered to be basically acceptable, the Request Form will be returned to the Tenant accompanied by a written statement from the Authority as to why the request is being denied at this stage or if additional information is required.
3. In addition to the submission of the Tenant Improvement Form, Tenant shall also provide final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements: five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Business, Property and Administrative Services Department for review by all applicable Airport Departments with final review and approval by Airport Administration.
4. The Business, Property and Administrative Services Department and Engineering Department will determine any impact of the Proposed Improvement on the Airport Master Plan, Airport Facilities, Navigable Airspace Requirements of Federal Aviation Regulations Part 77, and/or if it conforms to the Airport Rules and Regulations.
5. Prior to the start of construction and after all insurance and bond requirements have been satisfied, an Indemnification & Defense Agreement has been submitted to the Authority, and Building permits and any other necessary permits are on file with the Authority, a pre-construction meeting must be held in the Authority Administrative offices. When all of these requirements have been satisfied, approval to begin construction will be granted on the Tenant Improvement Form and a copy returned to the Tenant. The form will indicate whether approval has been granted, and if not granted, the reason for denial.
6. All Tenants shall, within thirty (30) days after completion, submit to Business, Property and Administrative Services Department one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Business, Property and Administrative Services Department. The itemized summary shall be signed by the contractor and notarized.

NOTES: a.) For smaller projects costing less than \$5,000, the Authority may, at its discretion, waive any or all of the above requirements. b.) Airport approval does not constitute a substitution of approval from any other governmental agency having jurisdiction.

#### PLANS AND SPECIFICATIONS

Plans shall be drawn to scale and dimensioned on standard size drawing sheets for future reference and file retention, and shall be of sufficient clarity to indicate the nature and extent of the work proposed and show in detail that it conforms to the provisions of the governing codes, ordinances, rules and regulations. The minimum number of drawings normally acceptable with each set of plans submitted for final review and approval will generally consist of a plot plan, foundation plan, floor plan, elevations, framing section and details. Electrical, plumbing, heating and air conditioning plans and details shall be submitted when applicable. Foundation recommendations, including calculations and a soils investigation report shall be submitted when appropriate or requested by Airport Engineering. All design documents, including required calculations, shall be prepared, stamped, and signed by a licensed professional engineer or architect registered in the State of California. Engineers shall be licensed for the specific discipline required. Drawings/specifications and/or calculations prepared by contractors and/or fabricators will not be acceptable.

#### OTHER REQUIREMENTS INSURANCE REQUIREMENTS

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form. Comprehensive General Liability: \$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. \$1,000,000 for Personal Injury for each occurrence. Comprehensive Automobile Liability: \$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. Workers' Compensation: California statutory requirements. Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Business, Property and Administrative Services Department. Each of said insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

#### BOND REQUIREMENT

The Tenant shall require the contractor to obtain a material and labor bond equal to the contract price of the work. A copy of said bond shall be forwarded to Airport Engineering.

#### INDEMNIFICATION & DEFENSE AGREEMENT

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

#### PREVAILING WAGES

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

**EXHIBIT F**  
**Description of Airline Equipment Consortium\***

Pursuant to the Airport Use Agreements, the Signatory Airlines have formed a consortium (“Airline Equipment Consortium”) to operate and maintain the Equipment (defined below), baggage make-up areas, and the inline explosive detection system (portion of which is not maintained by the TSA and subject to funding by the TSA to include such system in the Replacement Passenger Terminal); operate and maintain the CUPPS, CUSS, baggage scales, and the electrical charging system for ground equipment that serves the Replacement Passenger Terminal; and construct, operate, and maintain the MUFIDS.

The Equipment is anticipated to include the following (provided that the list of Equipment is subject to change based on modifications to the RPT Program):

- 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
- Pre-Conditioned Air
- 400 Hz Ground Power
- baggage makeup areas and the inline explosive detection system (portion of which is not maintained by the TSA and subject to funding by TSA to include such system in the Replacement Passenger Terminal)
- CUPPS, CUSS, baggage scales and the electrical charging system for ground equipment that serves the Replacement Passenger Terminal
- IATA-certified multi-use flight information display and paging system (MUFIDS)

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

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

**Sunday**

Page 1 of 2

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

Notes:

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

Notes:

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

Notes:

Date:

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

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

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

**Sunday**

Page 2 of 2

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

Notes:

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

Notes:

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

Notes:

Date:

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

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

## **EXHIBIT H**

### **Federal Requirements**

References in this Exhibit to “Contractor” shall be deemed to refer to Airline. References in this Exhibit to “Sponsor” shall be deemed to refer to the Authority. Consultant 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.

**EXHIBIT I**  
**Description of Common Use Space**

[To be attached when available before Commencement Date]

**EXHIBIT J**  
**Description of Exclusive Use Space**

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

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**AIRLINE SUPPORT FACILITIES BUILDING LEASE**

BETWEEN

**BURBANK-GLENDALE-PASADENA  
AIRPORT AUTHORITY**

AND

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# TABLE OF CONTENTS

	Page
1. DEFINITIONS; RULES OF INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Rules of Interpretation .....	6
2. EFFECTIVE DATE; TERM.....	6
2.1 Effective Date .....	6
2.2 Term.....	6
2.3 Related Contract Termination.....	6
2.4 Right to Terminate for Convenience.....	6
2.5 Payment of Unamortized Cost of Eligible New Improvements .....	6
3. LEASE; LICENSE OF CERTAIN OTHER FACILITIES .....	7
3.1 ASF Building Layout.....	7
3.2 Leased Premises.....	8
3.3 License to Certain Other Areas.....	8
3.4 Civil Code Section 1938 Disclosures .....	8
3.5 Title; Reservations to Landlord .....	9
3.6 Landlord’s Right of Access .....	9
3.7 Qualified Commercial Tenant Status.....	9
4. DELIVERY ON TURNOVER DATE; TENANT BUILD-OUT .....	10
4.1 Landlord Construction Period; Turnover Date .....	10
4.2 Tenant Build-Out of Leased Premises .....	11
5. RENT .....	11
5.1 Obligation to Pay Rent.....	11
5.2 Base Rent .....	11

5.3	Additional Rent.....	11
5.4	Interest on Past Due Payments.....	13
5.5	Payment.....	13
5.6	NO ABATEMENT OR SETOFF .....	13
5.7	Net Lease .....	13
5.8	Financial Information.....	14
6.	TAXES, ASSESSMENT, AND CHARGES.....	14
6.1	Prompt Payment.....	14
6.2	Exclusions from “Taxes” .....	14
6.3	Bills Forwarded by Landlord .....	14
6.4	Tenant’s Contest of Taxes .....	15
6.5	Payment by Landlord.....	15
6.6	Survival.....	15
7.	DISCLAIMER OF LIENS.....	15
7.1	Creation of Liens Prohibited.....	15
7.2	Prompt Discharge Upon Creation.....	15
7.3	No Consent by Landlord.....	16
7.4	Survival.....	16
8.	UTILITIES; TRASH, REFUSE & RECYCLING; FIRE AND SECURITY .....	16
8.1	Utilities.....	16
8.2	Trash Removal, Refuse Collection, and Recycling .....	16
8.3	Security and Fire Protection.....	16
9.	COMPLIANCE WITH LAWS; LICENSES, PERMITS .....	16
9.1	Laws .....	16
9.2	Cooperation.....	17

9.3	Licenses and Permits.....	17
10.	USE OF LEASED PREMISES .....	17
10.1	Use of Leased Premises .....	17
10.2	Prohibited Uses .....	18
10.3	Conduct of Tenant’s Activities .....	18
10.4	Manner of Use.....	19
10.5	No Interference with Utilities, Fire Exits and Emergency Personnel.....	19
10.6	Temporary Structures.....	20
10.7	Signs.....	20
10.8	Vending Machines .....	20
10.9	Tenant Acknowledgments .....	20
10.10	Airport Security .....	22
10.11	Quiet Enjoyment .....	23
11.	MAINTENANCE AND REPAIRS .....	23
11.1	Tenant’s Obligations.....	23
11.2	Landlord’s Standards .....	24
11.3	Permitted Repairs by Landlord.....	24
11.4	Landlord’s Obligations to Repair.....	24
11.5	Limitation of Landlord Obligations; Tenant Waiver .....	24
11.6	Landlord Cure .....	25
12.	ALTERATIONS AND IMPROVEMENTS.....	25
12.1	Approval and Construction of New Improvements .....	25
12.2	Landlord Assumption of Approved New Improvements.....	29
12.3	No Liability of Landlord.....	29
12.4	Removal or Alteration of Completed New Improvements.....	30

13.	INSURANCE.....	30
13.1	Obligation to Maintain Insurance .....	30
13.2	Liability and Workers' Compensation Coverage .....	30
13.3	Property Insurance .....	31
13.4	Business Interruption Coverage.....	31
13.5	Adjustment of Required Insurance .....	31
13.6	Policy Requirements .....	31
13.7	No Limitation of Liability.....	33
13.8	Waivers of Subrogation Rights.....	33
14.	INDEMNIFICATION; EXCULPATION .....	33
14.1	Indemnification .....	33
14.2	Exculpation of Landlord from Liability.....	34
15.	DAMAGE AND DESTRUCTION.....	34
15.1	Insured Damage .....	34
15.2	Long Term or Uninsured or Underinsured Damage.....	34
15.3	Costs of Restoration or Repair; Use of Insurance Proceeds .....	35
15.4	Waiver by Tenant.....	35
16.	ASSIGNMENT AND ENCUMBRANCES; SUBLET .....	36
16.1	Assignment or Encumbrance Prohibited .....	36
16.2	Sublet; License to Occupy .....	36
17.	EMINENT DOMAIN .....	37
17.1	Entire or Substantial Taking .....	37
17.2	Partial Taking.....	37
17.3	Awards .....	38
17.4	Sale Under Threat of Condemnation .....	38

17.5	Condemnation by Landlord .....	38
17.6	Landlord’s Exercise of Right Not a Taking.....	38
18.	SUBORDINATION.....	38
18.1	Subordination.....	38
18.2	Attornment .....	39
19.	DEFAULTS AND REMEDIES .....	39
19.1	Default Events.....	39
19.2	Remedies.....	40
19.3	Waiver of Claims .....	42
19.4	Waiver of Rights of Redemption .....	42
19.5	No Waiver by Landlord .....	42
19.6	Cumulative Remedies .....	42
19.7	Performance of Tenant’s Covenants by Landlord .....	43
19.8	Excuse of Performance by Landlord.....	43
19.9	Default by Landlord.....	43
20.	SURRENDER AT END OF TERM.....	43
20.1	Peaceable Surrender.....	43
20.2	Handling of New Improvements.....	44
20.3	Removal of Personal Property .....	44
20.4	Duty to Repair Damage; Removal and Repair Cost.....	44
20.5	Waiver; Property Not Removed.....	45
20.6	Survival.....	45
21.	HOLDOVER BY TENANT .....	45
21.1	Month-to-Month Tenancy With Landlord Consent.....	45
21.2	Rent Increase; Other Terms .....	45

22.	ASF COMMON AREAS; AIRPORT COMMON USE FACILITIES .....	45
22.1	ASF Common Areas .....	45
22.2	Airport Common Use Facilities .....	46
22.3	Vehicle Parking.....	46
22.4	Damages Caused by Tenant Party .....	47
23.	TRANSFER OF LANDLORD’S INTEREST.....	47
24.	SECURITY DEPOSIT.....	47
24.1	Security Deposit.....	47
24.2	Amount .....	47
24.3	Letter of Credit.....	47
24.4	Landlord Draw Upon Failure of Timely Renewal.....	47
24.5	Draw Upon Default.....	47
24.6	Replenishment.....	48
24.7	Tenant Waiver.....	48
24.8	Release Upon Termination .....	48
25.	COMPLIANCE WITH ENVIRONMENTAL LAWS .....	48
25.1	Use of Toxic Materials Prohibited.....	48
25.2	Compliance with Environmental Laws.....	48
25.3	Disclosure .....	48
25.4	Business Plan .....	49
25.5	Indemnity .....	49
25.6	Landlord’s Representation and Warranty .....	49
25.7	Notice.....	49
25.8	Storage and Use of Toxic Materials.....	50
25.9	Disposal of Toxic Materials.....	50

25.10	Safety .....	50
25.11	Fees, Taxes and Fines .....	50
25.12	Delivery of Documentation.....	50
25.13	Annual Site Investigation.....	50
25.14	Limitation on Liability of Landlord.....	50
25.15	Definitions.....	51
26.	OFFSET STATEMENT .....	52
26.1	Delivery.....	52
26.2	Reliance.....	52
27.	MISCELLANEOUS .....	52
27.1	Lease Interpretation .....	52
27.2	Further Assurances.....	53
27.3	Contractor Warranties .....	53
27.4	Disclaimer of Partnership or Agency.....	53
27.5	Waivers .....	53
27.6	Successors and Assigns.....	54
27.7	No Merger.....	54
27.8	Executive Director .....	54
27.9	Reasonable Exercise of Rights and Performance .....	54
27.10	Exhibit Updates.....	54
27.11	Waiver of Jury Trial.....	54
27.12	Notices .....	54
27.13	No Brokers .....	55
27.14	Recording.....	55
27.15	Governing Law; Venue.....	55

27.16	Attorneys' Fees .....	55
27.17	Force Majeure .....	55
27.18	Exhibits .....	55
27.19	Authority of Person Signing for Tenant.....	56
27.20	Electronic Signature.....	56
27.21	Counterparts.....	56
Exhibit A-1	ASF Building Location	
Exhibit A-2	Diagram of ASF Building and Surrounding Premises	
Exhibit B	Description and Diagram of Leased Premises	
Exhibit C	Exceptions to Raw Shell Delivery	
Exhibit D	Turnover Date Memorandum	
Exhibit E	Tenant Improvement Request Form	
Exhibit F	Federal Requirements	

**AIRLINE SUPPORT FACILITIES BUILDING LEASE**

THIS AIRLINE SUPPORT FACILITIES BUILDING LEASE (“Lease”) is dated \_\_\_\_\_, 20\_\_ for reference purposes, and is executed by the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a California joint powers agency (“Landlord”), and \_\_\_\_\_, a \_\_\_\_\_ (“Tenant”).

R E C I T A L S

A. Landlord is the owner and operator of the Bob Hope Airport (commonly known as “Hollywood Burbank Airport”) (“Airport”).

B. Landlord is constructing a new passenger terminal, expected to open in October 2026, and a new airline support facilities building (“ASF Building”) on a similar schedule.

C. Tenant desires to lease space in the ASF Building.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS; RULES OF INTERPRETATION.

1.1 Definitions.

As used in this Lease, unless a different meaning is clearly required, the following terms shall have the meanings set forth below. These definitions shall apply regardless of whether the term is capitalized.

Additional Rent	Any amount owed to Landlord under this Lease, other than Base Rent.
Airport	Bob Hope Airport (commonly known as “Hollywood Burbank Airport”).
Airport Common Use Facilities	Collectively: (i) public areas of the Airport, Airport roadways and common-use roadways, and (ii) such other areas as Landlord may from time to time make available or designate as “Airport Common Use Facilities” for the purpose of this Lease.
Airport Manager	Person engaged by the Authority Commission to function as the manager of the Airport. As of the execution of this Lease, the Airport Manager is TBI Airport Management, Inc., a Delaware corporation.
Airport Rules and Regulations	July 1, 2023 Airport Rules and Regulations or any successor adopted by the Authority Commission.

ASF Airside Common Area	Area adjacent to the west side of the ASF Building, as identified in Exhibit A-2.
ASF Building	Airline support facilities building (under construction as of the execution of this Lease) in the northeast quadrant of the Airport, as depicted in Exhibit A-1.
ASF Building Common Area	Area in the ASF Building identified in Exhibit A-2, consisting of restrooms and adjacent corridor for common use by ASF Building tenants.
ASF Building Restricted Area	Area in the ASF Building identified in Exhibit A-2, consisting of Landlord's support facilities for the ASF Building (such as, subject to Landlord's discretion, a fire protection facilities room, an electrical room, a technology support facilities room, janitorial supplies storage space).
ASF Building Support Facilities Charge	As defined in Section 5.3.1.
ASF Common Areas	Collectively: (i) the ASF Landside Common Area; (ii) the ASF Airside Common Area; and (iii) the ASF Building Common Area.
ASF Landside Common Area	Area (including ramp space) adjacent to the east side of the ASF Building, as identified in Exhibit A-2.
ASF Parking Area	Area designated for vehicle parking on the south side of the ASF Building, as identified in Exhibit A-2.
Authority Commission	Burbank-Glendale-Pasadena Airport Authority Commission.
Base Rent	The portion of Rent, payable monthly, as described in Section 5.2.
Build-Out Plan	As defined in Section 4.2.1.
Claims	Demands, claims, actions, causes of action, proceedings, judgments, awards, damages, fines, penalties, liabilities, obligations, losses, costs, and expenses (including attorneys' fees) of any nature whatsoever, whether now existing or subsequently arising, known or unknown, foreseen or unforeseen, fixed or contingent.
Default Event	As defined in Section 19.1.

Eligible New Improvements	As defined in Section 12.1.3.
Environmental Laws	As defined in Section 25.15.1.
Executive Director	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.
Effective Date	As defined in Section 2.1
Expiration Date	As defined in Section 2.2.
FAA	Federal Aviation Administration.
Federal Requirements	FAA requirements set forth in the attached Exhibit F.
Fiscal Year	12-month period from July 1 through June 30.
GSE	Ground support equipment.
HVAC	Heating, ventilation, and air conditioning.
Improvements	Fixtures and improvements (including equipment) affixed to the Leased Premises.
Expiration Date	As defined in Section 2.2.
Initial Improvements	As defined in Section 4.2.1.
Landlord	Burbank-Glendale-Pasadena Airport Authority.
Landlord Construction Period	The period between the Effective Date and the Turnover Date.
Landlord Parties	Landlord, the Airport Manager, the Cities of Burbank, Glendale, and Pasadena, and their respective officers, officials, directors, employees, agents, representatives, contractors, and volunteers.
Landlord's Approval	As defined in Section 12.1.1, as related to New Improvements.
Leased Premises	As defined in Section 3.2.2 and described in Exhibit B.
Liabilities	As defined in Section 25.15.3, as related to matters described in Section 25.

Lien	As defined in Section 7.1.
Material Plan Change	As defined in Section 12.1.4.3.
New Improvements	As defined in Section 12.1.1.1.
Permitted Uses	As defined in Section 10.1.2.
Prevailing Wage Law	Labor Code Sections 1720 et seq. and associated regulations and California Department of Industrial Relations requirements.
Related Contract	<p><b><i>[AS APPLICABLE:]</i></b></p> <p>Airport Use Agreement, dated March 4, 2024, between Landlord and Tenant</p> <p>Equipment Maintenance and Operating Agreement, dated _____, 202__, between Landlord and Tenant.</p> <p>Non-Exclusive License Agreement to Conduct Commercial Aviation Ground Handling and Support Services, dated _____, 20__, between Landlord and Tenant.</p> <p>_____, dated _____, 20__, between Landlord and Tenant. <b><i>] </i></b></p>
Rent	Rent payable by Tenant under this Lease, consisting of Base Rent and Additional Rent.
Required Insurance	As defined in Section 13.1.
Required Tenant Maintenance Notice	As defined in Section 11.1.3.
Retained New Improvements	As defined in Section 20.2.2.1.
RPT	New passenger terminal in the northeast quadrant of the Airport (under construction as of the execution date of this Lease).
RPT Design-Builder	Holder, Pankow, TEC - A Joint Venture, or a successor design-builder for the construction of the RPT as designated by Landlord.

RPT Opening Date	Date on which the RPT will be opened to the travelling public and serves commercial flights. The RPT Opening Date is anticipated to be October 13, 2026.
Security Deposit	As defined in Section 24.1.
Security Requirements	As defined in Section 10.10.1.
Senior Lien	As defined in Section 18.1.
Senior Lienholder	As defined in Section 18.1.
Statement of Costs	As defined in Section 12.1.11.2.
Subrents	As defined in Section 19.2.4.
Subrents Payment Notice	As defined in Section 19.2.4.
Taking Adjustment Date	As defined in Section 17.2.
Taxes	As defined in Sections 6.1 and 6.2.
Tenant	<b>[TENANT NAME]</b>
Tenant Improvement Request	As defined in Section 12.1.2.
Tenant Parties	Tenant and its owners, shareholders, partners, members, directors, officers, employees, agents, representatives, contractors, volunteers, subtenants, successors and assigns.
Tenant's Share	As defined in Section 5.3.
Term	As defined in Section 2.2.
Turnover Date	Date on which Landlord delivers the Leased Premises to Tenant, as memorialized in the Turnover Date Memorandum.
Turnover Date Memorandum	A memorandum, executed by the parties on the Turnover Date pursuant to Section 4.1. At the time of execution of this Lease, a form of the Turnover Date Memorandum is attached in Exhibit D. On the Turnover Date, the executed Turnover Date Memorandum shall replace such form as the updated Exhibit D.
Toxic Materials	As defined in Section 25.15.

Unamortized Cost of Eligible New Improvements	As defined in Section 2.5.1.
Use of Toxic Materials	As defined in Section 25.1.

1.2 Rules of Interpretation.

1.2.1 General. Unless otherwise indicated or apparent from the context, the following rules of interpretation shall apply. The singular includes the plural and vice versa. The term “shall” is mandatory and the term “may” is permissive. The term “day” means calendar day. The term “business day” means a non-holiday weekday. The term “regular business hours” means the period from 8:00 a.m. PST to 5:00 p.m. PST on a business day. The phrase “for [number] days” means for [number] consecutive days. The phrase “at any time” means at any time and from time to time. The terms “include,” “includes,” and “including” are illustrative and non-exhaustive. The term “person” includes natural persons and firms, associations, partnerships, trusts, corporations, public agencies, and other legal entities.

1.2.2 Cross-References. Cross-references are to sections of this Lease unless otherwise indicated or apparent from the context.

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

1.2.4 Fair Meaning. This Lease shall be construed according to its fair meaning, and not strictly for or against either party.

2. EFFECTIVE DATE; TERM.

2.1 Effective Date. The Effective Date is \_\_\_\_\_, 20\_\_ . This Lease shall constitute the parties’ binding agreement as of the Effective Date.

2.2 Term. The Term shall start on the Turnover Date, and shall continue until 11:59 p.m. on June 30, 2036 (“Expiration Date”).

2.3 Related Contract Termination. Notwithstanding any other provision of this Lease, if the Related Contract is terminated for any reason, then this Lease shall terminate on the same day.

2.4 Right to Terminate for Convenience. Either party shall have the right to terminate this Lease for convenience upon 30 days’ notice.

2.5 Payment of Unamortized Cost of Eligible New Improvements. If Landlord terminates this Lease for convenience before the Expiration Date, Landlord shall pay Tenant the “Unamortized Cost of Eligible New Improvements.” Tenant acknowledges that: (a) Tenant shall not be entitled to reimbursement for any costs incurred in connection with the construction or

installation of any Improvements that are not Eligible New Improvements; (b) Tenant shall not have any right to continue the use or occupancy of any portion of the Leased Premises following the effective date of such termination; and (c) Tenant shall comply with Section 20 regarding the peaceable surrender of the Leased Premises.

2.5.1 Unamortized Cost of Eligible New Improvements. The term “Unamortized Cost of Eligible New Improvements” means the actual direct out-of-pocket cost of all Eligible New Improvements (determined in accordance with the Statement of Costs pursuant to Section 12.1.11.2) located within the Leased Premises, multiplied by a fraction, the numerator of which is the number of full calendar months between the effective date of termination of this Lease and the Expiration Date, and the denominator of which is the number of full calendar months between the date on which the related Statement of Costs was submitted to Landlord and the Expiration Date.

2.5.2 Payment. Landlord shall pay Tenant the Unamortized Cost of the Eligible New Improvements in one lump sum, due no later than 60 days after the Lease termination date. Landlord shall be entitled to offset or credit against such payment any amounts owing by Tenant to Landlord, whether under this Lease or otherwise, and to withhold from such payment the amount of any monetary claim then being asserted in good faith by Landlord against Tenant.

2.5.3 Tenant Acknowledgments. Tenant acknowledges that the provisions of this Section are reasonable, and the exercise by Landlord of its termination right under Section 2.4 shall not be construed as a taking by Landlord of any part of the Leased Premises, New Improvements, or of Tenant’s rights or leasehold estate under this Lease. Tenant shall not be entitled to payment for any loss of goodwill, relocation expenses, income or other amount measured by Tenant’s loss upon termination or reduction of its business following termination of this Lease as to the Leased Premises or New Improvements.

### 3. LEASE; LICENSE OF CERTAIN OTHER FACILITIES.

#### 3.1 ASF Building Layout.

3.1.1 Preliminary Layout. At the time of execution of this Lease, Exhibit A-2 sets forth the contemplated layout of ASF Building with identification of: (i) the Leased Premises; (ii) the ASF Building Common Area; (iii) the ASF Building Restricted Area; (iv) the ASF Landside Common Area; (v) the ASF Airside Common Area; and (vi) the ASF Parking Area. Landlord has the right, in its discretion, to modify such layout throughout the Landlord Construction Period.

3.1.2 Update as of Turnover Date. At least 30 days before the Turnover Date, Landlord shall either: (A) notify Tenant that there has been no change to the ASF Building layout, or (B) furnish to Tenant a copy of the final layout, which shall become the new Exhibit A-2 of this Lease.

### 3.2 Leased Premises.

3.2.1 Lease. Starting on the Turnover Date, Landlord leases to Tenant, and Tenant leases from Landlord, the Leased Premises.

3.2.2 Leased Premises. The Leased Premises shall consist of the unit location(s) (including any improvements and modifications thereof) in the ASF Building described in Exhibit B. No other part of the Airport shall be a part of the Leased Premises.

3.2.3 Raw Shell Delivery. Subject to exceptions (if any) set forth in Exhibit C, Landlord shall deliver the Leased Premises to Tenant in raw shell condition. All utilities extensions and connections to the Leased Premises shall be Tenant's responsibility.

3.2.4 As-Is. As of the Turnover Date, Tenant accepts the Leased Premises "as is, where is, and with all faults" and such acceptance is made with the agreement that the Leased Premises are in a good and tenantable condition. Except as specifically provided herein, Landlord is not obligated to make any repairs or alterations to the Leased Premises.

3.3 License to Certain Other Areas. As an appurtenance to Tenant's leasehold estate in the Leased Premises, Landlord grants to Tenant a non-exclusive license to use, subject to the terms of this Lease: (i) the ASF Common Areas; and (ii) the Airport Common Use Facilities.

3.4 Civil Code Section 1938 Disclosures. Tenant acknowledges that, as of the execution of this Lease and as of the Turnover Date, the Leased Premises, the building in which they are located and any other areas that may be used by Tenant under this Lease (together, "subject premises") have not been inspected by a Certified Access Specialist ("CASp"). Additionally, the parties acknowledge the disclosure specified in Civil Code Section 1938(e), which states:

"A [CASp] can inspect the subject premises and determine whether they comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, a commercial property owner or lessor may not prohibit a lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties must mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the subject premises."

Landlord has no obligation to obtain or pay for such an inspection report, or to make or pay for any related repairs (all of which shall be the responsibility of Tenant).

3.5 Title; Reservations to Landlord.

3.5.1 Existing Encumbrances. As of the Turnover Date, Tenant accepts the Leased Premises subject to all existing easements and other encumbrances, to the extent such easements and other encumbrances are of public record.

3.5.2 Landlord's Reservation of Rights. Landlord reserves the right, without obligation, to install, lay, construct, maintain, repair, and replace utilities and appurtenances in, over, upon, through, across, under, and along the Leased Premises (including any New Improvements) or any part thereof, and to enter the Leased Premises for any such purpose. Landlord also reserves the right to grant licenses, easements, rights of way, and permits in, over, upon, through, across, under, and along any and all portions of the Leased Premises. No right reserved by Landlord in this Section shall be so exercised to interfere unreasonably with Tenant's use of the Leased Premises as provided in this Lease.

3.6 Landlord's Right of Access. After the Turnover Date:

3.6.1 Right of Access. Subject to Section 3.6.2, Landlord shall have free access to the Leased Premises during all reasonable hours, or at any time in the event of an emergency:

(i) For the purposes of ascertaining if the Leased Premises and the Improvements are in good repair, inspecting any work in progress, and making repairs that Landlord may be permitted to make under this Lease.

(ii) For other purposes required by or incidental to Landlord's duties under this Lease or in Landlord's capacity as owner of the Airport.

(iii) During the last 12 months of this Lease, or at any time following a notice of termination under this Lease, for the purpose of exhibiting the Leased Premises to prospective purchasers or tenants.

3.6.2 Manner of Entry. Landlord's entry shall be made upon 72-hour notice to Tenant and in a manner that will not unreasonably interfere with Tenant's use of the Leased Premises, except in case of emergency. In case of an emergency, Landlord shall give notice as soon as practicable under the circumstances and in a manner consistent with the nature of the emergency. In non-emergency situations, Landlord shall exercise such right of access with reasonable frequency and shall exercise commercially reasonable efforts to be accompanied by Tenant's representative. If a Tenant representative is not present to open and permit entry, Landlord may enter by means of master keys (and, in the case of emergency, may enter forcibly) and shall incur no liability to Tenant as a result of such entry, except for any gross negligence or willful misconduct on the part of a Landlord Party.

3.7 Qualified Commercial Tenant Status. Tenant represents and warrants that Tenant is not a "qualified commercial tenant" within the meaning of Civil Code Section 1946.1.

4. DELIVERY ON TURNOVER DATE; TENANT BUILD-OUT.

4.1 Landlord Construction Period; Turnover Date.

4.1.1 Pre-Turnover Date Inspection.

4.1.1.1 Landlord's Construction. Landlord shall construct the ASF Building during the Landlord Construction Period.

4.1.1.2 Tenant's Inspection. Landlord shall send Tenant a written notice specifying a proposed Turnover Date, together with the draft Turnover Memorandum. Such notice shall be sent not less than 30 days before the proposed Turnover Date. The parties shall schedule a meeting no later than 14 days before the proposed Turnover Date. As part of such meeting, Tenant shall inspect the Leased Premises, and the parties shall confirm the Turnover Date. Tenant shall also identify any punch list item at the conclusion of such meeting.

4.1.2 Delivery of Leased Premises.

4.1.2.1 Turnover Date Memorandum. On the Turnover Date, Tenant shall conduct a final inspection of the Leased Premises and the parties shall execute the Turnover Date Memorandum.

4.1.2.2 Turnover Deemed Conclusive Evidence of Acceptance. Tenant's execution of the Turnover Date Memorandum shall conclusively evidence Tenant's acceptance of the Leased Premises in its "as-is, where is, and with all faults" condition, regardless of any outstanding punch list items given earlier to Landlord.

4.1.2.3 No Warranty Regarding Timing of Turnover Date. As of execution of this Lease, Landlord anticipates completing construction of the ASF Building, in its shell condition, in March 2026. However, Landlord makes no warranty regarding such completion date. At any time before the Turnover Date, if Landlord notifies Tenant of Landlord's decision to terminate construction of the ASF Building for any reason, this Lease shall terminate immediately. Landlord shall not be liable to Tenant for any costs or damages, direct or indirect, resulting from a delay of the completion of the ASF Building or abandonment of the ASF Building construction project. Tenant shall not be entitled to any Rent reduction or other financial accommodation in the event of a delay of the completion of the ASF Building.

4.1.2.4 Readiness of ASF Common Areas. Landlord makes no warranty that construction or installation work at the ASF Common Areas or the ASF Parking Area will be completed by the Turnover Date; provided that Tenant shall have a reasonable means of ingress and egress to and from the Leased Premises via one or more entrances or exits from the Airport to outside public roadways. The execution of the Turnover Memorandum shall be conclusive evidence of Tenant's determination that a reasonable means of ingress and egress to and from the Leased Premises has been provided as of the Turnover Date. Landlord shall have no liability for any costs or damages, and Tenant shall not be entitled to any Rent reduction or financial accommodation, if any other portion of the ASF Common Areas or the ASF Parking Area is not available for use by the Turnover Date.

4.2 Tenant Build-Out of Leased Premises.

4.2.1 Tenant Build-Out Plan. Tenant shall develop a plan (“Build-Out Plan”) for the installation of utilities and the construction of Improvements (collectively, “Initial Improvements”) for the build-out of the Leased Premises after the Turnover Date. The Build-Out Plan shall specify the anticipated time required for completion of the Initial Improvements. Tenant shall submit a copy of the Build-Out Plan to Landlord and the RPT Design-Builder before installing or constructing the Initial Improvements.

4.2.2 Build-Out of Initial Improvements. The construction and installation of the Initial Improvements shall be subject to Section 12. Pursuant to Section 12.1.1.4 and Section 12.1.5, Landlord may condition its approval of the Initial Improvements on the RPT Design-Builder’s additional approval. Tenant shall cooperate with the RPT Design-Builder with respect to Build-Out Plan implementation and any modification that the RPT Design-Build may reasonably request.

4.2.3 Rent Commencement Not Affected by Build-Out. No Rent shall be reduced nor shall any due date be postponed as the result of Tenant’s failure to complete the Initial Improvements on a timely basis.

5. RENT.

5.1 Obligation to Pay Rent. Tenant shall pay Rent to Landlord in the amounts and at the times prescribed below. Rent consists of Base Rent and Additional Rent.

5.2 Base Rent. Base Rent shall be \$\_\_\_\_\_ per month, payable in advance, due on the first day of each calendar month; provided that the first installment shall be due on the RPT Opening Date. The Base Rent for any partial calendar month shall be prorated based on the number of days in that calendar month.

5.3 Additional Rent. Additional Rent shall consist of the following. Except as otherwise specified in this Lease, Tenant’s payment in each case shall be due 30 days from Tenant’s receipt of Landlord’s invoice. The term “Tenant’s Share” means: (i) a fraction, the numerator of which is the square footage of the Leased Premises and the denominator of which is the total square footage of the buildings for which the services are provided, or the cost is incurred, by Landlord; or (ii) upon written notice to Tenant, such other fraction reasonably determined by Landlord in light of prevailing circumstances.

5.3.1 ASF Building Support Facilities Charge. At Landlord’s election, in the ASF Building Restricted Area and the ASF Common Areas, Landlord may maintain one or more support facilities that serve the ASF Building (such as a fire protection facilities room, an electrical room, a technology support facilities room, janitorial supplies storage space, lavatories, edge of dock levelers at the ASF Landside Common Area). So long as Landlord elects in its discretion to maintain such support facilities, ASF Building tenants shall reimburse Landlord for the cost of maintaining and operating the support facilities. Such reimbursement to Landlord shall be in equal shares among the ASF Building tenants. After the end of each month, Landlord shall invoice Tenant for an amount (“ASF Building Support Facilities Charge”) equal

to: (i) Landlord's cost of maintaining and operating the support facilities for that month, divided by (ii) the total number of ASF Building Tenants at that time.

5.3.2 Insurance Cost Reimbursement. Landlord shall provide insurance against loss arising out of physical damage or destruction to the structure of which the Leased Premises are a part. Such insurance shall be written on an "All Risk Property" form for the full replacement cost (including earthquake and flood hazards, to the extent such coverages are commercially available at reasonable cost, as determined by Landlord) of the structures and other improvements, including demolition costs and application of building laws coverage. Tenant shall reimburse Landlord for: (i) the premium for such insurance allocable to the Leased Premises and related improvements; and (ii) Tenant's Share of all other reasonable insurance costs applicable to or incurred by Landlord in connection with the Leased Premises. The foregoing does not limit Tenant's obligations to obtain Required Insurance under Section 13, or Landlord's right to be reimbursed for premium paid by Landlord for Required Insurance.

5.3.3 Utilities Cost. Tenant shall be responsible for the timely payment of all charges (including service charges, usage fees, connection fees, related taxes and assessments, and any penalty caused by Tenant's delinquency or error), when due, for water, heat, light, power, air conditioning, telephone, internet access, and other utilities supplied to or used in the Leased Premises. For charges that are invoiced to Landlord by the utility provider, Tenant shall pay Landlord pursuant to Landlord's invoice. Landlord's invoice shall be based on the rates charged to Landlord by the applicable utility provider. If the utility service is used jointly by Tenant and other Airport users and Tenant's portion of the usage cannot be easily ascertained (e.g., by meter), Landlord shall invoice based on Tenant's Share.

5.3.4 Trash Removal, Refuse Collection and Recycling Services. To the extent that trash removal, refuse collection, or recycling services are provided by Landlord, Tenant shall pay in accordance with Landlord's invoice. Landlord shall calculate the invoice amount based on Tenant's Share of the related cost to Landlord.

5.3.5 Parking. With respect to parking privileges granted under Section 22.3, Tenant shall pay the related monthly charges in accordance with Landlord's invoice.

5.3.6 Other Services. If Landlord provides other services with respect to the Leased Premises (such as janitorial, maintenance, repair) at Tenant's written request, which Landlord is not obligated to provide, then Tenant shall pay according to Landlord's invoice. Landlord shall calculate the invoice amount based on Tenant's Share of the related cost to Landlord.

5.3.7 Taxes and Charges Paid by Landlord. Tenant shall reimburse Landlord for Landlord's payment for the discharge or adjustment of Taxes and Liens pursuant to Section 6 or Section 7.

5.3.8 Administrative Charge. For any invoice from Landlord to Tenant under Section 5.3.1, Section 5.3.3, Section 5.3.4 and Section 5.3.6, Landlord may include an administrative charge reasonably determined to cover Landlord's related administrative cost.

5.3.9 Other Amounts Owed under this Lease. In addition to the foregoing, Additional Rent shall also include all other amounts owed to Landlord (except for Base Rent) pursuant to this Lease.

5.4 Interest on Past Due Payments. Any amount due from Tenant to Landlord pursuant to this Lease which is not paid within 10 days of the due date shall bear interest from the due date until paid, at a rate equal to the lower of: (i) the primary discount rate established by the Federal Reserve Board in effect on the due date; or (ii) the maximum rate permissible by law. The payment of any interest pursuant to this Section shall not excuse or cure any default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Lease.

5.5 Payment.

5.5.1 Payment in Lawful Money; Acceptance Without Prejudice. All payments to Landlord shall be paid in lawful money of the United States of America. Landlord may accept payment without prejudice to its right to recover the balance of such amount due and to pursue any other available remedies.

5.5.2 Clear Remittance Details. Each payment shall be accompanied with a detailed remittance advice, or clear instructions, outlining what charges are being paid.

5.5.3 Direct Deposit. If requested by Tenant, Landlord shall furnish bank wire instructions in order for Tenant to pay by direct deposit into Landlord's bank account.

5.5.4 Charges by Intermediary. Tenant shall be responsible for any charges imposed by a financial institution for the transmission of a payment to Landlord.

5.5.5 Delivery Address. Unless otherwise directed by Landlord 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 Lease shall be made payable to "Burbank-Glendale-Pasadena Airport Authority" and delivered to Landlord's Controller at the address set forth in Section 27.12, with an electronic copy to AR@bur.org.

5.6 NO ABATEMENT OR SETOFF. TENANT ACKNOWLEDGES AND AGREES THAT TENANT SHALL IN NO EVENT BE ENTITLED TO ANY ABATEMENT OR SETOFF OF, OR REDUCTION IN, RENT PAYABLE UNDER THIS LEASE.

5.7 Net Lease. Tenant shall be responsible for all costs attributable to the Leased Premises and Tenant's use or occupancy, except as set forth in Section 11.4. Landlord shall receive all amounts payable by Tenant pursuant to this Lease, free and clear of any and all other impositions, taxes, liens, charges or expense of any nature whatsoever in connection with the ownership and operation of the Leased Premises. In addition to the amounts payable by Tenant to Landlord pursuant to this Lease, Tenant shall pay Taxes pursuant to Section 6 and Tenant shall pay to the parties respectively entitled thereto all other impositions, operating charges, maintenance charges, construction costs, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease. Tenant shall have the right to contest the validity, applicability or amount of any such charge, cost or expense, subject to Section 7 regarding the prohibition of Liens.

5.8 Financial Information. Upon Landlord's request at any time, Tenant shall furnish to Landlord within 15 days:

(a) Each of following (provided that they may be in the form of a copy of Tenant's Form 10-K as filed with the Securities and Exchange Commission if Tenant files annual reports pursuant to the Securities Exchange Act of 1934): (i) Tenant's ending balance sheet and statement of profit and loss and statement of changes in financial position for such fiscal year; and (ii) with respect to the financial statements for each fiscal year, the opinion of an independent auditor (or, if not available, shall be certified as true, accurate and complete by the chief financial officer).

(b) Such additional financial information concerning Tenant and any parent or subsidiary of Tenant, or any other person, firm, or entity having both the power to control Tenant or its operations at the Airport and a personal obligation to Landlord under this Lease as Landlord may reasonably request, in such detail as Landlord may reasonably request.

## 6. TAXES, ASSESSMENT, AND CHARGES.

6.1 Prompt Payment. Subject to Sections 6.2 and 6.4, Tenant shall pay before delinquency, and without notice or demand, all applicable use, intangible and possessory interest tax, commercial rental tax, personal property tax, excise tax and any other taxes, assessments, license fees, charges, and penalties related to the foregoing (collectively, "Taxes") levied or imposed against the Leased Premises, any New Improvements, and other personal property used in the performance of Tenant's business at the Airport, or that result from Tenant's occupancy or use of the Leased Premises or the construction of any New Improvements, or that are assessed on any payments made by Tenant under this Lease, whether levied against Tenant or Landlord. Tenant shall, at its sole expense, clear any lien created by virtue of such Taxes. Any such payment shall not reduce the amount of the Rent otherwise required to be paid by Tenant to Landlord. Tenant shall promptly pay any penalty or other charge which may be due and payable to Landlord or any other party or government entity in connection with this Lease and all rights and privileges. Landlord may, at any time, request Tenant to provide evidence of payment of any Tax or related penalty that has come due. Tenant shall furnish such evidence of payment within 15 days of Landlord's request.

6.2 Exclusions from "Taxes". For the purposes of this Section 6, "Taxes" shall not include: (i) any mortgage or documentary transfer tax relating to any financing or sale of the Airport; (ii) any tax upon or against Landlord's income or profits; (iii) any franchise, excise, social security, unemployment, sales, use or withholding assessments levied against Landlord; or (iv) any assessments (or other governmental fees or charges) levied by Landlord against other tenants, the Airport or any portion thereof (whether attributable to special assessment districts or otherwise) to finance any development, maintenance, or improvement of facilities at the Airport.

6.3 Bills Forwarded by Landlord. Whenever Landlord forwards to Tenant a bill or assessment notice relating to Taxes coming due for which Tenant is responsible, Tenant shall pay such Taxes promptly before the delinquency date and concurrently notify Landlord of such payment. In the event Tenant was unaware of the Taxes delinquency date (and the ignorance was not due to Tenant's negligence) and Landlord forwarded the bill or assessment notice less than 20

days before the delinquency date, Tenant shall not be deemed delinquent for the purpose of this Lease if Tenant pays such Taxes within 20 days from Tenant's receipt of the bill or notice forwarded by Landlord.

6.4 Tenant's Contest of Taxes. If Tenant intends to contest any Tax imposed by a government entity, then at least 10 days prior to delinquency (or within 20 days of Tenant becoming aware of the Tax due date, if Tenant was unaware of the Tax before the due date and the ignorance was not due to Tenant's negligence), Tenant shall give Landlord notice of such intention. Tenant may withhold payment of the Tax being contested if nonpayment is permitted during the pendency of such proceedings without the imposition or foreclosure of any related lien or the imposition of any fine or penalty. The contest shall be prosecuted to completion without delay at Tenant's sole expense. Within such 10-day period or the applicable time period allowed by law after the final determination of the amount due, Tenant shall pay such amount, together with all costs, expenses and interest.

6.5 Payment by Landlord. If Tenant fails to pay a Tax within the time periods set forth in this Lease, Landlord may, after five days' notice to Tenant, pay, discharge, or adjust such Tax for Tenant's benefit. In such event, Tenant shall reimburse Landlord, on demand, for the full amount with interest at the rate of 1.5% per month (or the maximum rate permitted by law, whichever is greater). Any receipt showing payment by Landlord shall be prima facie evidence that the amount of such payment was necessary and reasonable and made by Landlord on Tenant's behalf.

6.6 Survival. Tenant's obligations under this Section shall survive expiration or termination of this Lease.

## 7. DISCLAIMER OF LIENS.

7.1 Creation of Liens Prohibited. The term "Lien" shall mean any mortgage, lien, security interest, encumbrance, charge on, pledge of, conditional sale or other encumbrance. Tenant shall not create or permit, or suffer to be created or to remain, any Lien upon the Leased Premises or any Airport property including fixtures, improvements or appurtenances (including New Improvements) by reason of construction, labor, services, or materials performed or furnished at request of Tenant or any contractor or supplier employed by Tenant. Landlord shall have the right to post and keep on the Leased Premises any notices that may be required by law or that Landlord may deem proper for the protection of Landlord, the Airport, or the Leased Premises from Liens.

7.2 Prompt Discharge Upon Creation. In the event any Lien has been created by or permitted by Tenant in violation of Section 7.1, within 20 days of the filing Tenant shall cause such Lien to be discharged by bond or as otherwise allowed by law. If Tenant fails to clear the record of any such Lien by such deadline, Landlord may remove such Lien by paying the full amount, by bonding, or in any other manner Landlord deems appropriate, without investigating the validity of such Lien, and irrespective of the fact that Tenant may contest the propriety or the amount. Tenant shall reimburse Landlord, on demand, the amount so paid with interest at the rate of 1.5% per month or the maximum rate permitted by law, whichever is less, and reasonable expenses incurred in connection therewith, including reasonable attorneys' fees.

7.3 No Consent by Landlord. Nothing contained in this Lease shall be construed as a consent on the part of Landlord to subject the Leased Premises to any Lien or liability under the laws of the State of California.

7.4 Survival. Tenant's obligations under this Section shall survive expiration or termination of this Lease.

8. UTILITIES; TRASH, REFUSE & RECYCLING; FIRE AND SECURITY.

8.1 Utilities. Landlord has no obligation to provide any utilities or services to the Leased Premises, and has no obligation for any related repair or maintenance. Tenant, at its sole cost, shall be responsible for any connections, upgrades or related installations (subject to Section 12, relating to any alteration of Leased Premises). Tenant shall comply with all requirements that any provider or supplier of utilities or services may establish for the use, proper functioning, and protection of any such utilities or service. To the extent that any utility services are provided by Landlord at Tenant's request, Tenant shall pay pursuant to Landlord's invoices and the amounts due shall constitute Additional Rent under Section 5.3. Landlord shall not be liable to Tenant for any destruction, damage or loss to property, injury or death of any person, or any consequential damages, arising out of, resulting from or relating to the furnishing, failure to furnish, interruption, cancellation or termination of any of utilities or services by the providers or suppliers of any utilities or services, except to the extent caused by Landlord's gross negligence or intentional misconduct.

8.2 Trash Removal, Refuse Collection, and Recycling. Tenant shall be solely responsible for all costs relating to trash removal, refuse collection and recycling. Tenant shall comply with Landlord's written instructions relating to trash removal, refuse collection and recycling. Landlord is not obligated to provide related services. To the extent such services are provided by Landlord, Tenant shall pay related cost as Additional Rent pursuant to Section 5.3.

8.3 Security and Fire Protection. Tenant acknowledges that Landlord is not obligated to furnish firefighting services and security services to the Leased Premises or any other area of the Airport. The Airport's police and fire departments, in their judgement and sole discretion, determine their priorities and allocation of resources with regard to any operation. The Leased Premises and other areas of the Airport are within the municipal service area of the City of Burbank. Tenant shall provide additional security services as may be reasonably required by Landlord to protect the Leased Premises against fire, theft, vandalism, malicious mischief, and unauthorized use or entry of the Leased Premises. Without limiting or modifying any obligation of Tenant to pay Base Rent or other amounts due under this Lease, with Landlord's prior written approval, which shall not be unreasonably withheld, Tenant shall have the right to station its own security personnel at the Leased Premises and to install its own security systems in the Leased Premises.

9. COMPLIANCE WITH LAWS; LICENSES, PERMITS.

9.1 Laws. Tenant shall comply with Exhibit F (Federal Requirements) and all laws governing Tenant's use and occupancy of the Leased Premises, use of any other Airport facilities, business and operations at the Airport, performance under this Lease, and any other act

permitted under this Lease. Landlord approval or consent given under this Lease shall not be construed as Landlord's representation or warranty regarding the laws to which Tenant may be subject or Tenant's compliance therewith.

9.2 Cooperation. Tenant shall cooperate with Landlord in the implementation and enforcement of applicable laws, whether presently existing or enacted in the future, governing Tenant's operations at the Airport and performance under this Lease.

9.3 Licenses and Permits. Tenant shall, at its own expense, obtain and keep current all licenses, permits, approval, certificates, and authorizations required for its business and operations at the Airport and its performance under this Lease.

## 10. USE OF LEASED PREMISES.

### 10.1 Use of Leased Premises.

10.1.1 Principal Use as Airport. Tenant acknowledges that the principal use of the Airport consists of the operation of a public airport. All other businesses and operations permitted by Landlord to be conducted on or at the Airport, including Tenant's use of the Leased Premises, must at all times be compatible with such principal use as a public airport, as Landlord shall determine in its sole and absolute discretion.

10.1.2 Authorized Use of Leased Premises. Tenant shall not use nor authorize the use of the Leased Premises, or any portion thereof, for any purpose that is not a Permitted Use without Landlord's prior written consent, which consent Landlord may withhold or condition in Landlord's sole discretion. "Permitted Uses" means the following uses:

10.1.2.1 Permitted Office Space. The portion of the Leased Premises depicted in Exhibit B as office space shall be used for office purposes that are related to Tenant's operations at the Airport and for no other use.

10.1.2.2 Storage and Maintenance Space. The portion of the Leased Premises depicted in Exhibit B as storage and maintenance space shall be used for the storage of airline cargos or the storage of parts, equipment and supplies in support of Tenant's aircrafts and GSE maintenance operation, and no other use.

10.1.3 Service, Maintenance and Repair; No Fueling. No service, maintenance, or repair of aircraft, equipment, or vehicles shall be performed within the Leased Premises except under the following conditions: (i) such service, maintenance, and repair shall be specifically authorized by FAA regulations and performed by duly authorized personnel or contractors; and (ii) such service, maintenance, and repair shall be done in compliance with all applicable fire, building and safety, environmental, and other laws. Under no circumstances shall any fueling activities be performed or permitted inside the ASF Building.

#### 10.1.4 Storage.

10.1.4.1 Permitted Storage. Subject to Section 10.1.4.2, Tenant may store within the Leased Premises aircraft components, and related equipment, parts, bulk liquids, scrap lumber, metal, machinery or other materials.

10.1.4.2 Restrictions on Storage. Derelict aircraft components, inoperative ground vehicles, unused ramp equipment, scaffolding, hoists and related items may not be kept on any portion of the Airport unless such equipment and materials are kept within the fully enclosed portion of the Leased Premises.

10.2 Prohibited Uses. Tenant shall neither use nor permit the use of any part of the Leased Premises for any purpose other than as set forth in Section 10.1. Without limiting the generality of the foregoing sentence, the following uses are specifically prohibited unless the prior written consent of Landlord is obtained:

- (i) Sales of aviation fuel or oil.
- (ii) Sales of food.
- (iii) Sales of memorabilia, any other products or sundry items.
- (iv) Sales or dispensing of alcoholic beverages.
- (v) Any use prohibited by law or not related to aviation.
- (vi) Boarding, enplaning, or unloading revenue passengers, either on a scheduled or nonscheduled basis.

#### 10.3 Conduct of Tenant's Activities.

10.3.1 Conduct of Employees. Tenant shall require all Tenant Party personnel to wear clean and neat appearing clothing at the Airport, and shall take all actions to ensure their professional, courteous and inoffensive conduct and demeanor while interacting with Landlord Parties. In the event Landlord objects to the conduct, demeanor, or appearance of any such person, Tenant immediately shall take all legally permissible steps to correct or to remove the cause of the objection.

10.3.2 Airport Rules and Regulations. Tenant shall comply with the Airport Rules and Regulations. Tenant acknowledges that the Airport Rules and Regulations are available on Landlord's webpage ([hollywoodburbankairport.com](http://hollywoodburbankairport.com)). All provisions of this Lease shall be subordinate to the Airport Rules and Regulations, and in the event of conflict, the Airport Rules and Regulations shall govern. Violations of the Airport Rules and Regulations by Tenant Parties shall be punishable as stated in the Airport Rules and Regulations including by administrative fines.

10.3.3 Air Quality Improvement Plan. Tenant shall comply with the following provisions of the Airport's Air Quality Improvement Plan:

10.3.3.1 Ground Support Equipment Emissions Policy. Airlines and other entities own and operate GSE to support arriving, departing, and parked aircraft at the Airport. The Airport's GSE policy will ensure that the Airport achieves Airport-wide GSE emissions targets. The Airport will 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 NOx) by January 1, 2023, and 0.74 g/hp-h of NOx by January 1, 2031. Upon achieving the 2023 and 2031 emissions targets, Tenant shall be required to ensure its fleet average continues to meet the Airport emissions targets. Tenant'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. Tenant'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.

10.3.3.2 Clean Construction Policy. Landlord has adopted a Clean Construction Policy, which may be found at <http://hollywoodburbankairport.com/green-initiatives/>. For all capital improvement projects undertaken by Tenant, Tenant shall comply, and shall cause Tenant's contractors for such projects to comply, with such Clean Construction Policy, and shall otherwise ensure its contractors follow clean construction practices to reduce emissions of NOx such as using low-emission vehicles and equipment, recycling construction and demolition debris, and minimizing non-essential trips through better schedule coordination.

10.3.4 Burbank Airport Employee Ride Share Policy. Landlord has joined the Burbank Transportation Management Organization ("BTMO"), which serves all Airport employees and all Airport tenant employers, including employers with less than 250 employees. Tenant is encouraged to also join and to actively participate in the BTMO as an individual member.

10.4 Manner of Use. Tenant shall not use, nor permit any Tenant Party to use, the Leased Premises or any other areas of the Airport in any manner that:

- (i) Creates or permits any waste or nuisance.
- (ii) Unreasonably disturbs other tenants, users or occupants of the Airport.
- (iii) Invalidates, or will cause the cancellation of or conflict with any fire or other hazard insurance policies covering the Airport.
- (iv) Increases the premiums for any fire insurance policies covering the Leased Premises, the Airport, or any property located thereon.
- (v) Constitutes an unlawful purpose, or a purpose incompatible with a first-class airport.

10.5 No Interference with Utilities, Fire Exits and Emergency Personnel. Tenant shall not do, nor permit any Tenant Party to do, anything that may interfere with:

(i) The effectiveness or accessibility of the mechanical, gas, electrical, HVAC, plumbing or sewer systems, facilities or devices or portions thereof on or servicing the ASF Building or elsewhere on the Airport.

(ii) Free access or passage to the Leased Premises, the ASF Building or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, ASF Common Use Facilities, Airport Common Use Facilities or any other areas of the Airport, except for an interference resulting from Tenant's compliance with the Airport Rules and Regulations or the Security Requirements.

(iii) Police, firefighting, or other emergency personnel in the discharge of their duties.

(iv) The effectiveness or accessibility of fire exits in or adjacent to the Leased Premises, the ASF Building or elsewhere at the Airport.

10.6 Temporary Structures. Tenant shall not allow any temporary structures or facilities on the Leased Premises without Landlord's prior written approval (which may be granted or withheld in Landlord's sole discretion). If such approval is granted, it shall be revocable at any time by Landlord in its sole discretion.

#### 10.7 Signs.

10.7.1 Landlord's Consent Required. Tenant shall not place, erect, or maintain or cause to be placed, erected, or maintained on or to the roof or any exterior door, wall, window or the roof of the Leased Premises or any New Improvement, or on or to the glass of any window or door of the Leased Premises or any New Improvement, any sign, marquee (flashing, moving, hanging, handwritten, or otherwise), decal, placard, awning, decoration, flashing, moving or hanging lights, lettering, or any other advertising matter of any kind or description without Landlord's written consent (given at its sole discretion). No illuminated sign located in the interior of the Leased Premises that is visible from the outside of the Leased Premises shall be permitted.

10.7.2 Landlord's Right to Remove. If Tenant places or causes to be placed or maintained any of the foregoing without Landlord's consent, Landlord may remove the same at Tenant's sole cost and expense and without notice or liability and without such removal constituting a breach of this Lease or entitling Tenant to claim damages.

10.7.3 Tenant's Responsibility for Repair. Tenant shall repair, at its sole cost and expense, any damage to the Leased Premises caused by the erection, maintenance or removal of any sign or other attachment.

10.8 Vending Machines. Without the prior written consent of Landlord, any vending machines or similar devices in or on the Leased Premises shall only be for sales to Tenant's employees and may only be installed in areas not accessible by the public (i.e., Tenant's employees-only area).

10.9 Tenant Acknowledgments. In connection with the ownership and use of the Airport by Landlord, Tenant acknowledges:

10.9.1 Maintenance of Landing Area and Public Facilities. Landlord shall maintain its landing area and all other Airport facilities in accordance with FAA rules and regulations. Subject to the foregoing, Landlord reserves the right, but shall not be obligated to maintain and keep in repair the landing area and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

10.9.2 Construction of Improvements. In the event any future structure or building is planned for the Leased Premises, and in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises, Tenant shall comply with the notification and review requirements of 14 C.F.R. Part 77.

10.9.3 Non-exclusive Rights. This Lease shall not be construed to grant or authorize the granting of any exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958 (49 U.S.C. 1349(a)).

10.9.4 Reservation of Rights. There is reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises and the other areas of the Airport. This public right of flight shall include the right to cause within such airspace any noise inherent in the operation of any aircraft used for navigation or flight through such airspace or landing at, taking off from or operating on the Airport.

10.9.5 Height Restrictions. Tenant shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Leased Premises in violation of federal height restrictions and obstruction criteria or any more restrictive height restrictions and obstruction criteria established from time to time by Landlord. In addition to all other rights and remedies, Landlord reserves the right to enter upon the Leased Premises to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Tenant.

10.9.6 Interference with Aircraft. Tenant shall not make use of the Leased Premises nor any other areas of the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In addition to all other rights and remedies, Landlord reserves the right to enter upon the Leased Premises or any other areas of the Airport and cause the abatement of such interference, at the expense of Tenant.

10.9.7 Agreements with United States. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Landlord and the United States, or any lawful requirement of the United States, relative to the development, operation, or maintenance of the Airport.

10.9.8 Rights of United States. This Lease shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during the time of war or national emergency or otherwise.

10.9.9 Unauthorized Access. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas, including the precautions established pursuant to the Security Requirements.

10.9.10 Security Checks. Tenant shall comply with TSA regulations requiring background checks, including references and prior employment history, for all persons who have unescorted access to the airfield. Tenant shall maintain records of background checks for all employees of Tenant and shall make such records available to the TSA and Landlord upon request at any time.

10.10 Airport Security.

10.10.1 Security Requirements. Tenant shall adopt and implement a security program that: (i) complies with applicable laws; (ii) is consistent with Landlord's overall security program for the Airport; and (iii) is acceptable to Landlord and the TSA. The provisions of the security program ("Security Requirements") are incorporated as part of this Lease.

10.10.2 Submission. To the extent not previously submitted, within 30 days after the Effective Date, Tenant shall submit Tenant's written security program to Landlord for review and approval.

10.10.3 Modification. Modifications to the security program shall be subject to Landlord's advance approval. Upon receipt of Landlord's instruction, Tenant shall amend the security program in accordance with such instruction within 30 days or such shorter time period as Landlord may, in its sole discretion, require.

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

10.10.5 Corrective Measures Upon Violation Notice.

10.10.5.1 Prompt Corrective Actions. Upon receipt of notice from Landlord of a violation of the Security Requirements by a Tenant Party, Tenant shall engage security personnel or undertake other necessary security procedures as requested by Landlord to cure the violation within 30 days or such shorter time period as Landlord may, in its sole discretion, deem appropriate in light of the violation.

10.10.5.2 Payment of Fines. Tenant shall pay any fine or penalty imposed by the FAA or the TSA, or imposed by Landlord under the Airport Rules and Regulations as a result of such violation.

10.11 Quiet Enjoyment. Subject to the provisions of this Lease and applicable law, so long as Tenant is not in default in the performance of any of its obligations under this Lease (and if a cure period is provided under this Lease, such cure period has not elapsed), Tenant shall lawfully and quietly hold, occupy and enjoy the Leased Premises.

## 11. MAINTENANCE AND REPAIRS.

### 11.1 Tenant's Obligations.

11.1.1 General. Subject to Section 11.4, Tenant, at its sole expense, shall maintain, repair, and replace the Leased Premises, including every part thereof, in good order, condition, and repair in a neat and sanitary condition, free from waste or debris, according to reasonable standards adopted from time to time by Landlord. Without limiting the generality of the preceding, Tenant shall be responsible for: (a) fixtures, partition walls and interior walls and surfaces, doors of any type (doors to enter and exit the Leased Premises and interior doors inside the Leased Premises), locks, security entrance gates, security systems, intercom systems; (b) ceilings, windows, window coverings, plate glass, showcases, light bulbs, skylights, other lighting components, entrances and vestibules located within the Leased Premises; and (c) all sprinkler systems, plumbing, sewers, drainage devices, backflows, HVAC, and electrical facilities and equipment within the Leased Premises. This obligation applies regardless whether such part of the Leased Premises requiring maintenance, repair or replacement, or the means of maintaining, repairing or replacing the same, are reasonably or readily accessible to Tenant, and whether the need for such maintenance, repair or replacement occurs as a result of Tenant's use, any prior use, the elements or the age of such part of the Leased Premises.

11.1.2 Walls and Windows. Tenant shall paint all interior walls and the interior surfaces of exterior walls, and shall wash all interior and exterior windows, as often as Landlord reasonably requires to keep the Leased Premises neat and attractive.

11.1.3 Timely Maintenance. Tenant shall perform all maintenance and make any and all repairs and replacements required pursuant to this Section as and when the same becomes necessary to maintain the Leased Premises in good order, condition, and repair, and shall do so immediately in the event of an emergency. Without limiting the foregoing, if Landlord delivers to Tenant a written notice ("Required Tenant Maintenance Notice") specifying the maintenance, repairs or replacements which Landlord reasonably believes must be undertaken to comply with this Lease, Tenant shall complete such maintenance, repair or replacement within 30 days; provided that Landlord may, in its discretion: (i) provide a longer period in such notice, or (ii) specify a shorter period, if required for safety or legal reasons (as determined by Landlord). In the Required Tenant Maintenance Notice, Landlord may include the option for Landlord to perform the related work (at Tenant's cost) as described in Section 11.3.

11.1.4 Maintenance-Related Alterations to Leased Premises. For clarification, if any maintenance, repair, or replacement under this Section (including any undertaken by Tenant under Section 11.3.2) involves installation, construction, demolition or other alterations of Improvements, Tenant shall also comply with Section 12 in connection with such undertaking.

11.2 Landlord's Standards. Landlord may establish standards pertaining to the maintenance, repair, and replacement applicable to facilities of a similar nature to the Leased Premises within the Airport or to tenant facilities throughout or at specified portion of the Airport, and may modify such standards from time to time. Landlord shall inform Tenant about the standards applicable to the Leased Premises in writing, and Tenant shall promptly comply with such standards.

11.3 Permitted Repairs by Landlord.

11.3.1 Landlord's Election to Accommodate. With respect to any maintenance, repair, or replacement for which Tenant is responsible pursuant to Section 11.1, Landlord may elect to perform the related work as an accommodation to Tenant, at Tenant's cost, if: (i) the maintenance, repair, or replacement affect the other spaces of the ASF Building or ASF Common Areas, or (ii) there are other practical reasons based on Landlord's determination. Landlord shall specify this election in the related Required Tenant Maintenance Notice.

11.3.2 Tenant's Decision to Forgo Accommodation. If Tenant decides to undertake the related maintenance, repair, or replacement in lieu of Landlord's accommodation pursuant to Section 11.3.1, Tenant shall notify Landlord in writing within five days of such Required Tenant Maintenance Notice (or such shorter period as specified in the Required Tenant Maintenance Notice, if Landlord reasonably determines that the nature of the maintenance, repair, or replacement so warrants). Thereafter, Tenant shall diligently complete the maintenance, repair, or replacement within the time period specified in the Required Tenant Maintenance Notice.

11.3.3 Reimbursement to Landlord. Tenant shall reimburse Landlord for all cost (including materials, labor and, at Landlord's option, a reasonable administrative fee) for work undertaken pursuant to this Section 11.3. If work is performed for the Leased Premises and other areas of the same building, Landlord shall allocate the cost based on square-footage or any other manner Landlord deems reasonable. Payment shall be due, on demand, upon Landlord's invoice.

11.4 Landlord's Obligations to Repair. Subject to Section 15, Landlord shall, at its expense, keep the roof, foundations, exterior walls (excluding interior painting and all windows, doors, plate glass and showcases) of the Leased Premises in good order, condition and repair, except for: (i) damage caused by any negligent act or omission of any Tenant Party (in which event, Tenant shall be responsible for the repair cost); and (ii) reasonable wear and tear not affecting structural integrity or safety. Landlord shall have no obligation to make such repairs until after receipt of Tenant's written notice specifying the repairs that Tenant believes must be undertaken to comply with this Lease. Landlord shall commence such repair promptly within 40 days after receipt of such notice.

11.5 Limitation of Landlord Obligations; Tenant Waiver.

11.5.1 Limitation on Landlord's Obligations and Liability. Landlord shall have no obligation to maintain or make any repairs or replacement to the Leased Premises (other than as specified in Section 11.4). Landlord shall not be liable to any Tenant Party by reason of any destruction, damage or loss of property, injury or death of persons, or damage or injury to,

or interference with, the business or operations of any Tenant Party, or the use or occupancy of the Leased Premises, the ASF Common Use Facilities, the Airport Common Use Facilities or any other areas of the Airport by any Tenant Party, arising out of, resulting from or relating to the need for, or the performance or non-performance of any repairs or replacements.

11.5.2 Waiver. Tenant for itself and for each Tenant Party waives any and all rights provided in Civil Code Section 1941 through 1942, inclusive, and waives, to the extent allowed by law, any rights under any other laws now or subsequently in effect that are contrary to the obligations of Tenant under this Lease or that place obligations upon Landlord.

11.6 Landlord Cure. In the event Tenant fails to perform its obligations under this Section 11, in addition to any and all other rights and remedies of Landlord, Landlord may, after 15 days' notice to Tenant, enter upon the Leased Premises and put the same in good order, condition, and repair and make any required replacement, and the cost thereof shall become due and payable, upon demand, by Tenant to Landlord as Additional Rent. If Tenant commences required maintenance, repairs and replacements within such 15-day period and diligently prosecutes such maintenance, repairs and replacements to completion, then Tenant shall be deemed to be fully performing Tenant's obligations.

## 12. ALTERATIONS AND IMPROVEMENTS.

### 12.1 Approval and Construction of New Improvements.

#### 12.1.1 Landlord's Approval Required.

12.1.1.1 Definition of "New Improvements". Without in each instance obtaining the written approval of Landlord in accordance with this Section ("Landlord's Approval"), Tenant shall not: (i) demolish any Improvements; (ii) construct or install any Improvements; or (iii) make any modifications, alterations or additions to the Leased Premises or Improvements (all such demolition, construction, installation, modifications, alterations and additions are referred to as "New Improvements"). Tenant may, subject to Landlord's Approval, install or add (and subsequently modify, alter or demolish) improvements immediately adjacent to, but outside of, the Leased Premises, and such installation, addition, modification, alteration or demolition shall be included as "New Improvements."

12.1.1.2 Approval at Landlord's Discretion. No work required in connection with any New Improvements shall commence before receiving Landlord's Approval. Such approval shall be granted at Landlord's sole discretion (including wholly on aesthetic grounds); provided, Landlord shall not unreasonably withhold consent with respect to a New Improvement which: (i) does not affect any portion of the roof or the building structure and (ii) does not include signage or graphic materials visible from outside the Leased Premises.

12.1.1.3 Landlord's Right to Remove. If Tenant makes or commences any New Improvements before complying with all the requirements under Sections 12.1.1 through 12.1.8, then Landlord shall have the right to require Tenant to remove any or all of such New Improvements at Tenant's sole expense.

12.1.1.4 Landlord's Delegation. Landlord may delegate any Landlord's Approval required under this Section 12.1 (including any determination of whether New Improvements are "Eligible New Improvements") to an outside engineer, architect, or specialist identified by Landlord in writing. Subject to any reservation expressly communicated to Tenant in writing, the delegatee's approval or determination shall be deemed to be Landlord's Approval or the determination of Landlord under this Section. Approval or determination by any such delegatee shall be subject to the same standards of review and time requirements as imposed upon Landlord.

12.1.2 Compliance with Policy on Tenant Improvements. Prior to the commencement of any New Improvements, Tenant shall submit a written request for approval of the proposed New Improvements ("Tenant Improvement Request") to Landlord. A current standard form of Tenant Improvement Request is set forth in Exhibit E. Landlord may change such standard form at any time. Tenant shall comply with the requirements set forth in the Tenant Improvement Request form; provided that if there is any conflict between the requirements set forth in the Tenant Improvement Request and the provisions of this Lease, the provisions of this Lease shall apply.

12.1.3 Eligible New Improvements.

12.1.3.1 Definition. "Eligible New Improvements" shall mean, subject to Section 12.1.3.2, New Improvements within the Leased Premises for which Landlord's Approval has been obtained but shall exclude: (i) any portion of New Improvements paid for with the proceeds of insurance, condemnation awards or recoveries of damages; and (ii) any portion of New Improvements that could have been paid with insurance proceeds in the absence of Tenant's failure to maintain insurance required under this Lease.

12.1.3.2 Landlord Concurrence. At the time Tenant requests Landlord's Approval of any New Improvements, Tenant shall specify whether the New Improvements or some eligible portion are intended to be Eligible New Improvements (failing which the New Improvements shall not be eligible to be Eligible New Improvements). If Landlord disagrees with Tenant's specification of any New Improvements as Eligible New Improvements, Landlord shall notify Tenant in writing of its disagreement and shall state the reasons. Tenant shall have the right to respond in writing to Landlord's notice and statement of reasons. After considering such Tenant response, Landlord's determination of whether any New Improvements are Eligible New Improvements shall be final and binding.

12.1.4 Review and Approval of Plans.

12.1.4.1 Request for Expedited Review. Tenant may request an expedited review of a Tenant Improvement Request (which Landlord may grant or deny in its sole discretion). Concurrently with the submittal of the request, Tenant shall provide Landlord a copy of the conceptual plan of the proposed New Improvement and evidence that all related permits required by the City of Burbank have been obtained. If Landlord grants the request for expedited review, Tenant shall pay Landlord, due upon invoice, an administrative fee in the amount equal to 5% of the total estimated cost of all New Improvements, not exceeding \$2,000, for reviewing

Tenant's plans. This administrative fee is not a guarantee for approval of the conceptual plan, and will not be refunded in the event of plan disapproval.

12.1.4.2 Construction Plan Approval. Notwithstanding Landlord's approval of the conceptual plan, all construction plans and specifications shall be subject to Landlord's approval and, when required, shall be prepared, stamped, and signed by a California licensed architect or engineer. Engineers shall be licensed for the particular discipline required.

12.1.4.3 Material Plan Change. All changes to plans and specifications previously approved by Landlord which are required by the City of Burbank to be submitted to the City for plan check or review in accordance with the City's building codes ("Material Plan Change") shall also be concurrently submitted to Landlord for approval. Upon Landlord's approval, Landlord shall issue promptly a certificate of approval for each Material Plan Change.

12.1.5 Conditions of Approval. Landlord may impose, as a condition of its approval of any New Improvements, such reasonable requirements as to the design, construction, installation, making or removal of the New Improvements, as Landlord determines, in the exercise of its reasonable judgment, including requirements as to the following: (i) the experience, qualifications, financial condition, and other factors relating to the contractor; (ii) the time for the commencement and completion of the construction or installation of the New Improvements; (iii) the type or quality of materials used in the construction or installation of the New Improvements; (iv) the means or methods used in the construction or installation of the New Improvements; (v) the design and the drawings, plans and specifications for the New Improvements; and (vi) security for the payment and performance of the construction and installation of the New Improvements, which may include payment and performance bonds or letters of credit.

12.1.6 Entitlements and Permits. No New Improvements shall be constructed until Tenant shall have procured and paid for all entitlements, permits, licenses, approvals and authorizations relating to such New Improvements required by all laws and government agencies.

12.1.7 Additional Requirements. Prior to the commencement of any New Improvements, Tenant shall:

(i) Provide Landlord with a copy of the construction contract, construction schedule, trade payment breakdown, and list of subcontractors and suppliers for Landlord's prior written approval.

(ii) Furnish to Landlord a copy of all building permits.

(iii) Provide Landlord with five business days' written notice prior to commencing any work.

(iv) Require the general contractor to carry a comprehensive liability insurance policy, on a "per-occurrence basis", in the respective amounts

required by Landlord (to be determined based on the nature of proposed New Improvement) to cover: (A) bodily injury, (B) death or injury to any one person, (C) the death or injury to multiple persons, and (C) property damage.

12.1.8 Performance Bond and Payment Bond. Prior to commencement of any New Improvements by Tenant, at Landlord's request, Tenant shall furnish, at Tenant's sole expense, a performance bond and a payment bond issued by a surety company licensed to transact business in the State of California and approved by Landlord, in a form approved by Landlord. The payable amount shall not be less than 100% of the total cost of the contract or contracts for the New Improvements, including construction, alteration, refurbishment, or repair of the Leased Premises. The required payment bond shall guarantee the prompt payment to all persons supplying labor, materials, provisions, supplies and equipment used directly or indirectly by any contractor or subcontractor(s) and suppliers engaged in any New Improvements. The performance bond shall guarantee the full construction of the New Improvements.

12.1.9 Performance of Work.

12.1.9.1 Diligence. All work done in connection with any New Improvements shall be done at Tenant's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with all applicable laws.

12.1.9.2 Landlord's Right to Inspect and Request Removal. Landlord shall have the right to inspect and reject any work not done in accordance with the approved plans and specifications, including any changes permitted under Section 12.1.4, and Tenant shall immediately repair or remove such work in accordance with this Section.

12.1.9.3 Approval Required for Airfield Adjacent Work. Any work in areas adjacent to active portions of the airfield, such as taxiways and runways, shall be scheduled and performed in a manner designed to avoid interference with aircraft operations. In the event that it becomes necessary to close or temporarily alter any part of the active areas of the airfield to accommodate any work by Tenant or its contractors, Tenant shall not perform such work without submitting a detailed work plan and schedule to Landlord, which Landlord shall have the right to approve, modify or disapprove in Landlord's sole discretion.

12.1.10 Payment for Work Performed.

12.1.10.1 Payment. Tenant shall pay, when due, all claims for labor, materials, equipment, supplies and services furnished or alleged to have been furnished to or for Tenant at or for use in the Leased Premises or any other areas of the Airport, including in connection with the construction, installation or making of any Improvements, which claims are or may be secured by any stop notice rights or by any lien against the Leased Premises or other areas of the Airport or any interest therein.

12.1.10.2 Tenant's Right to Contest. Tenant shall have the right to contest the validity, applicability or amount of any such claims so long as Tenant establishes an adequate reserve for the disputed amount. If the claimant asserts any stop notice rights or lien against Landlord, the Leased Premises, the Improvements, or other areas of the Airport or any interest therein, Tenant, at Tenant's expense, within 10 days after any such stop notice or lien is

asserted, shall provide and record a statutory bond sufficient to release any such stop notice or lien. Landlord shall have the right to post such notices of non-responsibility as are provided for in the mechanics' lien laws of California.

12.1.11 As Built Plans; Statement of Cost.

12.1.11.1 As Built Plans. Within 60 days following the completion of any New Improvements, Tenant shall furnish to Landlord a set of "as built" plans and specifications.

12.1.11.2 Statement of Costs. If the New Improvements are eligible to be Eligible New Improvements, within 120 days following the completion of the New Improvements, Tenant shall furnish to Landlord a statement ("Statement of Costs") certified as accurate by Tenant of the actual direct out-of-pocket cost and proof of paid invoices of the New Improvements, which may include architectural and engineering fees, permit fees, capitalized construction period interest and loan fees, and other "soft costs" reasonably approved by Landlord, together with any reasonable supporting documentation required by Landlord to verify such cost. Failure to furnish the Statement of Costs within 120 days after completion shall constitute Tenant's irrevocable waiver of any future right to receive payment of the Unamortized Cost of Eligible New Improvements for such New Improvements and Landlord shall have no obligation or liability to make any payment to Tenant under Section 2.5.2. Tenant shall not include in the cost of New Improvements any cost paid or reimbursed from the proceeds of insurance, condemnation awards or damages recovered from any party, or any settlement related thereto.

12.2 Landlord Assumption of Approved New Improvements. If a Default Event by Tenant occurs before completion of work for a New Improvement, Landlord shall have the right to assume the work and to continue the contracts of Tenant with its contractors and suppliers. A provision substantially similar to the following shall be included in all contracts between Tenant and its contractors and suppliers in order to comply with this Section:

"The Burbank-Glendale-Pasadena Airport Authority (Authority) shall have the right (but not the obligation) to assume Tenant's project under the terms of its Lease with Tenant, to continue this contract between Tenant and contractor or supplier, upon assuming in writing all the liabilities of Tenant under this contract between Tenant and contractor or supplier; and the Authority shall receive all the rights, title, interests and remedies that Tenant has under the terms of this contract between Tenant and contractor or supplier. The Authority shall have the right to demand and collect (including a suit for damages and cost of litigation and reasonable attorney fees) from Tenant all costs incurred by the Authority in assuming the obligations of Tenant."

12.3 No Liability of Landlord. Landlord shall not be liable for any damage, loss, or prejudice suffered or claimed by any Tenant Party or any other person or entity on account of: (i) the approval or disapproval of any plans, contracts, bonds, contractors, sureties or other matters; (ii) the construction (or, if applicable, demolition except to the extent that such demolition was

wrongfully performed by a Landlord Party) of any New Improvements or performance of any work, whether or not pursuant to approved plans; (iii) the improvement of or alteration or modification to any portion of the Leased Premises (except to the extent performed by Landlord); or (iv) the enforcement or failure to enforce any of the covenants, conditions and restrictions contained in this Lease. Landlord's approval of Tenant's plans, or requirement that Tenant modify Tenant's plans, shall not be deemed Landlord's express or implicit covenant or warranty that such plans are safe or comply with any or all laws.

12.4 Removal or Alteration of Completed New Improvements. Once a New Improvement is completed, any later removal or alteration of such New Improvement shall be subject to Landlord's Approval pursuant to this Section 12; except that a removal at the expiration or earlier termination of this Lease shall be governed by Section 20.

13. INSURANCE.

13.1 Obligation to Maintain Insurance.

13.1.1 Tenant Obligation to Maintain. At its sole expense, Tenant shall maintain in effect the insurance coverage and limits of liability as provided in this Section ("Required Insurance"). If Tenant fails to maintain any of the Required Insurance, Landlord shall have the right, but not the obligation, to obtain some or all of the Required Insurance at Tenant's expense.

13.1.2 Landlord Election to Maintain. At Landlord's election, exercised by delivery of notice to Tenant, Landlord shall have the right to maintain some or all of the Required Insurance, provided that: (i) Landlord reserves the same right in all new or renewal leases for hangar tenants at the Airport; and (ii) Landlord's reimbursement from Tenant for such insurance does not exceed the cost of such insurance allocable to Tenant and the Leased Premises (relative to all the other applicable tenants).

13.1.3 Tenant Obligation to Reimburse. In the event Landlord elects to maintain some or all of the Required Insurance, Tenant shall pay to Landlord, as Additional Rent, its proportionate share of the premiums for all Required Insurance maintained by Landlord within 10 days following the delivery to Tenant of each written statement setting forth the amount of such premiums and the applicable premium period.

13.2 Liability and Workers' Compensation Coverage. Tenant shall maintain in effect insurance protecting Tenant and, except with respect to workers' compensation coverage, each Landlord Party and against claims arising out of, resulting from or relating to the use or occupancy of the Leased Premises or the conduct of Tenant's business upon the Leased Premises, as follows:

13.2.1 General Liability Insurance. General liability insurance covering airport premises and operations liability, personal injury liability, contractual liability, and products and completed operations liability and independent contractors liability, all written on an occurrence basis in an amount not less than \$25,000,000 per occurrence for bodily injury and property damage each occurrence and each aircraft, and, with respect to products and

completed operations liability, in the annual aggregate, and, with respect to personal injury, not less than \$25,000,000 each occurrence and in the annual aggregate.

13.2.2 Automobile Liability Insurance. Automobile liability insurance covering all owned vehicles, and all 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.

13.2.3 Workers' Compensation Insurance. Workers' compensation insurance written in accordance with California statutory limits.

13.2.4 Employer's Liability Insurance. Employer's liability insurance in amounts not less than the following:

- (i) Bodily injury by accident - \$2,000,000 - each accident
- (ii) Bodily injury by disease - \$2,000,000 - policy limit
- (iii) Bodily injury by disease - \$2,000,000 - each employee

13.3 Property Insurance. Tenant shall maintain in effect insurance protecting Tenant and Landlord, as their respective interests may appear, from and against claims arising out of damage or destruction to property as follows:

13.3.1 Fixtures and Equipment. All risk of direct physical loss or damage property insurance included within the classification "All Risk Property (Special Form)" covering: (i) all New Improvements made by Tenant; (ii) any fixtures and equipment and other personal property located in or on the Leased Premises in an amount not less than 100% of their replacement value; and (iii) all plate glass located in or on the Leased Premises. Except as provided in Section 15, the proceeds of such insurance shall be used to repair or replace the insured property and Landlord shall be named as a loss payee with respect to all New Improvements made by Tenant.

13.4 Business Interruption Coverage. Tenant shall maintain in effect business interruption insurance, insuring against damage or economic loss caused by any interruption of Tenant's business or operations at the Leased Premises due to an insured peril, in an amount at least equal to the then current Annual Rent.

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

### 13.6 Policy Requirements.

13.6.1 Insurer Qualifications. Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized

to conduct business in California and having a rating of not less than A-X in A.M. Best's Insurance Guide or otherwise acceptable to Landlord.

13.6.2 Blanket Policies. Policies of Required Insurance may be blanket policies covering multiple Tenant Parties or multiple properties owned or leased by a Tenant Party.

13.6.3 Insurance Certificates. No later than the Effective Date and upon Landlord's request, Tenant shall deliver to Landlord certificates of insurance issued by the insurance companies evidencing that all Required Insurance has been obtained and is being maintained by Tenant, together with copies of endorsements, showing that the Required Insurance includes the following provisions:

(i) With respect to the general liability, automobile liability, aircraft liability and employer's liability insurance, naming (a) Tenant Parties as named insureds, and (b) except for employer's liability insurance, Landlord Parties as additional insureds.

(ii) Requiring the insurers to give to Landlord at least 30 days' prior written notice (or such lesser period as is customary as respects war risks writebacks) of the cancellation or non-renewal of some or all of the Required Insurance.

(iii) With respect to the property insurance, naming Landlord as a loss payee.

(iv) With respect to the general liability insurance, a description of the specific perils or risks that are included within the policy coverage set forth in or attached to the certificates of insurance.

(v) With respect to the general liability insurance and the automobile liability insurance, a severability of interest clause, so that the insurance coverage applies as though a separate policy were issued to each insured party.

(vi) With respect to all Required Insurance, the insurer's waiver of set-off or counterclaim in favor of Landlord Parties.

The failure of Tenant to provide such certificates of insurance and endorsements or, if a notice of cancellation or non-renewal of any Required Insurance has been delivered to Tenant, the failure of Tenant to replace the Required Insurance that is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute a Default Event.

13.6.4 Primary Insurance. All Required Insurance shall be primary insurance without right of contribution of any other insurance carried by or on behalf of any Landlord Party and all policies shall be endorsed to this effect.

13.6.5 No Landlord Party Contribution. In no event shall any Landlord Party be responsible or liable for the payment of any premiums for the insurance required to be obtained and maintained by Tenant pursuant to this Section.

13.6.6 Deductibles. The deductible or self-insured retention for each policy of Required Insurance shall not exceed \$[25,000].

13.7 No Limitation of Liability. The limits of liability provided in the Required Insurance shall in no event be considered as limiting the liability of Tenant under this Lease.

13.8 Waivers of Subrogation Rights. All policies of Required Insurance shall include, or be endorsed to provide, a waiver by the insurers of any rights of subrogation that the insurers may have at any time against any Landlord Party.

14. INDEMNIFICATION; EXCULPATION.

14.1 Indemnification.

14.1.1 Obligation to Defend and Hold Harmless. Tenant shall defend, indemnify, and hold harmless each Landlord Party from and against any and all Claims arising out of, resulting from, or relating to the following (except for any Claim that arises out of, results from, or relates to the gross negligence, willful misconduct, or material breach of this Lease by Landlord):

(i) The breach of this Lease by, or any negligent act or omission or willful misconduct of, any Tenant Party with respect to: (a) the use or occupancy of the Leased Premises, the ASF Common Use Facilities, the Airport Common Use Facilities, or any other areas of the Airport; (b) the conduct of Tenant's business; (c) Improvements made by Tenant, including any related failure to comply with the Prevailing Wage Law; or (d) any other matter relating to this Lease or the subject matter of this Lease.

(ii) Any Tenant Party violation of the Security Requirements, any other applicable laws relating to Airport security, or security-related guidelines, policies or procedures of the FAA or Landlord.

(iii) New Improvements constructed, installed or made to the Leased Premises by Tenant (regardless whether the Claim pertains to Landlord's review of plans and specifications relating thereto).

(iv) Payments (including charges, fees, taxes, assessments, penalties) owed by any Tenant Party to any government entity (other than Landlord), utility provider, vendor or other third party, including direct or indirect result of any contest of such payments.

(v) Any sublease of all or a portion of the Leased Premises (regardless of Landlord's consent to the sublease).

14.1.2 Notice of Claim. Tenant and Landlord shall promptly provide notice to each other of any Claims. Within seven days of receiving Landlord's notice, Tenant shall respond to Landlord in writing regarding Tenant's plan of action in response to such Claim.

14.1.3 No Settlement Without Consent. Tenant shall not settle, compromise any Claim, or admit liability or fault on the part of a Landlord Party without first obtaining such Landlord Party's written consent.

14.1.4 No Effect by Insurance. Maintaining the insurance required under this Lease shall not affect Tenant's indemnity obligations.

14.1.5 Survival. The indemnity obligations set forth in this Lease shall apply for the entire time that any third party can make a Claim against any Landlord Party and shall survive the expiration or termination of this Lease.

14.2 Exculpation of Landlord from Liability. Tenant, on behalf of itself and the Tenant Parties, waives any and all Claims against the Landlord Parties, and the Landlord Parties shall not be liable, for any injury or death to persons or any damage or loss to any property in, on or about the Leased Premises, arising out of, resulting from or relating to any cause whatsoever except to the extent the Claim arises from the gross negligence, willful misconduct, or material breach of this Lease by Landlord. Tenant waives its rights, if any, under Civil Code Section 1542 which provides:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Tenant Initials: \_\_\_\_\_

## 15. DAMAGE AND DESTRUCTION.

15.1 Insured Damage. In the event all or any part of the Leased Premises or any New Improvements are destroyed or damaged and (i) the estimated cost of repair of such destruction or damage does not exceed an amount equal to 100% of the insurance proceeds (after payment of any deductible or self-insured retention) payable on account of the destruction or damage pursuant to the terms of applicable insurance policies carried either by Landlord or Tenant, and (ii) such repair can, in Landlord's reasonable opinion, be made within one year after the occurrence of such destruction or damage, Tenant shall promptly repair such destruction or damage using insurance proceeds available for such restoration pursuant to Section 13.3.1 and Tenant shall pay any deficiency in restoration costs in excess of available insurance proceeds. Tenant's responsibility to complete such restoration shall survive any exercise by Tenant of its right to terminate for convenience under Section 2.4.

15.2 Long Term or Uninsured or Underinsured Damage. In the event (i) all or any part of the Leased Premises or any New Improvements are destroyed or damaged and the repair cannot, in Landlord's reasonable opinion, be made within one year after the occurrence of such damage, or (ii) the estimated cost of repair of damage exceeds an amount equal to 100% of the insurance proceeds (after payment of any deductible or self-insured retention) payable on account of the damage pursuant to the terms of applicable insurance policies carried either by Landlord or Tenant, the following shall apply:

15.2.1 Right to Terminate. Subject to Section 15.2.2, Landlord and Tenant shall each have the right to elect to terminate this Lease effective as of the date of such destruction or damage by delivering to the other party written notice of the election within 30 days following the occurrence of such destruction or damage.

15.2.2 Landlord's Option to Repair. Upon the occurrence of any destruction or damage described in clause (ii) of the first sentence of Section 15.2 and Tenant's delivery of notice of Tenant's election to terminate, Landlord shall have the right, but not the obligation, to notify Tenant within 30 days of Tenant's notice, of Landlord's election to pay the cost to repair such destruction or damage to the extent that the amount of such cost exceeds 100% of the insurance proceeds (after payment of any deductible or self-insured retention) payable on account of such damage under the terms of the applicable insurance policy or policies. In such event, this Lease shall continue in full force and effect and Landlord shall repair promptly such damage using the sum of the insurance proceeds available either to Tenant or Landlord and Landlord's funds.

15.2.3 Termination in Absence of Election to Repair. If Tenant delivers a termination notice pursuant to Section 15.2.1 and Landlord does not elect to pay the excess costs as provided in Section 15.2.2, this Lease shall terminate and all insurance proceeds payable on account of damage to Eligible New Improvements shall be paid to Tenant up to but not exceeding the amount payable to Tenant pursuant to Section 2.5 following an early termination of this Lease, and the balance of the insurance proceeds payable on account of damage to the Leased Premises shall be paid to Landlord. For clarification, insurance proceeds payable on account of damages payable to Tenant's personal property shall be paid to Tenant.

15.3 Costs of Restoration or Repair; Use of Insurance Proceeds.

15.3.1 Repair Cost Estimates. The good faith determination by Landlord of the estimated cost of repair of any damage, based upon bona fide estimates received from at least three reputable general contractors, shall be conclusive for the purposes of this Section 15.

15.3.2 Insurance Proceeds. Regardless whether this Lease terminates or continues under Section 15.2, Tenant shall pay to Landlord all proceeds from the casualty insurance required to be carried by Tenant pursuant to Section 13.3.1 above except: (i) proceeds of casualty insurance for Tenant's personal property, plate glass, and (ii) Tenant's actual cost of reconstructing Improvements or fixtures.

15.4 Waiver by Tenant. Tenant waives any right to Rent abatement in connection with damage or destruction described in this section. Tenant waives the provisions of Civil Code Sections 1932, 1933, and 1941 through 1942, inclusive, and of any other law now or subsequently in effect that is contrary to the obligations of Tenant under this Section 15, or that relieves Tenant from such obligations or that places upon Landlord obligations to repair or restore the Leased Premises. Under no circumstances shall Landlord have any obligation to repair or replace any damaged or destroyed portion of the Leased Premises, except as expressly provided in this Lease.

16. ASSIGNMENT AND ENCUMBRANCES; SUBLET.

16.1 Assignment or Encumbrance Prohibited.

16.1.1 Generally. Tenant shall not voluntarily or by operation of law assign, transfer, or mortgage, hypothecate, grant a security interest in, or otherwise encumber all or any part of Tenant's rights or interest in or to this Lease, the Leased Premises, or any New Improvements without Landlord's prior written consent. Any attempted assignment, transfer, mortgage, hypothecation, grant of a security interest in, or other encumbrance in violation of this Section shall be void.

16.1.2 Change of Tenant Ownership. Without limiting the foregoing, the following shall be deemed to be a prohibited assignment, transfer, mortgage, hypothecation, grant of a security interest, or other encumbrance under this Section in the absence of Landlord's prior written consent:

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

(ii) If Tenant is a partnership or limited liability company, any assignment, transfer, mortgage, hypothecation, grant of a security interest, or other encumbrance of a partnership or membership interest or interests or other event that results, or upon foreclosure would result, in the present general partner(s) or members being removed or replaced or, if the general partner(s) of the partnership or member(s) of the limited liability company is or are a corporation or other entity, or that results, or upon foreclosure would result, in the reduction of the interest of the present shareholders or other owners of record of the corporate or other entity general partner to less than a majority of any class of voting stock or member rights of such corporation or other entity.

(iii) If Tenant is a corporation, partnership, limited liability company, trust or other entity, any change in the direct or indirect ownership control, which control has the power to direct or cause the direction of the management and policies of such business or entity.

For clarification, the foregoing provisions of this Section 16.1 do not apply to: (a) the sale and purchase of publicly traded stocks on an open securities market, or (b) the change of ownership interest in Tenant as a part of corporate restructuring, the result of which is that Tenant remains ultimately under the control of the same corporate parent.

16.2 Sublet; License to Occupy.

16.2.1 Void If Done in Violation. Any attempted sublet or grant of license to occupy in violation of this Section shall be void.

16.2.2 No Grant of License to Occupy. Tenant shall have no right to grant any third party a license to occupy any portion of the Leased Premises.

16.2.3 Sublet. Any sublet by Tenant shall be subject to all of the following:

(i) Tenant shall have given Landlord a copy of the draft sublease at least 30 days before the proposed effective date and shall have received Landlord's written consent (granted at Landlord's sole discretion) before the sublease taking effect.

(ii) The sublease shall provide that subtenant may not take any action or inaction which, if done by Tenant, would constitute a violation under this Lease.

(iii) Upon receipt of Landlord's notice regarding subtenant's violation of the Security Requirements, or any other requirements pursuant to this Lease, Tenant shall take prompt enforcement actions under the sublease. Upon the subtenant's repeated or prolonged violations, at Landlord's request, Tenant shall institute appropriate legal proceedings to terminate the sublease and to evict the subtenant from the Leased Premises.

(iv) Landlord shall be a third-party beneficiary of the sublease. If Tenant does not take prompt enforcement action pursuant to Section 16.2.3(iii), Landlord shall have right to enforce against the subtenant for the sublease violation. Any Landlord enforcement against the subtenant shall not diminish Landlord's right to remedies against Tenant pursuant to this Lease.

(v) The sublease shall require all Landlord Parties and Tenant to be included as additional insureds under all liability policies required to be maintained by the subtenant.

## 17. EMINENT DOMAIN.

17.1 Entire or Substantial Taking. Subject to Section 17.6, this Lease shall terminate upon a condemnation of either: (i) the entire Leased Premises, or (ii) such portion of the Leased Premises that the balance is not reasonably adequate for the Permitted Uses, as determined by Tenant's reasonable judgment. The termination shall take effect automatically as of the date that title to the condemned portion of Leased Premises vests in the condemnor.

17.2 Partial Taking. For any taking under the power of eminent domain that does not result in a termination of this Lease pursuant to Section 17.1, this Lease shall continue in full force and effect with respect to the portion of the Leased Premises remaining after the condemnation. "Taking Adjustment Date" shall mean the date that title to the condemned portion of Leased Premises vests in the condemnor.

17.2.1 New Exhibits A and B. In the event of such partial taking, Landlord shall prepare a new Exhibit A-2 and a new Exhibit B, identifying the new square footage of the Leased Premises after the reduction resulting from such condemnation. On the Taking Adjustment Date, such new Exhibits A and B shall become effective and replace the outdated Exhibits A and B.

17.2.2 Leased Premises Restoration. Tenant, at Tenant's expense with respect to New Improvements and, Landlord, at Landlord's expense with respect to the balance of

the Leased Premises, shall promptly restore the remaining portion of the Leased Premises to the condition existing immediately prior to such condemnation to the extent reasonably possible.

17.3 Awards. Except as provided below, any award or settlement proceeds for a taking under the power of eminent domain of all or any part of the Leased Premises shall be the property of Landlord, whether such award or payment is made as compensation for diminution in value of the leasehold or for the taking of the fee. Any award or settlement proceeds for any taking of all or any part of the New Improvements shall be the property of Tenant, up to but not exceeding the Unamortized Cost of Eligible New Improvements that would be payable to Tenant pursuant to Section 2.5 if Landlord had exercised its right to terminate the Lease as to the same part of the Leased Premises that was taken by eminent domain. Nothing in this Lease, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's possessory interest in the Leased Premises, trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business or operations at the Airport; provided, however, that in determining the value of Tenant's business or operations, all goodwill attributable to the location of Tenant's business or operations at the Airport shall belong to Landlord and any allocation of an award to Tenant representing compensation for diminution in the value of Tenant's business shall be based solely upon its historical operating results and any balance shall be paid to Landlord.

17.4 Sale Under Threat of Condemnation. A sale by Landlord to any government entity having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes of this Section.

17.5 Condemnation by Landlord. Nothing in this Lease shall impair, limit or otherwise affect Landlord's power of eminent domain, its exercise of such power, or its obligation to pay just compensation, should Landlord exercise its power of eminent domain with respect to the Leased Premises or New Improvements.

17.6 Landlord's Exercise of Right Not a Taking. The termination of this Lease as to all or a portion of the Leased Premises by Landlord pursuant to any right of Landlord to do so set forth in this Lease (including Landlord's exercise of termination right under Section 2.4) or after an uncured Default Event under Section 19) shall not be a taking under this Section 17.

## 18. SUBORDINATION.

18.1 Subordination. This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or subsequently affecting Landlord's interest in the Leased Premises or the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof ("Senior Lien" and the holder thereof being a "Senior Lienholder"). Tenant shall execute and deliver to Landlord or any other party requiring confirmation of such subordination, within 10 days following receipt of a request, any and all documents which may be required to confirm such subordination. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, alteration or modification does not materially alter the rights or duties or increase the obligations or liabilities

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

18.2 Attornment. In the event that any Senior Lien is foreclosed, Tenant, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Leased Premises, shall: (i) enter into a new lease covering the Leased Premises for the remainder of the term of this Lease, on the same provisions; or (ii) attorn to the purchaser (or fee holder) and recognize the purchaser (or fee holder) as Landlord under this Lease, provided such purchaser (or fee holder) agrees to assume in writing all obligations of Landlord under this Lease.

## 19. DEFAULTS AND REMEDIES.

19.1 Default Events. After the expiration of any applicable cure period, each of the following shall constitute a "Default Event" under this Lease:

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

19.1.2 Attachment, Execution or Other Levy. Any attachment, execution, distraint, judicial seizure, or other process of law pursuant to which Tenant's interest or estate in the Leased Premises, the New Improvements or this Lease may be taken, occupied or used by anyone other than Tenant, when such attachment, execution, distraint, judicial seizure or other process of law shall not be released, dismissed or stayed within 60 days.

19.1.3 Assignment, Transfer, Sublease or Encumbrance. A purported assignment, sublease, transfer, mortgage, grant of security interest, hypothecation or other encumbrance of Tenant's interest or estate in the Leased Premises, the New Improvements or this Lease in violation of this Lease.

19.1.4 Vacation or Abandonment. The vacation or abandonment of the Leased Premises by Tenant.

19.1.5 Non-Compliance by Subtenants. The failure by Tenant to institute and to prosecute diligently to completion appropriate legal proceedings to terminate a

subtenant's sublease and to evict the subtenant from the Leased Premises as provided in Section 16.2.3(iii).

19.1.6 Violation of Security Requirements. The failure by Tenant to cure a violation of the Security Requirements within the 30 days of Landlord's notice (or such shorter period specified in Landlord's notice given under Section 10.10.5).

19.1.7 Failure to Pay. The failure by Tenant to pay any amount, where such failure to pay continues for 10 days following Tenant's receipt of Landlord's notice that the payment is past due.

19.1.8 Failure to Maintain Insurance. (i) Failure to obtain the Required Insurance, or any cancellation or lapse of insurance policies providing Required Insurance to be provided by Tenant pursuant to Section 13 (except with respect to any insurance maintained by Landlord pursuant to Landlord's election under Section 13.1.2), or (ii) failure to pay within 10 days after Landlord's delivery of the statement under Section 13.1.3 (pertaining to insurance premium paid by Landlord), or (iii) any other failure by Tenant to comply with the provisions of Section 13, where such other failure to comply continues for 10 days following Tenant's receipt of written notice from Landlord regarding such violation.

19.1.9 Failure to Maintain Security Deposit. Failure to deliver or restore the Security Deposit pursuant to Section 24, or failure to deliver a renewed or replacement letter of credit within 30 days after receipt of Landlord's demand provided under Section 24.4.

19.1.10 Other Defaults; Failure to Cure. The default, breach or non-performance of any covenant or provision of this Lease not otherwise described above, where Tenant fails to cure such default, breach or non-performance within 30 days after the delivery to Tenant of written notice of such default, breach or non-performance; provided that in the event of a curable default (as determined by Landlord) and Tenant has commenced to diligently cure the default within such 30-days, then Landlord may, in writing, extend such cure period to a duration determined by Landlord.

19.1.11 Defaults Under Other Agreements. The occurrence and continuation of any default or breach by Tenant under any other written agreement between Landlord and Tenant, after giving effect to any applicable grace period, notice requirement or opportunity to cure such default or breach.

19.2 Remedies. Upon the occurrence of any Default Event, Landlord, at its option and election, and without further demand or notice, shall have all of the following rights and remedies:

19.2.1 Termination of Lease. Landlord shall have the right to declare this Lease, including Tenant's leasehold estate, terminated. Upon such declaration:

19.2.1.1 Ownership of New Improvements. Tenant's ownership of the New Improvements shall end automatically and Landlord shall succeed to ownership of the New Improvements free and clear of any and all liens or encumbrances upon Tenant's leasehold estate, the Leased Premises or upon the New Improvements.

19.2.1.2 Landlord's Right to Re-enter. Landlord shall have the right to re-enter the Leased Premises and the New Improvements to remove and eject all persons, to take possession, and to use and enjoy the Leased Premises and the New Improvements. In addition, Landlord shall have all of the rights and remedies of a landlord provided in Civil Code Section 1951.2.

19.2.1.3 Landlord's Damages. In computing Landlord's damages pursuant to Civil Code Sections 1951.2(1) and (2), the "worth at the time of award" shall be computed by allowing interest at a rate of 10% per annum. The amount of damages that Landlord may recover in the event of such termination shall include the worth at the time of the award of the amount by which the unpaid amounts required to be paid by Tenant pursuant to Section 5, including Base Rent, for the balance of the Term (without regard to any right to early termination for convenience) after the time of award exceeds the amount of such losses that Tenant proves could be reasonably avoided, computed in accordance with Civil Code Section 1951.2(4)(b), plus reasonable attorneys' fees and leasing commissions.

19.2.2 Preservation of Termination Right. If Landlord exercises its right to reenter the Leased Premises and the New Improvements after a Default Event without having declared this Lease terminated, Landlord shall continue to have the right at any time thereafter to elect to terminate this Lease, as well as all of the rights and remedies in and to the Leased Premises and the New Improvements as provided in this Section.

19.2.3 Continuation of Lease Without Termination. In lieu of terminating this Lease, Landlord may also pursue any other remedy, including the remedy provided in Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject to reasonable limitations). In this regard, Landlord shall have the right to continue this Lease and enforce all rights and remedies, after Tenant has breached this Lease. In such event, this Lease shall continue in effect for so long as Landlord chooses not to terminate Tenant's right of possession and Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to collect and receive Base Rent and any and all other amounts payable by Tenant to Landlord under this Lease as the same shall come due.

19.2.4 Collection of Subrents on Behalf of Tenant.

19.2.4.1 Grant of Right to Collect Subrents. Tenant grants to Landlord the right to collect, receive and apply on behalf of Tenant all rents, issues, profits, royalties, income and other monetary benefits derived by Tenant from the Leased Premises under any lease, license, franchise, concession or other agreement entered into by Tenant now existing or subsequently created and affecting all or any portion of the Leased Premises or the use or occupancy thereof (the "Subrents"), which right may be exercised by Landlord upon the occurrence of a Default Event and at any time thereafter during the continuance of the Default Event and prior to termination of this Lease.

19.2.4.2 Subrents Payment Notice. Upon Landlord's election to exercise such right, Landlord shall send to each subtenant, licensee, franchisee, concessionaire or other party from whom Subrents may be collected a notice, accompanied by a copy of this Section,

to the effect that a Default Event has occurred and that such subtenant, licensee, franchisee, concessionaire or other party is directed to make all payments of Subrents to Landlord or as Landlord shall direct (the "Subrents Payment Notice").

19.2.4.3 Landlord Collection of Subrents. From and after giving the Subrents Payment Notice, Landlord, in the stead and on behalf of Tenant, shall collect and receive all Subrents and shall apply the Subrents toward the cure of the Default Event and, at Landlord's election, exercised in Landlord's sole discretion, toward the payment or discharge of any other obligation, performance of any duty of Tenant under this Lease or under any other agreement between Landlord and Tenant.

19.2.4.4 Release of Unused Subrents After Cure. If, through the application of the Subrents or otherwise, Tenant timely cures the Default Event, and provided that this Lease has not been terminated by Landlord, any and all unused Subrents held by Landlord shall be paid promptly to Tenant and Landlord shall send a notice to each subtenant, licensee, franchisee, concessionaire or other party rescinding the previous Subrents Payment Notice.

19.2.4.5 Application of Subrents After Termination. In the event that this Lease is terminated by Landlord, either as a result of or during the continuance of a Default Event, all Subrents held by Landlord shall be applied on behalf of Tenant by Landlord to pay any amounts owing to or damages incurred by Landlord under this Lease and, if no such amounts are owing or damages are known to exist or there are Subrents remaining after such application, the balance of the Subrents shall be paid to Tenant.

19.2.4.6 No Lien Created. All amounts collected, received and applied by Landlord pursuant this Section 19.2.4 prior to termination of this Lease shall be construed as and are agreed to be payments made by Landlord on behalf of Tenant and the parties do not intend, and expressly disclaim, that the provisions of this Section shall give or create in favor of Landlord any lien upon or security interest in or constitute a pledge of the Subrents for the performance of Tenant's obligations under this Lease.

19.3 Waiver of Claims. Tenant waives all claims and demands against Landlord for damages or loss arising out of or in connection with any lawful exercise by Landlord of any one or more of its rights and remedies under this Section.

19.4 Waiver of Rights of Redemption. In the event of the lawful exercise by Landlord of any one or more of its rights and remedies under Section 19.2, Tenant waives any and all rights of redemption or relief from forfeiture under Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future laws, and further releases Landlord, from any and all claims, demands and liabilities by reason of such lawful exercise by Landlord.

19.5 No Waiver by Landlord. Efforts by Landlord to mitigate the damages caused by Tenant's breach of this Lease shall not waive Landlord's right to recover damages under this Section 19.

19.6 Cumulative Remedies. The various rights, options, elections, powers and remedies reserved to Landlord shall be cumulative. Except as otherwise provided by law, Landlord may pursue any or all such rights and remedies, whether at the same time or otherwise,

and no single right shall be deemed to be exclusive of any of the other or of any right or priority allowed by law or in equity. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of any such right or remedy or waiver of any Default Event. In addition to the foregoing, Landlord may exercise any other remedy now or subsequently available to a landlord against a defaulting tenant under the laws of the State of California.

19.7 Performance of Tenant's Covenants by Landlord.

19.7.1 Landlord Election to Perform (at Tenant's Cost). In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for the applicable cure period specified herein, or if no cure period is specified herein, for at least five business days after written notice thereof is delivered to Tenant (or immediately upon oral notice in case of an emergency) and Landlord determines that the continuation of such failure may negatively impact Landlord or Airport operation, Landlord shall have the right, at Tenant's cost, but not the obligation, immediately or at any time thereafter, without further notice or demand and without waiving any right or releasing Tenant from any obligation to Landlord, to make such payment or perform such other act for the account of Tenant, to the extent Landlord may deem desirable. In connection therewith, Landlord may pay reasonable expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Lease.

19.7.2 Tenant Obligation to Repay. All sums so paid by Landlord and all expenses incurred in connection with Section 19.7.1, together with interest thereon at the annual rate specified in Section 5.4 shall be deemed Additional Rent and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid within 10 days following the delivery to Tenant of a written demand therefor, Landlord shall have the same rights and remedies as for the nonpayment of Rent.

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

19.9 Default by Landlord. Landlord shall not be deemed to be in default in the performance of any obligation unless and until it has failed to perform such obligation for 30 days following the delivery by Tenant to Landlord of written notice specifying the obligation Landlord has failed to perform; provided, however, in the event that the nature of Landlord's obligation is such that more than 30 days are required for its performance, Landlord shall not be deemed to be in default if it shall commence such performance within such 30 day period and thereafter diligently prosecutes the same to completion.

20. SURRENDER AT END OF TERM.

20.1 Peaceable Surrender. No notice to quit possession on the Expiration Date or any earlier termination of this Lease shall be given by Landlord. On the Expiration Date or earlier termination of this Lease, Tenant shall peaceably surrender possession of the Leased Premises in good order and condition (reasonable wear and tear, acts of God, fire, and other

casualties excepted), with all debris removed and safely capped all utilities, and Landlord shall have the right to take possession.

## 20.2 Handling of New Improvements.

20.2.1 Removal Generally. Except for the Retained New Improvements designated under Section 20.2.2, promptly upon the expiration or sooner termination of this Lease, Tenant shall remove all Improvements constructed or installed by Tenant during the term of this Lease.

### 20.2.2 Retained New Improvements.

20.2.2.1 Landlord Election to Retain. At least 30 days before the expiration or termination of this Lease (or such shorter period as Landlord deems reasonable under the circumstances), Landlord and Tenant shall conduct a walk-through of the Leased Premises. Within three days after such walk-through, Landlord may, at its discretion, designate by written notice to Tenant that some or all of the New Improvements need not be removed at Lease expiration or termination. In such case, the New Improvements that Landlord elects to retain (“Retained New Improvements”) shall be peaceably surrendered with the Leased Premises. Landlord shall have the right to inspect any item on the list of Retained New Improvements and, if Landlord determines that such item is not in good and working condition, Landlord may by written notice remove the item from the list.

20.2.2.2 Inclusion of Eligible New Improvements. In the event of an early termination for which Landlord shall pay Unamortized Cost of Eligible New Improvements, all related Eligible New Improvements shall be deemed Retained New Improvements, unless Landlord elects otherwise in writing.

20.2.2.3 Title, Warranties. As of the Expiration Date or earlier termination of this Lease, Retained New Improvements shall be part of the Leased Premises and ownership title shall pass to Landlord automatically, free and clear of all liens and encumbrances without payment of any consideration. Tenant assigns to Landlord any and all warranties, guaranties or indemnities of contractors, subcontractors and suppliers furnishing labor, materials, equipment, and services in connection with the Retained New Improvements, which assignment shall be effective upon the expiration or earlier termination of this Lease.

20.3 Removal of Personal Property. Tenant shall remove trade fixtures, equipment, and other personal property installed or placed by it in, on, or about the Leased Premises and the Airport by the Expiration Date (or any earlier termination), subject, however, to any valid lien that Landlord may have for unpaid rents or fees.

20.4 Duty to Repair Damage; Removal and Repair Cost. Upon any removal of any property (including any New Improvement pursuant to Section 20.2 or other property pursuant to Section 20.3), Tenant shall promptly repair any and all damage to the Leased Premises caused thereby. Tenant shall be responsible for the cost of all such removal and repair. Tenant shall reimburse Landlord for Landlord’s costs and expenses in removing any such property not removed by Tenant and repairing any such damage not repaired by Tenant.

20.5 Waiver; Property Not Removed. Any property not removed from the Leased Premises pursuant to Section 20.2 or 20.3 may be stored by Landlord at Tenant's cost or disposed of by Landlord in any manner without liability to Landlord. The exercise by Landlord of its right shall not be construed as a taking by Landlord. Tenant waives all rights and benefits under Civil Code Section 1993 et seq. and any similar laws governing the disposal of lost or abandoned property.

20.6 Survival. The provisions of this Section shall survive the expiration or termination of this Lease.

21. HOLDOVER BY TENANT.

21.1 Month-to-Month Tenancy With Landlord Consent. In the event that Tenant shall holdover in the Leased Premises after the expiration or termination of this Lease with the consent of Landlord, such holdover, in the absence of a written agreement executed by both parties, shall be deemed to have created a month-to-month tenancy with respect to the Leased Premises, terminable on 30 days' written notice by either party.

21.2 Rent Increase; Other Terms. Unless otherwise agreed to in writing by both parties: (i) Tenant's Base Rent during such holdover tenancy shall equal 150% of the Base Rent in effect immediately before the holdover period, and (ii) such holdover tenancy shall be otherwise subject to the same provisions as contained in this Lease, including Tenant responsibilities for Additional Rent.

22. ASF COMMON AREAS; AIRPORT COMMON USE FACILITIES.

22.1 ASF Common Areas. As an appurtenance to Tenant's leasehold estate in the Leased Premises, Tenant is granted, for itself and for the benefit of its permitted subtenants and invitees, the non-exclusive right to use the ASF Common Areas. Such rights shall be in common with other ASF Building tenants, Landlord and other persons authorized by Landlord at any time. Tenant's right to use the ASF Common Areas shall be subject to the following requirements:

22.1.1 Customary and Reasonable Use; Risk Responsibilities. Tenant shall only use the ASF Common Areas (and facilities therein) in a customary and reasonable manner, and in accordance with applicable laws and rules and procedures adopted by Landlord at any time. Tenant shall not use any ASF Common Areas in a manner that: (i) obstructs other ASF Building tenants' access to their respective spaces or the ASF Common Areas; (ii) obstructs Landlord's access to the Leased Premises or the ASF Common Areas; or (iii) constitutes a fire or safety hazard. Tenant shall bear all risks (including theft or damage of any kind) to the placement of its property in the ASF Common Areas. Landlord shall have the right, for any reason and at any time, to require removal of personal property from the ASF Common Areas.

22.1.2 ASF Landside Common Area. Tenant may use the ASF Landside Common Area for loading and unloading purposes. Tenant acknowledges that the ASF Landside Common Area is accessible to the public and shall not engage in any activity that may affect public safety.

22.1.3 ASF Airside Common Area. Tenant may use the ASF Airside Common Area for staging purposes, but no vehicle, equipment or any other materials shall be stored at the Airside Common Area longer than 24 hours. Tenant shall not permit any unauthorized person access to the ASF Airside Common Area.

22.1.4 Recognition for Immediate Adjacent Space Priority. Use of the ASF Common Areas shall be in a manner which recognizes each ASF Building tenant's priority to use the space immediately in front of such tenant's leased space.

22.2 Airport Common Use Facilities.

22.2.1 Non-Exclusive Right to Use. As an appurtenance to Tenant's leasehold estate in the Leased Premises, Tenant is granted, for itself and for the benefit of its permitted subtenants and invitees, the non-exclusive right to enter upon or make customary and reasonable use of the Airport Common Use Facilities. Such rights shall be in common with Landlord and with other persons authorized by Landlord at any time to use the Airport Common Use Facilities, including members of the general public, and shall be exercised by Tenant and its subtenants and invitees subject to the Airport Rules and Regulations, applicable laws, and to the uniform rules and procedures adopted by Landlord at any time governing the use of the Airport and the Airport Common Use Facilities.

22.2.2 Reservation of Right to Make Changes. Landlord reserves the right, in its sole discretion, to make changes, at any time, in the size, shape, location, number and extent of the Airport Common Use Facilities and specifically further reserves the right to designate portions of the Airport Common Use Facilities for the exclusive or non-exclusive use of certain tenants, licensees, concessionaires and other vendors or users of the Airport so long as such designation(s) do not unreasonably interfere with Tenant's aircraft access to and from the Leased Premises.

22.3 Vehicle Parking.

22.3.1 ASF Parking Area Spaces. Landlord shall have the right to install security gates at the entrance and the exit of the ASF Parking Area. To obtain badges (or similar instrument) to access the ASF Parking Area, Tenant shall submit an application and such additional relevant information Landlord may require. This grant of access and the number of spaces to be made available to Tenant shall be at Landlord's discretion. If the privilege is granted, Tenant shall be responsible for ensuring that only authorized Tenant Parties have access to the spaces at the ASF Parking Area. Unauthorized use of the ASF Parking Area may result in loss of access and parking privileges.

22.3.2 Additional Parking Spaces. Upon Tenant's request, Landlord has the discretion, but not the obligation, to make additional spaces available at locations in common with employees of other Airport tenants.

22.3.3 Monthly Fee. Tenant shall pay a monthly fee for each parking space made available (whether or not Tenant actually uses the space), based on the then-prevailing rate charged to Airport tenants.

22.4 Damages Caused by Tenant Party. If a Tenant Party causes damage (beyond normal wear and tear) to any facilities in the ASF Common Areas or in other areas of the Airport, Landlord shall be reimbursed by Tenant for the related repairs or replacements. Tenant shall pay such reimbursement, on demand, pursuant to Landlord's invoice.

23. TRANSFER OF LANDLORD'S INTEREST.

In the event of any transfer of Landlord's interest in the Leased Premises, Landlord automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer, provided that the transferee assumes all of the liabilities and obligations of Landlord under this Lease from and after the date of such transfer. Landlord shall not be released from any obligations or liabilities accruing prior to the date of such transfer.

24. SECURITY DEPOSIT.

24.1 Security Deposit. The sum required to be held by Landlord for security for performance is referred to as the "Security Deposit." Landlord shall not be required to maintain the Security Deposit in any separate account. Tenant shall not be entitled to any interest earnings on the Security Deposit.

24.2 Amount. As security for the full and faithful performance of each and every provision of this Lease to be performed by Tenant, Tenant shall deposit either cash (in the form of an electronic payment or a cashier's check to be cashed by the Authority), or a negotiable irrevocable and unconditional letter of credit, in an amount no less than three months of Base Rent then in effect.

24.3 Letter of Credit. If Tenant elects to deliver a letter of credit to satisfy the Security Deposit requirement, then any such letter of credit shall be in a form acceptable to Landlord and shall be issued by a financial institution acceptable to Landlord. The letter of credit shall provide that, in case of a draw, Landlord may submit the draw request by email, fax or other telephonic or electronic means, without the need for in-person presentation at the issuing institution's offices.

24.4 Landlord Draw Upon Failure of Timely Renewal. By the business day before the letter of credit that serves as the Security Deposit expires, if Tenant fails to deliver to Landlord a renewed or replacement letter of credit (or letter of credit overdraft) in the requisite amount, Landlord shall be entitled to present the existing letter of credit for payment and hold the proceeds paid under the letter of credit as security for performance of Tenant's obligations until Tenant provides the renewed or replacement letter of credit or amendment (and all letters of credit shall so provide). Thereafter, Tenant shall deliver to Landlord a renewed or replacement letter of credit in the requisite amount within 30 days following Tenant's receipt of a written demand from Landlord. Upon delivery of the renewed or replacement letter of credit, Landlord shall return to Tenant the sum previously drawn from the expired letter of credit pursuant to this Section, less any amount used to cure default or to repair or pay for damages.

24.5 Draw Upon Default. If any amount payable to Landlord under this Lease is 10 days past due, or if any other default on Tenant's part has occurred and is continuing (and Tenant has not promptly implemented an effective cure within 10 days of Landlord's notice of

such default), Landlord may draw on the Security Deposit for the payment of any amount in default, to cure any default or to repair any damage to the Leased Premises or other areas of the Airport caused by Tenant and to pay any and all damages to which Landlord is otherwise entitled as a result of such default.

24.6 Replenishment. After any draw on the Security Deposit, Tenant shall, immediately upon Landlord's written demand, amend or replace the letter of credit or deposit cash in order to restore such deposit to the then-required amount.

24.7 Tenant Waiver. TENANT WAIVES ANY RIGHTS IT MAY HAVE UNDER CIVIL CODE SECTION 1950.7 WITH RESPECT TO THE SECURITY DEPOSIT. No trust relationship is created between Landlord and Tenant with respect to the Security Deposit.

24.8 Release Upon Termination. Within 30 days following the expiration or earlier termination of this Lease for any reason other than a Default Event, Landlord shall return the unused portion of any cash deposit made by Tenant and surrender to Tenant any letters of credit and amendments thereto.

## 25. COMPLIANCE WITH ENVIRONMENTAL LAWS.

25.1 Use of Toxic Materials Prohibited. Tenant shall not cause or permit any "Toxic Materials" (as defined in Section 25.15) to be brought onto, stored, used, generated, recycled, or disposed of (collectively, "Use of Toxic Materials") in, on, under or about the Leased Premises, the Improvements, or any other part of the Airport, by any Tenant Party; provided, however, that Tenant shall be permitted to store and use in the ordinary course of maintaining aircraft stored in the Leased Premises Toxic Materials so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to Tenant's business and that such use of Toxic Materials is at all times subject to and in compliance with all Environmental Laws. Landlord shall not cause any Toxic Materials to be brought onto, stored, used generated, recycled or disposed of in, on, under or about the Leased Premises unless requested to do so by Tenant. Tenant shall demonstrate that such Toxic Materials are necessary or useful by submitting information to Landlord in accordance with Section 25.3.

25.2 Compliance with Environmental Laws. Tenant and Landlord shall each comply, at their respective sole expense, with all Environmental Laws, applicable to their respective premises and their use thereof and operation of their respective businesses at the Airport and, with respect to any use of Toxic Materials permitted under Section 25.1; provided, unless caused by a Tenant Party, Tenant's obligations under this Section 25.2 shall exclude any discharge or release migrating to the Leased Premises from other land. Tenant shall not release or dispose of any Toxic Material in the drains, storm drains, sewers, plumbing or any other drainage facility that will cause or contribute to a violation of any Environmental Law or any contamination of any portion of the Airport. The off-site disposal of Toxic Materials shall be in strict compliance with all Environmental Laws.

25.3 Disclosure. Prior to the end of January during each year this Lease is in effect, Tenant shall submit to Landlord the following documents: (i) an inventory or list of all compounds or products that contain Toxic Materials which were used, stored or disposed of by

each Tenant Party on or about the Leased Premises (including the New Improvements) during the prior year; (ii) all Material Safety Data Sheets for such compounds or products containing Toxic Materials; (iii) an estimate of the quantity or volume of such products or compounds used, stored or disposed of on or about the Leased Premises during the prior year; and (iv) copies of all hazardous waste manifests for wastes generated on the Leased Premises and sent offsite for treatment, storage, disposal or recycling.

25.4 Business Plan. If any Tenant Party's business conducted or to be conducted in, on, under or about the Leased Premises requires the establishment and implementation of a business plan pursuant to Health and Safety Code Sections 25500 et seq., Tenant shall immediately notify Landlord that the Tenant Party's business is subject to such requirement and that the business is in compliance. A copy of the plan shall be delivered to Landlord with such notification.

25.5 Indemnity. Tenant shall defend, indemnify, and hold harmless each of the Landlord Parties from and against any and all Liabilities arising out of, resulting from or caused by the Use of Toxic Materials by any Tenant Party; provided, unless such contamination is caused by a Tenant Party, Tenant's obligations under this Section shall exclude any discharge or release migrating to the Leased Premises from other land. In the event of any indemnification under this provision, Tenant shall pay promptly upon demand all reasonable expenses incurred by Landlord for attorneys' fees, environmental consultants, and other amounts incurred for remediation or otherwise because of Tenant's violation of the terms of this Lease with respect to Toxic Materials or failure to comply with any Environmental Laws. Tenant acknowledges that Landlord shall have complete control (which control shall be exercised in a reasonable manner) over any litigation, settlement discussion or regulatory compliance or remediation with respect to any indemnity claim under this Section and that Tenant shall cooperate fully with Landlord including by executing any instruments, affidavits or other documents necessary in the reasonable judgment of Landlord. This indemnity shall survive expiration or termination of this Lease.

25.6 Landlord's Representation and Warranty. Landlord represents and warrants to Tenant that, to Landlord's actual knowledge, except for information in reports of the Regional Water Quality Control Board, the Leased Premises are in compliance with Environmental Laws. Notwithstanding the foregoing, any breach of any representation or warranty of Landlord shall be subject to the limitations of Landlord's liability set forth in Sections 19.9 and 25.14 and other provisions of this Lease.

25.7 Notice. If any Tenant Party is required by statute or regulation to give notice to any governmental authority about any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises, Tenant shall immediately give Landlord's Director of Noise and Environmental Affairs the same notice by telephone at (818) 840-8840, which shall be confirmed by written notice not later than the next business day. This obligation to notify Landlord shall also extend to any personal injuries or property damage to third parties resulting directly or indirectly from such spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises. If Tenant becomes aware of the presence of or use of any Toxic Materials not authorized in accordance with the terms of this Lease, or of any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises not subject to the notification provisions of the first sentence of this Section, Tenant shall

immediately give written notice of such condition to Landlord to the extent required by Health and Safety Code Section 25359.7.

25.8 Storage and Use of Toxic Materials. Any and all Toxic Materials permitted in, on, under or about the Leased Premises pursuant to this Lease shall be stored and used in strict compliance with all Environmental Laws. There shall be no ponding or uncovered surface storage whatsoever of Toxic Materials in, on or about the Leased Premises. No underground storage tanks shall be constructed, installed or used without Landlord's prior written consent, which consent may be withheld by Landlord in its absolute discretion. If Tenant is not in substantial compliance with Environmental Laws concerning underground storage tanks or has failed to take necessary action when required to do so, Landlord shall have the right to enter the Leased Premises for the purpose of removing any underground storage tank, if any, at Tenant's sole expense in accordance with a closure plan approved by regulatory agencies.

25.9 Disposal of Toxic Materials. Notwithstanding anything to the contrary contained in this Section, Tenant shall not release or dispose of any Toxic Materials in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Leased Premises or the Airport that will cause or contribute to a violation of Environmental Laws or contamination.

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

25.11 Fees, Taxes and Fines. Tenant shall pay, prior to delinquency, any and all fees, taxes (including excise taxes) and fines which are charged upon or incident to Tenant's activities related to Toxic Materials. Tenant shall have the right to contest the validity or amount of any such fees, taxes or fines, so long as (i) Tenant establishes a reserve in the amount thereof on its financial statements, and (ii) shall not allow such obligations to become a lien or charge against the Leased Premises, the New Improvements, the Airport, or Landlord.

25.12 Delivery of Documentation. Tenant shall deliver to Landlord true and correct copies of the following documents related to compliance with Environmental Laws concurrently with the receipt from or submission to a regulatory agency: (i) permit applications; (ii) permits and approvals; (iii) notices of violations of Environmental Laws and Tenant's responses; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Laws that Landlord may reasonably request from time to time.

25.13 Annual Site Investigation. In addition to Landlord's right of access to the Leased Premises set forth in Section 3.6, Landlord shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Leased Premises, either alone or in conjunction with other areas of the Airport, and to utilize the services of an environmental consultant or consulting firm for such inspection and assessment. Tenant shall pay, as Additional Rent, Tenant's Share (as defined in Section 5.3) of the cost of such environmental inspection and assessment.

25.14 Limitation on Liability of Landlord. Without limiting any other rights or remedies of any Landlord Party or any other obligation of Tenant pursuant to this Lease or

applicable laws, Tenant assumes the risk of, waives, releases and forever discharges Landlord Parties from and against, and covenants not to bring any action or proceeding against, Landlord Parties as a result of, any delay in construction, prevention of construction, increase in the cost of improvements, loss or adverse effects upon Tenant's financing (if any), loss of rental income or subtenants (if any), diminution in the value of the Leased Premises or improvements, or any and all other Claims arising out of or resulting from the discovery or presence on, in, under or about the Airport of any spilling, discharging, releasing, or disposing of Toxic Materials. Landlord's sole obligation and liability arising out of the presence of any such spilling, discharging, releasing or disposing of Toxic Materials, irrespective of the theory of liability or the facts supporting any such theory, shall be to take, or cause any person legally obligated to take, any and all action that any regulatory agency lawfully requires of Landlord to be taken to investigate, clean-up, remediate or remove such spilling, discharging, releasing or disposing of Toxic Materials.

#### 25.15 Definitions.

25.15.1 Environmental Laws. The term "Environmental Laws" means any and all laws, rules, regulations, judgments, orders, permits, licenses, agreements, covenants, restrictions, requirements, policies or the like enacted now or subsequently relating to or governing in any way the environmental condition of soil, air, water, groundwater or the presence of Toxic Materials in or affecting all or any portion of the Leased Premises or other parts of the Airport, including, without limitation, the statutes described in the definition of Toxic Materials.

25.15.2 Toxic Materials. The term "Toxic Materials" means any hazardous or toxic materials, pollutants, effluents, contaminants, radioactive materials, flammables, explosives, pesticides, chemicals known to cause cancer or reproductive toxicity, emissions, wastes or any other chemicals, materials or substances, whose handling, storage, release, transportation or disposal is or becomes prohibited, limited or regulated by any federal, state, county, regional or local agency or, even if not so regulated, is or becomes known to pose a hazard or potential threat to the health and safety of any person or to the environment. The term "Toxic Materials" includes the following compounds: (i) asbestos; (ii) petroleum, petroleum by-products, and petroleum degradation products; (iii) polychlorinated biphenyls; (iv) all substances now or subsequently defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, Section 101 (14), 42 U.S.C. Section 9601(14), including petroleum, crude oil, and any fractions thereof; (v) all substances now or subsequently defined as "extremely hazardous substances" pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, Section 302(a), 42 U.S.C. Section 11002(a); (vi) all substances now or subsequently defined as "hazardous waste" by Health and Safety Code Section 25117; (vii) all substances now or subsequently designated by the Governor of the State of California as substances known to the state to cause cancer or reproductive toxicity pursuant to Health and Safety Code Section 25249.8; (viii) all substances now or subsequently defined as an "economic poison" pursuant to Health and Safety Code Section 12753; and (ix) all substances now or subsequently defined as "extremely hazardous waste" pursuant to Health and Safety Code Section 25115.

25.15.3 Liabilities. The term "Liabilities" means any and all Claims arising out of, resulting from or caused by the release, discharge, storage, handling, use, accumulation, transportation, generation, migration, disposal, investigation, clean-up, remediation

or removal of any Toxic Materials caused by any Tenant Party or any of their respective licensees, permittees or invitees, including the following: (i) diminution in value of the Airport, the Leased Premises, or any improvements thereon; (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, the Leased Premises, or any improvements thereon; (iii) damages arising from any adverse impact on marketing of space at the Airport, the Leased Premises, or any improvements thereon; (iv) sums paid in settlement of Claims (including attorneys' fees, consultant fees and expert fees); (v) damages caused by the breach or nonperformance by Tenant of any covenant or other provision of this Lease related to Toxic Materials; (vi) costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work related to the violation of this Lease or any Environmental Law, and (vii) any liabilities of Landlord under any statute, law or regulation.

26. OFFSET STATEMENT.

26.1 Delivery. Tenant, from time to time upon not less than 10 business days' notice from Landlord, shall execute, acknowledge and deliver to Landlord a statement in writing: (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (ii) setting forth the dates to which the rent, fees and other charges, if any, are paid; and (iii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder (or specifying such defaults if any are claimed).

26.2 Reliance. Any such statement may be relied upon by any encumbrancer of the Leased Premises or any Senior Lienholder or underwriter of debt financing for all or any portion of the Airport. Tenant's failure to deliver such statement within such time shall be conclusive evidence upon Tenant that: (i) this Lease is in full force and effect, without modification except as may be represented by Landlord; (ii) there are no uncured defaults in Landlord's performance; and (iii) not more than one month's installment of rent has been paid in advance.

27. MISCELLANEOUS.

27.1 Lease Interpretation.

27.1.1 Incorporation of Prior Agreements. This Lease contains the entire agreement between the parties, and no prior or contemporaneous agreement or understanding shall be effective for any purpose, all of which, if any, are terminated or rescinded, except as to provisions which are expressly stated to survive termination and any indemnity or insurance obligations in favor of Landlord.

27.1.2 Amendments. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties or their respective successors in interest. Tenant shall not unreasonably refuse to execute any amendment of or supplement to this Lease that Landlord determines is necessary or advisable in order to comply with applicable laws or Landlord's uniform policies reflected in resolutions in effect; provided Tenant shall not be required to execute any amendment of or

supplement to this Lease that materially impairs the rights and benefits of Tenant or materially increases the obligations and liabilities imposed on Tenant under this Lease.

27.1.3 “Leased Premises”. Nothing in this Lease shall be deemed to imply that the term “Leased Premises” includes other than interior space and any interior equipment, interior partition walls, windows and doors, office space, exterior equipment, interior plumbing and ducting, and electrical lines and panels that are located within or adjacent to such interior space.

27.1.4 No Representations by Landlord. Tenant acknowledges that no Landlord Party has made any representations, warranties or promises with respect to the Leased Premises or the Airport, except as expressly set forth. Tenant acknowledges that it has not executed this Lease in reliance upon any representations, warranties or promises of any Landlord Party with respect to the Leased Premises or the Airport.

27.1.5 Examination of Lease. Submission of this Lease for examination or signature by Tenant does not constitute a reservation of or option for a lease, and it is not effective as a lease or otherwise until its execution and delivery by both Landlord and Tenant.

27.1.6 Severability. In the event that any one or more of the provisions contained in this Lease shall be determined to be invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in other respect and the remaining provisions of this Lease shall not be in any way impaired.

27.2 Further Assurances. Tenant and Landlord each agree to perform any further acts and execute and deliver any additional documents which may be reasonably necessary to carry out the provisions of this Lease, or which may be reasonably requested by the other party.

27.3 Contractor Warranties. Tenant shall have the non-exclusive benefit of any third-party contractor warranties related to the Leased Premises to the extent such warranties inure to the benefit of Landlord.

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

27.5 Waivers. The waiver by either party of any provision of this Lease shall not be deemed to be a waiver of any other provision hereof or of any subsequent breach of the same or any other provision. Landlord’s consent to any act by Tenant requiring Landlord’s consent shall not be deemed to render unnecessary the obtaining of Landlord’s consent to any subsequent act by Tenant, whether or not similar to the act so consented. The subsequent acceptance by Landlord of any amount due from Tenant hereunder shall not be deemed to be a waiver of any preceding breach

or Default Event by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No waiver on the part of Landlord with respect to any provision of this Lease shall be effective unless such waiver is in writing.

27.6 Successors and Assigns. The provisions contained in this Lease shall bind and inure to the benefit of Landlord, Tenant and, except as otherwise provided in this Lease, their respective successors and assigns.

27.7 No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger, but shall, at the option of Landlord, either terminate all or any existing subleases or subtenancies, or operate as an assignment to Landlord of any or all such subleases or subtenancies.

27.8 Executive Director. For cases where Landlord's approval or consent is required pursuant to this Lease, the Executive Director is authorized to give or withhold such approvals and consents on behalf of Landlord. The Executive Director, without additional Authority Commission action, is also authorized to execute amendments to this Lease that do not have a negative financial impact on Landlord.

27.9 Reasonable Exercise of Rights and Performance. Each party shall act reasonably in the performance of its obligations and the exercise of its rights under this Lease; provided this shall not limit a party's right to act within its discretion, if such discretion right is expressly stated in this Lease.

27.10 Exhibit Updates. Whenever information in an exhibit becomes outdated because of changes pursuant to this Lease, a change in law or Airport policy changes otherwise approved by the Authority Commission, the parties may make a substitution to update the exhibit. Such substitution shall not require Authority Commission approval.

27.11 Waiver of Jury Trial. Landlord and Tenant hereby waive the right of trial by jury to the maximum extent permitted by law.

27.12 Notices. Any notices, invoices, or other documents related to Lease shall be delivered as provided in this Section and shall be deemed received on: (a) the day of delivery, if delivered by hand during regular business hours or by e-mail before or during regular business hours; (b) the business day after delivery, if delivered by e-mail after 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 Lease 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.

To Landlord: Burbank-Glendale-Pasadena Airport Authority

Before RPT Opening Date:  
2627 N. Hollywood Way  
Burbank, CA 91505

On or after RPT Opening Date:  
2827 N. Hollywood Way  
Burbank, CA 91505  
Attention: Executive Director

To Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

27.13 No Brokers. Each party warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease.

27.14 Recording. No copy, short form or memorandum of this Lease shall be recorded.

27.15 Governing Law; Venue. This Lease shall be governed by and construed pursuant to the law of the State of California applicable to contracts made and to be performed fully within such state. The venue for litigation arising out of this Lease shall be a court of appropriate jurisdiction in Los Angeles County, California.

27.16 Attorneys' Fees. In the event of any action or proceeding (including, without limitation, any bankruptcy proceeding) to enforce or construe any of the provisions of this Lease, the prevailing party in any such action or proceeding shall be entitled to reasonable attorneys' fees and costs.

27.17 Force Majeure. If either party shall be delayed in or prevented from the performance of any act required hereunder by reason of acts of God, labor troubles, inability to procure materials, restrictive governmental laws or regulations, delays arising from environmental remediation (except to the extent caused by the party obligated), or other causes without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section shall delay or excuse Tenant from the prompt payment of any rent or other charge required of Tenant.

27.18 Exhibits. Exhibits A through G are incorporated into this Lease by reference. In the event of any material discrepancy between the express provisions of this Lease and the provisions of Exhibit F, the provisions of Exhibit F shall prevail. In the event of any

material discrepancy between the express provisions of this Lease and the provisions of any other exhibit, the provisions of this Lease shall prevail.

27.19 Authority of Person Signing for Tenant. Tenant and the person executing this Lease on behalf of Tenant hereby represent and warrant to Landlord that such person has the legal power and authority to execute this Lease on behalf of Tenant and bind Tenant to the terms of this Lease, and that this Lease and the execution hereof has been duly authorized by Tenant.

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

27.21 Counterparts. This Lease 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.

**[SIGNATURE PAGE FOLLOWS]**

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

**“TENANT”**

**[Tenant Name]**

[use this signature block if Tenant is a corporation]

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

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

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

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

Chairperson  President  Vice President

Secretary  Asst. Secretary

Chief Finance Officer  Asst. Treasurer

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

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

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

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

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

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

Title: Manager

Title: Manager

[Pursuant to 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.]

**“LANDLORD”**

**Burbank-Glendale-Pasadena Airport Authority**

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

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

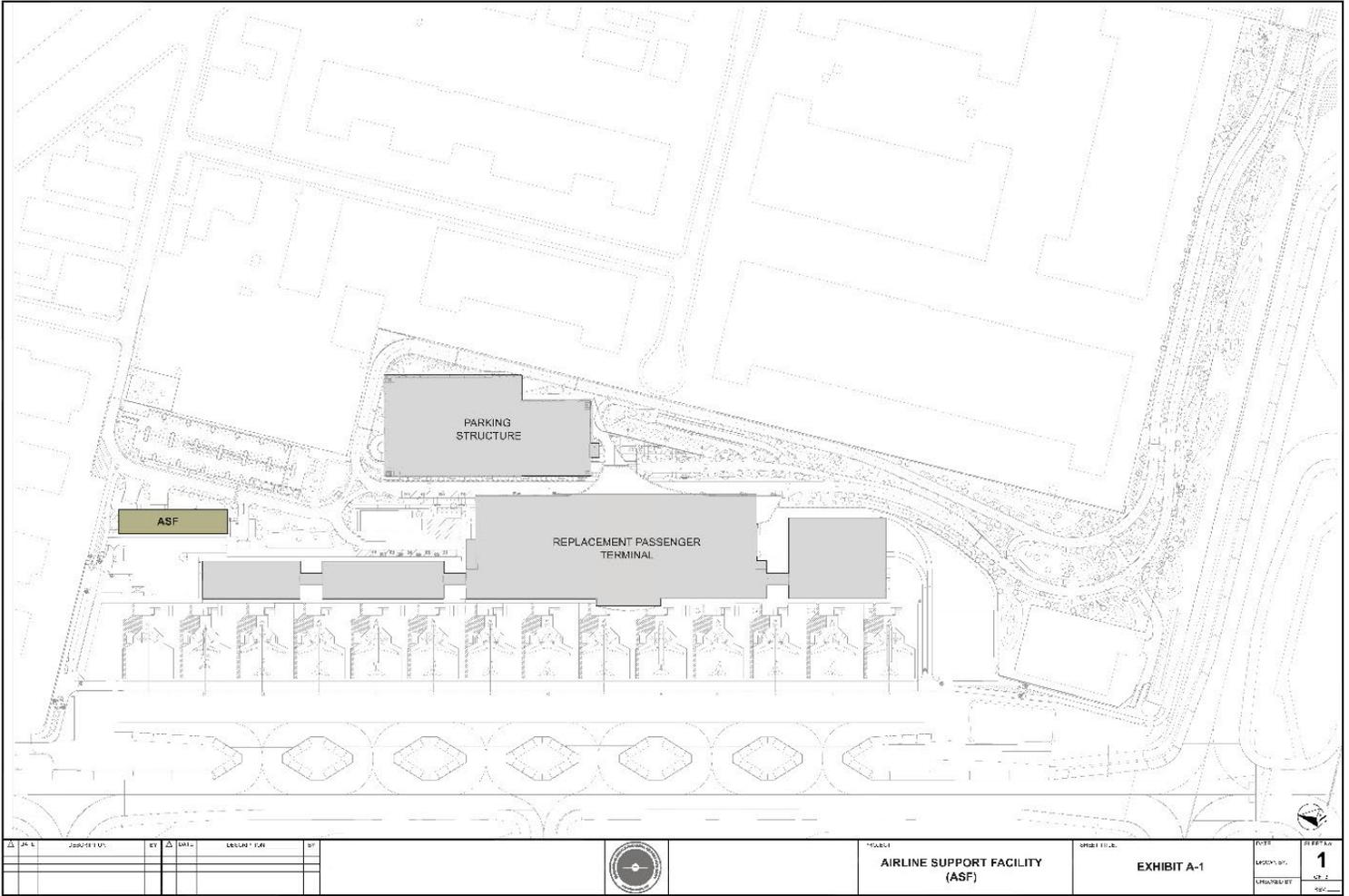
Title: \_\_\_\_\_

Approved as to form:

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

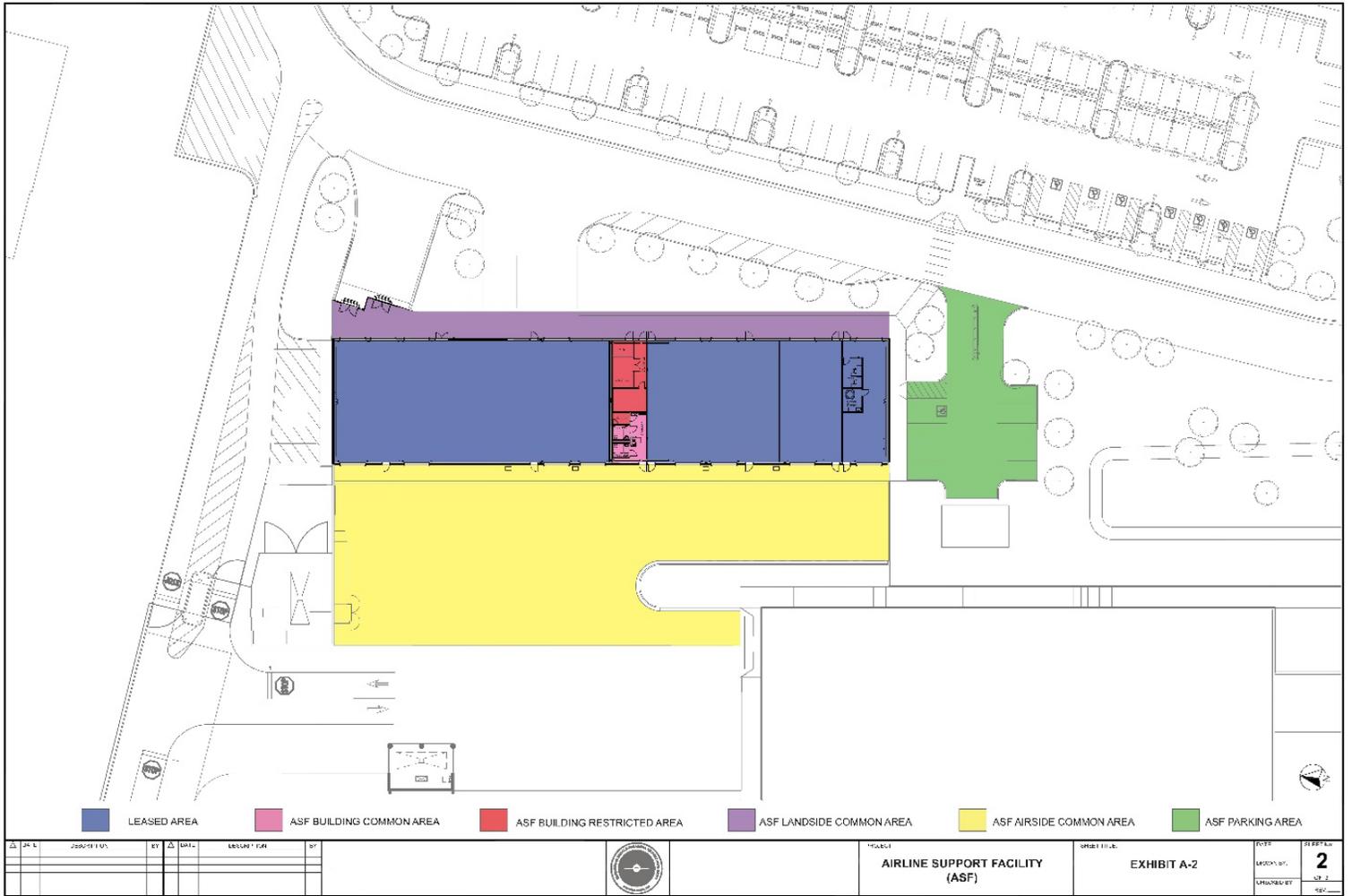
**Exhibit A-1**

**ASF Building Location**



# Exhibit A-2

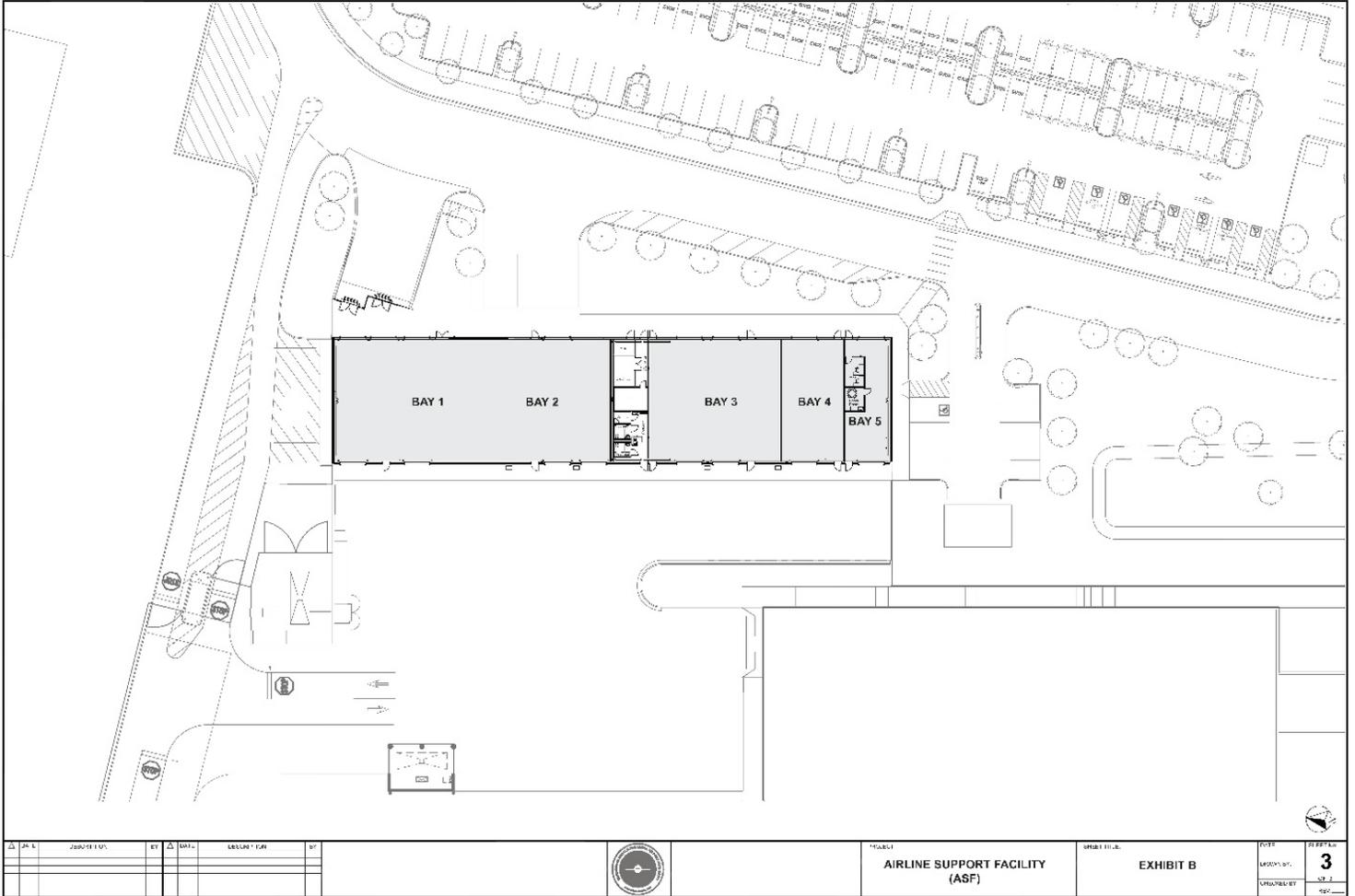
## Diagram of ASF Building and Surrounding Premises



**Exhibit B**

**Description and Diagram of Leased Premises**

**[SPECIFIC SPACE WILL BE IDENTIFIED WHEN EXECUTING LEASE]**



**Exhibit C**

**Exceptions to Raw Shell Delivery**

Except as described below, Landlord shall deliver the Leased Premises to Tenant on the Turnover Date in raw shell condition:

[Insert description of improvements to be installed by Landlord]

**Exhibit D**

[Below is the form of Turnover Date Memorandum. The Parties shall replace this Exhibit with the actual Turnover Date Memorandum, upon execution]

**TURNOVER DATE MEMORANDUM**

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

This Memorandum is executed by the Burbank-Glendale-Pasadena Airport Authority, a California joint powers agency (“Landlord”), and \_\_\_\_\_, a \_\_\_\_\_ (“Tenant”), pursuant to Section 4.1.2 of the Airline Support Facilities Building Lease, dated \_\_\_\_\_, 202\_\_ (“Lease”), between the parties. Capitalized terms not defined herein shall have the meanings ascribed in the Lease.

On the date hereof, Tenant has accepted the Leased Premises in its “as is, where is, and with all faults” condition. The parties agree that the size of the Leased Premises is \_\_\_\_\_ square feet.

**“TENANT”**

[Tenant’s Name]

\_\_\_\_\_

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

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

**“LANDLORD”**

**Burbank-Glendale-Pasadena Airport Authority**

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

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

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

**Exhibit E**

**Tenant Improvement Request**

(Attached.)

**TENANT IMPROVEMENT  
REQUEST FOR APPROVAL**



***MUST BE SUBMITTED AND APPROVED PRIOR TO THE START OF WORK***

**1. GENERAL INFORMATION**

Tenant \_\_\_\_\_ Date \_\_\_\_\_  
Point of Contact \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_ Email \_\_\_\_\_  
Proposed Improvements\* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated Costs \_\_\_\_\_ Estimated Start Date \_\_\_\_\_ Estimated Completion Date \_\_\_\_\_

*\*Attached any supplemental information such as pictures, materials or equipment specifications, location map, site plans, architectural plans, drawings, project schedule.*

**2. CONTRACTOR INFORMATION**

Company Name \_\_\_\_\_ License# \_\_\_\_\_  
Point of Contact \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_  
Email \_\_\_\_\_

*\*Contractor must submit required Certificate of Insurance, Material and Labor Bond. See Page 3.*

**3. SIGNATURE**

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Name \_\_\_\_\_ Company \_\_\_\_\_ Title \_\_\_\_\_

**4. AIRPORT DEPARTMENT APPROVALS**

Business & Property  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes \_\_\_ No \_\_\_)  
Inserted Comments in TI Supplement (Yes \_\_\_ No \_\_\_)\*

Operations  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes \_\_\_ No \_\_\_)  
Inserted Comments in TI Supplement (Yes \_\_\_ No \_\_\_)\*

Engineering  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes \_\_\_ No \_\_\_)  
Inserted Comments in TI Supplement (Yes \_\_\_ No \_\_\_)\*

**4. AIRPORT DEPARTMENT APPROVALS continued**

Maintenance  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes\_\_No\_\_)  
Inserted Comments in TI Supplement (Yes\_\_No\_\_)\*

Noise & Environmental  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes\_\_No\_\_)  
Inserted Comments in TI Supplement (Yes\_\_No\_\_)\*

Fire  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes\_\_No\_\_)  
Inserted Comments in TI Supplement (Yes\_\_No\_\_)\*

Safety SMS  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes\_\_No\_\_)  
Inserted Comments in TI Supplement (Yes\_\_No\_\_)\*

Security/Police  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes\_\_No\_\_)  
Inserted Comments in TI Supplement (Yes\_\_No\_\_)\*

Parking/Ground Access  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes\_\_No\_\_)  
Inserted Comments in TI Supplement (Yes\_\_No\_\_)\*

ICT  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Pre-Construction Call Required (Yes\_\_No\_\_)  
Inserted Comments in TI Supplement (Yes\_\_No\_\_)\*

*\*If marked yes, please reference the separate TI Supplement document for more information.*

**5. FINAL APPROVAL**

Airport Administration  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

#### INSTRUCTIONS FOR COMPLETING THIS FORM

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

1. Tenant shall complete Section 1, 2, and 3 of this form and submit to: Burbank-Glendale-Pasadena Airport Authority, Business, Property and Administrative Services Department, 2627 Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request Form, the Business, Property and Administrative Services Department will review the Proposed Improvement and, if the proposal is considered to be basically acceptable, it will then be forwarded to Airport Engineering for further review and evaluation. However, if the proposal is not considered to be basically acceptable, the Request Form will be returned to the Tenant accompanied by a written statement from the Authority as to why the request is being denied at this stage or if additional information is required.
3. In addition to the submission of the Tenant Improvement Form, Tenant shall also provide final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements: five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Business, Property and Administrative Services Department for review by all applicable Airport Departments with final review and approval by Airport Administration.
4. The Business, Property and Administrative Services Department and Engineering Department will determine any impact of the Proposed Improvement on the Airport Master Plan, Airport Facilities, Navigable Airspace Requirements of Federal Aviation Regulations Part 77, and/or if it conforms to the Airport Rules and Regulations.
5. Prior to the start of construction and after all insurance and bond requirements have been satisfied, an Indemnification & Defense Agreement has been submitted to the Authority, and Building permits and any other necessary permits are on file with the Authority, a pre-construction meeting must be held in the Authority Administrative offices. When all of these requirements have been satisfied, approval to begin construction will be granted on the Tenant Improvement Form and a copy returned to the Tenant. The form will indicate whether approval has been granted, and if not granted, the reason for denial.
6. All Tenants shall, within thirty (30) days after completion, submit to Business, Property and Administrative Services Department one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Business, Property and Administrative Services Department. The itemized summary shall be signed by the contractor and notarized.

NOTES: a.) For smaller projects costing less than \$5,000, the Authority may, at its discretion, waive any or all of the above requirements. b.) Airport approval does not constitute a substitution of approval from any other governmental agency having jurisdiction.

#### PLANS AND SPECIFICATIONS

Plans shall be drawn to scale and dimensioned on standard size drawing sheets for future reference and file retention, and shall be of sufficient clarity to indicate the nature and extent of the work proposed and show in detail that it conforms to the provisions of the governing codes, ordinances, rules and regulations. The minimum number of drawings normally acceptable with each set of plans submitted for final review and approval will generally consist of a plot plan, foundation plan, floor plan, elevations, framing section and details. Electrical, plumbing, heating and air conditioning plans and details shall be submitted when applicable. Foundation recommendations, including calculations and a soils investigation report shall be submitted when appropriate or requested by Airport Engineering. All design documents, including required calculations, shall be prepared, stamped, and signed by a licensed professional engineer or architect registered in the State of California. Engineers shall be licensed for the specific discipline required. Drawings/specifications and/or calculations prepared by contractors and/or fabricators will not be acceptable.

#### OTHER REQUIREMENTS INSURANCE REQUIREMENTS

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form. Comprehensive General Liability: \$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. \$1,000,000 for Personal Injury for each occurrence. Comprehensive Automobile Liability: \$1,000,000 single limit for combined Bodily Injury and Property Damage for each occurrence. Workers' Compensation: California statutory requirements. Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Business, Property and Administrative Services Department. Each of said insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

#### BOND REQUIREMENT

The Tenant shall require the contractor to obtain a material and labor bond equal to the contract price of the work. A copy of said bond shall be forwarded to Airport Engineering.

#### INDEMNIFICATION & DEFENSE AGREEMENT

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

#### PREVAILING WAGES

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

## Exhibit F

### FEDERAL REQUIREMENTS

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

A. In all its activities within the scope of its airport program, Tenant 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. If Tenant transfers its obligation to another, the transferee is obligated in the same manner as Tenant.

D. The above provision obligates Tenant for the period during which the property is owned, used or possessed by Tenant and the airport remains obligated to the Federal Aviation Administration.

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

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

1. Compliance with Regulations: Tenant (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: Tenant, 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. Tenant 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 Tenant 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 Tenant of Tenant’s obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: Tenant 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 Tenant is in the exclusive possession of another who fails or refuses to furnish the information, Tenant 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 Tenant'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 Tenant under the contract until Tenant complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: Tenant 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. Tenant 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 Tenant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Tenant may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, Tenant may request the United States to enter into the litigation to protect the interests of the United States.

### **3. Transfer of Real Property Acquired or Improved Under the Airport Improvement Program**

A. Tenant for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of such facilities.

B. In the event of breach of any of the above Nondiscrimination covenants, the Authority will have the right to terminate the Lease and to enter, re-enter, and repossess such lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

4. **Construction/Use/Access to Real Property Acquired Under the Airport Improvement Program**

A. Tenant for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of such facilities.

B. In the event of breach of any of the above Nondiscrimination covenants, the Authority will have the right to terminate the Lease and to enter, re-enter, and repossess such lands and facilities thereon, and hold the same as if the Lease had never been made or issued.



## Commercial Paper Program (February-April Issuances) Financing Schedule (draft as of January 30, 2026)

\*\*\* Target Initial February 24<sup>th</sup> Closing \*\*\*

January							February							March							April							May						
S	M	T	W	Th	F	Su	S	M	T	W	Th	F	Su	S	M	T	W	Th	F	Su	S	M	T	W	Th	F	Su	S	M	T	W	Th	F	Su
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4						1	2
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
25	26	27	28	29	30	31								29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
																												31						

Week of	Date	Event	Responsible Party
1/26	Week of	• Distribute drafts of closing certificates	NC
2/2	Week of	• Group coordination meeting • Comments on drafts of other closing materials	All NC
2/9	Week of	• Receive RPT invoices • Remit RPT invoices to tax counsel and MA • Establish CP proceeds account(s) • Distribute revised drafts of closing certificates	Authority Authority Authority NC
2/16	<b>M, 2/16</b> Week of	• <b>Presidents' Day</b> • Determine CP issuance size (net of grants, PFCs, and Authority funds, if any) • Finalize issuance amount • Provide draft of ABT calculation • Finalize closing certificates except Exhibit C of IPAA and ABT certificate • Pre-pricing discussions • Execute closing certificates except Exhibit C of IPAA and ABT certificate	Authority Authority AC NC Authority, MA, BD Authority
2/23	M, 2/23 Tu, 2/24	• Confirm series, size, and maturity with dealer • Pricing • Complete Exhibit C of IPAA • Execute Exhibit C of IPAA • Execute ABT calculation certificate • Closing	Authority, MA, BD Authority, MA, BD NC Authority, IPA AC All
	Week of	• Pay RPT invoices • File form 8038-G	Authority NC
3/2		• No CP-related activity	
3/9	Week of	• Receive RPT invoices • Remit RPT invoices to tax counsel and MA • Establish CP proceeds account(s) • Group coordination meeting	Authority Authority Authority All



## Commercial Paper Program (February-April Issuances) Financing Schedule (draft as of January 30, 2026)

\*\*\* Target Initial February 24<sup>th</sup> Closing \*\*\*

Week of	Date	Event	Responsible Party
3/16	Week of	<ul style="list-style-type: none"> <li>Determine CP issuance size (net of grants, PFCs, and Authority funds, if any)</li> <li>Distribute drafts of closing certificates</li> <li>Comment on closing certificates</li> </ul>	<p>Authority</p> <p>NC</p> <p>All</p>
3/23	M, 3/23	<ul style="list-style-type: none"> <li>Finalize issuance amount</li> </ul>	Authority
	Tu, 3/24	<ul style="list-style-type: none"> <li>Finalize closing certificates except Exhibit C of IPAA</li> <li>Pre-pricing discussions</li> <li>Execute closing certificates except Exhibit C of IPAA</li> </ul>	<p>NC</p> <p>Authority, MA, BD</p> <p>Authority</p>
	W, 3/25	<ul style="list-style-type: none"> <li>Confirm series, size, and maturity with dealer</li> </ul>	Authority, MA, BD
	Th, 3/26	<ul style="list-style-type: none"> <li>Pricing</li> <li>Complete Exhibit C of IPAA</li> <li>Execute Exhibit C of IPAA</li> <li>Closing</li> </ul>	<p>Authority, MA, BD</p> <p>NC</p> <p>Authority, IPA</p> <p>All</p>
3/30	Week of	<ul style="list-style-type: none"> <li>Pay RPT invoices</li> <li>File form 8038-G</li> </ul>	<p>Authority</p> <p>NC</p>
	<b>F, 4/3</b>	<b>Good Friday (Municipal Bond Holiday)</b>	
4/6	<b>M, 4/6</b>	<b>Commission considers approval of GARBs</b>	
4/13	Week of	<ul style="list-style-type: none"> <li>Receive RPT invoices</li> <li>Remit RPT invoices to tax counsel and MA</li> <li>Establish CP proceeds account(s)</li> <li>Group coordination meeting</li> </ul>	<p>Authority</p> <p>Authority</p> <p>Authority</p> <p>All</p>
	<b>F, 4/17</b>	<b>Publish GARB POS</b>	
4/20	Week of	<ul style="list-style-type: none"> <li>Determine CP issuance size (net of grants, PFCs, and Authority funds, if any)</li> <li>Distribute drafts of closing certificates</li> <li>Comment on closing certificates</li> </ul>	<p>Authority</p> <p>NC</p> <p>All</p>
	F, 4/24	<ul style="list-style-type: none"> <li>Confirm series, size, and maturity with dealer</li> </ul>	Authority, MA, BD
4/27	M, 4/27	<ul style="list-style-type: none"> <li>Confirm series, size, and maturity with dealer</li> </ul>	Authority, MA, BD
	Tu, 4/28	<ul style="list-style-type: none"> <li>Pricing</li> <li>Complete Exhibit C of IPAA</li> <li>Execute Exhibit C of IPAA</li> <li>Closing</li> </ul>	<p>Authority, MA, BD</p> <p>NC</p> <p>Authority, IPA</p> <p>All</p>
	<b>Th, 4/30</b>	<b>GARB pricing</b>	
	Week of	<ul style="list-style-type: none"> <li>Pay RPT invoices</li> <li>File form 8038-G</li> </ul>	<p>Authority</p> <p>NC</p>
5/4		<ul style="list-style-type: none"> <li>No CP-related activity</li> </ul>	
5/11	<b>Tu, 5/12</b>	<b>GARB closing</b>	
		<b>Escrow established to defease CP</b>	



## Airport Revenue Bonds, 2026 Series Financing Schedule (draft as of February 9, 2026)

\*\*\* Target April 6<sup>th</sup> Commission Approval and May 12<sup>th</sup> for Closing \*\*\*

February						
S	M	T	W	Th	F	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March						
S	M	T	W	Th	F	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April						
S	M	T	W	Th	F	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May						
S	M	T	W	Th	F	Su
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

<b>Commission/Committees</b>	<b>Key Deal Activity</b>	<b>Budget Activity</b>
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Week of	Date	Event	Responsible Party
2/16	<b>M, 2/16</b>	<ul style="list-style-type: none"> <li><b>Presidents' Day</b></li> </ul>	
	T, 2/17	<ul style="list-style-type: none"> <li>Budget schedule discussion</li> <li>Commission considers rating agency engagement</li> <li>Meeting to discuss project cost (1pm)</li> </ul>	F&A, Staff Authority, Staff, MA Staff, MA, AC, SM
	Week of	<ul style="list-style-type: none"> <li>Distribute 1st draft of ROAC</li> <li>Set initial completion bond sizing amount</li> <li>Distribute 2nd draft of documents/POS</li> <li>Distribute 2nd draft of BPA</li> <li>Distribute preliminary draft rating presentation</li> </ul>	AC Staff, MA BC/DC UC SM
2/23	W, 2/25	<ul style="list-style-type: none"> <li>Review 1st draft ROAC (11am)</li> </ul>	All
	Week of	<ul style="list-style-type: none"> <li>Discuss preliminary draft of rating presentation</li> </ul>	Staff, SM, MA
3/2	M, 3/2	<ul style="list-style-type: none"> <li>Review 2nd draft of documents/POS/BPA (1pm)</li> </ul>	All
	Week of	<ul style="list-style-type: none"> <li>Distribute draft of rating presentation</li> <li>Draft staff report for F&amp;A Committee approval</li> </ul>	SM MA
3/9	M, 3/9	<ul style="list-style-type: none"> <li>Distribute form of documents/POS for approval</li> </ul>	BC/DC, UC
	W, 3/11	<ul style="list-style-type: none"> <li>Submit package on F&amp;A Committee approval</li> </ul>	Staff
	F, 3/13	<ul style="list-style-type: none"> <li>Documents sent to Rating Agencies</li> </ul>	MA
	Week of	<ul style="list-style-type: none"> <li>Review rating presentation</li> </ul>	All
3/16	M, 3/16	<ul style="list-style-type: none"> <li>Budget assumptions discussion</li> <li>F&amp;A Committee considers approval of bonds</li> <li>Distribute revised rating presentation</li> </ul>	F&A, Staff F&A, Staff, MA SM
	T, 3/17	<ul style="list-style-type: none"> <li>Distribute 2nd draft of ROAC</li> </ul>	AC
	W, 3/18	<ul style="list-style-type: none"> <li>Review revised rating presentation</li> </ul>	All
	Th, 3/19	<ul style="list-style-type: none"> <li>Incorporate 2nd draft of ROAC in POS</li> </ul>	DC
	F, 3/20	<ul style="list-style-type: none"> <li>Updated POS/ROAC sent to Rating Agencies</li> <li>Distribute draft of investor presentation</li> <li>Finalize rating presentation</li> </ul>	MA SM SM
3/23	M, 3/23	<ul style="list-style-type: none"> <li>Continue budget assumptions discussion</li> </ul>	F&A, Staff
	Week of	<ul style="list-style-type: none"> <li>Rating agency discussions</li> <li>Review investor presentation</li> <li>Adjust bond sizing amount, if necessary</li> <li>Draft staff report for Commission approval</li> </ul>	Staff, MA, SM All Staff, MA MA

[All times are shown for Pacific time zone.]

## Airport Revenue Bonds, 2026 Series Financing Schedule (draft as of February 9, 2026)

\*\*\* Target April 6<sup>th</sup> Commission Approval and May 12<sup>th</sup> for Closing \*\*\*

Week of	Date	Event	Responsible Party
3/30	T, 3/31	• Submit package on Commission approval of bond authorization and documents	Staff
	Th, 4/2	• <b>Receive ratings</b>	Staff, MA
	<b>F, 4/3</b>	• <b>Good Friday (Municipal Bond Holiday)</b>	
Week of		• Distribute revised investor presentation	SM
		• Review 2nd draft of ROAC	All
4/6	M, 4/6	• <b>Commission considers approval of bonds</b>	Authority, Staff, MA
Week of		• Review revised investor presentation	All
4/13	Week of	• Distribute final draft ROAC	AC
		• Finalize POS	DC
		• Finalize investor presentation	SM
		• Adjust bond sizing amount, if necessary	Staff, MA
		• Due diligence	All
	F, 4/17	• <b>Publish POS</b>	DC
		• Publish investor presentation	SM
		• Distribute documents/credit package for potential bond insurers	SM
4/20	M, 4/20	• <b>Continue budget discussions</b>	F&A, Staff
Week of		• Premarket bonds	SM, CM
		• Distribute draft closing documents without numbers	BC
4/27	W, 4/29	• <i>FOMC Meeting</i>	
		• Provide comments on draft closing documents	All
	Th, 4/30	• <b>Pricing</b>	Staff, MA, SM, CM
5/4	M, 5/4	• <b>Commission Meeting</b>	Authority, Staff
		• <b>Budget revenues &amp; sources of funds assumptions</b>	F&A, Staff
		• <b>Update bond pricing at F&amp;A Committee</b>	F&A, SM, MA
		• Distribute closing documents	BC
	Tu, 5/5	• Distribute draft of final OS	DC
		• Final comments on closing documents by noon	All
		• Package closing documents	BC
	W, 5/6	• <b>Executive Committee meeting</b>	ExCo, Staff
		• Execute closing documents ( <i>wet signatures</i> )	Authority
		• Final comments on final OS	All
	Th, 5/7	• Post final OS	DC
5/11	M, 5/11	• <b>Budget discussions placeholder</b>	F&A, Staff
		• Preclosing	All
	Tu, 5/12	• <b>Closing</b>	All
5/18	M, 5/18	• <b>Budget presentation</b>	Authority, Staff
5/25	<b>M, 5/25</b>	• <b>Memorial Day</b>	
	W, 5/27	• <b>Final review of proposed budget workbook</b>	Authority, Staff

# BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

## FISCAL YEAR 2026/2027 (“FY 2027”)

### PROPOSED BUDGET DEVELOPMENT SCHEDULE

February 17, 2026

#### **Finance & Administration Committee:**

February 17, 2026	Discussion of Budget Development Schedule
March 16, 2026	Proposed Budget Assumptions, Noteworthy Highlights and Staffing
March 23, 2026**	Continuation of March 16 <sup>th</sup> budget discussion items, if necessary
April 6, 2026	Proposed FY 2027 Capital Projects including RPT Construction Forecast
April 20, 2026	Continued Discussion of FY 2027 Budget Assumptions
May 4, 2026	Preliminary FY 2027 Projected O&M Expenditures
May 11, 2026**	Projected FY 2027 Revenues, including Airline Rates and Charges
May 18, 2026	Presentation: Complete Draft FY 2027 Budget – Including Revenues / Sources of Funds and O&M Expenditures / Uses of Funds
May 26, 2026**	Meeting for Final Review of Proposed FY 2027 Budget Workbook

**\*\*** *Special Meeting proposed to be scheduled upon Committee concurrence.*

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
FISCAL YEAR 2026/2027 (“FY 2027”)  
PROPOSED BUDGET DEVELOPMENT SCHEDULE**

February 17, 2026

**Airline-Airport Affairs Committee: Tentative**

TBD	Preliminary Budget Discussions
May 21, 2026	Presentation of Proposed FY 2027 Budget

**Commission:**

June 1, 2026	Budget Presentation and Consideration of Adoption
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# Series 2026 Bonds Activity Forecast

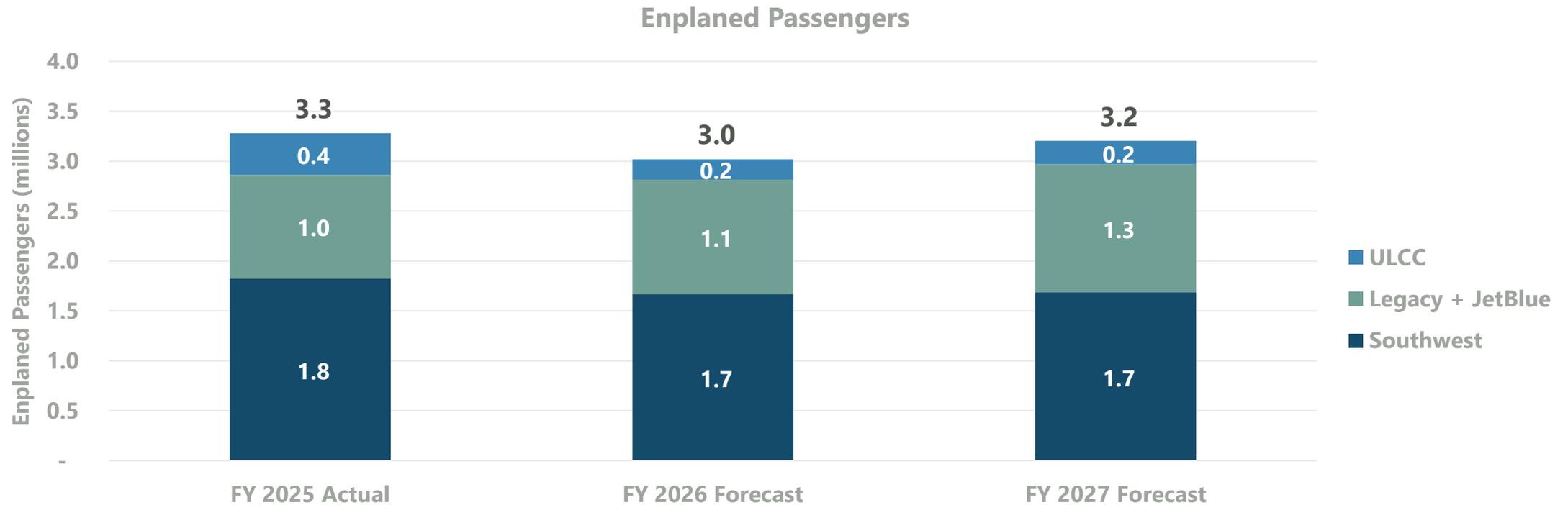
Hollywood Burbank Airport

# Forecast Methodology

- Short-term enplaned forecast (FY 2026 and FY 2027) based on bottom-up forecast of departures, seats, and load factor by airline and month.
  - Incorporates reported activity through November 2025 and published airline schedules through December 2026 (with a shorter horizon for Southwest and Ultra Low-Cost Carriers).
  - Estimated capacity through June 2027 based on recent trends and airline guidance.
- Long-term enplaned passenger forecast growth rates based on socioeconomic regression analysis of the consolidated domestic O&D passengers for BUR, LAX, LGB, and SNA incorporating activity between 2000 and 2019 + 2023 and 2024.
  - Forecast assumes BUR captures 9.5 percent of the regional domestic O&D passengers, in line with FY 2023 share.
  - Connecting passenger share of O&D passengers held constant at FY 2025 level of 5.1 percent.
- Passenger airline operations forecast based on enplaned passenger forecast, forecast load factor, and forecast average seats per departure.
- Passenger airline landed weight forecast based on forecast growth in passenger airline departing seats, accounting for changes in average aircraft size.
- Non-passenger airline operations and landed weight calibrated using FAA Aerospace Forecast and Boeing World Air Cargo forecasts.

# Short-Term Forecast Results

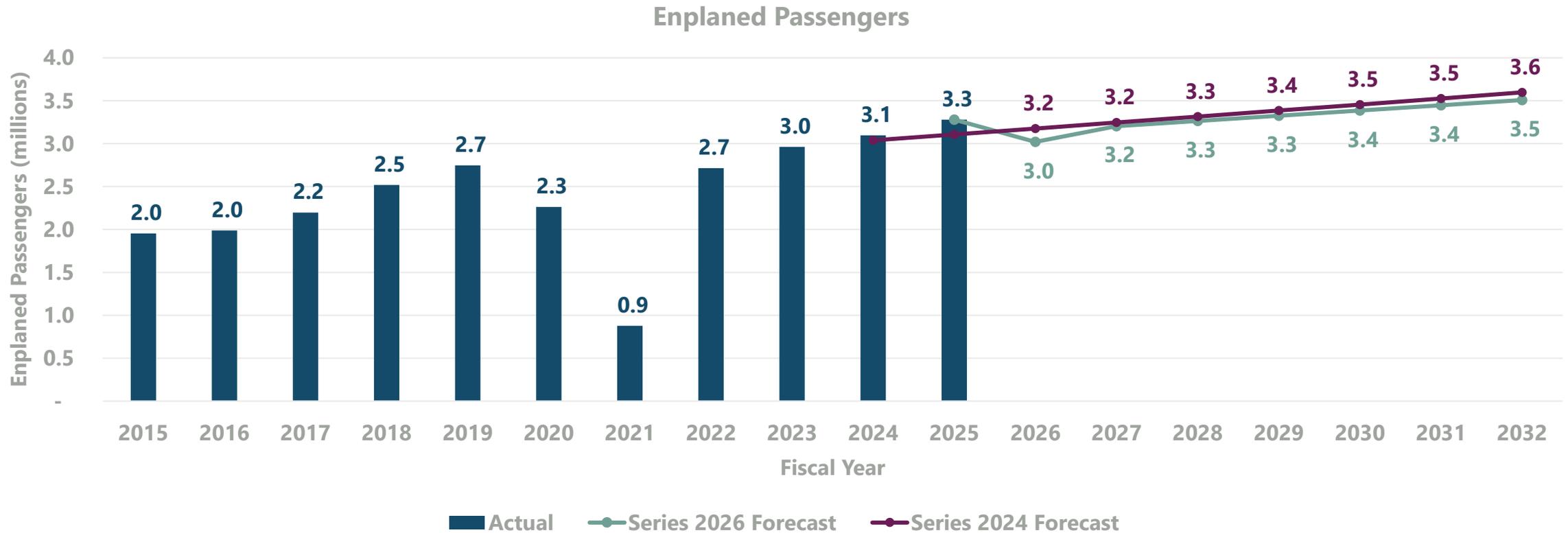
- FY 2026 enplaned passengers are forecast to decrease 7.9 percent to 3.0 million, driven by a decrease in Southwest and Ultra Low-Cost Carrier capacity.
- Enplaned passengers are forecast to increase 6.1 percent to 3.2 million in FY 2027, with most of growth driven by legacy airlines.



SOURCES: Burbank-Glendale-Pasadena Airport Authority (historical), January 2026; Ricondo & Associates, Inc. (forecast), January 2026.

# Long-Term Enplaned Passenger Forecast Results

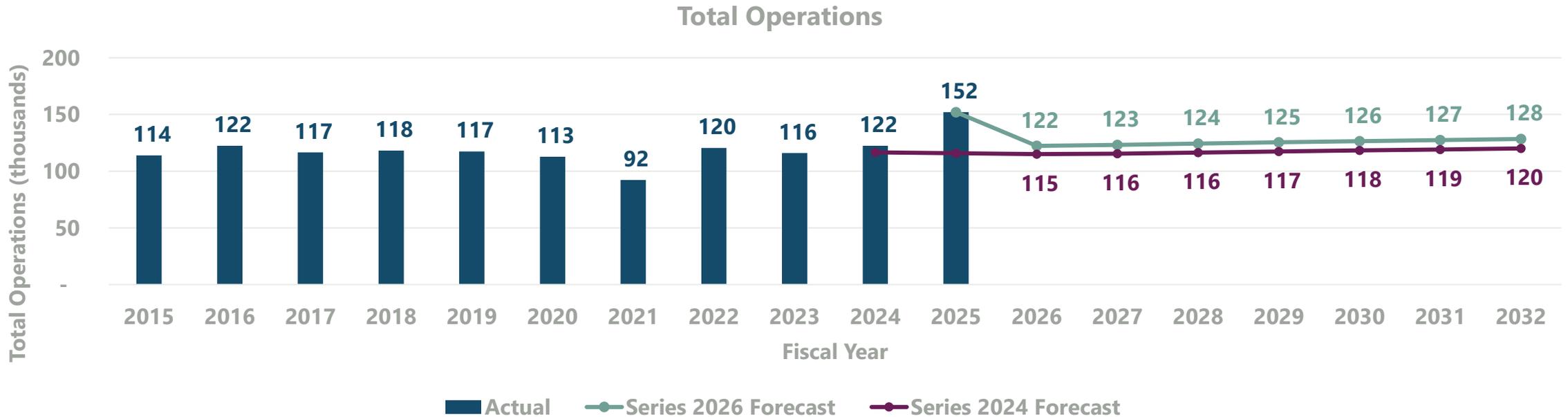
- Enplaned passengers are forecast to increase from 3.3 million in FY 2025 to 3.5 million in FY 2032, which represents a CAGR of 1.0 percent.
- The current enplaned passenger forecast is marginally lower than the Series 2024 forecast.



SOURCES: Burbank-Glendale-Pasadena Airport Authority (historical), January 2026; Ricondo & Associates, Inc. (forecast), January 2026.

# Operations Forecast Results

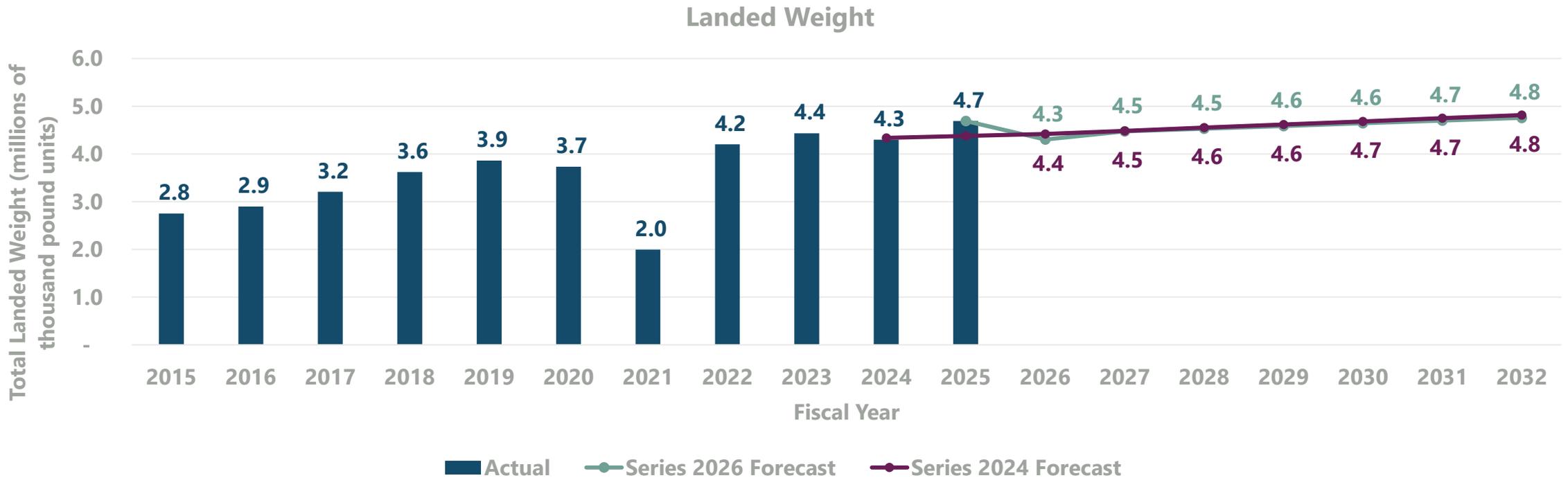
- Total operations are forecast to decrease from approximately 152,000 in FY 2025 to approximately 128,000 in FY 2032.
- The current long-term total operations forecast is marginally higher than the Series 2024 total operations forecast.
- The spike in total operations in FY 2025 is due to general aviation, which increased at the same time operations were constrained at VNY due to runway and taxiway construction.



SOURCES: Burbank-Glendale-Pasadena Airport Authority (historical), January 2026; Ricondo & Associates, Inc. (forecast), January 2026.

# Landed Weight Forecast Results

- Total landed weight is forecast to increase from 4.7 million thousand-pound units in FY 2025 to 4.8 million thousand-pound units in FY 2032.
- The current total landed weight forecast is in line with the Series 2024 landed weight forecast.



SOURCES: Burbank-Glendale-Pasadena Airport Authority (historical), January 2026; Ricondo & Associates, Inc. (forecast), January 2026.