November 9, 2023

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

NOTICE is hereby given that the regular meeting of the Burbank-Glendale-Pasadena Airport Authority scheduled for Monday, November 20, 2023, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California, 91505, has been cancelled.

Notice is hereby given that a special meeting of the Burbank-Glendale-Pasadena Airport Authority will be held on Monday, November 13, 2023, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

In addition to attending the meeting in person, members of the public may observe the meeting telephonically and may offer comment in real time through the following number:

Dial in: (818) 862-3332

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

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Special Meeting of November 13, 2023

9.00 A.M.

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

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

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

▼ ▼ ▼

The following activities are prohibited:

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

▼ ▼ ▼

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

▼ ▼ ▼

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

A G E N D A

Monday, November 13, 2023

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT (Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)

5. CONSENT CALENDAR (Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)

   a. Committee Minutes
      (For Note and File)

      1) Executive Committee

         (i) October 4, 2023 ***[See page 1]***

      2) Operations and Development Committee

         (i) October 2, 2023 ***[See page 3]***

      3) Finance and Administration Committee

         (i) September 18, 2023 ***[See page 6]***

      4) Legal, Government and Environmental Affairs Committee

         (i) October 2, 2023 ***[See page 8]***

   b. Commission Minutes
      (For Approval)

      1) October 16, 2023 ***[See page 10]***

   c. Treasurer's Report ***[See page 19]***

      1) June 2023

   d. Auditor Required Communications for the FY 2023 Audits ***[See page 49]***

   e. Eco-Rapid Transit (Orangeline Development Authority) Joint Powers Agreement Termination ***[See page 54]***

f. Conditional Consent to Assignment Development Ground Lease Southwest Airlines ***[See page 59]***

g. Approval of Third Amendment ATM Concession and Lease Agreement ***[See page 62]***

h. Month-to-Month Office Lease C&W Facility Services, Inc. ***[See page 66]***

i. Helicopter Maintenance and Operations Lease Cities of Burbank and Glendale ***[See page 68]***

j. Approval of Task Order 2 Replacement Passenger Terminal Project ***[See page 70]***

k. September 2023 Passenger and Air Cargo Statistics ***[See page 84]***

l. September 2023 Ground Transportation Statistics

m. September 2023 Parking Revenue Statistics

6. ITEMS FOR COMMISSION DISCUSSION

   a. Replacement Passenger Terminal Art in Public Places

7. ITEMS FOR INFORMATION

   a. Revised Replacement Passenger Terminal Project Dashboard

   b. Part 139 Inspection Report

8. CLOSED SESSION

   a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
   (California Government Code Section 54956.9(d)(1))
   Name of Case: Burbank-Glendale-Pasadena Airport Authority v. California High Speed Rail Authority (Case No. 34-2022-80003821)

   b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   (California Government Code Section 54957(b))
   Title: Executive Director

   c. CONFERENCE WITH LABOR NEGOTIATOR
   (California Government Code Section 54957.6)
   Authority Representative: Terence R. Boga, Esq.
   Unrepresented Employee: Executive Director

9. ITEMS PULLED FROM CONSENT CALENDAR

10. EXECUTIVE DIRECTOR COMMENTS

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

12. PUBLIC COMMENT

13. ADJOURNMENT

[Regarding agenda items]

5. CONSENT CALENDAR

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

a. COMMITTEE MINUTES. Approved minutes of the Executive Committee meeting of October 4, 2023; approved minutes of the Operations and Development Committee meeting of October 2, 2023; approved minutes of the Finance and Administration Committee meeting of September 18, 2023; and approved minutes of the Legal, Government and Environmental Affairs Committee meeting of October 2, 2023, are included in the agenda packet for information purposes.

b. COMMISSION MINUTES. A draft copy of the October 16, 2023, Commission meeting minutes are attached for the Commission's review and approval.

c. TREASURER'S REPORT. The Treasurer's Report for June 2023 is included in the agenda packet. At its meeting on October 16, 2023, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission note and file this report.

d. AUDITOR REQUIRED COMMUNICATIONS FOR THE FY 2023 AUDITS. A staff report is included in the agenda packet. In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP, has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2023 audits. At its meeting on October 16, 2023, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission note and file this Auditor communications letter.

e. ECO-RAPID TRANSIT (ORANGELINE DEVELOPMENT AUTHORITY) JOINT POWERS AGREEMENT TERMINATION. A staff report is included in the agenda packet. At its meeting on October 16, 2023, the Legal, Government and Environmental Affairs Committee voted (3–0) to recommend that the Commission adopt Resolution No. 507 to approve termination of the Eco-Rapid Transit Joint Powers Agreement.

f. CONDITIONAL CONSENT TO ASSIGNMENT DEVELOPMENT GROUND LEASE – SOUTHWEST AIRLINES. A staff report is included in the agenda packet. At its meeting on October 16, 2023, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve a Conditional Consent to Assignment ("Consent") for the Development Ground Lease ("Lease") for the fuel yard area located on the northeast quadrant of the Airport. The Consent will approve assignment of the Lease from Southwest Airlines to BUR Fuel Company, LLC, a newly formed airline consortium.

g. APPROVAL OF THIRD AMENDMENT – ATM CONCESSION AND LEASE AGREEMENT. A staff report is included in the agenda packet. At its meeting on October 16, 2023, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve a proposed Third Amendment to the Automated Teller Machine Concession and Lease Agreement ("Agreement") between the Authority and Mobile Money, Inc., to extend the term of the Agreement to June 30, 2026. Upon the proposed expiration date of June 30, 2026, in conjunction with the opening of the Replacement Passenger Terminal, the Agreement will continue on a month-to-month basis terminable by either party upon thirty days' prior written notice.

h. MONTH-TO-MONTH OFFICE LEASE – C&W FACILITY SERVICES, INC. A staff report is included in the agenda packet. At its meeting on October 16, 2023, the Finance and Administration Committee voted unanimously (3–0) to recommend that the Commission approve a Month-to-Month Office Lease with C&W Facility Services, Inc.

i. HELICOPTER MAINTENANCE AND OPERATIONS LEASE – CITIES OF BURBANK AND GLENDALE. An updated staff report is included in the agenda packet. At its meeting of October 16, 2023, the Finance and Administration Committee voted unanimously (3-0) to recommend the Commission approve a new Helicopter Maintenance and Operations Lease between the Authority and the Cities of Burbank and Glendale. The updated staff report includes the additional information requested by Commissioner Wilson.

j. APPROVAL OF TASK ORDER 2 – REPLACEMEMT PASSENGER TERMINAL PROJECT. A staff report is included in the agenda packet. At its special meeting on October 31, 2023, the Executive Committee voted (3-0) to recommend the Commission approve a proposed Task Order 2 in the amount of $76,933,511 to fund the following items related to the construction of the Replacement Passenger Terminal Project: 1) Mechanical, electrical and special systems; and 2) Civil Site Work.

k. SEPTEMBER 2023 PASSENGER AND AIR CARGO STATISTICS. Included in the agenda packet is a presentation updating the Commission on the passenger and air cargo statistics for the month of September 2023. The September 2023 passenger count of 510,981 was down 6% compared to September of 2022's 542,102 passengers. Also compared to September 2022, air carrier aircraft operations in September 2023 were down 3%, while cargo volume was down 15% at 5.8 million pounds.

l. SEPTEMBER 2023 GROUND TRANSPORTATION STATISTICS. No staff report attached. Included in the agenda packet is a presentation updating the Commission on Ground Transportation activities for the month of September 2023.

m. SEPTEMBER 2023 PARKING REVENUE STATISTICS. No staff report attached. Included in the agenda packet is a presentation updating the Commission on parking revenue data for the month of September 2023.

6. ITEMS FOR COMMISSION DISCUSSION

a. REPLACEMENT PASSENGER TERMINAL ART IN PUBLIC PLACES. No staff report attached. Ms. Susan Gray, Art Consultant to Jacobs Project Management

Co., will provide a presentation on the top three art concepts for each of the designated locations at the RPT as evaluated by the Art Advisory Committee. A one-minute video for each concept will be presented.

7. ITEMS FOR COMMISSION INFORMATION

   a. REVISED REPLACEMENT PASSENGER TERMINAL PROJECT DASHBOARD. No staff report attached. A representative of Jacobs Project Management Co. will present an updated version of the RPT Project Dashboard that will be updated monthly and linked to the “elevatebur” website.

   b. PART 139 INSPECTION REPORT. No staff report attached. Staff will brief the Commission on the results of the annual Part 139 inspection for FY 2023 which took place in April of this year.

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

WEDNESDAY, OCTOBER 4, 2023

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

1. ROLL CALL

Present:	Commissioners Williams, Najarian and Talamantes
Absent:	None
Also Present:	Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Pamela Marcello, Senior Director, Government and Public Affairs Authority Counsel: Terence Boga, Esq., Richards, Watson & Gershon

2. Approval of Agenda

Motion	Commissioner Talamantes moved approval of the agenda; seconded by Commissioner Najarian.
Motion Approved	The motion was approved (3–0).

3. Public Comment — There were no public comments.

4. Approval of Minutes

a. September 6, 2023	Commissioner Najarian moved approval of the Committee minutes of the September 6, 2023 meeting, seconded by Commissioner Williams. There being no objection, the motion was approved (2–0, 1 abstention by Commissioner Talamantes).

5. Items for Discussion

a. Federal and State Government Legislative Affairs Update	Staff updated the Committee on pending federal legislation impacting airports and the results of this year's California Legislature Session.

6. Items for Information

a. City of Burbank Interior Sculpture Ordinance Amendment Delay	Staff advised the Committee that the proposed amendment to the Art in Public Places ordinance to allow for inclusion of interior sculpture work has been delayed by the City of Burbank. Jacobs, the

Authority's Replacement Passenger Terminal Program Manager, advised the Committee on the potential impacts of this delay to the Terminal project and provided recommendations.

b. Committee Pending Items

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

7. Closed Session

The meeting recessed to closed session at 9:26 a.m. to consider the items listed on the closed session and to confer with legal counsel.

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code Section 54957(b))
Title: Executive Director

b. CONFERENCE WITH LABOR NEGOTIATOR
(California Government Code Section 54957.6)
Authority Representative: Terence R. Boga, Esq.
Unrepresented Employee: Executive Director

The meeting reconvened to open session at 9:50 a.m. No reportable action was taken on the presented items.

8. Adjournment

There being no further business, the meeting was adjourned at 9:51 a.m.

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

MONDAY, OCTOBER 2, 2023

A regular meeting of the Operations and Development Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 8:30 a.m., by Commissioner Hampton.

1. ROLL CALL

Present:	Commissioners Hampton and Talamantes
Absent:	Commissioner Devine
Also Present:	John Hatanaka, Senior Deputy Executive Director; Patrick Lammerding, Deputy Executive Director, Planning and Development; Ray Hunting, Manager, Airport Security; Lanna Aguilera, Senior Manager, Procurement

2. Approval of Agenda

Motion	Commissioner Talamantes moved approval of the agenda; seconded by Commissioner Hampton.
Motion Approved	The agenda was approved (2-0, 1 absent).

3. Public Comment — There were no public comments.

4. Approval of Minutes

a. September 18, 2023	A draft copy of the September 18, 2023, Committee meeting minutes was included in the agenda packet for review and approval.
Motion	Commissioner Talamantes moved approval of the minutes; seconded by Commissioner Hampton.
Motion Approved	There being no objection, the motion was approved (2-0, 1 absent).

5. Items for Approval

a. Replacement Vehicle Acquisition Authorization

With regard to the FY 2024 Airport Vehicle Acquisition Update presented to the Operations and Development Committee ("Committee") at its meeting on September 18, 2023, Staff sought a recommendation from the Committee to:

1. Authorize the acquisition of a 2024 Ford Super Duty F-350 Single Rear Wheel (SRW) Lariat 4 Wheel Drive (4WD) Crew Cab vehicle to replace a 2008 F-450 4 x 2 Utility vehicle in the amount of $127,632.35 including the outfitting of lights and sirens; and

2. Due to continuing challenges of new vehicle inventory availability due to supply chain issues, long lead times and the need to respond without delay when replacement vehicles become available for purchase or pre-order to secure a production priority spot, authorize Staff to issue future Purchase Orders for any of the remaining five vehicles approved within the adopted FY 2024 budget appropriations.

Subject to the recommendation of the Committee, this item was placed on the Commission's agenda for its consideration immediately following the Committee's meeting.

Motion

Commissioner Talamantes moved approval; seconded by Commissioner Hampton.

Motion Approved

There being no objection, the motion was approved (2-0, 1 absent).

b. Amendment No. 1 to Professional Services Agreement with Allied Universal Security Services

Staff sought a recommendation from the Operations and Development Committee to the Commission for approval of a proposed Amendment No. 1 to the Professional Services Agreement with Universal Protection Service LP dba Allied Universal Security Services for airport security and traffic control services.

Subject to the recommendation of the Committee and to ensure continuation of required security services mandated by the Transportation Security Administration this item was placed on the Commission's agenda for its consideration immediately following the Committee's meeting.

Motion — Commissioner Talamantes moved approval; seconded by Commissioner Hampton.

Motion Approved — There being no objection, the motion was approved (2-0, 1 absent).

c. Exercise of Second Extension Option Landscape Maintenance Services Agreement - Parkwood Landscape Maintenance, Inc.

Staff sought a recommendation from the Operations and Development Committee to the Commission to authorize the second and final one-year extension option for the Landscape Maintenance Services Agreement with Parkwood Landscape Maintenance, Inc*.*

Motion — Commissioner Talamantes moved approval; seconded by Commissioner Hampton.

Motion Approved — There being no objection, the motion was approved (2-0, 1 absent).

6. Items for Information

a. Airfield Mower Purchase Considerations

This item is a follow-up to the discussion at the June 5, 2023, Operations and Development Committee meeting. Staff is currently assessing purchase options for commercial grade mowers for airfield operation at Hollywood Burbank Airport to replace the existing mower that has passed its useful life. The current specification is for diesel-powered equipment. This report provided an additional briefing on Staff's evaluation of the availability of comparable zero emissions battery-electric powered airfield mower equipment that meets the Airport's performance requirements.

Commissioner Hampton requested a follow-up report on lease options for the airfield mower equipment in question.

b. Committee Pending Items — Staff presented pending items to the Committee members.

7. Adjournment — There being no further business to discuss, the meeting was adjourned at 9:05 a.m.

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

MONDAY, SEPTEMBER 18, 2023

A regular meeting of the Finance and Administration Committee was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 10:04 a.m., by Commissioner Ovrom.

1. **ROLL CALL**

Present:	Commissioners Ovrom, Wilson and Quintero
Absent:	None
Also Present:	Staff: John Hatanaka, Senior Deputy Executive Director; Scott Kimball, Executive Deputy Director, Operations, Business and SMS Also Present: Mr. Geoff Wheeler, Ricondo & Associates Mr. Louis Choi, Public Resources Advisory Group

2. **Staff Announcement: AB 23** — The Senior Deputy Executive Director announced that, as a result of the convening of this meeting of the Finance and Administration Committee, each Committee member in attendance is entitled to receive and shall be provided $200.

3. **Approval of Agenda** — The agenda was approved as presented.

Motion	Commissioner Quintero moved approval; seconded by Commissioner Wilson.
Motion Approved	The motion was approved (3–0).

4. **Public Comment** — There were no public comments.

5. **Approval of Minutes**

a. **July 10, 2023** — A draft copy of the minutes of the special meeting of August 28, 2023, were included in the agenda packet for review and approval.

Motion	Commissioner Quintero moved approval of the minutes; seconded by Commissioner Wilson.
Motion Approved	The minutes were approved (2–0, 1 abstention). Commissioner Ovrom abstained.

b. August 28, 2023	A draft copy of the minutes of the special meeting of August 28, 2023, were included in the agenda packet for review and approval.
Motion	Commissioner Quintero moved approval of the minutes; seconded by Commissioner Ovrom.
Motion Approved	The minutes were approved (2–0, 1 abstention). Commissioner Wilson abstained.

6. Items for Approval

a. Award of Ground Lease ACE Parking III, LLC	Staff presented to the Committee for recommendation to the Commission for approval, a proposed rent-free ground lease with ACE Parking III, LLC. As detailed in the Parking and Shuttle Service Agreement, the Authority is responsible for providing office space without charge, but ACE Parking shall be responsible for all costs associated with the mobile trailer including building permits, maintenance, utilities share of property insurance and applicable taxes. The lease does not generate any rental revenue.
Motion	Commissioner Quintero moved approval; seconded by Commissioner Wilson.
Motion Approved	The motion was unanimously approved (3–0).

7. Items for Information

a. Replacement Passenger Terminal Project Update	Staff provided a status update to the Replacement Passenger Terminal Project on current project cost forecast, sources of funding, potential annual debt service, passenger projections and estimated cost per enplaned passengers.
b. Committee Pending Items	Staff updated the Committee on upcoming agenda items.

8. Adjournment — There being no further business to discuss, the meeting was adjourned at 11:53 a.m.

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

MONDAY, OCTOBER 2, 2023

A regular meeting of the Legal, Government and Environmental Affairs Committee was called to order on this date in the Burbank Room, 2627 N. Hollywood Way, Burbank, California, at 8:33 a.m., by Commissioner Gabel-Luddy.

1. ROLL CALL

Present:	Commissioners Gabel-Luddy, Williams and Najarian
Absent:	None
Also Present:	Frank Miller, Executive Director; Derrick Cheng, Assistant Manager, Business and Properties Authority Counsel: Terence R. Boga of Richards, Watson & Gershon

2. Approval of Agenda — The agenda was approved as presented. The motion was approved (3-0).

3. Public Comment — There were no public comments.

4. Approval of Minutes

a. September 18, 2023 — Commissioner Najarian moved approval of the September 18, 2023, Committee meeting minutes; seconded by Commissioner Williams.

There being no objection, the motion was approved (2-0, 1 abstention by Commissioner Gabel-Luddy).

5. Items for Approval

a. Approval of the Second Extension Deferral of Art Covenant Agreement - City of Burbank — Staff sought a recommendation from the Legal, Government and Environmental Affairs Committee to the Commission for approval of a proposed Second Extension of the Deferral of Art Covenant Agreement between the City of Burbank and the Authority to allow for an additional nine months to complete the artwork installation at the Regional Intermodal Transportation Center.

Motion	Commissioner Williams moved approval; seconded by Commissioner Najarian.
Motion Approved	There being no objection, the motion was approved (3-0).

6. Items for Information

a. Committee Pending Items	Staff presented pending items to the Committee members.

7. Adjournment — There being no further business, the meeting was adjourned at 8:42 a.m.

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

MONDAY, OCTOBER 16, 2023

A regular meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 N. Hollywood Way, Burbank, California, at 9:05 a.m., by President Williams.

1. ROLL CALL

Present:	Commissioners Williams, Najarian, Talamantes (via teleconference), Gabel-Luddy, Hampton, Quintero, Ovrom, Wilson
Absent:	Commissioner Devine
Also Present:	Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Finance and Administration; Nerissa Sugars, Director, Communications and Air Service; Maggie Martinez, Director, Noise & Environmental Affairs
2. PLEDGE OF ALLEGIANCE	Commissioner Najarian led the Pledge of Allegiance.
3. APPROVAL OF AGENDA	The agenda was approved as presented.
MOTION	Commissioner Quintero moved approval of the agenda; seconded by Commissioner Hampton.
MOTION APPROVED	The motion was approved (8–0, 1 absent).
	AYES: Commissioners Williams, Najarian Talamantes (via teleconference), Hampton, Gabel-Luddy, Ovrom, Quintero, Wilson
	NOES: None
	ABSENT: Commissioner Devine

4. PUBLIC COMMENT
(Public comment will be limited to a total of 20 minutes at the beginning of the meeting and will continue at the conclusion of the meeting, if necessary. Comments are limited to 3 minutes each, and the Authority President may limit this time if reasonable under the circumstances.)

Paul Dyson, Burbank
Chris Murray, North Hollywood

5. CONSENT CALENDAR
(Includes Minutes. Items on the Consent Calendar are generally routine in nature and may be acted upon by one motion unless removed for separate consideration.)

a. Committee Minutes (For Note and File)

1) Executive Committee

(i) September 6, 2023 — Approved minutes of the September 6, 2023, Executive Committee meeting were included in the agenda packet for information purposes.

2) Operations and Development Committee

(i) September 18, 2023 — Approved minutes of the September 18, 2023, Operations and Development Committee meeting were included in the agenda packet for information purposes.

3) Legal, Government and Environmental Affairs Committee

(i) September 18, 2023 — Approved minutes of the September 18, 2023, Legal, Government and Environmental Affairs Committee meeting were included in the agenda packet for information purposes.

b. Commission Minutes (For Approval)

1) October 2, 2023 — A copy of the draft minutes of the October 2, 2023, Commission meeting were included in the agenda packet for review and approval.

c. Approval of the Second Extension Deferral of Art Covenant Agreement City of Burbank — At its meeting on October 2, 2023, the Legal, Government and Environmental Affairs Committee voted unanimously (3–0) to recommend that the Commission approve a Second Extension of the Deferral of Art Covenant Agreement ("Agreement") between the City of Burbank ("City") and the Authority which allows an additional nine months to

complete the artwork installation at the Regional Intermodal Transportation Center.

Funding for this project is through Customer Facility Charge revenues already collected for the City's Art in Public Places Program.

d. Exercise of Second Extension Option - Landscape Maintenance Services Agreement Parkwood Landscape Maintenance, Inc.

At its meeting on October 2, 2023, the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission authorize the second and final one-year extension option for the Landscape Maintenance Services Agreement with Parkwood Landscape Maintenance, Inc.

At the request of the Commission and Staff, Parkwood converted all gas-powered equipment to electric as of January 1, 2023. A Change Order for this conversion included an additional amortized monthly cost of $1,250 which will continue through the end of the proposed extension. The total monthly cost will be $23,713.

Appropriations for these services are included in the adopted FY 2024 budget.

e. Travel Authorization for Attendance at: Routes Americas 2024 Air Service Development Forum; Passenger Terminal Expo and Conference; and Joint Board Meeting of Airports Council International Europe and Airports Council International North America

Commissioner Ovrom requested this item be discussed under Item No.10 Items Pulled from Consent Calendar.

f. Approval of Deposit for Plan Check Fees – Replacement Passenger Terminal Project

At its meeting held immediately preceding the Commission meeting the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission approve payment of a deposit with the City of Burbank in the amount of $344,124 for plan check services related to the construction of the Replacement Passenger Terminal Project.

Holder, Pankow, TEC – A Joint Venture, the project design team for the RPT Project has begun design and preconstruction efforts. As part of those efforts, the project team has begun coordinating with the City's Building

and Safety representatives for plan check services. These services consist of: Building Plan Check Services (TRB and Associates) $206,000 (20% Admin Fee $41,200); Landscape Consultant Services (JMD Landscape Architecture) $1,500 (20% Admin Fee $300); Senior Transportation Planner $15,802 (Senior Planner $21,822); Transportation Consultant Services (FHER & PEERS) $50,000 (15% Admin Fee $7,500) for a total deposit of $344,124.00.

g. Award of Contracts – Emergency Telecom Alerting System Replacement

At its meeting held immediately preceding the Commission meeting the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission approve the purchase and installation of a KOVACORP Emergency Alert Notification System to replace the existing analog Emergency Telecom Alert System that has reached the end of its useable service life and authorize entering into agreements with AT&T and Connections for required circuits and equipment.

The AT&T component of $101,370.36 covers a 36-month term. The cost anticipated to be incurred in FY 2024 is $19,711.02 for a seven-month period plus the one-time charge of $50.79 for a total of $19,761.81. The balance of monthly costs for AT&T services will be programmed in future budget years. The estimated total cost to be incurred in FY 2024 is $106,016.99 which is within the adopted FY 2024 budget appropriations of $200,000 for this project.

h. Waste Hauling and Recycling Services Agreement Extension

At its special meeting on August 28, 2023, the Operations and Development Committee voted (2–0, 1 absent) to recommend that the Commission authorize the exercise of the second of the two one-year extension options for the Waste Hauling and Recycling Services Agreement with American Reclamation, Inc.

Services include regular pickup at 15 different locations throughout the Airport at a frequency ranging from daily to weekly. The contract also defines rates for on-call or additional pick-up to be requested on an as

needed basis, not to exceed $1,500 per month.

For each extension option exercised by the Authority, the Fee Schedule for services will increase based on the most recent previous 12-month period published Consumer Price Index rate for all indices for Los Angeles County. The extension is retroactive to October 1, 2023, the monthly cost for waste hauling and recycling services will increase by 2.5% raising the annual cost from $137,020 to $140,445 with a new expiration date of September 30, 2024.

i. August 2023 Passenger and Cargo Statistics

Commissioner Ovrom requested this item be discussed under Item No.10 Items Pulled from Consent Calendar.

j. August 2023 Ground Transportation Summary of Activities

Included in the agenda packet was a presentation citing the ground transportation data for the month of August 2023.

k. August 2023 Parking Revenue Statistics

Included in the agenda packet was a presentation citing the parking revenue data for the month of August 2023.

MOTION

Commissioner Najarian moved approval of the Consent Calendar (with the exception of Item No. 5.e. and 5.i.); seconded by Commissioner Wilson.

MOTION APPROVED

The motion was approved (8–0, 1 absent).

AYES: Commissioners Williams, Najarian Talamantes (via teleconference), Hampton, Gabel-Luddy, Ovrom, Quintero, Wilson

NOES: NONE

ABSENT: Commissioner Devine

ABSTAINED: Commissioner Gabel-Luddy abstained from Item 5.b.1.

6. ITEMS FOR COMMISSION APPROVAL

a. FY 2023 (12 Month) Financial Update

Staff updated the Commission with information regarding the financial results for FY 2023.

MOTION Commissioner Ovrom moved approval to note and file the FY 2023 Financial Update; seconded by Commissioner Talamantes.

MOTION APPROVED The motion was approved (8–0, 1 absent).

AYES: Commissioners Williams, Najarian Talamantes (via teleconference), Hampton, Gabel-Luddy, Ovrom, Quintero, Wilson

NOES: NONE

ABSENT: Commissioner Devine

7. ITEMS FOR COMMISSION DISCUSSION

a. Policy Discussion – Posting of Presentations on Airport Website

This item was placed on the agenda at the request of Commissioner Ovrom to provide the Commission the opportunity to discuss a policy to include the posting of presentations along with the Commission and Committee meeting agendas and give Staff direction.

A motion was made to give Staff direction to post all presentations online at the time agendas are distributed to the Commission; indicate that the information in the presentations is subject to change; update the presentations with any changes that occur in the future; and return to the Commission in February 2024 to discuss any recommended changes to this process.

MOTION Commissioner Wilson moved approval; seconded by Commissioner Hampton.

MOTION APPROVED The motion was approved (8-0, 1 absent).

AYES: Commissioners Williams, Najarian Talamantes (via teleconference), Hampton, Gabel-Luddy, Ovrom, Quintero, Wilson

NOES: None

ABSENT: Commissioner Devine

b. Airport Economic Impact Study

Per Resolution No. 496, this item was placed on the Commission agenda for a preliminary discussion of a request by Commissioner Hampton that the Authority undertake a new Airport Economic Impact Study. The proposed Airport Economic Impact Study

would focus on the airport's impact on the tri-cities area (Burbank, Glendale, and Pasadena). The last study was conducted by LAEDC in 2014.

Staff then sought direction from the Commission to: (1) prepare an RFP for the Commission's consideration; (2) defer this item for a determination at a later date; or (3) table this item.

The Commission directed Staff to return before the end of the year for further discussion after reviewing the 2014 LAEDC study.

MOTION Commissioner Gabel-Luddy moved the item; seconded by Commissioner Talamantes.

MOTION APPROVED The motion was approved (8-0, 1 absent)

AYES: Commissioners Williams, Najarian Talamantes (via teleconference), Hampton, Gabel-Luddy, Ovrom, Quintero, Wilson

NOES: None

ABSENT: Commissioner Devine

8. ITEMS FOR COMMISSION INFORMATION

a. Airport Carbon Accreditation ("ACA") Level 2 Award

At the recent ACI-NA Convention in Long Beach, the Hollywood Burbank Airport was awarded its Airport Carbon Accreditation Certificate for its carbon management process in reducing CO2 emissions. Staff provided the Commission with information regarding the ACA program.

9. CLOSED SESSION The meeting convened to Closed Session at 10:45 a.m.

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code Section 54957(b))
Title: Executive Director

b. CONFERENCE WITH LABOR NEGOTIATOR
(California Government Code Section 54957.6)
Authority Representative: Terence R. Boga, Esq.
Unrepresented Employee: Executive Director

Meeting Reconvened to Open Session	The meeting was reconvened to open session at 11:15 a.m. with eight Commissioners present.
Closed Session Report	There was nothing to report from Closed Session.

10. ITEMS PULLED FROM CONSENT CALENDAR

5.e. Travel Authorization for Attendance at: Routes Americas 2024 Air Service Development Forum; Passenger Terminal Expo and Conference; and Joint Board Meeting of Airports Council International Europe and Airports Council International North America	This item was agendized to give the Commission the opportunity to consider approval of a travel authorization for Executive Director Miller, Deputy Executive Director Kimball, and Director Sugars to attend the Routes Americas air service development forum; for President Williams and Executive Director Miller to attend the Passenger Terminal Expo; and for Executive Director Miller to attend the Joint Board Meeting of ACI Europe and ACI- North America.
MOTION	Commissioner Quintero moved approval; seconded by Commissioner Gabel-Luddy.
MOTION APPROVED	The motion was approved (8-0, 1 absent). AYES: Commissioners Williams, Najarian Talamantes (via teleconference), Hampton, Gabel-Luddy, Ovrom, Quintero, Wilson NOES: None ABSENT: Commissioner Devine
5.i. August 2023 Passenger and Cargo Statistics	Staff made a presentation on the passenger and air cargo statistics for the month of August 2023.

11. EXECUTIVE DIRECTOR COMMENTS The Executive Director informed the Commission that Hollywood Burbank Airport's "More Jet - Less Lag" campaign was recognized as the 2023 Gold winner of the MARCOM Award from the Association of Marketing and Communication Professionals. This award honors excellence in marketing and communications.

12. COMMISSIONER COMMENTS (Commissioners may make a brief announcement, make a brief report on their activities, and request an agenda item for a future meeting.)	Commissioner Ovrom requested an update on the RPT Dashboard created by Jacobs Project Management Co. Staff informed them that Jacobs would provide an update in the near future.
13. PUBLIC COMMENT	There were no public comments.
14. ADJOURNMENT	The meeting was adjourned at 11:26 a.m.

Felicia Williams, President	Jess Talamantes, Secretary
Date	Date

November 13, 2023

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

Dear Commissioners:

The attached report, covering the month of June 2023, fulfills the legal requirements of the California Code and our Investment Policy. Based on projected income and expenses, as well as investment liquidity, there will be sufficient funds available to meet the needs of the Airport Authority for the six month period following the date of the attached report.

Sincerely,

[To be signed]

Tyron Hampton
Treasurer

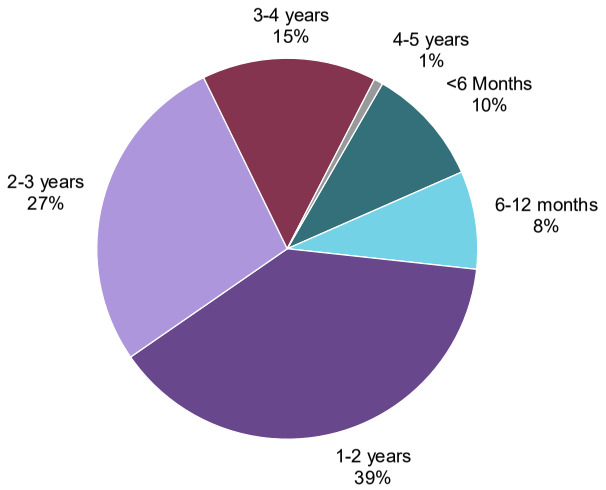
Attachments

Operating Portfolio Investment Guidelines Conformance

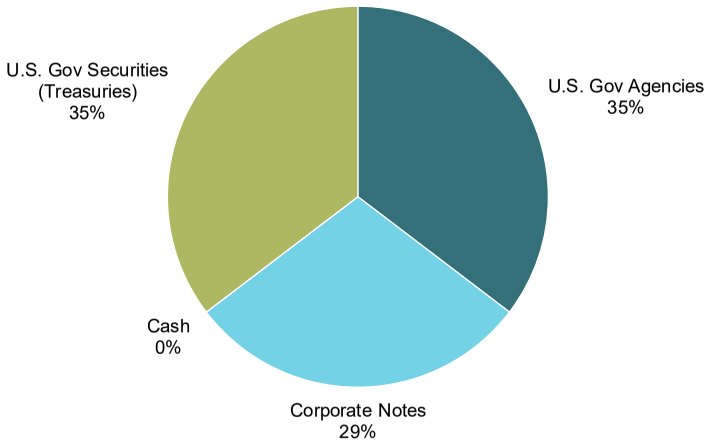
as of June 30, 2023

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.45 Years	70%	35%
Corporate Notes	5 Years	4.30 Years	30%	29%
LAIF	N/A	N/A	$20mil	N/A
Bankers Acceptance	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 year	N/A	10%	N/A
Market Market Fund	N/A	N/A	15%	0%
U.S. Gov Securities (Treasuries)	5 Years	4.00 Years	No Limit	35%

Maturity Distribution



Sector Allocation



Source: Aladdin

There is no guarantee that the investment objective will be achieved or that return expectations will be met.

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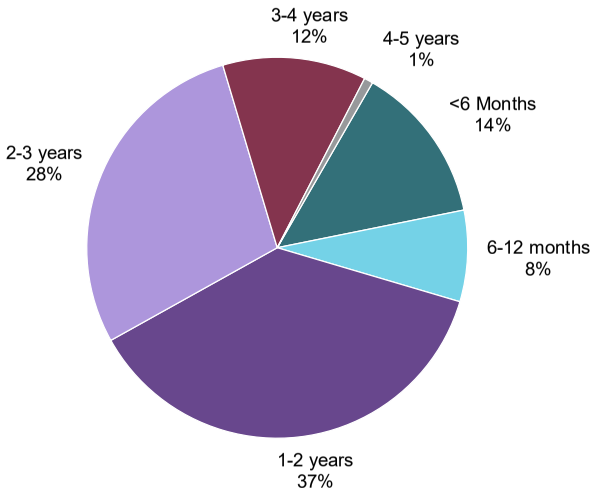
PFC Portfolio Investment Guidelines Conformance

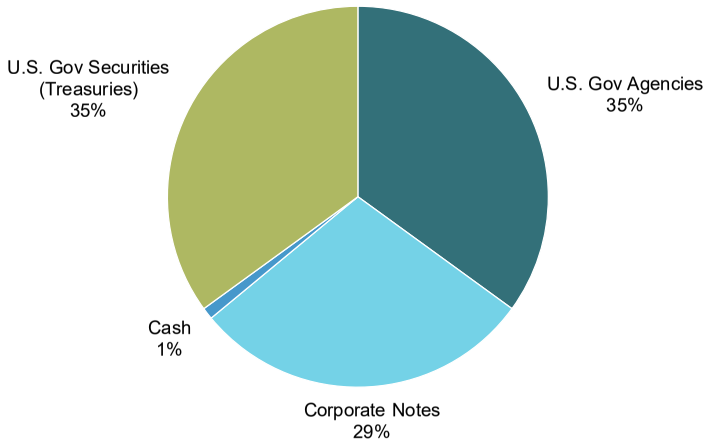
as of June 30, 2023

	Legal Max Maturity	Actual Max Maturity	Policy Maximum	Policy Actual
U.S. Gov Agencies	5 Years	3.45 Years	70%	35%
Corporate Notes	5 Years	4.30 Years	30%	29%
LAIF	N/A	N/A	$20mil	N/A
Bankers Acceptance	6 Months	N/A	15%	N/A
Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Non-Negotiable Certificates of Deposit	5 Years	N/A	15%	N/A
Commercial Paper	270 Days	N/A	15%	N/A
Repurchase Agreements	1 year	N/A	10%	N/A
Market Market Fund	N/A	N/A	15%	1%
U.S. Gov Securities (Treasuries)	5 Years	4.00 Years	No Limit	35%

Maturity Distribution



Sector Allocation



Source: Aladdin

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Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 06/30/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
06/30/23	Dreyfus Treasury	BAXB9MM47	0.000	06/30/23	06/30/23	$ 1,048,565	$ 1,048,565	$ 1,048,565	$ -	5.32%	0	0.40%
03/14/22	FNMA	3135G05G4	0.250	07/10/23	07/10/23	4,000,000	3,929,320	3,996,267	66,947	3.61%	10	1.53%
01/11/23	Bank of America Corp	06051GLA5	4.830	07/22/26	07/22/23	2,300,000	2,271,572	2,259,589	(11,983)	6.09%	22	0.86%
01/31/22	Treasury Note	91282CCN9	0.130	07/31/23	07/31/23	4,500,000	4,432,793	4,481,910	49,117	4.84%	31	1.72%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	08/04/23	2,625,000	2,344,402	2,339,453	(4,949)	5.70%	35	0.90%
02/24/22	3M Co	88579YBE0	1.710	02/14/24	08/14/23	1,625,000	1,628,055	1,622,351	(5,704)	6.21%	45	0.62%
03/03/22	Truist Financial Corp	89788MAF9	2.285	06/09/25	09/22/23	2,100,000	2,089,173	2,029,713	(59,460)	7.50%	84	0.78%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	5,050,000	5,296,103	5,024,621	(271,482)	5.37%	74	1.92%
07/31/19	Treasury Note	9128285D8	2.875	09/30/23	09/30/23	6,775,000	7,065,870	6,733,198	(332,672)	5.32%	92	2.58%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	10/18/23	2,300,000	2,354,302	2,325,162	(29,140)	5.98%	110	0.89%
03/16/20	Treasury Note	9128285P1	2.875	11/30/23	11/30/23	3,200,000	3,479,090	3,167,264	(311,826)	5.36%	153	1.21%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	2,250,000	2,321,258	2,223,553	(97,705)	5.79%	207	0.85%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	1,750,000	1,882,594	1,725,188	(157,406)	5.99%	227	0.66%
12/10/21	Treasury Note	91282CBM2	0.130	02/15/24	02/15/24	5,500,000	5,355,021	5,323,615	(31,406)	5.39%	230	2.04%
06/27/23	FHLB	3130ARHG9	2.130	02/28/24	02/28/24	3,850,000	3,766,506	3,764,489	(2,017)	5.59%	243	1.44%
04/10/21	Metlife Inc	59156RBH0	3.600	04/10/24	04/10/24	1,750,000	1,897,945	1,722,156	(175,789)	5.71%	285	0.66%
06/22/20	Comcast Corporation	20030NCR0	3.700	04/15/24	04/15/24	1,800,000	1,972,081	1,772,839	(199,242)	5.67%	290	0.68%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	2,000,000	2,144,538	1,958,734	(185,804)	5.85%	320	0.75%
01/18/22	Target Corporation	87612EBD7	3.500	07/01/24	07/01/24	1,750,000	1,831,278	1,718,115	(113,163)	5.39%	367	0.66%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	1,900,000	2,025,714	1,850,030	(175,684)	5.46%	392	0.71%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	1,600,000	1,646,699	1,546,816	(99,883)	5.38%	412	0.59%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	13,000,000	13,567,227	12,490,660	(1,076,567)	5.38%	428	4.78%
05/20/21	United Parcel Service	911312BT2	2.200	09/01/24	09/01/24	1,571,000	1,637,949	1,514,350	(123,599)	5.42%	429	0.58%
06/20/23	FFCB	3133EPDE2	5.380	09/09/24	09/09/24	6,500,000	6,511,850	6,494,930	(16,920)	5.44%	437	2.49%
02/12/20	PNC Funding Corp	69353REF1	3.300	10/30/24	10/30/24	2,000,000	2,150,631	1,929,960	(220,671)	6.07%	488	0.74%
01/27/22	FHLB	3130A3GE8	2.750	12/13/24	12/13/24	2,200,000	2,281,046	2,121,064	(159,982)	5.35%	532	0.81%
01/27/22	Treasury Note	91282CDN8	1.000	12/15/24	12/15/24	2,000,000	1,977,266	1,882,260	(95,006)	5.24%	534	0.72%
06/25/20	Wisconsin Electric Power Company	976656CL0	2.050	12/15/24	12/15/24	1,450,000	1,518,887	1,377,109	(141,778)	5.69%	534	0.53%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	1,540,000	1,536,535	1,446,768	(89,767)	5.33%	556	0.55%
12/10/21	Federal National Mortgage Association	3135G0X24	1.630	01/07/25	01/07/25	1,500,000	1,527,600	1,422,420	(105,180)	5.21%	557	0.54%
05/11/22	Apple Inc	037833DF4	2.750	01/13/25	01/13/25	1,700,000	1,691,920	1,639,752	(52,168)	5.18%	563	0.63%
03/29/21	US Bank NA/Cincinnati	90331HPL1	2.050	01/21/25	01/21/25	2,000,000	2,069,895	1,886,200	(183,695)	5.93%	571	0.72%
09/15/22	Merck & Co Inc	58933YAR6	2.750	02/10/25	02/10/25	1,825,000	1,770,464	1,758,497	(11,967)	5.13%	591	0.67%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 06/30/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
10/01/20	FHLMC Reference Note	3137EAEP0	1.500	02/12/25	02/12/25	7,000,000	7,082,816	6,612,830	(469,986)	5.11%	593	2.53%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,750,000	1,753,833	1,654,678	(99,155)	5.23%	606	0.63%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	1,825,000	1,939,204	1,752,785	(186,419)	5.19%	615	0.67%
08/05/20	FHLB	3130A4CH3	2.380	03/14/25	03/14/25	250,000	273,060	238,545	(34,515)	5.22%	623	0.09%
08/05/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	1,875,000	2,048,908	1,813,725	(235,183)	5.17%	624	0.69%
05/12/20	Intel Corp	458140BP4	3.400	03/25/25	03/25/25	1,000,000	1,106,180	969,630	(136,550)	5.25%	634	0.37%
09/30/21	Treasury Note	912828ZF0	0.050	03/31/25	03/31/25	2,300,000	2,287,242	2,127,408	(159,834)	5.03%	640	0.81%
05/05/20	Florida Power & Light Company	341081FZ5	2.850	04/01/25	04/01/25	1,000,000	1,086,930	961,550	(125,380)	5.17%	641	0.37%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	250,000	274,895	241,958	(32,937)	5.19%	641	0.09%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	7,000,000	7,032,434	6,465,270	(567,164)	5.02%	654	2.47%
05/04/22	Home Depot Inc	437076CM2	2.700	04/15/25	04/15/25	1,800,000	1,770,312	1,727,802	(42,510)	5.07%	655	0.66%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	9,500,000	9,317,379	8,785,980	(531,399)	5.02%	662	3.36%
06/06/22	Caterpillar Financial Services	14913R2V8	3.400	05/13/25	05/13/25	1,800,000	1,801,335	1,743,912	(57,423)	5.17%	683	0.67%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	1,400,000	1,514,257	1,361,388	(152,869)	5.06%	685	0.52%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	1,700,000	1,751,887	1,649,595	(102,292)	5.11%	690	0.63%
12/15/21	Pfizer Inc	717081EX7	0.800	05/28/25	05/28/25	2,000,000	1,956,882	1,848,840	(108,042)	5.00%	698	0.71%
06/15/22	Cisco Systems Inc	17275RAW2	3.500	06/15/25	06/15/25	1,400,000	1,388,338	1,359,022	(29,316)	5.09%	716	0.52%
08/05/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	10,000,000	9,874,566	9,132,800	(741,766)	4.85%	731	3.50%
09/30/22	Treasury Note	91282CEY3	3.000	07/15/25	07/15/25	5,000,000	4,843,262	4,818,750	(24,512)	4.89%	746	1.84%
11/19/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	625,000	690,233	607,219	(83,014)	5.16%	760	0.23%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	2,000,000	2,225,136	1,934,180	(290,956)	5.20%	780	0.74%
09/25/20	FNMA Benchmark Note	3135G05X7	0.375	08/25/25	08/25/25	3,500,000	3,493,350	3,180,730	(312,620)	4.89%	787	1.22%
06/14/22	Burlington Northern Santa Fe LLC	12189LAY7	3.650	09/01/25	09/01/25	1,375,000	1,360,702	1,333,791	(26,911)	5.12%	794	0.51%
09/08/22	John Deere Capital Corp	24422EWJ4	4.050	09/08/25	09/08/25	1,900,000	1,899,060	1,859,169	(39,891)	5.10%	801	0.71%
09/29/22	FFCB	3133ENP5	4.250	09/30/25	09/30/25	7,000,000	6,978,380	6,905,220	(73,160)	4.89%	823	2.64%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	12,000,000	11,848,980	10,874,640	(974,340)	4.76%	861	4.16%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	1,784,000	1,840,277	1,731,889	(108,388)	4.78%	930	0.66%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,750,000	1,582,610	1,565,323	(17,287)	5.12%	943	0.60%
12/23/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	10,000,000	9,073,164	8,983,600	(89,564)	4.59%	974	3.44%
01/19/23	FHLB	3130ALHH0	0.960	03/05/26	03/05/26	3,900,000	3,541,043	3,517,293	(23,750)	4.91%	979	1.35%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	1,975,000	1,990,956	1,805,841	(185,115)	4.93%	984	0.69%
02/17/23	FHLB	3130AUU36	4.130	03/13/26	03/13/26	7,250,000	7,189,318	7,147,920	(41,398)	4.68%	987	2.74%
05/17/23	Loews Corporation	540424AS7	3.750	04/01/26	04/01/26	1,500,000	1,470,312	1,454,550	(15,762)	4.94%	1006	0.56%

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Investments
As of 06/30/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	1,625,000	1,672,301	1,514,273	(158,028)	5.21%	1036	0.58%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	1,000,000	1,051,761	921,300	(130,461)	4.55%	1169	0.35%
05/16/23	Public Service Electric And Gas	74456QBR6	2.250	09/15/26	09/15/26	1,225,000	1,140,325	1,126,363	(13,962)	5.00%	1173	0.43%
03/01/23	Pepsico Inc.	713448DN5	2.380	10/06/26	10/06/26	1,100,000	1,012,440	1,032,141	19,701	4.42%	1194	0.40%
02/09/23	Treasury Note	912828U24	2.000	11/15/26	11/15/26	10,000,000	9,353,945	9,250,800	(103,145)	4.41%	1234	3.54%
06/28/23	Duke Energy Carolinas	26442CAS3	2.950	12/01/26	12/01/26	1,000,000	944,819	939,700	(5,119)	4.89%	1250	0.36%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	3,800,000	3,910,845	3,512,415	(398,430)	4.52%	1260	1.34%
01/31/23	Treasury Note	912828ZE3	0.630	03/31/27	03/31/27	10,000,000	8,842,265	8,731,299	(110,966)	4.32%	1370	3.34%
05/11/23	Chevron Corp	166764BX7	2.300	05/11/27	05/11/27	2,000,000	1,844,151	1,817,419	(26,732)	4.60%	1411	0.70%
03/15/23	Treasury Note	912828ZV5	0.500	06/30/27	06/30/27	10,000,000	8,761,015	8,620,299	(140,716)	4.29%	1461	3.30%
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	2,000,000	1,863,019	1,856,539	(6,480)	4.82%	1568	0.71%
		Subtotal				**$ 256,118,565**	**$ 253,708,276**	**$ 242,087,979**	**$ (11,620,297)**	**5.05%**	**674**	**92.66%**
	Local Agency Investment Fund (LAIF)					19,449,547	19,449,547	19,186,977	(262,570)	2.99%	258	7.34%
		Subtotal				**$ 275,568,112**	**$ 273,157,823**	**$ 261,274,956**	**$ (11,882,867)**	**4.88%**	**643**	**100.00%**
	Operatng Bank Balance						6,410,767					
		TOTAL					**$ 279,568,590**					

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Statement of Purchases - Maturities - Sales
As of 06/30/23

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
06/01/23	Chevron Corp	166764BX7	2.300	05/11/27	$ 800,000.00	91.75100	$ 734,008.00	$ (1,064.00)
06/01/23	Morgan Stanley	61747YEX9	6.140	10/16/26	250,000.00	102.35400	255,885.00	(2,088.63)
06/15/23	Treasury Note	912828ZW3	0.250	06/30/25	1,000,000.00	91.65234	916,523.44	(1,153.31)
06/15/23	Treasury Note	91282CBQ3	0.500	02/28/26	1,000,000.00	90.27734	902,773.44	(1,467.39)
06/15/23	Treasury Note	912828ZV5	0.500	06/30/27	1,000,000.00	86.77734	867,773.44	(2,306.63)
06/15/23	Treasury Note	912828ZE3	0.630	03/31/27	1,000,000.00	87.87110	878,711.00	(1,314.89)
06/15/23	Treasury Note	912828U24	2.000	11/15/26	1,000,000.00	93.09380	930,938.00	(1,739.13)
06/15/23	Treasury Note	91282CEY3	3.000	07/15/25	1,000,000.00	96.83200	968,320.00	(12,596.69)
06/20/23	FFCB	3133EPDE2	5.380	09/09/24	6,500,000.00	100.18231	6,511,850.09	(98,989.58)
06/27/23	Bank of America Corp	06051GLA5	4.830	07/22/26	200,000.00	98.44700	196,894.00	(4,210.22)
06/27/23	FHLB	3130ARHG9	2.130	02/28/24	3,850,000.00	97.83131	3,766,505.50	(27,270.83)
06/27/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	150,000.00	89.24500	133,867.50	(628.33)
06/27/23	Loews Corporation	540424AS7	3.750	04/01/26	300,000.00	97.15600	291,468.00	(2,750.00)
06/27/23	Morgan Stanley	61747YEX9	6.140	10/16/26	400,000.00	101.31100	405,244.00	(4,978.60)
06/27/23	Prudential Financial Inc	74432QCH6	1.500	03/10/26	100,000.00	91.35900	91,359.00	(454.17)
06/27/23	Treasury Note	91282CBM2	0.130	02/15/24	3,775,000.00	96.75390	3,652,459.68	(1,733.68)
06/27/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	200,000.00	93.00800	186,016.00	(1,212.78)
06/28/23	Chevron Corp	166764BX7	2.300	05/11/27	400,000.00	91.08400	364,336.00	(1,086.17)
06/28/23	Duke Energy Carolinas	26442CAS3	2.950	12/01/26	1,000,000.00	94.48200	944,820.00	(2,376.39)
06/28/23	John Deere Capital Corp	24422EWJ4	4.050	09/08/25	100,000.00	98.08000	98,080.00	(1,260.00)
TOTAL PURCHASES					**$ 24,025,000.00**		**$ 23,097,832.09**	**$ (170,681.42)**

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	$ 1,250,000.00	98.72685	$ 1,234,085.63	$ 15,914.37
08/10/22	Treasury Note	912828ZU7	0.250	06/15/23	5,500,000.00	97.53196	5,364,258.00	135,742.00
02/19/20	Federal Home Loan Mortgage Corp	3137EAEN5	2.750	06/19/23	6,250,000.00	107.48890	6,718,056.00	(468,056.00)
							-	-
							-	-
TOTAL MATURITIES					**$ 13,000,000.00**		**$ 13,316,399.63**	**$ (316,399.63)**

SALES / REDEMPTIONS / DELIVERS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
								$ -		$ -
								-		-
								-		-
								-		-
								-		-
						$ -		**$ -**	**$ -**	**$ -**

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
06/01/23-06/30/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FIXED INCOME										
Simon Property Group LP	NOTE	2.750	06/01/23	-	-	-	-	-	-	-
Treasury Note	NOTE	0.250	06/15/23	6,346.15	6,875.00	-	-	528.85	-	528.85
Federal Home Loan Mortgage Corp	NOTE	2.750	06/19/23	77,343.75	85,937.50	-	-	8,593.75	-	8,593.75
FNMA	NOTE	0.250	07/10/23	3,916.67	-	-	4,750.00	833.33	4,464.00	5,297.33
Treasury Note	NOTE	0.130	07/31/23	1,880.18	-	-	2,346.34	466.16	3,822.22	4,288.38
FNMA	NOTE	2.875	09/12/23	31,860.59	-	-	43,959.55	12,098.96	(5,735.95)	6,363.01
Treasury Note	NOTE	2.875	09/30/23	32,995.73	-	-	48,961.41	15,965.68	(6,011.91)	9,953.77
Treasury Note	NOTE	2.875	11/30/23	251.37	-	-	7,792.35	7,540.98	(6,296.95)	1,244.03
Citibank NA	NOTE	3.650	01/23/24	29,200.00	-	-	36,043.75	6,843.75	(1,508.54)	5,335.21
IBM Corp	NOTE	3.625	02/12/24	19,207.47	-	-	24,493.92	5,286.45	(3,947.44)	1,339.01
3M Co	NOTE	1.710	02/14/24	4,313.11	-	-	11,924.49	7,611.38	(142.98)	7,468.40
Treasury Note	NOTE	0.130	02/15/24	631.39	-	1,733.68	2,582.87	217.80	2,432.37	2,650.17
FHLB	NOTE	2.130	02/28/24	-	-	27,270.83	27,952.60	681.77	1,043.68	1,725.45
Metlife Inc	NOTE	3.600	04/10/24	8,925.00	-	-	14,175.00	5,250.00	(4,306.21)	943.79
Comcast Corporation	NOTE	3.700	04/15/24	8,510.00	-	-	14,060.00	5,550.00	(3,917.51)	1,632.49
Bank of New York Mellon Corp	NOTE	3.400	05/15/24	3,022.22	-	-	8,688.89	5,666.67	(4,010.27)	1,656.40
Target Corporation	NOTE	3.500	07/01/24	25,520.83	30,625.00	-	-	5,104.17	(2,754.44)	2,349.73
Bristol-Myers Squibb Co	NOTE	2.900	07/26/24	19,131.94	-	-	23,723.61	4,591.67	(2,860.90)	1,730.77
Honeywell International Inc	NOTE	2.300	08/15/24	10,835.56	-	-	13,902.22	3,066.66	(920.81)	2,145.85
Treasury Note	NOTE	1.875	08/31/24	61,599.86	-	-	81,470.79	19,870.93	(14,707.69)	5,163.24
United Parcel Service	NOTE	2.200	09/01/24	8,640.50	-	-	11,520.67	2,880.17	(1,779.13)	1,101.04
FFCB	NOTE	5.380	09/09/24	-	-	98,989.58	108,694.44	9,704.86	(270.55)	9,434.31
PNC Funding Corp	NOTE	3.300	10/30/24	5,683.33	-	-	11,183.33	5,500.00	(3,534.55)	1,965.45
FHLB	NOTE	2.750	12/13/24	28,233.33	30,250.00	-	3,025.00	5,041.67	(2,349.15)	2,692.52
Treasury Note	NOTE	1.000	12/15/24	9,230.77	10,000.00	-	874.32	1,643.55	648.32	2,291.87
Wisconsin Electric Power Company	NOTE	2.050	12/15/24	13,706.53	14,862.50	-	1,321.11	2,477.08	(1,336.93)	1,140.15
FFCB	NOTE	1.130	01/06/25	6,978.13	-	-	8,421.88	1,443.75	96.70	1,540.45
Federal National Mortgage Association	NOTE	1.630	01/07/25	9,750.00	-	-	11,781.25	2,031.25	(750.00)	1,281.25
Apple Inc	NOTE	2.750	01/13/25	17,920.83	-	-	21,816.67	3,895.84	252.50	4,148.34
US Bank NA/Cincinnati	NOTE	2.050	01/21/25	14,805.56	-	-	18,222.22	3,416.66	(1,582.58)	1,834.08
Merck & Co Inc	NOTE	2.750	02/10/25	15,474.48	-	-	19,656.77	4,182.29	1,900.21	6,082.50
FHLMC Reference Note	NOTE	1.500	02/12/25	31,791.67	-	-	40,541.67	8,750.00	(2,042.08)	6,707.92
FFCB	NOTE	1.750	02/25/25	8,166.67	-	-	10,718.75	2,552.08	(107.65)	2,444.43

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
06/01/23-06/30/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Exxon Mobil Corp	NOTE	2.709	03/06/25	11,673.16	-	-	15,793.09	4,119.93	(2,315.40)	1,804.53
FHLB	NOTE	2.380	03/14/25	1,269.97	-	-	1,764.76	494.79	(417.25)	77.54
Ace InA Holdings Inc	NOTE	3.150	03/15/25	12,468.75	-	-	17,390.63	4,921.88	(3,304.31)	1,617.57
Intel Corp	NOTE	3.400	03/25/25	6,233.33	-	-	9,066.67	2,833.34	(1,810.58)	1,022.76
Treasury Note	NOTE	0.050	03/31/25	1,948.09	-	-	2,890.71	942.62	299.71	1,242.33
Florida Power & Light Company	NOTE	2.850	04/01/25	4,750.00	-	-	7,125.00	2,375.00	(1,471.36)	903.64
General Dynamics Corporation	NOTE	3.250	04/01/25	1,354.17	-	-	2,031.25	677.08	(502.51)	174.57
Federal Home Loan Banks	NOTE	0.500	04/14/25	4,569.44	-	-	7,486.11	2,916.67	(603.36)	2,313.31
Home Depot Inc	NOTE	2.700	04/15/25	6,210.00	-	-	10,260.00	4,050.00	874.48	4,924.48
FNMA	NOTE	0.630	04/22/25	6,432.29	-	-	11,380.21	4,947.92	5,075.00	10,022.92
Caterpillar Financial Services	NOTE	3.400	05/13/25	3,060.00	-	-	8,160.00	5,100.00	(22.84)	5,077.16
General Dynamics Corporation	NOTE	3.500	05/15/25	2,177.78	-	-	6,261.11	4,083.33	(2,327.83)	1,755.50
Qualcomm Incorporated	NOTE	3.450	05/20/25	1,792.08	-	-	6,679.58	4,887.50	(1,297.51)	3,589.99
Pfizer Inc	NOTE	0.800	05/28/25	133.33	-	-	1,466.67	1,333.34	1,121.44	2,454.78
Truist Financial Corp	NOTE	2.285	06/09/25	25,797.26	28,376.66	-	6,463.47	9,042.87	-	9,042.87
Cisco Systems Inc	NOTE	3.500	06/15/25	22,594.44	24,500.00	-	2,177.78	4,083.34	338.12	4,421.46
Treasury Note	NOTE	0.250	06/30/25	9,447.51	12,500.00	1,153.31	67.93	1,967.11	2,431.35	4,398.46
Treasury Note	NOTE	3.000	07/15/25	45,414.36	-	12,596.69	69,198.90	11,187.85	4,447.56	15,635.41
Intel Corp	NOTE	3.700	07/29/25	7,836.81	-	-	9,763.89	1,927.08	(1,231.79)	695.29
State Street Corporation	NOTE	3.550	08/18/25	20,313.89	-	-	26,230.56	5,916.67	(3,993.26)	1,923.41
FNMA Benchmark Note	NOTE	0.375	08/25/25	3,500.00	-	-	4,593.75	1,093.75	112.90	1,206.65
Burlington Northern Santa Fe LLC	NOTE	3.650	09/01/25	12,546.88	-	-	16,729.17	4,182.29	379.08	4,561.37
John Deere Capital Corp	NOTE	4.050	09/08/25	16,807.50	-	1,260.00	24,153.75	6,086.25	(24.27)	6,061.98
FFCB	NOTE	4.250	09/30/25	50,409.72	-	-	75,201.39	24,791.67	606.26	25,397.93
FNMA Benchmark Note	NOTE	0.500	11/07/25	4,000.00	-	-	9,000.00	5,000.00	3,189.17	8,189.17
Lockheed Martin Corporation	NOTE	3.550	01/15/26	23,925.42	-	-	29,203.09	5,277.67	(979.50)	4,298.17
FHLB	NOTE	0.700	01/28/26	4,185.42	-	-	5,206.25	1,020.83	4,615.53	5,636.36
Treasury Note	NOTE	0.500	02/28/26	11,372.28	-	1,467.39	16,711.96	3,872.29	25,393.69	29,265.98
FHLB	NOTE	0.960	03/05/26	8,944.00	-	-	12,064.00	3,120.00	9,572.19	12,692.19
Prudential Financial Inc	NOTE	1.500	03/10/26	6,328.13	-	454.17	9,134.38	2,352.08	(434.45)	1,917.63
FHLB	NOTE	4.130	03/13/26	93,872.40	-	-	118,794.27	24,921.87	1,651.97	26,573.84
Loews Corporation	NOTE	3.750	04/01/26	7,500.00	-	2,750.00	14,062.50	3,812.50	632.20	4,444.70
Sierra Pacific Power	NOTE	2.600	05/01/26	3,520.83	-	-	7,041.67	3,520.84	(841.90)	2,678.94
Bank of America Corp	NOTE	4.830	07/22/26	36,323.18	-	4,210.22	49,034.28	8,500.88	649.96	9,150.84

Burbank-Glendale-Pasadena Airport Authority - Operating Account
Earnings Report
06/01/23-06/30/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FHLB	NOTE	1.880	09/11/26	4,166.67	-	-	5,729.17	1,562.50	(864.12)	698.38
Public Service Electric And Gas	NOTE	2.250	09/15/26	5,818.75	-	-	8,115.63	2,296.88	2,122.83	4,419.71
Pepsico Inc.	NOTE	2.380	10/06/26	3,991.32	-	-	6,168.40	2,177.08	2,031.55	4,208.63
Morgan Stanley	NOTE	6.140	10/16/26	12,659.63	(170.54)	7,067.23	29,411.25	9,513.85	(1,130.77)	8,383.08
Treasury Note	NOTE	2.000	11/15/26	8,315.22	-	1,739.13	25,543.48	15,489.13	13,853.76	29,342.89
Duke Energy Carolinas	NOTE	2.950	12/01/26	-	-	2,376.39	2,458.33	81.94	44.83	126.77
FHLB	NOTE	2.130	12/11/26	38,131.94	40,375.00	-	4,486.11	6,729.17	(1,881.94)	4,847.23
JP Morgan Chase & CO	NOTE	1.040	02/04/27	8,365.50	-	628.33	11,147.50	2,153.67	5,729.84	7,883.51
Treasury Note	NOTE	0.630	03/31/27	9,528.69	-	1,314.89	15,710.38	4,866.80	22,340.67	27,207.47
Chevron Corp	NOTE	2.300	05/11/27	886.67	-	2,150.17	5,541.67	2,504.83	2,369.50	4,874.33
Treasury Note	NOTE	0.500	06/30/27	18,895.03	25,000.00	2,306.63	135.87	3,934.21	22,899.36	26,833.57
Unitedhealth Group Inc	NOTE	2.950	10/15/27	6,785.00	-	1,212.78	12,455.56	4,457.78	2,274.23	6,732.01
	Subtotal			**$1,112,130.46**	**$ 309,131.12**	**$ 170,681.42**	**$1,374,098.00**	**$ 400,417.24**	**$ 53,388.01**	**$ 453,805.25**
CASH EQUIVALENTS										
Dreyfus Treasury				-	30,170.03	-	-	30,170.03	-	30,170.03
	Subtotal			**$ -**	**$ 30,170.03**	**$ -**	**$ -**	**$ 30,170.03**	**$ -**	**$ 30,170.03**
LAIF										
Local Agency Investment Fund				95,166.70	-	-	162,568.56	67,401.86	-	67,401.86
	TOTAL			**$1,207,297.16**	**$ 339,301.15**	**$ 170,681.42**	**$1,536,666.56**	**$ 497,989.13**	**$ 53,388.01**	**$ 551,377.14**

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 06/30/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
06/30/23	Dreyfus Trsy Sec CM Investor	09248U718	0.000	06/30/23	06/30/23	$ 305,724	$ 305,724	$ 305,724	$ -	5.32%	0	0.55%
03/14/22	FNMA	3135G05G4	0.250	07/10/23	07/10/23	1,200,000	1,178,796	1,198,880	20,084	3.61%	10	2.15%
01/11/23	Bank of America Corp	06051GLA5	4.830	07/22/26	07/22/23	495,000	490,179	486,303	(3,876)	6.09%	22	0.87%
01/31/22	Treasury Note	91282CCN9	0.130	07/31/23	07/31/23	2,000,000	1,971,406	1,991,960	20,554	4.84%	31	3.57%
01/25/23	JP Morgan Chase & CO	46647PBW5	1.040	02/04/27	08/04/23	600,000	533,574	534,732	1,158	5.70%	35	0.96%
02/24/22	3M Co	88579YBE0	1.710	02/14/24	08/14/23	375,000	375,705	374,389	(1,316)	6.21%	45	0.67%
01/21/20	FNMA	3135G0U43	2.875	09/12/23	09/12/23	1,400,000	1,464,189	1,392,964	(71,225)	5.37%	74	2.50%
03/03/22	Truist Financial Corp	89788MAF9	2.280	06/09/25	09/22/23	500,000	497,792	483,265	(14,527)	7.50%	84	0.87%
07/31/19	Treasury Note	9128285D8	2.875	09/30/23	09/30/23	1,875,000	1,959,890	1,863,431	(96,459)	5.32%	92	3.34%
12/23/22	Morgan Stanley	61747YEX9	6.140	10/16/26	10/18/23	525,000	538,418	530,744	(7,674)	5.98%	110	0.95%
02/19/20	Treasury Note	9128285P1	2.875	11/30/23	11/30/23	800,000	856,141	791,816	(64,325)	5.36%	153	1.42%
03/20/19	Citibank NA	17325FAS7	3.650	01/23/24	01/23/24	550,000	557,000	543,535	(13,465)	5.79%	207	0.97%
03/26/21	IBM Corp	459200HU8	3.625	02/12/24	02/12/24	410,000	441,862	404,187	(37,675)	5.99%	227	0.72%
04/30/21	Treasury Note	91282CBM2	0.125	02/15/24	02/15/24	1,750,000	1,737,221	1,693,878	(43,343)	5.39%	230	3.04%
04/26/21	Metlife Inc	59156RBH0	3.600	04/10/24	04/10/24	425,000	460,084	418,238	(41,846)	5.71%	285	0.75%
09/25/20	Comcast Corporation	20030NCR0	3.700	04/15/24	04/15/24	425,000	465,452	418,587	(46,865)	5.67%	290	0.75%
03/16/21	Bank of New York Mellon Corp	06406HCV9	3.400	05/15/24	05/15/24	475,000	510,244	465,199	(45,045)	5.85%	320	0.83%
01/18/22	Target Corporation	87612EBD7	3.500	07/01/24	07/01/24	425,000	446,008	417,257	(28,751)	5.39%	367	0.75%
11/03/20	Bristol-Myers Squibb Co	110122CM8	2.900	07/26/24	07/26/24	450,000	480,768	438,165	(42,603)	2.90%	392	0.79%
10/31/19	Honeywell International Inc	438516BW5	2.300	08/15/24	08/15/24	390,000	399,138	377,036	(22,102)	5.38%	412	0.68%
06/30/21	Treasury Note	9128282U3	1.875	08/31/24	08/31/24	1,600,000	1,669,813	1,537,312	(132,501)	5.38%	428	2.76%
05/20/21	United Parcel Service	911312BT2	2.200	09/01/24	09/01/24	374,000	391,124	360,514	(30,610)	2.20%	429	0.65%
02/12/20	PNC Funding Corp	69353REF1	3.300	10/30/24	10/30/24	325,000	345,449	313,619	(31,830)	6.07%	488	0.56%
09/24/20	Wisconsin Electric Power Company	976656CL0	2.050	12/15/24	12/15/24	350,000	368,382	332,406	(35,976)	5.69%	534	0.60%
01/06/22	FFCB	3133ENKS8	1.130	01/06/25	01/06/25	460,000	458,965	432,152	(26,813)	5.33%	556	0.78%
12/10/21	FNMA	3135G0X24	1.630	01/07/25	01/07/25	1,750,000	1,782,200	1,659,490	(122,710)	5.21%	557	2.98%
05/11/22	Apple Inc	037833DF4	2.750	01/13/25	01/13/25	425,000	422,980	409,938	(13,042)	5.18%	563	0.74%
02/17/22	US Bank NA/Cincinnati	90331HPL1	2.050	01/21/25	01/21/25	475,000	475,751	447,973	(27,778)	5.93%	571	0.80%
09/15/22	Merck & Co Inc	58933YAR6	2.750	02/10/25	02/10/25	434,000	421,031	418,185	(2,846)	5.13%	591	0.75%
01/06/22	FHLMC Reference Note	3137EAEP0	1.500	02/12/25	02/12/25	1,750,000	1,765,705	1,653,208	(112,497)	5.11%	593	2.97%
03/04/22	FFCB	3133ENPY0	1.750	02/25/25	02/25/25	1,250,000	1,252,738	1,181,913	(70,825)	5.23%	606	2.12%
12/22/20	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	03/06/25	450,000	474,519	432,194	(42,325)	5.19%	615	0.78%
11/03/20	Ace InA Holdings Inc	00440EAS6	3.150	03/15/25	03/15/25	435,000	474,791	420,784	(54,007)	5.17%	624	0.75%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 06/30/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
09/30/21	Treasury Note	912828ZF0	0.050	03/31/25	03/31/25	1,600,000	1,591,125	1,479,936	(111,189)	5.03%	640	2.65%
02/12/21	General Dynamics Corporation	369550BK3	3.250	04/01/25	04/01/25	50,000	54,979	48,392	(6,587)	5.19%	641	0.09%
09/28/20	Federal Home Loan Banks	3130AJHU6	0.500	04/14/25	04/14/25	1,450,000	1,453,984	1,339,235	(114,749)	5.02%	654	2.40%
05/04/22	Home Depot Inc	437076CM2	2.700	04/15/25	04/15/25	425,000	418,714	407,953	(10,761)	5.07%	655	0.73%
12/01/21	FNMA	3135G03U5	0.630	04/22/25	04/22/25	1,225,000	1,190,032	1,132,929	(57,103)	5.02%	662	2.03%
06/06/22	Caterpillar Financial Services	14913R2V8	3.400	05/13/25	05/13/25	425,000	426,632	411,757	(14,875)	5.17%	683	0.74%
05/11/21	General Dynamics Corporation	369550BG2	3.500	05/15/25	05/15/25	350,000	380,073	340,347	(39,726)	5.06%	685	0.61%
02/10/22	Qualcomm Incorporated	747525AF0	3.450	05/20/25	05/20/25	400,000	412,594	388,140	(24,454)	5.11%	690	0.70%
12/15/21	Pfizer Inc	717081EX7	0.800	05/28/25	05/28/25	475,000	466,704	439,100	(27,604)	5.00%	698	0.79%
06/15/22	Cisco Systems Inc	17275RAW2	3.500	06/15/25	06/15/25	400,000	397,604	388,292	(9,312)	5.09%	716	0.70%
09/01/22	Treasury Note	91282CEU1	2.875	06/15/25	06/15/25	1,600,000	1,571,813	1,539,120	(32,693)	4.94%	716	2.76%
11/17/20	Treasury Note	912828ZW3	0.250	06/30/25	06/30/25	1,750,000	1,710,434	1,598,240	(112,194)	4.85%	731	2.87%
09/30/22	Treasury Note	91282CEY3	3.000	07/15/25	07/15/25	1,200,000	1,162,125	1,156,500	(5,625)	4.89%	746	2.07%
09/25/20	Intel Corp	458140AS9	3.700	07/29/25	07/29/25	400,000	447,035	388,620	(58,415)	5.16%	760	0.70%
09/24/20	State Street Corporation	857477AT0	3.550	08/18/25	08/18/25	475,000	531,317	459,368	(71,949)	5.20%	780	0.82%
06/14/22	Burlington Northern Santa Fe LLC	12189LAY7	3.650	09/01/25	09/01/25	325,000	322,095	315,260	(6,835)	5.12%	794	0.57%
09/08/22	John Deere Capital Corp	24422EWJ4	4.050	09/08/25	09/08/25	425,000	425,519	415,867	(9,652)	5.10%	801	0.75%
10/11/22	FFCB	3133ENP5	4.250	09/30/25	09/30/25	1,000,000	995,940	986,460	(9,480)	4.89%	823	1.77%
11/17/20	FNMA Benchmark Note	3135G06G3	0.500	11/07/25	11/07/25	3,155,000	3,140,117	2,859,124	(280,993)	4.76%	861	5.13%
06/30/21	Lockheed Martin Corporation	539830BH1	3.550	01/15/26	01/15/26	415,000	432,814	402,878	(29,936)	4.78%	930	0.72%
01/19/23	FHLB	3130AKQX7	0.700	01/28/26	01/28/26	1,050,000	949,566	939,194	(10,372)	5.12%	943	1.68%
12/06/22	Treasury Note	91282CBQ3	0.500	02/28/26	02/28/26	1,400,000	1,269,855	1,257,704	(12,151)	4.59%	974	2.26%
06/20/23	FFCB	3133EPCF0	4.500	03/02/26	03/02/26	2,000,000	2,003,788	1,991,060	(12,728)	4.68%	976	3.57%
01/19/23	FHLB	3130ALHH0	0.960	03/05/26	03/05/26	900,000	817,164	811,683	(5,481)	4.91%	979	1.46%
08/30/21	Prudential Financial Inc	74432QCH6	1.500	03/10/26	03/10/26	450,000	455,338	411,458	(43,880)	4.93%	984	0.74%
02/17/23	FHLB	3130AUU36	4.130	03/13/26	03/13/26	1,250,000	1,239,538	1,232,400	(7,138)	4.68%	987	2.21%
05/17/23	Loews Corporation	540424AS7	3.750	04/01/26	04/01/26	300,000	294,711	290,910	(3,801)	4.94%	1006	0.52%
11/29/21	Sierra Pacific Power	826418BM6	2.600	05/01/26	05/01/26	375,000	389,284	349,448	(39,836)	5.21%	1036	0.63%
09/13/21	FHLB	3130A8XY4	1.880	09/11/26	09/11/26	300,000	315,527	276,390	(39,137)	4.55%	1169	0.50%
05/16/23	Public Service Electric And Gas	74456QBR6	2.250	09/15/26	09/15/26	300,000	279,263	275,843	(3,420)	5.00%	1173	0.49%
03/01/23	Pepsico Inc.	713448DN5	2.380	10/06/26	10/06/26	450,000	414,179	422,239	8,060	4.42%	1194	0.76%
05/09/23	Treasury Note	912828U24	2.000	11/15/26	11/15/26	2,100,000	1,986,468	1,942,667	(43,801)	4.41%	1234	3.48%
01/13/22	FHLB	3130A9YY1	2.130	12/11/26	12/11/26	700,000	720,418	647,023	(73,395)	4.52%	1260	1.16%

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Investments
As of 06/30/23

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Eff Mat. Date	Par Value	Purchase Cost	Market Value	Unrealized Gain/Loss	YTM	Days to Eff. Mat.	% Mkt Value
01/31/23	Treasury Note	912828ZE3	0.630	03/01/27	03/01/27	2,250,000	1,984,481	1,964,542	(19,939)	4.32%	1340	3.52%
05/11/23	Chevron Corp	166764BX7	2.000	05/11/27	05/11/27	475,000	442,085	431,636	(10,449)	4.60%	1411	0.77%
03/15/23	Treasury Note	912828ZV5	0.500	06/30/27	06/30/27	1,000,000	875,741	862,029	(13,712)	4.29%	1461	1.55%
02/15/23	Unitedhealth Group Inc	91324PDE9	2.950	10/15/27	10/15/27	450,000	416,654	417,721	1,067	4.82%	1568	0.75%
		Subtotal				**$ 58,748,724**	**$ 58,358,749**	**$ 55,751,443**	**$ (2,607,306)**	**0.049985**	**650.1136**	**100.00%**
	PFC Bank Balance						9,455,747					
		TOTAL					**$ 67,814,496**					

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Statement of Purchases - Maturities - Sales
As of 06/30/23

PURCHASES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Prepaid Interest
06/01/23	Chevron Corp	166764BX7	2.000	05/11/27	$ 50,000.00	91.75100	$ 45,875.50	$ (66.50)
06/01/23	Exxon Mobil Corp	30231GAF9	2.709	03/06/25	50,000.00	96.72500	48,362.50	(334.86)
06/01/23	Morgan Stanley	61747YEX9	6.140	10/16/26	100,000.00	102.35400	102,354.00	(835.45)
06/20/23	FFCB	3133EPCF0	4.500	03/02/26	2,000,000.00	100.18939	2,003,787.78	(27,250.00)
							-	
							-	
							-	
							-	
							-	
							-	
TOTAL PURCHASES					**$ 2,200,000.00**		**$ 2,200,379.78**	**$ (28,486.81)**

MATURITIES

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Par Value	Purchase Price	Purchase Cost	Gain / (Loss)
02/04/19	Simon Property Group LP	828807DD6	2.750	06/01/23	$ 300,000.00	99.44427	$ 298,332.81	$ 1,667.19
02/19/20	FHLMC	3137EAEN5	2.750	06/19/23	1,875,000.00	105.85046	1,984,696.13	(109,696.13)
							-	-
							-	-
							-	-
TOTAL MATURITIES					**$ 2,175,000.00**		**$ 2,283,028.94**	**$ (108,028.94)**

SALES / REDEMPTIONS / DELIVERS

Purchase Date	Type of Investment	CUSIP	Coupon	Maturity Date	Sale Date	Par Value	Sale Price	Sale Amount	Purchase Cost	Gain / (Loss)
								$ -		$ -
								-		-
								-		-
								-		-
								-		-
						$ -		**$ -**	**$ -**	**$ -**

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
06/01/23-06/30/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
FIXED INCOME										
Simon Property Group LP	NOTE	2.750	06/01/23	-	-	-	-	-	-	-
FHLMC	NOTE	2.750	06/19/23	23,203.13	25,781.25	-	-	2,578.12	-	2,578.12
FNMA	NOTE	0.250	07/10/23	1,175.00	-	-	1,425.00	250.00	1,339.20	1,589.20
Treasury Note	NOTE	0.130	07/31/23	835.64	-	-	1,042.82	207.18	1,604.66	1,811.84
FNMA	NOTE	2.875	09/12/23	8,832.64	-	-	12,186.81	3,354.17	(1,469.98)	1,884.19
Treasury Note	NOTE	2.875	09/30/23	9,131.66	-	-	13,550.20	4,418.54	(1,759.85)	2,658.69
Treasury Note	NOTE	2.875	11/30/23	62.84	-	-	1,948.09	1,885.25	(1,235.80)	649.45
Citibank NA	NOTE	3.650	01/23/24	7,137.78	-	-	8,810.69	1,672.91	(104.45)	1,568.46
IBM Corp	NOTE	3.625	02/12/24	4,500.03	-	-	5,738.58	1,238.55	(980.71)	257.84
Treasury Note	NOTE	0.125	02/15/24	640.54	-	-	821.82	181.28	436.08	617.36
3M Co	NOTE	1.710	02/14/24	995.33	-	-	2,751.81	1,756.48	(33.00)	1,723.48
Metlife Inc	NOTE	3.600	04/10/24	2,167.50	-	-	3,442.50	1,275.00	(1,031.18)	243.82
Comcast Corporation	NOTE	3.700	04/15/24	2,009.31	-	-	3,319.72	1,310.41	(1,025.64)	284.77
Bank of New York Mellon Corp	NOTE	3.400	05/15/24	717.78	-	-	2,063.61	1,345.83	(988.67)	357.16
Target Corporation	NOTE	3.500	07/01/24	6,197.92	7,437.50	-	-	1,239.58	(719.16)	520.42
Bristol-Myers Squibb Co	NOTE	2.900	07/26/24	4,531.25	-	-	5,618.75	1,087.50	(734.97)	352.53
Honeywell International Inc	NOTE	2.300	08/15/24	2,641.17	-	-	3,388.67	747.50	(194.99)	552.51
Treasury Note	NOTE	1.875	08/31/24	7,581.52	-	-	10,027.17	2,445.65	(1,810.18)	635.47
United Parcel Service	NOTE	2.200	09/01/24	2,057.00	-	-	2,742.67	685.67	(478.18)	207.49
PNC Funding Corp	NOTE	3.300	10/30/24	923.54	-	-	1,817.29	893.75	(359.06)	534.69
Wisconsin Electric Power Company	NOTE	2.050	12/15/24	3,308.47	3,587.50	-	318.89	597.92	(377.41)	220.51
FFCB	NOTE	1.130	01/06/25	2,084.38	-	-	2,515.63	431.25	28.88	460.13
FNMA	NOTE	1.630	01/07/25	11,375.00	-	-	13,744.79	2,369.79	(875.00)	1,494.79
Apple Inc	NOTE	2.750	01/13/25	4,480.21	-	-	5,454.17	973.96	63.13	1,037.09
US Bank NA/Cincinnati	NOTE	2.050	01/21/25	3,516.32	-	-	4,327.78	811.46	(21.46)	790.00
Merck & Co Inc	NOTE	2.750	02/10/25	3,679.96	-	-	4,674.54	994.58	451.89	1,446.47
FHLMC Reference Note	NOTE	1.500	02/12/25	7,947.92	-	-	10,135.42	2,187.50	(423.98)	1,763.52
FFCB	NOTE	1.750	02/25/25	5,833.33	-	-	7,656.25	1,822.92	(76.90)	1,746.02
Exxon Mobil Corp	NOTE	2.709	03/06/25	2,558.50	-	334.86	3,894.19	1,000.83	(487.16)	513.67
Ace InA Holdings Inc	NOTE	3.150	03/15/25	2,892.75	-	-	4,034.63	1,141.88	(796.61)	345.27
Treasury Note	NOTE	0.050	03/31/25	1,355.19	-	-	2,010.93	655.74	208.50	864.24
General Dynamics Corporation	NOTE	3.250	04/01/25	270.83	-	-	406.25	135.42	(100.50)	34.92
Federal Home Loan Banks	NOTE	0.500	04/14/25	946.53	-	-	1,550.69	604.16	(74.30)	529.86

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
06/01/23-06/30/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Home Depot Inc	NOTE	2.700	04/15/25	1,466.25	-	-	2,422.50	956.25	178.07	1,134.32
FNMA	NOTE	0.630	04/22/25	829.43	-	-	1,467.45	638.02	1,029.98	1,668.00
Caterpillar Financial Services	NOTE	3.400	05/13/25	722.50	-	-	1,926.67	1,204.17	(46.43)	1,157.74
General Dynamics Corporation	NOTE	3.500	05/15/25	544.44	-	-	1,565.28	1,020.84	(635.58)	385.26
Qualcomm Incorporated	NOTE	3.450	05/20/25	421.67	-	-	1,571.67	1,150.00	(318.41)	831.59
Pfizer Inc	NOTE	0.800	05/28/25	31.67	-	-	348.33	316.66	204.10	520.76
Truist Financial Corp	NOTE	2.280	06/09/25	6,142.21	6,756.35	-	1,538.92	2,153.06	-	2,153.06
Cisco Systems Inc	NOTE	3.500	06/15/25	6,455.56	7,000.00	-	622.22	1,166.66	66.68	1,233.34
Treasury Note	NOTE	2.875	06/15/25	21,230.77	23,000.00	-	2,010.93	3,780.16	831.49	4,611.65
Treasury Note	NOTE	0.250	06/30/25	1,837.02	2,187.50	-	11.89	362.37	903.55	1,265.92
Treasury Note	NOTE	3.000	07/15/25	13,624.31	-	-	16,607.73	2,983.42	1,118.36	4,101.78
Intel Corp	NOTE	3.700	07/29/25	5,015.56	-	-	6,248.89	1,233.33	(837.37)	395.96
State Street Corporation	NOTE	3.550	08/18/25	4,824.55	-	-	6,229.76	1,405.21	(1,012.80)	392.41
Burlington Northern Santa Fe LLC	NOTE	3.650	09/01/25	2,965.63	-	-	3,954.17	988.54	75.47	1,064.01
John Deere Capital Corp	NOTE	4.050	09/08/25	3,968.44	-	-	5,402.81	1,434.37	(14.46)	1,419.91
FFCB	NOTE	4.250	09/30/25	7,201.39	-	-	10,743.06	3,541.67	114.04	3,655.71
FNMA Benchmark Note	NOTE	0.500	11/07/25	1,051.67	-	-	2,366.25	1,314.58	311.02	1,625.60
Lockheed Martin Corporation	NOTE	3.550	01/15/26	5,565.61	-	-	6,793.32	1,227.71	(343.47)	884.24
FHLB	NOTE	0.700	01/28/26	2,511.25	-	-	3,123.75	612.50	2,769.32	3,381.82
Treasury Note	NOTE	0.500	02/28/26	1,769.02	-	-	2,339.67	570.65	3,611.00	4,181.65
FFCB	NOTE	4.500	03/02/26	-	-	27,250.00	29,750.00	2,500.00	(39.01)	2,460.99
FHLB	NOTE	0.960	03/05/26	2,064.00	-	-	2,784.00	720.00	2,208.97	2,928.97
Prudential Financial Inc	NOTE	1.500	03/10/26	1,518.75	-	-	2,081.25	562.50	(98.18)	464.32
FHLB	NOTE	4.130	03/13/26	16,184.90	-	-	20,481.77	4,296.87	284.82	4,581.69
Loews Corporation	NOTE	3.750	04/01/26	1,875.00	-	-	2,812.50	937.50	153.75	1,091.25
Sierra Pacific Power	NOTE	2.600	05/01/26	812.50	-	-	1,625.00	812.50	(264.67)	547.83
Bank of America Corp	NOTE	4.830	07/22/26	8,561.89	-	-	10,553.03	1,991.14	117.99	2,109.13
FHLB	NOTE	1.880	09/11/26	1,250.00	-	-	1,718.75	468.75	(259.24)	209.51
Public Service Electric And Gas	NOTE	2.250	09/15/26	1,425.00	-	-	1,987.50	562.50	519.84	1,082.34
Pepsico Inc.	NOTE	2.380	10/06/26	1,632.81	-	-	2,523.44	890.63	831.09	1,721.72
Morgan Stanley	NOTE	6.140	10/16/26	3,260.81	(46.89)	835.45	6,713.44	2,570.29	(304.47)	2,265.82
Treasury Note	NOTE	2.875	11/30/23	1,940.22	-	-	5,364.13	3,423.91	2,650.54	6,074.45
FHLB	NOTE	2.130	12/11/26	7,024.31	7,437.50	-	826.39	1,239.58	(346.67)	892.91
JP Morgan Chase & CO	NOTE	1.040	02/04/27	2,028.00	-	-	2,548.00	520.00	1,377.18	1,897.18

Burbank-Glendale-Pasadena Airport Authority - PFC Account
Earnings Report
06/01/23-06/30/23

Type of Investment	Type	Coupon	Maturity Date	Previous Accrual	Realized Interest For Period	Interest Paid At Purc/Recv	Current Accrual	Interest Earned	Amrt/Accrt For Period	Adjusted Total Int. Earned
Treasury Note	NOTE	0.630	03/01/27	2,382.17	-	-	3,534.84	1,152.67	5,243.93	6,396.60
Chevron Corp	NOTE	2.000	05/11/27	471.04	-	66.50	1,316.15	778.61	677.18	1,455.79
Treasury Note	NOTE	0.500	06/30/27	2,099.45	2,500.00	-	13.59	414.14	2,378.90	2,793.04
Unitedhealth Group Inc	NOTE	2.950	10/15/27	1,696.25	-	-	2,802.50	1,106.25	596.16	1,702.41
	Subtotal			**$ 279,997.02**	**$ 85,640.71**	**$ 28,486.81**	**$ 318,151.91**	**$ 95,308.79**	**$ 11,705.87**	**$ 107,014.66**
CASH EQUIVALENTS										
Blackrock Liquidity Funds				-	3,420.28	-	-	3,420.28	-	3,420.28
	Subtotal			**$ -**	**$ 3,420.28**	**$ -**	**$ -**	**$ 3,420.28**	**$ -**	**$ 3,420.28**
	TOTAL			**$ 279,997.02**	**$ 89,060.99**	**$ 28,486.81**	**$ 318,151.91**	**$ 98,729.07**	**$ 11,705.87**	**$ 110,434.94**

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND TWELVE MONTHS ENDED JUNE 30, 2023 & 2022

	Monthly Performance					June 2023	Fiscal YTD Performance (July 2022 - June 2023)				
	A	B	C	D	E		F	G	H	I	J
	Actual $ June 2023	Budget June 2023	Actual $ Prior Year June 2022	Note	Variance Actual Vs. Budget		Fiscal YTD	Fiscal YTD Budget	Actual $ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
						OPERATING ACTIVITY					
						CASH RECEIPTS FROM OPERATIONS					
1	$439,180	$375,004	$433,167	(2)	$64,176	Landing/Fuel Fees	$5,176,067	$4,500,000	$4,484,935	(2)	$676,067
2	2,376,685	1,979,165	2,558,174	(3)	397,520	Parking Fees	29,608,564	23,750,000	25,254,805	(3)	5,858,564
3	1,017,417	1,147,933	1,153,725	(4)	(130,516)	Rental/Concession Receipts - Terminal Building	17,072,092	13,775,294	14,788,496	(4)	3,296,798
4	1,281,740	1,281,220	1,355,016	(5)	520	Rental Receipts - Other Buildings	16,167,741	15,374,706	15,163,578	(5)	793,035
5	328,620	170,000	294,484	(6)	158,620	Ground Transportation	3,645,916	2,040,000	2,681,681	(6)	1,605,916
6	110,475	81,667	114,781	(7)	28,808	Other Receipts	1,267,826	980,000	1,364,060	(7)	287,826
7	(147,780)	295,837	258,583	(8)	(443,617)	Investment Receipts - Treasurer/Other Interest Earned	4,393,461	3,550,000	4,958,464	(8)	843,461
8	$5,406,337	$5,330,826	$6,167,930	(1)	$75,511		$77,331,667	$63,970,000	$68,696,019	(1)	$13,361,667
						CASH DISBURSEMENTS FROM OPERATIONS					
9	($93,865)	($111,079)	($92,646)	(10)	$17,214	Administrative Supplies & Costs	($1,305,499)	($1,401,450)	($1,057,477)	(10)	$95,951
10	(247,869)	(349,283)	(336,553)	(11)	101,414	Operating Supplies & Maintenance	(4,017,792)	(4,231,400)	(3,528,999)	(11)	213,608
11	(2,728,427)	(2,755,787)	(4,271,369)	(12)	27,360	Contractual Operating Costs	(31,877,949)	(34,029,450)	(30,892,270)	(12)	2,151,501
12	(301,800)	(403,191)	(394,285)	(13)	101,391	Contractual Professional Services	(5,608,592)	(6,640,300)	(5,491,039)	(13)	1,031,708
13	(486,626)	(592,391)	(616,342)	(14)	105,765	Wages & Benefits	(7,068,957)	(7,108,700)	(6,327,391)	(14)	39,743
14	(38,616)	(116,009)	(147,340)	(15)	77,393	Other Operating Costs	(912,195)	(1,090,100)	(655,690)	(15)	177,905
15	(380,375)	(380,375)	(380,125)		0	Bond Debt Service – 2015 Bonds	(4,564,500)	(4,564,500)	(4,561,500)		0
16	0	0	0	(16)	0	Parking Tax	(3,093,997)	(2,544,643)	(2,283,251)	(16)	(549,354)
17	($4,277,578)	($4,708,115)	($6,238,660)	(9)	$430,537		($58,449,481)	($61,610,543)	($54,797,617)	(9)	$3,161,062
						INCREASE (DECREASE) IN CASH FROM OPERATIONS					
18	**$1,128,759**	**$622,711**	**($70,730)**		**$506,048**		**$18,882,186**	**$2,359,457**	**$13,898,402**		**$16,522,729**
						FACILITY IMPROVEMENT TRANSACTIONS					
						CASH DISBURSEMENTS					
19	($15,292)	($1,000,000)	($180)	(17)	$984,708	Noise Mitigation Program Costs	($25,289)	($1,000,000)	($2,170)	(17)	$974,711
20	(570,585)	(1,054,125)	(1,253,769)	(18)	483,540	Other Facility Improvement Program Project Costs	(8,478,175)	(11,604,500)	(4,038,674)	(18)	3,126,325
21	($585,877)	($2,054,125)	($1,253,949)		$1,468,248		($8,503,464)	($12,604,500)	($4,040,844)		$4,101,036
						CASH RECEIPTS FROM FUNDING SOURCES					
22	$0	$805,900	$0	(17)	($805,900)	FAA Grants - Noise Mitigation Program	$0	$805,900	$0	(17)	($805,900)
23	0	0	0	(19)	$0	FAA Grants - Facility Improvement Program	2,628,083	2,740,060	3,392,476	(19)	(111,977)
24	818,188	484,100	627,495	(20)	$334,088	Passenger Facility Charge Receipts/Reserves	5,433,839	4,504,040	2,642,161	(20)	929,799
25	$818,188	$1,290,000	$627,495		($471,812)		$8,061,922	$8,050,000	$6,034,637		$11,922
						INCREASE (DECREASE) – FACILITY / NOISE MITIGATION TRANSACTIONS					
26	**$232,311**	**($764,125)**	**($626,454)**		**$996,436**		**($441,542)**	**($4,554,500)**	**$1,993,793**		**$4,112,958**
						FEDERAL RELIEF GRANT FUNDS					
27	$1,781,231	$318,157	$5,307,018	(21)	$1,463,074	ARPA Grant Funds	$13,062,117	$3,817,862	$15,919,081	(21)	$9,244,255
28	$1,781,231	$318,157	$5,307,018		$1,463,074		$13,062,117	$3,817,862	$15,919,081		$9,244,255
						NET INCREASE (DECREASE) IN CASH FROM OPERATIONS					
29	**$3,142,301**	**$176,743**	**$4,609,834**		**$2,965,558**		**$31,502,761**	**$1,622,819**	**$31,811,276**		**$29,879,942**

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND TWELVE MONTHS ENDED JUNE 30, 2023 & 2022

	Monthly Performance					June 2023	Fiscal YTD Performance (July 2022 - June 2023)				
	A	B	C	D	E		F	G	H	I	J
	Actual $ June 2023	Budget June 2023	Actual $ Prior Year June 2022	Note	Variance Actual Vs. Budget		Fiscal YTD	Fiscal YTD Budget	Actual $ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
						NET INCREASE (DECREASE) IN CASH FROM OPERATIONS					
29	**$3,142,301**	**$176,743**	**$4,609,834**		**$2,965,558**		**$31,502,761**	**$1,622,819**	**$31,811,276**		**$29,879,942**
						REPLACEMENT PASSENGER TERMINAL PROJECT					
						CASH DISBURSEMENTS					
30	(10,763,846)	(5,072,334)	(692,002)	(22)	(5,691,512)	Replacement Passenger Terminal Project Costs	(20,873,262)	(34,225,000)	(3,175,442)	(22)	13,351,738
31	($10,763,846)	($5,072,334)	($692,002)		($5,691,512)		($20,873,262)	($34,225,000)	($3,175,442)		$13,351,738
						NET INCREASE (DECREASE) IN CASH - TOTAL					
32	**($7,621,545)**	**($4,895,591)**	**$3,917,832**		**($2,725,954)**		**$10,629,499**	**($32,602,181)**	**$28,635,834**		**$43,231,680**

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND TWELVE MONTHS ENDED JUNE 30, 2023 & 2022

General Comments

The Schedule of Cash Receipts and Disbursements ("Schedule") represents the cash basis activity for the month and fiscal year-to-date ("FYTD") compared to the allocation of the annual adopted budget.

The Schedule consists of two sections: Operating Activity and Facility Improvement Transactions. Receipts are shown as positive amounts and disbursements as negative amounts. Favorable budget variances are shown as positive amounts and unfavorable variances as negative amounts. Because this Schedule is on a cash basis, cash timing differences may contribute to budget variances.

The Operating Activity receipts include charges for services (parking, landing fees and concessions), tenant rents, fuel flowage fees, other revenues and investment receipts. The Operating Activity disbursements include costs of services, materials, contracts, personnel and debt service.

Facility Improvement Transactions represent the activity for the Authority's capital program, which consists of Other Facility Improvement Program Projects and the Noise Mitigation Program.

The FY 2023 Capital Program expenditures are primarily funded by the following sources:
– FAA-approved Passenger Facility Charge ("PFC") program receipts/reserves;
– Grants; and
– Operating Revenues

The FY 2023 Replacement Passenger Terminal Project expenditures are initially funded with Airport Reserves and may be reimbursed in FY 2024 through Interim Financing (Commerical Paper Program) and approved PFCs, which were both secured in June 2023.

The notes below provide additional information regarding the performance results detailed in the "Schedule of Cash Receipts and Disbursements."

A Supplemental Schedule of Cash Receipts and Disbursements reflecting the activities related to the 2012 Bond Debt Service for the Regional Intermodal Transportation Center / Consolidated Rental Car Facility is also presented.

Due to uncertainties including impacts from COVID-19 variants, unstable global events, inflationary pressures and potential economic recession, the Authority continued its conversative outlook on passenger recovery into FY 2023. The Authority's Adopted FY 2023 budget was based on the following quarterly activity assumptions:
- Q1 (July - September): a reduction of 10% (represents recovery of 90%)
- Q2 (October - December): a reduction of 15% (represents recovery of 85%)
- Q3 (January - March): a reduction of 20% (represents recovery of 80%)
- Q4 (April - June): a reduction of 15% (represents recovery of 85%)

Passengers decreased by 2.87% FYTD June when compared to pre-COVID levels. The result at fiscal year-end was favorably above the blended budgeted assumption of a passenger reduction of 15.00% resulting in positive financial performance.

The Adopted FY 2023 Budget includes the use of $3.8 million in federal relief funds to support the 2015 Bond debt service.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND TWELVE MONTHS ENDED JUNE 30, 2023 & 2022

NOTE (1) – ***Cash Receipts from Operations***

FY 2023 cash receipts from operations favorably exceed the budget. On an accrual basis, operating revenues exceed the budget fiscal year-end by $13,288,830. See notes 2 through 8 for additional information regarding operating receipts.

NOTE (2) – ***Landing/Fuel Fees***

Landing Fees are based on landed weight of the aircraft. Fuel fees are charged at a rate of $0.05 a gallon to non-signatory air carriers for fuel loaded at BUR. On an accrual basis, Landing Fees combined with Fuel Flowage Fees exceed the budget by $709,625 fiscal year-end.

NOTE (3) – ***Parking Fees***

Parking fee revenues performed above the budget forecast. Accrual basis Parking Fees are $5,332,524 ahead of budget fiscal year-end.

NOTE (4) – ***Rental/Concession Receipts - Terminal Building***

Terminal Building rental/concession receipts exceed the budget fiscal year-end partially due to the timing of receipts. FY 2023 accrual basis Terminal Building rents/concessions exceed the budget by $2,569,437.

NOTE (5) – ***Rental Receipts - Other Buildings***

Other Buildings rental receipts exceed the budget fiscal year-end partially due to the timing of receipts. Accrual basis Other Building rents are $887,125 ahead of budget fiscal year-end primarily due to lease CPI adjustments.

NOTE (6) – ***Ground Transportation***

This category consists of off-airport access fees and TNC activity. FY 2023 accrual basis Ground Transportation receipts exceed the budget by $1,641,064.

NOTE (7) – ***Other Receipts***

This category consists primarily of filming, TSA LEO reimbursements, fingerprint/badge renewal fees, noise fees, access fees, and ground handling services for the airlines. FY 2023 accrual basis Other Receipts are $387,672 ahead of budget.

NOTE (8) – ***Investment Receipts - Treasurer***

This line item represents cash received from the investment of funds. These receipts fluctuate in response to interest rate and portfolio balance changes, the timing of coupon payments and individual investment maturities. FY 2023 accrual basis investment income exceeds the budget by $1,761,383.

NOTE (9) – ***Cash Disbursements from Operations***

Overall operating disbursements on a cash basis and accrual basis are favorably under the budget fiscal year-end. See additional information on operating disbursement in notes 10 through 16.

NOTE (10) – ***Administrative Supplies & Costs***

This line item includes office supplies, printing, postage and delivery, office equipment service and lease, recruiting, membership, uniform, Commission meeting, conference and training costs.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
MONTH AND TWELVE MONTHS ENDED JUNE 30, 2023 & 2022

NOTE (11) – *Operating Supplies & Maintenance*

This line item includes utilities, fuel, general repairs and maintenance, landscaping, supplies and telephone costs.

NOTE (12) – *Contractual Operating Costs*

This line item includes various contractual operating costs such as ARFF services, janitorial services, systems and vehicle repair, parking operations and the TBI Airport Management contract costs.

NOTE (13) – *Contractual Professional Services*

This line item includes various professional services such as legal, auditing, noise, financial and insurance.

NOTE (14) – *Wages and Benefits*

Wages and Benefits consist of payroll and fringe benefit costs for the Airport Police officers, and include the impact of the terms of the Memorandum of Understanding effective February 2023. Wages and Benefits include overtime for film location services which are recovered through the related film revenue.

NOTE (15) – *Other Operating Costs*

This line item primarily includes public relations/advertising, air service retention, and license/permit fees.

NOTE (16) – *Parking Tax*

The 12% City of Burbank parking tax is paid quarterly for the prior three-month period. The next remittance, covering parking activity for the months of April, May and June, is due July 2023.

NOTE (17) – *Noise Mitigation Program*

FAA Grants are budgeted to partially fund the Part 150 Update project. A RFP for the Part 150 Update was issued in 3rd Quarter FY 2023 and a contract is scheduled for award in December 2023.

NOTE (18) – *Other Facility Improvement Program Projects*

Other Facility Improvement Program Projects costs on a cash basis are under budget fiscal year-end by $3,126,325 due to delays relating to several projects.

NOTE (19) – *FAA Grants – Other Facility Improvement Program Projects*

FAA Grants are budgeted to partially fund the Taxiway C Pavement Rehabilitation project.

NOTE (20) – *Passenger Facility Charge Receipts/Reserves*

A number of capital projects are budgeted to be funded or partially funded by Passenger Facility Charges, including the Taxiway C Pavement Rehabilitation Project, the Airfield Lighting Vault Project, the Runway 8 PAPI Relocation Project and the Part 150 Update Project.

(Continued)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTES TO SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

MONTH AND TWELVE MONTHS ENDED JUNE 30, 2023 & 2022

NOTE (21) – *Federal Relief Grant Funds*

Fiscal year-end receipts in the amount of $13,062,117 represent reimbursement of personnel costs, 2015 Bond Debt Service, and Concession Relief.

NOTE (22) – *Replacement Passenger Terminal Project*

The Authority has programmed $34,225,000 from Airport Reserves to fund the Replacement Passenger Terminal Project. Any use of Airport Reserves may be reimbursed through future funding sources (CP Program, PFC, and Federal Grants). Replacement Passenger Terminal Project costs on a cash basis are under budget fiscal year-end by $13,351,738 primarily due to timing of payments. The majority of FY 2023 cash expenditures of $20,873,262 are related to Holder, Pankow, TEC JV design services ($14,288,816) and to Jacobs Project Management services ($4,154,588).

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
REGIONAL INTERMODAL TRANSPORTATION CENTER / CONSOLIDATED RENTAL CAR FACILITY PAYMENTS AND COLLECTIONS
MONTH AND TWELVE MONTHS ENDED JUNE 30, 2023 & 2022

	Monthly Performance					June 2023	Fiscal YTD Performance (July 2022 - June 2023)				
	A	B	C	D	E		F	G	H	I	J
	Actual $ June 2023	Budget June 2023	Actual $ Prior Year June 2022	Note	Variance Actual Vs. Budget		Actual $ Fiscal YTD	Fiscal YTD Budget	Actual $ Prior Year Fiscal YTD	Note	Variance Actual Vs. Budget
33	$514,802	$333,334	$455,541	(1)	$181,468	Customer Facility Charge Receipts	$5,035,704	$4,000,000	$4,581,381	(1)	$1,035,704
34	0	67,076	0	(2)	(67,076)	Federal Relief Grant Funds - 2012 Bond Debt Service	1,426,999	804,930	376,227	(2)	622,069
35	80,350	85,913	85,914	(3)	(5,563)	Facility Rent	1,039,919	1,030,962	1,036,312	(3)	8,957
36	(486,323)	(486,323)	(486,246)		0	Payments to Bond Trustee for 2012 Bond Debt Service	(5,835,892)	(5,835,892)	(5,834,956)		0
37	**$108,829**	**$0**	**$55,209**	(4)	**$108,829**		**$1,666,730**	**$0**	**$158,964**	(4)	**$1,666,730**

General Comments

The debt service on the 2012 Revenue Bonds and the repayment to the Authority of the loans to the Rent-A-Car Companies ("RACs") is payable from Customer Facility Charges ("CFCs") and Facility Rents. Under the terms of the Bond Indenture, as amended, all CFCs collected subsequent to July 1, 2014 are remitted to the Bond Trustee for the 2012 Bond Debt Service.

On July 1, 2014, the terms and conditions of the Non-Exclusive Concession and Lease Agreement with the respective Rent-A-Car Companies became effective, including the collection of Facility Rent.

Note (1) – ***Customer Facility Charge ("CFC") Receipts***

CFCs of $6 per day per transaction, up to a maximum of five days, are collected and applied to the 2012 Bond Debt Service.

Note (2) – ***Federal Relief Grant Funds***

FY 2023 reimbursement in the amount of $1,426,999 assists in covering FY 2022 costs related to the 2012 Bond Debt Service.
The adopted FY 2023 budget programs $804,930 in Federal Relief Grant Funds (ARPA) to assist in covering the 2012 Bond Debt Service.

Note (3) – ***Facility Rent***

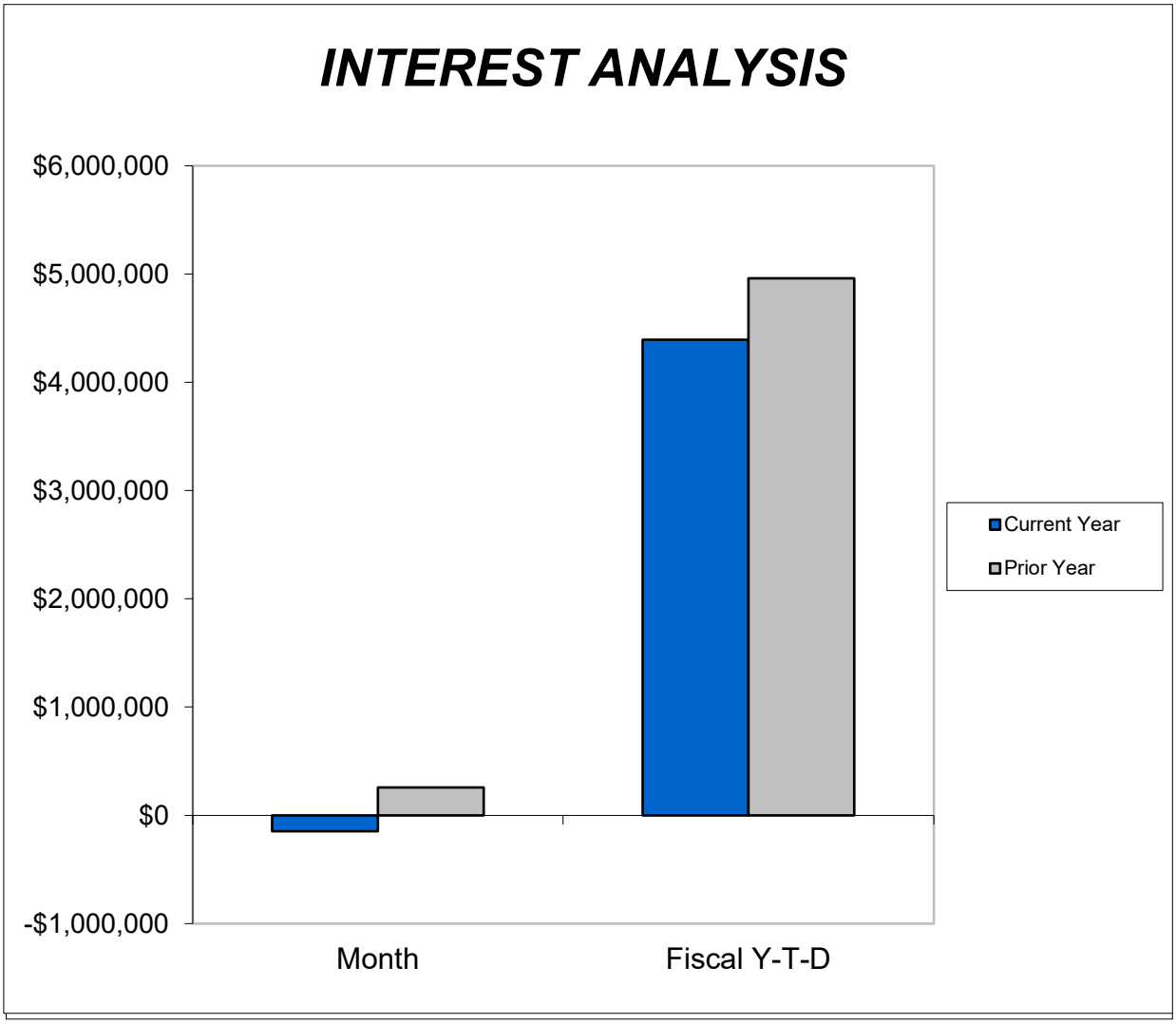
Facility Rent receipts may be applied to support the 2012 Bond Debt Service or other allowable uses.

Note (4) – ***Net RITC / ConRAC Facility Payments and Collections***

At fiscal year-end, upon conclusion of the required reconciliation, any excess surplus accumulated will be evaluated and applied toward the allowed uses under the terms and conditions of the Non-Exclusive Concession and Lease Agreement wit the Rent-A-Car Companies.

In the event of a shortfall of receipts to meet the required payment obligations (i.e., CFC collections perform under budget projections), the Authority holds the right to adjust the Facility Rent paid by the rental car companies on a 30-day notice.

Burbank-Glendale-Pasadena Airport Authority



Cash Basis	June 2023	June 2022
Interest Receipts - - Month	($147,780)	$258,583
Interest Receipts - - Fiscal Y-T-D	$4,393,461	$4,958,464
Month End Portfolio Balance	$279,568,590	$267,374,701
Yield to Maturity	4.88%	2.80%

Supplement to the June 2023 Treasurer's Report

FYTD June 2023 Cash Disbursements

Facility Improvement Transactions

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
FY 2023 Cash Disbursements - Facility Improvement Transactions

	PROJECT DESCRIPTION	Annual Budgeted Cost	FYTD 2023 (Jul - Jun) Budgeted Cost	FYTD 2023 (Jul - Jun) Cash Basis Cost	FYTD 2023 (Jul - Jun) Budget Variance Fav. / (Unfav.)	Project Status FYTD 2023 (Jul - Jun)
BUILDING IMPROVEMENTS						
1)	Minor Building Improvements	250,000	250,000	-	250,000	Reprogrammed for FY 2024
TOTAL BUILDING IMPROVEMENTS		**$ 250,000**	**$ 250,000**	**$ -**	**$ 250,000**	
IT/COMMUNICATIONS/SECURITY						
2)	Communications Center Equipment Replacement	550,000	550,000	144,092	405,908	Commenced Quarter 4 FY 2023
3)	IT Network Infrastructure Equipment Replacement	350,000	350,000	22,689	327,311	Ongoing
4)	DVSS Hardware Replacement/Upgrades	225,000	225,000	-	225,000	Reprogrammed for FY 2024
5)	Parking Lot Revenue Control Equipment Upgrades	210,000	210,000	-	210,000	Reprogrammed for FY 2024
TOTAL IT/COMMUNICATIONS/SECURITY		**$ 1,335,000**	**$ 1,335,000**	**$ 166,781**	**$ 1,168,219**	
EQUIPMENT						
6)	ARFF Rescue Vehicle Replacement (Rescue # 17)	400,000	400,000	396,991	3,009	Delivered March 2023
7)	HVAC Replacements	175,000	175,000	128,893	46,107	Completed FYE 2023
8)	Airfield Maintenance Equipment (Mower)	160,000	160,000	-	160,000	Reprogrammed for FY 2024
9)	ARFF Truck Replacement (bid and award process)	15,000	15,000	2,326	12,674	Ongoing. Selection to be made 1st qtr FY 2024
TOTAL EQUIPMENT		**$ 750,000**	**$ 750,000**	**$ 528,210**	**$ 221,790**	
RUNWAY / TAXIWAY / ROADWAY PROJECTS						
10)	Taxiway C Pavement Rehabilitation - Construction	3,400,000	3,400,000	3,005,911	394,089	Completed FYE 2023, balance paid in FY 2024
11)	Airfield Lighting Vault Replacement - Construction	3,000,000	3,000,000	3,050,453	(50,453)	Completed FYE 2023, balance paid in FY 2024
12)	Runway 8 PAPI Relocation	455,000	455,000	277,031	177,969	Project completion estimated FY 2024
13)	Runway/Taxiway Shoulder Rehabilitation - Design	500,000	500,000	248,806	251,194	Completed FYE 2023
14)	Landside Roadway and Pavement Construction	325,000	325,000	4,175	320,825	Reprogrammed for FY 2024
15)	Parking Lot Improvements	575,000	575,000	131,490	443,510	Project completion 1st half of FY 2024
16)	Electric Vehicle (EV) Charging Infrastructure	100,000	100,000	-	100,000	Under planning development
17)	Taxilane A Rehabilitation - Construction	-	-	205,360	(205,360)	FY 2022 accrued costs - project completed
TOTAL RUNWAY/TAXIWAY/ROADWAY		**$ 8,355,000**	**$ 8,355,000**	**$ 6,923,226**	**$ 1,431,774**	
NOISE MITIGATION						
18)	Part 150 Update	$ 1,000,000	$ 1,000,000	$ 25,289	$ 974,711	Reprogrammed for FY 2024
TOTAL NOISE MITIGATION		**$ 1,000,000**	**$ 1,000,000**	**$ 25,289**	**$ 974,711**	
DEVELOPMENT						
19)	RITC Art in Public Places	-	-	25,325	(25,325)	Paid with CFC funds
TOTAL DEVELOPMENT		**$ -**	**$ -**	**$ 25,325**	**$ (25,325)**	
O & M CAPITAL		**$ 914,500**	**$ 914,500**	**$ 834,633**	**$ 79,867**	
SUB TOTAL		**$ 12,604,500**	**$ 12,604,500**	**$ 8,503,464**	**$ 4,101,036**	
REPLACEMENT PASSENGER TERMINAL PROJECT						
20)	Replacement Passenger Terminal Project	34,225,000	34,225,000	20,873,262	13,351,738	Ongoing
TOTAL REPLACEMENT PASENGER TERMINAL PROJECT		**$ 34,225,000**	**$ 34,225,000**	**$ 20,873,262**	**$ 13,351,738**	
TOTAL		**$ 46,829,500**	**$ 46,829,500**	**$ 29,376,726**	**$ 17,452,774**	

Supplement to the June 2023 Treasurer's Report

FYTD June 2023 Cash Expenditures

Replacement Passenger Terminal Project (RPT)

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
Replacement Passenger Terminal Project (RPT)
FY 2023 Cash Expenditures: Authorized Contracts

Consultant/Vendor	Scope of Work	Prior Fiscal Years' Cash Expenditures	Current Authorized Amounts (1)	June 2023 Cash Expenditures	FYTD 2023 (July - June) Cash Expenditures	Remaining Contract Amount	Project-to-date Total Cash Expenditures
AECOM **(1a)**	Program Management Services	$ 4,172,454	N/A	-	-	N/A	$ 4,172,454
Jacobs Project Management Company **(1a)**	Program Management Services	-	13,321,911	383,865	4,154,589	9,167,322	4,154,588
Airport & Aviation Professionals Inc. (AvAirPros) **(1b)**	Airline Technical & Financial Coordination Services	39,773	200,000	11,987	176,826	23,174	216,599
Conway Consulting **(1b)**	Technical Support	110,902	148,000	-	100,425	47,575	211,327
Georgino Development **(1b)**	Strategic Planning Services	32,000	54,000	4,500	53,500	500	85,500
Public Resources Advisory Group (PRAG) **(1b)**	Financial Advisory Services	27,000	188,000	20,719	218,608	(30,608)	245,608
Ricondo & Associates **(1b)**	Financial Feasibility Services	79,260	299,730	27,352	272,180	27,550	351,440
Geosyntec Consultants **(1c)**	Soil Management Services	4,405	40,000	-	4,181	35,819	8,586
Holder, Pankow, TEC JV **(1d)**	Design Builder	-	55,000,000	9,666,618	14,288,816	40,711,184	14,288,816
Orrick, Herrington & Sutcliffe **(2)**	Bond Counsel	-	N/A	65,465	467,197	N/A	467,197
Chapman **(7)**	Legal Services	-	N/A	70,000	70,000	N/A	70,000
Richards, Watson & Gershon **(2)**	Legal Services	106,075	N/A	6,740	131,881	N/A	237,956
Ring Bender **(2)**	Legal Services	2,571	N/A	-	2,222	N/A	4,793
THU Legal Consulting **(2)**	Consulting Services	-	75,000	12,360	37,440	37,560	37,440
Thriving Restaurants **(2)**	Consulting Services	5,000	N/A	-	-	N/A	5,000
RS&H **(3)**	Environmental Impact Study (EIS) Services	139,456	AIP / PFC Funded	-	200,325	N/A	339,782
XI-3 Corporation **(4)**	Consulting Services	-	96,000	-	91,770	4,230	91,770
City of Burbank **(5)**	Burbank Water & Power Aid-in-Construction deposit	-	N/A	494,000	569,000	N/A	569,000
Meetings	Various Expenses	-	N/A	-	30,026	N/A	30,026
Licenses & Fees	Various Expenses	-	N/A	240	4,276	N/A	4,276
TOTALS		**$ 4,718,896**	**$ 69,422,641**	**$ 10,763,846**	**$ 20,873,262**	**$ 50,024,306**	**$ 25,592,158**

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
Notes to Replacement Passenger Terminal Project schedule
Project Costs as of June 2023

(1) Current authorized NTE Contract amounts represent Commission approved appropriations. The FY 2023 adopted budget includes appropriations of $34,225,000 for the RPT project.

(1a) Jacobs assumed Project Management responsibilities in May 2022. The Jacobs' authorized amount represents the following Commission approved Task Orders against the Professional Services agreement to date:
Task Order 1 (Development of the Concent of Operations Manual) - $1,419,896
Task Order 2 (Procurement of Progressive Design Builder) - $1,463,250
Task Order 3 (Phase 2 Design and Pre-Construction Support Services) - $10,438,765

(1b) These Professional Services contracts for technical, financial, and strategic airport services were presented and approved on July 18, 2022 to be effective July 1, 2022 through June 30, 2023.

(1c) This Professional Services contract for geotechnical support was approved on September 1, 2022 to be effective August 1, 2022 through June 30, 2023.

(1d) In December 2022, the Commission approved $55,000,000 for Phase 1 design services of the RPT project to develop the 60% design level and Guaranteed Maximum Price. Phase 1 services are anticipated to be completed by April 2024. The adopted FY 2023 budget included $26,637,000 in appropriations and additional appropriations will be included in the FY 2024 budget.

(2) Legal services and professional services to be utilized on an as needed basis.

(3) RS&H expenditures are for the Environmental Impact Study and associated supplemental work as required by the FAA.

(4) XI-3 Corporation: RFP coordination and technical support services for the selection of the progressive design-builder. Commission approved professional services agreement in July 2022 (NTE $50,000) which was increased by an amendment in October 2022 to NTE $96,000.

(5) BWP study for power requirements for RPT and ancilliary facilities.

STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 13, 2023

AUDITOR REQUIRED COMMUNICATIONS FOR THE FY 2023 AUDITS

Prepared by David Kwon
Director, Financial Services

SUMMARY

In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP ("MGO") has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2023 audits. At its meeting on October 16, 2023, the Finance and Administration Committee ("Committee") voted unanimously (3–0) to recommend that the Commission note and file this Auditor communications letter.

BACKGROUND

In accordance with professional standards issued by the American Institute of Certified Public Accountants ("AICPA"), MGO has issued the attached letter which (1) outlines its responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards,* and Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") related to the Single Audit of federal grant programs; and (2) outlines its planned scope and timing of the FY 2023 audits. The Auditor's responsibilities and management's responsibilities are detailed in the accompanying letters.

As the Committee functions as the Authority's Audit Committee, this letter provides a basic outline of the auditor's responsibilities related to the audits, together with its basic audit approach in accordance with professional standards.

Staff had a conference call with the MGO audit team on August 8, 2023, for an audit planning meeting to discuss in detail any significant accounting, auditing and reporting matters that may affect the FY 2023 audits, as well as to discuss the timing of audit fieldwork and reporting. Audit fieldwork began on August 28, 2023, with the final reports expected to be issued no later than December 15, 2023.

RECOMMENDATION

At its meeting on October 16, 2023, the Committee voted unanimously (3–0) to recommend that the Commission note and file this Auditor communications letter.

mgo. | Certified Public Accountants

September 6, 2023

To the Board of Commissioners
Burbank-Glendale-Pasadena Airport Authority
2627 N Hollywood Way
Burbank, California 91505

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the Burbank-Glendale-Pasadena Airport Authority (the Authority) financial statements and compliance as of and for the year ended June 30, 2023.

Communication

Effective two-way communication between our firm and the Board of Commissioners is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding the Authority and its respective environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts, instances of noncompliance, or abuse that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and nonaudit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of Macias Gini & O'Connell LLP is permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliates of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain nonaudit services that may be provided by Macias Gini & O'Connell LLP and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how the Authority functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your operations. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks, and performance.

As part of obtaining an understanding of your business and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

We will also use our understanding of internal controls to identify risks of material noncompliance, which will provide us with a basis for designing and implementing responses to the assessed risks of material noncompliance with laws, regulations, and provisions of agreements that have a direct and material impact on major federal programs. We will also obtain an understanding of the users of compliance reporting in order to establish applicable materiality level(s) for compliance audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements and compliance with applicable requirements for major programs might be susceptible to material noncompliance due to fraud, error, or abuse.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality both in planning and performing the audit, evaluating the effect of identified misstatements and compliance on the audit, and the effect of uncorrected misstatements, if any, on the financial statements, and in forming the opinions in our reports. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial and compliance information needs of users of the financial statements and compliance reports. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further financial audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements and noncompliance as well as financial statements and noncompliance of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results. We will also accumulate information concerning noncompliance during the audit and communicate information concerning noncompliance in accordance with applicable provisions of *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act; the U.S. Office of Management and Budget Uniform Guidance, the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration for the Authority's Passenger Facility Charge Program; and the *California Civil Code Section 1936*, as amended for the Authority's Customer Facility Charge Program.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the Authority's basic financial statements will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the Authority's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements and major programs. These reports describe the scope of testing of internal control and the results of our tests of internal controls. Our reports on internal control will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with the requirements of the *Government Auditing Standards* issued by the Comptroller General of the United States, the Single Audit Act, and the Uniform Guidance.

We will issue reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major program.

Our reports on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement, or loan program questioned costs of which we become aware, consistent with the requirements of the standards and circular identified above.

Using the Work of Internal Auditors

As part of our understanding of internal control, we will obtain and document an understanding of your internal audit function. We will read relevant internal audit reports issued during the year to determine whether such reports indicate a source of potential error or fraud that would require a response when designing our audit procedures. Because internal auditors are employees, they are not independent and their work can never be substituted for the work of the external auditor. We may, however, alter the nature, timing, and extent of our audit procedures, based upon the results of the internal auditor's work or use them to provide direct assistance to us during the performance of our audit.

Timing of the Audit

We have scheduled preliminary audit field work for the week of August 28, 2023, with final field work commencing the week of September 25, 2023. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to the Burbank-Glendale-Pasadena Airport Authority.

This communication is intended solely for the information and use of the Members of the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Macias Gini & O'Connell LLP

STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 13, 2023

ECO-RAPID TRANSIT (ORANGELINE DEVELOPMENT AUTHORITY)
JOINT POWERS AGREEMENT TERMINATION

Prepared by John T. Hatanaka
Senior Deputy Executive Director

SUMMARY

At its meeting on October 16, 2023, the Legal, Government and Environmental Affairs Committee ("Committee") voted unanimously (3–0) to recommend that the Commission adopt proposed Resolution No. 507, copy attached, to approve termination of the Eco-Rapid Transit ("ERT") Joint Powers Agreement ("JPA").

BACKGROUND

ERT is a joint powers agency officially known as the Orangeline Development Authority ("OLDA"). ERT was formed to pursue development of an environmentally friendly, reliable, and seamless transit system that connects the communities between the southeast region of Los Angeles County, downtown Los Angeles, and Hollywood Burbank Airport. The Authority joined ERT in June 2010. ERT's membership also includes the County of Los Angeles and the Cities of Artesia, Bell, Bell Gardens, Cerritos, Cudahy, Glendale, Huntington Park, Maywood, Paramount, and South Gate. ERT's planned route extended from Artesia to the Airport.

In 2014, OLDA rebranded as ERT so as not to be confused with the Orange Line Bus Rapid Transit project in the San Fernando Valley.

Through membership in ERT, the Authority was able to receive funding for mitigation of traffic impacts caused by the Interstate 5 construction as well as assistance in obtaining the Federal Transit Agency grant for the regional bus facility in the Regional Intermodal Transportation Center.

At its meeting of September 13, 2023, the ERT Board of Directors unanimously voted in support of dissolution of the agency and directed its staff to proceed with necessary steps to complete termination of the JPA.

In order to formalize termination of the JPA, each ERT member has been requested to submit a resolution approving the termination. Proposed Resolution No. 507 directs the Authority's representative on the ERT Board of Directors (Commissioner Quintero) to vote to terminate ERT JPA. The Resolution also directs the Authority's Executive Director and Staff to take all ancillary actions needed to complete the Authority's withdrawal from ERT provided that such actions do not impose any financial or legal obligations on the Authority.

RECOMMEDNATION

At its meeting on October 16, 2023, the Committee voted unanimously (3–0) to recommend that the Commission adopt the proposed Resolution No. 507 approving termination of the ERT JPA and authorize the President to execute the same.

RESOLUTION NO. 507

**A RESOLUTION OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY COMMISSION
APPROVING TERMINATION OF THE ECO-RAPID TRANSIT
(ORANGELINE DEVELOPMENT AUTHORITY) JOINT POWERS AGREEMENT**

The Burbank-Glendale-Pasadena Airport Authority Commission resolves as follows:

Section 1. Findings.

WHEREAS, Eco-Rapid Transit ("ERT"), formally known as Orangeline Development Authority, is a Joint Powers Authority formed in 2003 to pursue development of a transit system along the Gateway Cities Corridor that moves as rapidly as possible, uses grade separation as appropriate, and is environmentally friendly and energy efficient; and

WHEREAS, the Burbank-Glendale-Pasadena Airport Authority ("Airport Authority") has been a member of ERT since June 2010; and

WHEREAS, the Airport Authority has chosen Frank Quintero, to serve on the ERT Board of Directors as its representative; and

WHEREAS, in part due to ERT's advocacy, Los Angeles County Metropolitan Transportation Authority has resolved to develop the West Santa Ana Branch Transit Corridor project – a light rail transit line that will connect southeast LA County to downtown Los Angeles; and

WHEREAS, ERT has therefore served its purpose; and

WHEREAS, during ERT's July 12, 2023 Regular Meeting, the ERT Board of Directors approved an annual budget through Resolution No. 2023-05, with the intention of restructuring the agency by December 31, 2023; and

WHEREAS, during ERT's September 13, 2023 Regular Meeting, the ERT Board of Directors authorized the ERT Executive Director and the ERT General Counsel's Office to take steps to terminate ERT subject to final Board approval; and

WHEREAS, under Section 3.2(i) of the ERT Joint Powers Agreement, ERT may terminate upon the unanimous vote of its members; and

WHEREAS, under Section 3.2(a)(7) of the ERT Joint Powers Agreement, any debts of ERT are its own debts, not debts of its members, including the Airport Authority; and

WHEREAS, the ERT Board of Directors desires to terminate ERT.

NOW, THEREFORE, BE IT RESOLVED that the Burbank-Glendale-Pasadena Airport Authority Commission hereby:

1. Directs the Airport Authority's ERT representative to vote to terminate ERT under Section 3.2(i) of the ERT Joint Powers Agreement;

2. Directs the Airport Authority Executive Director and staff to take all ancillary actions needed to complete the Airport Authority's withdrawal from ERT; provided, however, no such action shall impose any financial or legal obligation on the Airport Authority.

The foregoing Resolution was duly adopted this __ day of _____ 2023, by the following roll call vote:

_____
Felicia Williams, President
Burbank-Glendale-Pasadena Airport Authority

ATTEST:

_____
Jess Talamantes, Secretary

2875232.2

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

I, Frank R. Miller, do hereby certify that foregoing resolution was duly and regularly adopted by the Commissioners of the Burbank-Glendale-Pasadena Airport Authority at its regular meeting held on the ____th day of _____ 2023 by the following vote:

AYES:

NOES:

ABSENT:

_____
Frank R. Miller
Assistant Secretary

STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 13, 2023

CONDITIONAL CONSENT TO ASSIGNMENT DEVELOPMENT GROUND LEASE SOUTHWEST AIRLINES

Prepared by John T. Hatanaka
Senior Deputy Executive Director

SUMMARY

At its meeting on October 16, 2023, the Finance and Administration Committee ("Committee") voted unanimously (3–0) to recommend that the Commission approve a proposed Conditional Consent to Assignment ("Consent"), copy attached, for the Development Ground Lease ("Lease") for the fuel yard area located on the northeast quadrant of the Airport. The Consent will approve assignment of the Lease from Southwest Airlines ("Southwest") to BUR Fuel Company, LLC ("BUR Fuel"), a newly formed airline consortium.

BACKGROUND

Prior to the development of a single fuel yard in the northeast quadrant, the Airport had multiple fuel facilities serving tenants. In 1997, the Authority faced a fuel storage dilemma in that it had until December 22, 1998 to design and construct a new facility that would meet new state environmental regulations or there would be no fuel available for commercial and general aviation aircraft. Southwest, with the support of other airlines serving the Airport at that time, agreed to assume management of the project using its own in-house resources to ensure a replacement facility would be built by the deadline. In January 1998, the Authority and Southwest executed the Lease to provide for the development and operation of a replacement fuel yard facility. The facility consists of five 50,000-gallon jet fuel storage tanks that are encased in concrete vaults designed to withstand an 8.0 magnitude earthquake, associated systems and controls to monitor all fuel received and dispensed, as well as a leak detection system for each tank.

Over the years Southwest has managed the fuel yard utilizing the services of a third-party fuel facility management service provider, Aircraft Service International Inc. That firm now is doing business as Menzies Aviation ("Menzies").

Southwest and Menzies have maintained the level of operation that has consistently met the Lease's obligations.

DETAILS

In preparation for the Replacement Passenger Terminal, Southwest initiated consortium formation discussions with other fuel yard users. The formation of a consortium to undertake fuel yard operation, maintenance, and management responsibilities is a practice airlines started over 30 years ago with establishment of such an entity at Daniel K. Inouye Airport in Hawaii, San Francisco International Airport, Los Angeles International Airport, Harry Reid Las Vegas International Airport, and Chicago-O'Hare International Airport. In addition to spreading fuel yard responsibilities to a group rather than pinning them on just one airline, a consortium is able to consider future capital improvements and undertake the planning and implementation of those improvements.

On September 28, 2023, BUR Fuel was established as a Delaware limited liability company. Copies of BUR Fuel's certificates with the Delaware and California Secretaries of State are attached.

With the formation of the consortium completed, Southwest has requested that the Lease be assigned to BUR Fuel. A proposed Consent is attached for consideration. If approved, upon the closing of the Lease assignment, BUR Fuel will assume all obligations and requirements set forth under the Lease including utilities, insurance and applicable taxes.

Components of the Lease are:

Use:	Development on an unimproved parcel for the operation and maintenance of a consolidated fuel storage for the purposes of receiving, storing and dispensing fuel products including jet fuel, aviation gasoline, automotive fuels, aircraft lubricating oil, automotive oil and other petroleum products utilized by the airlines and tenants such as fixed based operators, and hangar tenants
Location:	2.2 acres located on the northeast quadrant of the Airport in the City of Los Angeles
Expiration:	December 31, 2028
Rent:	$58,822 per year
Adjustment:	Rent is adjusted annually based on the applicable CPI during the immediately preceding twelve-month period
Termination:	Authority has the right to terminate with six months prior notice

BUDGET IMPACT

The proposed Consent is revenue neutral as BUR Fuel assumes all financial obligations of the Lease.

RECOMMENDATION

At its meeting on October 16, 2023, the Committee voted unanimously (3–0) to recommend that the Commission approve a proposed Consent to assign the Lease from Southwest to BUR Fuel and authorize the President to execute the same.

Attachments:

1. Conditional Consent to Assignment of Lease, with Development Ground Lease
2. Agreement for Assignment and Assumption of Development Ground Lease
3. State of Delaware, Certificate of Formation, BUR FUEL COMPANY, LLC
4. California Secretary of State certificate of Initial Filing, BUR FUEL COMPANY, LLC

STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 13, 2023

APPROVAL OF THIRD AMENDMENT ATM CONCESSION AND LEASE AGREEMENT

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

SUMMARY

At its meeting on October 16, 2023, the Finance and Administration Committee ("Committee") voted unanimously to recommend that the Commission approve a proposed Third Amendment ("Amendment") to the Automated Teller Machine Concession and Lease Agreement ("Agreement"), copy attached, between the Authority and Mobile Money, Inc. ("Mobile Money") to extend the term of the Agreement to June 30, 2026. Upon the proposed expiration date of June 30, 2026, in conjunction with the opening of the Replacement Passenger Terminal, the Agreement will continue on a month-to-month basis terminable by either party upon thirty days prior written notice.

BACKGROUND

Mobile Money is the Authority's current ATM service provider and has had a presence at the Airport since 2017. Mobile Money has three ATMs located in the Airport; one at the entrance of Terminal A, one in Terminal A at Gate A-3, and one in Terminal B at Gate B-4.

Mobile Money is in good standing with its obligations under the Agreement and has generated a monthly average of $1,631 in revenue during Fiscal Year 2023.

The Agreement is scheduled to expire on December 5, 2023, and has one one-year extension option available. Mobile Money reached out to Staff and inquired about extending the Agreement to June 30, 2026, and then continue on a month-to-month basis thereafter terminable by either party upon thirty days prior written notice.

The proposed Amendment allows Mobile Money to continue providing the convenience of ATM services at the Airport until the current passenger terminal closes.

DETAILS

Location:	Three Automated Teller Machines located at the entrance of Terminal A, Gate A-3 and Gate B-4
Use:	Access to ATM services for Airport passengers
Fees:	$2.37 per transaction

Term:	December 5, 2023 through June 30, 2026. The Agreement shall convert to a month-to-month thereafter.
Termination:	Thirty days' prior written notice by either party

IMPACT ON REVENUE

The proposed Amendment will generate $2.37 per transaction.

RECOMMENDATION

At its meeting on October 16, 2023, the Committee voted unanimously (3–0) to recommend that the Commission approve the proposed Amendment with Mobile Money and to authorize the President to execute same.

THIRD AMENDMENT TO AUTOMATED TELLER MACHINE CONCESSION AND LEASE AGREEMENT

This THIRD AMENDMENT TO AUTOMATED TELLER MACHINE CONCESSION AND LEASE AGREEMENT (this "Third Amendment") is dated _____, 2023 (the "Effective Date") and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and MOBILE MONEY, INC., a California corporation ("Tenant").

RECITALS

A. Landlord and Tenant are parties to an Automated Teller Machine Concession and Lease Agreement dated December 4, 2017, amended by a First Amendment dated October 1, 2018 and a Second Amendment dated December 14, 2020 (the "Lease").

B. The Lease expires on December 5, 2023, and Tenant has an extension option under the Lease; the parties desire to further amend the Lease to extend the term to June 30, 2026, delete Tenant's extension option, and provide that as of June 30, 2026, the Lease shall be become a month-to-month tenancy (terminable by either party upon 30 days prior written notice to the other). Any capitalized terms used but not defined herein shall have the meaning set forth in the Lease.

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 agree as follows:

1. Extension of Term. The Term of the Lease is hereby extended to June 30, 2026.

2. Deletion of Tenant Extension Option and Landlord Obligation to Pay Unamortized Costs. Tenant shall have no right to further extend the Term. Section 13(b)(3) of the Lease is hereby deleted.

3. Month to Month Tenancy upon Expiration of Extended Term; No Relocation Benefits. Upon the expiration of the Term, the Lease shall become a month-to-month tenancy, terminable by either party upon thirty (30) days' prior written notice to the other. Landlord shall not be obligated to pay Tenant, or provide Tenant with, any relocation benefits or payments in connection with or as a result of any such termination of the month-to-month tenancy, and Tenant hereby waives any rights it might have to such benefits and payments.

4. No Other Changes. Except as expressly modified herein, all of the terms of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, this Third Amendment has been executed by the parties

hereto, to be effective as of the date first written above.

LANDLORD:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY, a public entity

By: _____
Print Name: _____
Title: _____

Approved as to Form:

_____
Richards, Watson & Gershon,
A Professional Corporation

TENANT:

MOBILE MONEY, INC.,
a California corporation

By: _____
Lawrence Dunnwald,
President & CEO

STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 13, 2023

MONTH-TO-MONTH OFFICE LEASE
C&W FACILITY SERVICES, INC.

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

SUMMARY

At its meeting on October 16, 2023, the Finance and Administration Committee ("Committee") voted unanimously (3–0) to recommend that the Commission approve a proposed Month-To-Month Office Lease ("Lease") with C&W Facility Services, Inc. ("C&W").

BACKGROUND

On August 28, 2023, the Commission awarded a twelve-month Janitorial Services Agreement to C&W to provide janitorial services at Hollywood Burbank Airport. C&W will begin providing these services on November 1, 2023.

C&W desires to enter into a month-to-month office lease to provide space for its on-site manager and employee breakroom. The proposed office space will also serve as the central point from which C&W will manage its operations at the Airport.

C&W has requested 260 square feet of office space located on the second floor of Building 9. This office space is currently occupied by the current janitorial services provider, Diverse Facility Solutions, Inc. ("DFS"). The DFS Lease expires on October 31, 2023.

DETAILS

Key components of the proposed month-to-month office lease are as follows:

Location:	260 square feet located on the second floor of Building 9 (Room 9-210 & 9-210A)
Use:	Administrative office and employee break room
Rent:	$699.18 per month
Adjustment:	Greater of 3% of Annual Base Rent or 120% of CPI, not to exceed 6% annually
Term:	Month-to-Month
Commencement:	November 1, 2023

Termination:	Either party shall have the right to terminate the Agreement at any time, with or without cause, by delivering to the other party at least thirty days' prior written notice
Others:	Tenant to pay all expenses related to its occupancy including maintenance, utilities, and taxes

BUDGET IMPACT

The proposed month-to-month lease will replace the tenancy of the previous janitorial services provider at the same rental rate of $699.18 per month subject to any applicable annual rate adjustment.

RECOMMENDATION

At its meeting on October 16, 2023, the Committee voted unanimously (3–0) to recommend that the Commission approve the proposed Lease with C&W and authorize the President to execute same.

STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 13, 2023

HELICOPTER MAINTENANCE AND OPERATIONS LEASE
CITIES OF BURBANK AND GLENDALE

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

SUMMARY

At its meeting of October 16, 2023, the Finance and Administration Committee ("Committee") voted unanimously (3-0) to recommend the Commission approve a new Helicopter Maintenance and Operations Lease ("Lease") between the Authority and the Cities of Burbank and Glendale ("Cities").

BACKGROUND

The Burbank and Glendale Police Departments separately operated a law enforcement air support unit to provide public safety services for the community. In 1991, the Cities pursued a joint facility capable of housing and meeting the needs of their respective air support programs. On January 4, 1994, the Authority awarded a 30-year lease to the Cities for a heliport facility, located in the northwest quadrant of the Airport, for the purposes of helicopter maintenance and operational activity support. The Cities formed the Joint Air Support Unit ("JASU"), which has been located in these premises since 1993.

The JASU facility is approximately 13,300 square feet and serves as the base for the JASU to provide daily helicopter patrol and emergency responses for the Cities. With three helicopters, the JASU provides direct support for ground officers in detection and response to actual and suspected criminal activity. Additionally, the JASU provides security checks at critical infrastructure including the Airport, as well as assistance in search and rescue operations, firefighting, code enforcement, natural disasters, SWAT operations, and aerial surveillance.

In lieu of the Cities paying rent to the Authority, the JASU provides aerial services when it conducts daily perimeter patrols, a minimum of four times a day. The JASU also provides aerial services when it responds to emergency requests from the Airport Police Department. Additionally, the Cities have invested $1.3 million into the JASU facility. Based on comparable facilities at the Airport, the monthly rental value of the land and facility occupied by the JASU is estimated at $14,600. The proposed Lease is substantially similar to the current Lease, which was reviewed by FAA for compliance with revenue diversion regulations.

The current Lease will expire on December 31, 2023. If the proposed Lease is approved, the term will be for another thirty-years from January 1, 2024, to December 31, 2054.

DETAILS

Key components of the proposed Lease are as follows:

Premises:	7540 Wheatland Ave Sun Valley, CA
Use:	Helicopter Maintenance and Operations
Rent:	In lieu of rent, the JASU shall provide the Airport with air support services to the Airport Police Department
Term:	January 1, 2024 to December 31, 2054
Termination:	Authority has the right to terminate with 6 months' notice
Other:	Tenant responsible for all maintenance, insurance, and utility costs associated with the leased premises.

RECOMMENDATION

At its meeting of October 16, 2023, the Committee voted (3-0) to recommend that the Commission approve the proposed Lease with the Cities and authorize the President to execute the same.

STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
NOVEMBER 13, 2023

APPROVAL OF TASK ORDER 2
REPLACEMENT PASSENGER TERMINAL PROJECT

Prepared by
Patrick Lammerding
Deputy Executive Director, Planning and Development

SUMMARY

At its special meeting on October 31, 2023, the Executive Committee voted (3-0) to recommend the Commission approve a proposed Task Order 2, copy attached, in the amount of $76,933,511 to fund the following items related to the construction of the Replacement Passenger Terminal ("RPT") Project.

Component Guaranteed Maximum Price ("CGMP") for two items:

1. CGMP 01: for the Terminal Building Mechanical, Electrical, and Special Systems ("MEP") in the amount of $3,829,573;

2. CGMP 02 – for Civil Site Work in the amount of $66,803,938;

Authorization to utilize Owner Allowances:

3. Allowance for potential unforeseen environmental hazards or conditions incurred during the civil site work in the amount of $3,000,000;

4. Allowance for compliance with new U.S. Department of Labor rules for the calculation of prevailing wages under Davis Bacon in the amount of $300,000; and

5. Allowance for permit applications to the City of Burbank Building and Safety Department in the amount of $3,000,000.

BACKGROUND

On December 19, 2022, the Commission awarded Holder, Pankow, TEC – A Joint Venture ("HPTJV") a design-build agreement for the RPT Project. HPTJV has begun design and preconstruction efforts and has reached several milestones, including the design concept selection by the Commission on April 17, 2023. As part of the preconstruction efforts, the design-build agreement provides for HPTJV's submission of CGMP proposals for incremental elements of the work. Submittal requirements and preparation guidelines for CGMP proposals are addressed in PR-04 of Exhibit H of the design-build agreement.

HPTJV solicited, per the FAA approved Procurement Plan, subcontractors for trade packages that make up CGMP 01 and 02.

CGMP 01 – Terminal MEP

The purpose of obtaining MEP services prior to design completion is to assist the design services to achieve the most cost-efficient, high-performance design. It also allows for full cost transparency for material costs, pre-negotiated labor rates for all union positions, integration of pre-fabrication for complex systems into the design, and flexibility to place long lead equipment orders. Additionally, the MEP firms will be on board to perform project start up scope activities associated with the temporary utility connections and on-site trailer connections. Services under this CGMP include:

- Six months of preconstruction and design assist services:
  - Value Engineering, Constructability Reviews, shop drawing submission, and Options Analysis
  - Competitively bid General Conditions and Fee %
  - Project Startup Scope Allowances for MEP subcontractors Temporary Utility connections, On-Site Trailer Connections, Purchase Orders for Long Lead Equipment

The total price for CGMP - 01 is $3,829,573 which is $1,622,213 under budget.

CGMP - 02 - Civil Site Work
This CGMP is for the procurement of the following trade packages:

1. Earthwork / Site Enablement:
   - Site demolition of the project site
   - Mass grading of the project site
   - Deep utility installation for storm & sanitary sewer piping and structures
   - Furnishing and installation of site retaining wall along east boundary of the project site
   - Site logistics installation, including access road, crane road, parking, and laydown areas for construction use
   - Erosion control and maintenance of the project site

2. Shoring Systems:
   - Turnkey below grade shoring systems as required to support construction of below-grade level of the Parking Garage

3. Temporary Fencing:
   - All temporary fencing as required to support phased turnover of the project site to the HPTJV project team, and as necessary to support future construction activities.

4. Temporary Power:
   - Furnishing and installation of a turnkey design-build temporary power solution for the project site, inclusive of power duct banks from Tulare Avenue to the site, a temporary power yard, and all duct banks to provide temporary power access across the site

The total price for this CGMP - 02 proposal is $66,803,938 and is $4,542,240 under budget.

Allowance for unknown and potentially hazardous environmental conditions:

- The RPT is being constructed on the Adjacent Property, which is a portion of the former Lockheed Plant B-6 Site and is a known environmental Superfund site. Although Lockheed undertook remediation of the site and obtained a "Finding of No Further Action" from the Los Angeles Regional Water Quality Control Board, there are potential risks for encountering unknown hazards or environmental conditions. Staff seeks an allowance of $3,000,000 to address such a circumstance if it arises.

Allowance for compliance with Davis Bacon rule change:

- Effective October 23, 2023, new U.S. Department of Labor rules applicable to the calculation of prevailing wages (ref.:88 FR 57526) apply. Staff seeks an allowance of $300,000 to address the potential cost impact associated with these new rules.

Allowance for permit fees, City of Burbank, Building and Safety Department:

- Per PR-01.B.2.b.2 of Exhibit H of the design-build agreement, HPTJV is responsible for procuring permits for construction packages. Within the Design to Budget, under Owner Allowance, $7,141,160 is allocated for the cost of permits and utility connection fees. HPTJV seeks an initial amount of $3,000,000 for such fees to procure all applicable permits and will reconcile the final fee costs in future pay applications. A schedule of anticipated submission dates to the City is attached.

FUNDING

The adopted FY 2023-2024 budget includes appropriations in the amount of $123,483,956 for the RPT Project early works and pre-construction packages. These costs are programmed to be initially funded through the Bipartisan Infrastructure Law grants and commercial paper program pending issuance of the construction financing scheduled for the late spring of 2024.

RECOMMENDATION

At its special meeting on October 31, 2023, the Committee voted (3-0) to recommend the Commission approve proposed Task Order No. 2 in the amount $76,933,511 and authorize the Executive Director to execute same.

Document Package	Expected Submission Date	Submission Responsibility
Geotech	*Included with Initial Grading*	HPT
Initial Grading	9/19/2023	HPT
Civil Enabling	October/November 2023	HPT
Terminal Structure	October/November 2023	HPT
Garage Structure	October/November 2023	HPT
Airside Civil	January/February 2024	HPT
Landside Civil	March/April 2024	HPT
Ancillary Buildings	March/April 2024	HPT
Terminal Balance of Design	April/May 2024	HPT
Garage Balance of Design	April/May 2024	HPT

Hollywood Burbank Airport

BURBANK REPLACEMENT
PASSENGER TERMINAL PROJECT
2627 Hollywood Way, Burbank, CA 91505

TASK ORDER REQUEST

Task Order Request No.: 002 Date: November 1, 2023

Task Order Request Title: CGMP – 01 and CGMP – 02 which includes authorization to utilize a portion of Owner Allowances

TO No.: 002 Project Name: RPT Project Phase: 1

Contractor: Holder, Pankow, TEC - A Joint Venture (HPT) Address: 3300 Riverwood Parkway, Suite 1200

CONTRACT NO: E22-03 Atlanta, GA 30339

Reference Documents: RFI No.: _____ CD No.: _____ CPCN No.: _____

PCO No.: _____ FD No.: _____ Bulletin: _____ Other: Attached

Scope:
1. CGMP – 01 - Terminal Building Mechanical, Electrical and Special Systems in the amount of **$3,829,573**
2. CGMP – 02 - Civil Site Work, Enabling and Portion of Owner Allowance in the amount of **$73,103,938**
   Civil Site Work and Enabling in the amount of $66,803,938
   Authorization to utilize Owner Allowance in the amount of $6,300,000:
   a. Unforeseen environmental hazards or conditions - $3,000,000
   b. U.S. Department of Labor David Bacon compliance - $300,000
   c. City of Burbank Building and Safety permits – $3,000,000

Cost:
Describe the schedule and budget of the task order including a schedule of values for payment.

See cost break down above in scope section. CGMP schedules and schedule of values is attached.	**$76,933,511**
	Total
	$76,933,511
	Total Request

The signatory below certifies that the information in this Task Order Request is a true and accurate representation of the facts or the circumstances and that the requested time and/or compensation is a fair and accurate assessment of the impact to the best of his/her ability to establish at the time of signing.

Contractor

Signature

WILLIAM R. TURPIN
Name

NOVEMBER 1, 2023
Date

EVP & C.O.O.
Title

Hollywood Burbank Airport Replacement Passenger Terminal

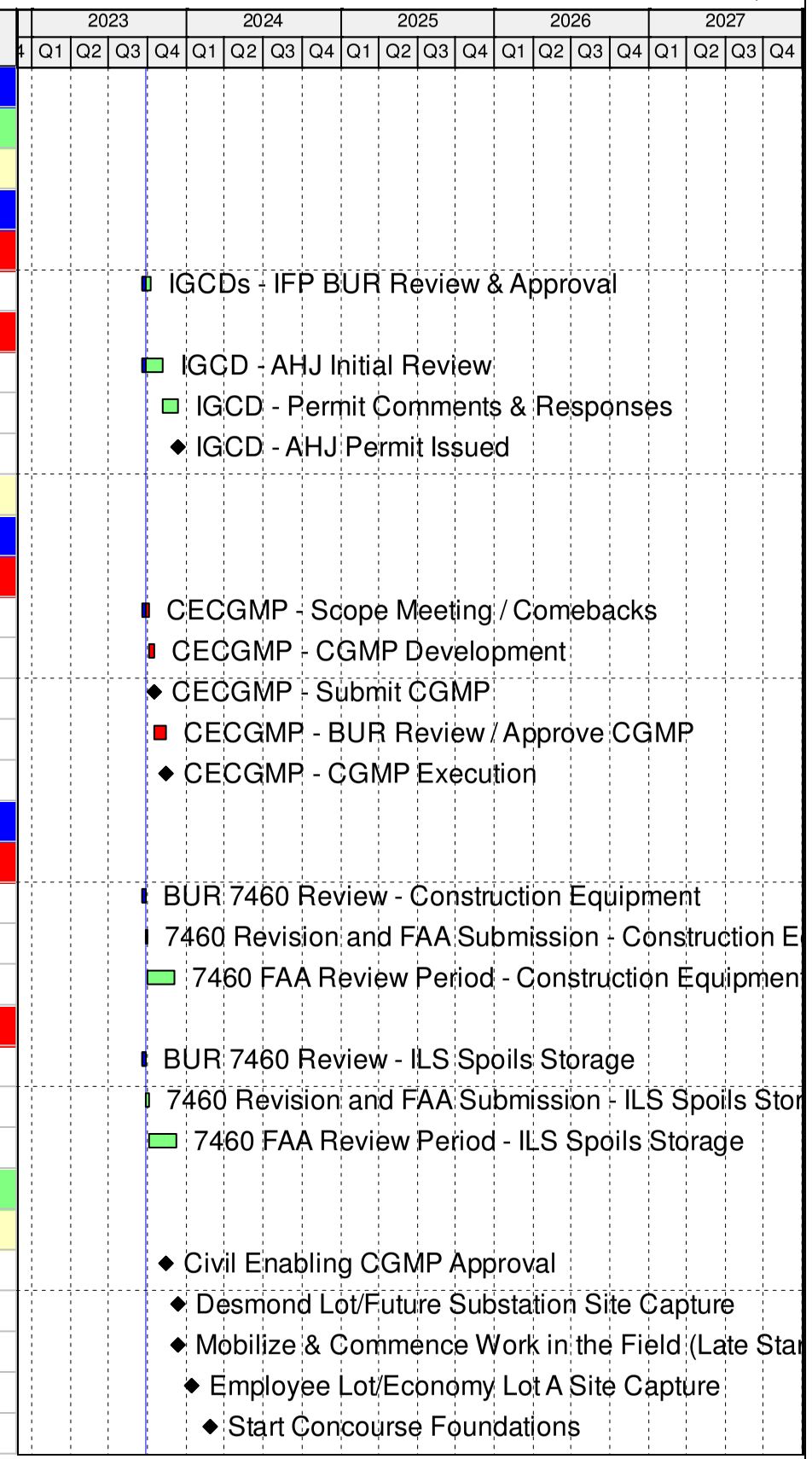
CGMP 01 - Terminal MEP (Pt1 - Precon)

Schedule of Values

A	B	C	D	E	F	G	H	I	J
BILL KEY (WBS CODE)	DESCRIPTION OF WORK	ORIGINAL SCHEDULED VALUE (Terminal MEP - Pt1 Precon)	CURRENT SOV	PREVIOUS AMOUNT EARNED	CURRENT AMOUNT DUE	AMOUNT EARNED TO DATE	% COMPLETE	BALANCE TO FINISH	RETAINAGE
20-5040	Terminal - Team Approach Mechanical & Plumbing	$ 1,032,894	$ 1,032,894	$ -	$ -	$ -	0.00%	$ 1,032,894	$ -
20-5060	Terminal - Team Approach Electrical Systems	$ 1,515,202	$ 1,515,202	$ -	$ -	$ -	0.00%	$ 1,515,202	$ -
20-5070	Terminal - Team Approach Special Systems	$ 829,691	$ 829,691	$ -	$ -	$ -	0.00%	$ 829,691	$ -
20-6011	Terminal - GEN REQ - Materials & Labor	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -
20-6110	Terminal - GEN REQ - DB P&P Bond	$ 45,209	$ 45,209	$ -	$ -	$ -	0.00%	$ 45,209	$ -
20-6115	Terminal - GEN REQ - Misc. Insurances	$ 168,539	$ 168,539	$ -	$ -	$ -	0.00%	$ 168,539	$ -
20-6125	Terminal - GEN REQ - Gross Receipts Tax	$ 766	$ 766	$ -	$ -	$ -	0.00%	$ 766	$ -
20-6130	Terminal - GEN REQ - Warranty	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -
20-7010	Terminal - Design / Preconstruction Contingency	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -
20-7020	Terminal - Escalation Contingency	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -
20-8200	Terminal - Design Builder Fee	$ 125,731	$ 125,731	$ -	$ -	$ -	0.00%	$ 125,731	$ -
20-9010	Terminal - Design Builder Contingency	$ 111,541	$ 111,541	$ -	$ -	$ -	0.00%	$ 111,541	$ -
	TOTALS	**$ 3,829,573**	**$ 3,829,573**	**$ -**	**$ -**	**$ -**	**0.00%**	**$ 3,829,573**	**$ -**

A	B	C	D	E	F	G	H	I	J
BILL KEY (WBS CODE)	DESCRIPTION OF WORK	ORIGINAL SCHEDULED VALUE (Civil Enabling)	CURRENT SOV	PREVIOUS AMOUNT EARNED	CURRENT AMOUNT DUE	AMOUNT EARNED TO DATE	% COMPLETE	BALANCE TO FINISH	RETAINAGE
10-1020	Civil Enabling - Shoring	$ 2,887,240	$ 2,887,240	$ -	$ -	$ -	0.00%	$ 2,887,240	$ -
10-1030	Civil Enabling - Earthwork	$ 35,304,100	$ 35,304,100	$ -	$ -	$ -	0.00%	$35,304,100	$ -
10-1080	Civil Enabling - Site Fencing	$ 1,725,860	$ 1,725,860	$ -	$ -	$ -	0.00%	$ 1,725,860	$ -
10-5060	Civil Enabling - Temporary Power	$ 3,283,825	$ 3,283,825	$ -	$ -	$ -	0.00%	$ 3,283,825	$ -
10-6011	Civil Enabling - GEN REQ - Materials & Labor	$ 5,517,228	$ 5,517,228	$ -	$ -	$ -	0.00%	$ 5,517,228	$ -
10-6110	Civil Enabling - GEN REQ - DB P&P Bond	$ 1,009,885	$ 1,009,885	$ -	$ -	$ -	0.00%	$ 1,009,885	$ -
10-6115	Civil Enabling - GEN REQ - Misc. Insurances	$ 11,735,461	$ 11,735,461	$ -	$ -	$ -	0.00%	$11,735,461	$ -
10-6125	Civil Enabling - GEN REQ - Gross Receipts Tax	$ 13,361	$ 13,361	$ -	$ -	$ -	0.00%	$ 13,361	$ -
10-6130	Civil Enabling - GEN REQ - Warranty	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -
10-7010	Civil Enabling - Design / Preconstruction Contingency	$ 1,229,539	$ 1,229,539	$ -	$ -	$ -	0.00%	$ 1,229,539	$ -
10-7020	Civil Enabling - Escalation Contingency	$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -
10-8200	Civil Enabling - Design Builder Fee	$ 2,151,694	$ 2,151,694	$ -	$ -	$ -	0.00%	$ 2,151,694	$ -
10-9010	Civil Enabling - Design Builder Contingency	$ 1,945,746	$ 1,945,746	$ -	$ -	$ -	0.00%	$ 1,945,746	$ -
90-9800	Owner Allowance - Environmental Hazards / Contaminated Soil Allowance	$ 3,000,000	$ 3,000,000	$ -	$ -	$ -	0.00%	$ 3,000,000	$ -
90-9800	Owner Allowance - Building and Safety Permit Allowance	$ 3,000,000	$ 3,000,000	$ -	$ -	$ -	0.00%	$ 3,000,000	$ -
90-9800	Owner Allowance - Davis Bacon Compliance Allowance	$ 300,000	$ 300,000	$ -	$ -	$ -	0.00%	$ 300,000	$ -
		$ -	$ -	$ -	$ -	$ -	0.00%	$ -	$ -
	TOTALS	**$ 73,103,938**	**$ 73,103,938**	**$ -**	**$ -**	**$ -**	**0.00%**	**$ 73,103,938**	**$ -**

Activity ID	Activity Name	Orig. Dur.	Remaining Duration	Start	Finish
Hollywood Burbank Airport RPT - Live File		350	346	19-Sep-23 A	13-Feb-25
Phase 1 - (Preliminary Stage) Design & Pre-Construction		60	56	19-Sep-23 A	13-Dec-23
Design / Preconstruction		60	56	19-Sep-23 A	13-Dec-23
Early Construction Documents		60	56	19-Sep-23 A	13-Dec-23
Initial Grading CDs SITE1		15	11	19-Sep-23 A	09-Oct-23
1-PRE2370	IGCDs - IFP BUR Review & Approval	15	11	19-Sep-23 A	09-Oct-23
Early Permitting For Initial Grading CDs SITE1		60	56	19-Sep-23 A	13-Dec-23
1-PRE2190	IGCD - AHJ Initial Review	35	31	19-Sep-23 A	06-Nov-23
1-PRE2195	IGCD - Permit Comments & Responses	25	25	07-Nov-23	13-Dec-23
1-PRE2185	IGCD - AHJ Permit Issued	0	0		13-Dec-23
Procurement / Early Permitting / 7460s		54	51	20-Sep-23 A	06-Dec-23
Procurement / CGMP Development		39	36	20-Sep-23 A	13-Nov-23
Civil Enabling CGMP		39	36	20-Sep-23 A	13-Nov-23
1-PRE1660	CECGMP - Scope Meeting / Comebacks	10	7	20-Sep-23 A	03-Oct-23
1-PRE1720	CECGMP - CGMP Development	10	10	04-Oct-23	17-Oct-23
1-PRE1780	CECGMP - Submit CGMP	0	0		17-Oct-23
1-PRE1830	CECGMP - BUR Review / Approve CGMP	19	19	18-Oct-23	13-Nov-23
1-PRE1900	CECGMP - CGMP Execution	0	0		13-Nov-23
7460s		54	51	20-Sep-23 A	06-Dec-23
Construction Equipment		53	50	20-Sep-23 A	05-Dec-23
1-PRE3010	BUR 7460 Review - Construction Equipment	6	3	20-Sep-23 A	27-Sep-23
1-PRE3020	7460 Revision and FAA Submission - Construction Equipment	2	2	28-Sep-23	29-Sep-23
1-PRE3030	7460 FAA Review Period - Construction Equipment	45	45	02-Oct-23	05-Dec-23
ILS Spoils Storage		54	51	20-Sep-23 A	06-Dec-23
1-PRE3050	BUR 7460 Review - ILS Spoils Storage	6	3	20-Sep-23 A	27-Sep-23
1-PRE3060	7460 Revision and FAA Submission - ILS Spoils Storage	3	3	28-Sep-23	02-Oct-23
1-PRE3070	7460 FAA Review Period - ILS Spoils Storage	45	45	03-Oct-23	06-Dec-23
Phase 2 - (Completion Stage) CDs Development and Construction		310	310	13-Nov-23	13-Feb-25
Phase 2 Milestones		310	310	13-Nov-23	13-Feb-25
2-M1110	Civil Enabling CGMP Approval	0	0		13-Nov-23
2-M1120	Desmond Lot/Future Substation Site Capture	0	0	13-Dec-23*	
2-M1000	Mobilize & Commence Work in the Field (Late Start)	0	0	13-Dec-23	
2-M1130	Employee Lot/Economy Lot A Site Capture	0	0	15-Jan-24*	
2-M1140	Start Concourse Foundations	0	0	28-Feb-24	



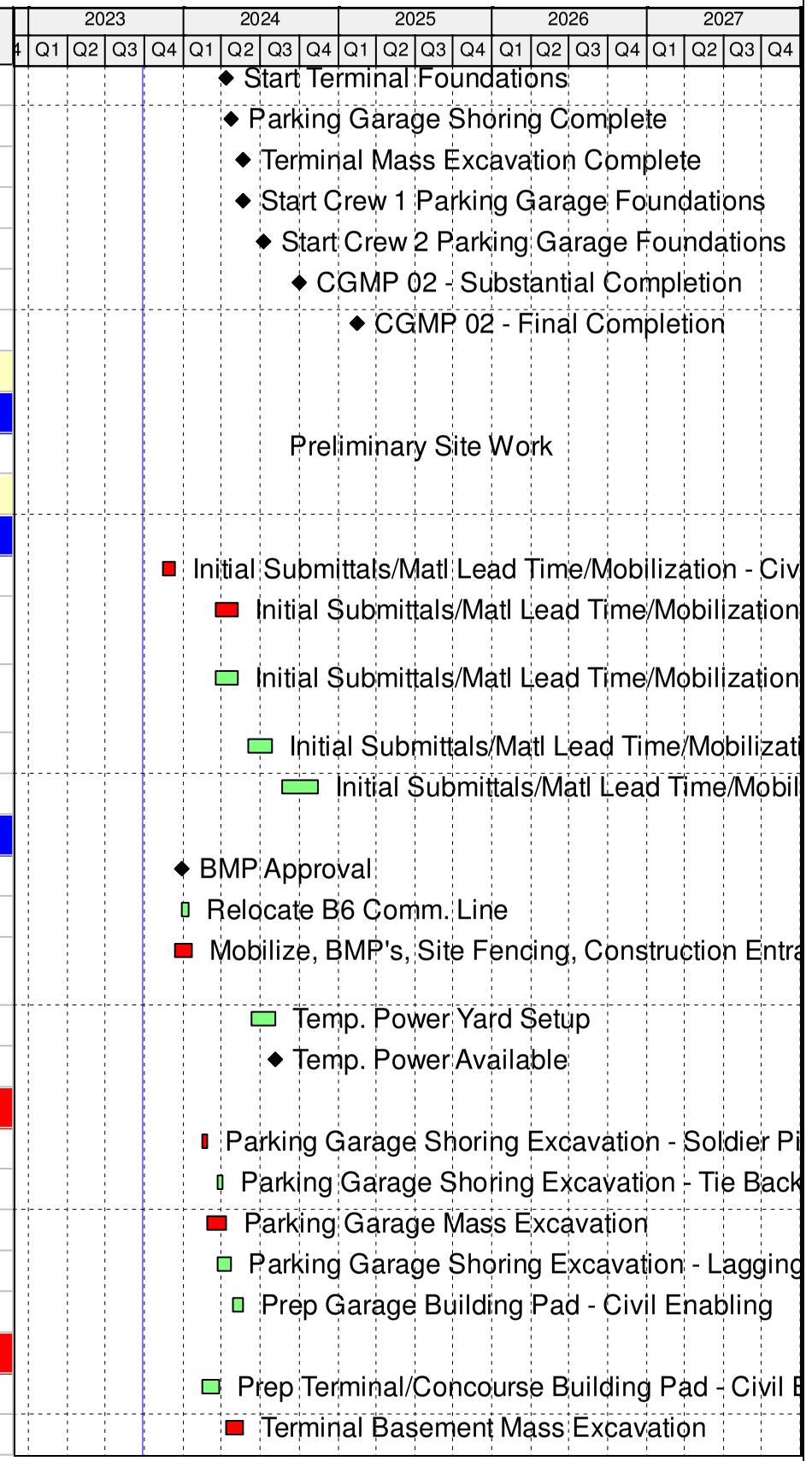
Remaining Work
Actual Work
Critical Remaining Work
Milestone

Hollywood Burbank Airport RPT - Live File
BUR - All Activities

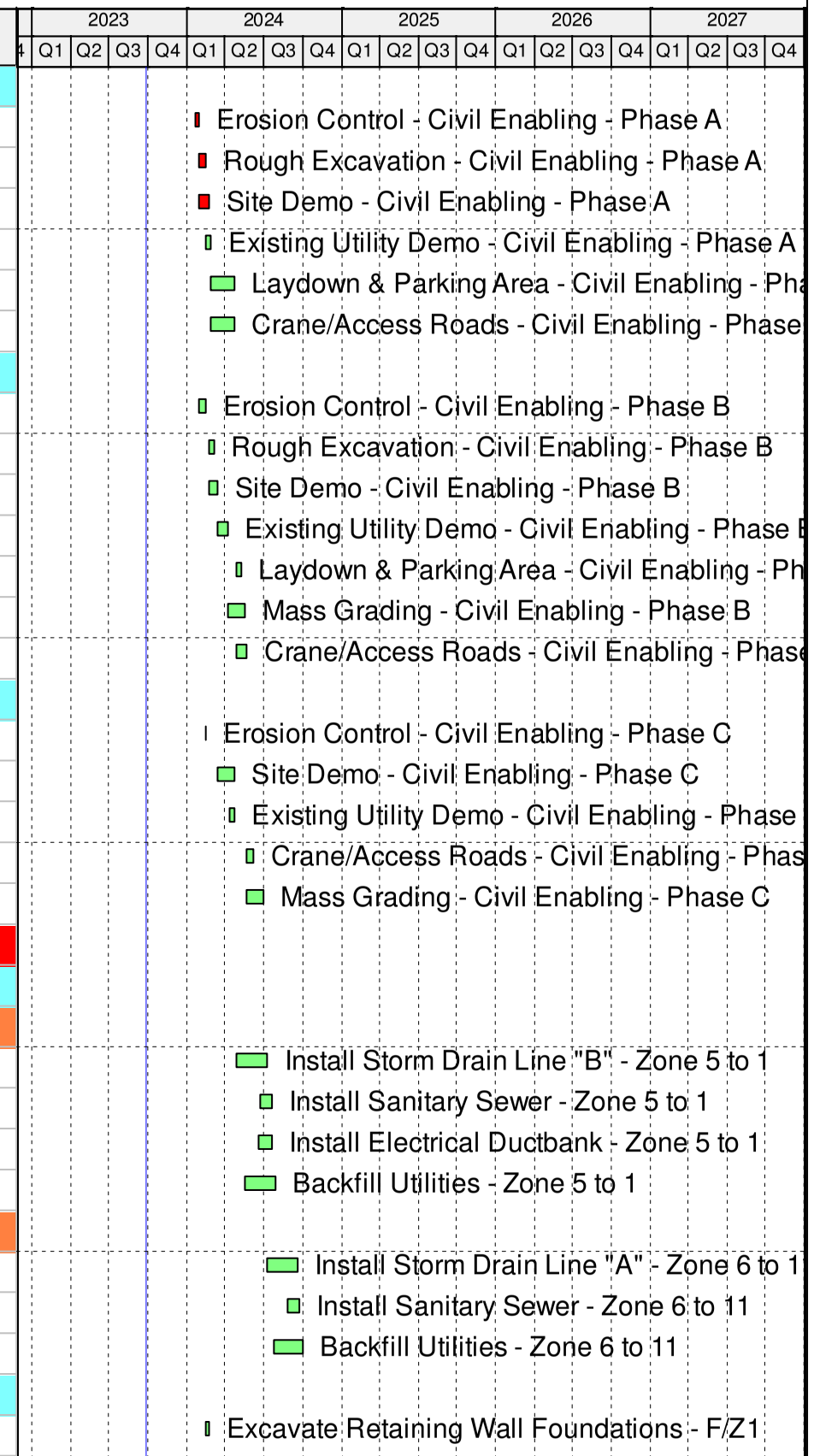
HOLDER Pankow TEC

Print Date : 02-Nov-23
Data Date : 25-Sep-23

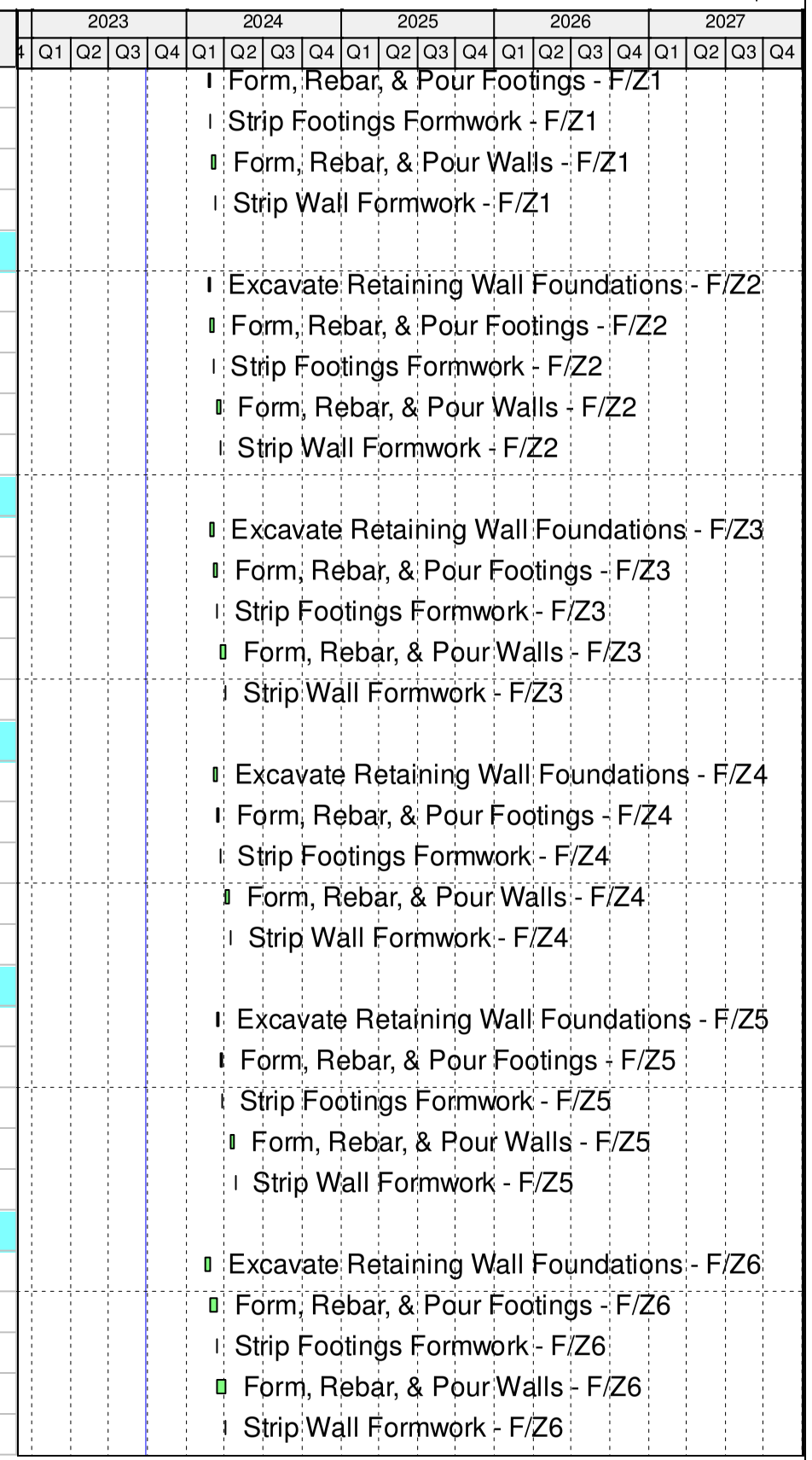
Activity ID	Activity Name	Orig. Dur.	Remaining Duration	Start	Finish
2-M1150	Start Terminal Foundations	0	0	11-Apr-24	
2-M1190	Parking Garage Shoring Complete	0	0		24-Apr-24
2-M1180	Terminal Mass Excavation Complete	0	0		22-May-24
2-M1160	Start Crew 1 Parking Garage Foundations	0	0	23-May-24	
2-M1170	Start Crew 2 Parking Garage Foundations	0	0	08-Jul-24	
2-M1200	CGMP 02 - Substantial Completion	0	0		01-Oct-24
2-M1210	CGMP 02 - Final Completion	0	0		13-Feb-25
Phase 2 LOEs		156	156	13-Dec-23	29-Jul-24
Site		156	156	13-Dec-23	29-Jul-24
LOE-1150	Preliminary Site Work	156	156	13-Dec-23	29-Jul-24
Construction		250	250	14-Nov-23	13-Nov-24
Construction Mobilizations		250	250	14-Nov-23	13-Nov-24
2-MOB1030	Initial Submittals/Matl Lead Time/Mobilization - Civil Enabling Work	19	19	14-Nov-23	12-Dec-23
2-MOB1000	Initial Submittals/Matl Lead Time/Mobilization - Fnds/Structure (Terminal)	35	35	19-Mar-24	07-May-24
2-MOB1010	Initial Submittals/Matl Lead Time/Mobilizations - Fnds/Structure (Garage)	35	35	19-Mar-24	07-May-24
2-PRE1880	Initial Submittals/Matl Lead Time/Mobilizations - Airside/Apron	40	40	04-Jun-24	30-Jul-24
2-MOB1050	Initial Submittals/Matl Lead Time/Mobilizations - Landside/Roadwa	60	60	20-Aug-24	13-Nov-24
Preliminary Site Work		201	201	13-Dec-23	01-Oct-24
CV10320	BMP Approval	0	0	29-Dec-23	
CV10400	Relocate B6 Comm. Line	10	10	29-Dec-23	12-Jan-24
CV10000	Mobilize, BMP's, Site Fencing, Construction Entrances etc. - Civil Enabling	25	25	13-Dec-23	19-Jan-24
CV10380	Temp. Power Yard Setup	40	40	10-Jun-24	05-Aug-24
CV10390	Temp. Power Available	0	0		05-Aug-24
Parking Garage Shoring & Excavation		70	70	13-Feb-24	22-May-24
CV10310	Parking Garage Shoring Excavation - Soldier Piles	10	10	13-Feb-24	27-Feb-24
CV10430	Parking Garage Shoring Excavation - Tie Backs	10	10	20-Mar-24	03-Apr-24
CV10360	Parking Garage Mass Excavation	30	30	28-Feb-24	10-Apr-24
CV10440	Parking Garage Shoring Excavation - Lagging	25	25	20-Mar-24	24-Apr-24
CV10040	Prep Garage Building Pad - Civil Enabling	20	20	25-Apr-24	22-May-24
Site Grading & Demo		112	112	23-Jan-24	01-Jul-24
CV10410	Prep Terminal/Concourse Building Pad - Civil Enabling	30	30	13-Feb-24	26-Mar-24
CV10370	Terminal Basement Mass Excavation	30	30	11-Apr-24	22-May-24



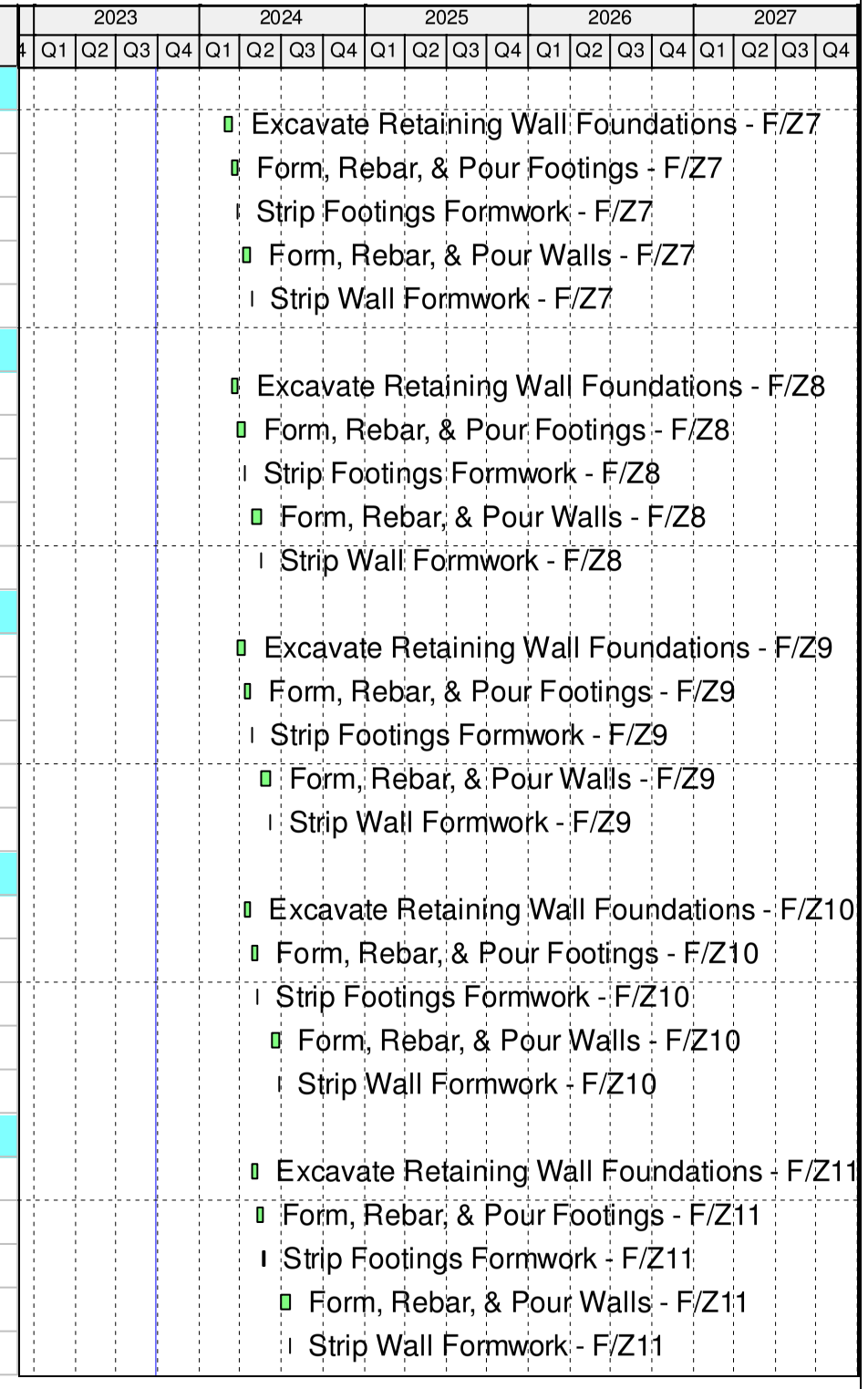
Activity ID	Activity Name	Orig. Dur.	Remaining Duration	Start	Finish
Phase A		65	65	23-Jan-24	24-Apr-24
CV10450	Erosion Control - Civil Enabling - Phase A	5	5	23-Jan-24	29-Jan-24
CV10030	Rough Excavation - Civil Enabling - Phase A	10	10	30-Jan-24	12-Feb-24
CV10010	Site Demo - Civil Enabling - Phase A	17	17	30-Jan-24	22-Feb-24
CV10460	Existing Utility Demo - Civil Enabling - Phase A	10	10	13-Feb-24	27-Feb-24
CV10570	Laydown & Parking Area - Civil Enabling - Phase A	40	40	28-Feb-24	24-Apr-24
CV10580	Crane/Access Roads - Civil Enabling - Phase A	40	40	28-Feb-24	24-Apr-24
Phase B		78	78	30-Jan-24	20-May-24
CV10480	Erosion Control - Civil Enabling - Phase B	10	10	30-Jan-24	12-Feb-24
CV10490	Rough Excavation - Civil Enabling - Phase B	10	10	23-Feb-24	07-Mar-24
CV10500	Site Demo - Civil Enabling - Phase B	15	15	23-Feb-24	14-Mar-24
CV10510	Existing Utility Demo - Civil Enabling - Phase B	15	15	15-Mar-24	05-Apr-24
CV10590	Laydown & Parking Area - Civil Enabling - Phase B	10	10	25-Apr-24	08-May-24
CV10470	Mass Grading - Civil Enabling - Phase B	30	30	08-Apr-24	17-May-24
CV10600	Crane/Access Roads - Civil Enabling - Phase B	18	18	25-Apr-24	20-May-24
Phase C		97	97	13-Feb-24	01-Jul-24
CV10520	Erosion Control - Civil Enabling - Phase C	2	2	13-Feb-24	14-Feb-24
CV10540	Site Demo - Civil Enabling - Phase C	26	26	15-Mar-24	22-Apr-24
CV10550	Existing Utility Demo - Civil Enabling - Phase C	10	10	09-Apr-24	22-Apr-24
CV10610	Crane/Access Roads - Civil Enabling - Phase C	10	10	21-May-24	04-Jun-24
CV10560	Mass Grading - Civil Enabling - Phase C	30	30	20-May-24	01-Jul-24
East Retaining Wall		161	161	13-Feb-24	01-Oct-24
Utilities & Backfill @ Retaining Wall		110	110	26-Apr-24	01-Oct-24
Zone 5 to 1		65	65	26-Apr-24	29-Jul-24
ERW-Z5-1050	Install Storm Drain Line "B" - Zone 5 to 1	50	50	26-Apr-24	08-Jul-24
ERW-Z5-1060	Install Sanitary Sewer - Zone 5 to 1	20	20	24-Jun-24	22-Jul-24
ERW-Z5-1070	Install Electrical Ductbank - Zone 5 to 1	25	25	17-Jun-24	22-Jul-24
ERW-Z5-1080	Backfill Utilities - Zone 5 to 1	50	50	17-May-24	29-Jul-24
Zone 6 to 11		60	60	09-Jul-24	01-Oct-24
ERW-Z6-1050	Install Storm Drain Line "A" - Zone 6 to 11	50	50	09-Jul-24	17-Sep-24
ERW-Z6-1060	Install Sanitary Sewer - Zone 6 to 11	20	20	27-Aug-24	24-Sep-24
ERW-Z6-1070	Backfill Utilities - Zone 6 to 11	50	50	23-Jul-24	01-Oct-24
Zone 1 / Crew 1		19	19	13-Feb-24	11-Mar-24
ERW-Z1-1000	Excavate Retaining Wall Foundations - F/Z1	5	5	13-Feb-24	20-Feb-24



Activity ID	Activity Name	Orig. Dur.	Remaining Duration	Start	Finish
ERW-Z1-1010	Form, Rebar, & Pour Footings - F/Z1	5	5	21-Feb-24	27-Feb-24
ERW-Z1-1020	Strip Footings Formwork - F/Z1	1	1	28-Feb-24	28-Feb-24
ERW-Z1-1030	Form, Rebar, & Pour Walls - F/Z1	7	7	29-Feb-24	08-Mar-24
ERW-Z1-1040	Strip Wall Formwork - F/Z1	1	1	11-Mar-24	11-Mar-24
Zone 2 / Crew 1		22	22	21-Feb-24	21-Mar-24
ERW-Z2-1000	Excavate Retaining Wall Foundations - F/Z2	5	5	21-Feb-24	27-Feb-24
ERW-Z2-1010	Form, Rebar, & Pour Footings - F/Z2	5	5	28-Feb-24	05-Mar-24
ERW-Z2-1020	Strip Footings Formwork - F/Z2	1	1	06-Mar-24	06-Mar-24
ERW-Z2-1030	Form, Rebar, & Pour Walls - F/Z2	7	7	12-Mar-24	20-Mar-24
ERW-Z2-1040	Strip Wall Formwork - F/Z2	1	1	21-Mar-24	21-Mar-24
Zone 3 / Crew 1		25	25	28-Feb-24	03-Apr-24
ERW-Z3-1000	Excavate Retaining Wall Foundations - F/Z3	5	5	28-Feb-24	05-Mar-24
ERW-Z3-1010	Form, Rebar, & Pour Footings - F/Z3	5	5	06-Mar-24	12-Mar-24
ERW-Z3-1020	Strip Footings Formwork - F/Z3	1	1	13-Mar-24	13-Mar-24
ERW-Z3-1030	Form, Rebar, & Pour Walls - F/Z3	7	7	22-Mar-24	02-Apr-24
ERW-Z3-1040	Strip Wall Formwork - F/Z3	1	1	03-Apr-24	03-Apr-24
Zone 4 / Crew 1		28	28	06-Mar-24	15-Apr-24
ERW-Z4-1000	Excavate Retaining Wall Foundations - F/Z4	5	5	06-Mar-24	12-Mar-24
ERW-Z4-1010	Form, Rebar, & Pour Footings - F/Z4	5	5	13-Mar-24	19-Mar-24
ERW-Z4-1020	Strip Footings Formwork - F/Z4	1	1	20-Mar-24	20-Mar-24
ERW-Z4-1030	Form, Rebar, & Pour Walls - F/Z4	7	7	04-Apr-24	12-Apr-24
ERW-Z4-1040	Strip Wall Formwork - F/Z4	1	1	15-Apr-24	15-Apr-24
Zone 5 / Crew 1		31	31	13-Mar-24	25-Apr-24
ERW-Z5-1000	Excavate Retaining Wall Foundations - F/Z5	5	5	13-Mar-24	19-Mar-24
ERW-Z5-1010	Form, Rebar, & Pour Footings - F/Z5	5	5	20-Mar-24	26-Mar-24
ERW-Z5-1020	Strip Footings Formwork - F/Z5	1	1	27-Mar-24	27-Mar-24
ERW-Z5-1030	Form, Rebar, & Pour Walls - F/Z5	7	7	16-Apr-24	24-Apr-24
ERW-Z5-1040	Strip Wall Formwork - F/Z5	1	1	25-Apr-24	25-Apr-24
Zone 6 / Crew 2		36	36	13-Feb-24	04-Apr-24
ERW-Z6-1000	Excavate Retaining Wall Foundations - F/Z6	10	10	13-Feb-24	27-Feb-24
ERW-Z6-1010	Form, Rebar, & Pour Footings - F/Z6	10	10	28-Feb-24	12-Mar-24
ERW-Z6-1020	Strip Footings Formwork - F/Z6	1	1	13-Mar-24	13-Mar-24
ERW-Z6-1030	Form, Rebar, & Pour Walls - F/Z6	14	14	14-Mar-24	03-Apr-24
ERW-Z6-1040	Strip Wall Formwork - F/Z6	1	1	04-Apr-24	04-Apr-24



Activity ID	Activity Name	Orig. Dur.	Remaining Duration	Start	Finish
Zone 7 / Crew 2		41	41	28-Feb-24	25-Apr-24
ERW-Z7-1000	Excavate Retaining Wall Foundations - F/Z7	10	10	28-Feb-24	12-Mar-24
ERW-Z7-1010	Form, Rebar, & Pour Footings - F/Z7	10	10	13-Mar-24	26-Mar-24
ERW-Z7-1020	Strip Footings Formwork - F/Z7	1	1	27-Mar-24	27-Mar-24
ERW-Z7-1030	Form, Rebar, & Pour Walls - F/Z7	14	14	05-Apr-24	24-Apr-24
ERW-Z7-1040	Strip Wall Formwork - F/Z7	1	1	25-Apr-24	25-Apr-24
Zone 8 / Crew 2		46	46	13-Mar-24	16-May-24
ERW-Z8-1000	Excavate Retaining Wall Foundations - F/Z8	10	10	13-Mar-24	26-Mar-24
ERW-Z8-1010	Form, Rebar, & Pour Footings - F/Z8	10	10	27-Mar-24	10-Apr-24
ERW-Z8-1020	Strip Footings Formwork - F/Z8	1	1	11-Apr-24	11-Apr-24
ERW-Z8-1030	Form, Rebar, & Pour Walls - F/Z8	14	14	26-Apr-24	15-May-24
ERW-Z8-1040	Strip Wall Formwork - F/Z8	1	1	16-May-24	16-May-24
Zone 9 / Crew 2		51	51	27-Mar-24	07-Jun-24
ERW-Z9-1000	Excavate Retaining Wall Foundations - F/Z9	10	10	27-Mar-24	10-Apr-24
ERW-Z9-1010	Form, Rebar, & Pour Footings - F/Z9	10	10	11-Apr-24	24-Apr-24
ERW-Z9-1020	Strip Footings Formwork - F/Z9	1	1	25-Apr-24	25-Apr-24
ERW-Z9-1030	Form, Rebar, & Pour Walls - F/Z9	14	14	17-May-24	06-Jun-24
ERW-Z9-1040	Strip Wall Formwork - F/Z9	1	1	07-Jun-24	07-Jun-24
Zone 10 / Crew 2		56	56	11-Apr-24	28-Jun-24
ERW-Z10-1000	Excavate Retaining Wall Foundations - F/Z10	10	10	11-Apr-24	24-Apr-24
ERW-Z10-1010	Form, Rebar, & Pour Footings - F/Z10	10	10	25-Apr-24	08-May-24
ERW-Z10-1020	Strip Footings Formwork - F/Z10	1	1	09-May-24	09-May-24
ERW-Z10-1030	Form, Rebar, & Pour Walls - F/Z10	14	14	10-Jun-24	27-Jun-24
ERW-Z10-1040	Strip Wall Formwork - F/Z10	1	1	28-Jun-24	28-Jun-24
Zone 11 / Crew 2		61	61	25-Apr-24	22-Jul-24
ERW-Z11-1000	Excavate Retaining Wall Foundations - F/Z11	10	10	25-Apr-24	08-May-24
ERW-Z11-1010	Form, Rebar, & Pour Footings - F/Z11	10	10	09-May-24	22-May-24
ERW-Z11-1020	Strip Footings Formwork - F/Z11	1	1	23-May-24	23-May-24
ERW-Z11-1030	Form, Rebar, & Pour Walls - F/Z11	14	14	01-Jul-24	19-Jul-24
ERW-Z11-1040	Strip Wall Formwork - F/Z11	1	1	22-Jul-24	22-Jul-24



Hollywood Burbank Airport

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

TASK ORDER (TO)

To Firm: Holder, Pankow, TEC - A Joint Venture (HPT)	
SA/P.O. A7255	**Account No.:** 4-07-01 / 9705
T.O. Order No: 002	**Effective Date:** November 13, 2023
T.O. Revision No:	**Revision Date:**
Originator: P. Lammerding	**Phone No:** 818-729-2250

This Task Order (TO) is issued pursuant to the applicable Services Agreement (SA) between the Burbank- Glendale-Pasadena Airport Authority (Authority), owner/operator of Hollywood Burbank Airport and your Firm, pursuant to terms and conditions of the SA indicated, for the services described below.

DESCRIPTION:

Task Order 002 for CGMP – 01 and CGMP – 02 which includes authorization to utilize a portion of Owner Allowances

See attached for details:

Task Order Pricing Basis

COST OF WORK			
	✔ NTE		$_**76,933,511**___

This Task Order is also a Notice to Proceed immediately with the services described, with final completion on TBD
Time shall be of the essence in the performance of this Task Order.

All services are subject to acceptance by the Authority. All required supporting documentation to be included with Invoice Applications for Payment including a copy of the fully executed Task Order.
Except as may be modified herein, all other contract terms and conditions are unchanged.

This Task Order is accepted and agreed by authorized representative(**s**) of the parties as indicated below:

Burbank-Glendale-Pasadena Airport Authority
Company Name

Authorized Signature

Title

Date

TASK ORDER
DESCRIPTION DETAIL:

Task Order 02 in the amount of $76,933,511 is comprised of the following components:

1. CGMP – 01 Terminal Building Mechanical, Electrical and Special Systems in the amount of $**3,829,573**

2. CGMP – 02 Civil Site Work, Enabling and Portion of Owner Allowance in the amount of **$73,103,938**

   Civil Site Work, Enabling in the amount of **$66,803,938**

   Authorization to utilize Owner Allowance **$6,300,000**:

   a. Unforeseen environmental hazards or conditions - **$3,000,000**
   b. U.S. Department of Labor David Bacon compliance - **$300,000**
   c. City of Burbank Building and Safety permits – **$3,000,000**

Hollywood Burbank Airport

REVENUE PASSENGERS	September			January - September		
Signatory Airlines	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Alaska Airlines	65,132	50,228	29.67%	511,668	353,485	44.75%
American Airlines	30,588	33,762	-9.40%	318,208	258,190	23.25%
Avelo Airlines	31,183	29,532	5.59%	266,277	273,162	-2.52%
Delta Airlines	11,508	14,249	-19.24%	110,740	134,237	-17.50%
Flair Airlines	0	1,607	N/A	0	15,697	N/A
JetBlue Airways	6,671	7,326	-8.94%	60,898	98,148	-37.95%
Southwest Airlines	326,095	359,113	-9.19%	2,795,272	2,951,716	-5.30%
Spirit Airlines	19,324	16,953	13.99%	145,774	97,880	48.93%
United Airlines	20,480	25,437	-19.49%	177,922	133,522	33.25%
Non-Signatory Airlines						
Frontier Airlines	0	3,895	-100.00%	5,482	64,145	-91.45%
Total Revenue Passengers	**510,981**	**542,102**	**-5.74%**	**4,392,241**	**4,380,182**	**0.28%**
Inbound (deplaned)	257,767	272,621	-5.45%	2,201,704	2,194,301	0.34%
Outbound (enplaned)	253,214	269,481	-6.04%	2,190,537	2,185,881	0.21%

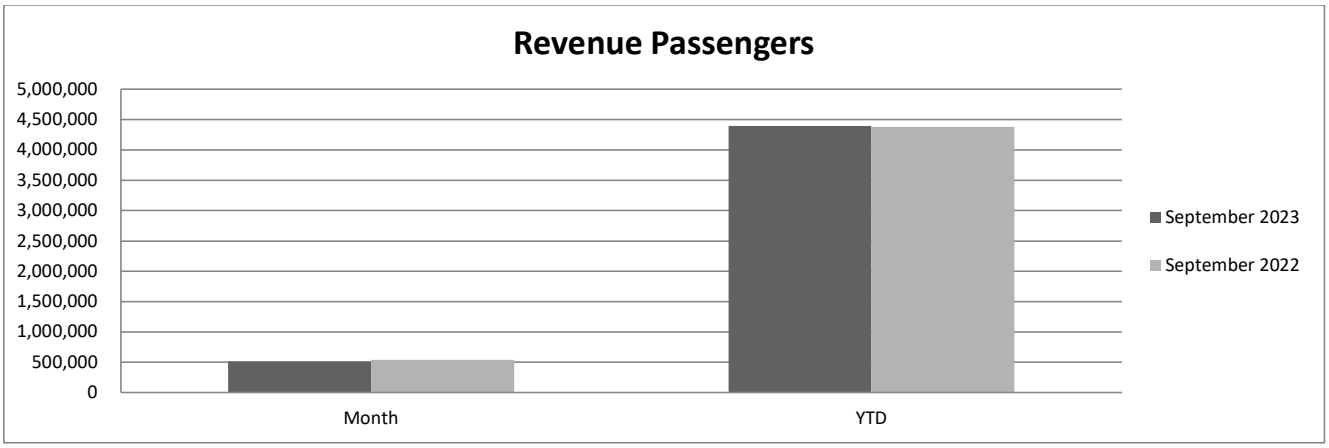
AIRCRAFT OPERATIONS	September			January - September		
	2023	**2022**	**% Change**	**2023**	**2022**	**% Change**
Landings & Takeoffs						
Air Carrier	5,513	5,679	-2.92%	47,276	49,655	-4.79%
Air Taxi	2,040	2,420	-15.70%	19,104	17,816	7.23%
General Aviation	2,120	2,389	-11.26%	17,378	21,009	-17.28%
Military Itinerant	41	51	-19.61%	276	329	-16.11%
Subtotal	**9,714**	**10,539**	**-7.83%**	**84,034**	**88,809**	**-5.38%**
Pass Through BUR Airspace						
Civil Local	3,620	1,816	99.34%	21,414	19,479	9.93%
Military Local	6	0	N/A	6	0	N/A
Subtotal	**3,626**	**1,816**	**99.67%**	**21,420**	**19,479**	**9.96%**
Total Aircraft Operations	**13,340**	**12,355**	**7.97%**	**105,454**	**108,288**	**-2.62%**

Air Carrier: Scheduled commercial air carrier operations; including cargo operators
Air Taxi: Smaller aviation operators such as charters, commuter carriers or on-demand operators
General Aviation: Civil aviation operations for personal use
Military Itinerant: Military aviation activities
Civil Local: Civil aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR
Military Local: Military aviation operations that pass through BUR airspace monitored by FAA ATCT at BUR

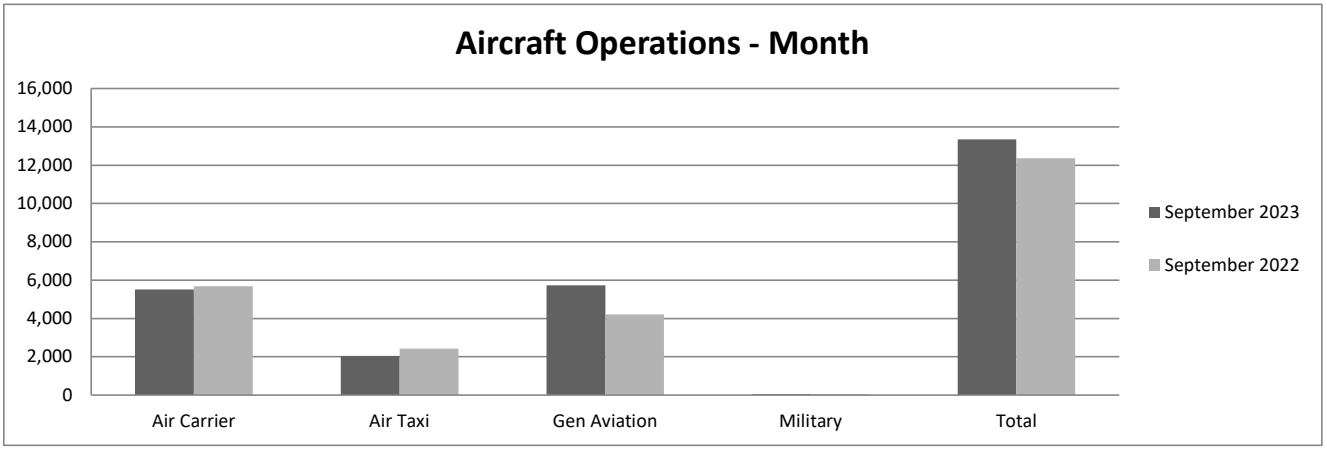
Hollywood Burbank Airport

AIR CARGO (lbs.)	September			January - September		
Signatory Airlines	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Alaska Airlines	2,747	2,216	23.96%	20,921	13,539	54.52%
American Airlines	176	0	N/A	189	621	-69.57%
Avelo Airlines						
Delta Airlines						
Flair Airlines						
JetBlue Airways						
Southwest Airlines	145,571	173,328	-16.01%	949,886	1,805,664	-47.39%
Spirit Airlines						
United Airlines	0	0	N/A	172,951	0	N/A
Non-Signatory Airlines						
Frontier Airlines						
Other Scheduled Carriers						
Federal Express	2,207,412	2,638,837	-16.35%	22,746,856	29,918,314	-23.97%
United Parcel Service	3,231,874	3,811,546	-15.21%	29,508,145	34,350,412	-14.10%
Charter/Contract Carriers						
Ameriflight	181,138	169,014	7.17%	1,421,582	1,550,997	-8.34%
Total Air Cargo	**5,768,918**	**6,794,941**	**-15.10%**	**54,820,530**	**67,639,547**	**-18.95%**
Inbound (deplaned)	2,987,733	3,448,123	-13.35%	28,033,984	34,110,972	-17.82%
Outbound (enplaned)	2,781,185	3,346,818	-16.90%	26,786,546	33,528,575	-20.11%

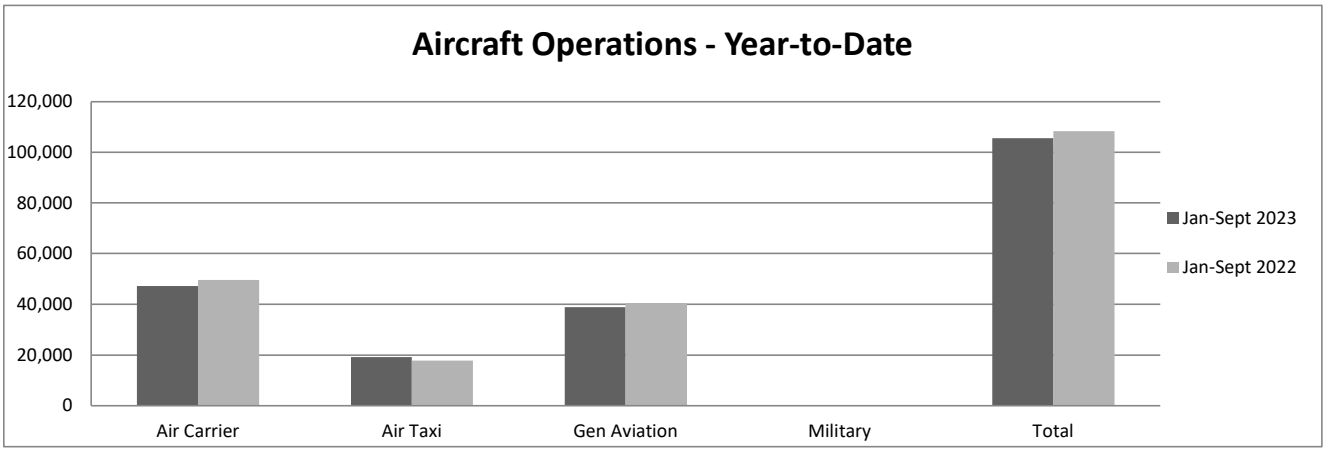
MAIL (lbs.)	September			January - September		
	2023	**2022**	**% Change**	**2023**	**2022**	**% Change**
	0	0	N/A	0	0	N/A
Total Mail	**0**	**0**	**N/A**	**0**	**0**	**N/A**
Inbound (deplaned)	0	0	N/A	0	0	N/A
Outbound (enplaned)	0	0	N/A	0	0	N/A



Revenue Passengers	Month	YTD
September 202	510,981	4,392,241
September 202	542,102	4,380,182
% Change	-5.74%	0.28%



Aircraft Operations - MO	Air Carrier	Air Taxi	Gen Aviation	Military	Total
September 202	5,513	2,040	5,740	47	13,340
September 202	5,679	2,420	4,205	51	12,355
% Change	-2.92%	-15.70%	36.50%	-7.84%	7.97%



Aircraft Operations - YTD	Air Carrier	Air Taxi	Gen Aviation	Military	Total
Jan-Sept 2023	47,276	19,104	38,792	282	105,454
Jan-Sept 2022	49,655	17,816	40,488	329	108,288
% Change	-4.79%	7.23%	-4.19%	-14.29%	-2.62%

HELICOPTER MAINTENANCE AND OPERATIONS LEASE

between the

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

and the

CITY OF BURBANK and the CITY OF GLENDALE

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HELICOPTER MAINTENANCE AND OPERATIONS LEASE

THIS HELICOPTER MAINTENANCE AND OPERATIONS LEASE ("Lease") is dated as of _____ and is entered into by and among 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 CITY OF BURBANK, a charter city and municipal corporation and the CITY OF GLENDALE, a charter city and municipal corporation, as tenants in common, each as to an undivided one-half (½) interest (collectively, and jointly and severally, "Tenant").

RECITALS

A. Landlord is the owner and operator of the Hollywood Burbank Airport located in Burbank, California ("Airport").

B. Tenant desires to lease space at the Airport (as described in Section 1.1 below, the "Leased Premises") from Landlord to obtain space for the storage, maintenance, and operation of the police helicopters of the cities of Burbank and Glendale, and in order to thereby enhance and further promote the public safety and welfare served by such cities' law enforcement programs.

THEREFORE, in consideration of the covenants and agreements contained herein and for other valuable consideration, the sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. LEASED PREMISES.

1.1 Defined. Landlord hereby leases to Tenant, and Tenant hereby leases and hires from Landlord, the hangar space described and/or depicted in Exhibit "A" attached hereto (the "Leased Premises"), upon the terms and subject to the conditions set forth in this Lease.

1.2 "AS-IS". Tenant accepts the Leased Premises as of the Commencement Date (as hereinafter defined) in the condition existing as of the Commencement Date, without representation or warranty, express or implied, and agrees that the Leased Premises are otherwise in a good and tenantable condition and acknowledges that, except as specifically provided herein, Landlord is not otherwise obligated to make any repairs or alterations to the Leased Premises.

The Leased Premises, the building in which they are located, the office space in the building that is included in the Leased Premises, and any other areas that may be used by Tenant under this Lease (herein, the "subject premises") have not been inspected by a Certified Access Specialist (CASp). A CASp can inspect the subject premises and determine whether they comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, a commercial property owner or lessor may not prohibit a lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties must mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any

repairs necessary to correct violations of construction-related accessibility standards within the subject premises.

The Landlord and Tenant hereby agree that Landlord will not be obligated to obtain or pay for such an inspection report, and will not make or pay for any necessary repairs (all of which shall be the responsibility of the Tenant under this Lease).

1.3 Title; Reservations to Landlord. Tenant accepts the Leased Premises subject to any and all existing easements, servitudes and encumbrances, whether recorded or unrecorded. Landlord reserves the right, without obligation, to install, lay, construct, maintain, repair and replace utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises and any New Improvements (as defined in Section 6.1.1) or any part thereof, and to enter the Leased Premises or any New Improvements for any and all such purposes. Landlord also reserves the right to grant franchises, licenses, easements, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises. No right reserved by Landlord in this Section shall be so exercised as to interfere unreasonably with Tenant's use of the Leased Premises or Tenant's business operations in the Leased Premises or the construction of the New Improvements as provided in this Lease or Tenant's reasonable access to the Common Use Facilities.

1.4 Landlord's Right of Access. Landlord shall have free access to the Leased Premises during all reasonable hours, or at any time in the event of an emergency, for the purposes of examining the same to ascertain if they are in good repair, inspecting any work in progress within or upon the Leased Premises, New Improvements or elsewhere on the Airport, making repairs which Landlord may be permitted to make hereunder, and, during the last twelve (12) months of the term of this Lease or at any time following either Landlord or Tenant giving a notice of termination under this Lease, exhibiting the same to prospective purchasers or tenants. Such entry shall be made in a manner that will not unreasonably interfere with Tenant's use of the Leased Premises, except in case of emergency. In the event that Tenant is not personally present to open and permit such entry, Landlord may enter by means of master keys or 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 Landlord or any of its employees, agents, representatives or contractors. In non-emergency situations, Landlord shall exercise such right of access with reasonable notice and frequency and shall exercise commercially reasonable efforts to be accompanied by Tenant's representative.

2. TERM.

2.1 Initial Term; Commencement Date; Annual Period. The term of this Lease shall commence at 12:01 a.m. on _____, 2024 ("Commencement Date") and continue until 11:59 p.m. on _____, 2054 ("Expiration Date"). Each twelve (12) full calendar month period, commencing on the Commencement Date, during the term of this Lease is sometimes hereinafter referred to as an "Annual Period".

2.2 Early Termination.

2.2.1 Landlord's Right to Terminate. Tenant acknowledges that Landlord is presently conducting and in the future will conduct feasibility, economic, land use and other studies of the Airport and its physical configuration for the purpose of relocating or rebuilding terminal facilities, fixed base operator facilities, cargo facilities, fueling facilities, retail, commercial, industrial and manufacturing facilities, parking areas, service areas, runways, taxiways, apron areas, access roads, control tower, safety and open areas, safety and navigation equipment and other Airport and non-Airport facilities, some or all of which may be required by the Federal Aviation Administration ("FAA"), by considerations of safety or efficiency of operation at the Airport, or by economic conditions, opportunities or circumstances, and that it is not possible to determine whether or to what extent the Leased Premises or New Improvements will be included within or affected by any such studies, reconfiguration of the Airport or rebuilding or relocation of Airport facilities. In the event that Landlord, in its sole and absolute discretion, determines that all or a portion of the Leased Premises is needed for alternative purposes, uses or opportunities, or that any reconfiguration of the Airport, reconstruction, rebuilding or reconstruction of Airport facilities, or construction of new Improvements or facilities, will prevent or interfere with Tenant's authorized use of the Leased Premises, and without any requirement that Landlord consider the potential or actual adverse economic impacts upon Tenant or that Landlord meet any standard of reasonableness, need, good faith or fair dealing, all of which Tenant acknowledges shall not be required to be considered by Landlord, Landlord shall have the right to terminate this Lease as to all of the Leased Premises by delivering to Tenant not less than six (6) months' prior written notice of such termination pursuant to this Section.

2.2.2 Tenant Acknowledgments Regarding Landlord's Right to Terminate. The provisions of Section 2.2.1 are contractual and arise from Landlord's unwillingness to enter into a long term lease of the Leased Premises without the right of termination provided herein, and are in part in exchange for Tenant's rights under Section 2.2.3 below. Tenant acknowledges that under these circumstances, including those in the preceding sentence, such provisions are reasonable and Tenant is willing to accept Landlord's termination rights in order to obtain a longer lease term than might otherwise be provided by Landlord. The exercise by Landlord of its termination right shall not be construed as a taking by Landlord of any part of the Leased Premises or New Improvements or of Tenant's rights or leasehold estate under this Lease, and Tenant shall not be entitled to payment for any loss of goodwill, income or other amount measured by Tenant's loss upon termination or reduction of its business following termination of this Lease as to the Leased Premises or any New Improvements.

2.2.3 Tenant's Right to Terminate. Provided Tenant is not in default under this Lease as of the date its termination notice (hereinafter described) is sent and the date specified in such notice as the date on which this Lease shall terminate, then Tenant shall have the right to terminate this Lease upon six (6) months' prior written notice to Landlord.

3. RENT AND OTHER CHARGES.

3.1 No Rent. In consideration of the enhancement and promotion of public safety being served by the law enforcement helicopter facility to be located on the leased premises, Tenant shall not be required to pay to Landlord any sums as and for rent.

3.2 Taxes. Tenant shall, if not otherwise exempt from payment, pay prior to delinquency all taxes and assessments imposed by any authority having the direct or indirect power to tax which are applicable during the term of this Lease on the leasehold estate of Tenant hereunder (i.e., possessory interest taxes) and/or any improvements or constructed, installed or made to the Leased Premises by Tenant, and all personal property of Tenant.

3.2.1 Right to Contest. Tenant shall have the right to contest the validity, applicability, and/or amount of any taxes alleged by the applicable taxing authority to be payable by Tenant by appropriate proceedings and the cost of such contest shall be paid by Tenant, but Tenant shall be entitled to receive and retain the recoveries from such contest. Notwithstanding the foregoing, if such Taxes are secured by a lien on any portion of the Airport or its revenues or if, in the sole opinion of Landlord, the nonpayment of such Taxes will be detrimental to Landlord, then as a condition to making such contest, Tenant shall pay the contested Taxes with a right of reservation.

3.3 Utilities. Tenant shall pay charges for water, gas, heat, light, power, air conditioning, telephone, internet and other utilities and services supplied to and/or used in the Leased Premises, together with any and all taxes thereon and connection fees relating thereto, in accordance with Section 3.3 below. Tenant acknowledges, for itself that, except to the limited extent expressly provided in Section 3.3, Landlord has no obligation to provide utilities or services to the Leased Premises. Landlord shall not be liable to Tenant under any circumstances for destruction, damage or loss to property, injury or death of any person, or any consequential damages, arising out of, resulting from or relating to, whether directly or indirectly, the furnishing, failure to furnish, interruption, cancellation or termination of any of said utilities or services by the providers or suppliers of any said utilities or services. Tenant 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 said utility or service.

3.4 Other Charges.

3.4.1 Obligation to Pay. Tenant shall pay, as additional rent all the costs and expenses incurred by Landlord described in Section 3.3 (Utilities) above and this Section 3.4.

3.4.2 Fire and Security Services. Landlord is not obligated to Tenant to furnish any fire-fighting services or security services to the Leased Premises. Tenant acknowledges that the Leased Premises, Common Use Facilities and other areas of the Airport are within the municipal service areas of the City of Burbank and the City of Los Angeles. Tenant shall provide such 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, and any improvements so required shall be included in "Approved New Improvements". Without limiting or modifying any obligation of Tenant to pay Annual 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.

3.4.3 Trash Removal. Tenant shall comply with all reasonable written instructions of Landlord in disposing of its trash and refuse. Tenant shall dispose of its refuse at its sole expense.

3.4.4 Manner of Payment. In the event Landlord pays or incurs any amount reimbursable to Landlord under this Section 3.3 or under any other section of this Lease, Tenant shall reimburse Landlord for such charge, as additional rent hereunder, within thirty (30) days after Landlord gives to Tenant an appropriate invoice therefor.

3.5 Net Lease. Except as otherwise provided in this Lease, Tenant shall be responsible for all costs attributable to the Leased Premises and Tenant's use or occupancy thereof. Landlord shall receive all amounts payable by Tenant pursuant to this Section 3, or any other provision of this Lease, free and clear of any and all other impositions, Taxes, liens, charges or expense of any nature whatsoever in connection with the ownership and operation of the Leased Premises. In addition to the amounts payable by Tenant pursuant to this Section 3, Tenant shall pay to the parties respectively entitled thereto all other impositions, operating charges, maintenance charges, construction costs, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease during the term hereof; provided, however, that Tenant shall have the right to contest the validity, applicability or amount of any such charge, cost or expense and, if the claimant attempts to attach or to assert any stop notice or mechanics lien rights against funds held by Tenant's lender, the Leased Premises or any New Improvements, Tenant provides any statutory bond required to prevent such claimant from exercising any such rights or remedies against the lender, the Leased Premises or the New Improvements. All of such charges, costs and expenses which either (i) are payable to Landlord or (ii) the failure to pay will create a lien against the Land, shall constitute additional rent, and upon the failure of Tenant to pay any of such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

3.6 Interest on Past Due Payments. Any amount due from Tenant to Landlord pursuant to this Section 3 or any other provision of this Lease which is not paid within fifteen (15) days after Landlord delivers written notice to Tenant that such amount is due shall bear interest from the due date until paid at a rate equal to the lower of (i) ten percent (10%) per annum or (ii) five (5%) in excess of the prevailing rate established by the Federal Reserve Bank at San Francisco on advances to member banks on the twenty-fifth (25th) day of the month preceding the Commencement Date (but not more than the maximum rate permissible by Law); provided, however, that the payment of any interest pursuant to this Section shall not excuse or cure any default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease.

3.7 Address for Payment. The rent and all other amounts due to Landlord pursuant to this Section 3 or any other provision of this Lease shall be paid at the office of Landlord; Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, Attention: Controller, or at such other place as Landlord may designate from time to time in writing to Tenant.

3.8 No Abatement of Rent or Fees. Tenant acknowledges and agrees that, except as provided in Sections 8.1, 8.2, 10.1 or 10.2: (i) this Lease shall not be terminable for any

reason by Tenant, and (ii) Tenant shall in no event be entitled to any abatement of or reduction in rent payable under this Lease. Any present or future Law to the contrary shall not alter this Lease.

4. USE OF LEASED PREMISES.

4.1 Use of Leased Premises.

4.1.1 Principal Use As Airport. Tenant hereby acknowledges that the principal use of the Airport consists of the operation of a public airport and that all other businesses and operations which now are or hereafter permitted by Landlord, to be conducted on or at the Airport, including Tenant's use of the Leased Premises pursuant to this Lease, must at all times be compatible with such principal use, as Landlord, in its sole and absolute discretion, shall determine, including, without limitation, the exercise of Landlord's rights pursuant to Section 2.2.1.

4.1.2 Authorized Use of Leased Premises. Tenant shall use the portion of the Leased Premises constituting hangar space exclusively throughout the Lease term for helicopter storage and maintenance and for no other use; Tenant shall use the portion of the Leased Premises constituting office space exclusively throughout the Lease term for office use and for no other use; and Tenant shall use the remainder of the Leased Premises constituting hangar for operation of Tenant's helicopters and related law enforcement equipment and operations (collectively, the "Permitted Uses"). Tenant shall not use nor authorize the use of the Leased Premises, or any portion thereof, for any purpose whatsoever that is not a Permitted Use for the applicable portion without Landlord's prior written consent, which consent Landlord may withhold or condition in Landlord's sole and absolute discretion without regard to any standard of reasonableness.

4.1.3 Restrictions on Storage. Derelict aircraft, 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 hangar building portion of the Leased Premises.

4.2 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 4.1. Without limiting the generality of the foregoing sentence, the following uses are specifically prohibited unless the prior written consent of Landlord is obtained:

4.2.1 Sales of aviation fuel or oil;

4.2.2 Sales of food;

4.2.3 Sales of products or sundry items;

4.2.4 Sales or dispensing of alcoholic beverages;

4.2.5 Any use prohibited by Law or not related to aviation.

4.2.6 Knowingly boarding, enplaning or unloading revenue passengers, either on a scheduled or nonscheduled basis.

4.3 Conduct of Tenant's Activities.

4.3.1 Standards. In addition to any and all other terms, conditions and requirements under this Lease, Tenant, at all times during the term of this Lease, shall comply strictly with the terms, conditions and requirements set forth in this Section 4.3.

4.3.2 Conduct of Employees. Tenant shall exercise its diligent efforts to control the conduct, demeanor, and appearance of its officers, employees, agents, representatives, contractors, licensees, permittees, invitees and permitted Tenants, and shall require all of its employees to wear clean and neat appearing clothing and shall take all actions necessary to ensure their courteous, polite and inoffensive conduct and demeanor. Upon receipt of reasonable written objection from Landlord concerning the conduct, demeanor, or appearance of any such person, Tenant immediately shall take all legal steps necessary to correct or to remove the cause of the objection.

4.3.3 Landlord Noise Abatement Rules. Tenant hereby acknowledges that Tenant has read and understands the Burbank-Glendale-Pasadena Airport Authority noise abatement rules as they presently exist, attached hereto as Exhibit "B". Tenant shall conduct its business and flight operations, if any, in compliance with the noise abatement rules, as the same may be amended by Landlord from time to time, including, without limitation, any voluntary or mandatory curfew imposed now or in the future by Landlord, consistent with federal law, on flight operations between specified nighttime and morning hours (the "Noise Abatement Rules"). Tenant shall also conduct its flight operation in accordance with any voluntary noise abatement procedures as may be promulgated by Landlord that are in compliance with federal law. Landlord shall give written notice to Tenant of any violation of the Noise Abatement Rules by Tenant which comes to Landlord's attention.

4.3.4 Licenses, Permits; Compliance With Laws. Tenant, at Tenant's own cost and expense, shall obtain and maintain in effect at all times during the term hereof all licenses, permits, certificates, approvals and other authorizations required by any federal, state, county, city or other governmental department, bureau, agency or other authority having jurisdiction over Tenant, Tenant's business and operations from the Leased Premises or any other areas of the Airport, including, without limitation, all licenses, permits, certificates, approvals and other authorizations required by the FAA. Tenant shall comply with all applicable federal, state, county and city statutes, regulations, rules and ordinances governing or regulating matters of health, safety or security or the use or occupancy of the Leased Premises or the operation of the Airport, including all rules and regulations promulgated by the FAA or the TSA, all rules, regulations, policies and guidelines of Landlord promulgated pursuant to Section 16 of this Lease, and all orders of any governmental department, bureau, agency or other authority having jurisdiction over Tenant, Tenant's business and operations from the Leased Premises, the Leased Premises and New Improvements or any other areas of the Airport (collectively, "Laws"). Landlord shall give written notice to Tenant of any violation of Laws by Tenant which comes to Landlord's attention.

4.3.5 Air Quality Improvement Plan. In addition to complying with Section 4.3.3, Tenant shall also comply with the certain provisions of the Burbank Airport's Air Quality Improvement Plan:

4.3.5.1 Ground Support Equipment Emissions Policy. Airlines and other entities own and operate ground support equipment ("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.

4.3.5.2 Clean Construction Policy. Landlord has adopted a Clean Construction Policy, which may be accessed/found at http://hollywoodburbankairport.com/green-initiatives/. For all capital improvement projects ("CIPs") undertaken by Tenant, Tenant shall comply, and shall cause its CIP contractors to comply, with such Clean Construction Policy, and shall otherwise ensure its contractors follow clean construction policies 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.

4.3.6 Burbank Airport Employee Ride Share Policy. Landlord intends to join the Burbank Transportation Management Organization (BTMO), which will serve 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.

4.4 Manner of Use. Tenant shall not use or permit the use of the Leased Premises or any other areas of the Airport in any manner that will (i) tend to create or permit any waste or nuisance, (ii) unreasonably tend to disturb other tenants, users or occupants of the Airport, (iii) invalidate, cause the cancellation of or conflict with any fire or other hazard insurance policies covering the Airport, or (iv) increase the premiums for any fire insurance policies covering the Leased Premises, the Airport or any property located thereon; or (v) constitute an immoral, improper, unlawful or objectionable purpose. Tenant, at its expense, shall comply with all rules, orders, regulations, or requirements of the National Board of Fire Underwriters, or any other similar body with respect to Tenant's operations at the Leased Premises.

4.5 Interference with Utilities, Police, Fire Fighting. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing or sewer systems, facilities or devices or portions thereof on or servicing the Leased Premises, or elsewhere on the Airport. In addition, Tenant shall not do or permit to be done anything which may interfere with free access or passage to the Leased Premises or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, Common Use Facilities or any other areas of the Airport other than such interference resulting from Tenant's compliance with Landlord's Security Requirements in accordance with the terms of this Lease. Further, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

4.6 Interference with Fire Exits. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of fire exits in or adjacent to the Leased Premises or elsewhere at the Airport.

4.7 Temporary Structures. Tenant shall not allow any temporary structures or facilities on the Leased Premises, unless Tenant has obtained Landlord's prior written approval, which approval may be granted or withheld by Landlord in its sole and absolute discretion and, if such approval is granted, it shall be revocable at any time by Landlord, in its sole and absolute discretion.

4.8 Signs. 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 building in which the Leased Premises are located 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 the express, written consent of Landlord. If Tenant places or causes to be placed or maintained any of the foregoing, Landlord or Landlord's representative 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 on account thereof. No illuminated sign located within the Leased Premises that is visible from the outside of the Leased Premises shall be permitted. 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. Landlord hereby acknowledges its approval of Tenant's existing signage, and signs substantially similar thereto.

4.9 Vending Machines. Tenant shall not place any vending machines or devices in or on the Leased Premises except for sales to its employees, without the prior written consent of Landlord.

4.10 Non-Discrimination and Affirmative Action. Tenant shall comply with the provisions of "C" attached hereto and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Landlord from time to time. In addition, Tenant shall undertake an affirmative action program, as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal Regulations Part 152, Subpart E. Tenant agrees that no person shall be excluded

on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart.

4.11 Compliance with FAA Grant Assurances and Airport Use. In connection with the ownership and use of the Airport by Landlord, Tenant hereby agrees as follows:

4.11.1 Development or Improvement of Landing Area. Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Tenant, and without interference or hindrance.

4.11.2 Maintenance of Landing Area and Public Facilities. Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

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

4.11.4 Construction of Improvements. In the event any future structure or building is planned for the Leased Premises 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 covered in Part 77 of the Federal Aviation Regulations.

4.11.5 Non-exclusive Rights. It is understood and agreed that nothing herein contained shall 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)).

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

4.11.7 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 the event the aforesaid covenants are breached, in addition to all other rights and remedies of Landlord, 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.

4.11.8 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 the event the aforesaid covenant is breached, in addition to all other rights and remedies of Landlord, Landlord reserves the right to enter upon the Leased Premises or any other areas of the Airport and cause the abatement of such interference, at the expense of Tenant.

4.11.9 Rights of United States. This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of 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.

4.11.10 Unauthorized Access. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas, including, without limitation, the precautions established pursuant to Section 4.13.

4.11.11 Security Checks. Tenant shall comply with Part 107 of the Federal Aviation Regulations requiring background checks, including references and prior employment history, for all persons who have unescorted access to the airfield. Tenant agrees to maintain records of background checks for all employees of Tenant and to make such records available to the FAA and Landlord as may be requested from time to time.

4.12 Airport Security.

4.12.1 Security Requirements. Tenant's written security program described in Section 4.13.2 below may be modified or supplemented from time to time by Landlord or its staff in writing, and in its sole and absolute discretion ("Security Requirements"), is an integral part of this Lease and is hereby incorporated herein by this reference.

4.12.2 Security Program. To the extent not previously submitted, within thirty (30) days after the date hereof, Tenant shall submit Tenant's written security program to Landlord for review and approval.

4.12.3 Violations by Tenant or Others. Upon receipt of any written notice from Landlord of a violation of the Security Requirements by Tenant or by any person subject to Tenant's control, Tenant shall promptly engage security personnel or undertake other necessary security procedures as reasonably requested by Landlord to cure the violation of the Security Requirements described in such notice and Tenant shall pay any fine or penalty imposed by the FAA as a result of such violation or imposed by Landlord under the Rules and Regulations. Tenant's failure to cure timely the violation of the Security Requirements described in the Landlord's notice shall constitute an Event of Default under this Lease.

4.12.4 Indemnity. Tenant shall defend, indemnify and hold harmless Landlord and the other Landlord Parties from and against any and all demands, claims, actions, causes of action, proceedings, judgments, awards, damages, fines, penalties, liabilities, obligations, losses, costs and expenses, including, without limitation, attorneys' fees, of any nature whatsoever, whether now existing or hereafter arising, known or unknown, foreseen or unforeseen, fixed or contingent (collectively, "Claims"), that Landlord or any other Landlord Party may at any time sustain or incur arising out of, resulting from or relating to any breach or violation by Tenant, or anyone subject to Tenant's control of, or failure to comply with, any provision of the Security

Requirements, Tenant's own security program, any applicable Laws relating to Airport security, or any applicable guidelines, policies or procedures relating to Airport security adopted and published from time to time by the FAA or by Landlord or their respective staffs and applicable to tenants at the Airport, including, without limitation, the Rules and Regulations.

4.13 Quiet Enjoyment. Subject to the provisions of this Lease and applicable Laws, so long as Tenant is not in default (after applicable notice, if any, and an opportunity to cure) in the performance of any of its obligations under this Lease, Tenant shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the Lease term.

5. MAINTENANCE AND REPAIRS.

5.1 Tenant's Obligations. Tenant, at Tenant's expense, shall maintain the Leased Premises and every part thereof in good order, condition, and repair according to standards determined by Landlord (whether or not such part of the Leased Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such part of the Leased Premises) including, without limiting the generality of the foregoing, (i) all buildings, structures or fixtures, including ceilings, floors, interior walls, non-structural components of exterior walls and exterior wall surfaces; (ii) store fronts, windows, doors, plate glass, showcases, skylights, entrances, and vestibules located within the Leased Premises, (iii) pavement, driveways, landscaping, parking lots, fences and signs, and all sprinkler, plumbing, sewer, drainage, heating, air conditioning, mechanical electrical and other system facilities, devices and equipment located within the boundaries of the Leased Premises, including air compressor and locks. Tenant shall commence any repair within ten (10) days after the delivery to Tenant of written notice of the need for such repair. Landlord shall not be liable to Tenant by reason of any injury to or interference, with Tenant's operations arising from o connected with the need for or the making of any repairs to the Leased Premises. All repairs to the Leased Premises shall be performed by Tenant, at its expense, and in accordance with the building standards of the City of Los Angeles and it shall be the responsibility of Tenant to secure appropriate permits pursuant to the applicable ordinances, rules and regulations of the City of Los Angeles, Tenant shall paint the walls and shall wash all windows in the Leased Premises as often as may be required to keep the Leased Premises neat and attractive, and shall keep the Lease and Premises at all times in a sanitary condition, free from waste or debris consistent with standards established by Landlord, all at Tenant's expense. Tenant shall screen and landscape any outside storage areas and any service yards of the Leased Premises with fencing and landscaping approved by Landlord.

5.2 Limitations on Landlord Obligations. Landlord shall have no obligation to maintain or make any repairs or replacement to the Leased Premises. Tenant for itself and for each Tenant Party hereby waives any and all rights provided in Section 1941 through 1942, inclusive, of the Civil Code of California and hereby waives, to the extent possible, any rights under any other statutes or laws nor or hereafter in effect which are contrary to the obligations of Tenant under this Lease or which place obligations upon Landlord. Landlord shall not be liable to any Tenant or any Tenant Party for any injury to or interference with Tenant or any Tenant Party or the business or operations of Tenant or any Tenant Party or the use or occupancy of the Leased Premises or the Common Use Facilities or any other area of the Airport by any Tenant Party arising

out of, resulting from or relating to the need for or performance or non-performance of any maintenance, repair or replacement.

5.3 Landlord Cure Rights. In the event Tenant fails to perform its obligations under this Section 5, in addition to any and all other rights and remedies of Landlord, Landlord may, at its option, after fifteen (15) days' written 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; provided, however, so long as Tenant commences required maintenance, repairs and replacements within such fifteen (15) day period and diligently prosecutes such maintenance, repairs and replacements to completion, Tenant shall be deemed to be fully performing Tenant's obligations hereunder.

6. ALTERATIONS AND IMPROVEMENTS.

6.1 Approval and Construction of New Improvements.

6.1.1 Landlord's Approval. Without in each instance obtaining the prior written approval of Landlord in accordance with this Section 6.1.1, which approval may be granted or withheld in Landlord's sole and absolute discretion ("Landlord's Approval"), Tenant shall not (i) demolish any Existing Improvements, (ii) construct or install any Improvements or (iii) except as provided in Section 6.1.2, make any modifications, alterations or additions to the Leased Premises or Improvements (all such demolition, construction, installation, modifications, alterations and additions are individually and collectively referred to in this Lease as "New Improvements"), and no work required in connection therewith shall commence, prior to receiving Landlord's Approval. Landlord reserves the right to disapprove any New Improvements wholly on aesthetic grounds. If Tenant makes or commences any New Improvements without the prior written approval of Landlord, then Landlord shall have the right to require Tenant to remove any or all of such New Improvements at Tenant's sole expense and shall also have the right to declare Tenant in default under this Lease.

6.1.2 Cosmetic Alterations. Landlord shall not unreasonably withhold its consent to any interior Alterations that do not affect the roof or load bearing walls (collectively, "Cosmetic Alterations"), provided that any signage or graphic materials constituting Cosmetic Alterations shall not be visible from outside the Leased Premises. Landlord shall not impose any aesthetic condition or condition upon any approval of a Cosmetic Alteration.

6.1.3 Compliance with Policy on Tenant Improvements. Prior to the commencement of any New Improvements, Tenant shall comply with the rules and guidelines established by Landlord for such work pursuant to Landlord's policy on tenant improvements attached hereto as Exhibit "D", as the same may be amended from time to time. If there is any express conflict between the policy on tenant improvements and the provisions of this Lease, the provisions of this Lease shall apply.

6.1.4 Review and Approval of Plans. In order to expedite plan review and approval and to insure that the proposed New Improvements will be compatible with Airport uses, Tenant first shall submit to Landlord for approval a conceptual plan and shall pay Landlord

an administrative fee in the amount equal to the greater of five percent (5%) of the total estimated cost of all New Improvements, or Two Thousand Dollars ($2,000), for reviewing Tenant's plans. Notwithstanding Landlord's Approval of the conceptual plan, all construction plans and specifications shall be subject to Landlord's Approval and, when required by the Airport Engineer, shall be prepared, stamped and signed by a California licensed architect or engineer. Engineers shall be licensed for the particular discipline required. All changes to plans and specifications previously receiving Landlord's Approval 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 concurrently be submitted to Landlord and shall require Landlord's Approval. Landlord shall have three (3) working days within which to review and to approve or disapprove the proposed Material Plan Change and, if Landlord fails to disapprove the Material Plan Change, then the Material Plan Change shall be deemed to have received Landlord's Approval. Upon Landlord's Approval, Landlord shall issue promptly a Certificate of Approval for each Material Plan Change.

6.1.5 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, without limitation, 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; and (iv) the means or methods used in the construction or installation of the New Improvements.

6.1.6 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 governmental authorities and agencies.

6.1.7 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) record or cause the general contractor performing the construction contract to record a statutory payment and performance bond acceptable to Landlord and issued by a corporate surety acceptable to Landlord in an amount equal to the construction cost; (iv) provide Landlord with ten (10) days' written notice prior to commencing any work; and (v) require any contractor used by Tenant carry a comprehensive liability insurance policy, on a "per-occurrence basis", covering bodily injury in the amounts of Two Million Dollars ($2,000,000.00) for death or injury to any one person, Two Million Dollars ($2,000,000.00) for the death or injury to more than one person, and One Million Dollars ($1,000,000.00) for property damage.

6.1.8 Performance of Work. 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. 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 6.1.4, and Tenant shall immediately repair or remove such work in accordance with this Section. 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 and absolute discretion.

6.1.9 Payment for Work Performed. 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, without limitation, 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. 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 and, if the claimant asserts any stop notice rights or lien against the 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. Tenant shall deliver to Landlord written notice of its intent to commence construction or installation of any New Improvements at least fifteen (15) days prior to the commencement thereof, and Landlord shall have the right to post such notices of non-responsibility as are provided for in the mechanics' lien Laws of California.

6.1.10 As Built Plans and Statement of Cost. Within sixty (60) days following the completion of any New Improvements, Tenant shall furnish to Landlord a set of "as built" plans and specifications and, if the New Improvements are eligible to be Approved New Improvements, within one hundred twenty (120) days following the completion of the New Improvements, Tenant shall furnish to Landlord a statement certified as accurate by Tenant of the actual direct out-of-pocket cost 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 sufficient to verify such cost. Failure by Tenant to notify Landlord in writing of the cost of any such New Improvements within one hundred twenty (120) days after completion shall constitute Tenant's irrevocable waiver of any future right to receive payment of the Unamortized Cost of Approved New Improvements for such New Improvements and Landlord shall have no obligation or liability to make any payment to Tenant therefor under Section 2.2.1. 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.

6.2 No Liability of Landlord. Landlord shall not be liable for any damage, loss, or prejudice suffered or claimed by Tenant, its agents 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 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.

6.3 Indemnity. Tenant shall defend, indemnify and hold harmless Landlord, its airport manager in its capacity as manager of the Airport (the airport manager is presently TBI Management, Inc., and any present or future airport manager is referred to hereinafter as "Airport Manager"), and the Cities of Burbank, Glendale and Pasadena, California, and their respective officials, commissioners, officers, employees, agents, representatives, contractors, successors and assigns (individually, "Landlord Party" and collectively, "Landlord Parties")from and against any and all Claims arising out of, resulting from or relating to any and all New Improvements constructed, installed or made by Tenant pursuant to this Section 6, whether such Claims are based upon Landlord's review of the plans and specifications relating thereto or otherwise. Tenant hereby 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 New Improvements, which assignment shall be effective upon the expiration or earlier termination of this Lease.

6.4 Removal of New Improvements, Personal Property and Trade Fixtures. Except in the event of a termination pursuant to Section 2.2, promptly upon the expiration or sooner termination of this Lease, Tenant shall remove all New Improvements constructed or installed by Tenant during the term of this Lease and Tenant shall repair any and all damages caused by said removal, unless, prior to such removal, Landlord shall have given written notice to Tenant that some or all of the New Improvements need not be removed, in which case such New Improvements that Landlord elects to retain shall be surrendered with the Leased Premises. At any time during the term of this Lease and upon the expiration or sooner termination of this Lease, including a termination pursuant to Section 2.2, Tenant shall have the right to remove from the Leased Premises the personal property and trade fixtures of Tenant not permanently affixed.

7. INSURANCE, INDEMNITY AND EXCULPATION.

7.1 Obligation to Maintain Insurance. Subject to Section 7.10 below, at all times during the term of this Lease and at its sole cost and expense, Tenant shall maintain in effect the insurance coverage and limits of liability as provided in this Section 7 ("Required Insurance"). In the event that 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. In the event Landlord elects to maintain some or all of the Required Insurance because of Tenant's failure to provide Required Insurance, Tenant shall pay to Landlord, as additional rent hereunder, the premiums for all Required Insurance paid by Landlord within ten (10) days following the delivery to Tenant of each written statement setting forth the amount of said premiums and the applicable premium period.

7.2 Liability and Workers' Compensation Coverage. Tenant shall maintain in effect insurance protecting Tenant and each "Landlord Insured Party" (as hereinafter defined) from

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:

7.2.1 General Liability Insurance. General liability insurance covering airport premises and operations liability, ground hangar keeper's liability, personal injury liability, contractual liability, products and completed operations liability and independent contractors liability, including standard war risks writeback, all written on an occurrence basis in an amount not less than Twenty-Five Million Dollars ($25,000,000.00) combined single limit for bodily injury and property damage each occurrence and each aircraft, and, with respect to products and completed operations liability and war risks writeback, in the annual aggregate, and, with respect to personal injury, not less than Twenty-Five Million Dollars ($25,000,000.00) each offense and in the annual aggregate.

7.2.2 Aircraft Liability Insurance. Aircraft liability insurance with standard war risk writeback covering all owned, non-owned and hired aircraft, written on an occurrence basis in an amount not less than Twenty-Five Million Dollars ($25,000,000.00) combined single limit for each occurrence for bodily injury, death (including passengers) and property damage, and, with respect to the war risks writeback, in the annual aggregate, as applicable.

7.2.3 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 Two Million Dollars ($2,000,000.00) combined single limit for each occurrence for bodily injury, death and property damage.

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

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

Bodily injury by accident - $2,000,000 – each accident

Bodily injury by disease - $2,000,000 – policy limit

Bodily injury by disease - $2,000,000 – each employee

7.3 Helicopter Liability Insurance. Helicopter liability insurance insuring against injuries to or death of persons or damage or loss to property arising out of, resulting from or relating to the use, operation or condition of each helicopter owned, leased, or used by Tenant in connection with its operations at the Leased Premises in the minimum amount of Five Million Dollars ($5,000,000.00) per occurrence.

7.4 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:

7.4.1 Fixtures and Equipment. A policy or policies of hazard insurance insuring against loss or damage to or destruction of (i) Tenant's fixtures, personal property and equipment located in, on or at the Leased Premises in an amount not less than one hundred percent (100%) of their replacement value, and (ii) all plate glass in the Leased Premises, caused by fire, vandalism, malicious mischief and any and all other perils included within the classification of "Standard Fire" and Extended Coverage."

7.4.2 Aircraft/Helicopter Hull Insurance. Tenant shall, at all times and at its sole cost and expense, maintain in effect Aircraft Hull Insurance (such coverage to include both ground and flight coverage) in such limits as to cover the value of the aircraft/helicopter hull for all aircraft (including helicopters) operated by or on behalf of Tenant and any Tenant Party in its capacity as such. Tenant shall obtain from Tenant's insurers a written waiver of subrogation in favor of the Landlord Insured Parties for any damage to the hulls of such aircraft (including helicopters) whatsoever.

7.4.3 Adjustment of Required Insurance. Tenant understands and agrees that the types and amounts of Required Insurance may become inadequate during the term of this Lease, and Tenant agrees that it shall add such insurance or coverage and increase such minimum limits of liability by such amounts as may be required at any time and from time to time by Landlord, if Landlord shall adopt a resolution or other written policy requiring such additional insurance coverage or limits of liability from all comparable hangar tenants at the Airport.

7.5 Policy Requirements. Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized to conduct business in California and having a rating of not less than A-X in A.M. Best's Insurance Guide and/or otherwise acceptable to Landlord. Policies of Required Insurance may be blanket policies covering multiple Tenant Parties or multiple properties owned or leased by a Tenant Party. Within fifteen (15) business days after the Commencement Date, Tenant shall deliver to Landlord certificates of insurance issued by Tenant's independent insurance broker or other party acceptable to Landlord evidencing that all Required Insurance has been obtained and is being maintained by Tenant and certifying that the Required Insurance includes provisions (i) requiring the insurers to give to Landlord at least thirty (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, (ii) with respect to the general liability, automobile liability, aircraft liability and employer's liability insurance, naming (a) Tenant and their respective owners, shareholders, partners, directors and employees as named insureds, and (b) except for employer's liability insurance, Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of Landlord ("Landlord Insured Parties") as additional insureds, (iii) with respect to the property insurance (other than aircraft hull insurance) naming Landlord as a loss payee, and (iv) with respect to the general liability and aircraft liability insurance, including standard war risks writeback, with 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. The failure of Tenant to provide said certificates of insurance within said fifteen (15) business days after the Commencement Date 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 which is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute an Event of Default under Section 12.1. All Required

Insurance shall be primary insurance without right of contribution of any other insurance carried by or on behalf of any Landlord Insured Party and all policies shall be endorsed to this effect. In no event shall any Landlord Insured 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 7. Deductibles or self-insured retentions under all Required Insurance liability policies applicable to the Leased Premises and Tenant's operations at the Airport shall not exceed Twenty Five Thousand Dollars ($25,000.00).

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

7.7 Waivers. Each of the parties hereto hereby waives any and all rights of recovery against (a) the other party, (b) any other Tenant or occupant of the Airport, or (c) the officers, commissioners, employees, agents, representatives, customers, and business visitors of such other party or of any other Tenant or occupant of the Airport, for loss of or damage to such waiving party, its property or the property of others under its control, arising from any cause insured against under the standard form of insurance policy with all permissible extension endorsements covering additional perils, or under any other policy of insurance carried by such waiving party in lieu thereof; provided, however, that in the event that Tenant elects to self- insure its obligations under this Section pursuant to Section 7.11, such waiver shall not apply to any loss of or damages to Landlord, its property or the property of others in its control. Tenant shall obtain and furnish evidence to the Landlord of the waiver of any right of subrogation against Landlord by all of Tenant's insurance carriers providing the insurance required hereunder.

7.8 Indemnification. In addition to any other express indemnity hereunder, Tenant shall defend, indemnify and hold harmless all Landlord Parties from and against any and all Claims arising out of, resulting from or relating to (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, or any other areas of the Airport, (b) the conduct of Tenant's or any Tenant's business, (c) Tenant's construction of improvements (including, without limitation, failure to comply with the Prevailing Wage Laws); or (d) any other matter relating to this Lease or the subject matter of this Lease. Notwithstanding the foregoing, the provisions of this Section shall not apply to any Claim which arises out of, results from or relates to the gross negligence, willful misconduct or material breach of this Lease by Landlord.

7.9 Tenant Acknowledgment of Notice of Claim. If Landlord delivers to Tenant a notice of a claim filed with Landlord involving Tenant with a request that Tenant acknowledge receipt of the notice, then Tenant shall acknowledge receipt of such notice in writing within thirty (30) days, and failure to timely acknowledge receipt shall constitute an Event of Default.

7.10 Exculpation of Landlord from Liability. Tenant, on behalf of itself and the Tenant Parties, hereby 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, including, without limitation, the following: (i) latent or patent defects in the

construction or condition of the Leased Premises, including, without limitation, any use or release of "Toxic Materials" (as defined in Section 18.15.2) on, under or into the Leased Premises; (ii) Acts of God; (iii) fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Leased Premises, New Improvements or any other areas of the Airport; (iv) riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief; (v) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Leased Premises, New Improvements or other areas of the Airport; (vi) the use or occupancy of the Leased Premises, New Improvements or any other areas of the Airport by any Tenant Party, whether said damage or injury results from conditions arising upon the Leased Premises, New Improvements or upon other areas of the Airport, or from other sources; or (vii) 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, willful misconduct or material breach of this Lease by Landlord.

7.11 Self-Insurance. Notwithstanding any other provision of this Section 7, the insurance coverage required to be maintained by Tenant under Section 7.1 may be maintained under a plan of self-insurance, provided, however, that Tenant shall be entitled to utilize such self-insurance for such periods as the general operating funds of Tenant are adequate to cover its liabilities and obligations under Section 7.1. In the event that Tenant elects to utilize such self-insurance to cover its obligations under this Section 6, Tenant shall deliver to Landlord upon request, financial statements relating to Tenant's general operating fund for purposes of determining whether the general operating funds of Tenant are sufficient for purposes of this waiver. Each of the parties hereto waives any and all rights of recovery against (a) the other party, (b) any other Tenant or occupant of the Airport, or (c) the officers, commissioners, employees, agents, representatives, customers, and business visitors of such other party or of any other Tenant or occupant of the Airport, for loss of or damage to such waiving party, its property or the property of others under its control, arising from any cause insured against under the standard form of insurance policy with all permissible extension endorsements covering additional perils, or under any other policy of insurance carried by such waiving party in lieu thereof; provided however, that in the event that Tenant elects to self-insure its obligations under this Section pursuant to this Section, such waiver shall not apply to any loss of or damages to Landlord, its property or the property of others in its control. Tenant shall obtain and furnish evidence to Landlord of the waiver of any right of subrogation against Landlord by all of Tenant's insurance carriers providing the insurance required hereunder.

8. DAMAGE AND DESTRUCTION.

8.1 Termination Right. In the event that all or such portion of the Leased Premises or the Improvements within which the Leased Premises are located are destroyed or damaged such that Tenant cannot reasonably use the Leased Premises for the aviation related uses permitted under this Lease for an unreasonable period of time, then Tenant shall have the right to terminate this Lease by written notice to Landlord given within thirty (30) days after the damage (except that in the event of complete destruction of the Improvements in which the Leased Premises are located, this Lease shall automatically terminate without notice). If the Lease is not terminated, Tenant shall restore promptly those portions of the Leased Premises that Tenant initially caused to be constructed, and Landlord shall restore promptly those portions of the Leased

Premises that Landlord initially caused to be constructed. If the Lease is not terminated, then the Annual Base Rent payable by Tenant hereunder shall be abated in proportion to the reduction in the ability of the Tenant to use the Leased Premises, provided that if, during the period of any repair of such damage or destruction to the Improvements within which the Leased Premises are located, the Landlord makes available to Tenant other reasonably acceptable hangar space, then the Annual Base Rent shall continue unabated (but for reasonable relocation costs). Landlord shall not be liable to Tenant for any inconvenience or annoyance to Tenant or injury to Tenant's business resulting in any way from the undertaking of any repair following any damage or destruction, to the extent such repair is conducted in compliance with this Lease.

8.2 Landlord's Repair Obligations. Except as provided in Section 8.1, in the case of damage or destruction to the Improvements within which the Leased Premises are located, and notwithstanding any other provision in this Lease, Landlord shall have no obligation to Tenant to repair or restore any of the Improvements within which the Leased Premises are located; provided, however, that if Landlord has not commenced within 6 months after the date of such damage or destruction the repair and restoration of the Improvements within which the Leased Premises are located or is not prosecuting such construction with reasonable diligence after such commencement, then Tenant shall have the right to terminate the Lease upon written notice to Landlord as Tenant's sole right and remedy.

8.3 Costs of Restoration or Repair. To the extent Landlord elects to rebuild, then the Landlord shall be responsible for all costs and expenses associated with the reconstruction of the Improvements of which the Leased Premises are a part; provided, however, that Tenant shall be responsible for all costs and expenses associated with reconstructing Improvements or fixtures within the Leased Premises that Tenant caused to be constructed. Tenant shall cause any such Improvements or fixtures to be constructed in accordance with provisions of Section 6 of this Lease. Tenant shall pay to Landlord all proceeds from the casualty insurance required to be carried by Tenant pursuant to the provisions of Section 7.3.1 above except proceeds of casualty insurance for Tenant's personal property, plate glass, and Tenant's actual cost of reconstructing Improvements or fixtures.

8.4 Waiver by Tenant. Tenant hereby waives the provisions of Sections 1932, 1933, and 1941 through 1942, inclusive, of the California Civil Code and of any other statute or Law now or hereafter in effect which is contrary to the obligations of Tenant under this Section 8 or which relieves Tenant therefrom, or which places upon Landlord obligations to repair or restore the Leased Premises or the Improvements within which the Leased Premises are located.

9. ASSIGNMENT, SUBLETTING AND ENCUMBRANCES.

9.1 Assignment and Subletting Prohibited. Tenant shall not voluntarily or by operation of Law assign, or transfer or mortgage, hypothecate, grant a security interest in or otherwise encumber, all or any part of Tenant's rights or interest in or to this Lease or the Leased Premises, and shall not sublet all or any portion of the Leased Premises, without Landlord's prior written consent, in Landlord's sole and absolute discretion.

10. EMINENT DOMAIN.

10.1 Entire or Substantial Taking. In the event the entire Leased Premises, or such portion thereof as to make the balance not reasonably adequate for the permitted uses hereunder, as determined by Tenant in the exercise of its reasonable judgment, shall be taken under the power of eminent domain, this Lease shall automatically terminate as of the date of the vesting of title to all or such portion of the Leased Premises in such condemning entity. 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, without limitation, under Section 2.2.1 or after an uncured Event of Default under Section 12, shall not be a taking under this Section 10.

10.2 Partial Taking. In the event of any taking under the power of eminent domain which does not result in a termination of this Lease pursuant to Section 10.1, the Annual Base Rent payable hereunder shall be reduced, effective as of the earlier of the date on which the condemnor obtains a right of possession of any portion of the Leased Premises or the date on which title vests with the condemning entity, by an amount calculated in the manner described in Section 2.3.1.1. Tenant, at its expense with respect to New Improvements and 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, and this Lease shall continue in full force and effect as to such remaining portion; provided, however, if the taking occurs during the last five (5) years of the term of this Lease, at Tenant's option, exercised by written notice to Landlord, Tenant shall have the right to terminate this Lease.

10.3 Awards. Except as provided below, any award or settlement proceeds for any 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 shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, and any award or settlement proceeds for any taking of all or any part of the New Improvements shall be the property of Tenant. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's 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.

10.4 Sale Under Threat of Condemnation. A sale by Landlord to any 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.

10.5 Condemnation by Landlord. Nothing in this Lease (including, without limitation, Section 2.3.1) shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord or the obligation of Landlord to pay just compensation, should Landlord exercise its power of eminent domain with respect to the Leased Premises.

11. SUBORDINATION.

11.1 Subordination. This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting the 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 ten (10) calendar days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such subordination; provided, however, that with respect to any mortgage, deed of trust, bond indenture, lien, encumbrance or other security interest affecting the Landlord's interest in the Leased Premises or the Airport created after the date of this Lease, such subordination shall not be effective and Tenant shall not be required to execute and deliver such confirmation unless Tenant receives a non-disturbance agreement in recordable form and on terms and conditions reasonably acceptable to Tenant that has been duly executed and acknowledged by any Senior Lienholder making such request. 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 materially 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 thirty (30) days from the date of such notice) in which to cure such default.

11.2 Attornment. Subject to the terms of any nondisturbance agreement between Tenant and a Senior Lienholder, 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, agrees to (i) enter into a new Lease covering the Leased Premises and the New Improvements for the remainder of the term of this Lease, on the same provisions herein provided or (ii) attorn to the purchaser and recognize the purchaser as the Landlord under this Lease, provided such purchaser agrees to assume in writing all obligations of Landlord under this Lease.

12. DEFAULTS AND REMEDIES.

12.1 Events of Default. After the expiration of any applicable cure period, each of the following shall constitute an "Event of Default" by Tenant under this Lease:

12.1.1 Insolvency and Creditor Protection. (i) The voluntary or 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 or possession of the Leased Premises is not restored to Tenant within ninety (90) days; or (ii) a general assignment by Tenant for the benefit or protection of creditors; or (iii) Tenant's written admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by Tenant under any federal, state or other 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 Tenant to have Tenant adjudged a bankrupt or for reorganization or arrangement, the petition is

dismissed within ninety (90) days. The appointment of a trustee or conservator of the person or estate of an individual Tenant, or in aid of the voluntary winding up, dissolution and liquidation of a partnership or corporate Tenant, shall not constitute an Event of Default hereunder.

12.1.2 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 ninety (90) days.

12.1.3 Transfer or Encumbrance. A purported assignment, Lease, 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 Section 9.

12.1.4 Vacation or Abandonment. The vacation or abandonment of the Leased Premises by Tenant.

12.1.5 Failure to Pay. The failure by Tenant to pay any amount when due and payable hereunder, where such failure to pay continues for ten (10) days following Tenant's receipt of written notice that such amount is past due.

12.1.6 Failure to Maintain Insurance. Any cancellation or lapse of insurance policies providing Required Insurance to be provided by Tenant pursuant to Section 7, unless Landlord has elected to obtain such insurance pursuant to Section 7.1, or any other failure by Tenant to comply with the provisions of Section 7, where such other failure to comply continues for ten (10) days following Tenant's receipt of written notice from Landlord that Tenant has not complied with the provisions of Section 7.

12.1.7 Failure to Comply with Rules and Regulations. Any violation of the Rules and Regulations described in Exhibit E that is not corrected within five (5) business days after written notice from Landlord.

12.1.8 Other Defaults; Failure to Cure. The default, breach or non-performance of any covenant or provision of this Lease not otherwise described in Sections 12.1.1 through 12.1.7 above or 12.1.9 through 12.1.11 below, where Tenant fails to cure such default, breach or non-performance within thirty (30) days after the delivery to Tenant of written notice of such default, breach or non-performance (or, in the case of a default, breach or non- performance which reasonably requires more than thirty (30) days to cure, where Tenant fails to commence such cure within said thirty (30) days or thereafter fails diligently to prosecute the same to completion).

12.1.9 Multiple Defaults. The receipt by Tenant during any twelve (12) consecutive calendar month period of more than three (3) written notices pertaining to actual defaults, breaches or non-performance under Sections 12.1.5, 12.1.6, or 12.1.7 of this Lease, irrespective of the cure thereof by Tenant.

12.1.10 Failure to Acknowledge Notice of Claim. The failure by Tenant to comply with Section 7.10.

12.1.11 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.

12.2 Remedies. Upon the occurrence of any Event of Default by Tenant, Landlord, at its option and election, and without further demand or notice, shall have all of the following rights and remedies:

12.2.1 Termination of Lease. Landlord shall have the right to declare this Lease, including Tenant's leasehold estate, terminated. Upon termination of this Lease prior to the expiration of its term, Tenant's ownership of any 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. Landlord shall have the right to re-enter the Leased Premises and the New Improvements to remove and eject all persons therefrom, to take possession thereof; and to use and enjoy the Leased Premises and the New Improvements and Landlord shall have all of the rights and remedies of a landlord provided in Section 1951.2 of the California Civil Code which are not based on rent, and which Section is incorporated herein by this reference as though set forth in full. In the event that Landlord may have lawfully reentered the Leased Premises and the New Improvements after an Event of Default hereunder without having declared this Lease terminated, Landlord shall have the right at any time thereafter to elect to terminate this Lease and all of the rights and remedies of Tenant in and to the Leased Premises and the New Improvements as provided in this Section 12.2.

12.2.2 Continuation of Lease without Termination. Landlord has the remedy described in California Civil Code, Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover sums payable as they becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). In this regard, Landlord shall have the right to continue this Lease and to maintain Tenant's right to possession of the Leased Premises and the New Improvements, whether or not Tenant shall have breached this Lease and/or abandoned the Leased Premises and the New Improvements. 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 any and all other amounts payable by Tenant to Landlord under this Lease as the same shall come due.

12.3 Waiver of Claims. Tenant hereby 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 12.

12.4 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 12.2, Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture under California Code of Civil

Procedure Section 1174 or 1179, or granted by or under any present or future Laws, and further releases Landlord, from any and all claims, demands and liabilities by reason of such lawful exercise by Landlord.

12.5 No Waiver. 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 12. For the purposes of this Section 12, the following shall not constitute a termination of Tenant's right to possession: acts of maintenance or preservation or efforts to relet the Leased Premises; or appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease.

12.6 Cumulative Remedies. The various rights, options, elections, powers and remedies reserved to Landlord herein shall be cumulative, and, 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 Event of Default. In addition to the foregoing, Landlord may exercise any other remedy now or hereafter available to a landlord against a defaulting tenant under the Laws of the State of California.

12.7 Performance of Tenant's Covenants by Landlord. In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for the applicable cure period specified herein, or if no cure period is specified herein, for at least five (5) business days after written notice thereof is delivered to Tenant (but no prior notice shall be required in an emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand and without waiving 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. All sums so paid by Landlord and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 3.6 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid within ten (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.

12.8 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 Event of Default by Tenant, unless and until such Event of Default is cured by Tenant or waived by Landlord.

12.9 Default by Landlord. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation for thirty (30) days following the delivery by Tenant to Landlord of written notice specifying the obligation Landlord has failed to perform; provided, however, in the event that the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, Landlord shall not be deemed to be in default if it shall commence

such performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

13. SURRENDER AT END OF TERM.

Upon the expiration or other termination of this Lease, unless required to be removed by Tenant pursuant to Section 6.4, ownership of the New Improvements shall pass automatically to Landlord and Tenant shall quit and surrender the Leased Premises and the Improvements to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and, except as otherwise provided in this Lease, Tenant shall remove all of its personal property, trade fixtures and equipment and shall promptly repair any damages to the Leased Premises caused by such removal. Tenant's obligation to perform this covenant shall survive the expiration or other termination of this Lease.

14. HOLDOVER BY TENANT.

In the event that Tenant shall holdover in the Leased Premises after the expiration or termination of the term hereof, with the written consent of Landlord, such holdover, in the absence of a written agreement on the subject executed by both parties, shall be deemed to have created a month to month tenancy with respect to the Leased Premises, terminable on thirty (30) days' written notice by either party to the other party. Such holdover tenancy otherwise shall be subject to the same provisions as contained in this Lease, unless the parties execute a written agreement modifying any of the terms hereof applicable to such holdover tenancy.

15. OTHER RULES AND REGULATIONS OF LANDLORD.

Tenant shall also comply with the rules and regulations described in Exhibit E, and all amendments thereto that are delivered to Tenant (sometimes referred to herein as the "Rules and Regulations"). Landlord shall not be responsible to Tenant for the nonperformance of any other Tenant or user of the Airport of any of the Rules and Regulations.

16. TRANSFER OF LANDLORD'S INTEREST.

In the event of any transfer of Landlord's interest in the Leased Premises, the transferor automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer, provided that the transferee assumes all of the liabilities and obligations of Landlord under this Lease from and after the date of such transfer, but the transferor shall not be released from any obligations or liabilities accruing prior to the date of such transfer.

17. COMMON USE FACILITIES.

17.1 Common Use Facilities. As an appurtenance to Tenant's leasehold estate in the Leased Premises and in conjunction with Tenant's use of the Leased Premises, Tenant is hereby granted the non-exclusive right, at any time and from time to time, to enter upon or make customary and reasonable use of (i) runways, landing areas, taxiways, aprons, roadways, runway lights, signals, and other operating aids of the Airport and all aviation or flight easements now or hereafter granted or reserved for the benefit of Landlord and (ii) such other areas of the Airport provided and developed by Landlord for public aviation use as Landlord may from time to time

make available or designate as "Common Use Facilities" (collectively, the "Common Use Facilities"). Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use the Common Use Facilities, including members of the general public and shall be exercised by Tenant subject to all applicable Laws and FAA, TSA or other applicable governmental regulations governing aviation and air navigation and to the uniform rules and procedures adopted by Landlord from time to time governing the use of the Airport and the Common Use Facilities.

17.2 Reservation of Right to Make Changes. Landlord 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 the Common Use Facilities and specifically further reserves the right to designate portions of the Common Use Facilities for the exclusive or non- exclusive use of certain tenants, licensees, concessionaires and other vendors or users of the Airport; provided, however, that none of such changes or designations shall materially interfere with reasonable access by Tenant between the Leased Premises and the Common Use Facilities.

18. COMPLIANCE WITH ENVIRONMENTAL LAWS.

18.1 Use of Toxic Materials Prohibited. Tenant shall not cause or permit any "Toxic Materials" (as defined in Section 18.14.2) 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 associated with the Leased Premises, or any other part of the Airport, by any Tenant Party or any of their respective licensees, permittees or invitees; 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 (as defined in Section 18.14.1). Landlord shall not cause any "Toxic Materials" (as defined in Section 18.14.2) 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 18.3.

18.2 Compliance with Environmental Laws. Tenant and Landlord shall each comply, at their respective sole cost and expense, with all "Environmental Laws" (as defined in Section 18.14.1), 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 18.1 above; provided, unless caused by a Tenant Party, Tenant's obligations under this Section 18.2 shall exclude any discharge or release migrating to the Leased Premises from other land, unless caused by a Tenant Party. 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. The off-site disposal of any and all Toxic Materials shall be in strict compliance with all Environmental Laws.

18.3 Disclosure. Prior to or upon the Commencement Date, and prior to the end of January during each Annual Period, 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 or the New Improvements during the prior year, (ii) all Safety Data Sheets for said 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.

18.4 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 California Health and Safety Code Sections 25500 et seq., concerning the handling of hazardous materials, Tenant shall immediately give written notification to Landlord that the Tenant Party's business is subject to the business plan requirement of such Code and that the business is in compliance with such Code. A copy of the plan shall be delivered to Landlord with such notification.

18.5 Tenant's Indemnity. Tenant shall defend, indemnify and hold harmless each of the Landlord Parties from and against any and all "Liabilities" (as defined in Section 18.14.3) arising out of, resulting from or caused by the Use of any Toxic Materials by any Tenant Party; provided, unless such Contamination is caused by a Tenant Party, Tenant's obligations under this Section 18.5 shall exclude any discharge or release migrating to the Leased Premises from other land. In the event of any indemnification under this provision, the Tenant shall pay promptly upon demand all reasonable costs and expenses incurred by Landlord for attorneys' fees, environmental consultants or other amounts incurred for remediation or otherwise because of the Tenant's violation of the terms of this Lease with respect to Toxic Material 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 18.5 and that Tenant shall cooperate fully with Landlord in connection therewith, including without limitation, executing any instruments, affidavits or other documents necessary in the reasonable judgment of Landlord in connection therewith. This indemnity shall survive the termination of this Lease.

18.6 Notice. If any Tenant Party is required by statute or regulation to give notice to any Agency about any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises, Tenant shall immediately give the Landlord's Director of Airport Operations 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 said 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 California Health and Safety Code Section 25359.7.

18.7 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 the 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 authorities.

18.8 Disposal of Toxic Materials. Notwithstanding anything to the contrary contained in this Section 18, Tenant shall not release or dispose of any Toxic Material, in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Leased Premises, New Improvements, or the Airport that will cause or contribute to a violation of Environmental Laws or Contamination. The offsite disposal of Toxic Materials shall be in strict compliance with all Environmental Laws.

18.9 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.

18.10 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, provided 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, New Improvements or the Airport or upon Landlord.

18.11 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 an Agency: (i) permit applications; (ii) permits and approvals; (iii) notices of violations of Environmental Laws and Tenant's responses thereto; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Laws that the Landlord may reasonably request from time to time.

18.12 Annual Site Investigation. In addition to Landlord's right of access to the Leased Premises set forth in Section 1.4, Landlord shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Leased Premises during each year of the term of this Lease, 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 reimburse Landlord, as additional rent hereunder, for the cost of such inspections/assessments.

18.13 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 hereby assumes the risk of, waives, releases and forever discharges the

Landlord Parties from and against, and covenants not to bring any action or proceeding against, the 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), 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 Improvements, 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 which any federal, state, regional, municipal or local governmental agency lawfully requires of Landlord to be taken to investigate, clean-up, remediate or remove such spilling, discharging, releasing or disposing of Toxic Materials.

18.14 Definitions.

18.14.1 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 hereafter 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 Common Use Facilities, including, without limitation, the statutes described in the definition of Toxic Materials.

18.14.2 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 authority 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" shall include, without limitation, the following compounds: (i) asbestos; (ii) petroleum, petroleum by-products, and petroleum degradation products; (iii) polychlorinated biphenyls; (iv) all substances now or hereafter 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 hereafter 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 hereafter defined as "hazardous waste" by Section 25117 of the California Health and Safety Code; (vii) all substances now or hereafter designated by the Governor of the State of California as substances known to the state to cause cancer or reproductive toxicity pursuant to California Health and Safety Code Section 25249.8; (viii) all substances now or hereafter defined as an "economic poison" pursuant to California Health and Safety Code Section 12753; and (ix) all substances now or hereafter defined as "extremely hazardous waste" pursuant to California Health and Safety Code Section 25115.

18.14.3 Liabilities. The term "Liabilities" shall mean any and all Claims (as defined in Section 4.12.4) 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, without limitation, the following: (i) diminution in value of the Airport, the Leased Premises, the Common Use Facilities or any Improvements thereon; (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, the Leased Premises, the Common Use Facilities or any Improvements thereon; (iii) damages arising from any adverse impact on marketing of space at the Airport, the Leased Premises, Common Use Facilities or any Improvements thereon; (iv) sums paid in settlement of Claims (including, without limitation, 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; and (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.

19. OFFSET STATEMENTS/ESTOPPEL CERTIFICATES.

19.1 Delivery. Tenant, from time to time upon not less than ten (10) days' prior written 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 charges, if any, due under this Lease 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).

19.2 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; and (ii) there are no uncured defaults in Landlord's performance.

20. MISCELLANEOUS.

20.1 Lease Interpretation.

20.1.1 Incorporation of Prior Agreements; Amendments. This Lease contains the entire agreement between the parties hereto, and no prior or contemporaneous agreement or understanding shall be effective for any purpose, all of which, if any, are hereby terminated or rescinded, except as to provisions which are expressly stated to survive termination and any indemnity or insurance obligations in favor of Landlord. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Lease which Landlord determines is necessary or advisable in order to comply with applicable Laws, governmental regulations or Landlord's uniform policies reflected in resolutions in effect from time to time; provided Tenant shall not be required to execute any amendment of or supplement

to this Lease which materially impairs the rights and benefits of Tenant or materially increases the obligations and liabilities imposed on Tenant under this Lease.

20.1.2 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 herein 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, except as herein expressly set forth.

20.1.3 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.

20.1.4 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.

20.1.5 Gender and Number. As used in this Lease, each gender shall be deemed to include each other gender, and the singular shall be deemed to include the plural and vice versa, whenever the context so indicates.

20.1.6 Headings. The Section headings, paragraph captions and marginal headings contained in this Lease are for convenience only and shall have no effect in the construction or interpretation of any provision hereof.

20.2 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.

20.3 Disclaimer of Partnership or Agency. Neither Landlord nor Tenant are the legal representatives or agents of the other party for any purpose whatsoever and neither party shall have the power or authority to assume or create, in writing or otherwise, any obligation or responsibility of any kind, express or implied, to transact business, to make any warranty or otherwise to act in any manner in the name of or on behalf of the other party. This 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.

20.4 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 Event of Default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding

breach at the time of acceptance of such amount. No waiver on the part of Landlord with respect to any provision of this Lease shall be effective unless such waiver is in writing.

20.5 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, shall or operate as an assignment to Landlord.

20.6 Waiver of Jury Trial. Landlord and Tenant hereby waive the right of trial by jury to the maximum extent permitted by Law.

20.7 Notices. All notices, requests, demands and other communications given, or required to be given under this Lease, shall be in writing, duly addressed to the parties as follows:

To Landlord:

Burbank-Glendale-Pasadena Airport Authority
2627 Hollywood Way
Burbank, CA 91505
Attn: Executive Director

With a copy to:

Burbank-Glendale-Pasadena Airport Authority
2627 Hollywood Way
Burbank, CA 91505
Attn: Business and Properties

To Tenant:

City Manager
CITY OF BURBANK
275 E. Olive Ave.
P.O. Box 6459
Burbank, CA 91505

With a copy to:

Chief of Police
CITY OF BURBANK
272 E. Olive Ave.
Burbank, CA 91505

AND

City of Glendale
CITY MANAGER
613 E. Broadway
Glendale, CA 91206

With a copy to:

Chief of Police
140 N. Olive Ave.
Glendale, CA 91206

Any notices properly addressed, sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received seventy-two (72) hours after they are deposited in the United States Mail, postage prepaid. Notices shall be deemed delivered and received at the time delivered if properly addressed and delivered to the addresses set forth in this Section during normal business hours or personally delivered to the person to whose attention they are addressed. Notice sent by any other manner shall be effective upon actual receipt of the addressee. Any party may change its address for purposes of this Section by giving notice to the other party as provided in this Section.

20.8 Brokers. Each party warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease, and each party agrees to defend, indemnify and hold harmless the other party from and against any and all Claims for any compensation, commission or other charge by any finder or any other real estate broker or agent.

20.9 Recording. No copy, short form or memorandum of this Lease shall be recorded.

20.10 Governing Law. 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.

20.11 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.

20.12 Force Majeure. If either party hereto shall be delayed in or prevented from the performance of any repair or maintenance obligation 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 excuse Tenant from the prompt payment of any rent or other charge required of Tenant hereunder.

20.13 Authority of Persons Signing for Tenant. Tenant and the persons 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.

20.14 Parking. Landlord is not responsible or obligated to provide Tenant or its officers, directors, employees, agents, representatives or customers with any parking spaces within

the Airport or otherwise, as an appurtenance to this Lease. Tenant shall be solely responsible for arranging any and all necessary parking incidental to this Lease.

IN WITNESS WHEREOF, this Lease has been executed by the undersigned as of on the date first set forth above.

"LANDLORD"

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

By: _____
Print Name: _____
Title: _____

Approved as to Form:

_____
Richards, Watson & Gershon
Landlord Counsel

"TENANT"

CITY OF BURBANK

By: _____
Print Name: MICHAEL ALBANESE
Title: CHIEF OF POLICE

Approved as to Form:

_____
JINA OH, City Attorney

CITY OF GLENDALE

By: _____
Print Name: _____
Title: _____

Approved as to Form:

_____
_____, City Attorney

the Airport or otherwise, as an appurtenance to this Lease. Tenant shall be solely responsible for arranging any and all necessary parking incidental to this Lease.

IN WITNESS WHEREOF, this Lease has been executed by the undersigned as of on the date first set forth above.

"LANDLORD"

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

By: _____
Print Name: _____
Title: _____

Approved as to Form:

_____
Richards, Watson & Gershon
Landlord Counsel

"TENANT"

CITY OF BURBANK

By: _____
Print Name: _____
Title: _____

Approved as to Form:

_____
_____, City Attorney

CITY OF GLENDALE

By: _____
Print Name: Robbik Golanian
Title: City Manager

Approved as to Form:

_____
Chief Assistant, City Attorney

Exhibit A

Leased Premises

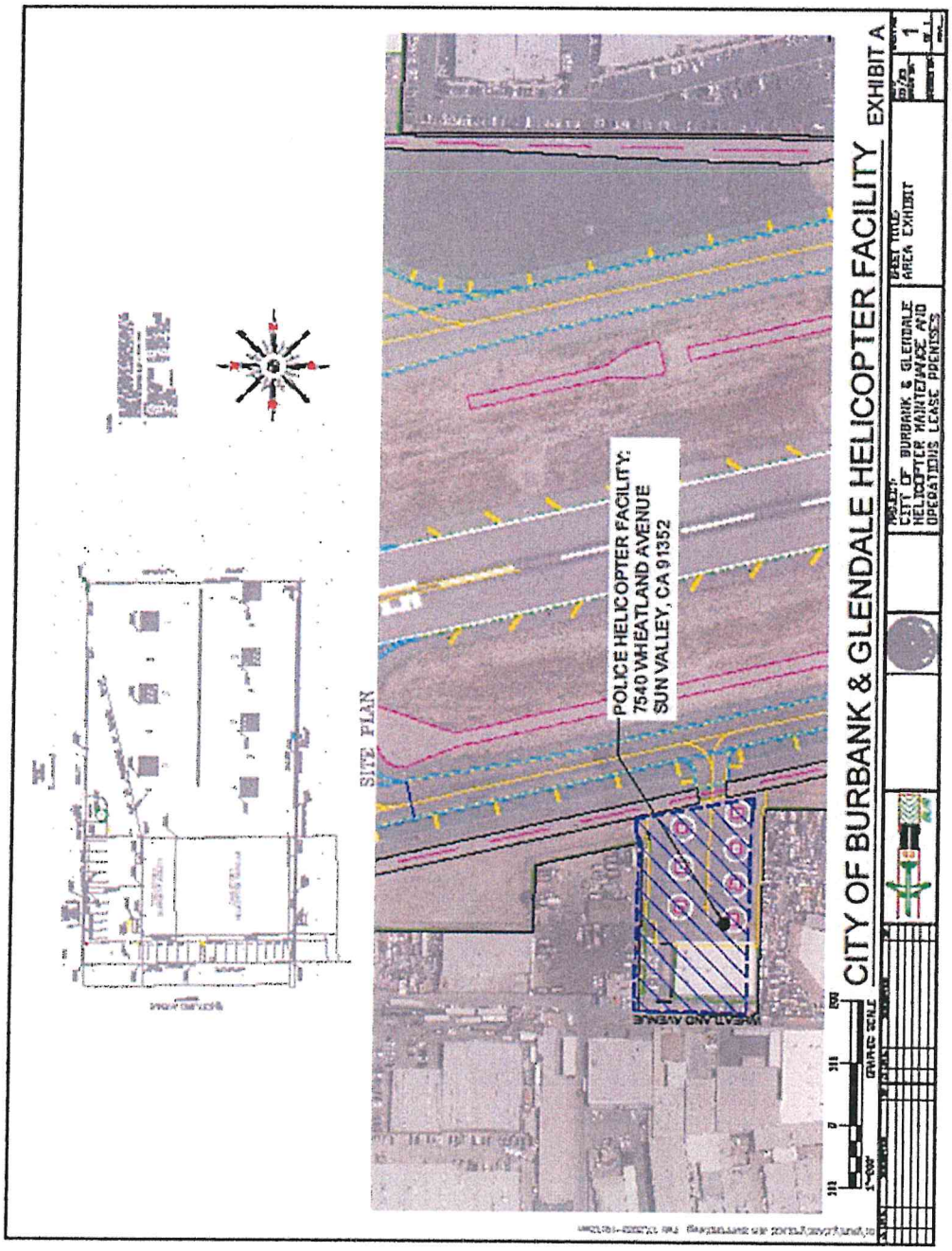

Exhibit B

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOISE ABATEMENT RULES
(amended and effective as of April 1, 2019)

The daily operation of the Burbank-Glendale-Pasadena Airport is governed by a set of specific rules and regulation which have been established by the Airport Authority. One section of the Airport Rules and Regulations applies to noise abatement and is commonly called the Airport "noise rules."

For legal or technical reasons, some of these rules are long and may be difficult to follow. For clarity, this booklet begins with a brief and-nontechnical summary of the noise abatement section. Although this summary may be useful as a quick reference, the complete and unabridged version is produced later in this booklet. Please refer to the complete version for specific information, exact details and any pertinent exceptions.

NOISE RULES

The Airport Noise Rules were originally adopted in the 1980s and have been enforced as follows since the late 1980s. This restatement and clarification is not intended to modify the enforceability of the Noise Rules under federal law.

Rule 1

All subsonic transport category airplanes and all subsonic turbojet powered airplanes regardless of category operating at the Burbank-Glendale-Pasadena Airport shall be in compliance with all Federal Air Regulations respecting noise, as the same may be amended from time to time.

This Rule has been and shall continue to be enforced by requiring all aircraft to be FAA certified under Part 36 (provision governing aircraft noise levels).

Rule 2

Each air carrier jet operator shall implement appropriate FAA approved takeoff and arrival procedures consistent with the standard of Case 9A as contained in the Final Environmental Impact Statement approved by FAA on September 12, 1977.

This Rule has been and shall continue to be enforced by requiring that all aircraft meet the noise performance levels of certified Stage 3 aircraft.

Rule 3

All other jet operators shall use the National Business Aircraft Association's noise abatement procedures established January 1978.

This Rule has been and shall continue to be enforced by requiring that all general aviation turbojet aircraft (including Stage 2 hush-kitted aircraft that are certified as Stage 3) use the applicable NBAA noise abatement procedures as amended from time to time.

Rule 4

Each air carrier that operates, for any reason, after 10:00 p.m. or before 7:00 a.m. shall pay the full amount of any costs charged to or incurred by the Authority for maintaining the crash rescue service on duty.

This Rule has not been enforced since the mid-1980s due to grant assurances adopted by the federal government in the 1980s that prohibit such enforcement, and shall not be enforced going forward.

Rule 5

This Rule was repealed in 1986 and shall not be enforced going forward. (It specified departure runways for flights to the east and south.)

Rule 6

Each aircraft operator and maintenance and repair facility shall adhere to the Authority Engine Test Run-up Policy as contained in the Airport Operations Manual, as the same may be amended from time to time.

This Rule has been and shall continue to be enforced by requiring all operators to comply with the run-up policy in the Airport's Operations Manual as amended from time to time.

Rule 7

A. No air carrier shall: (1) inaugurate any operations; (2) implement any increase in operations; (3) substitute aircraft types producing higher noise levels for aircraft already in service (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control); or (4) substitute aircraft which do not comply with the Stage 3 requirements of F.A.R. Part 36 for aircraft which meet those requirements (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control) without having first obtained the written approval of the Commission, which approval shall not be granted except upon a determination by the Commission that such proposed operations or increase will not result in or contribute to an increase in the noise impact area of the Airport from all aircraft operations based on the annual CNEL of 70 for the period ending June 30, 1978.

B. As used herein, the term "operations" shall mean takeoffs and landings other than emergency procedures or takeoffs or landings resulting from the use of the Airport as weather alternate. The term "weighted operations" shall mean operations weighted on the basis of time of occurrence as provided in Section 5006 of the California Noise Standards, 21 Cal. Admin. Code Section 5000 et. seq. As used herein, noise levels are defined as sound exposure levels measured at, or calculated for, Airport noise monitor system positions.

C. Any air carrier desiring to: (1) inaugurate any operations; (2) implement any increase in operations or weighted operations; (3) substitute aircraft types producing higher noise levels for aircraft types already in service (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control); or (4) substitute aircraft which do not comply with the Stage 3 requirements of F.A.R. Part 36 for aircraft which meet those requirements (except on a temporary basis because of emergency maintenance, weather, payload, or other unanticipated conditions beyond the carrier's control) pursuant to Part (A) hereof shall, not less than 30 days prior to the proposed effective date of such service apply in writing for permission to the Airport Operations Committee. Such application shall include information as to the nature of the proposed operations or increase, and the projected

effect thereof on the Airport's June 30, 1978 noise impact area and other material which the applicant air carrier wishes to bring to the attention of the Operations Committee.

Upon review of the application and such other information as it deems appropriate, the Operations Committee shall recommend to the Commission that it grant or deny the permission requested, or any portion thereof. The Commission shall consider the recommendation of the Operations Committee, together with any other additional information which the applicant air carrier desires to present to it, and act thereon at its next regularly scheduled meeting.

D. The Commission may approve an application, in whole or in part, for a period not to exceed one year from the commencement of such approved operations or weighted operations. Any air carrier desiring to continue such operations or weighted operations beyond said period shall have the burden of demonstrating to the Commission prior to the expiration thereof that such increase did not result in or contribute to an increase in the Airport's June 30, 1978 noise impact area.

E. Any air carrier violating the provision of this Rule may, in the discretion of the Commission and in addition to any other remedies, including injunctive remedies available, be subject to civil penalties in the amount of One Thousand Dollars ($1,000) for each operation which has not been approved by the Commission pursuant to the provisions of this Rule.

This Rule has been and shall continue to be enforced by a public report by Airport Staff to the Commission of schedule changes and a report of the anticipated impact, if any, on the Airport's Noise Impact Area of those changes. No approval of the Authority has been or shall be needed by an air carrier for any changes as long as the Noise Impact Area incompatible land within the 70db CNEL contour of the Airport does not exceed the 403 acres existing in 1978. If the acreage of incompatible land within the Airport's 70db CNEL contour ever exceeds 403 acres, the Airport shall attempt to prevent the increase in operations. That effort may or may not be successful.

Rule 8

F. Between the hours of 10:00 p.m. and 7:00 a.m.:

1. No intersection takeoffs shall be permitted;

2. No maintenance engine run-ups shall be permitted, unless a delay of such maintenance engine run-up would cause an aircraft to arrive and/or depart after 10:00 p.m. in the succeeding 24 hour period; and

3. No flight training operations, including practice instrument approaches and touch-and-go operations, shall be permitted.

G. Any pilot in command or maintenance facility violating the provisions of these Rules may, in the discretion of the Commission, and in addition to other remedies (including injunctive remedies) available, be subject to civil penalties for each violation of this Rule as follows: (1) For the first violation, one thousand five hundred fifty-five dollars ($1,555); (2) For subsequent violations, two thousand two hundred fifty-eight dollars ($2,258).

This Rule has been and shall continue to be enforced as written.

Rule 9

H. Except as provided in Parts (B) and (C) hereof, no aircraft may land at or take off from the Burbank-Glendale-Pasadena Airport between the hours of 10:00 p.m. and 7:00 a.m.

I. The following aircraft shall be permitted to land at and take off from the Burbank-Glendale-Pasadena Airport between the hours of 10:00 p.m. and 7:00 a.m.:

1. Public aircraft, military aircraft, aircraft owned or operated by the armed forces of the United States, and aircraft operated in support of military operations.

2. Aircraft operated by commercial air carriers whose schedules comply with Rule 7 of these Rules and Regulations.

3. Aircraft, other than those listed in FAA Advisory Circular 36-1B or 36- 2C, whose total rated maximum brake or shaft horsepower is 200 or less.

4. Propeller-driven aircraft whose certificated takeoff weights are 12,500 pounds or less and whose measured or estimated flyover noise levels, as contained in FAA Advisory Circular 36-1H or 36-2C (as said Advisory Circulars may be revised, supplemented, or replaced from time to time), are equal to or less than 85.6 dBA.

5. Aircraft whose estimated sideline noise levels, as set forth in FAA Advisory Circular 36-3 (or in any revision, supplement, or replacement thereof listing sideline noise levels), are equal to or less than:

a. for aircraft whose noise levels have been determined at a sideline distance of 450 meters, 82.2 dBA;

b. for aircraft whose noise levels have been determined at a sideline distance 0.25 nautical miles, 82 dBA; and

c. for four-engine aircraft whose noise levels have been determined at a sideline distance of 0.35 nautical miles, 79.1 dBA.

6. Aircraft whose maximum noise levels, under normal operating conditions and procedures, have been determined by the Airport Authority, upon a showing by the aircraft manufacturer or operator, are equal to or less than either:

a. when measured or estimated at a sideline distance of 450 meters, 0.25 nautical miles, or 0.35 nautical miles pursuant to F.A.R. Part 36 Appendix C, 82.2 dBA, 82 dBA, or 79.1 dBA, as applicable respectively, or

b. when measured or estimated at a flyover altitude of 1,000 feet pursuant to F.A.R. Part 36 Appendix F, 85.6 dBA.

J. Aircraft other than those specified in Paragraph (B) shall be permitted to land at or take off from the Burbank-Glendale-Pasadena Airport between the hours of 10:00 p.m. and 7:00 a.m. only under the following circumstances:

7. in the event such landing and/or takeoff results from the existence of a declared emergency;

8. in the event such landing and/or takeoff results from the use of the airport as a weather alternate; and

9. in the event such landing and/or takeoff results from a weather, mechanical, or air traffic control delay; provided however, that this exception shall not authorize any landing or takeoff between the hours of 11:00 p.m. and 7:00 a.m.

K. Upon the request of the Airport Authority, the aircraft operator or pilot in command shall document or demonstrate the precise emergency conditions resulting in a landing and/or takeoff between the hours of 10:00 p.m. and 7:00 a.m. or the precise weather, mechanical, or air traffic control conditions resulting in a landing and/or takeoff between the hours of 10:00 p.m. and 11:00 p.m.

L. Any aircraft operator or pilot in command violating the provisions of this Rule may, in the discretion of the Commission, and in addition to any other remedies (including injunctive remedies) available, be subject to civil penalties in the amount of four thousand five hundred twenty-two dollars ($4,522) for each unauthorized landing and each unauthorized takeoff.

This Rule has been and shall continue to be enforced consistent with the ongoing enforcement of Clarified Rule 7 with respect to aircraft other than public aircraft, military aircraft, aircraft owned or operated by the armed forces of the United States, and aircraft operated in support of military operations. In particular, this Rule has been and will be enforced by allowing Stage 3 certified aircraft to fly between 10 p.m. and 7:00 a.m. With respect to Stage 2 hush-kitted aircraft that are certified as Stage 3, such aircraft operating between 10 p.m. and 7:00 a.m. shall continue to have to demonstrate compliance with the Rule as written. Stage 2 aircraft not certified as Stage 3 are not permitted to fly at any time.

Rule 10

M. Except as provided in Parts (B) and (C) hereof, no aircraft operating pursuant to an Operating Certificate issued by the Federal Aviation Administration may land at or take off from the Burbank-Glendale-Pasadena Airport.

N. The following aircraft operated pursuant to an Operating Certificate issued by the Federal Aviation Administration shall, subject to all other applicable Rules and Regulations, be permitted to land at and take off from the Burbank-Glendale-Pasadena Airport:

10. Transport category large airplanes and turbojet powered airplanes certificated under F.A.R. Part 36 or ICAO Annex 16 whose certificated sideline noise levels are equal to or less than:

a. for aircraft whose certificated noise levels have been determined at a sideline distance of 0.25 nautical miles, 105.0 effective perceived noise decibels;

b. for aircraft whose certificated noise levels have been determined at a sideline distance of 450 meters, 105.1 effective perceived noise decibels; and

c. for four-engine aircraft whose certificated noise levels have been determined at a sideline distance of 0.35 nautical miles, 103.5 effective perceived noise decibels.

11. Aircraft whose average sound exposure levels (SEL) on takeoff from Runway 15, under normal operating conditions and procedures, as measured at Airport Monitoring Stations 1, 2, and 3, are equal to or less than 104.5 dB, determined as follows:

d. for aircraft types regularly operating at the Airport during the year ending June 30, 1981, the average level shall be determined from the energy average of the SEL values measured at Monitoring Stations 1, 2, and 3 during April, May, and June, 1981.

e. for aircraft types not regularly operating at the Airport during the year ending June 30, 1981, the aircraft operator shall submit estimates of the energy average SEL values expected at Monitoring Stations 1, 2, and 3, accompanied by noise level and takeoff performance calculations sufficient to show the basis for obtaining the estimates. Where the average combined noise level estimates fall within the range of 101.5 to 104.5 dB, the Airport shall have the option of allowing the aircraft to operate at the Airport for a demonstration period of 90 days. The noise levels measured at Stations 1, 2, and 3 during this 90-day demonstration period shall be the basis for determining whether or not the aircraft meets the noise limits under this Part. The permission granted under this Part (B) (3) (b) shall continue only for so long as the approved aircraft continues to be operated at an average combined noise level at or below 104.5 dB as set forth above.

O. Aircraft operated pursuant to an Operating Certificate issued by the Federal Aviation Administration, whose noise levels exceed the limits specified in Part (B) shall be permitted to land at and take off from the Burbank-Glendale-Pasadena Airport only under the following circumstances:

12. in the event such landing and takeoff results from the existence of a declared emergency;

13. in the event such landing and takeoff results from use of the Airport as a weather alternative; or

14. in the event such landing and takeoff occurs in connection with FAA certificated maintenance, repair and modification.

P. Upon request of the Airport Authority, the aircraft operator or pilot in command shall document or demonstrate the precise emergency conditions or FAA certificated maintenance, repair, or modification resulting in the landing and takeoff of an aircraft whose noise levels exceed those set forth in Part (B) above.

Q. Any aircraft operator or pilot in command violating the provisions of this Rule may, in the discretion of the Commission, and in addition to any other remedies (including injunctive remedies) available, be subject to civil penalties in the amount of One Thousand Dollars ($1,000) for each unauthorized landing and takeoff.

This Rule has been and shall continue to be enforced as written as all modern commercial and general aviation aircraft in service meet these standards.

Rule 11

Subject to the provisions of Rule 7 of these Rules and Regulations:

R. No air carrier shall inaugurate or reinstitute scheduled turbojet operations at the Burbank-Glendale-Pasadena Airport ("the Airport"), except as provided in Part C below, unless all turbojet operations of that carrier are to be conducted solely with aircraft which comply with the noise level criteria of F.A.R. Part 36 Stage 3 (section C36.5 (a) (3) of Appendix C), as the same may be revised, supplemented, or replaced from time to time ("Stage 3 aircraft").

S. Each air carrier that has continuously provided scheduled passenger service at the Airport using non-Stage 3 aircraft since March 1, 1982, shall:

15. Utilize only Stage 3 aircraft in increases in its scheduled turbojet operations above the number of such operations in effect on June 30, 1982;

16. Conduct at least twenty-five percent (25%) of its scheduled turbojet operations with Stage 3 aircraft until March 31, 1986; and

17. From April 1, 1986, to March 31, 1987, conduct at least fifty percent (50%) of its scheduled turbojet operations with Stage 3 aircraft.

T. Air carriers seeking to inaugurate or reinstitute scheduled passenger operations at the Airport between the effective date of this Rule and March 31, 1987, will be permitted to make use of non-Stage 3 aircraft to the extent such aircraft may be used during that period by air carriers that have continuously utilized such aircraft at the Airport in scheduled passenger service since March 1, 1982, if the air carrier seeking to inaugurate or reinstitute scheduled passenger service demonstrates that the non-Stage 3 aircraft sought to be utilized will produce, at the average gross weight reasonably expected in operations at the Airport, an energy average Sound Exposure Level ("SEL") no greater than 98 decibels at Airport Monitoring Stations 1, 2, and 3 for departures on Runway 15 and no greater than 93 decibels at Station 9 for arrivals on Runway 8.

U. After March 31, 1987, each air carrier providing scheduled passenger service at the Airport shall conduct one hundred percent (100%) of its scheduled turbojet operations with Stage 3 aircraft.

V. Air carriers may substitute higher noise level aircraft in operations required to be flown with lower noise level aircraft only if the required lower noise level aircraft is removed from service on a temporary basis for unanticipated conditions beyond the carrier's control, but only for so long as is necessary to correct such unanticipated conditions.

W. Each scheduled air carrier shall demonstrate, in writing, its intention and ability to fulfill the requirements of this Rule not less than 30 days prior to the commencement (including reinstitution) of scheduled passenger service or any proposed increase in operations at the Airport. Each such air carrier shall also, upon request of the Authority, provide written documentation of the reasons for and duration of any substitution of aircraft pursuant to Part E hereof.

X. Each scheduled air carrier violating the provisions of this Rule may, in the discretion of the Commission, and in addition to the other remedies (including injunctive remedies) available, be subject to civil penalties in the amount of Ten Thousand Dollars ($10,000) for each day on which operations are conducted in violation of the provisions of this Rule.

This Rule has been and shall continue to be enforced by requiring all air carriers to use aircraft that are certified Stage 3 or quieter at the Airport.

Rule 12

In the event one or more clauses, sections or provisions of these Rules shall be held to be unlawful, invalid or unenforceable, the remainder of such Rule (or Rules) shall not be affected thereby.

This Rule has been and shall continue to be enforced as written.

Noise Rules Enforcement

The following procedures shall govern the enforcement of the Noise Abatement Rules.

18. Alleged violations of the Noise Abatement Rules shall be investigated by the Noise & Environmental Department or such other airport staff member as the Executive Director may designate.

19. In each instance of a potential violation identified by the Noise & Environmental Department, the Noise & Environmental Department staff shall notify the owner or operator of the aircraft in question. In the case of potential violations of Rules 8 or 9, or in any other instance in which a violation, if confirmed, would result in the imposition of a monetary fine or operational restriction, such notice shall be in writing and shall be delivered by certified mail or other form of registered delivery. Such written notice shall specify the nature of the alleged violation, the time, date and location of its occurrence, the rule allegedly violated, and shall include a copy or description of these enforcement procedures.

20. The owner or operator shall have fifteen (15) business days from the date of such notice to: pay the proposed fine; contest in writing the finding of a violation; or request in writing an informal conference with the Director, Noise & Environmental Programs ("Director"). The Director shall, based upon information received in writing or through an informal conference, determine whether a violation has occurred and shall promptly give written notice of such determination to the owner or operator.

21. The owner or operator shall have ten (10) business days from the date of such notice of determination to appeal the determination of the Director to the Authority's Operations Committee. Such appeal shall be in writing, submitted to the Noise & Environmental

Department, and shall set forth all information the owner or operator believes necessary to support such appeal. The Operations Committee shall have the discretion to request further information from the owner or operator, either in writing or in person, and may affirm, overrule or modify the determination of the Director. The Operations Committee shall give written notice of its decision to the owner or operator.

22. The owner or operator may, within ten (10) business days of the date of the notice of decision of the Operations Committee, appeal that decision to the full Airport Authority Commission, by submitting a notice of appeal, together with such written information as it deems appropriate, to the Noise & Environmental Department. The Commission may request further information from the owner or operator, either in writing or in person, and may affirm, overrule or modify the decision of the Operations Committee. The Commission shall give written notice of its decision to the owner or operator.

Exhibit C

FAA Grant Agreement Assurances
Nondiscrimination

A. Tenant, for itself, its representatives, successors in interest, and permitted assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

B. Tenants for itself and its representatives, successors in interest and permitted assigns as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. No person on the ground of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

2. In the construction of any Improvements on, over or under the Leased Premises, if allowed, and the furnishings of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

3. Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

C. In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Lease and to re-enter and to repossess the Leased Premises, and hold the Leased Premises as if this Lease had never been made. This provision does not become effective until the procedures of 49 Code of Federal Regulations Part 21 are followed and completed, including expiration of appeal rights.

D. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

E. Noncompliance with Provision D, above shall constitute a material breach hereof and in the event of such noncompliance Landlord shall have the right to terminate this Lease and the estate hereby created without liability therefor or, at the election of Landlord or the United States, either or both thereof shall have the right to judicially enforce Provisions A, B, C and D above.

F. Applicant agrees that it shall insert the above five provisions in any Permitted Lease, license or agreement by which said Tenant grants a right or privilege to any person, firm or corporation to render accommodations and/or service to the public at the Leased Premises.

Exhibit D

Policy on Tenant Improvements

REQUEST FOR APPROVAL
PROPOSED TENANT IMPROVEMENT

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

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1. INFORMATION

Tenant_____ Building # _____
Name of Contact_____ Phone #_____
Address_____ Email:_____
Describe Proposed Improvements * _____
_____
_____
Estimated cost of improvements _____
Estimated start date_____ Completion date _____

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

2. PRE-CONSTRUCTION

Contractor_____ License # _____
Address _____
Contract Price_____ Phone #_____
Construction Commencement Date_____ End Date _____

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

Tenant Representative (Signed)_____ Date _____

3. INITIAL APPROVALS

Operations (Approver)_____ Date_____ Pre-Con Needed (Y/N)

Comments _____
Business & Properties (Approver)_____ Date_____ Pre-Con Needed (Y/N)

Comments _____
Engineering Department (Approver)_____ Date_____ Pre-Con Needed (Y/N)

Comments _____
Environmental & Noise (Approver)_____ Date_____ Pre-Con Needed (Y/N)

Comments _____

Fire Department (Approver)_____ Date_____ **Pre-Con Needed (Y/N)**

Comments _____

ICT Department (Approver)_____ Date_____ **Pre-Con Needed (Y/N)**

Comments _____

Maintenance Department (Approver)_____ Date_____ **Pre-Con Needed (Y/N)**

Comments _____

Safety Department (Approver)_____ Date_____

Comments _____

Police & Security (Approver)_____ Date_____ **Pre-Con Needed (Y/N)**

Comments _____

4. FINAL APPROVAL

Airport Administration (Reviewed by)_____ Date _____

INSTRUCTIONS FOR COMPLETING THIS FORM

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

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

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

PLANS AND SPECIFICATIONS

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

OTHER REQUIREMENTS
INSURANCE REQUIREMENT

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form:

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

Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Business, Property and Administrative Services Department. Each of said insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

BOND REQUIREMENT

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

INDEMNIFICATION & DEFENSE AGREEMENT

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

PREVAILING WAGES

As part of Tenant's obligations under the terms of the Lease to comply with applicable law, Tenant acknowledges and agrees that 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 E

OTHER/GENERAL RULES AND REGULATIONS

Reference is hereby made to that certain 45-page document entitled:

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

RULES AND REGULATIONS GOVERNING CONDUCT ON, OPERATIONS AT, AND USE OF FACILITIES AT THE BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

as revised May 4, 2020 and receipt of which is hereby acknowledged by Tenant. Said rules and regulations are hereby incorporated herein by reference.

MONTH TO MONTH OFFICE LEASE

BETWEEN

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

AND

C&W FACILITY SERVICES, INC.

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MONTH TO MONTH OFFICE LEASE

THIS MONTH TO MONTH OFFICE LEASE ("Lease") is dated _____, 2023 for reference purposes and is executed by the Burbank-Glendale-Pasadena Airport Authority ("Landlord"), a California joint powers agency, and C&W Facility Services, Inc. ("Tenant"), a Massachusetts corporation.

In consideration of the mutual covenants, conditions, and agreements contained herein, Landlord and Tenant agree as follows:

1. LEASED PREMISES.

1.1 Location of Leased Premises. Landlord leases to Tenant, and Tenant hires and takes from Landlord, those certain premises more particularly described in Exhibit "A" attached hereto ("Leased Premises") located in the Building described in Exhibit "A" situated within the Bob Hope Airport ("Airport"), including the right in common with others, to the use of certain of the "common use facilities" of the Airport as set forth in Section 14 upon the terms and subject to the conditions set forth in this lease.

1.2 Acceptance of the Leased Premises. Tenant accepts the Leased Premises in the condition existing as of the date hereof. Tenant agrees that the Leased Premises are in a good and tenantable condition and acknowledges that Tenant has inspected the Leased Premises and available common use facilities of the Airport to its satisfaction and acknowledges that Landlord is not obligated to make any repairs or alterations to the Leased Premises or common use facilities.

1.3 Reservations to Landlord. Tenant further accepts the Leased Premises subject to any and all existing easements and encumbrances. Landlord reserves the right, without obligation, to install, lay, construct, maintain and repair utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises or any part thereof, and to enter the Leased Premises for any and all such purposes. Landlord also reserves the right to grant franchises, licenses, easements, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises. No right reserved by Landlord in this Section shall be so exercised as to interfere unreasonably with Tenant's operations hereunder.

1.4 Landlord's Right of Access. Landlord shall have free access to the Leased Premises in all cases of emergency, and during all reasonable hours for the purposes of examining the same to ascertain if they are in good repair, inspecting any work in progress within the Leased Premises, the Building or elsewhere on the Airport, making repairs which Landlord may be required or permitted to make hereunder, and exhibiting the same to prospective purchasers or Tenants. Such entry shall be made in a manner which will not unreasonably interfere with Tenant's use of the Leased Premises, except in case of emergency. In the event that Tenant is not personally present to open and permit such entry, Landlord may enter by means of a master key or may enter forcibly and shall incur no liability to Tenant as a result of such entry, and this Lease shall not be affected thereby.

1.5 Certified Access Specialist. The Leased Premises, the building in which they are located and any other areas that may be used by Tenant under this Lease (herein, the "Subject Premises") have not been inspected by a Certified Access Specialist ("CASp"). A CASp can inspect the Subject Premises and determine whether they comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Subject Premises, a commercial property owner or lessor may not prohibit a lessee or tenant from obtaining a CASp inspection of the Subject Premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties must mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Subject Premises. Landlord and Tenant hereby agree that Landlord will not be obligated to obtain or pay for such an inspection report, and will not make or pay for any necessary repairs (all of which shall be the responsibility of the Tenant under this Lease).

2. TERM.

2.1 Commencement Date. The term of this lease shall be month to month, commencing on **November 1, 2023** ("Commencement Date"), and continuing until this Lease is terminated as provided herein.

2.2 Early Possession. In the event that Tenant takes early possession, with Landlord's consent, Tenant shall be subject to all of the provisions hereof, excluding any and all covenants, obligations and conditions required to be performed or satisfied by Landlord under this Lease, and the provisions of Section 3.2 applicable to adjustments in the Monthly Base Rent (as defined herein) shall apply. Landlord shall have no obligation or responsibility with respect to such early possession, and Tenant shall defend, indemnify and hold harmless Landlord from and against any and all claims, losses, damages, liabilities, obligations, costs and expenses, including attorneys' fees, arising out of, resulting from or relating to such early possession.

2.3 Termination. Either party shall have the right to terminate this Lease at any time, with or without cause, by delivering to the other party at least 30 days' prior written notice of termination.

2.4 Default. Landlord shall have the right to terminate this lease in the event of a default by Tenant as provided in Section 12.2.

3. RENT.

3.1 Rent. In consideration of Landlord leasing to Tenant the Leased Premises, Tenant shall pay to Landlord as monthly base rent the sum of **Six Hundred Ninety-Nine Dollars and Eighteen Cents ($699.18)** ("Monthly Base Rent"), subject to adjustment pursuant to Section 3.2, commencing on the Commencement Date and continuing on the first day of each calendar month thereafter during the term of this Lease. The Monthly Base Rent from the Commencement Date to the first day of the calendar month following the Commencement Date and for the calendar

month in which this Lease is terminated shall be prorated to the extent that such calendar months are partial calendar months on the basis of a 30 day calendar month.

3.2 Base Rent Adjustments.

3.2.1 Definitions.

i. The term "Adjustment Date" shall mean November 1 of each year starting in 2024.

ii. The term "Adjustment Index" shall mean the Consumer Price Index for the month of September of the calendar year containing the applicable Adjustment Date.

iii. The term "CPI Increase" shall mean the percentage increase in the "Consumer Price Index" during the preceding calendar year prior to an Adjustment Date, calculated by subtracting the Prior Index from the Adjustment Index and then dividing the result by the Prior Index.

iv. The term "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers for the Los Angeles - Long Beach - Anaheim statistical area (CPI-U) (1982-84 =100) published by the United States Department of Labor, Bureau of Labor Statistics.

v. The term "Adjusted Monthly Base Rent" shall mean the greater of: (a) the Monthly Base Rent (as may have been previously adjusted) payable each month during the immediately preceding calendar year increased by an amount equal to the product of 120% of the CPI Increase (rounded to the nearest hundredth) for the immediately preceding calendar year, or (b) 103% of the Monthly Base Rent (as may have been previously adjusted) payable each month during the immediately preceding calendar year. However, in no event shall the Adjusted Monthly Base Rent be more than 6% greater than the Monthly Base Rent (as it may have been previously adjusted) for the previous calendar year. The following is an example of the calculation under the preceding clause (a):

$\frac{\text{Adjustment Index - Prior Index}}{\text{Prior Index}}$	= CPI Increase
CPI Increase x 1.2	= 120% of CPI Increase
120% of CPI Increase	= xx.xx%

vi. The term "Prior Index" shall mean on each Adjustment Date, the Consumer Price Index used as the Adjustment Index on the prior Adjustment Date (or in the case of the first adjustment, the Consumer Price Index for the month of December of the prior calendar year).

3.2.2 Regular Annual Adjustments. On each Adjustment Date, the Monthly Base Rent then in effect shall be adjusted to the applicable Adjusted Monthly Base Rent.

3.2.3 CPI Changes. If the Consumer Price Index is changed so that the base year differs from that used for the Prior Index, the Consumer Price Index or the Prior Index, as applicable, shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Consumer Price Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used.

3.3 Taxes.

3.3.1 Possessory Interest and Other Taxes. Tenant shall pay, as additional rent under this Lease, all "taxes" imposed by any authority having the direct or indirect power to tax and which are applicable to the Leased Premises during the term of this Lease. As used herein, the term "taxes" shall include any form of possessory interest tax, assessment (including public facilities maintenance district levy or assessment or any public transit or other benefit assessment district levy or assessment), license fee, commercial rental tax, any tax or excise on rents, levy, penalty or tax (other than net income, inheritance or estate taxes) imposed by any authority having the direct or indirect power to tax, including any federal, state, county or city, government, or any school, agricultural, lighting, drainage, or other improvement district thereof, as against any legal or equitable interest of Landlord in the Leased Premises, as against Landlord's right to rent or other income therefrom, or as against Landlord's business of leasing the Leased Premises. In this regard, Tenant recognizes and understands that this Lease might be held to create a possessory interest subject to property taxation and that Tenant might be subject to the payment of property taxes levied on such interest.

3.3.2 Personal Property Tax. Tenant shall pay before delinquency any and all taxes and assessments on the furniture, fixtures, equipment and other personal property of Tenant located or used in the Leased Premises, whether assessed to Tenant or assessed to Landlord as part of the real property.

3.4 Utilities.

3.4.1 Payment. Tenant shall pay all costs, expenses and charges for telephone and other utilities and services, other than gas, heat, light, power and air conditioning services payment of which shall be included in Monthly Base Rent, supplied to the Leased Premises, together with any taxes thereon and any connection fees, prior to when such charges are due, and Tenant shall indemnify Landlord against any liability therefore. In the event that any utilities or services are not separately metered to Tenant, Tenant shall pay to Landlord, as additional rent under this Lease, Tenant's proportionate share, determined by Landlord, of all charges jointly metered with other premises in the Building or elsewhere at the Airport within fifteen (15) days following the delivery to Tenant of a statement with respect thereto.

3.4.2 No Obligation to Furnish. Notwithstanding any other provisions of this Lease, Tenant acknowledges that Landlord has no obligation to provide any utilities or services to

the Leased Premises. Landlord shall not be liable to Tenant under any circumstances for damages or loss to Tenant's property, injury to persons or property, or consequential damages, however occurring, through, in connection with, or incidental to any such utilities or services not being provided or inadequately being provided or any permanent or temporary cessation or other interruption of any such utilities or services.

3.4.3 Compliance with Utility Supplier Rules. Tenant shall comply with all rules and regulations which Landlord, any governmental agencies or authorities, or any utility company may establish for the use, proper functioning and protection of any utilities or services.

3.5 Net Lease. Landlord shall receive all amounts payable by Tenant pursuant to this Section 3 or any other provision of this Lease, free and clear of any and all other impositions, taxes, liens, charges or expense of any nature whatsoever in connection with the ownership and operation of the Leased Premises. In addition to the amounts payable by Tenant pursuant to this Section 3, Tenant shall pay to the parties respectively entitled thereto all other impositions, operating charges, maintenance charges, construction costs, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease during the term, except only those amounts payable by Landlord as provided in Section 6.1.1. All of such charges, costs and expenses shall constitute additional rent, and upon the failure of Tenant to pay any of such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

3.6 Interest on Past Due Payments. Any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease which is not paid when due shall bear interest from the due date until paid at a rate equal to 5% in excess of the prevailing rate established by the Federal Reserve Bank at San Francisco on advances to member banks on the 25th day of the month preceding the Commencement Date (but not more than the maximum rate permissible by law); provided, however, that the payment of any interest pursuant to this Section shall not excuse or cure any default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease.

3.7 Financial Information. Within 10 days following a written request by Landlord, Tenant shall furnish to Landlord, in such detail as Landlord may reasonably request, financial information concerning Tenant, any parent or subsidiary of Tenant, or any person, firm or entity having the power, direct or indirect, to control Tenant or its operations at the Airport. The financial information to be furnished hereunder shall include, but shall not be limited to, balance sheets, statements of profit and loss and statements of changes in financial position. If available, such financial information shall include the opinion of an independent auditor as to the financial statements or, if not available, shall be certified as true, accurate and complete by the chief financial officer of the party for whom the information is furnished.

3.8 Address for Payment. The payment of Monthly Base Rent and all other amounts due to Landlord hereunder shall be paid at the office of Landlord; Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, ATTENTION: Controller, or at such other place as Landlord may designate from time to time in writing.

4. SECURITY DEPOSIT. Concurrently with the execution of this Lease, Tenant shall pay to Landlord the sum of **$2,097.54**, equivalent to three times the Monthly Base Rent ("Security Deposit"), as security for the full and faithful performance by Tenant of the terms, provision, conditions, clauses, and covenants of this Lease. In the event Tenant defaults with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of Monthly Base Rent or any other amounts payable by Tenant to Landlord hereunder, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of such Monthly Base Rent or other amounts in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to cure any other default for any other loss or damage which Landlord may suffer by reason of Tenant's default including, but not limited to or repairing damages to the Leased Premises, the Building or other areas of the Airport or any portion thereof, caused by Tenant. If any portion of the Security Deposit is so used or applied, Tenant shall, upon demand, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to three times the amount of the current Monthly Base Rent and Tenant's failure to do so shall constitute a material breach of this Lease. Landlord shall not be required to keep the Security Deposit separate from its general accounts. If Tenant performs all of Tenant's obligations hereunder, the Security Deposit, or so much thereof as has not previously been applied by Landlord, shall be returned, without payment of interest for its use, to Tenant (or, at Landlord's election, to the last assignee, if any, of Tenant's interest hereunder) at the expiration of the term of this Lease, following Tenant's vacation of the Leased Premises in strict accordance with the provisions of this Lease. No trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit.

5. CONDUCT OF BUSINESS BY TENANT.

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

5.2 Authorized Use of Leased Premises. Tenant shall use the Leased Premises solely for office use. Tenant shall not use the Leased Premises for any use other than office use.

5.3 Licenses, Permits; Compliance with Laws. Tenant, at Tenant's own cost and expense, shall obtain and maintain in effect at all times during the term of this Lease all licenses, permits, certificates, approvals and other authorizations required by any federal, state, county, city or other governmental authority or agency having jurisdiction over Tenant, Tenant's business and operations, the Leased Premises, the Building or the other areas of the Airport, including, without limitation, all licenses, permits certificates, approvals and other authorizations required by the FAA. Without limiting the generality of the foregoing, Tenant shall comply with all applicable federal, state, county and city statutes, regulations, rules, ordinances and all orders of any department, bureau or agency or any governmental authority having jurisdiction over Tenant, Tenant's business and operations and the occupancy, maintenance and use of the Leased Premises for the purpose demised hereunder including, without limitation, the provisions of Section 23 and all rules and regulations promulgated by the FAA.

5.4 Restrictions On Use.

5.4.1 No Other Use. Tenant shall not use or permit the use of the Leased Premises for any purpose other than the purposes set forth in Section 5.2.

5.4.2 Manner of Use. Tenant shall not use or permit the use of the Leased Premises, the Building or any other areas of the Airport in any manner that will (i) tend to create or permit any waste or nuisance, (ii) tend to disturb other tenants, occupants, licensees, concessionaires or other users or customers of the Building or any other areas of the Airport, (iii) invalidate or cause the cancellation of or be in conflict with any fire or other hazard insurance policies covering the Airport, or (iv) increase the premiums for any fire insurance policies covering the Airport or any property located therein, over the premiums for such policies in effect on the Commencement Date. Tenant, at its expense, shall comply with all rules, orders, regulations, or requirements of the National Board of Fire Underwriters, or any other similar body.

5.4.3 Vending Machines. Tenant shall not place any vending machines or vending devices in or on the Leased Premises without the prior written approval of Landlord.

5.4.4 Interference With Utilities, Police, Fire Fighting. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing or sewer systems, facilities or devices or portions thereof on or servicing the Leased Premises, the Building or elsewhere on the Airport, nor shall Tenant do or permit to be done anything which may interfere with free access or passage to the Leased Premises, the Building or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks adjoining the Building, the common use facilities of the Airport or the public areas adjacent thereto. In addition, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

5.4.5 Interference with Fire Exits. Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of fire exits, elevators or escalators in or adjacent to Leased Premises, the Building or elsewhere at the Airport, including lines, pipes, wires, conduits and equipment connected with or appurtenant thereto.

5.5 Non-Discrimination and Affirmative Action. Tenant shall comply with the provisions of Exhibit "B" attached hereto and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Landlord from time to time. In addition, Tenant shall undertake an affirmative action program as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal regulations Part 152, Subpart E. Tenant agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said subpart. Tenant will require that its permitted subtenants, licensees or permittees will provide assurances to Tenant that they similarly will undertake affirmative action programs and that they will require assurances from their licensees or permittees, as required by 14 Code of Federal regulations Part 152, Subpart E, to the same effect.

5.6 Compliance with FAA Grant Assurances and Airport Use. In connection with the ownership and use of the Airport by Landlord, Tenant agrees as follows:

5.6.1 Development or Improvement of Landing Area. Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Tenant, and without interference or hindrance.

5.6.2 Maintenance of Landing Area and Public Facilities. Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair all common use facilities and publicly owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

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

5.6.4 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 said airspace or lading at, taking off from, or operating on the Airport.

5.6.5 Height Restrictions. Tenant shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Leased Premises, the Building or elsewhere at the Airport in violation of federal height restrictions and obstruction criteria or any more restrictive height restrictions and obstruction criteria established from time to time by Landlord. In the event such covenants are breached, Landlord reserves the right to enter upon the Leased Premises, the Building or other areas of the Airport to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Tenant.

5.6.6 Interference with Aircraft. Tenant shall not make use of the Leased Premises or any other areas of the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event such covenant is breached, Landlord reserves the right to enter upon the Leased Premises or any other areas of the Airport and cause the abatement of such interference, at the expense of Tenant.

5.6.7 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 nonexclusive use of the Airport by the United States during the time of war or national emergency or otherwise.

5.6.8 Unauthorized Access. Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas, including, without limitation, the precautions established pursuant to Section 5.7.

5.7 Airport Security. Landlord's Airport Security Program, as the same may be modified or supplemented from time to time by Landlord or its staff in its sole and absolute discretion ("Security Requirements"), are an integral part of the Lease and hereby incorporated herein by this reference.

5.8 Air Quality Improvement Plan. In addition to complying with Section 5.3, Tenant shall also comply with the certain provisions of the Burbank Airport's Air Quality Improvement Plan:

5.8.1 Ground Support Equipment Emissions Policy. Airlines and other entities own and operate ground support equipment ("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.

5.8.2 Clean Construction Policy. Landlord has adopted a Clean Construction Policy, which may be accessed/found at http://hollywoodburbankairport.com/green-initiatives/. For all capital improvement projects ("CIPs") undertaken by Tenant, Tenant shall comply, and shall cause its CIP contractors to comply, with such Clean Construction Policy, and shall otherwise ensure its contractors follow clean construction policies 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.

5.8.3 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.

6. MAINTENANCE AND REPAIRS.

6.1 Landlord's Obligations.

6.1.1 Landlord Obligations. During the term of this Lease, Landlord shall keep and maintain in good condition and repair, reasonable wear and tear excepted, according to the

standards established by Landlord, as the same may be changed at any time and from time to time, (i) the foundations, roof and other structural components of the Building, including the structural portions of the exterior walls of the Leased Premises, and (ii) all sprinklers, plumbing, sewer, electrical, water, gas, drains, heating, ventilating and air conditioning systems, facilities and equipment serving the Leased Premises, but only to the extent such systems, facilities or equipment are located within the Airport and only to the point of connection or distribution to the Leased Premises, as determined by Landlord, and are not located within any easement in favor of a municipal or public utility supplier; provided, however, that Landlord shall have no obligation to repair any damage to any of the foregoing to the extent caused by the willful or negligent act or omission, including, without limitation, any overuse or abuse, of Tenant or the agents, employees, or invitees of Tenant, which damage shall be repaired promptly by Tenant, at Tenant's sole cost and expense. Landlord shall have no obligation to commence any maintenance or repair required under this Section until 30 days after the receipt by Landlord of written notice of the need for such maintenance or repair. Landlord shall not be liable to Tenant for any injury to or interference with Tenant, Tenant's business and operations or use or occupancy of the Leased Premises arising out of, resulting from, or relating to the performance of any maintenance or the making of any repairs.

6.1.2 Tenant Waiver. Except as provided in Section 6.1.1, Landlord shall have no obligation to maintain or make any repairs to the Leased Premises. Tenant waives any and all rights provided in Section 1941 through Section 1942, inclusive of the Civil Code of California and hereby waives, to the extent permissible, any rights under other statutes or laws now or hereafter in effect which are contrary to the obligations of Landlord under Section 6.1.1, or which place obligations upon Landlord in addition to those provided in Section 6.1.1. Landlord shall not be liable to Tenant by reason of any injury to or interference with Tenant's business arising from or connected with the need for or the making of any repairs, alteration, or improvements to the Leased Premises.

6.2 Tenant's Obligations.

6.2.1 Maintenance. Except as expressly provided in Section 6.1.1, Tenant, at Tenant's sole expense, shall maintain the Leased Premises, in good order, condition, and repair and in a neat, attractive, sanitary condition, free from waste or debris according to standards established by Landlord (whether or not such part of the Leased Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such part of the Leased Premises) including, without limitation, all of the following: (i) all ceilings, floors, interior walls, non-structural components of exterior walls, store fronts, windows, doors, door locks, plate glass, showcases, skylights, entrances, and vestibules located within the Leased Premises, and (ii) trade fixtures, furniture and other personal property located in or used in the Leased Premises, including, without limitation, any and all alterations (as defined in Section 7.1). Tenant shall make any and all repairs required pursuant to this Section as and when the same become necessary to maintain the Leased Premises and every part thereof in good order condition and repair, but in no event later than 30 days following the delivery to Tenant of the need for such repair, or immediately in the event of an emergency. All repairs to the Leased Premises made by Tenant as provided in this Lease shall be performed in accordance with all applicable statutes, regulations, rules and ordinances and all requirements and orders of any and all federal, state,

county, city and other governmental authorities and agencies having jurisdiction with respect thereto and Tenant shall secure all licenses, permits, approvals and authorizations required with respect thereto.

6.2.2 Tenant Failure to Repair. In the event that Tenant fails to make any repair to the Leased Premises pursuant to Section 6.2.1 within 30 days following the delivery to Tenant of written notice of the requirement therefore, or immediately in the event of any emergency, Landlord shall have the right, but not the obligation, at Landlord's option, to enter upon the Leased Premises and put the same in good order, condition and repair, and in a neat, attractive and sanitary condition, free from waste and debris, and the cost thereof shall become due and payable, upon demand, by Tenant to Landlord as additional rent under this Lease.

7. IMPROVEMENTS AND ALTERATIONS.

7.1 Construction. Tenant shall not, without in each instance obtaining the prior written consent of Landlord, which consent may be granted or withheld, in Landlord's sole discretion, construct, install or make any modifications, alterations, improvements, or additions ("Alterations") in, on or to the Leased Premises. Landlord may impose, as a condition of such consent, such requirements as to the contractor, time, manner, method, design and construction in which the Alterations shall be done as Landlord determines, in its sole discretion. No such Alterations shall be undertaken until Tenant shall have procured and paid for all permits, licenses, approvals and authorizations of all required governmental authorities and agencies having jurisdiction thereof. Prior to the commencement of any Alterations, Tenant shall comply with the rules and guidelines established by Landlord for such work pursuant to Landlord's policy on tenant improvements attached hereto as Exhibit "C", as the same may be amended from time to time. All plans shall be subject to Landlord's approval and, when required by the Airport Engineer, shall be prepared, stamped and signed by a California licensed architect or engineer. Engineers shall be licensed for the particular discipline required. No work required in connection with any Alterations shall commence prior to receiving written approval of Landlord. All work done in connection with any Alterations shall be done at Tenant's sole expense and with reasonable diligence, in a good and workmanlike manner, and in compliance with all applicable federal, state, county and city statutes, regulations, rules and ordinances and all orders of any and all governmental authorities having jurisdiction thereof. In order to expedite plan review and approval and to insure that the proposed Alterations will be compatible with the Airport uses, Tenant first shall submit to Landlord for approval a schematic or conceptual plan. Landlord shall have the right to inspect and reject any work not done in accordance with the plans and specifications, and Tenant shall immediately repair or remove such work in accordance with this Section. Within 30 days following the completion of an Alterations, Tenant shall furnish to Landlord a set of "as built" plans and specifications.

7.2 Indemnity. Tenant agrees to defend, indemnify and hold harmless Landlord from and against any and all responsibilities, liabilities, obligations, damages, injuries, claims, demands, losses, awards, judgments, costs or expenses, arising out of, resulting from, or relating to any and all Alterations constructed, installed or made by Tenant on, in or to the Leased Premises pursuant to Section 7.1 by virtue of Landlord's review of the plans and specifications relating thereto or otherwise. Tenant assigns to Landlord any and all warranties or guaranties of contractors and

subcontractors furnishing labor, materials, equipment and services in connection with the Alterations, which assignment shall be effective upon the expiration or earlier termination of the Lease.

7.3 Payment. Tenant shall pay, when due, all claims for labor, materials, equipment and services furnished or alleged to have been furnished to or for Tenant at or for use in the Leased Premises or any other areas of the Airport, which claims are or may be secured by any lien against the Leased Premises or the other areas of the Airport or any interest therein. In the event any such lien is filed against the Leased Premises or any other areas of the Airport, it shall be discharged by Tenant, at Tenant's expense, within 10 days after written notice thereof is delivered to Tenant. Landlord shall have the right to post such notices of non-responsibility as are provided for in the mechanics' lien laws of California.

7.4 Landlord's Property. Except for personal property and trade fixtures not permanently affixed to the Leased Premises, all Alterations, decorations, floor coverings, and fixtures made in, on, or to the Leased Premises by or on behalf of Tenant pursuant to Section 7.1, upon the expiration or other termination of this Lease, shall become Landlord's property and shall be surrendered with the Leased Premises, unless Landlord shall elect otherwise not less than 30 days prior to the expiration, or not more than 10 days after any other termination, of this Lease. In the event of such election, such Alterations, decorations, floor coverings and fixtures, made by or on behalf of Tenant in the Leased Premises, as Landlord may select, shall be removed by Tenant, at its sole cost and expense, at or prior to the expiration of the term of this Lease, the Leased Premises shall be restored and repaired to the condition existing as of the Commencement Date, subject to reasonable wear and tear, casualty and damage by the elements. In the event of the termination of this Lease prior to the expiration of the term hereof, any such removal shall be accomplished within 30 days after such termination.

8. INSURANCE; INDEMNITY; WAIVERS.

8.1 Tenant Requirements.

8.1.1 General. Tenant, at all times during the term of this Lease and at Tenant's sole cost and expense, shall maintain in effect the policies of insurance through third party insurers or Cushman & Wakefield's wholly owned captive insurance company with limits of liability as provided in this Section 8.1.

8.1.2 Commercial General Liability Insurance. A policy of commercial general liability insurance written on an occurrence basis covering the liability of Tenant and Landlord arising out of, resulting from or relating to injuries to or death of persons and damage to or loss of property occurring on, in, under or about the Leased Premises in the amount of Five Million Dollars ($5,000,000) per occurrence for bodily injury, including death, or property damage.

8.1.3 Fire Insurance. A policy or policies of hazard insurance insuring against loss or damage to or destruction of (i) Tenant's fixtures, Alterations, personal property and equipment located in, on, or at the Leased Premises in an amount of 100% of their replacement value, and (ii) all plate glass in the Leased Premises, on an all risk basis.

8.1.4 Workers' Compensation Insurance. Statutory workers' compensation insurance and employers' liability coverage in the amount of One Million Dollars ($1,000,000) Bodily Injury by Accident - Each Accident, One Million Dollars ($1,000,000), Bodily Injury by Disease - Policy Limit, One Million Dollars ($1,000,000) Bodily Injury by Disease - Each Employee covering Tenant's liability for its business and operations at the Leased Premises.

8.1.5 Motor Vehicle Liability. Motor vehicle liability insurance coverage, including hired and non-owned vehicle coverage, which provides public liability and property damage liability coverages of Five Million Dollars ($5,000,000) combined single limit per accident for bodily injury, including death, or property damage occurring as a result of the ownership, use or operation of motor vehicles in connection with Tenant's business and operations at the Leased Premises.

8.1.6 Adjustment of Insurance Coverage and Limits. Landlord may add to or change the types or coverages of insurance or the limits of liability required to be maintained by Tenant pursuant to Section 8.1.1 by 30 days' written notice to Tenant of such additions or changes. If Tenant elects not to maintain such additional or changed insurance or limits of liability, Tenant may terminate this Lease in its entirety by written notice of termination given to Landlord prior to the expiration of such 30 days. If Tenant does not terminate this Lease, Tenant shall obtain such additional or changed types of insurance or coverages or shall increase its insurance limits of liability as may be required by Landlord and failure to do so shall be an event of default under Section 12.1.5.

8.1.7 Policy Requirements. If maintained through third party insurers instead of Cushman & Wakefield's wholly owned captive insurance company, each insurance policy required to be maintained by Tenant pursuant to Section 8.1.1 (i) shall be obtained from an insurance company authorized to conduct business in the State of California and having a rating of A- VI in A.M. Best's Insurance Guide (or equivalent rating agency); and (ii) Commercial General Liability and Motor Vehicle Liability policies shall include Landlord as an additional insured. Tenant shall provide that Landlord with prior written notice of the termination, cancellation or amendment of the policies required herein. Concurrently with the execution and delivery of this Lease, Tenant shall furnish to Landlord a certificate or certificates of insurance and amendatory blanket endorsements showing that required policies are in effect in the required amounts.

8.1.8 No Limitation of Liability. Tenant acknowledges and agrees that the limits of liability provided in the insurance policies maintained by Tenant pursuant to Section 8.1.1 shall in no event be considered as limiting the liability of Tenant under this Lease.

8.2 Indemnification. Tenant shall defend, indemnify and hold harmless Landlord and its commissioners, officers, employees, agents and contractors, from and against any and all claims, demands, actions, suits, proceedings, damages, losses, liabilities, obligations, costs and expenses, including, without limitation, attorneys' fees, arising out of, resulting from or relating to the use or occupancy of the Leased Premises, the Building or any other areas of the Airport by Tenant and its directors, officers, partners, employees, agents, representatives, contractors and customers, except to the extent legally caused by the active negligence or willful misconduct of

Landlord.

8.3 Exemption of Landlord from Liability. Tenant, on behalf of itself and its directors, officers, partners, employees, agents, representatives, contractors and customers hereby waives all claims against Landlord, and Landlord shall not be liable, for any injury or death to persons or any damage or loss to any property in, on, or about the Leased premises, the Building or any other areas of Airport, arising out of, resulting from or relating to (i) latent or patent defects in the construction or condition of the Leased Premises, the Building or any other areas of the Airport; (ii) Acts of God; (iii) fire, steam, electricity gas, water, or rain which may leak or flow from or into any part of the Leased Premises, the Building or any other areas of the Airport; (iv) riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief; (v) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Leased Premises, the Building or any other areas of the Airport; (vi) the use or occupancy of the Leased Premises, the Building or any other areas of the Airport by Tenant or any of its directors, officers, partners, employees, agents, representatives, contractors and customers, whether said damage or injury results from conditions arising upon the Leased Premises, the Building or upon other areas of the Airport, or from other sources; or (vii) any damage or loss arising from any act or neglect of any other tenant, licensee, concessionaire or customer of the Airport.

8.4 Tenant Acknowledgment of Notice of Claim. If Landlord delivers to Tenant a notice of a claim filed with Landlord involving Tenant with a request that Tenant acknowledge receipt of the notice, then Tenant shall acknowledge receipt of such notice in writing within 30 days, and failure to timely acknowledge receipt shall constitute an event of default.

9. ASSIGNMENT AND SUBLETTING. Tenant shall not voluntarily or by operation of law assign, sublet, transfer or mortgage, hypothecate, grant a security interest in or otherwise encumber all or any part of Tenant's rights or interest in or to this Lease or the Leased Premises. Any attempted assignment, subletting, transfer, mortgage, hypothecation, grant of a security interest in or other encumbrance in violation of this Section shall be wholly void and of no force or effect. For the purposes of this Section, if Tenant is a corporation any attempted assignment, subletting, transfer, mortgage, hypothecation, grant of a security interest in or other encumbrance or other event which results, or upon foreclosure would result, in the reduction of the interest of the present shareholders of record to less than a majority of any class of voting stock of Tenant, or if Tenant is a partnership, any assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance of a partnership interest or interests or other event which results, or upon foreclosure would result, in the reduction of the profit and loss participation of the present general partners to less than 51% or if Tenant is a corporation, partnership, trust or other entity, any change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity, shall be deemed to be a prohibited assignment, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section.

10. EMINENT DOMAIN.

10.1 Entire or Substantial Taking. In the event that the entire Leased Premises, or so much thereof as to make the balance not reasonably adequate for the conduct of Tenant's business, shall be taken under the power of eminent domain, this Lease automatically shall terminate as of the date of the vesting of title in such condemning entity.

10.2 Awards. Any award for any taking of all or any part of the Leased Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business, provided, however, that in determining the value of Tenant's business, all goodwill attributable to the location of the business shall belong to Landlord and Tenant's business shall be valued based solely upon its operating results.

10.3 Condemnation by Landlord. Nothing in this Lease shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord.

11. SUBORDINATION.

11.1 Subordination. This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interest now or hereafter affecting the Leased Premises, the Building or the Airport, and to all renewals, modifications, replacements, consolidations and extensions thereof. Tenant shall execute and deliver to Landlord or any other party requiring such subordination, within 10 calendar days following its receipt, any and all documents which may be required to effectuate such subordination. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a mortgagee, beneficiary, bond trustee, secured party or other lien holder, so long as such amendment, alteration or modification does not cause Tenant material financial loss, and that Tenant's written consent to any such amendment, alteration or modification shall not be unreasonably withheld or delayed. Tenant shall give prompt written notice to each mortgagee, beneficiary, bond trustee, secured party or other lien holder, of which Tenant has written notice, of any default of Landlord, and Tenant shall allow such mortgagee, beneficiary, bond trustee, secured party or lien holder a reasonable length of time (in any event, not less than 30 days from the date of such notice) in which to cure such default.

11.2 Attornment. In the event that any mortgage, deed of trust, bond indenture, security interest, lien or other encumbrance is foreclosed, Tenant, with and at the election of the purchaser or, if there is no purchaser, with and at the election of the holder of the fee title to the Leased Premises, agrees to enter into a new Lease covering the Leased Premises for the remainder of the term of this Lease, on the same provisions herein provided. Alternatively, upon such foreclosure, Tenant shall, upon written request, attorn to the purchaser and recognize the purchaser as Landlord under this Lease.

12. DEFAULTS AND REMEDIES.

12.1 Default by Tenant. Any of the following shall constitute an event of default by Tenant under this lease:

12.1.1 Bankruptcy, Insolvency or Receivership. The consent of Tenant to the appointment of a receiver, trustee or liquidator of all or a substantial portion of Tenant's assets; or (ii) the adjudication of Tenant as a bankrupt or insolvent; or (iii) the filing by Tenant of a voluntary petition in bankruptcy; or (iv) the admittance by Tenant in writing of Tenant's inability to pay its debts as they become due; or (v) the failure by Tenant to pay its debts as they become due; or (vi) the making by Tenant of a general assignment for the benefit of creditors; or (vii) the filing by Tenant of a petition or answer seeking reorganization or arrangement with creditors; or (viii) the taking by Tenant of advantage of any insolvency law; or (ix) the entrance of any order, judgment or decree upon an application a creditor of Tenant by a court of competent jurisdiction approving a petition seeking appointment of a receiver, trustee or assignee of all or a substantial part of Tenant's assets, when such order, judgment or decree is not vacated within 30 days.

12.1.2 Assignment, Subletting or Encumbrance. An attempted assignment, transfer, mortgage, grant of a security interest in, hypothecation or other encumbrance by Tenant of Tenant's rights or interests in this Lease or in the Leased Premises in violation of Section 9.

12.1.3 Abandonment or Termination. The vacation or abandonment by Tenant of the Leased Premises, or the termination of Tenant's right to possession by operation of law or as herein set forth, except in conjunction with the exercise by Tenant of any express right of Tenant to terminate this Lease.

12.1.4 Nonpayment of Rent. The failure by tenant to pay any installment of Monthly Base Rent, any additional rent, or any other sum due hereunder when due and payable, when such failure to pay continues for 10 days following the due date thereof.

12.1.5 Insurance. Failure to maintain the insurance required by Section 8.1.

12.1.6 Other. The breach of or failure to perform by Tenant of any representation, warranty, covenant or agreement under this Lease, other than those described in Sections 12.1.1 through 12.1.5, (i) after the delivery to Tenant of written notice thereof and Tenant's failure to cure such breach or failure within 30 days following the delivery of such written notice; provided, however, in the event that the nature of Tenant's obligation is such that more than 30 days are required for its performance, Tenant shall not be deemed to be in default if Tenant shall commence such performance within such 30 day period and thereafter diligently prosecutes the same to completion; or (ii) immediately in the event of an emergency.

12.2 Remedies. Upon the occurrence of any event of default under this Lease, Landlord, at its option and election, and without further demand or notice, shall have the right to declare this Lease, including the leasehold estate in the Leased Premises, ended and terminated, to re-enter the Leased Premises, to remove and eject all persons therefrom, to take possession thereof, and to enjoy the Leased Premises, together with all additions, Alterations and improvements thereto, and

Landlord shall have all of the rights and remedies of a landlord provided in Sections 1951.2 and, if applicable, 1995.320 through 1995.340, inclusive, of the Civil Code, which Sections are incorporated herein by this reference as though set forth in full. In computing Landlord's damages pursuant to Sections 1951.2(1) and (2) of the Civil Code, the "worth at the time of award" shall be computed by allowing interest at a rate of 10% per annum. The amount of damages which Landlord may recover in the event of such termination shall include the worth at the time of the award of the amount by which the unpaid rent and other amounts required to be paid by Tenant pursuant to this Lease for the balance of the term after the time of award exceeds the amount of such losses that Tenant proves could be reasonably avoided, computed in accordance with Civil Code Section 1951.2(4) (b), plus reasonable attorneys' fees and leasing commissions. In the event that Landlord may have reentered the Leased Premises after an event of default hereunder without having declared this Lease terminated, Landlord shall have the right at any time thereafter to elect to terminate this Lease and all of the rights and remedies of Tenant in and to the Leased Premises as provided herein.

12.3 Personal Property. In the event of a default hereunder, all of Tenant's fixtures, furniture, equipment, improvements, additions, alterations, including Alterations, and other personal property shall remain on the Leased Premises, and Landlord shall have the right to take exclusive possession of same and to use the same, rent or charge free, until all defaults are cured, or, at its option, at any time during the term of this Lease, to require Tenant to forthwith remove to same.

12.4 Waiver. Tenant hereby waives all claims and demands against Landlord for damages or loss arising out of or in connection with any lawful re-entering and taking possession of the Leased Premises.

12.5 Waiver of Redemption. In the event of the lawful exercise by Landlord of any one or more of its rights and remedies under this Section 12, Tenant hereby expressly 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 release Landlord, from any and all claims, demands and liabilities by reason of such exercise by Landlord.

12.6 Cumulative Remedies. The various rights, options, elections, powers and remedies reserved to Landlord herein shall be cumulative, and, except as otherwise provided by statute, Landlord may pursue any or all such rights and remedies, whether at the same time or otherwise, and no single right shall be deemed to be exclusive of any of the other or of any right or priority allowed by law or in equity. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of any such right or remedy or waiver of any default by Tenant. In addition to the foregoing, Landlord may exercise any other remedy now or hereafter available to a landlord against a defaulting tenant under the laws of the State of California.

12.7 Termination of Landlord Liability. Landlord shall be under no obligation to observe or perform any covenant of this Lease on its part to be observed or performed for the benefit of Tenant, which accrues after the date of any event of default by Tenant.

12.8 Determination of Rental Amount. For the purposes of this Section 12, the Monthly Base Rent and other amounts due hereunder for any calendar month after re-entry by Landlord, or termination of the Lease by Landlord pursuant to Section 12.2, shall be deemed to be the Monthly Base Rent and other amounts which shall have been payable for the month prior to the month of default.

12.9 Default by Landlord. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation with 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.

13. SURRENDER BY END OF TERM. Upon the termination of this Lease, Tenant shall quit and surrender the Leased Premises to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and, except as otherwise provided in this Lease, Tenant shall remove all of its property and shall promptly repair any damages to the Leased Premises caused by such removal. Tenant's obligation to perform this covenant shall survive the expiration or other termination of the term hereof.

14. COMMON USE FACILITIES.

14.1 Common Use Facilities. In conjunction with Tenant's use of the Leased Premises, and solely for the purposes hereinbefore set forth in this Lease, Tenant is hereby granted the nonexclusive right during the term of this Lease to enter upon or make customary and reasonable use of such areas of the Building and the other areas of the Airport as Landlord may from time to time designate as "common use facilities." Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use such facilities and shall be in strict compliance with all laws, rules, directions and orders of Landlord applicable thereto.

14.2 Public Areas. During the term of this Lease, Tenant, and its officers, directors, employees, agents, representatives, customers, passengers, guests and invitees, shall be entitled to use all public areas located in the Building, and the other areas of the Airport, in common with Landlord and with other persons authorized by Landlord from time to time to use said facilities.

14.3 Restrictions on Use. Landlord reserves the right, in its sole discretion, to make changes at any time and from time to time in the size, shape, location, number and extent of all areas of the Airport, including all common use facilities and public areas, or any of them, and specifically further reserves the right to designate portions of the common use facilities and public areas for the use of certain tenants of the Airport.

14.4 Parking. Notwithstanding that Landlord may lease parking spaces to employees of Airport tenants, as such parking spaces may be available, it is expressly understood and agreed that Landlord is not responsible or obligated to provide Tenant or its officers, directors, its employees, agents, representatives, contractors, licensees, invitees or permittees, with any parking spaces within the Airport or otherwise, as an appurtenance to this Lease. Tenant shall be solely responsible for arranging any and all necessary parking incidental to this Lease.

15. SERVICES.

15.1 Services. In the event that Landlord provides other additional services with respect to the Leased Premises at Tenant's written request, such as maintenance and repair service, Tenant shall pay the repair costs determined by Landlord, in its sole, but reasonable, discretion within 15 days following receipt of a statement for said additional services. An estimated cost of repair will be presented to the Tenant prior to performance of the additional services.

15.2 Fire and Security. Landlord is not obligated to Tenant to furnish any fire fighting services or security services to the Leased Premises. Tenant shall maintain its own security services for the Leased Premises and agrees that the maintenance by Landlord of either security or fire fighting services shall not constitute a waiver of this provision. Tenant acknowledges that the Leased Premises are within the municipal service area of the City of Burbank.

15.3 Landlord Not Responsible. Landlord shall not be liable in damages or otherwise for any failure or interruption of any services, or of any utilities to the Leased Premises, and no such failure or interruption shall entitle Tenant to terminate this Lease or to an abatement of rent. Landlord shall not be liable to Tenant under any circumstances for damage or loss of Tenant's property, injury to person or property, or consequential damages, however occurring, through, in connection with, or incidental to failure to furnish any of the foregoing.

16. QUIET ENJOYMENT. Upon paying the rent and other sums due hereunder and observing and performing all the provisions on Tenant's part to be observed and performed pursuant to this Lease, Tenant may peaceably and quietly enjoy the Leased Premises, subject, nevertheless, to the provisions of this Lease and to any mortgages, deeds of trust, bond indentures, security interests, liens and other encumbrances secured by the Airport or its revenues.

17. ATTORNEYS' FEES AND COSTS. In the event any action or proceeding is brought by either party against the other under this Lease (including in any bankruptcy proceeding), the prevailing party shall be entitled to recover its costs, and, for the fees of its attorneys in such action or proceeding, in such amount as the Court may adjudge reasonable as attorneys' fees (including in any bankruptcy proceeding).

18. TRANSFER OF LANDLORD'S INTEREST. In the event of any transfer of Landlord's interest in the Leased Premises, the transferor automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer.

19. LEASE INTERPRETATION.

19.1 Incorporation of Prior Agreements; Amendments. This Lease contains the entire agreement between the parties hereto, and no prior agreement or understanding shall be effective for any purpose all of which, if any, are hereby terminated or rescinded, except as to provisions which are expressly stated to survive termination and any indemnity or insurance obligation in favor of Landlord. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Lease which Landlord determines is necessary or advisable in order to comply with applicable laws, rules and resolutions of Landlord in effect from time to time.

19.2 No Representations by Landlord. Tenant acknowledges that neither Landlord nor any of Landlord's agents, representatives, employees or officers have made any representations or promises with respect to the Airport or the Leased Premises, except as herein expressly set forth. Tenant acknowledges that it has not executed this Lease in reliance upon any representations or promises of Landlord or Landlord's commissioners, officers, employees, agents or representatives, with respect to the Airport or the Leased Premises, except as herein expressly set forth.

19.3 Examination of Lease. Submission of this Lease for examination or signature by Tenant does not constitute a reservation of or option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

19.4 Relationship Between Parties. Nothing contained in this Lease shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto, other than the relationship of Landlord and Tenant.

20. WAIVERS. The waiver by either party of any provision of this Lease shall not be deemed to be a waiver of any other provision hereof or of any subsequent breach of any other provision hereof or of any subsequent breach of the same or any other provision. Landlord's consent to any act by Tenant requiring Landlord's consent shall not be deemed to render unnecessary the obtaining of Landlord's consent to any subsequent act by Tenant, whether or not similar to the act so consented. The subsequent acceptance of any rent or any other amount due from Tenant hereunder by Landlord shall not be deemed to be a waiver of any preceding breach or event of default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount.

21. PERFORMANCE OF TENANT'S COVENANTS BY LANDLORD. In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for at least five calendar days after written notice thereof from Landlord to Tenant (but no notice shall be required in an emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand without waiving or releasing Tenant from any obligation to Landlord, to make such payment or perform such other act for the account of Tenant, to the extent Landlord may deem desirable. In connection therewith, Landlord may pay expenses and employ counsel in instituting, prosecuting or defending any action or proceeding under this Lease. All sums so paid by Landlord and all expenses incurred

in connection therewith, together with interest thereon at the annual rate specified in Section 3.6 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid, Landlord shall have the same rights and remedies as for the nonpayment of rent.

22. SUCCESSORS AND ASSIGNS. The provisions contained in this Lease shall bind and inure to the benefit of Landlord, Tenant and, except as otherwise provided in this Lease, their respective successors and assigns.

23. RULES AND REGULATIONS. Tenant shall comply with all uniform rules and regulations established by Landlord for use of the Airport, the Building or the Leased Premises, as the same may be amended from time to time by Landlord. Landlord shall provide Tenant with a copy of all such rules and regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other tenant, occupant, licensee, concessionaire or other user of the Airport of any of said rules and regulations.

24. TOXIC MATERIALS.

24.1 Prohibited Without Consent. Tenant shall not cause or permit any Toxic Materials (as defined in Section 24.2) to be brought onto, stored, used or disposed of in, on or about the Leased Premises by Tenant, its agents, employees, contractors, licensees, subtenant or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold or delay so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to Tenant's business and will be stored, used and disposed of in a manner that complies with all Environmental Laws (as defined in Section 24.2).

24.2 Compliance with Environmental Laws. Tenant shall comply, at its sole cost, with all federal, state and local laws and governmental orders applicable to all Toxic Materials and to the lawful conduct of Tenant's business. The term "Toxic Materials' means any hazardous or toxic materials, pollutants, effluents, contaminants, radioactive materials flammables, explosives, pesticides, chemicals known to cause cancer or reproductive toxicity, emissions, wastes or any other chemicals, materials or substances, whose handling, storage, release, transportation or disposal is or becomes prohibited, limited or regulated by any federal, state, county, regional or local Landlord or, even if not so regulated, is or becomes known to pose a hazard or potential threat to the health and safety of any person or to the environment. The term "Environmental Laws" means any and all laws, rules, regulations, judgments, orders, permits, licenses, agreements, covenants, restrictions, requirements, policies or the like enacted now or hereafter by federal, state, regional or local governments, agencies or authorities relating to or governing in any way the environmental condition of soil, air, water, groundwater or the presence of Toxic Materials in or affecting all or any portion of the Leased Premises or any other areas of the Airport.

24.3 Indemnity. Tenant shall be solely responsible for and shall indemnify, hold harmless and defend Landlord, its commissioners, officers, employees and agents, and the Cities of Burbank, Glendale, and Pasadena, California, from and against any and all liabilities, claims, costs, penalties, fines, losses (including without limitation, (i) diminution in value of the Airport,

the Leased Premises, the Building or any other areas of the Airport or any improvements thereon; (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Airport, the Leased Premises, the Building or any other areas of the Airport or any improvements thereon; (iii) damages arising from any adverse impact on marketing of space in the Airport, the Leased Premises, the Building or any other areas of the Airport or any improvements therein; and (iv) sums paid in settlement of claims), liabilities, losses, damages, injuries, causes of action, judgments, and expenses (including, without limitation, attorneys' fees, consultant fees and expert fees), which arise during or after the term of this Agreement as a result of the receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Toxic Materials in, on or about the Leased Premises, the Building or any other areas of the Airport by Tenant or its agents, employees, contractors, licensees, subtenants or invitees. The foregoing indemnification by Tenant includes, without limitation, any and all costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work necessary to bring the Leased Premises, the Building or any other areas of the Airport into compliance with the Environmental Laws or required by a federal, state or local governmental agency or political subdivision because of Toxic Materials present in the soil, subsoils, groundwater or elsewhere from, in, on, under or about the Leased Premises, the Building or any other areas of the Airport. The indemnification by Tenant under this Section shall survive the termination of this Agreement.

24.4 Prohibited Substances. The following substances are strictly prohibited from being brought onto the Leased Premises, the Building or any other areas of the Airport in any quantities whatsoever: (i) arsines; (ii) dioxins, including dioxin precursors and intermediates; (iii) polychlorinated biphenyls; and (iv) anything contained in the California List of Extremely Hazardous Chemicals.

24.5 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. MISCELLANEOUS.

25.1 Offset Statement.

25.1.1 Delivery. Tenant shall from time to time, upon not less than 10 days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing:

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

25.1.1.2 Setting forth the dates to which the rent and other charges, if any, are paid; and

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

25.1.2 Reliance. Any such statement may be relied upon by any encumbrancer of the Leased Premises or of all or any portion of the Airport. Tenant's failure to deliver such statement within such time shall be conclusive evidence upon Tenant that:

25.1.2.1 This lease is in full force and effect, without modification except as may be represented by Landlord;

25.1.2.2 There are no uncured defaults in Landlord's performance; and

25.1.2.3 Not more than one month's installment of the rent has been paid in advance.

25.2 Headings. The section headings, paragraph captions and marginal headings contained in this Lease are for convenience only and shall have no effect in the construction or interpretation of any provision hereof.

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

To Landlord:

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
2627 Hollywood Way
Burbank, CA 91505
Attn: Executive Director

To Tenant.

C&W Facility Services, Inc.
117 Kendrick Street, #250
Needham, MA 02494
Attn: Jake Racker, Vice President of Client Services

It is recognized that Landlord may employ a manager or operator of the Airport, as an agent of Landlord, and any notices to Landlord hereunder shall be given to both Landlord and any such manager or operator.

25.4 Brokers. Tenant warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease, and Tenant agrees to defend, indemnify and hold Landlord harmless from any claim for any compensation, commission or other charge by any finder or any other real estate broker or agent.

25.5 Recording. Tenant shall not record this Lease without the prior written consent of Landlord. In the event Landlord consents to recordation of this Lease or a memorandum thereof, any documentary transfer taxes shall be paid by Tenant.

25.6 Governing Law. This Lease be governed by and construed pursuant to the laws of the State of California.

25.7 Time of Essence. Time is of the essence of this Lease.

25.8 Signs. Tenant shall not, without the prior written consent of Landlord, install or affix any signs or advertisements on or to the exterior of the Leased Premises or the Airport.

IN WITNESS WHEREOF, this Lease has been executed by the undersigned as of the date first set forth above.

EXECUTED:

C&W Facility Services Inc.



□ Chairperson ☒ President □ Vice President



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

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

Burbank-Glendale-Pasadena Airport Authority

_____
Felicia Williams, President

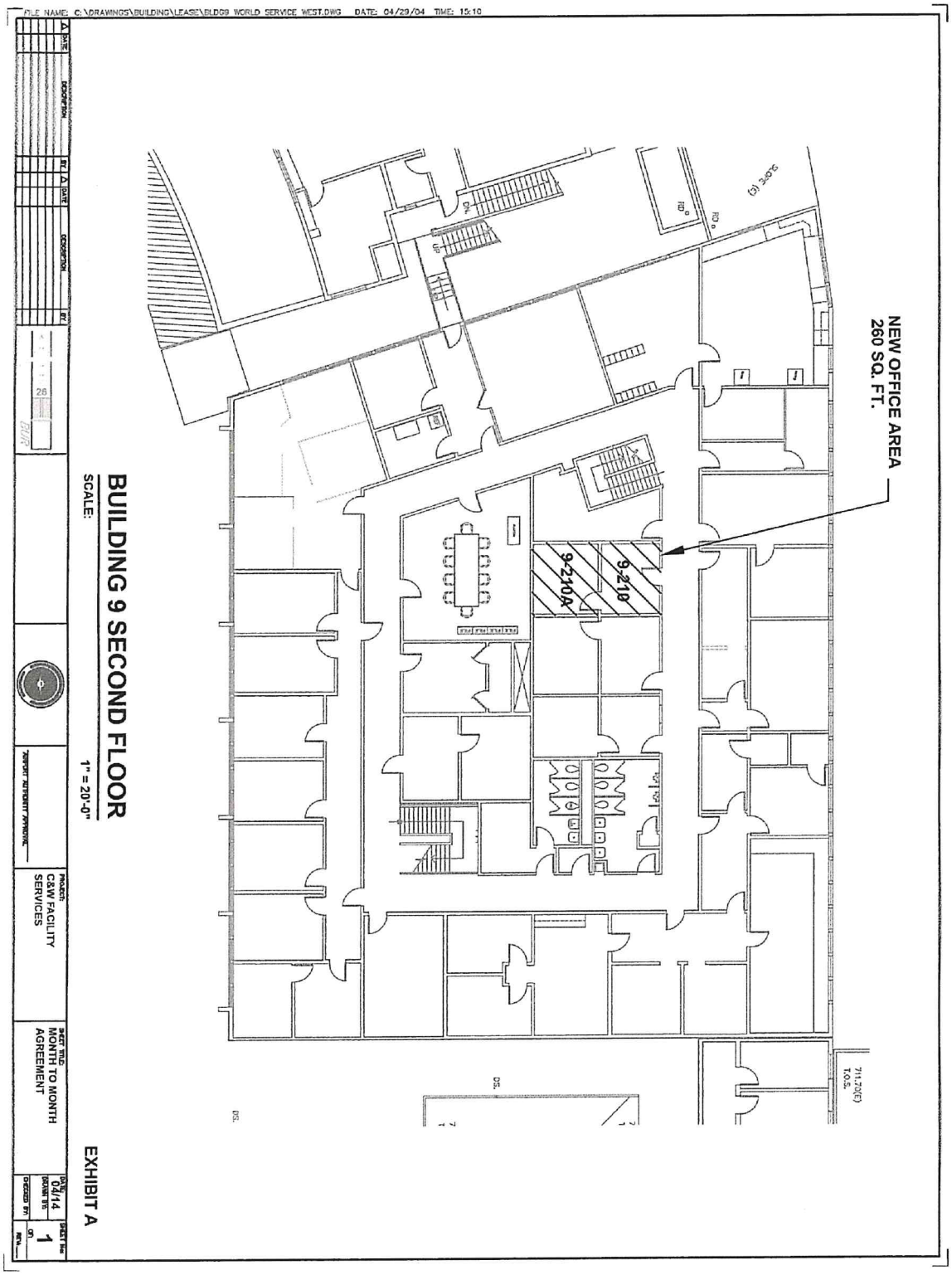
Approved as to form:

_____
Richards, Watson & Gershon
A Professional Corporation

EXHIBIT A

PREMISES

(See Attached)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NEW OFFICE AREA
260 SQ. FT.
9-210A
9-210
BUILDING 9 SECOND FLOOR
SCALE: 1" = 20'-0"
EXHIBIT A
C&W FACILITY SERVICES
MONTH TO MONTH AGREEMENT
SHEET 1

EXHIBIT B

GENERAL FEDERAL PROVISIONS

1. General Civil Rights Provisions

A. In all its activities within the scope of its airport program, the 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 (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

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

C. If the Tenant transfers its obligation to another, the transferee is obligated in the same manner as the Tenant.

2. Civil Rights – Title VI Assurance

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

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

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

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

1. Compliance with Regulations: The 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: The 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 (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The 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 the 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 the Tenant of the 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: The 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, the 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 the Tenant under the contract until the Tenant complies; and/or

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

6. Incorporation of Provisions: The 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. The 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 the Tenant becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Tenant may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the 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. The 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, the 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 said 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 said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

4. <u>Construction/Use/Access to Real Property Acquired Under the Airport Improvement Program</u>

A. The 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, the 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 said 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 said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

EXHIBIT C

Request for Approval
Proposed Tenant Improvement
(See Attached)

REQUEST FOR APPROVAL
PROPOSED TENANT IMPROVEMENT

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

---

1. INFORMATION

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

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

2. PRE-CONSTRUCTION

Contractor _____ License # _____
Address _____
Contract Price _____ Phone # _____
Construction Commencement Date _____ End Date _____

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

Tenant Representative (Signed) _____ Date _____

3. INITIAL APPROVALS

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

4. FINAL APPROVAL

Airport Administration (Reviewed by) _____ Date _____

INSTRUCTIONS FOR COMPLETING THIS FORM

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

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

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

PLANS AND SPECIFICATIONS

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

OTHER REQUIREMENTS
INSURANCE REQUIREMENT

Contractor shall take out and maintain during the period of the Contract the following insurance and amounts unless a larger amount is specified on the Approval Request Form:

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

Liability policies shall name the Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Business, Property and Administrative Services Department. Each of said insurance policies shall contain a provision requiring the insurer to notify the Burbank-Glendale-Pasadena Airport Authority ten (10) days prior to the cancellation or material change in the Policy.

BOND REQUIREMENT

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

INDEMNIFICATION & DEFENSE AGREEMENT

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

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).

California Secretary of State

Business Programs Division
1500 11th Street, Sacramento, CA 95814

BUR FUEL COMPANY, LLC
2702 LOVE FIELD DRIVE - HDQ-7FM
DALLAS, TX 75235

Initial Business Filing Approved

September 28, 2023

Entity Name: BUR FUEL COMPANY, LLC
Entity Type: Limited Liability Company - Out of State
Entity No.: 202359212906
Document Type: Initial Filing
Document No.: 202359212906
File Date: 09/28/2023

Congratulations! The above referenced document has been approved and filed with the California Secretary of State. To access free copies of filed documents, go to bizfileOnline.sos.ca.gov and enter the entity name or entity number in the Search module.

What's Next?

Be sure to review the Welcome Letter for key information and contacts you may need.

Corporations and limited liability companies must file a Statement of Information within 90 days of the initial filing and annually or every other year, thereafter. For additional resources, view Starting A Business Checklist for key steps you may need to take when launching a business in California.

For further assistance, contact us at (916) 657-5448 or visit bizfileOnline.sos.ca.gov.

bizfile CALIFORNIA

Thank you for using bizfile California, the California Secretary of State's business portal for online filings, searches, business records, and additional resources.

Secretary of State
Certificate of Qualification / Registration

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name:	BUR FUEL COMPANY, LLC
Entity No.:	202359212906
Registration Date:	09/28/2023
Filing Type:	Limited Liability Company - Out of State
Formed In:	DELAWARE

The above referenced entity complied with the requirements of California law in effect on the Registration Date for the purpose of qualifying to transact intrastate business in the State of California, and that as of the Registration Date, said entity became and now is duly registered, qualified and authorized to transact intrastate business in the State of California, subject however, to any licensing requirements otherwise imposed by the laws of this State and that the entity shall transact all intrastate business within California under the Entity Name as set forth above.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of September 28, 2023.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 148698844

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

California Secretary of State

Business Programs Division
1500 11th Street, Sacramento, CA 95814

Request Type: Certified Copies
Entity Name: BUR FUEL COMPANY, LLC
Formed In: DELAWARE
Entity No.: 202359212906
Entity Type: Limited Liability Company - Out of State

Issuance Date: 09/28/2023
Copies Requested: 1
Receipt No.: 005241767
Certificate No.: 148698743

Document Listing

Reference #	Date Filed	Filing Description	Number of Pages
B2148-7411	09/28/2023	Initial Filing	3

** **** ****** ******** End of list ******** ****** **** **

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, do hereby certify on the Issuance Date, the attached document(s) referenced above are true and correct copies and were filed in this office on the date(s) indicated above.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California on September 28, 2023.

SHIRLEY N. WEBER, PH.D.
Secretary of State

To verify the issuance of this Certificate, use the Certifcate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

202359212906

STATE OF CALIFORNIA
Office of the Secretary of State
REGISTRATION
OUT-OF-STATE LIMITED LIABILITY COMPANY
California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only
-FILED-
File No.: 202359212906
Date Filed: 9/28/2023

Limited Liability Company Name	
Limited Liability Company Name	BUR FUEL COMPANY, LLC
Jurisdiction	
Limited Liability Company is Formed in	DELAWARE
Authority Statement	
This LLC currently has powers and privileges to conduct business in the state, foreign country or other jurisdiction entered above.	
Street Address of Principal Office of LLC	
Principal Address	2702 LOVE FIELD DRIVE - HDQ-7FM DALLAS, TX 75235
Mailing Address of LLC	
Mailing Address	2702 LOVE FIELD DRIVE - HDQ-7FM DALLAS, TX 75235
Attention	
Street Address of California Office of LLC	
Street Address of California Office	7617 ARVILLA AVENUE SUN VALLEY, CA 91352
Agent for Service of Process	
☒ I certify the selected California Registered Corporate Agent (1505) has agreed to serve as the Agent for Service of Process for this entity.	
California Registered Corporate Agent (1505)	UNIVERSAL REGISTERED AGENTS, INC. Registered Corporate 1505 Agent

Consent to Service of Process

The Secretary of State is appointed as the agent of the foreign (out-of-state) limited liability company for service of process if the agent has resigned and has not been replaced or if the agent cannot be found or served with the exercise of reasonable diligence.

Consent to service of process extends to service of process directed to the foreign (out-of-state) limited liability company's agent in this state for a search warrant issued pursuant to California Penal Code section 1524.2, or for any other validly issued and properly served search warrant, for records or documents that are in the possession of the foreign (out-of-state) limited liability company and are located inside or outside of this state. This shall apply to a foreign (out-of-state) limited liability company that is a party or a nonparty to the matter for which the search warrant is sought. For purposes of this consent "properly served" means delivered by hand, or in a manner reasonably allowing for proof of delivery if delivered by United States mail, overnight delivery service, facsimile, or any other means specified by the foreign (out-of-state) limited liability company, including email or submission via an Internet Web portal, the foreign (out-of-state) limited liability company has designated for the purpose of service of process.

B2148-7411 09/28/2023 1:28 PM Received by California Secretary of State

Certificate Verification No.: 148698743 Date: 09/28/2023

Electronic Signature

☒ By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized to sign on behalf of the out-of-state LLC.

NOLAN GETTY	*09/28/2023*
Signature	Date

B2148-7412 09/28/2023 1:28 PM Received by California Secretary of State

Certificate Verification No.: 148698743 Date: 09/28/2023

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "BUR FUEL COMPANY, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-EIGHTH DAY OF SEPTEMBER, A.D. 2023.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "BUR FUEL COMPANY, LLC" WAS FORMED ON THE TWENTY-EIGHTH DAY OF SEPTEMBER, A.D. 2023.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN ASSESSED TO DATE.

Jeffrey W. Bullock, Secretary of State

2419233 8300

SR# 20233605093

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 204266832

Date: 09-28-23

Certificate Verification No.: 148698743 Date: 09/28/2023

B2148-7413 09/28/2023 1:28 PM Received by California Secretary of State

CONDITIONAL CONSENT TO ASSIGNMENT OF LEASE

This CONDITIONAL CONSENT TO ASSIGNMENT OF LEASE ("Consent") is dated _____ and is executed by 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") in favor of **SOUTHWEST AIRLINES CO.** ("Tenant") and **BUR FUEL COMPANY, LLC.** ("Assignee").

A. Landlord and Tenant entered into a Development Ground Lease dated January 20, 1998, a copy of which is attached hereto as **Exhibit A** (the "Lease").

B. Section 9.1 of the Lease requires Landlord's consent to an assignment of the Lease.

C. Tenant desires to assign the Lease to Assignee and Assignee desires to accept such assignment and assume the obligations of Tenant under the Lease accruing from and after the effective date of such assignment upon the terms and conditions set forth in an assignment agreement between Assignee and Tenant (the "Assignment and Assumption Agreement") and subject to the consent of Landlord to the assignment.

THEREFORE, in consideration of the foregoing recitals, Landlord agrees as follows:

1. Conditional Consent. Subject to the satisfaction of the Conditions Precedent hereinafter described by November 30, 2023 (time being of the essence), Landlord consents to the assignment of the Lease by Tenant to Assignee in full satisfaction of the requirements set forth in Section 9.1 of the Lease. As used in the preceding sentence, the term "Conditions Precedent" shall mean: (i) the delivery to Landlord of a copy of the Assignment and Assumption Agreement executed by Tenant, as assignor, and Assignee; and (ii) Assignee and Tenant are ready, willing, and able to close the assignment and assumption of the Lease but for the effectiveness of the consents of Landlord set forth herein.

Upon timely satisfaction of the Conditions Precedent, Tenant or Assignee shall notify Landlord's staff in writing, and Landlord's staff shall confirm the timely satisfaction of the Conditions Precedent by written notice to Tenant and Assignee given by overnight mail and email and addressed: (i) to Assignee at BUR Fuel Company, LLC c/o Southwest Airlines, 2702 Love Field Drive, HDQ-7FM, Dallas, TX Attention: Chairperson, Email: nolan.getty@wnco.com with a copy to mlyons@shermanhoward.com; and (ii) to Southwest Airlines Co., 2702 Love Field Drive, HDQ-7FM, Dallas, TX, Email: nolan.getty@wnco.com.

2. Release; Reservation of Rights. Upon the closing of the assignment of the Lease to Assignee, Tenant is hereby released and discharged from any and all liability under the Lease, except for such liability under the Lease solely arising out of the period of time prior to such closing of the assignment of the Lease.

Nothing in this Consent is intended to waive (i) any defaults by Tenant that may exist under the Lease, and Landlord hereby reserves all of its rights and remedies with respect to any such

defaults, or (ii) any rights Landlord may have to approve or disapprove any future assignments and subleases as set forth under the Lease.

3. Addresses. Landlord acknowledges that Assignee's address for notices as "Tenant" under the Lease as assigned to Assignee from and after the closing of the assignment of the Lease is as follows:

BUR Fuel Company, LLC
Attn: Nolan Getty, Fuel Committee Chairperson
c/o Southwest Airlines Co.
P.O. Box 36611, HDQ-7FM
2702 Love Field Drive
Dallas, Texas 75235-1611
Nolan.Getty@wnco.com

with a copy to:
Sherman & Howard L.L.C.
Attn: Maxi C. Lyons, Esq.
90 South Cascade Avenue, Suite 1500
Colorado Springs, Colorado 80903
mlyons@shermanhoward.com
enolen@shermanhoward.com

and in the case of any such notices to be given to "Tenant" under the Lease relates to the period of time prior to closing of the assignment of the Lease:

Southwest Airlines Co.
Attn: Nolan Getty
P.O. Box 36611, HDQ-7FM
2702 Love Field Drive
Dallas, Texas 75235-1611
Nolan.Getty@wnco.com

4. Reliance. This Consent shall inure to the benefit of Tenant and Assignee and each of their respective successors and assigns and shall be binding upon Landlord and its successors and assigns. Landlord acknowledges and agrees that Assignee and its successors and assigns shall be entitled to rely on the provisions set forth herein.

5. Counterparts. This Consent may be executed and transmitted by any electronic means in any number of counterparts, all of which together shall be deemed to be one and the same instrument.

[*Signature page follows*]

THE UNDERSIGNED have duly executed this Consent on behalf of the parties hereto to be effective as of the date first above written.

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

By: _____

Name: _____

Title: _____

Acknowledged and agreed to by:

SOUTHWEST AIRLINES CO,
a Texas corporation

By: _____

Name: Michael AuBuchon

Title: MD-Fuel Strategy & Mgmt

Date: 09/29/2023

BUR FUEL COMPANY, LLC,
a Delaware limited liability company

By: _____

Name: Nolan Getty

Title: Chairperson

Date: 09/29/2023

EXHIBIT A

LEASE

See attached.

DEVELOPMENT GROUND LEASE

BETWEEN

BURBANK - GLENDALE – PASADENA

AIRPORT AUTHORITY

AND

SOUTHWEST AIRLINES CO.

January 14, 1998
#4453

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DEVELOPMENT GROUND LEASE

THIS DEVELOPMENT GROUND LEASE (this "Lease") is made as of the 20th day of January, 1998, 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 **SOUTHWEST AIRLINES CO.**, a Texas corporation ("Tenant").

1. LEASE.

1.1. Leased Premises.

Landlord hereby leases to Tenant, and Tenant hereby leases and hires from Landlord, the unimproved real property legally described in Exhibit A attached hereto and all appurtenances (the "Leased Premises"), which Leased Premises are a part of the Burbank - Glendale - Pasadena Airport, a public land airport located in the County of Los Angeles, State of California (the "Airport"), together with the right, in common with others, to use certain of the "Common Use Facilities" of the Airport as set forth in Section 15, upon the terms and subject to the conditions set forth in this Lease.

1.2. Condition of Leased Premises and Common Facilities.

The Leased Premises consist of unimproved land and Tenant accepts the Leased Premises in the condition existing as of the date hereof. Tenant hereby agrees that the Leased Premises are in a good and tenantable condition and acknowledges that Tenant has inspected the Leased Premises and available Common Use Facilities of the Airport to its satisfaction and acknowledges that Landlord is not obligated to make any repairs or alterations to the Leased Premises or Common Use Facilities.

1.3. Title; Reservations to Landlord.

Tenant accepts the Leased Premises subject to any and all existing easements, servitudes and encumbrances of record. Landlord reserves the right, without obligation, to install, lay, construct, maintain and repair utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises and any New Improvements (as defined in Section 6.4.1) or any part thereof, and to enter the Leased Premises or any New Improvements for any and all such purposes. Landlord also reserves the right to grant franchises, licenses, easements, rights of way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises or New Improvements. No right reserved by Landlord in this Section shall be so exercised as to interfere unreasonably with Tenant's construction, management or operations of New Improvements.

1.4. Landlord's Right of Access.

Landlord shall have free access to the Leased Premises and New Improvements in all cases of emergency, and during all reasonable hours for the purposes of examining the same to ascertain if they are in good repair, inspecting any work in progress within or upon the Leased Premises, New Improvements or elsewhere on the Airport, making repairs which Landlord may be permitted to make hereunder, and, during the last twelve (12) months of the Lease term or at any time following either Landlord or Tenant giving a notice of termination under this Lease, exhibiting the same to prospective purchasers or tenants. Such entry shall be made in a manner which will not unreasonably interfere with Tenant's use of the Leased Premises and New Improvements, except in case of emergency. In the event that Tenant is not personally present to open and permit such entry, Landlord may enter by means of master keys or may enter forcibly and shall incur no liability to Tenant as a result of such entry, except for any gross negligence, willful misconduct, or material breach of this Lease on the part of Landlord or any of its employees, agents or representatives.

2. TERM.

2.1. Term.

The term of this Lease shall commence at 12:01 a.m. on January 1, 1998 ("Commencement Date") and shall continue until 11:59 p.m. on December 31, 2028 ("Expiration Date"), unless earlier terminated as provided herein, in which case, the last day of the earlier terminated term shall be the "Expiration Date." Each twelve (12) full calendar month period, commencing on the Commencement Date and on each annual anniversary date of the Commencement Date during the term of this Lease, shall be referred to in this Lease as an "Annual Period."

2.2. Early Termination.

2.2.1. Right to Terminate.

Tenant acknowledges that Landlord is presently conducting and in the future will or may conduct feasibility, economic, land use and other studies of the Airport and its physical configuration for the purpose of relocating or rebuilding terminal facilities, fixed base operator facilities, cargo facilities, retail, commercial, industrial and manufacturing facilities, parking areas, service areas, runways, taxiways, apron areas, access roads, control tower, safety and open areas, safety and navigation equipment and other Airport and non-Airport facilities, some or all of which may be required by the Federal Aviation Administration ("FAA"), by considerations of safety or efficiency of operation at the Airport, or by economic conditions, opportunities or circumstances, and that it is not possible to determine whether or to what extent the Leased Premises or New Improvements will be included within or affected by any such studies, reconfiguration of the Airport or rebuilding or relocation of Airport facilities. In the event that Landlord, in its sole and absolute discretion, determines that all or a portion of the Leased Premises or New Improvements is needed for alternative purposes, uses or opportunities, or that any reconfiguration of the Airport, reconstruction, rebuilding or reconstruction of Airport facilities, or construction of new Improvements or facilities, will prevent or interfere with

Tenant's authorized use of the Leased Premises or New Improvements, and without any requirement that Landlord consider the potential or actual adverse economic impacts upon Tenant or that Landlord meet any standard of reasonableness, need, good faith or fair dealing, all of which Tenant acknowledges shall not be required to be considered by Landlord, Landlord shall have the right to terminate this Lease as to some or all of the Leased Premises or New Improvements by delivering to Tenant not less than six (6) months' prior written notice of such termination pursuant to this Section.

2.2.2. Partial Termination.

2.2.2.1. Continuation of Lease and Adjustment of Annual Base Rent.

If this Lease is terminated by Landlord as to less than all of the Leased Premises and New Improvements (a "Partial Termination"), this Lease shall remain in effect as to the remaining portion of the Leased Premises and New Improvements, subject to the further exercise of Landlord's termination rights hereunder and subject to Tenant's right of termination provided in Section 2.2.2.2. From and after the effective date of the Partial Termination, the "Annual Base Rent" (as defined in Section 3.1.1) shall be reduced by multiplying the Base Rent then in effect by a fraction, the numerator of which is the total land area of the Leased Premises prior to the Partial Termination minus the portion of the land area of the Leased Premises subject to such Partial Termination, and the denominator of which is the total land area of the Leased Premises prior to such Partial Termination. The portion of the Leased Premises or New Improvements subject to a Partial Termination is referred to as the "Deleted Premises."

2.2.2.2. Tenant's Right to Terminate.

In the event that there is a Partial Termination which applies to more than ten percent (10%) of the land area of the Leased Premises, Tenant shall have the right to terminate this Lease in its entirety by delivering written notice of termination to Landlord prior to the termination date specified in Landlord's notice of the Partial Termination. A termination of this Lease by Tenant following a Partial Termination by Landlord where the Deleted Premises exceed ten percent (10%) of the land area of the Leased Premises shall be effective upon the termination date specified in Landlord's notice of the Partial Termination.

2.2.3. Payment of Unamortized Cost of Approved New Improvements.

In the event that (i) Landlord exercises its right under Section 2.2.1 to terminate this Lease as to all of the Leased Premises and New Improvements or (ii) Tenant exercises its right under Section 2.2.2.2 to terminate this Lease, Landlord shall pay to Tenant the "Unamortized Cost of Approved New Improvements" (as defined below). In the event of a Partial Termination not followed by a termination of this Lease by Tenant, Landlord shall pay to Tenant the Unamortized Cost of Approved New Improvements made to the Deleted Premises. Tenant acknowledges and agrees that (i) Tenant shall not be entitled to reimbursement for any costs incurred in connection with the construction or installation of any improvements

that are not Approved New Improvements (as defined in Section 6.5) and (ii) Tenant shall not have any right to continue the use or occupancy of any portion of the Leased Premises or New Improvements as to which this Lease has been terminated under Section 2.2 following the effective date of such termination. As used in this Lease, the term "Unamortized Cost of Approved New Improvements" shall mean the actual direct out-of-pocket cost of all Approved New Improvements (as previously certified by Tenant as provided in Section 6.4.7) located upon the Land, or the Deleted Premises in the case of a Partial Termination, 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 December 31, 2018, and the denominator of which is the number of full calendar months between the date of certification by Tenant of the cost of the Approved New Improvements for which payment is being made and December 31, 2018. In the event that Landlord terminates this Lease pursuant to Section 2.2.1 prior to the completion of any Approved New Improvements, then the "Unamortized Cost of Approved New Improvements" for such incomplete Approved New Improvements shall be the amounts stated in a certified statement furnished by Tenant pursuant to and in compliance with Section 6.2.7 covering such incomplete Approved New Improvements.

2.2.4. Payment.

Landlord shall pay to Tenant the Unamortized Cost of the Approved New Improvements in cash in one lump sum upon the close of escrow as provided in Section 2.2.5. 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 under this Lease.

2.2.5. Escrow; Quitclaim Deed and Bill of Sale.

Upon receipt of Landlord's notice of termination of this Lease as to all or a portion of the Leased Premises and/or New Improvements, or upon Tenant's election to terminate this Lease pursuant to Section 2.2.2.2, Landlord and Tenant shall open an escrow with Chicago Title Insurance Company, or such other title insurance company as shall be mutually acceptable to the parties, the cost of which shall be divided equally between Landlord and Tenant. Landlord and Tenant shall execute and deliver to the escrow holder all instructions reasonably necessary to facilitate and perform the provisions of this Section 2.2. On or prior to the effective date of termination of this Lease as to all or a portion of the Leased Premises and/or New Improvements, the parties shall deposit into escrow all funds, documents, deeds and instruments required to be paid or delivered under this Section 2.2. Specifically, Landlord shall deposit into escrow the payment due to Tenant and Tenant shall execute and deposit into escrow a quitclaim deed in recordable form conveying to Landlord, free and clear of all liens, security interests and encumbrances, all of the right, title and interest of Tenant in all of the Leased Premises and New Improvements in the event of a total termination or in the Deleted Premises in the event of a Partial Termination, together with all of the right, title and interest of Tenant in any appurtenances located thereon or appurtenant thereto. The escrow shall close upon the effective date of termination of this Lease as to all of the Leased Premises and New Improvements or the Deleted Premises, as the case may be, pursuant to this Section 2.2, and the funds, documents and

instruments shall be dispersed, delivered or recorded, as applicable, as provided in the escrow instructions of the parties.

2.2.6. Tenant Acknowledgments.

The provisions of this Section 2.2 are contractual and arise from Landlord's unwillingness to enter into a long term Lease of the Leased Premises without the right of termination provided herein. Tenant acknowledges that under these circumstances, including those in the preceding sentence, such provisions are reasonable and Tenant is willing to accept Landlord's termination rights in order to obtain a longer lease term and in consideration of the payment and other provisions in this Section 2.2. The exercise by Landlord of its termination right shall not be construed as a taking by Landlord of any part of the Leased Premises or New Improvements or of Tenant's rights or leasehold estate under this Lease, and Tenant shall not be entitled to payment for any loss of goodwill, income or other amount measured by Tenant's loss upon termination or reduction of its business following termination of this Lease as to all or a portion of the Leased Premises or New Improvements.

3. RENT AND OTHER MONETARY AMOUNTS PAYABLE AS RENT.

3.1. Annual Base Rent.

3.1.1. Obligation to Pay.

During the initial term and any extended term of this Lease, Tenant shall pay to Landlord, without setoff or deduction, base rent for each Annual Period ("Annual Base Rent") in the amount set forth in Section 3.1.2 and at the time and in the manner set forth in Section 3.1.5.

3.1.2. Amount of Annual Base Rent.

The Annual Base Rent shall be Thirty Thousand Dollars ($30,000), subject to adjustment as provided in Section 3.1.3.

3.1.3. Annual Adjustments.

During each Annual Period which commences after the initial Annual Period, the Annual Base Rent shall be equal to (i) the Annual Base Rent for the immediately preceding Annual Period multiplied by (ii) the CPI Increase during the immediately preceding Annual Period. As used in this Section 3.1.3, or elsewhere in this Lease, the term "CPI Increase" shall mean any increase in the "Consumer Price Index" (as defined below) during an Annual Period or other specified period of time prior to a date of adjustment (the "Adjustment Date") of Annual Base Rent or any other matter which is subject to adjustment under this Lease in the event of a CPI Increase. As used herein, the term "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers for the Los Angeles - Anaheim - Riverside statistical area (CPI-U) (1982-84 = 100) (the "Index") published by the United States Department of Labor, Bureau of Labor Statistics. To determine the CPI Increase, the Index most recently published and available to the public on the Adjustment Date (the "Adjustment Index") shall be

compared with the Index used as the Adjustment Index on the prior Adjustment Date (or in the case of the first adjustment, the Index most recently published prior to the first day of the preceding Annual Period) (the "Prior Index"). If the Adjustment Index has increased over the Prior Index, the CPI Increase, expressed as a percentage or as a whole number and decimal fraction (carried to the third decimal place and rounded up if the third decimal place is .005 or greater and rounded down if the third decimal place is less than .005), shall be determined by dividing the Adjustment Index by the Prior Index. In the event the Index is changed so that the base year differs from that used for the Prior Index, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. In the event the Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used.

3.1.4. Payment of Annual Base Rent.

Should be January reconfirmed by D. Manes 11/10/99

Annual Base Rent for each Annual Period shall be payable in twelve (12) equal monthly installments, each of which shall be due and payable in advance commencing on ~~July~~ 1, 1998, and continuing on the first day of each calendar month thereafter during said Annual Period. In the event of the early termination of this Lease, and if the last calendar month of this Lease is a partial calendar month, or in the event the Commencement Date does not occur on the first day of a calendar month, the installment of Annual Base Rent for the partial calendar month shall be prorated on the basis of a thirty (30) day month.

3.2. Taxes.

3.2.1. Possessory Interest and Other Taxes.

Tenant shall pay, as additional rent under this Lease, all "Taxes" imposed by any authority having the direct or indirect power to tax and which are applicable to the Leased Premises and New Improvements during the term of this Lease, whether levied or assessed upon Landlord or Tenant. As used herein, the term "Taxes" shall include any form of possessory interest tax, assessment (including public facilities maintenance district levy or assessment or any public transit or other benefit assessment district levy or assessment), license fee, commercial rental tax, any tax or excise on rents, levy, penalty or tax imposed by any authority having the direct or indirect power to tax, including any federal, state, county or city government, or any school, agricultural, lighting, drainage, or other improvement district thereof, as against any legal or equitable interest of Landlord or Tenant in the Leased Premises and New Improvements or in the real property of which the Leased Premises or New Improvements are a part, as against Landlord's right to rent or other income therefrom, or as against Landlord's business of leasing the Leased Premises; provided, however, that "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, capital stock, excise, social security, unemployment, sales, use or withholding assessments levied against Landlord; (iv) any assessments (or other governmental fees or charges) levied by Landlord against any 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. In this regard, Tenant recognizes and understands that this Lease might be held to create a possessory interest subject to property taxation and that Tenant might be subject to the payment of property

taxes levied on such interest. Tenant shall pay all Taxes prior to delinquency. Tenant shall furnish to Landlord evidence of payment of Taxes within fifteen (15) days of making such payment.

3.2.2. Personal Property Tax.

Tenant shall pay prior to delinquency any and all taxes and assessments on the furniture, fixtures, equipment and other personal property of Tenant located in the Leased Premises or New Improvements, whether assessed to Tenant or assessed to Landlord as part of the real property comprising the Leased Premises, New Improvements and/or the Airport.

3.2.3. Right to Contest.

Tenant shall have the right to contest the validity, applicability, and/or amount of any Taxes by appropriate proceedings and the cost of such contest shall be paid by Tenant, but Tenant shall be entitled to receive and retain the recoveries from such contest. Notwithstanding the foregoing, if such Taxes are secured by a lien on any portion of the Airport or its revenues or if, in the sole opinion of Landlord, the nonpayment of such Taxes will be detrimental to Landlord, then as a condition to making such contest, Tenant shall pay the contested Taxes with a right of reservation.

3.3. Utilities.

Tenant shall pay all water, gas, heat, light, power, air conditioning, telephone, and other utilities and services supplied to and/or used in the Leased Premises and New Improvements, together with any and all taxes thereon and connection fees relating thereto, prior to when said charges, taxes or connection fees are due, and shall indemnify Landlord against any liability for the late payment or nonpayment of any said charges, taxes or connection fees.

3.4. Net Lease.

Landlord shall receive all amounts payable by Tenant pursuant to this Section 3, or any other provision of this Lease, free and clear of any and all other impositions, Taxes, liens, charges or expense of any nature whatsoever in connection with the ownership and operation of the Leased Premises or New Improvements. In addition to the amounts payable by Tenant pursuant to this Section 3, Tenant shall pay to the parties respectively entitled thereto all other impositions, operating charges, maintenance charges, construction costs, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease during the term hereof; provided, however, that Tenant shall have the right to contest the validity, applicability or amount of any such charge, cost or expense so long as Tenant reserves on its financial records the disputed amount and, if the claimant attempts to attach or to assert any stop notice or mechanics lien rights against funds held by Tenant's lender, the Leased Premises or any New Improvements, Tenant provides any statutory bond required to prevent such claimant from exercising any such rights or remedies against the lender, the Leased Premises or the New Improvements. All of such charges, costs and expenses which either (i) are payable to Landlord or (ii) the failure to pay will create a lien against the Land, shall constitute

additional rent, and upon the failure of Tenant to pay any of such costs, charges or expenses as required by this Lease, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay rent.

3.5. Interest on Past Due Payments.

Any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease which is not paid within ten (10) days of when due shall bear interest from the due date until paid at a rate equal to five percent (5%) in excess of the prevailing rate established by the Federal Reserve Bank at San Francisco on advances to member banks on the twenty-fifth (25th) day of the month preceding the Commencement Date (but not more than the maximum rate permissible by Law (as defined in Section 4.2.3)); provided, however, that the payment of any interest pursuant to this Section shall not excuse or cure any default by Tenant with respect to its obligations to pay any amount due from Tenant pursuant to this Section 3 or any other provision of this Lease.

3.6. Financial Information.

Within ten (10) days following a written request by Landlord, Tenant shall furnish to Landlord copies of Tenant's quarterly report on S.E.C. form 10-Q and Tenant's Annual report on S.E.C. form 10-K. In the event that Tenant is not subject to the reporting requirements under the Securities Act of 1934, in lieu of such reports, Tenant shall furnish to Landlord the following: (i) Tenant's ending balance sheet and statement of profit and loss and statement of changes in financial position (or other comparable financial statements) for each such fiscal quarter and fiscal year; (ii) with respect to the financial statements for each fiscal year, the opinion of an independent auditor; and (iii) with respect to the financial information for each fiscal quarter, the certificate of the chief financial officer of the party for whom the information is furnished to the effect that such financial information is true, accurate and complete. Within ten (10) days following a written request by Landlord, Tenant shall furnish to Landlord, such additional financial information concerning Tenant, any parent or subsidiary of Tenant, or any other person, corporation, partnership, limited liability company or other entity having both the power, direct or indirect, to control Tenant or its operations at the Airport and a personal obligation to Landlord under this Lease, as Landlord may request, in such detail as Landlord may reasonably request; provided, however, said requirement for additional financial information shall not apply so long as Southwest Airlines Co. is the Tenant hereunder.

3.7. Address for Payment.

The rent and all other amounts due to Landlord pursuant to this Section 3 or any other provision of this Lease shall be paid at the office of Landlord: Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California 91505, ATTENTION: Controller, or at such other place as Landlord may designate from time to time in writing to Tenant.

3.8. No Abatement of Rent or Fees.

Tenant acknowledges and agrees that (i) except as provided in Sections 2.2.2.2, 8.2, 8.3 or 10.1, this Lease shall not be terminable for any reason by Tenant, and (ii)

Tenant shall in no event be entitled to any abatement of or reduction in rent payable under this Lease, except as expressly provided herein. Any present or future Law to the contrary shall not alter this Lease.

4. CONDUCT OF BUSINESS BY TENANT.

4.1. Use of the Leased Premises and New Improvements.

4.1.1. Principal Use of Airport.

Tenant hereby acknowledges that the principal use of the Airport consists of the operation of a public airport and that all other businesses and operations which now are or hereafter shall be permitted by Landlord, to be conducted on or at the Airport, including Tenant's use of the Leased Premises and New Improvements pursuant to this Lease, must at all times be compatible with such principal use, as Landlord, in its sole and absolute discretion, shall determine, including, without limitation, the exercise of Landlord's rights pursuant to Section 2.2.1.

4.1.2. Continuous Operation.

Tenant shall continuously and uninterruptedly during the term of this Lease, conduct its business activity, as permitted herein, upon the Leased Premises and New Improvements, except to the extent reasonably required for purposes of constructing or installing any New Improvements pursuant to Section 6. Any cessation of Tenant's business upon the Leased Premises and New Improvements for a continuous period in excess of ten (10) calendar days, unless permitted pursuant to the preceding sentence or caused by circumstances outside of the control of Tenant, shall constitute an Event of Default under Section 12.1.4.

4.1.3. Authorized Uses.

4.1.3.1. General.

Tenant shall use the Leased Premises solely to (i) construct and install the Required Improvements (as defined in Section 6.2), including, without limitation, the consolidated fuel storage and dispensing facilities described in Exhibit C attached hereto ("Fuel Facilities") in compliance with Sections 6 and 21; and (ii) receive, store and dispense jet fuel, aviation gasoline, automotive fuels, aircraft lubricating oil, automotive oil and other petroleum products (collectively, "Fuel Products") at the Airport for use by Landlord and the airlines, tenants, subtenants and other users of the Airport, upon the terms and subject and pursuant to the covenants, conditions and provisions of this Lease.

4.1.3.2. No Other Uses.

Tenant shall not use nor authorize the use of the Leased Premises or New Improvements, or any portion thereof, for any purpose whatsoever, other than as provided in Section 4.1.3.1, without Landlord's prior written consent, which

consent Landlord may withhold or condition in Landlord's sole and absolute discretion without regard to any standard of reasonableness.

4.1.3.3. Exclusive Rights.

Except for any existing or future rights of tenants, licensees or concessionaires of Landlord providing automobile rental services at the Airport to store gasoline and other petroleum products for motor vehicles in fuel facilities located in, on, under or about portions of the Airport, other than the Leased Premises, Tenant shall have the exclusive right to store Fuel Products at the Airport during the period (i) commencing on the later to occur of (a) January 1, 1999, or (b)(1) the completion of the construction and installation of the Required Improvements in compliance with Sections 6 and 21, and (2) the commencement of the operation of the Fuel Facilities and the performance and satisfaction of all covenants, conditions and requirements with respect to the commencement of the operation of the Fuel Facilities provided for in this Lease, and (ii) ending on the Expiration Date. Tenant's exclusive rights under this Section are and shall be conditioned upon Tenant's compliance at all times with all of the terms, covenants, conditions and provisions of this Lease, including, without limitation, Tenant's obligations to make the Fuel Facilities available for use by Landlord and the airlines, tenants, subtenants and other users of the Airport on a fair, equal and non-discriminatory basis pursuant to Section 4.5.

4.2. Conduct of Tenant's Business.

4.2.1. Standards.

In addition to any and all other terms, conditions and requirements under this Lease, Tenant, at all times during the term of this Lease, shall comply strictly with the terms, conditions and requirements set forth in this Section 4.2.

4.2.2. Conduct of Employees.

Tenant shall exercise its diligent efforts to control the conduct, demeanor, and appearance of its officers, employees, agents, representatives, contractors, licensees, permittees and invitees and shall require all of its employees to wear clean and neat appearing clothing and to ensure their courteous, polite and inoffensive conduct and demeanor. Upon receipt of written objection from Landlord concerning the conduct, demeanor, or appearance of any such person, Tenant immediately shall take all legal steps necessary to correct or to remove the cause of the objection if such correction or removal is not inconsistent with applicable Law.

4.2.3. Licenses, Permits; Compliance With Laws.

Tenant, at Tenant's own cost and expense, shall obtain and maintain in effect at all times during the term hereof all permits, licenses, certificates, registrations, approvals and other authorizations required by any federal, state, county, city or other governmental department, bureau, division, agency or other authority ("Governmental Agency") having jurisdiction over Tenant, Tenant's business and operations, the Leased Premises and New Improvements or any other areas of the Airport, including, without limitation, all

permits, licenses, certificates, registrations, approvals and other authorizations required by the FAA. Tenant shall, to the extent applicable to the Leased Premises and New Improvements or the Airport, comply with all applicable federal, state, county and city laws, statutes, regulations, rules and ordinances and all orders and requirements of any Governmental Agency, including, without limitation, those governing or regulating matters of health, safety or security or the use or occupancy of the Leased Premises and New Improvements or the operation of the Airport, including, without limitation, all Advisory Circulars, rules and regulations and other requirements of the FAA, all rules and regulations and other requirements of any Governmental Agencies and activities, other than the FAA, which relate to fuel storage and dispensing facilities at airports, all rules, regulations, policies and guidelines of Landlord promulgated pursuant to Section 19 of this Lease, and all orders of Governmental Agencies having jurisdiction over Tenant, Tenant's business and operations, the Leased Premises and New Improvements or any other areas of the Airport (collectively, "Laws").

4.2.4. Maintenance of Records.

4.2.4.1. Maintenance.

Tenant shall maintain or cause to be maintained at the Leased Premises at all times complete and accurate books and records, in form to satisfy Landlord, relating to the management and operation of the Fuel Facilities, including, without limitation, books and records relating to (i) the types and quantities of Fuel Products delivered to and stored in the Fuel Facilities and the owners of said Fuel Products ("Fuel Owners"), (ii)(a) the types and quantities of Fuel Products dispensed from the Fuel Facilities, and (b) the Fuel Owners of Fuel Products described in (ii)(a), the Approved Fuel Licensees (as defined in Section 4.5.4) to whom the Fuel Products described in (ii)(a) are dispensed, and (iii) the rates and amounts of fees charged by Tenant to the Fuel Owners and Approved Fuel Licensees for (a) the storage of Fuel Products in the Fuel Facilities, and (b) the dispensing of Fuel Products for the Fuel Facilities. Said books and records shall include daily (1) inventories of Fuel Products stored in the Fuel Facilities; and (2) reconciliations of deliveries and disbursements of Fuel Products to and from the Fuel Facilities with the beginning and ending inventories of Fuel Products stored in the Fuel Facilities.

4.2.4.2. Landlord Right to Audit.

Landlord and its representatives shall have the right, at any time and from time to time during Tenant's business hours, to review and audit the books and records of Tenant relating to the management and operation of the Fuel Facilities, and Tenant shall make said books and records available to Landlord and its representatives for said purposes.

4.2.5. Security.

Tenant either shall (i) cause one or more security guards to be present at the Leased Premises and New Improvements at all times during the hours the Fuel Facilities are not open for the dispensing of Fuel Products; or (ii) install and maintain and operate at all times during the term of this Lease a security system approved by Landlord in the Leased

Premises and New Improvements, in either case, sufficient to safeguard the Leased Premises and New Improvements from unauthorized access or entry. In the event that Tenant installs a security system for the Leased Premises and New Improvements pursuant to this Section, said system shall have a telephone or other comparable communication equipment approved by Landlord which provides for direct communication to the Airport Communications Center.

4.2.6. Storage.

Tenant shall cause all Fuel Products delivered to the Leased Premises to be stored in the fuel storage tanks comprising the Fuel Facilities at all times during the term of this Lease, except for temporary storage in "Approved Fuel Vehicles" for purposes of making deliveries of Fuel Products to and dispensing of Fuel Products from the Fuel Facilities in the ordinary course of operation of the Fuel Facilities. As used herein, "Approved Fuel Vehicles" shall mean trucks or other motor vehicles which have permits or licenses issued by Landlord for the delivery of Fuel Products to or dispensing of Fuel Products from the Fuel Facilities. As used herein, "ordinary course of operation of the Fuel Facilities" shall mean the management and operation of the Fuel Facilities in a manner consistent with the standards, policies and procedures of consolidated fuel storage and dispensing facilities comparable to the Fuel Facilities at other airports and in compliance with all of the terms, covenants, conditions and provisions of this Lease and all Laws.

4.2.7. Fuel Quality Control Standards.

Tenant shall comply with all of the following: (i) Air Transport Association of America Standards for Jet Fuel Quality Control at Airports, ATA Specifications 103, originally issued April 1, 1986; (ii) FAA advisory Circular 150/5230-4; and (iii) National Fire Protection Association Standard 407, as the same hereafter may be reissued, modified or amended, in connection with the management and operation of the Fuel Facilities.

4.2.8. Comprehensive Maintenance and Operations Plan.

Tenant shall develop and submit to Landlord for its approval, which approval shall not be unreasonably withheld, prior to the Commencement Date a comprehensive maintenance and operation plan which shall include, but not be limited to, the following: (i) hours and procedures for delivery of Fuel Products to and dispensing Fuel Products from the Fuel Facilities, including, without limitation, dispensing of Fuel Products in Approved Fuel Vehicles to the Approved Fuel Licensees; (ii) security policies and procedures (including, without limitation, Tenant's compliance with Sections 4.2.5 and 4.7); (iii) plans and procedures for the prevention, containment and clean-up of spills, leaks, releases and/or discharges of Fuel Products; (iv) periodic testing of all components of the Fuel Facilities and the reporting of the results thereof to Landlord and Governmental Agencies; (v) plans, policies and procedures for the reporting and remediation of spills, leaks, releases or discharge of Fuel Products to Landlord and Governmental Agencies; (vi) procedures for verification of compliance by Approved Fuel Licensees and drivers of Approved Fuel Vehicles with the requirement for obtaining and maintaining in effect all permits, licenses, certificates, registrations, approvals and other authorizations required by Landlord and Governmental Agencies for the maintenance and operation of the Approved Fuel Vehicles; and (vii) procedures for the reporting of fires,

accidents and interruptions or break-downs in the operations of the Fuel Facilities to Landlord and Governmental Agencies. Tenant's comprehensive maintenance and operation plan approved by Landlord shall be referred to herein as the "Maintenance and Operation Plan". Tenant shall comply at all times with the Maintenance and Operation Plan. Tenant shall not make any changes in the Maintenance and Operation Plan, except to the extent required by Law, without Landlord's prior written approval, which approval shall not be unreasonably withheld. Landlord shall have the right to make reasonable changes to the Maintenance and Operation Plan at any time and from time to time by delivering to Tenant written notice thereof. Any and all changes to the Maintenance and Operation Plan required by Law or Landlord shall be deemed to be part of the Maintenance and Operation Plan for purposes of this Lease.

4.3. Restrictions On Use.

4.3.1. No Other Use.

Tenant shall not use or permit the use of the Leased Premises or New Improvements for any purpose other than the purposes set forth in Section 4.1.3. Without limiting the generality of such prohibition, the following uses are specifically prohibited unless the prior written consent of Landlord is obtained, which consent shall not be unreasonably withheld:

4.3.1.1. Sales of Fuel Products or any other petroleum products, except to Signatory Airlines (as defined by Landlord) or by a separate written agreement with Landlord;

4.3.1.2. Sales of sundry items which are non-aviation related;

4.3.1.3. Sales or dispensing of alcoholic beverages;

4.3.1.4. Sales of non-aviation products; and

4.3.1.5. Any use prohibited by Law or not related to aviation.

4.3.1.6. Repair of any Approved Fuel Vehicles or any other motor vehicles, equipment or other personal property, except to the extent required in the ordinary course of operation of the Fuel Facilities.

4.3.1.7. Storage of Approved Fuel Vehicles or other motor vehicles, equipment, materials (including salvage materials) or other personal property, except to the extent required in the ordinary course of operation of the Fuel Facilities.

4.3.1.8. Parking of Approved Fuel Vehicles or other motor vehicles, except to the extent required in the ordinary course of operation of the Fuel Facilities.

4.3.2. Manner of Use.

Tenant shall not use or permit the use of the Leased Premises or New Improvements 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 or users of the Airport, (iii) invalidate or cause the cancellation of or be in conflict with any fire or other hazard insurance policies covering the Airport, or (iv) increase the premiums for any fire insurance policies covering the Airport or any property located thereon. Tenant, at its expense, shall comply with all rules, orders, regulations, or requirements of the National Board of Fire Underwriters, or any other similar body with respect to Tenant's operations at the Leased Premises and New Improvements.

4.3.3. Utilities, Police and Fire Fighting.

Except for construction of New Improvements in accordance with the terms of this Lease, Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the mechanical, gas, electrical, heating, ventilating, air conditioning, plumbing or sewer systems, facilities or devices or portions thereof on or servicing the Leased Premises and New Improvements, or elsewhere on the Airport. In addition, Tenant shall not do or permit to be done anything which may interfere with free access or passage to the Leased Premises and New Improvements or the streets, roads, parking lots, curb areas, entryways, exits, sidewalks, Common Use Facilities or any other areas of the Airport other than such interference resulting from Tenant's compliance with Landlord's Security Requirements or construction of New Improvements in accordance with the terms of this Lease. Further, Tenant shall not hinder police, fire fighting or other emergency personnel in the discharge of their duties.

4.3.4. Interference with Fire Exits.

Tenant shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of fire exits in or adjacent to the Leased Premises and New Improvements or elsewhere at the Airport.

4.4. Non-Discrimination and Affirmative Action.

Tenant shall comply with the provisions of Exhibit B attached hereto and by this reference made a part hereof regarding nondiscrimination, as the same may be amended by Landlord from time to time. In addition, Tenant shall undertake an affirmative action program, as required by 14 Code of Federal Regulations Part 152, Subpart E, to insure that no person shall, on the ground of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 Code of Federal Regulations Part 152, Subpart E. Tenant agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. Tenant will require its successors and assigns to provide assurances to Tenant that they similarly will undertake affirmative action programs and that they will require similar assurances from their permitted successors and assigns, as required by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

4.5. Storage and Dispensing of Fuel Products.

4.5.1. General.

Tenant shall make the Fuel Facilities available for the storage and dispensing of Fuel Products for Landlord and all airlines, tenants, subtenants and other users of the Airport on a fair, equal and non-discriminatory basis. Subject to Sections 4.5.3 and 4.5.4, Tenant shall charge fair, reasonable and non-discriminatory fees for the storage of Fuel Products in and dispensing of Fuel Products from the Fuel Facilities, provided, however, Tenant may be allowed to provide reasonable and non-discriminatory discounts, rebates or other similar types of reductions in fees to volume users, provided that the same are consistent with and not in violation of any applicable Laws. All charges for storage of Fuel Products in and dispensing of Fuel Products from the Fuel Facilities shall require the prior written approval of the Landlord, which approval shall not be unreasonably withheld.

4.5.2. Storage Space.

Storage space in the Fuel Facilities for each Annual Period shall be allocated among the Fuel Owners based upon the proportionate quantities of Fuel Products dispensed from the Fuel Facilities for use by the Fuel Owners. The proportionate quantity of Fuel Products dispensed from the Fuel Facilities for each Fuel Owner for each Annual Period shall be equal to the total number of gallons of Fuel Products dispensed from the Fuel Facilities for use by said Fuel Owner for the preceding Annual Period divided by the total number of gallons of Fuel Products dispensed from the Fuel Facilities for use by all Fuel Owners during the preceding Annual Period. The allocation of storage space in the Fuel Facilities for the first Annual Period shall be based upon a reasonable estimate of the quantities of Fuel Products to be dispensed from the Fuel Facilities for use by the Fuel Owners, as determined by Tenant and approved by Landlord. Storage space in the Fuel Facilities shall be allocated in accordance with this Section for each category of Fuel Products.

4.5.3. Fuel Storage.

Tenant shall have the right to establish appropriate fees for the storage of Fuel Products in the Fuel Facilities, provided that said fees are fair, reasonable and nondiscriminatory. Storage fees shall be calculated and charged to the Fuel Owners to provide for the recovery by Tenant of the costs of the construction, management and operation of the Fuel Facilities. The storage of Fuel Products shall be governed by agreements between Tenant and the Fuel Owners ("Fuel Owner Agreement"), which Fuel Owner Agreements shall require the prior written consent of Landlord. In the event of any conflict between the terms, covenants, conditions and provisions of the Fuel Owner Agreements and the terms, covenants, conditions and provisions of this Lease, the terms, covenants, conditions and provisions of this Lease shall prevail and govern, notwithstanding the fact that Landlord may have consented to said Fuel Owner Agreements.

4.5.4. Fuel Dispensing.

Tenant shall have the right to establish appropriate fees for dispensing Fuel Products from the Fuel Facilities, provided that said fees are fair, reasonable and

non-discriminatory. All Fuel Products dispensed from the Fuel Facilities shall be dispensed in Approved Fuel Vehicles owned or operated by "Approved Fuel Licensees". As used herein, "Approved Fuel Licensees" shall mean persons or entities which have licenses to provide "into-plane services" or other fuel dispensing services at the Airport pursuant to agreements between Landlord and said persons or entities ("Fuel License Agreements"). The dispensing of Fuel Products from the Fuel Facility shall be governed by the Fuel License Agreements and agreements between Tenant and the Approved Fuel Licensees ("Fuel Access Agreements"), which Fuel Access Agreements shall require the prior written consent of Landlord. In the event of any conflict between the terms, covenants, conditions and provisions of the Fuel Access Agreements and the terms, covenants, conditions and provisions of this Lease or the Fuel License Agreements, the terms, covenants, conditions and provisions of this Lease or the Fuel License Agreements shall prevail and govern, notwithstanding the fact that Landlord may have consented to said Fuel Access Agreements.

4.6. Compliance with FAA Grant Assurances and Airport Use.

In connection with the ownership and use of the Airport by Landlord, Tenant hereby agrees as follows:

4.6.1. Development or Improvement of Landing Area.

Subject to the provisions of any other agreement between Landlord and Tenant, Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Tenant, and without interference or hindrance.

4.6.2. Maintenance of Landing Area and Public Facilities.

Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

4.6.3. Agreements with United States.

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

4.6.4. Construction of Improvements.

In the event any future structure or building is planned for the Leased Premises or New Improvements or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises or New Improvements, Tenant shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations.

4.6.5. Non-Exclusive Rights.

It is understood and agreed that nothing herein contained shall 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).

4.6.6. Reservation of Rights.

There is hereby reserved to Landlord, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises and New Improvements and the other areas of the Airport. This public right of flight shall include the right to cause within, and to enter or penetrate into or transmit through, any improved or unimproved portion of the Airport, or any air space above the ground surface of the Airport, such noise, sounds, vibrations, air currents, electronic interference and aircraft engine exhaust and emissions that may result from or be related to the taking-off, landing or flight of aircraft to, from or over the Airport or the flight of aircraft over the Airport.

4.6.7. Height Restrictions.

Tenant shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree, on the Leased Premises or New Improvements 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; provided, however, that in the event that Landlord establishes any height restrictions or obstruction criteria, other than those promulgated or required by the FAA, that require Tenant to remove any Improvements, such action by Landlord shall be deemed to be an election by Landlord to terminate this Lease as to the portion of the Leased Premises or New Improvements affected and the provisions of Section 2.2.1 shall apply. In the event the aforesaid covenants are breached, in addition to all other rights and remedies of Landlord, Landlord reserves the right to enter upon the Leased Premises and New Improvements to remove the offending structure or object and to cut the offending tree, all of which shall be at the expense of Tenant.

4.6.8. Interference with Aircraft.

Tenant shall not make use of the Leased Premises or New Improvements 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 the event the aforesaid covenant is breached, in addition to all other rights and remedies of Landlord, Landlord reserves the right to enter upon the Leased Premises and New Improvements or any other areas of the Airport and cause the abatement of such interference, at the expense of Tenant.

4.6.9. Rights of United States.

This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of 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.

4.6.10. Unauthorized Access.

Tenant shall use reasonable precautions to prevent unauthorized persons from gaining access to restricted flight and aircraft operational areas, including, without limitation, the precautions established pursuant to Section 4.8.

4.6.11. Security Checks.

Tenant shall comply with Part 107 of the Federal Aviation Regulations requiring background checks, including references and prior employment history, for all persons who have unescorted access to the airfield side of the Airport security fence. Tenant agrees to maintain records of background checks for all employees of Tenant and to make such records available to the FAA and Landlord as may be requested from time to time.

4.7. Airport Security.

4.7.1. Security Requirements.

Part X of Landlord's Airport Security Program, as the same may be modified or supplemented from time to time by Landlord or its staff in its sole and absolute discretion ("Security Requirements"), is an integral part of this Lease and is hereby incorporated herein by this reference.

4.7.2. Security Program.

To the extent not previously submitted, within thirty (30) days of the date hereof, Tenant shall submit Tenant's security program to Landlord, as required by Part X, Section 2 of the Security Requirements.

4.7.3. Violations by Tenant or Others.

Upon receipt of any written notice from Landlord of a violation of the Security Requirements by Tenant or by any person subject to Tenant's control, Tenant shall promptly engage security personnel or undertake other necessary security procedures as reasonably requested by Landlord to cure the violation of the Security Requirements described in such notice and Tenant shall pay any fine or penalty imposed by the FAA as a result of such violation. Tenant's failure to cure timely the violation of the Security requirements described in Landlord's notice shall constitute an Event of Default under this Lease.

4.7.4. Indemnity.

Tenant shall defend, indemnify and hold harmless Landlord, its airport manager in its capacity as manager of the Airport (the airport manager is presently Airport Group International, formerly Lockheed Air Terminal, Inc., and any present or future airport manager is referred to hereinafter as "Airport Manager"), and the Cities of Burbank,

Glendale and Pasadena, California, and their respective officials, commissioners, officers, employees, agents, representatives, contractors, successors and assigns (individually, "Landlord Party" and collectively, "Landlord Parties") from and against any and all demands, claims, actions, causes of action, proceedings, judgments, awards, damages, fines, penalties, liabilities, obligations, losses, costs and expenses (collectively "Claims"), of whatever kind or nature, known or unknown, foreseen or unforeseen, fixed or contingent, that any Landlord Party may at any time sustain or incur arising out of, resulting from or relating to any breach or violation by Tenant, or anyone subject to Tenant's control of, or failure to comply with, any provision of the Security Requirements, Tenant's own security program, any applicable Laws relating to Airport security, or any applicable guidelines, policies or procedures relating to Airport security adopted and published from time to time by the FAA or by Landlord or their respective staffs.

5. MAINTENANCE, REPAIRS AND REPLACEMENTS.

5.1. Tenant's Obligations.

Tenant, at Tenant's sole expense, shall maintain and repair the Leased Premises, and every part thereof, and shall maintain, repair and replace the New Improvements and any trade fixtures, furniture and other personal property of Tenant located on or used in the Leased Premises or New Improvements, in good operating condition and repair and in a neat, attractive and sanitary condition, free from waste or debris, all according to standards established by Landlord (whether or not such part of the Leased Premises or New Improvements requiring maintenance, repair or replacement, or the means of maintaining, repairing or replacing the same, are reasonably or readily accessible to Tenant, and whether or not 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 or New Improvements). Tenant shall make any and all repairs required pursuant to this Section as and when the same become necessary to maintain the Leased Premises and New Improvements and every part thereof in good order, condition and repair, but in no event later than thirty (30) days following the delivery to Tenant of a written notice specifying the repairs Landlord believes must be undertaken to comply with the terms of this Lease or immediately in the event of an emergency. Without limiting the generality of the foregoing provisions of this Section, Tenant shall maintain and repair the Leased Premises and New Improvements in accordance with the Maintenance and Operation Plan approved by Landlord. Landlord shall have the right, at any time and from time to time, to establish higher standards of maintenance, repair and replacement for New Improvements than are applicable to existing Improvements on other leaseholds at the Airport and to change on a uniform basis the standards applicable to the maintenance, repair and replacement of the Leased Premises and New Improvements and Tenant shall comply with all such standards, as they may be so modified. Landlord shall not be liable to Tenant or its respective owners, shareholders, partners, directors, officers, employees, agents, representatives, contractors, predecessors, successors and assigns (individually, "Tenant Party" and collectively, "Tenant Parties") 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 or any Tenant Party, or the use or occupancy of the Leased Premises, New Improvements, the 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 making of any repairs or alterations to or the construction of Improvements. All repairs or

modifications to or construction of Improvements upon the Leased Premises or New Improvements made by Tenant as provided in this Lease shall be performed in accordance with all applicable Laws, and Tenant shall secure all permits, licenses, certificates, registrations, approvals and other authorizations required by applicable Laws with respect thereto. Tenant shall paint the floors, interior walls and exterior walls and shall wash all interior and exterior windows in all buildings and other structures as often as may be required to keep the Leased Premises and New Improvements neat and attractive. Tenant shall screen and landscape all outside storage areas and service yards of the Leased Premises and New Improvements with fencing and landscaping approved by Landlord, and shall not allow any temporary structures or facilities on the Leased Premises or New Improvements, unless either (i) Tenant has obtained Landlord's prior written approval, which approval may be granted or withheld by Landlord in its sole and absolute discretion and, if such approval is granted, it shall be revocable at any time by Landlord, in its sole and absolute discretion, or (ii) such temporary structures or facilities are related to the construction of New Improvements and are in compliance with Landlord's rules and regulations governing such construction.

5.2. No Landlord Obligation; Tenant Waiver.

Landlord shall have no obligation to maintain or make any repairs or replacements to the Leased Premises or to the New Improvements. Tenant, for itself and its successors and assigns, hereby waives any and all rights provided in Section 1941 through Section 1942, inclusive, of the Civil Code of California and hereby waives, to the extent permissible, any rights under other Laws now or hereafter in effect which are contrary to the obligations of Tenant under this Lease, or which place obligations upon Landlord. Landlord shall not be liable to any Tenant Party for any injury to or interference with any Tenant Party or the business or operations or any Tenant Party or the use or occupancy of the Leased Premises, New Improvements or the Common Use Facilities or any other area of the Airport by any Tenant Party arising out of, resulting from or relating to the need for or performance or non-performance of any maintenance, repair or replacement.

5.3. Landlord Cure.

In the event Tenant fails to perform its obligations under this Section 5, Landlord may, at its option, after thirty (30) days' written notice to Tenant or immediately in the event of an emergency, 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.

6. IMPROVEMENTS.

6.1. Definition of Improvements.

As used in this Lease, the capitalized term "Improvements" shall mean and include (i) fuel storage tanks, enclosures, vaults, facilities, equipment, piping and pumps, (ii) buildings, structures or fixtures, including foundations, roofs, ceilings, floors, interior walls, structural and non-structural components of exterior walls and exterior wall surfaces, (iii) store fronts, windows, doors, plate glass, showcases, skylights, entrances, and vestibules, (iv)

pavement, driveways, landscaping, parking lots, fences and signs, and (v) sprinkler systems, plumbing, sewers, drainage devices, heating, air conditioning, electrical and other systems, facilities, equipment and devices.

6.2. Required Improvements.

Tenant shall construct and install upon the Land all of the Improvements described in Exhibit C attached hereto ("Required Improvements") in compliance with the provisions of this Section 6 and Section 20. Required Improvements may include all items eligible to be included as Approved New Improvements under Section 6.5.1. All grading and construction work shall be performed by a licensed general contractor reasonably acceptable to Landlord under one or more grading and construction contracts, the performance of which shall be guaranteed by a performance and payment bond issued by a surety company authorized to conduct business in California and having a rating of not less than A-X in A.M. Best's Insurance Guide and/or otherwise acceptable to Landlord. The Required Improvements shall be approved, constructed and installed in accordance with and subject to the provisions of this Section 6, and, unless the context expressly states otherwise, all of the provisions of this Lease relating to "New Improvements" shall apply to the Required Improvements. Upon completion of the Required Improvements by Tenant and upon compliance by Tenant with the provisions of Section 6.5, the Required Improvements also shall be "Approved New Improvements".

6.3. Milestone Schedule.

6.3.1. General.

Tenant shall comply with the milestone schedule for the construction and completion of the Required Improvements described in this Section 6.3.1 ("Project Milestones"). Tenant's failure to perform timely any of the Project Milestones shall constitute an Event of Default under Section 12.1.6.

6.3.1.1. Approvals and Permits.

Tenant shall obtain all permits, licenses, certificates, registrations, approvals, authorization and entitlements, including, without limitation, any and all extensions and/or modifications of the permits, licenses, certificates, registrations, approvals, authorizations and certificates described in Exhibit D attached hereto, from the City of Los Angeles or any Government Agency thereof or any other Government Agency having jurisdiction over the Leased Premises or the Required Improvements to the extent required to commence construction of the Required Improvements.

6.3.1.2. Rough Grading and Excavation.

On or before ~~February 15~~ April 1, 1998, Tenant shall complete the rough grading and excavation of the Leased Premises and any and all other work to the extent necessary to satisfy any and all conditions required by the City of Los Angeles or any Governmental Agency thereof for the continuation of the effectiveness and validity of the permits and entitlements described in Exhibit D from and after ~~February 15~~ April 1, 1998. The

completion of the Project Milestone described in this Section shall be evidenced by a written certification or approval of the City of Los Angeles or any Government Agency thereof.

6.3.1.3. Completion of Concrete Box.

On or before ~~June 1~~ July 6 AK, 1998, Tenant shall complete the construction and installation of the concrete enclosure for the fuel storage tanks comprising part of the Required Improvements in compliance with this Section 6 and Section 20, and all other work to the extent necessary to satisfy any and all conditions required by the City of Los Angeles or any Governmental Agency thereof for the continuation of the effectiveness and validity of the permits and entitlements described in Exhibit D from and after April 16, 1998. The completion of the Project Milestone described in this Section shall be evidenced by a written certification or approval of the City of Los Angeles or any Government Agency thereof.

6.3.1.4. Installation of Fuel Storage Tanks.

On or before August ~~1~~ 31 AK, 1998, Tenant shall complete the construction and installation of all of the fuel storage tanks comprising part of the Required Improvements in compliance with this Section 6 and Section 20.

6.3.1.5. Mechanical Equipment.

On or before October 16, 1998, Tenant shall complete the construction and installation of all of the mechanical systems, facilities and equipment comprising part of the Required Improvements in compliance with this Section 6 and Section 20 and all other work to the extent necessary to satisfy any and all conditions required by the City of Los Angeles or any Governmental Agency thereof for the continuation of the effectiveness and validity of the permits and entitlements described in Exhibit D from and after September 16, 1998. The completion of the Project Milestone described in this Section shall be evidenced by a written certification or approval of the City of Los Angeles or any Government Agency thereof.

6.3.1.6. Remaining Required Improvements.

On or before December 1, 1998, Tenant shall complete the construction and installation of all remaining Required Improvements in compliance with this Section 6 and Section 20, and Tenant shall obtain all permits, licenses, certificates, registrations, approvals and other authorizations required by any and all Governmental Agencies certifying the completion of the construction and installation of the Required Improvements, including, without limitation, a certificate of occupancy issued by the applicable Governmental Agency of the City of Los Angeles.

6.3.1.7. Operation.

On or before December 15, 1998, Tenant shall cause the Fuel Facilities to be fully operational and in good working order with the capacity to store and dispense Fuel Products safely and effectively and in compliance with all applicable Laws, including, without limitation, all Environmental Laws (as defined in Section 20.16.2).

Prior to the earlier to occur of (i) December 15, 1998, or (ii) the date of the commencement of operation of the Fuel Facilities, (a) Tenant shall obtain all permits, licenses, certificates, registrations, approvals and other authorizations required by any and all Governmental Agencies for the operation of the Fuel Facilities, and (b) Tenant shall perform all necessary tests of the Fuel Facilities to verify compliance with the provisions of this Section, and Tenant shall provide the results of said tests to Landlord for Landlord's approval.

6.3.1.8. Completion.

Each Project Milestone constituting the completion of the construction or installation of any item of the Required Improvements shall be evidenced by a written notice of completion delivered by Tenant to Landlord on or before the applicable date specified in Section 6.3.1, accompanied by the written verification of completion of construction by the Airport Engineer or by an architect, engineer or other professional consultant designated by Landlord to review and verify completion of such construction, in addition to any and all other evidence of said completion required pursuant to Section 6.3.1.

6.3.1.9. Failure to Complete Project Milestones.

The parties acknowledge and understand that, effective December 22, 1998, the Laws relating to underground storage tanks shall require all existing underground storage tanks to comply with new more restrictive standards and requirements. The parties further acknowledge and understand that the existing underground storage tanks at the Airport currently providing Fuel Products to Landlord and the airlines, tenants and other users of the Airport do not comply with the more restrictive standards or requirements which shall be required by Law from and after December 22, 1998, and that the Fuel Facilities are being constructed by Tenant to replace the existing underground storage tanks at the Airport in order to avoid having to upgrade the existing underground storage tanks to comply with said Laws. Accordingly, the parties agree that the completion of each Project Milestone on or before the dates specified in Section 6.3.1 for said completion is a material provision of this Lease, and, in the event that Tenant fails to complete any Project Milestone on or before the date specified in Section 6.3.1 for said completion, in addition to any and all other rights and remedies of Landlord, (i) at Landlord's election, the term of this Lease shall terminate effective as of the date specified in Section 6.3.1 for completion of said Project Milestone, and (ii) Tenant shall pay to Landlord as liquidated damages the sum of Two Hundred Fifty Dollars ($250) for each day of delay in the completion of the Project Milestones described in Sections 6.3.1.1, 6.3.1.2, 6.3.1.3, 6.3.1.4, 6.3.1.5 and 6.3.1.6 and the sum of Five Thousand Dollars ($5,000) for each day of delay in the completion of the Project Milestone described in Section 6.3.1.7. The parties acknowledge and agree that Landlord's damages arising out of Tenant's failure to complete any Project Milestone described in Section 6.3.1 would be impractical and extremely difficult to determine and that the amounts of liquidated damages described in (ii) above are reasonable estimates of Landlord's damages arising out of said failure.

6.4. Procedures for Approval and Construction of Improvements.

6.4.1. Landlord's Approval.

Without in each instance obtaining the prior written approval of Landlord in accordance with this Section 6.4, which approval may be granted or withheld in Landlord's sole and absolute discretion ("Landlord's Approval"), Tenant shall not (i) construct or install any Improvements or demolish any Improvements or (ii) make any modifications, alterations or additions to the Leased Premises or Improvements (all such demolition, construction, installation, modifications, alterations and additions, including the Required Improvements, are individually and collectively referred to in this Lease as "New Improvements"), and no work required in connection therewith shall commence, prior to receiving Landlord's Approval. Landlord may delegate all Landlord's Approvals required under this Section 6.4, including any determination of whether New Improvements are "Approved New Improvements" under Section 6.5, to the Airport Engineer, to one or more of Landlord's other staff members, or to an outside engineer or architect, or to any combination thereof, and approval or determination by any such delegatee shall be subject to the same standards of review and time requirements as imposed upon Landlord and shall be deemed to be Landlord's Approval or the determination of Landlord under this Section 6.4. Any Landlord's Approval under this Section 6.4 shall be evidenced by a "Certificate of Approval" signed by Landlord or its delegatee.

6.4.2. Review and Approval of Plans.

In order to expedite plan review and approval and to insure that the Required Improvements and any and all other New Improvements will be compatible with Airport uses, Tenant shall submit to Landlord for its approval a conceptual plan, construction plans and specifications and any proposed changes with respect to the Required Improvements and any and all other New Improvements. All conceptual plans, construction plans and specifications and proposed changes with respect to the Required Improvements and any and all other New Improvements shall be subject to Landlord's Approval and, when required by the Airport Engineer, shall be prepared, stamped and signed by a California licensed architect or engineer. Engineers shall be licensed for the particular discipline required. All changes to any plans and specifications for the Required Improvements or any other New Improvements previously receiving Landlord's Approval which are required by the City of Los Angeles to be submitted to the City for plan check or review in accordance with the City's building codes ("Material Plan Change") shall also concurrently be submitted to Landlord and shall require Landlord's Approval. Landlord shall have three (3) working days within which to review and to approve or disapprove the proposed Material Plan Change and, if Landlord fails to disapprove the Material Plan Change, then the Material Plan Change shall be deemed to have received Landlord's Approval. Upon Landlord's Approval, Landlord shall issue a Certificate of Approval for each Material Plan Change.

6.4.3. Conditions of Approval.

Landlord may impose, in conjunction with its review and approval of the Required Improvements and any other proposed New Improvements, such reasonable requirements as to the construction, installation or making of the Required

Improvements or any other New Improvements as Landlord determines, in the exercise of its reasonable judgement, including, without limitation, 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 Required Improvements or any other New Improvements; (iii) the type or quality of materials used in the construction or installation of the Required Improvements or any other New Improvements; (iv) the means or methods used in the construction or installation of the Required Improvements or any other New Improvements; (v) the design and the drawings, plans and specifications for the Required Improvements or any other New Improvements; and (vi) security for the payment and performance of the construction and installation of the New Improvements, including payment and performance bonds and/or letters of credit.

6.4.4. Entitlements and Permits.

No Required Improvements or any other New Improvements shall be constructed until Tenant shall have procured and paid for all permits, licenses, certificates, registrations, approvals and other authorizations relating to such New Improvements required by all Governmental Agencies.

6.4.5. Compliance with Policy on Tenant Improvements.

Prior to the commencement of the Required Improvements or any other New Improvements, Tenant shall comply with the rules and guidelines established by Landlord for such work pursuant to Landlord's policy on tenant improvements attached hereto as Exhibit D, as the same may be uniformly amended from time to time. If there is any conflict between the policy on tenant improvements and the provisions of this Lease, the provisions of this Lease shall apply.

6.4.6. Performance of Work.

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. 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 6.4.2, and Tenant shall immediately repair or remove such work in accordance with this Section. 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 and absolute discretion.

6.4.7. As Built Plans and Statement of Cost.

Within sixty (60) days following the completion of any New Improvements, Tenant shall furnish to Landlord a set of "as built" plans and specifications and, if the New Improvements are eligible to be Approved New Improvements, within one hundred

twenty (120) days following the completion of the New Improvements, Tenant shall furnish to Landlord a statement certified as accurate by Tenant of the actual direct out-of-pocket cost of the New Improvements, which may include architectural and engineering fees, permit fees, capitalized construction period interest and loan fees, and other "soft costs" approved by Landlord, together with any reasonable supporting documentation required by Landlord sufficient to verify such cost. In the event that any item of cost has not been finally determined or is in dispute at the end of the one hundred twenty (120) day period, Tenant shall include a statement to that effect as part of its certified statement and, when the item of cost is finally determined or the dispute resolved, Tenant shall furnish to Tenant a final certified statement. Except as provided in the preceding sentence, failure by Tenant to notify Landlord in writing of the cost of any such New Improvements within one hundred twenty (120) days after completion shall constitute Tenant's irrevocable waiver of any future right to receive payment of the Unamortized Cost of Approved New Improvements for such New Improvements and Landlord shall have no obligation or liability to make any payment to Tenant therefor under Section 2.2.2. 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.

6.5. Approved New Improvements.

6.5.1. Eligible Improvements.

Upon completion by Tenant and compliance with the provisions of Section 6, the Required Improvements shall be "Approved New Improvements" hereunder. If any other New Improvements proposed to be made by Tenant add to or enlarge existing Improvements, upon Landlord's Approval, the New Improvements shall be "Approved New Improvements" hereunder. New Improvements made for the purpose of maintenance or repair of existing Improvements and New Improvements paid for with the proceeds of insurance, condemnation awards or recoveries of damages shall not be eligible to be Approved New Improvements; however, any New Improvements paid for partially by proceeds of insurance, condemnation awards or recoveries of damages and partially by Tenant's funds shall be Approved New Improvements to the extent of the portion paid for by Tenant's funds, except that New Improvements required to be paid for with Tenant's funds as a result of Tenant's failure to maintain insurance required to maintained by Tenant pursuant to Section 7 shall not be eligible to be Approved New Improvements.

6.5.2. Approval Procedure.

At the time Tenant requests Landlord's Approval of any New Improvements, Tenant shall specify whether the New Improvements or some eligible portion thereof are intended to be Approved New Improvements, failing which the New Improvements shall not be eligible to be Approved New Improvements. In the event that Landlord disagrees with Tenant's specification of any New Improvements as Approved New Improvements, Landlord shall notify Tenant in writing of its disagreement and shall state the reasons therefor. Tenant shall have the right to respond in writing to Landlord's notice and statement of reasons; however, after considering any response by Tenant, Landlord's determination of whether any New Improvements are Approved New Improvements shall be final and binding.

6.6. Payment for Work Performed.

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, New Improvements or any other areas of the Airport, including, without limitation, 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, New Improvements or other areas of the Airport or any interest therein. 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 and, if the claimant asserts any stop notice rights or lien against Landlord, the Land, the Improvements, any other areas of the Airport, or any construction loan proceeds, 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. Tenant shall deliver to Landlord written notice of its intent to commence construction or installation of any New Improvements at least fifteen (15) days prior to the commencement thereof, and Landlord shall have the right to post such notices of nonresponsibility as are provided for in the mechanics' lien Laws of California.

6.7. Indemnity.

Tenant shall defend, indemnify and hold harmless the Landlord Parties from and against any and all Claims arising out of, resulting from or relating to any and all New Improvements constructed, installed or made by Tenant pursuant to this Section 6, whether such Claims are based upon the preparation by or for Landlord or the review or approval by Landlord of any plans or specifications or otherwise. Without limiting the generality of the foregoing, Tenant accepts full and complete responsibility for the design, construction, installation and operation of all of the Required Improvements and all other New Improvements and the preparation of all plans and specifications relating thereto, and Landlord shall not have any liability or responsibility for the same, including, without limitation, any errors, omissions or defects in any of the plans or specifications for the Required Improvements or any other New Improvements, notwithstanding the fact that any plans or specifications prepared by or for Landlord may have been used or incorporated in any said plans or specifications or Landlord may have approved any said plans or specifications.

6.8. Landlord's Property.

Except for personal property and trade fixtures of Tenant not permanently affixed to the Leased Premises, upon the expiration or earlier termination of this Lease, all New Improvements made by or on behalf of Tenant pursuant to this Section 6, shall become Landlord's property and shall be surrendered with the Leased Premises, unless Landlord shall elect otherwise not less than thirty (30) days prior to the expiration, or not more than ten (10) days after any other termination, of this Lease; provided, however, that Landlord shall not be entitled to make such election in the event that this Lease is terminated pursuant to Section 2.2. In the event of such election, New Improvements made by or on behalf of Tenant in the Leased Premises, as Landlord may select, shall be removed by Tenant, at its sole cost and expense, at or prior to the expiration or immediately following termination of this Lease, and Tenant shall repair any and all damages caused by said removal.

7. INSURANCE, INDEMNITY AND EXCULPATION.

7.1. Obligation to Maintain Insurance.

At all times during the term of this Lease and at its sole cost and expense, Tenant shall maintain in effect the insurance coverages and limits of liability as provided in this Section 7 ("Required Insurance"). In the event that 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. In addition, Landlord, at Landlord's election, exercised by delivery to Tenant of written notice thereof, shall have the right to maintain some or all of the Required Insurance, provided that the cost to Tenant of insurance maintained by Landlord does not exceed the cost of such insurance provided by Tenant. In the event Landlord elects to maintain some or all of the Required Insurance, either because of Tenant's failure to provide Required Insurance or Landlord's election to provide some or all of the Required Insurance, Tenant shall pay to Landlord, as additional rent hereunder, its proportionate share of the premiums for all Required Insurance maintained by Landlord within ten (10) days following the delivery to Tenant of each written statement setting forth the amount of said premiums and the applicable premium period.

7.2. Liability and Workers' Compensation Coverages.

Tenant shall maintain in effect insurance protecting Tenant and each "Landlord Insured Party" (as hereinafter defined) from and against claims arising out of, resulting from or relating to the use or occupancy of the Leased Premises and New Improvements or the conduct of Tenant's business upon the Leased Premises or New Improvements, as follows:

7.2.1. Commercial General Liability Insurance.

Commercial general liability insurance written on an occurrence basis in an amount not less than Twenty-Five Million Dollars ($25,000,000) combined single limit for bodily injury and property damage each occurrence and in the annual aggregate. The commercial general liability insurance shall cover premises/operations, explosion, collapse and underground hazard, broad form contractual, products/completed operations, independent contractors, broad form property damage, and personal injury, and shall not contain an XCU or similar exclusion with respect to underground work. The limits of liability for the hazardous materials and pollution coverage, including the coverage for transportation and hauling of hazardous materials, under the commercial general liability insurance shall be dedicated solely to this Lease and the construction, maintenance, management and operation of the Fuel Facilities and shall not be available for claims arising out of any other contract, agreement, lease, project, services or work of Tenant.

7.2.2. Comprehensive Automobile Liability Insurance.

Comprehensive automobile liability insurance covering all owned, non-owned and hired vehicles written on an occurrence basis in an amount not less than Five Million Dollars ($5,000,000) combined single limit for each occurrence for bodily injury, death and property damage.

7.2.3. 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:

Bodily injury by accident - $5,000,000 - each accident

Bodily injury by disease - $5,000,000 - policy limit

Bodily injury by disease - $5,000,000 - each employee

7.3. 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:

7.3.1. All Risk Property Insurance.

All risk of direct physical loss or damage property insurance (including builder's risk or course of construction during the period of construction of New Improvements, including earthquake and flood hazard, or if Landlord is maintaining said insurance, subject to Tenant's obligation to pay its proportionate share of the premiums for said insurance as provided in Section 7.1), included within the classification of "All Risk Property," covering all structures and other Improvements located upon the Land, including Landlord's interest therein, in an amount equal to the full replacement value of said structures and other Improvements. The policy shall not contain any co-insurance restriction and shall be valued on a replacement cost/agreed amount basis. Except as otherwise provided in Section 8, the proceeds of such insurance shall be used to repair or replace the insured property and Landlord shall be named as a loss payee in any and all of said policies.

7.3.2. Personal Property Insurance.

Property insurance written on an all risk of direct physical loss basis, including earthquake and flood hazard covering Tenant's fixtures, personal property and equipment located on the Leased Premises and New Improvements, in an amount not less than one hundred percent (100%) of their replacement value. Except as otherwise provided in Section 8, the proceeds of such insurance shall be used to repair or replace the insured property.

7.4. Adjustment of Required Insurance.

Tenant understands and agrees that the types and amounts of Required Insurance may become inadequate during the term of this Lease, and Tenant agrees that it shall add such insurance or coverages and increase such minimum limits of liability by such amounts as may be reasonably required at any time and from time to time by Landlord.

7.5. Self-Insured Retention.

In no event shall the deductible or self-insured retention for any of the insurance policies described in this Section 7 exceed the amount of One Hundred Thousand Dollars ($100,000) except that the deductible or self-insured retention for the earthquake insurance shall not exceed five percent (5%) of the total replacement cost values.

7.6. Policy Requirements.

Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized to conduct business in California and having a rating of not less than A-X in A.M. Best's Insurance Guide and/or otherwise acceptable to Landlord. Within ten (10) days after the acceptance of this Lease by Landlord, Tenant shall deliver to Landlord certificates of insurance issued by the insurance companies or their agents and evidencing that all Required Insurance has been obtained and is being maintained by Tenant, together with copies of endorsements (i) requiring the insurers to give to Landlord at least thirty (30) days' prior written notice of the cancellation or non-renewal of some or all of the Required Insurance, (ii) with respect to the general liability, automobile liability and employer's liability insurance, naming (a) Tenant and its owners, shareholders, partners, directors and employees as a named insured and (b) Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of Landlord ("Landlord Insured Parties") as additional insureds, (iii) with respect to the "all risk" property insurance naming Landlord as a loss payee; and (iv) with respect to the general liability, automobile liability and employer's liability insurance, including a severability of interest provision. The failure of Tenant to provide said certificates of insurance, together with said endorsements, within fifteen (15) business days after the delivery to Tenant of a written request therefor, 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 which is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute an Event of Default under Section 12.1.8. All Required Insurance shall be primary insurance without right of contribution of any other insurance carried by or on behalf of any Landlord Insured Party and all policies shall be endorsed to this effect. In no event shall any Landlord Insured 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 7.

7.7. No Limitation of Liability.

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

7.8. Waivers of Subrogation Rights.

All policies of Required Insurance, except workers' compensation 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 Insured Party.

7.9. Indemnification.

In addition to any other express indemnity hereunder, Tenant shall defend, indemnify and hold harmless all Landlord Parties from and against any and all Claims arising out of, resulting from or relating to the breach of this Lease by, or any negligent act or negligent omission or willful misconduct of, any Tenant Party with respect to (a) the use or occupancy of the Leased Premises and New Improvements, the Common Use Facilities or any other areas of the Airport, (b) the conduct of Tenant's business, or (c) any other matter relating to this Lease or the subject matter of this Lease. Notwithstanding the foregoing, the provisions of this Section 7.9 shall not apply to any Claim which arises out of, results from or relates to the gross negligence, willful misconduct or material breach of this Lease by Landlord.

7.10. Exculpation of Landlord from Liability.

Tenant, on behalf of itself and the Tenant Parties, hereby 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 or New Improvements, arising out of, resulting from or relating to any cause whatsoever, including, without limitation, the following: (i) latent or patent defects in the construction or condition of the Leased Premises or New Improvements, including, without limitation, any use or release of "Toxic Materials" (as defined in Section 20.16.3) on, under or into the Leased Premises or New Improvements; (ii) Acts of God; (iii) fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Leased Premises, New Improvements or any other areas of the Airport; (iv) riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief; (v) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Leased Premises, New Improvements or other areas of the Airport; (vi) the use or occupancy of the Leased Premises, New Improvements or any other areas of the Airport by any Tenant Party, whether said damage or injury results from conditions arising upon the Leased Premises, New Improvements or upon other areas of the Airport, or from other sources; or (vii) 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 that any of the foregoing arises from the gross negligence, willful misconduct or material breach of this Lease by Landlord or the presence and/or remediation of Existing Contamination.

8. DAMAGE AND DESTRUCTION.

8.1. Insured Damage.

Subject to Section 8.3, 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 damage which Tenant is obligated to repair does not exceed an amount equal to one-hundred twenty-five percent (125%) of the insurance proceeds payable on account of the destruction or damage to Tenant pursuant to the terms of the applicable insurance policy and (ii) such repair can, in Tenant's reasonable opinion, be made within one (1) year after the occurrence of such

damage, Tenant shall promptly repair such damage, and this Lease shall continue in full force and effect.

8.2. Long Term or Uninsured or Underinsured Damage.

Subject to Section 8.3, in the event all or any part of the Leased Premises or any New Improvements are destroyed or damaged and, in Tenant's reasonable opinion, (i) the repair thereof cannot be made within one (1) year after the occurrence of such damage or (ii) the estimated cost of repair of damage which Tenant is obligated to repair exceeds an amount equal to one-hundred twenty-five percent (125%) of the insurance proceeds payable on account of the destruction or damage to Tenant pursuant to the terms of the applicable insurance policy, Tenant shall so notify Landlord within thirty (30) days after the occurrence of such damage. If Tenant so notifies Landlord, Landlord may, at its option, deliver a request to terminate this Lease (the "Landlord's Termination Request"). In the event Landlord so notifies Tenant, Tenant shall advise Landlord in writing within sixty (60) days after Tenant's receipt of Landlord's Termination Request whether Tenant agrees to terminate this Lease and this Lease shall terminate effective as of the date of Tenant's written advice or such later date as Tenant may specify, but not exceeding six (6) months after Tenant's receipt of Landlord's Termination Request. If Tenant agrees to terminate this Lease, all insurance proceeds payable on account of the damage or destruction to the New Improvements shall be paid to Tenant up to but not exceeding the amount payable to Tenant pursuant to Section 2.2.4 following an early termination of this Lease. The balance of the insurance proceeds shall be paid to Landlord and Tenant shall have no obligation to repair, restore, or reconstruct any part of the Leased Premises or New Improvements. If Landlord does not deliver to Tenant a Landlord's Termination Request or if Tenant fails to respond timely or agrees not to terminate this Lease in response to Landlord's Termination Request, Tenant shall promptly repair and reconstruct the damaged or destroyed portions of the Leased Premises and New Improvements using insurance proceeds available either to Landlord or Tenant and its own funds for any amounts in excess of such insurance proceeds for such repair and reconstruction and this Lease shall continue in full force and effect.

8.3. Damage Near End of Term.

In the event all or any part of the Leased Premises or New Improvements are destroyed or damaged during the last sixty (60) months of the term of this Lease, Tenant may, at its option, cancel and terminate this Lease by giving written notice to Landlord of its election to do so within one hundred twenty (120) days after the date of occurrence of such damage, in which event Tenant shall clear the Land of debris, all insurance proceeds payable with respect to the Leased Premises or New Improvements shall be paid to Landlord. In the event Tenant does not so elect to terminate this Lease, the repair of such damage shall be governed by Section 8.1 or Section 8.2, as the case may be.

8.4. Consequences of Damage or Destruction.

In the event the Leased Premises or New Improvements are destroyed or damaged and, unless this Lease is terminated pursuant to Sections 8.2 or 8.3, Tenant shall continue the operation of its business in the Leased Premises and New Improvements to the extent reasonably practicable from the standpoint of prudent business management. Tenant shall

have no claim against Landlord for any damage suffered by Tenant by reason of any such damage, destruction, repair or restoration, except to the extent that such damage suffered by Tenant is caused by Landlord's gross negligence, willful misconduct or material breach of this Lease.

8.5. Cost of Repair.

The good faith determination by Tenant of the estimated cost of repair of any damage, based upon bona fide estimates received from at least three (3) reputable general contractors, shall be conclusive for the purposes of this Section 8.

8.6. No Abatement of Rent.

Rent payable under this Lease shall not be abated following any damage or destruction and Tenant shall receive, hold in trust for the benefit of Landlord and use all proceeds received from business interruption insurance to pay the rent and other amounts payable by Tenant under this Lease to and including the date of termination of this Lease.

8.7. Waiver by Tenant.

Tenant hereby waives the provisions of Sections 1932, 1933, and 1941 through 1942, inclusive, of the California Civil Code and of any other Law now or hereafter in effect which is contrary to the obligations of Tenant under this Section 8 or which relieves Tenant therefrom, or which 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 or New Improvements, except to the extent caused by the gross negligence or willful misconduct of Landlord.

9. ASSIGNMENT AND PERMITTED ENCUMBRANCES.

9.1. Assignment or Encumbrance Prohibited; Exceptions.

9.1.1. General.

Tenant shall not voluntarily or by operation of law assign, sublease, transfer, mortgage, hypothecate, grant a security interest in or otherwise encumber all or any part of Tenant's rights or interests in or to this Lease or the Leased Premises or New Improvements or any portion thereof, except that Tenant may assign some or all of Tenant's rights or interests in this Lease and the Leased Premises and New Improvements to (i) any "Qualified Operator", (ii) any "Airline Owner Entity", or (iii) any "Airline Owner" or "Airline Owners", with Landlord's prior written consent, which consent shall not be unreasonably withheld, and subject to the provisions of this Section 9.

9.1.2. Qualified Operator.

As used herein, the term "Qualified Operator" shall mean any person, corporation, partnership, limited liability company or other entity which, in the reasonable judgment of Landlord, is qualified, either by direct experience or through personnel

or management, including an independent management company or contract manager acceptable to Landlord, has sufficient experience to manage and operate fuel storage and dispensing facilities at airports comparable to the Fuel Facilities and to perform the obligations of Tenant under this Lease and who holds all necessary permits, licenses, certificates, registrations, approvals and other authorizations to manage and operate the Fuel Facilities in accordance with all applicable Laws, including, without limitation, all Environmental Laws.

9.1.3. Airline Owner Entity.

As used herein, the term "Airline Owner Entity" shall mean any person, corporation, partnership, limited liability company or other entity of which Airline Owners collectively own one hundred percent (100%) of the total equity and voting rights and interests or have the power to direct the management and policies.

9.1.4. Airline Owner.

As used herein, "Airline Owner" shall mean any FAA Part 121 air carrier to which Tenant, subject to Landlord's prior written consent, which consent shall not be unreasonably withheld, assigns any right or interest in this Lease or the Leased Premises or New Improvements pursuant to an agreement between Tenant and said air carrier.

9.2. Agreements.

Landlord's prior written approval, which approval shall not be unreasonably withheld, shall be required with respect to each agreement relating to this Lease or the Leased Premises or New Improvements or any portion thereof (i) between Tenant and a Qualified Operator, (ii) between Tenant and an Airline Owner Entity, (iii) between or among any Airline Owners with respect to an Airline Owner Entity owned, managed or operated by said Airline Owners, (iv) between or among Tenant and/or the Airline Owners, and (v) between or among the Airline Owners. Tenant shall include or cause to be included in each agreement described in (i), (ii), (iii), (iv) and (v) provisions which provide all of the following: (a) in the event of any conflict or inconsistency between the terms, covenants, conditions or provisions of any said agreement and any terms, covenants, conditions or provisions of this Lease, the terms, covenants, conditions or provisions of this Lease shall govern, notwithstanding any approval by Landlord of said agreement, (b) the Qualified Operator, Airline Owner Entity or Airline Owner or Airline Owners, as applicable, shall defend, indemnify and hold harmless the Landlord Parties from and against any and all Claims arising out of, resulting from or relating to the breach of this Lease or said agreement or any negligent act or negligent omission or willful misconduct of the Qualified Operator, Airline Owner Entity, Airline Owner or Airline Owners, as applicable, or any of their respective, directors, officers, members, partners, employees, agents or representatives with respect to (1) the use or occupancy of the Leased Premises and New Improvements, the Common Use Facilities or any other areas of the Airport, (2) the management or operation of the Fuel Facilities, or (3) any other matter relating to this Lease or said agreement or the subject matter of this Lease or said agreement; (c) said agreement shall be subordinate to this Lease and in the event of the expiration or termination of this Lease, said agreement automatically shall terminate, unless Landlord elects to continue said agreement in effect; and (4) the Qualified Operator, Airline Owner Entity, Airline Owner or Airline Owners, as applicable,

assumes Tenant's obligations and liabilities under this Lease and with respect to the Leased Premises and New Improvements to the extent applicable to the rights or interests assigned as determined by Landlord.

9.3. No Release from Liability.

No permitted assignment to a Qualified Operator, Airline Owner Entity or Airline Owner or Airline Owners under this Section 9 shall relieve Tenant from any of its obligations under this Lease ("Permitted Assignment").

9.4. Event of Default.

Any attempted assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest in or other encumbrance in violation of this Section 9 shall be wholly void and shall be an Event of Default under Section 12.1.3. For the purposes of this Section, any of the following shall be deemed to be a prohibited assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section 9: (i) if Tenant is a corporation, any single transaction constituting an assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance or other event which results, or upon foreclosure would result, in the reduction of the interest of the shareholders of record at the time of the transaction to less than a majority of any class of voting stock of Tenant, or (ii) if Tenant is a partnership or limited liability company, any assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance of a partnership or membership interest or interests or other event which 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 which 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, or (iii) if Tenant is a corporation, partnership, limited liability company, trust or other entity, any single transaction or event causing a change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity.

10. EMINENT DOMAIN.

10.1. Entire or Substantial Taking.

In the event the entire Leased Premises and New Improvements, or such portion thereof as to make the balance not reasonably adequate for the conduct of Tenant's business, as determined by Tenant in the exercise of its reasonable judgment shall be taken under the power of eminent domain, this Lease shall automatically terminate as of the date of the vesting of title to all or such portion of the Leased Premises and New Improvements in such condemning entity. The termination of this Lease as to all or a portion of the Leased Premises and New Improvements by Landlord pursuant to any right of Landlord to do so set forth in this Lease, including, without limitation, under Sections 2.2.1 or 2.2.3 or after an uncured Event of Default under Section 12, shall not be a taking under this Section 10.

10.2. Partial Taking.

In the event of any taking under the power of eminent domain which does not result in a termination of this Lease pursuant to Section 10.1, the Annual Base Rent payable hereunder shall be reduced, effective as of the earlier of the date on which the condemnor obtains a right of possession of any portion of the Leased Premises or the date on which title vests with the condemning entity, by an amount calculated in the manner described in Section 2.2.2.1. Tenant, at its expense with respect to New Improvements and at Landlord's expense with respect to the Leased Premises, shall promptly restore the remaining portion of the Leased Premises and New Improvements to the condition existing immediately prior to such condemnation to the extent reasonably possible, and this Lease shall continue in full force and effect as to such remaining portion; provided, however, if the taking occurs during the last five (5) years of the term of this Lease, at Tenant's option, exercised by written notice to Landlord, Tenant shall have the right to terminate this Lease.

10.3. Awards.

Except as provided below, any award or settlement proceeds for any 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 shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, and any award or settlement proceeds for any taking of all or any part of the New Improvements shall be the property of Tenant. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's possessory interest in the Leased Premises, the New Improvements, trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business; provided, however, that in determining the value of Tenant's business, all goodwill attributable to the location of Tenant's business 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.

10.4. Sale Under Threat of Condemnation.

A sale by Landlord to any 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.

10.5. Condemnation by Landlord.

Nothing in this Lease (including, without limitation, Sections 2.2.1 or 2.2.3) shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord or the obligation of Landlord to pay just compensation, should Landlord exercise its power of eminent domain with respect to the Leased Premises or the New Improvements.

11. SUBORDINATION.

11.1. Subordination.

This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting 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 ten (10) calendar days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such subordination. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, alteration or modification does not alter the rights or duties 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 thirty (30) days from the date of such notice) in which to cure such default.

11.2. Attornment.

Subject to the terms of any nondisturbance agreement between Tenant and a Senior Lienholder, 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 and New Improvements, agrees to (i) enter into a new Lease covering the Leased Premises and the New Improvements for the remainder of the term of this Lease, on the same provisions herein provided or (ii) attorn to the purchaser and recognize the purchaser as Landlord under this Lease, provided such purchaser agrees to assume in writing all obligations of Landlord under this Lease.

12. DEFAULTS AND REMEDIES.

12.1. Events of Default.

After the expiration of any applicable cure period, each of the following shall constitute an "Event of Default" under this Lease:

12.1.1. Insolvency and Creditor Protection.

(i) The voluntary or 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 or possession of the Leased Premises or New Improvements is not restored to Tenant within ninety (90) days; or (ii) a general assignment by Tenant for the benefit or protection of creditors; or (iii) Tenant's written admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by Tenant under any federal, state or other Law relating to insolvency,

bankruptcy, reorganization, arrangement, composition, liquidation, dissolution or other relief for debtors; unless, in the case of an involuntary petition filed against Tenant to have Tenant adjudged a bankrupt or for reorganization or arrangement, the petition is dismissed within ninety (90) days. The appointment of a trustee or conservator of the person or estate of an individual Tenant, or in aid of the voluntary winding up, dissolution and liquidation of a partnership or corporate Tenant, shall not constitute an Event of Default hereunder.

12.1.2. 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 ninety (90) days.

12.1.3. Transfer or Encumbrance.

A purported assignment, 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 Section 9.

12.1.4. Vacation or Abandonment.

The vacation or abandonment of the Leased Premises or New Improvements by Tenant.

12.1.5. Violation of Security Requirements.

The failure by Tenant to cure a violation of the Security Requirements, as provided in Section 4.7.3.

12.1.6. Failure to Perform Project Milestones.

The failure by Tenant to complete any Project Milestone described in Section 6.3 on or before the date specified in Section 6.3 for said completion.

12.1.7. Failure to Pay.

The failure by Tenant to pay any amount when due and payable hereunder, where such failure to pay continues for ten (10) days following Tenant's receipt of written notice that such amount is past due.

12.1.8. Failure to Maintain Insurance.

Any cancellation or lapse of insurance policies providing coverage required to be provided by Tenant pursuant to Section 7, unless Landlord has elected to obtain such insurance pursuant to Section 7.1, or any other failure by Tenant to comply with the provisions of Section 7, where such other failure to comply continues for ten (10) days following

Tenant's receipt of written notice from Landlord that Tenant has not complied with the provisions of Section 7.

12.1.9. Other Defaults; Failure to Cure.

The default, breach or non-performance of any covenant or provision of this Lease not otherwise described in Sections 12.1.1 through 12.1.8, where Tenant fails to cure such default, breach or non-performance within thirty (30) days after the delivery to Tenant of written notice of such default, breach or non-performance (or, in the case of a default, breach or non-performance which reasonably requires more than thirty (30) days to cure, where Tenant fails to commence such cure within said thirty (30) days or thereafter fails diligently to prosecute the same to completion).

12.1.10. Multiple Defaults.

The receipt by Tenant during any twelve (12) consecutive calendar month period of more than six (6) written notices pertaining to actual defaults, breaches or non-performance under Sections 12.1.7, 12.1.8, or 12.1.9 of this Lease, irrespective of the cure thereof by Tenant.

12.2. Remedies.

Upon the occurrence of any Event of Default, Landlord, at its option and election, and without further demand or notice, shall have all of the following rights and remedies:

12.2.1. Termination of Lease.

Landlord shall have the right to declare this Lease, including Tenant's leasehold estate, terminated. Upon termination of this Lease prior to the expiration of its term, Tenant's ownership of the New Improvements shall end automatically and Landlord shall succeed to ownership of the New Improvements free and clear of all liens or encumbrances upon Tenant's leasehold estate, the Leased Premises or upon the New Improvements. Landlord shall have the right to re-enter the Leased Premises and the New Improvements to remove and eject all persons therefrom, to take possession thereof, and to use and enjoy the Leased Premises and the New Improvements and Landlord shall have all of the rights and remedies of a landlord provided in Section 1951.2 of the California Civil Code, which Section is incorporated herein by this reference as though set forth in full. In computing Landlord's damages pursuant to Sections 1951.2(1) and (2) of the Civil Code, the "worth at the time of award" shall be computed by allowing interest at a rate of ten percent (10%) per annum. The amount of damages which Landlord may recover in the event of such termination shall include the worth at the time of the award of the amount by which the unpaid amounts required to be paid by Tenant pursuant to Section 3, including, without limitation, Annual Base Rent, for the balance of the term after the time of award exceeds the amount of such losses that Tenant proves could be reasonably avoided, computed in accordance with Civil Code Section 1951.2(4)(b), plus reasonable attorneys' fees and leasing commissions. In the event that Landlord may have lawfully reentered the Leased Premises and the New Improvements after an Event of Default hereunder without having declared this Lease terminated, Landlord shall have the right at any time thereafter to

elect to terminate this Lease and all of the rights and remedies of Tenant in and to the Leased Premises and the New Improvements as provided in this Section 12.2.

12.2.2. Continuation of Lease without Termination.

Landlord has the remedy described in California 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 assign, subject only to reasonable limitations). In this regard, Landlord shall have the right to continue this Lease and to maintain Tenant's right to possession of the Leased Premises and the New Improvements, whether or not Tenant shall have breached this Lease and/or abandoned the Leased Premises and the New Improvements. 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 Annual Base Rent and any and all other amounts payable by Tenant to Landlord under this Lease as the same shall come due.

12.3. Waiver of Claims.

Tenant hereby 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 12.

12.4. 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 12.2, Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future Laws, and further releases Landlord, from any and all claims, demands and liabilities by reason of such lawful exercise by Landlord.

12.5. Cumulative Remedies.

The various rights, options, elections, powers and remedies reserved to Landlord herein shall be cumulative, and, 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 Event of Default. In addition to the foregoing, Landlord may exercise any other remedy now or hereafter available to a landlord against a defaulting tenant under the Laws of the State of California.

12.6. Performance of Tenant's Covenants by Landlord.

In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for the applicable cure period specified herein, or if no cure period is specified herein, for at least five (5) business days after written notice thereof is delivered to Tenant (but only prior oral notice shall be required in an

emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand and without waiving 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. All sums so paid by Landlord and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 3.5 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid within ten (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.

12.7. 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 Event of Default by Tenant, unless and until such Event of Default is cured by Tenant or waived by Landlord.

12.8. Determination of Rental Amount.

For purposes of this Section 12, the amounts due for each calendar month after termination of this Lease by Landlord pursuant to Section 12.2, shall be deemed to be the Annual Base Rent divided by twelve (12), any and all other amounts due under Section 3, and any and all other amounts due to Landlord under any other provision of this Lease.

12.9. Default by Landlord.

Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation for thirty (30) days following the delivery by Tenant to Landlord of written notice specifying the obligation Landlord has failed to perform; provided, however, in the event that the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

13. SURRENDER AT END OF TERM.

Upon the expiration or other termination of this Lease, subject to Section 6.8, ownership of the New Improvements shall pass automatically to Landlord and Tenant shall quit and surrender the Leased Premises and the New Improvements to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and, except as otherwise provided in this Lease, Tenant shall remove all of its personal property and shall promptly repair any damages to the Leased Premises and New Improvements caused by such removal. Tenant's obligation to perform this covenant shall survive the expiration or other termination of this Lease. Upon the expiration or termination of this Lease,

subject to Section 6.8, Tenant hereby assigns, transfers and conveys to Landlord all of Tenant's right, title and interest in and to (i) the New Improvements, (ii) any and all architectural or engineering plans, drawings, and specifications, geotechnical studies and plans, permits and entitlements relating to the construction of New Improvements or facilities on the Leased Premises, in whatever form, including, without limitation, paper, microfilm, microfiche, computer files and other electronic media; and (iii) any and all guaranties, warranties and indemnities of architect, engineers, contractors, subcontractors and suppliers furnishing labor, materials, equipment and services in connection with the New Improvements, and Tenant shall execute and deliver to Landlord any and all quitclaim deeds and other documents required by Landlord to provide for said assignment, transfer and conveyance and Tenant shall include or cause to be included in all contracts, agreements and subcontracts with architects, engineers, contractors, subcontractors and suppliers furnishing labor, materials, equipment and services in connection with the New Improvements a written acknowledgment and consent to this assignment, transfer and conveyance.

14. HOLDOVER BY TENANT.

In the event that Tenant shall holdover in the Leased Premises and New Improvements after the expiration or termination of the term hereof, with the consent of Landlord, such holdover, in the absence of a written agreement on the subject executed by both parties, shall be deemed to have created a month to month tenancy with respect to the Leased Premises and New Improvements, terminable on thirty (30) days' written notice by either party to the other party. Such holdover tenancy otherwise shall be subject to the same provisions as contained in this Lease, unless the parties execute a written agreement modifying any of the terms hereof applicable to such holdover tenancy; provided, however, that the monthly installments of Annual Base Rent during such holdover tenancy shall be equal to one hundred fifty percent (150%) of the monthly installment of Annual Base Rent in effect immediately prior to the Expiration Date or termination date. The Annual Base Rent, as adjusted pursuant to this Section, shall be subject during the term of the holdover tenancy to any and all other adjustments to Annual Base Rent provided for in this Lease.

15. COMMON USE FACILITIES.

15.1. Common Use Facilities.

As an appurtenance to Tenant's leasehold estate in the Land and in conjunction with Tenant's use of the Leased Premises and New Improvements, Tenant is hereby granted, for itself and for the benefit of its invitees and assigns, the non-exclusive right, at any time and from time to time, to enter upon or make customary and reasonable use of such areas of the Airport as Landlord may from time to time make available or designate as "Common Use Facilities" (collectively, the "Common Use Facilities"). Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use the Common Use Facilities, including members of the general public, and shall be exercised by Tenant and its invitees and assigns subject to all applicable Laws and to the uniform rules and procedures adopted by Landlord from time to time governing the use of the Airport and the Common Use Facilities.

15.2. Reservation of Right to Make Changes.

Landlord 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 the Common Use Facilities and specifically further reserves the right to designate portions of the Common Use Facilities for the exclusive or non-exclusive use of certain tenants, licensees, concessionaires and other vendors or users of the Airport.

15.3. Passenger Terminal Facilities Excluded.

As used herein, the terms Common Use Facilities do not include any public passenger terminal facilities, holdroom space or baggage claim space within the Airport. Tenant is not granted any rights under this Lease to use said passenger terminal facilities, holdroom space or baggage claim space, whether on a non-exclusive basis or otherwise.

15.4. Parking Not Provided.

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

16. NO OBLIGATION TO PROVIDE UTILITIES OR SERVICES.

16.1. Landlord Not Responsible.

Tenant acknowledges, for itself and its permitted successors and assigns, that Landlord has no obligation to provide utilities or services to the Leased Premises or New Improvements; however, to the extent that utility services can only be provided from or through the Airport, Landlord shall not unreasonably withhold its consent to permitting utility connections or granting necessary easements to allow such utility services to be furnished to the Leased Premises, provided the cost of installation shall be borne by Tenant and Landlord shall not be required to consent to any connection or easement that interferes with the use and operation of the Airport. Landlord shall not be liable to Tenant under any circumstances for destruction, damage or loss to property, injury or death of any person, or any consequential damages, arising out of, resulting from or relating to, whether directly or indirectly, the furnishing, failure to furnish, interruption, cancellation or termination of any of said utilities or services by the providers or suppliers of any said utilities or services. Tenant 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 said utility or service.

16.2. Fire and Security.

Landlord is not obligated to Tenant to furnish any fire fighting services or security services to the Leased Premises or New Improvements, the Common Use Facilities or

other areas of the Airport. Tenant acknowledges that the Leased Premises, New Improvements, the Common Use Facilities and other areas of the Airport are within the municipal service areas of the City of Burbank and/or the City of Los Angeles.

16.3. Payment for Requested Services.

In the event that, at the written request of Tenant, Landlord provides any services with respect to the Leased Premises, New Improvements, the Common Use Facilities or other areas of the Airport, including, but not limited to, security, janitorial, maintenance or repair service, which Landlord is not obligated to do, Tenant shall pay its proportionate share, determined by Landlord, in its sole and absolute discretion, of all charges therefor within ten (10) days following receipt of a statement for said requested services.

17. QUIET ENJOYMENT.

Upon paying the amounts payable by Tenant and observing and performing all the provisions on Tenant's part to be observed and performed pursuant to this Lease, Tenant may peaceably and quietly enjoy the Leased Premises, subject, nevertheless, to the provisions of this Lease and to any Senior Liens, to which this Lease and the rights of Tenant are subordinate and to the terms of any nondisturbance agreements between Tenant and the holders of such Senior Liens.

18. TRANSFER OF LANDLORD'S INTEREST.

In the event of any transfer of Landlord's interest in the Leased Premises and New Improvements, the transferor automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer, but shall not be released from any obligations or liabilities accruing prior to the date of such transfer.

19. RULES AND REGULATIONS OF LANDLORD.

Tenant shall comply with all uniform rules and regulations adopted by Landlord at a noticed public meeting for use of the Leased Premises and New Improvements, and the other areas of the Airport, including the Common Use Facilities, as the same may be amended from time to time by Landlord. Landlord shall provide Tenant with a copy of all such rules and regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other Tenant or occupant of the Airport of any of said rules and regulations.

20. TOXIC MATERIALS AND REMEDIATION OF CONTAMINATION.

Tenant shall perform the obligations, duties and covenants set forth in this Section 20.

20.1. Use Prohibited Without Consent.

Tenant shall not cause or permit any Toxic Materials (as defined in Section 20.16.3) to be brought onto, stored, used, generated, recycled, or disposed of (collectively "Use of Toxic Materials") in, on, under or about the Leased Premises or the New Improvements by any Tenant Party or any of their respective licensees, permittees or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold, condition or delay so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to the Tenant Party's business and that the Tenant Party's use of such Toxic Materials shall be in compliance with all Environmental Laws. Tenant shall demonstrate that such Toxic Materials are necessary or useful by submitting information to Landlord in accordance with Section 20.3. Landlord hereby approves Tenant's storing and dispensing Fuel Products from the Fuel Facilities in the ordinary course of operation of the Fuel Facilities, including, without limitation, in compliance with the provisions of this Section 20.

20.2. Compliance with Environmental Laws.

Except with respect to the Existing Contamination, Tenant shall cause each Tenant Party to comply, at Tenant's or such Tenant Party's sole cost, with all Environmental Laws applicable to all Toxic Materials and to the lawful conduct of the Tenant Party's business to the extent performed on or about the Leased Premises and New Improvements. It shall be the sole obligation of each Tenant Party to obtain any permits and approvals required for the operation of the Tenant Party's business pursuant to the Environmental Laws, including, but not limited to, storage tanks. To the extent such action is necessary because of any Tenant's Contamination (as defined in Section 20.16.1), Tenant shall or shall cause any responsible Tenant Party to investigate the site conditions and perform to completion, in the manner provided in Section 20.6, any and all investigation, clean-up, remediation, removal or restoration work: (i) necessary to bring the Leased Premises and New Improvements into compliance with the Environmental Laws; (ii) necessary to bring any other real property into compliance with the Environmental Laws in the event of any migration of Toxic Materials from the Leased Premises or New Improvements to such other real property; (iii) necessary to maintain the Leased Premises and New Improvements in compliance with the Environmental Laws; or (iv) required by any Governmental Agency or political subdivision at any time during or after the term of this Lease; or (v) necessary to restore the condition of the Leased Premises and New Improvements to a level below regulatory action levels. The obligations of Tenant under this Section shall survive the termination of this Lease.

20.3. Disclosure.

Prior to or upon the Commencement Date, and prior to the end of January during each Annual Period, 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 or the New Improvements during the prior year, (ii) all Material Safety Data Sheets for said 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 or New

Improvements during the prior year, and (iv) copies of all hazardous waste manifests for wastes generated on the Leased Premises and New Improvements and sent offsite for treatment, storage, disposal or recycling.

20.4. Business Plan.

If any Tenant Party's business conducted or to be conducted in, on, under or about the Leased Premises and New Improvements requires the establishment and implementation of a business plan pursuant to California Health and Safety Code Sections 25500 et seq., concerning the handling of hazardous materials, Tenant shall immediately give written notification to Landlord that the Tenant Party's business is subject to the business plan requirement of such Code and that the business is in compliance with such Code. A copy of the plan shall be delivered to Landlord with such notification.

20.5. Tenant's Indemnity.

Tenant shall be solely responsible for and shall defend, indemnify and hold harmless the Landlord Parties, from and against any and all Liabilities (as defined in Section 20.16.4) arising out of, resulting from or caused by the Use of Toxic Materials on the Leased Premises or New Improvements, or the presence of Toxic Materials in the soil, subsoil, or groundwater located in, on or under the Leased Premises or New Improvements, or the effect of Toxic Materials migrating to other real property from the Leased Premises or New Improvements, but only to the extent that the Liabilities are the result of or caused by to Tenant's Contamination. The indemnification by Tenant under this Section 20.5 shall survive the termination of this Lease.

20.6. Cleanup.

20.6.1. Tenant's Contamination.

Tenant shall take any and all action which any Governmental Agency lawfully requires to be taken to investigate, clean-up, remediate or remove Tenant's Contamination (the "Necessary Action"). In addition to any notification to Landlord required by Section 20.7, Tenant shall promptly furnish Landlord with a copy of all correspondence between any Tenant Party or its environmental consultants and each involved Governmental Agency concerning the Necessary Action. On or before ten (10) business days prior to any Tenant Party's submittal of any work plans or descriptions of the Necessary Action to each involved Governmental Agency, Tenant shall furnish Landlord with a draft copy of said document for Landlord's review and comment. Landlord shall have the right to submit written comments on all aspects of the work plan to any Tenant Party and to each involved Governmental Agency, including without limitation, comments on the remediation methodology and appropriateness of clean-up levels. Tenant shall provide Landlord with written notice of all meetings with Agencies concerning the Necessary Action, which notices shall be provided where possible ten (10) business days in advance of the meeting. Landlord and its consultants shall have the right to attend and participate actively in all meetings with Agencies concerning the Necessary Action. Except in the case of an emergency, no Necessary Action shall be commenced without (i) written approval by the lead Governmental Agency, if one exists, or by all Agencies having and

asserting jurisdiction over the Necessary Action and (ii) where practical, ten (10) business days written notice to Landlord. Landlord shall have the right to have a representative present on the Leased Premises or New Improvements at all times during the implementation of the Necessary Action by any Tenant Party. Tenant agrees that the Necessary Action will be supervised by and certified by a registered professional engineer. Tenant hereby releases the Landlord Parties from responsibility for, and indemnifies the Landlord Parties (with counsel approved by the Landlord Parties) against any Liability in connection with the Necessary Action, except to the extent caused by the gross negligence or willful misconduct of Landlord. If any Tenant Party fails to take the Necessary Action on a timely basis, Landlord may, but shall not be obligated to, take the Necessary Action and in such event, all costs incurred by Landlord with respect thereto shall be for the account of Tenant and recoverable as additional rent hereunder.

20.6.2. Existing Contamination.

Landlord shall take, or shall cause any person legally obligated to take, any and all action which any Governmental Agency lawfully requires to be taken to investigate, clean-up, remediate or remove Existing Contamination. All provisions of Section 20.6.1 which apply to a Necessary Action by Tenant shall apply to action required to be taken by Landlord in connection with Existing Contamination. In the event that (i) Existing Contamination is discovered during the construction of the Required Improvements, and (ii) Tenant delivers written notice of the discovery of Existing Contamination to Landlord within forty-eight (48) hours following the discovery thereof, and (iii) any Necessary Action required by a Governmental Agency results in either a "Cessation of Construction Activity" or a "Delay in Construction Completion," Annual Base Rent shall be abated (a) ratably in proportion to the percentage of Required Improvements as to which there is either a Cessation of Construction Activity or a Delay in Construction Completion and (b) for the number of normal working days, excluding weekends and holidays, of continuous Cessation of Construction Activity or Delay in Construction Completion. In either case, the abatement of Annual Base Rent shall occur during a continuous period specified by Tenant following completion of construction of Required Improvements, and not during the period of Cessation of Construction Activity or Delay in Construction Completion. As used herein, the term "Cessation of Construction Activity" shall mean the complete cessation of construction of all or a material portion of the Required Improvements caused solely by the Necessary Action required by a Governmental Agency, which was not caused by Tenant or by any Tenant Party, and the term "Delay in Construction Completion" shall mean the period of time, measured in normal working days and excluding weekends and holidays, during which completion of construction of the Required Improvements is delayed solely by the Necessary Action required by a Governmental Agency, which was not caused by Tenant or by any Tenant Party. Landlord's sole obligation and liability arising out of the discovery or presence of Existing Contamination shall be as set forth in the first three sentences of this Section 20.6.2, irrespective of the theory of liability or the facts supporting any such theory. Tenant hereby assumes the risk of, waives, releases and forever discharges the Landlord Parties from and against, and covenants not to bring any action or proceeding against the Landlord Parties as a result of, any delay in construction, prevention of construction, increase in the cost of New Improvements, loss or adverse effects upon Tenant's financing, loss of rental income, diminution in the value of the Leased Premises or New Improvements, or any and all other Claims arising out of or resulting from the discovery or presence of Existing Contamination on, in, under or about the Leased Premises or New Improvements.

20.7. Notice.

If any Tenant Party is required by any Law to give notice to any Governmental Agency about any Contamination, Tenant shall immediately give the Landlord's Director of Airport Operations 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 said Contamination. 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 Contamination not subject to the notification provisions of the first sentence of this Section 20.7, Tenant shall immediately give written notice of such condition to Landlord to the extent required by California Health and Safety Code Section 25359.7.

20.8. Storage and Use of Toxic Materials.

Any and all Toxic Materials permitted in, on, under or about the Leased Premises and New Improvements 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 and New Improvements. Except for the Required Improvements comprising storage tanks required to be constructed and installed by Tenant pursuant to Section 6.2 and the other provisions of this Lease, no 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 storage tanks or has failed to take Necessary Action when required to do so under Section 20.6, Landlord shall have the right to enter the Leased Premises and New Improvements for the purpose of removing any storage tank at Tenant's sole expense in accordance with a closure plan approved by regulatory authorities. If Tenant's Contamination is detected at the time of the storage tank removal, clean-up shall proceed in accordance with Section 20.6.

20.9. Disposal of Toxic Materials.

Notwithstanding anything to the contrary contained in this Section 20, Tenant shall not release or dispose of any Toxic Material, in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Leased Premises, New Improvements, or the Airport that will cause or contribute to a violation of Environmental Laws or Contamination. The offsite disposal of Toxic Materials shall be in strict compliance with all Environmental Laws.

20.10. 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 and New Improvements. Such information shall be kept current at all times.

20.11. 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, provided 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, New Improvements or the Airport or upon Landlord.

20.12. 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 Governmental Agency: (i) permit applications; (ii) permits and approvals; (iii) notices of violations of Environmental Laws and Tenant's responses thereto; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Laws that Landlord may reasonably request from time to time.

20.13. Annual Site Investigation.

In addition to Landlord's right of access to the Leased Premises and New Improvements set forth in Section 1.4, Landlord shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Leased Premises and New Improvements during each year of the term of this Lease, 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 hereunder, fifty percent (50%) of the reasonable cost of each such annual inspection applicable to the Leased Premises and New Improvements. If the environmental inspection and assessment of the Leased Premises or New Improvements discloses the existence of any Tenant's Contamination, Tenant shall take any and all Necessary Action as provided in Section 20.6. In the event that Landlord elects not to conduct an annual environmental inspection and assessment, or if Landlord's environmental inspection and assessment fails to discover or disclose any Tenant's Contamination, Tenant shall not be excused from performing its obligations or relieved from liability to Landlord under this Section 20.

20.14. Environmental Assessment at End of Lease Term.

On or before the expiration or termination of this Lease, Tenant shall take any and all action required to be taken under the Environmental Laws in order to: (i) surrender the Leased Premises and New Improvements to Landlord free of any and all Toxic Materials present in amounts exceeding then applicable Governmental Agency action levels as a result of Tenant's Contamination; and (ii) if directed in writing by Landlord pursuant to Section 6.8, close or remove any storage tanks in, on, under or around the Leased Premises and New Improvements to the extent installed by Tenant. Such closure or removal shall be deemed to constitute Necessary Action within the meaning of Section 20.6 hereof, and all the provisions of Section 20.6 relating to Necessary Action shall be applicable to such closure and removal. Unless waived in writing by Landlord, Tenant, within ninety (90) days of commencement of this Lease

and within ninety (90) days prior to the expiration or termination of this Lease or prior to any assignment of all or any portion of the Leased Premises and New Improvements, shall provide to Landlord a written report certifying that each Tenant Party is in compliance with the Environmental Laws, or, if this Lease is expiring or terminating, that each Tenant Party has complied with the provisions of this Section 20. This report shall contain the following information: (i) a list of all permits issued under Environmental Laws regulating each Tenant Party's business on the Leased Premises and New Improvements and a description of all such permits; (ii) for each permit on the list, a description of the particular area or operation that requires compliance with such permit by a Tenant Party; (iii) for each permit on the list, a description of each Tenant Party's compliance program for the Environmental Law or corresponding regulatory program; (iv) for each permit on the list, a list of all alleged violations for the prior calendar year or Annual Period, or an affirmative statement that there were no alleged violations during said period; (v) copies of environmental assessments or compliance audits done during the prior calendar year; and (vi) a certification. The certification shall be signed and notarized by an appropriate corporate manager of Tenant who has direct responsibility for environmental compliance at the Leased Premises and New Improvements. The certification shall state as follows: "I, (name), am an employee of (Tenant's name). My title is (Title). My job responsibilities include direct responsibility for monitoring and assessing environmental compliance at (Leased Premises and New Improvements). This report has been prepared by me or under my direct supervision during the course of my employment for (Tenant's name). I hereby certify that I have personal knowledge of the facts in the report and that said facts are true, accurate and complete. I also certify that (the Leased Premises and New Improvements) are in compliance with all applicable federal, state and local environmental Laws except to the extent otherwise disclosed in this report. (Signature, notary seal and date.)" Tenant shall bear all costs of such reports and shall reimburse Landlord for any and all reasonable out-of-pocket costs incurred by Landlord in connection with its review of such report. From time to time during the Lease term, but no more often than once per Annual Period, Landlord shall have reasonable access to the Leased Premises and New Improvements to conduct an environmental assessment to audit Tenant's compliance with Environmental Laws.

20.15. Prohibited Substances.

The following substances are strictly prohibited from being brought onto the Leased Premises, New Improvements or the Airport in any quantities whatsoever: (i) arsines; (ii) dioxins, including dioxin precursors and intermediates; (iii) polychlorinated biphenyls; and (iv) any chemical marked with an asterisk (*) in 22 California Code of Regulations Section 66680(d) as amended, or any waste which meets the definition of extremely hazardous waste in 22 California Code of Regulations Sections 66720 and 66723, as amended.

20.16. Definitions.

20.16.1. Contamination.

The term "Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises or New Improvements, or any other contamination or deterioration of groundwater, subsoil or soil in, on,

under or originating from the Leased Premises or New Improvements. The term "Tenant's Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials by any Tenant Party or by any other persons subject to any Tenant Party's control on, in, under or about the Leased Premises or New Improvements from and after the earlier to occur of the Commencement Date or Tenant taking possession of the Leased Premises and until the termination of this Lease and the surrender of possession of the Leased Premises and the New Improvements to Landlord, including, without limiting the generality of the foregoing, any spilling, discharging, releasing or disposing of Toxic Materials from and after the Commencement Date, but shall not include any discharge or release migrating to the Leased Premises or New Improvements from other land. The term "Existing Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises prior to the Commencement Date. Landlord and Tenant agree that, in any action or proceeding between one or more Tenant Parties and Landlord Parties in which it is necessary for the finder of fact to determine whether Contamination is either Tenant's Contamination or Existing Contamination or a combination of Tenant's Contamination and Existing Contamination, for purposes of interpreting or applying the provisions of this Lease relating to Contamination, all Contamination constitutes Tenant's Contamination except to the extent that a Tenant Party can prove, either (i) by a preponderance of admissible direct evidence, without the use of circumstantial evidence, or (ii) by clear and convincing admissible evidence, which may include the use of admissible circumstantial evidence, that some or all of the Contamination is Existing Contamination. In the event that a Tenant Party proves that Contamination is a combination of Tenant's Contamination and Existing Contamination, the parties shall make a good faith effort to determine, on a percentage of clean-up cost basis, the portion that is Tenant's Contamination and the portion that is Existing Contamination, failing which the parties shall request the court in the action or proceeding to appoint a special master to make the determination. The good faith determination of the parties or the determination of the special master shall be set forth by the parties in a written stipulation, which shall be filed in the action or proceeding.

20.16.2. Environmental Laws.

The term "Environmental Laws" means any and all laws, rules, statutes, regulations, judgments, orders, permits, licenses, certificates, registrations, approvals, agreements, covenants, restrictions, requirements, policies or the like enacted now or hereafter 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 New Improvements, including, without limitation, the statutes described in the definition of Toxic Materials.

20.16.3. 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 authority 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 shall include, without limitation, the following compounds: (i) asbestos, (ii) petroleum, petroleum by-products, and petroleum degradation products, (iii) polychlorinated biphenyls, (iv) all substances now or hereafter 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 hereafter 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 hereafter defined as "hazardous waste" by Section 25117 of the California Health and Safety Code, (vii) all substances now or hereafter designated by the Governor of the State of California as substances known to the state to cause cancer or reproductive toxicity pursuant to California Health and Safety Code Section 25249.8, (viii) all substances now or hereafter defined as an "economic poison" pursuant to California Health and Safety Code Section 12753, and (ix) all substances now or hereafter defined as "extremely hazardous waste" pursuant to California Health and Safety Code Section 25115.

20.16.4. Liabilities.

The term "Liabilities" shall mean any and all Claims (as defined in Section 4.8.5) 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, without limitation, the following: (i) diminution in value of the Airport, the Leased Premises or New Improvements, (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 New Improvements, (iii) damages arising from any adverse impact on marketing of space at the Airport, the Leased Premises or New Improvements, (iv) sums paid in settlement of Claims (including, without limitation, reasonable 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, and (vi) costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work necessary should Tenant fail to comply with Section 20.6.

21. OFFSET STATEMENT.

21.1. Delivery.

Tenant, from time to time upon not less than ten (10) days' prior written 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).

21.2. Reliance.

Any such statement may be relied upon by any encumbrancer of the Leased Premises and New Improvements 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.

22. MISCELLANEOUS.

22.1. Lease Interpretation.

22.1.1. Incorporation of Prior Agreements; Amendments.

This Lease contains the entire agreement between the parties hereto, and no prior or contemporaneous agreement or understanding shall be effective for any purpose, all of which, if any, are hereby terminated or rescinded, except as to provisions which are expressly stated to survive termination and any indemnity or insurance obligations in favor of Landlord. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Lease which Landlord determines is necessary or advisable in order to comply with applicable Laws, governmental regulations or Landlord's uniform policies reflected in resolutions in effect from time to time; provided Tenant shall not be required to execute any amendment of or supplement to this Lease which impairs the rights and benefits of Tenant or increases the obligations and liabilities imposed on Tenant under this Lease.

22.1.2. 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 herein 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, except as herein expressly set forth.

22.1.3. 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.

22.2. 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.

22.3. 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 Event of Default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No waiver on the part of Landlord with respect to any provision of this Lease shall be effective unless such waiver is in writing.

22.4. 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.

22.5. Headings.

The Section headings, paragraph captions and marginal headings contained in this Lease are for convenience only and shall have no effect in the construction or interpretation of any provision hereof.

22.6. Notices.

All notices, requests, demands and other communications given, or required to be given under this Lease, shall be in writing, duly addressed to the parties as follows:

To Landlord: Burbank-Glendale-Pasadena
Airport Authority
2627 Hollywood Way
Burbank, CA 91505
Attn: Contracts and Properties Administrator

To Tenant: Southwest Airlines Co.
P.O. Box 376611
Love Field
Dallas, TX 75235
Attn: Vice President of Fuel Management

Any notices properly addressed, sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received seventy-two (72) hours after they are deposited in the United States mail, postage prepaid. Notices shall be deemed delivered and received at the time delivered if properly addressed and delivered to the addresses set forth in this Section during normal business hours or personally delivered to the person to whose attention they are addressed or sent by confirmed telecopy to a party's regular business telecopier during regular business hours. Notice sent by any other manner shall be effective upon actual receipt of the addressee. Any party may change its address for purposes of this Section by giving notice to the other party as provided in this Section.

22.7. Brokers.

Tenant warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease, and Tenant agrees to defend, indemnify and hold harmless the Landlord Parties from and against any and all Claims for any compensation, commission or other charge by any finder or any other real estate broker or agent claiming through Tenant.

22.8. Recording.

Tenant shall not record this Lease; however the parties shall execute, deliver and record a memorandum thereof.

22.9. Governing Law.

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.

22.10. Signs.

Tenant shall not, without the prior written consent of Landlord, install or affix any signs or advertisements on or to the exterior of the Leased Premises, New Improvements or the Airport.

22.11. 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.

22.12. Force Majeure.

If either party hereto 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 Laws, delays arising from environmental remediation, 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 for a period in excess of thirty (30) days the Commencement Date or excuse Tenant from the prompt payment of any rent or other charge required of Tenant hereunder, except as may be expressly provided elsewhere in this Lease.

IN WITNESS WHEREOF, this Lease has been executed by the undersigned as of on the date first set forth above.

"Landlord"

BURBANK - GLENDALE - PASADENA AIRPORT AUTHORITY, a public entity

BY: Joyce Streator
Joyce Streator, President

"Tenant"

SOUTHWEST AIRLINES CO., a Texas corporation

BY: Roger H. Yaan
VP - Fuel Management
Fuel

"EXHIBIT A"

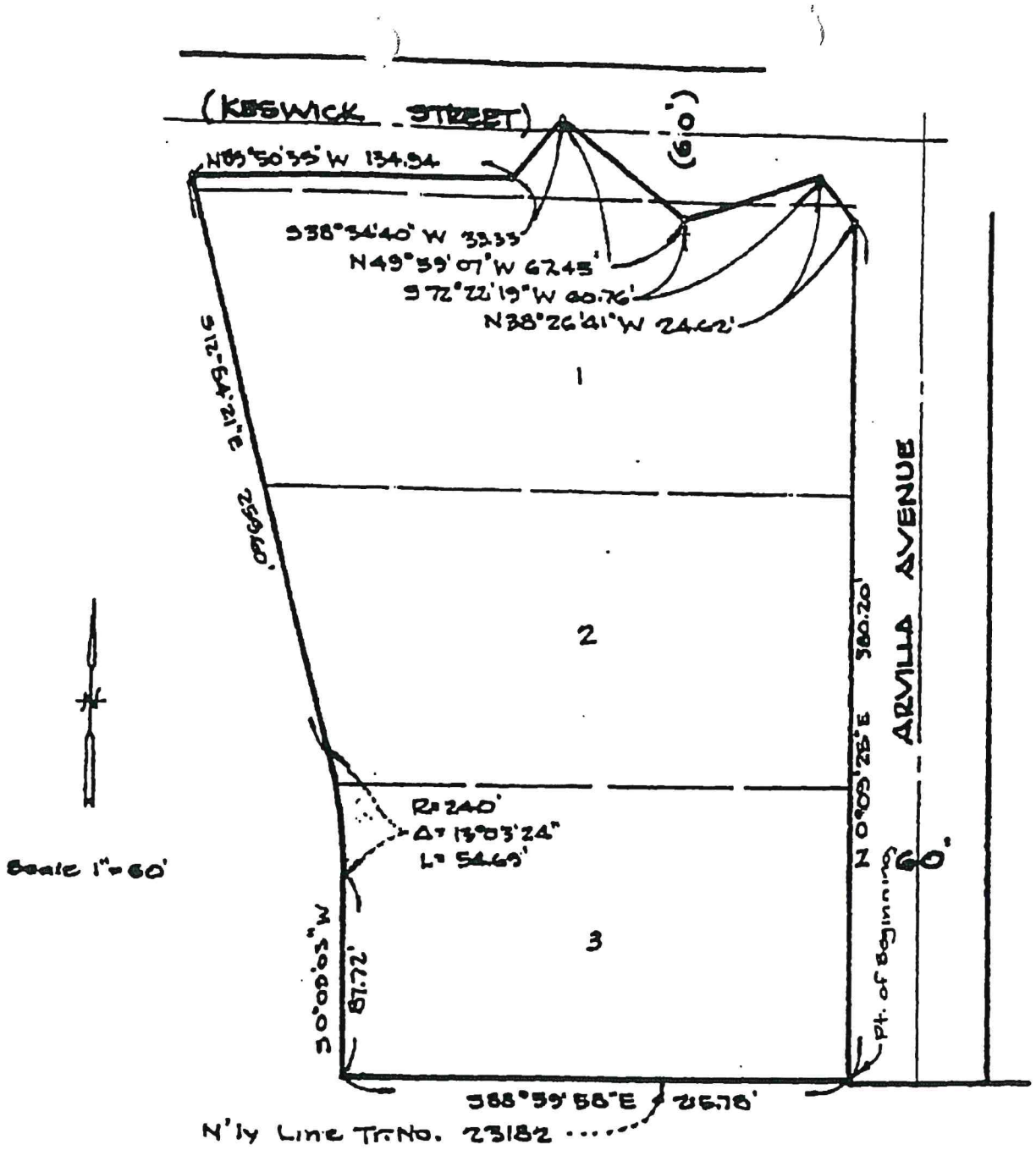
Legal description of Leased Premises

THAT PORTION OF LOTS 1, 2 AND 3 OF TRACT NO. 2532 TOGETHER WITH THAT PORTION OF KESWICK STREET, 60.00 FEET WIDE, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 28 PAGE 81 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF ARVILLA AVENUE, 60.00 FEET WIDE, AS SHOWN ON MAP OF TRACT NO. 23182 IN SAID CITY, COUNTY AND STATE AS PER MAP FILED IN BOOK 627, PAGES 82 AND 83 OF SAID MAPS, AND THAT CERTAIN COURSE IN THE NORTHERLY LINE OF LOT 1 OF SAID TRACT NO. 23182, SHOWN ON SAID MAP AS HAVING A BEARING AND LENGTH OF "NORTH 88°47'00" WEST 301.24 FEET"; THENCE ALONG SAID WESTERLY LINE OF ARVILLA AVENUE, NORTH 0°09'25" EAST 380.20 FEET; THENCE NORTH 38°26'41" WEST 24.62 FEET; THENCE SOUTH 72°22'19" WEST 60.76 FEET; THENCE NORTH 49°59' 07" WEST 67.45 FEET; THENCE SOUTH 38°34'40" WEST 33.33 FEET; THENCE NORTH 89°50'35" WEST 134.94 FEET; THENCE SOUTH 12°54'21" EAST 259.60 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE WESTERLY HAVING A RADIUS OF 240.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°03'24" AN ARC DISTANCE OF 54.69 FEET; THENCE SOUTH 0°09'03" WEST 87.72 FEET TO SAID NORTHERLY LINE OF SAID TRACT NO. 23182; THENCE ALONG SAID LINE, SOUTH 88°59'58" EAST 215.78 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.1707 ACRES.

DUBRON AND ASSOCIATES
SURVEYORS
16760 STAGG ST., SUITE 201
VAN NUYS, CA 91406
(818) 787-0676
JOB NO. 1009-1163 5/28/97



DUBRON AND ASSOCIATES *SURVEYORS*
16780 STAGG STREET SUITE 201
VAN NUYS, CA 91406 (818) 787-0676
5/28/97 • 1009 - 1165

Exhibit B

FAA GRANT AGREEMENT ASSURANCES

NONDISCRIMINATION

A. Tenant, for itself, its representatives, successors in interest, and permitted assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, managed or operated on the Leased Premises and New Improvements for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain, manage and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

B. Tenants for itself and its representatives, successors in interest and permitted assigns as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. No person on the ground of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises and New Improvements;

2. In the construction of any Improvements on, over or under the Leased Premises and New Improvements, if allowed, and the furnishings of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

3. Tenant shall use the Leased Premises and New Improvements in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

C. In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Lease and to re-enter and to repossess the Leased Premises and New Improvements, and hold the Leased Premises and New Improvements as if this Lease had never been made. This provision does not become effective until the procedures of 49 Code of Federal Regulations Part 21 are followed and completed, including expiration of appeal rights.

D. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

E. Noncompliance with Provision D, above shall constitute a material breach hereof and in the event of such noncompliance Landlord shall have the right to terminate this Lease and the estate hereby created without liability therefor or, at the election of Landlord or the United States, either or both thereof shall have the right to judicially enforce Provisions A, B, C and D above.

F. Applicant agrees that it shall insert the above five provisions in any license or agreement by which said Tenant grants a right or privilege to any person, corporation, partnership, limited liability company or other entity to render accommodations and/or service to the public at the Leased Premises and New Improvements.

"EXHIBIT C"

Required Improvements

A. NEW TANKAGE

		TANK	DESCRIPTION
A.1	In Tank Vault 1		
	Compartment 1.1	#1	AST 8'ø X 33'Long, UL 142, Single Wall, Motor Gasoline, 12,000 Gal.
	1.2	#2	AST 8'ø x 33' Long, UL 142, Single Wall, AVGAS 100LL, 12,000 Gal.
	1.3	#3	AST 8'ø x 33' Long, UL 142, Single Wall, Diesel, 12,000 Gal.
	1.4	#4	18' Wide x 13' High X 50.7' Long Concrete Tank, Storm and Waste Water (#4A & #4B)
A.2	In Tank Vault 2		
	Compartment 2.1	#5	AST 11.5'ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.2	#6	AST 11.5'ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.3	#7	AST 11.5'ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.3	#8	AST 11.5ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.3	#9	AST 11.5ø x 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.

A.3 Underground Tanks:

O/W#1 UST 8.0ø, 27' Long, TSI Separator, Model M
O/W#2 UST 8.0ø, 27' Long, TSI Separator, Model M

B. NEW BUILDINGS - MANNED

B.1 Operations Building:
Masonry one story, occupancy "B" office operations of 4-personnel, 1000 square feet including 120 square feet of laboratory, occupancy "B". Roof framing is steel with metal deck. Roof plan area for shadow = 1277 square feet.

"EXHIBIT C"

Required Improvements

C. NEW BUILDINGS - UNMANNED

C.1 Tank Vault Structure

Tank Vault 1

Reinforced Concrete
3 compartments with water fire sprinklers, NFPA 13.
2 compartments storm and waste water.

Tank Vault 2

Reinforced Concrete
5 compartments with water fire sprinklers, NFPA 13.

C.2 Loading Canopy: 3920 Sq. Ft with 3% AFFF foam/water sprinklers, NFPA 11. Structural Steel

C.3 Unloading Canopy 5120 Sq. Ft Structural Steel

C.4 Power Distribution Center: 160 Sq.Ft
Pre-manufactured steel building
Enclosing electrical motor control center
(Plan Check Package-Electrical)

C.5 Stand-By Power Generator (GENSET): 120 Sq.Ft
Pre-manufactured steel building (Plan Check Package-Electrical)

C.6 Transformer - Pad Mounted (Plan Check Package-Electrical)

"EXHIBIT D"

PERMITS

Bldg. Permit No.	
96WL 40522	Fuel storage vault w/att canopy
96WL 40520	Retaining Wall
96WL 40523	Office Lab
96WL 40519	Oil/Water Separators
96WL 40579	Grading
96WL 40521	Detached Canopy

AQMD	
326802	Jet-A Tank No. 1
326804	Jet-A Tank No. 2
326806	Jet-A Tank No. 3
326808	Jet-A Tank No. 4
326807	Jet-A Tank No. 5
322209	Gasoline Tank
322208	AVGAS Tank
322207	Transferring System

Exhibit "E"

REQUEST FOR APPROVAL
PROPOSED TENANT IMPROVEMENT

BURBANK GLENDALE PASADENA AIRPORT

1. Information

Tenant _____ Building# _____

Name of Contact _____

Address _____

Describe Proposed Improvements* _____

_____

_____

Estimated cost of improvements _____

Estimated start date _____ Completion Date _____

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

2. Preliminary Approvals

Airport Administration: Approved/Disapproved _____ Date _____

Comments _____

_____

Airport Engineering: Approved/Disapproved _____ Date _____

Comments _____

_____

3. Final Review and Approval

Safety & Security	(Reviewed by) _____	Date _____
Maintenance Department	(Reviewed by) _____	Date _____
Fire Department	(Reviewed by) _____	Date _____
Authority Insurance Underwriter	(Reviewed by) _____	Date _____
Engineering Department	(Approved by) _____	Date _____
Executive Director	(Approved by) _____	Date _____

4. Pre-Construction

Contractor _____ License# _____

Address _____

Contract Price _____

Date Construction to begin _____ End _____

Be sure to have a Certificate of Insurance, Material and Labor Bond and a Hold Harmless Statement.

Tenant Representative (Signed) _____ Date _____

5. Final Approval

Airport Engineering (Approved) _____ 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 of this form, and submit to: Burbank-Glendale-Pasadena Airport Administration, 2627 Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request From, Airport Administration 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. Upon completion the form will be returned to the Tenant. The form will indicate whether preliminary approval has been granted, and if not granted, the reason for denial.
3. Upon receipt of preliminary approval, the Tenant shall proceed with preparing final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements. Five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Airport Engineering for review by the Airport Fire Department, Airport Safety & Security, Airport Maintenance, Authority Insurance Underwriter and final review and approval by Airport Administration.
4. After the plans have received final approval and the Tenant has received written confirmation of this approval on this Form, the Tenant shall then complete Section 4, resubmit this form to the Authority notifying Engineering of their intent to begin construction. Prior to receiving approval to begin construction, a pre-construction meeting must be held in the Authority Administration offices when all insurance and bond requirements shall be satisfied, and a Hold Harmless Agreement shall be submitted to the Authority. Building permits and any other necessary permits shall be on file with the Authority. When all of these requirements have been satisfied, approval to begin construction will be granted on the form and a copy returned to the Tenant.
5. All Tenants shall within thirty (30) days after completion submit to Airport Engineering one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Airport Administration. Summary shall be signed by the contractor and notarized.

NOTES:
a) For smaller projects, costing less than $5,000 the Authority may at it 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

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 as required by State statutes.

Liability policies shall name Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Airport Engineering. 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

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.

HOLD HARMLESS AGREEMENT

The Tenant and its Contractor agree to and do hereby indemnify and hold harmless Burbank-Glendale-Pasadena Airport Authority, its officers, agents and employees from every claim or demand made and every liability, loss, damage, or expense, of any nature whatsoever, which may be incurred by reason of:

a) liability for damages for (1) death or bodily injury to persons, (2) injury to, loss or theft of property, or (3) any other loss, damage or expense arising under either (1) or (2) above, sustained by the Contractor upon or in connection with the work performed on Airport property, except for liability resulting from the sole negligence or willful misconduct of Authority, its officers, employees, agents; and

b) any injury to or death of persons or damage to property caused by any act, neglect, default or omission of the Contractor, or any person, firm, or corporation, either directly or by independent contract, including all damages due to loss or theft, sustained by any person, firm, or corporation, including Authority, arising out of, or in any way connected with the work performed on Airport property whether said injury or damage occurs either on or off Authority property, if the liability arose from the negligence or willful misconduct of anyone employed by the Contractor, either directly or by Independent contract.

The contractor, at his/her own expense, cost, and risk, shall defend any and all actions, suits, or other proceedings that may be brought or instituted against the Authority, its officers, agents or employees, on any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the Authority, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

7.2.3. 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:

Bodily injury by accident - $5,000,000 - each accident

Bodily injury by disease - $5,000,000 - policy limit

Bodily injury by disease - $5,000,000 - each employee

7.3. 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:

7.3.1. All Risk Property Insurance.

All risk of direct physical loss or damage property insurance (including builder's risk or course of construction during the period of construction of New Improvements, including earthquake and flood hazard, or if Landlord is maintaining said insurance, subject to Tenant's obligation to pay its proportionate share of the premiums for said insurance as provided in Section 7.1), included within the classification of "All Risk Property," covering all structures and other Improvements located upon the Land, including Landlord's interest therein, in an amount equal to the full replacement value of said structures and other Improvements. The policy shall not contain any co-insurance restriction and shall be valued on a replacement cost/agreed amount basis. Except as otherwise provided in Section 8, the proceeds of such insurance shall be used to repair or replace the insured property and Landlord shall be named as a loss payee in any and all of said policies.

7.3.2. Personal Property Insurance.

Property insurance written on an all risk of direct physical loss basis, including earthquake and flood hazard covering Tenant's fixtures, personal property and equipment located on the Leased Premises and New Improvements, in an amount not less than one hundred percent (100%) of their replacement value. Except as otherwise provided in Section 8, the proceeds of such insurance shall be used to repair or replace the insured property.

7.4. Adjustment of Required Insurance.

Tenant understands and agrees that the types and amounts of Required Insurance may become inadequate during the term of this Lease, and Tenant agrees that it shall add such insurance or coverages and increase such minimum limits of liability by such amounts as may be reasonably required at any time and from time to time by Landlord.

7.5. Self-Insured Retention.

In no event shall the deductible or self-insured retention for any of the insurance policies described in this Section 7 exceed the amount of One Hundred Thousand Dollars ($100,000) except that the deductible or self-insured retention for the earthquake insurance shall not exceed five percent (5%) of the total replacement cost values.

7.6. Policy Requirements.

Each policy of Required Insurance shall be obtained from an insurance company, or pool of multiple insurance companies, each authorized to conduct business in California and having a rating of not less than A-X in A.M. Best's Insurance Guide and/or otherwise acceptable to Landlord. Within ten (10) days after the acceptance of this Lease by Landlord, Tenant shall deliver to Landlord certificates of insurance issued by the insurance companies or their agents and evidencing that all Required Insurance has been obtained and is being maintained by Tenant, together with copies of endorsements (i) requiring the insurers to give to Landlord at least thirty (30) days' prior written notice of the cancellation or non-renewal of some or all of the Required Insurance, (ii) with respect to the general liability, automobile liability and employer's liability insurance, naming (a) Tenant and its owners, shareholders, partners, directors and employees as a named insured and (b) Landlord, the Airport Manager, the Cities of Burbank, Glendale and Pasadena and the Commissioners of Landlord ("Landlord Insured Parties") as additional insureds, (iii) with respect to the "all risk" property insurance naming Landlord as a loss payee; and (iv) with respect to the general liability, automobile liability and employer's liability insurance, including a severability of interest provision. The failure of Tenant to provide said certificates of insurance, together with said endorsements, within fifteen (15) business days after the delivery to Tenant of a written request therefor, 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 which is the subject matter of such notice of cancellation or non-renewal prior to the effectiveness of such cancellation or non-renewal, shall in either case constitute an Event of Default under Section 12.1.8. All Required Insurance shall be primary insurance without right of contribution of any other insurance carried by or on behalf of any Landlord Insured Party and all policies shall be endorsed to this effect. In no event shall any Landlord Insured 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 7.

7.7. No Limitation of Liability.

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

7.8. Waivers of Subrogation Rights.

All policies of Required Insurance, except workers' compensation 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 Insured Party.

7.9. Indemnification.

In addition to any other express indemnity hereunder, Tenant shall defend, indemnify and hold harmless all Landlord Parties from and against any and all Claims arising out of, resulting from or relating to the breach of this Lease by, or any negligent act or negligent omission or willful misconduct of, any Tenant Party with respect to (a) the use or occupancy of the Leased Premises and New Improvements, the Common Use Facilities or any other areas of the Airport, (b) the conduct of Tenant's business, or (c) any other matter relating to this Lease or the subject matter of this Lease. Notwithstanding the foregoing, the provisions of this Section 7.9 shall not apply to any Claim which arises out of, results from or relates to the gross negligence, willful misconduct or material breach of this Lease by Landlord.

7.10. Exculpation of Landlord from Liability.

Tenant, on behalf of itself and the Tenant Parties, hereby 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 or New Improvements, arising out of, resulting from or relating to any cause whatsoever, including, without limitation, the following: (i) latent or patent defects in the construction or condition of the Leased Premises or New Improvements, including, without limitation, any use or release of "Toxic Materials" (as defined in Section 20.16.3) on, under or into the Leased Premises or New Improvements; (ii) Acts of God; (iii) fire, steam, electricity, gas, water, or rain which may leak or flow from or into any part of the Leased Premises, New Improvements or any other areas of the Airport; (iv) riot, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief; (v) breakage, leakage, obstruction or other defects of the pipes, wires, appliances, plumbing, heating, ventilation and air conditioning systems, or lighting fixtures of or serving the Leased Premises, New Improvements or other areas of the Airport; (vi) the use or occupancy of the Leased Premises, New Improvements or any other areas of the Airport by any Tenant Party, whether said damage or injury results from conditions arising upon the Leased Premises, New Improvements or upon other areas of the Airport, or from other sources; or (vii) 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 that any of the foregoing arises from the gross negligence, willful misconduct or material breach of this Lease by Landlord or the presence and/or remediation of Existing Contamination.

8. DAMAGE AND DESTRUCTION.

8.1. Insured Damage.

Subject to Section 8.3, 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 damage which Tenant is obligated to repair does not exceed an amount equal to one-hundred twenty-five percent (125%) of the insurance proceeds payable on account of the destruction or damage to Tenant pursuant to the terms of the applicable insurance policy and (ii) such repair can, in Tenant's reasonable opinion, be made within one (1) year after the occurrence of such

damage, Tenant shall promptly repair such damage, and this Lease shall continue in full force and effect.

8.2. Long Term or Uninsured or Underinsured Damage.

Subject to Section 8.3, in the event all or any part of the Leased Premises or any New Improvements are destroyed or damaged and, in Tenant's reasonable opinion, (i) the repair thereof cannot be made within one (1) year after the occurrence of such damage or (ii) the estimated cost of repair of damage which Tenant is obligated to repair exceeds an amount equal to one-hundred twenty-five percent (125%) of the insurance proceeds payable on account of the destruction or damage to Tenant pursuant to the terms of the applicable insurance policy, Tenant shall so notify Landlord within thirty (30) days after the occurrence of such damage. If Tenant so notifies Landlord, Landlord may, at its option, deliver a request to terminate this Lease (the "Landlord's Termination Request"). In the event Landlord so notifies Tenant, Tenant shall advise Landlord in writing within sixty (60) days after Tenant's receipt of Landlord's Termination Request whether Tenant agrees to terminate this Lease and this Lease shall terminate effective as of the date of Tenant's written advice or such later date as Tenant may specify, but not exceeding six (6) months after Tenant's receipt of Landlord's Termination Request. If Tenant agrees to terminate this Lease, all insurance proceeds payable on account of the damage or destruction to the New Improvements shall be paid to Tenant up to but not exceeding the amount payable to Tenant pursuant to Section 2.2.4 following an early termination of this Lease. The balance of the insurance proceeds shall be paid to Landlord and Tenant shall have no obligation to repair, restore, or reconstruct any part of the Leased Premises or New Improvements. If Landlord does not deliver to Tenant a Landlord's Termination Request or if Tenant fails to respond timely or agrees not to terminate this Lease in response to Landlord's Termination Request, Tenant shall promptly repair and reconstruct the damaged or destroyed portions of the Leased Premises and New Improvements using insurance proceeds available either to Landlord or Tenant and its own funds for any amounts in excess of such insurance proceeds for such repair and reconstruction and this Lease shall continue in full force and effect.

8.3. Damage Near End of Term.

In the event all or any part of the Leased Premises or New Improvements are destroyed or damaged during the last sixty (60) months of the term of this Lease, Tenant may, at its option, cancel and terminate this Lease by giving written notice to Landlord of its election to do so within one hundred twenty (120) days after the date of occurrence of such damage, in which event Tenant shall clear the Land of debris, all insurance proceeds payable with respect to the Leased Premises or New Improvements shall be paid to Landlord. In the event Tenant does not so elect to terminate this Lease, the repair of such damage shall be governed by Section 8.1 or Section 8.2, as the case may be.

8.4. Consequences of Damage or Destruction.

In the event the Leased Premises or New Improvements are destroyed or damaged and, unless this Lease is terminated pursuant to Sections 8.2 or 8.3, Tenant shall continue the operation of its business in the Leased Premises and New Improvements to the extent reasonably practicable from the standpoint of prudent business management. Tenant shall

have no claim against Landlord for any damage suffered by Tenant by reason of any such damage, destruction, repair or restoration, except to the extent that such damage suffered by Tenant is caused by Landlord's gross negligence, willful misconduct or material breach of this Lease.

8.5. Cost of Repair.

The good faith determination by Tenant of the estimated cost of repair of any damage, based upon bona fide estimates received from at least three (3) reputable general contractors, shall be conclusive for the purposes of this Section 8.

8.6. No Abatement of Rent.

Rent payable under this Lease shall not be abated following any damage or destruction and Tenant shall receive, hold in trust for the benefit of Landlord and use all proceeds received from business interruption insurance to pay the rent and other amounts payable by Tenant under this Lease to and including the date of termination of this Lease.

8.7. Waiver by Tenant.

Tenant hereby waives the provisions of Sections 1932, 1933, and 1941 through 1942, inclusive, of the California Civil Code and of any other Law now or hereafter in effect which is contrary to the obligations of Tenant under this Section 8 or which relieves Tenant therefrom, or which 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 or New Improvements, except to the extent caused by the gross negligence or willful misconduct of Landlord.

9. ASSIGNMENT AND PERMITTED ENCUMBRANCES.

9.1. Assignment or Encumbrance Prohibited; Exceptions.

9.1.1. General.

Tenant shall not voluntarily or by operation of law assign, sublease, transfer, mortgage, hypothecate, grant a security interest in or otherwise encumber all or any part of Tenant's rights or interests in or to this Lease or the Leased Premises or New Improvements or any portion thereof, except that Tenant may assign some or all of Tenant's rights or interests in this Lease and the Leased Premises and New Improvements to (i) any "Qualified Operator", (ii) any "Airline Owner Entity", or (iii) any "Airline Owner" or "Airline Owners", with Landlord's prior written consent, which consent shall not be unreasonably withheld, and subject to the provisions of this Section 9.

9.1.2. Qualified Operator.

As used herein, the term "Qualified Operator" shall mean any person, corporation, partnership, limited liability company or other entity which, in the reasonable judgment of Landlord, is qualified, either by direct experience or through personnel

or management, including an independent management company or contract manager acceptable to Landlord, has sufficient experience to manage and operate fuel storage and dispensing facilities at airports comparable to the Fuel Facilities and to perform the obligations of Tenant under this Lease and who holds all necessary permits, licenses, certificates, registrations, approvals and other authorizations to manage and operate the Fuel Facilities in accordance with all applicable Laws, including, without limitation, all Environmental Laws.

9.1.3. Airline Owner Entity.

As used herein, the term "Airline Owner Entity" shall mean any person, corporation, partnership, limited liability company or other entity of which Airline Owners collectively own one hundred percent (100%) of the total equity and voting rights and interests or have the power to direct the management and policies.

9.1.4. Airline Owner.

As used herein, "Airline Owner" shall mean any FAA Part 121 air carrier to which Tenant, subject to Landlord's prior written consent, which consent shall not be unreasonably withheld, assigns any right or interest in this Lease or the Leased Premises or New Improvements pursuant to an agreement between Tenant and said air carrier.

9.2. Agreements.

Landlord's prior written approval, which approval shall not be unreasonably withheld, shall be required with respect to each agreement relating to this Lease or the Leased Premises or New Improvements or any portion thereof (i) between Tenant and a Qualified Operator, (ii) between Tenant and an Airline Owner Entity, (iii) between or among any Airline Owners with respect to an Airline Owner Entity owned, managed or operated by said Airline Owners, (iv) between or among Tenant and/or the Airline Owners, and (v) between or among the Airline Owners. Tenant shall include or cause to be included in each agreement described in (i), (ii), (iii), (iv) and (v) provisions which provide all of the following: (a) in the event of any conflict or inconsistency between the terms, covenants, conditions or provisions of any said agreement and any terms, covenants, conditions or provisions of this Lease, the terms, covenants, conditions or provisions of this Lease shall govern, notwithstanding any approval by Landlord of said agreement, (b) the Qualified Operator, Airline Owner Entity or Airline Owner or Airline Owners, as applicable, shall defend, indemnify and hold harmless the Landlord Parties from and against any and all Claims arising out of, resulting from or relating to the breach of this Lease or said agreement or any negligent act or negligent omission or willful misconduct of the Qualified Operator, Airline Owner Entity, Airline Owner or Airline Owners, as applicable, or any of their respective, directors, officers, members, partners, employees, agents or representatives with respect to (1) the use or occupancy of the Leased Premises and New Improvements, the Common Use Facilities or any other areas of the Airport, (2) the management or operation of the Fuel Facilities, or (3) any other matter relating to this Lease or said agreement or the subject matter of this Lease or said agreement; (c) said agreement shall be subordinate to this Lease and in the event of the expiration or termination of this Lease, said agreement automatically shall terminate, unless Landlord elects to continue said agreement in effect; and (4) the Qualified Operator, Airline Owner Entity, Airline Owner or Airline Owners, as applicable,

assumes Tenant's obligations and liabilities under this Lease and with respect to the Leased Premises and New Improvements to the extent applicable to the rights or interests assigned as determined by Landlord.

9.3. No Release from Liability.

No permitted assignment to a Qualified Operator, Airline Owner Entity or Airline Owner or Airline Owners under this Section 9 shall relieve Tenant from any of its obligations under this Lease ("Permitted Assignment").

9.4. Event of Default.

Any attempted assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest in or other encumbrance in violation of this Section 9 shall be wholly void and shall be an Event of Default under Section 12.1.3. For the purposes of this Section, any of the following shall be deemed to be a prohibited assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance under this Section 9: (i) if Tenant is a corporation, any single transaction constituting an assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance or other event which results, or upon foreclosure would result, in the reduction of the interest of the shareholders of record at the time of the transaction to less than a majority of any class of voting stock of Tenant, or (ii) if Tenant is a partnership or limited liability company, any assignment, sublease, transfer, mortgage, hypothecation, grant of a security interest or other encumbrance of a partnership or membership interest or interests or other event which 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 which 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, or (iii) if Tenant is a corporation, partnership, limited liability company, trust or other entity, any single transaction or event causing a change in the direct or indirect power to direct or cause the direction of the management and policies of such business or entity.

10. EMINENT DOMAIN.

10.1. Entire or Substantial Taking.

In the event the entire Leased Premises and New Improvements, or such portion thereof as to make the balance not reasonably adequate for the conduct of Tenant's business, as determined by Tenant in the exercise of its reasonable judgment shall be taken under the power of eminent domain, this Lease shall automatically terminate as of the date of the vesting of title to all or such portion of the Leased Premises and New Improvements in such condemning entity. The termination of this Lease as to all or a portion of the Leased Premises and New Improvements by Landlord pursuant to any right of Landlord to do so set forth in this Lease, including, without limitation, under Sections 2.2.1 or 2.2.3 or after an uncured Event of Default under Section 12, shall not be a taking under this Section 10.

10.2. Partial Taking.

In the event of any taking under the power of eminent domain which does not result in a termination of this Lease pursuant to Section 10.1, the Annual Base Rent payable hereunder shall be reduced, effective as of the earlier of the date on which the condemnor obtains a right of possession of any portion of the Leased Premises or the date on which title vests with the condemning entity, by an amount calculated in the manner described in Section 2.2.2.1. Tenant, at its expense with respect to New Improvements and at Landlord's expense with respect to the Leased Premises, shall promptly restore the remaining portion of the Leased Premises and New Improvements to the condition existing immediately prior to such condemnation to the extent reasonably possible, and this Lease shall continue in full force and effect as to such remaining portion; provided, however, if the taking occurs during the last five (5) years of the term of this Lease, at Tenant's option, exercised by written notice to Landlord, Tenant shall have the right to terminate this Lease.

10.3. Awards.

Except as provided below, any award or settlement proceeds for any 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 shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, and any award or settlement proceeds for any taking of all or any part of the New Improvements shall be the property of Tenant. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's possessory interest in the Leased Premises, the New Improvements, trade fixtures and removable personal property or damages for cessation or interruption of Tenant's business; provided, however, that in determining the value of Tenant's business, all goodwill attributable to the location of Tenant's business 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.

10.4. Sale Under Threat of Condemnation.

A sale by Landlord to any 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.

10.5. Condemnation by Landlord.

Nothing in this Lease (including, without limitation, Sections 2.2.1 or 2.2.3) shall impair, limit or otherwise affect the power of eminent domain of Landlord or the exercise of such power by Landlord or the obligation of Landlord to pay just compensation, should Landlord exercise its power of eminent domain with respect to the Leased Premises or the New Improvements.

11. SUBORDINATION.

11.1. Subordination.

This Lease is subject and subordinate to all mortgages, deeds of trust, bond indentures, liens, encumbrances and other security interests now or hereafter affecting 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 ten (10) calendar days following receipt of a request for such confirmation, any and all documents which may be required to effectuate such subordination. Tenant further agrees that this Lease shall be amended, altered or modified in accordance with the reasonable requirements of a Senior Lienholder, so long as such amendment, alteration or modification does not alter the rights or duties 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 thirty (30) days from the date of such notice) in which to cure such default.

11.2. Attornment.

Subject to the terms of any nondisturbance agreement between Tenant and a Senior Lienholder, 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 and New Improvements, agrees to (i) enter into a new Lease covering the Leased Premises and the New Improvements for the remainder of the term of this Lease, on the same provisions herein provided or (ii) attorn to the purchaser and recognize the purchaser as Landlord under this Lease, provided such purchaser agrees to assume in writing all obligations of Landlord under this Lease.

12. DEFAULTS AND REMEDIES.

12.1. Events of Default.

After the expiration of any applicable cure period, each of the following shall constitute an "Event of Default" under this Lease:

12.1.1. Insolvency and Creditor Protection.

(i) The voluntary or 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 or possession of the Leased Premises or New Improvements is not restored to Tenant within ninety (90) days; or (ii) a general assignment by Tenant for the benefit or protection of creditors; or (iii) Tenant's written admission of its inability to pay its debts as they become due; or (iv) any action taken against or suffered by Tenant under any federal, state or other Law relating to insolvency,

bankruptcy, reorganization, arrangement, composition, liquidation, dissolution or other relief for debtors; unless, in the case of an involuntary petition filed against Tenant to have Tenant adjudged a bankrupt or for reorganization or arrangement, the petition is dismissed within ninety (90) days. The appointment of a trustee or conservator of the person or estate of an individual Tenant, or in aid of the voluntary winding up, dissolution and liquidation of a partnership or corporate Tenant, shall not constitute an Event of Default hereunder.

12.1.2. 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 ninety (90) days.

12.1.3. Transfer or Encumbrance.

A purported assignment, 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 Section 9.

12.1.4. Vacation or Abandonment.

The vacation or abandonment of the Leased Premises or New Improvements by Tenant.

12.1.5. Violation of Security Requirements.

The failure by Tenant to cure a violation of the Security Requirements, as provided in Section 4.7.3.

12.1.6. Failure to Perform Project Milestones.

The failure by Tenant to complete any Project Milestone described in Section 6.3 on or before the date specified in Section 6.3 for said completion.

12.1.7. Failure to Pay.

The failure by Tenant to pay any amount when due and payable hereunder, where such failure to pay continues for ten (10) days following Tenant's receipt of written notice that such amount is past due.

12.1.8. Failure to Maintain Insurance.

Any cancellation or lapse of insurance policies providing coverage required to be provided by Tenant pursuant to Section 7, unless Landlord has elected to obtain such insurance pursuant to Section 7.1, or any other failure by Tenant to comply with the provisions of Section 7, where such other failure to comply continues for ten (10) days following

Tenant's receipt of written notice from Landlord that Tenant has not complied with the provisions of Section 7.

12.1.9. Other Defaults; Failure to Cure.

The default, breach or non-performance of any covenant or provision of this Lease not otherwise described in Sections 12.1.1 through 12.1.8, where Tenant fails to cure such default, breach or non-performance within thirty (30) days after the delivery to Tenant of written notice of such default, breach or non-performance (or, in the case of a default, breach or non-performance which reasonably requires more than thirty (30) days to cure, where Tenant fails to commence such cure within said thirty (30) days or thereafter fails diligently to prosecute the same to completion).

12.1.10. Multiple Defaults.

The receipt by Tenant during any twelve (12) consecutive calendar month period of more than six (6) written notices pertaining to actual defaults, breaches or non-performance under Sections 12.1.7, 12.1.8, or 12.1.9 of this Lease, irrespective of the cure thereof by Tenant.

12.2. Remedies.

Upon the occurrence of any Event of Default, Landlord, at its option and election, and without further demand or notice, shall have all of the following rights and remedies:

12.2.1. Termination of Lease.

Landlord shall have the right to declare this Lease, including Tenant's leasehold estate, terminated. Upon termination of this Lease prior to the expiration of its term, Tenant's ownership of the New Improvements shall end automatically and Landlord shall succeed to ownership of the New Improvements free and clear of all liens or encumbrances upon Tenant's leasehold estate, the Leased Premises or upon the New Improvements. Landlord shall have the right to re-enter the Leased Premises and the New Improvements to remove and eject all persons therefrom, to take possession thereof, and to use and enjoy the Leased Premises and the New Improvements and Landlord shall have all of the rights and remedies of a landlord provided in Section 1951.2 of the California Civil Code, which Section is incorporated herein by this reference as though set forth in full. In computing Landlord's damages pursuant to Sections 1951.2(1) and (2) of the Civil Code, the "worth at the time of award" shall be computed by allowing interest at a rate of ten percent (10%) per annum. The amount of damages which Landlord may recover in the event of such termination shall include the worth at the time of the award of the amount by which the unpaid amounts required to be paid by Tenant pursuant to Section 3, including, without limitation, Annual Base Rent, for the balance of the term after the time of award exceeds the amount of such losses that Tenant proves could be reasonably avoided, computed in accordance with Civil Code Section 1951.2(4)(b), plus reasonable attorneys' fees and leasing commissions. In the event that Landlord may have lawfully reentered the Leased Premises and the New Improvements after an Event of Default hereunder without having declared this Lease terminated, Landlord shall have the right at any time thereafter to

elect to terminate this Lease and all of the rights and remedies of Tenant in and to the Leased Premises and the New Improvements as provided in this Section 12.2.

12.2.2. Continuation of Lease without Termination.

Landlord has the remedy described in California 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 assign, subject only to reasonable limitations). In this regard, Landlord shall have the right to continue this Lease and to maintain Tenant's right to possession of the Leased Premises and the New Improvements, whether or not Tenant shall have breached this Lease and/or abandoned the Leased Premises and the New Improvements. 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 Annual Base Rent and any and all other amounts payable by Tenant to Landlord under this Lease as the same shall come due.

12.3. Waiver of Claims.

Tenant hereby 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 12.

12.4. 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 12.2, Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or granted by or under any present or future Laws, and further releases Landlord, from any and all claims, demands and liabilities by reason of such lawful exercise by Landlord.

12.5. Cumulative Remedies.

The various rights, options, elections, powers and remedies reserved to Landlord herein shall be cumulative, and, 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 Event of Default. In addition to the foregoing, Landlord may exercise any other remedy now or hereafter available to a landlord against a defaulting tenant under the Laws of the State of California.

12.6. Performance of Tenant's Covenants by Landlord.

In the event that Tenant at any time fails to make any payment or perform any other act under this Lease, and such failure continues for the applicable cure period specified herein, or if no cure period is specified herein, for at least five (5) business days after written notice thereof is delivered to Tenant (but only prior oral notice shall be required in an

emergency), Landlord shall have the right, but not the obligation, immediately or at any time thereafter, without further notice or demand and without waiving 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. All sums so paid by Landlord and all expenses incurred in connection therewith, together with interest thereon at the annual rate specified in Section 3.5 shall be deemed additional rent hereunder and shall be payable to Landlord on demand. In the event such additional amounts remain unpaid within ten (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.

12.7. 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 Event of Default by Tenant, unless and until such Event of Default is cured by Tenant or waived by Landlord.

12.8. Determination of Rental Amount.

For purposes of this Section 12, the amounts due for each calendar month after termination of this Lease by Landlord pursuant to Section 12.2, shall be deemed to be the Annual Base Rent divided by twelve (12), any and all other amounts due under Section 3, and any and all other amounts due to Landlord under any other provision of this Lease.

12.9. Default by Landlord.

Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation for thirty (30) days following the delivery by Tenant to Landlord of written notice specifying the obligation Landlord has failed to perform; provided, however, in the event that the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

13. SURRENDER AT END OF TERM.

Upon the expiration or other termination of this Lease, subject to Section 6.8, ownership of the New Improvements shall pass automatically to Landlord and Tenant shall quit and surrender the Leased Premises and the New Improvements to Landlord, broom clean and in good order and condition, ordinary wear and tear, casualty and damage by the elements excepted, and, except as otherwise provided in this Lease, Tenant shall remove all of its personal property and shall promptly repair any damages to the Leased Premises and New Improvements caused by such removal. Tenant's obligation to perform this covenant shall survive the expiration or other termination of this Lease. Upon the expiration or termination of this Lease,

subject to Section 6.8, Tenant hereby assigns, transfers and conveys to Landlord all of Tenant's right, title and interest in and to (i) the New Improvements, (ii) any and all architectural or engineering plans, drawings, and specifications, geotechnical studies and plans, permits and entitlements relating to the construction of New Improvements or facilities on the Leased Premises, in whatever form, including, without limitation, paper, microfilm, microfiche, computer files and other electronic media; and (iii) any and all guaranties, warranties and indemnities of architect, engineers, contractors, subcontractors and suppliers furnishing labor, materials, equipment and services in connection with the New Improvements, and Tenant shall execute and deliver to Landlord any and all quitclaim deeds and other documents required by Landlord to provide for said assignment, transfer and conveyance and Tenant shall include or cause to be included in all contracts, agreements and subcontracts with architects, engineers, contractors, subcontractors and suppliers furnishing labor, materials, equipment and services in connection with the New Improvements a written acknowledgment and consent to this assignment, transfer and conveyance.

14. HOLDOVER BY TENANT.

In the event that Tenant shall holdover in the Leased Premises and New Improvements after the expiration or termination of the term hereof, with the consent of Landlord, such holdover, in the absence of a written agreement on the subject executed by both parties, shall be deemed to have created a month to month tenancy with respect to the Leased Premises and New Improvements, terminable on thirty (30) days' written notice by either party to the other party. Such holdover tenancy otherwise shall be subject to the same provisions as contained in this Lease, unless the parties execute a written agreement modifying any of the terms hereof applicable to such holdover tenancy; provided, however, that the monthly installments of Annual Base Rent during such holdover tenancy shall be equal to one hundred fifty percent (150%) of the monthly installment of Annual Base Rent in effect immediately prior to the Expiration Date or termination date. The Annual Base Rent, as adjusted pursuant to this Section, shall be subject during the term of the holdover tenancy to any and all other adjustments to Annual Base Rent provided for in this Lease.

15. COMMON USE FACILITIES.

15.1. Common Use Facilities.

As an appurtenance to Tenant's leasehold estate in the Land and in conjunction with Tenant's use of the Leased Premises and New Improvements, Tenant is hereby granted, for itself and for the benefit of its invitees and assigns, the non-exclusive right, at any time and from time to time, to enter upon or make customary and reasonable use of such areas of the Airport as Landlord may from time to time make available or designate as "Common Use Facilities" (collectively, the "Common Use Facilities"). Tenant's rights hereunder shall be in common with Landlord and with other persons authorized by Landlord from time to time to use the Common Use Facilities, including members of the general public, and shall be exercised by Tenant and its invitees and assigns subject to all applicable Laws and to the uniform rules and procedures adopted by Landlord from time to time governing the use of the Airport and the Common Use Facilities.

15.2. Reservation of Right to Make Changes.

Landlord 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 the Common Use Facilities and specifically further reserves the right to designate portions of the Common Use Facilities for the exclusive or non-exclusive use of certain tenants, licensees, concessionaires and other vendors or users of the Airport.

15.3. Passenger Terminal Facilities Excluded.

As used herein, the terms Common Use Facilities do not include any public passenger terminal facilities, holdroom space or baggage claim space within the Airport. Tenant is not granted any rights under this Lease to use said passenger terminal facilities, holdroom space or baggage claim space, whether on a non-exclusive basis or otherwise.

15.4. Parking Not Provided.

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

16. NO OBLIGATION TO PROVIDE UTILITIES OR SERVICES.

16.1. Landlord Not Responsible.

Tenant acknowledges, for itself and its permitted successors and assigns, that Landlord has no obligation to provide utilities or services to the Leased Premises or New Improvements; however, to the extent that utility services can only be provided from or through the Airport, Landlord shall not unreasonably withhold its consent to permitting utility connections or granting necessary easements to allow such utility services to be furnished to the Leased Premises, provided the cost of installation shall be borne by Tenant and Landlord shall not be required to consent to any connection or easement that interferes with the use and operation of the Airport. Landlord shall not be liable to Tenant under any circumstances for destruction, damage or loss to property, injury or death of any person, or any consequential damages, arising out of, resulting from or relating to, whether directly or indirectly, the furnishing, failure to furnish, interruption, cancellation or termination of any of said utilities or services by the providers or suppliers of any said utilities or services. Tenant 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 said utility or service.

16.2. Fire and Security.

Landlord is not obligated to Tenant to furnish any fire fighting services or security services to the Leased Premises or New Improvements, the Common Use Facilities or

other areas of the Airport. Tenant acknowledges that the Leased Premises, New Improvements, the Common Use Facilities and other areas of the Airport are within the municipal service areas of the City of Burbank and/or the City of Los Angeles.

16.3. Payment for Requested Services.

In the event that, at the written request of Tenant, Landlord provides any services with respect to the Leased Premises, New Improvements, the Common Use Facilities or other areas of the Airport, including, but not limited to, security, janitorial, maintenance or repair service, which Landlord is not obligated to do, Tenant shall pay its proportionate share, determined by Landlord, in its sole and absolute discretion, of all charges therefor within ten (10) days following receipt of a statement for said requested services.

17. QUIET ENJOYMENT.

Upon paying the amounts payable by Tenant and observing and performing all the provisions on Tenant's part to be observed and performed pursuant to this Lease, Tenant may peaceably and quietly enjoy the Leased Premises, subject, nevertheless, to the provisions of this Lease and to any Senior Liens, to which this Lease and the rights of Tenant are subordinate and to the terms of any nondisturbance agreements between Tenant and the holders of such Senior Liens.

18. TRANSFER OF LANDLORD'S INTEREST.

In the event of any transfer of Landlord's interest in the Leased Premises and New Improvements, the transferor automatically shall be relieved of any and all obligations and liabilities accruing from and after the date of such transfer, but shall not be released from any obligations or liabilities accruing prior to the date of such transfer.

19. RULES AND REGULATIONS OF LANDLORD.

Tenant shall comply with all uniform rules and regulations adopted by Landlord at a noticed public meeting for use of the Leased Premises and New Improvements, and the other areas of the Airport, including the Common Use Facilities, as the same may be amended from time to time by Landlord. Landlord shall provide Tenant with a copy of all such rules and regulations and any and all amendments thereto. Landlord shall not be responsible to Tenant for the nonperformance of any other Tenant or occupant of the Airport of any of said rules and regulations.

20. TOXIC MATERIALS AND REMEDIATION OF CONTAMINATION.

Tenant shall perform the obligations, duties and covenants set forth in this Section 20.

20.1. Use Prohibited Without Consent.

Tenant shall not cause or permit any Toxic Materials (as defined in Section 20.16.3) to be brought onto, stored, used, generated, recycled, or disposed of (collectively "Use of Toxic Materials") in, on, under or about the Leased Premises or the New Improvements by any Tenant Party or any of their respective licensees, permittees or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold, condition or delay so long as Tenant demonstrates to Landlord's reasonable satisfaction that such Toxic Materials, and the quantities thereof, are necessary or useful to the Tenant Party's business and that the Tenant Party's use of such Toxic Materials shall be in compliance with all Environmental Laws. Tenant shall demonstrate that such Toxic Materials are necessary or useful by submitting information to Landlord in accordance with Section 20.3. Landlord hereby approves Tenant's storing and dispensing Fuel Products from the Fuel Facilities in the ordinary course of operation of the Fuel Facilities, including, without limitation, in compliance with the provisions of this Section 20.

20.2. Compliance with Environmental Laws.

Except with respect to the Existing Contamination, Tenant shall cause each Tenant Party to comply, at Tenant's or such Tenant Party's sole cost, with all Environmental Laws applicable to all Toxic Materials and to the lawful conduct of the Tenant Party's business to the extent performed on or about the Leased Premises and New Improvements. It shall be the sole obligation of each Tenant Party to obtain any permits and approvals required for the operation of the Tenant Party's business pursuant to the Environmental Laws, including, but not limited to, storage tanks. To the extent such action is necessary because of any Tenant's Contamination (as defined in Section 20.16.1), Tenant shall or shall cause any responsible Tenant Party to investigate the site conditions and perform to completion, in the manner provided in Section 20.6, any and all investigation, clean-up, remediation, removal or restoration work: (i) necessary to bring the Leased Premises and New Improvements into compliance with the Environmental Laws; (ii) necessary to bring any other real property into compliance with the Environmental Laws in the event of any migration of Toxic Materials from the Leased Premises or New Improvements to such other real property; (iii) necessary to maintain the Leased Premises and New Improvements in compliance with the Environmental Laws; or (iv) required by any Governmental Agency or political subdivision at any time during or after the term of this Lease; or (v) necessary to restore the condition of the Leased Premises and New Improvements to a level below regulatory action levels. The obligations of Tenant under this Section shall survive the termination of this Lease.

20.3. Disclosure.

Prior to or upon the Commencement Date, and prior to the end of January during each Annual Period, 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 or the New Improvements during the prior year, (ii) all Material Safety Data Sheets for said 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 or New

Improvements during the prior year, and (iv) copies of all hazardous waste manifests for wastes generated on the Leased Premises and New Improvements and sent offsite for treatment, storage, disposal or recycling.

20.4. Business Plan.

If any Tenant Party's business conducted or to be conducted in, on, under or about the Leased Premises and New Improvements requires the establishment and implementation of a business plan pursuant to California Health and Safety Code Sections 25500 et seq., concerning the handling of hazardous materials, Tenant shall immediately give written notification to Landlord that the Tenant Party's business is subject to the business plan requirement of such Code and that the business is in compliance with such Code. A copy of the plan shall be delivered to Landlord with such notification.

20.5. Tenant's Indemnity.

Tenant shall be solely responsible for and shall defend, indemnify and hold harmless the Landlord Parties, from and against any and all Liabilities (as defined in Section 20.16.4) arising out of, resulting from or caused by the Use of Toxic Materials on the Leased Premises or New Improvements, or the presence of Toxic Materials in the soil, subsoil, or groundwater located in, on or under the Leased Premises or New Improvements, or the effect of Toxic Materials migrating to other real property from the Leased Premises or New Improvements, but only to the extent that the Liabilities are the result of or caused by to Tenant's Contamination. The indemnification by Tenant under this Section 20.5 shall survive the termination of this Lease.

20.6. Cleanup.

20.6.1. Tenant's Contamination.

Tenant shall take any and all action which any Governmental Agency lawfully requires to be taken to investigate, clean-up, remediate or remove Tenant's Contamination (the "Necessary Action"). In addition to any notification to Landlord required by Section 20.7, Tenant shall promptly furnish Landlord with a copy of all correspondence between any Tenant Party or its environmental consultants and each involved Governmental Agency concerning the Necessary Action. On or before ten (10) business days prior to any Tenant Party's submittal of any work plans or descriptions of the Necessary Action to each involved Governmental Agency, Tenant shall furnish Landlord with a draft copy of said document for Landlord's review and comment. Landlord shall have the right to submit written comments on all aspects of the work plan to any Tenant Party and to each involved Governmental Agency, including without limitation, comments on the remediation methodology and appropriateness of clean-up levels. Tenant shall provide Landlord with written notice of all meetings with Agencies concerning the Necessary Action, which notices shall be provided where possible ten (10) business days in advance of the meeting. Landlord and its consultants shall have the right to attend and participate actively in all meetings with Agencies concerning the Necessary Action. Except in the case of an emergency, no Necessary Action shall be commenced without (i) written approval by the lead Governmental Agency, if one exists, or by all Agencies having and

asserting jurisdiction over the Necessary Action and (ii) where practical, ten (10) business days written notice to Landlord. Landlord shall have the right to have a representative present on the Leased Premises or New Improvements at all times during the implementation of the Necessary Action by any Tenant Party. Tenant agrees that the Necessary Action will be supervised by and certified by a registered professional engineer. Tenant hereby releases the Landlord Parties from responsibility for, and indemnifies the Landlord Parties (with counsel approved by the Landlord Parties) against any Liability in connection with the Necessary Action, except to the extent caused by the gross negligence or willful misconduct of Landlord. If any Tenant Party fails to take the Necessary Action on a timely basis, Landlord may, but shall not be obligated to, take the Necessary Action and in such event, all costs incurred by Landlord with respect thereto shall be for the account of Tenant and recoverable as additional rent hereunder.

20.6.2. Existing Contamination.

Landlord shall take, or shall cause any person legally obligated to take, any and all action which any Governmental Agency lawfully requires to be taken to investigate, clean-up, remediate or remove Existing Contamination. All provisions of Section 20.6.1 which apply to a Necessary Action by Tenant shall apply to action required to be taken by Landlord in connection with Existing Contamination. In the event that (i) Existing Contamination is discovered during the construction of the Required Improvements, and (ii) Tenant delivers written notice of the discovery of Existing Contamination to Landlord within forty-eight (48) hours following the discovery thereof, and (iii) any Necessary Action required by a Governmental Agency results in either a "Cessation of Construction Activity" or a "Delay in Construction Completion," Annual Base Rent shall be abated (a) ratably in proportion to the percentage of Required Improvements as to which there is either a Cessation of Construction Activity or a Delay in Construction Completion and (b) for the number of normal working days, excluding weekends and holidays, of continuous Cessation of Construction Activity or Delay in Construction Completion. In either case, the abatement of Annual Base Rent shall occur during a continuous period specified by Tenant following completion of construction of Required Improvements, and not during the period of Cessation of Construction Activity or Delay in Construction Completion. As used herein, the term "Cessation of Construction Activity" shall mean the complete cessation of construction of all or a material portion of the Required Improvements caused solely by the Necessary Action required by a Governmental Agency, which was not caused by Tenant or by any Tenant Party, and the term "Delay in Construction Completion" shall mean the period of time, measured in normal working days and excluding weekends and holidays, during which completion of construction of the Required Improvements is delayed solely by the Necessary Action required by a Governmental Agency, which was not caused by Tenant or by any Tenant Party. Landlord's sole obligation and liability arising out of the discovery or presence of Existing Contamination shall be as set forth in the first three sentences of this Section 20.6.2, irrespective of the theory of liability or the facts supporting any such theory. Tenant hereby assumes the risk of, waives, releases and forever discharges the Landlord Parties from and against, and covenants not to bring any action or proceeding against the Landlord Parties as a result of, any delay in construction, prevention of construction, increase in the cost of New Improvements, loss or adverse effects upon Tenant's financing, loss of rental income, diminution in the value of the Leased Premises or New Improvements, or any and all other Claims arising out of or resulting from the discovery or presence of Existing Contamination on, in, under or about the Leased Premises or New Improvements.

20.7. Notice.

If any Tenant Party is required by any Law to give notice to any Governmental Agency about any Contamination, Tenant shall immediately give the Landlord's Director of Airport Operations 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 said Contamination. 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 Contamination not subject to the notification provisions of the first sentence of this Section 20.7, Tenant shall immediately give written notice of such condition to Landlord to the extent required by California Health and Safety Code Section 25359.7.

20.8. Storage and Use of Toxic Materials.

Any and all Toxic Materials permitted in, on, under or about the Leased Premises and New Improvements 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 and New Improvements. Except for the Required Improvements comprising storage tanks required to be constructed and installed by Tenant pursuant to Section 6.2 and the other provisions of this Lease, no 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 storage tanks or has failed to take Necessary Action when required to do so under Section 20.6, Landlord shall have the right to enter the Leased Premises and New Improvements for the purpose of removing any storage tank at Tenant's sole expense in accordance with a closure plan approved by regulatory authorities. If Tenant's Contamination is detected at the time of the storage tank removal, clean-up shall proceed in accordance with Section 20.6.

20.9. Disposal of Toxic Materials.

Notwithstanding anything to the contrary contained in this Section 20, Tenant shall not release or dispose of any Toxic Material, in the drains, storm drains, sewers, plumbing, or any other drainage facility within the Leased Premises, New Improvements, or the Airport that will cause or contribute to a violation of Environmental Laws or Contamination. The offsite disposal of Toxic Materials shall be in strict compliance with all Environmental Laws.

20.10. 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 and New Improvements. Such information shall be kept current at all times.

20.11. 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, provided 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, New Improvements or the Airport or upon Landlord.

20.12. 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 Governmental Agency: (i) permit applications; (ii) permits and approvals; (iii) notices of violations of Environmental Laws and Tenant's responses thereto; (iv) environmental assessments, and (v) any other documents related to compliance with Environmental Laws that Landlord may reasonably request from time to time.

20.13. Annual Site Investigation.

In addition to Landlord's right of access to the Leased Premises and New Improvements set forth in Section 1.4, Landlord shall have the right, but not the obligation, to conduct annually an environmental inspection and assessment of the Leased Premises and New Improvements during each year of the term of this Lease, 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 hereunder, fifty percent (50%) of the reasonable cost of each such annual inspection applicable to the Leased Premises and New Improvements. If the environmental inspection and assessment of the Leased Premises or New Improvements discloses the existence of any Tenant's Contamination, Tenant shall take any and all Necessary Action as provided in Section 20.6. In the event that Landlord elects not to conduct an annual environmental inspection and assessment, or if Landlord's environmental inspection and assessment fails to discover or disclose any Tenant's Contamination, Tenant shall not be excused from performing its obligations or relieved from liability to Landlord under this Section 20.

20.14. Environmental Assessment at End of Lease Term.

On or before the expiration or termination of this Lease, Tenant shall take any and all action required to be taken under the Environmental Laws in order to: (i) surrender the Leased Premises and New Improvements to Landlord free of any and all Toxic Materials present in amounts exceeding then applicable Governmental Agency action levels as a result of Tenant's Contamination; and (ii) if directed in writing by Landlord pursuant to Section 6.8, close or remove any storage tanks in, on, under or around the Leased Premises and New Improvements to the extent installed by Tenant. Such closure or removal shall be deemed to constitute Necessary Action within the meaning of Section 20.6 hereof, and all the provisions of Section 20.6 relating to Necessary Action shall be applicable to such closure and removal. Unless waived in writing by Landlord, Tenant, within ninety (90) days of commencement of this Lease

and within ninety (90) days prior to the expiration or termination of this Lease or prior to any assignment of all or any portion of the Leased Premises and New Improvements, shall provide to Landlord a written report certifying that each Tenant Party is in compliance with the Environmental Laws, or, if this Lease is expiring or terminating, that each Tenant Party has complied with the provisions of this Section 20. This report shall contain the following information: (i) a list of all permits issued under Environmental Laws regulating each Tenant Party's business on the Leased Premises and New Improvements and a description of all such permits; (ii) for each permit on the list, a description of the particular area or operation that requires compliance with such permit by a Tenant Party; (iii) for each permit on the list, a description of each Tenant Party's compliance program for the Environmental Law or corresponding regulatory program; (iv) for each permit on the list, a list of all alleged violations for the prior calendar year or Annual Period, or an affirmative statement that there were no alleged violations during said period; (v) copies of environmental assessments or compliance audits done during the prior calendar year; and (vi) a certification. The certification shall be signed and notarized by an appropriate corporate manager of Tenant who has direct responsibility for environmental compliance at the Leased Premises and New Improvements. The certification shall state as follows: "I, (name), am an employee of (Tenant's name). My title is (Title). My job responsibilities include direct responsibility for monitoring and assessing environmental compliance at (Leased Premises and New Improvements). This report has been prepared by me or under my direct supervision during the course of my employment for (Tenant's name). I hereby certify that I have personal knowledge of the facts in the report and that said facts are true, accurate and complete. I also certify that (the Leased Premises and New Improvements) are in compliance with all applicable federal, state and local environmental Laws except to the extent otherwise disclosed in this report. (Signature, notary seal and date.)" Tenant shall bear all costs of such reports and shall reimburse Landlord for any and all reasonable out-of-pocket costs incurred by Landlord in connection with its review of such report. From time to time during the Lease term, but no more often than once per Annual Period, Landlord shall have reasonable access to the Leased Premises and New Improvements to conduct an environmental assessment to audit Tenant's compliance with Environmental Laws.

20.15. Prohibited Substances.

The following substances are strictly prohibited from being brought onto the Leased Premises, New Improvements or the Airport in any quantities whatsoever: (i) arsines; (ii) dioxins, including dioxin precursors and intermediates; (iii) polychlorinated biphenyls; and (iv) any chemical marked with an asterisk (*) in 22 California Code of Regulations Section 66680(d) as amended, or any waste which meets the definition of extremely hazardous waste in 22 California Code of Regulations Sections 66720 and 66723, as amended.

20.16. Definitions.

20.16.1. Contamination.

The term "Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises or New Improvements, or any other contamination or deterioration of groundwater, subsoil or soil in, on,

under or originating from the Leased Premises or New Improvements. The term "Tenant's Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials by any Tenant Party or by any other persons subject to any Tenant Party's control on, in, under or about the Leased Premises or New Improvements from and after the earlier to occur of the Commencement Date or Tenant taking possession of the Leased Premises and until the termination of this Lease and the surrender of possession of the Leased Premises and the New Improvements to Landlord, including, without limiting the generality of the foregoing, any spilling, discharging, releasing or disposing of Toxic Materials from and after the Commencement Date, but shall not include any discharge or release migrating to the Leased Premises or New Improvements from other land. The term "Existing Contamination" means any spilling, discharging, releasing or disposing of Toxic Materials on, in, under or about the Leased Premises prior to the Commencement Date. Landlord and Tenant agree that, in any action or proceeding between one or more Tenant Parties and Landlord Parties in which it is necessary for the finder of fact to determine whether Contamination is either Tenant's Contamination or Existing Contamination or a combination of Tenant's Contamination and Existing Contamination, for purposes of interpreting or applying the provisions of this Lease relating to Contamination, all Contamination constitutes Tenant's Contamination except to the extent that a Tenant Party can prove, either (i) by a preponderance of admissible direct evidence, without the use of circumstantial evidence, or (ii) by clear and convincing admissible evidence, which may include the use of admissible circumstantial evidence, that some or all of the Contamination is Existing Contamination. In the event that a Tenant Party proves that Contamination is a combination of Tenant's Contamination and Existing Contamination, the parties shall make a good faith effort to determine, on a percentage of clean-up cost basis, the portion that is Tenant's Contamination and the portion that is Existing Contamination, failing which the parties shall request the court in the action or proceeding to appoint a special master to make the determination. The good faith determination of the parties or the determination of the special master shall be set forth by the parties in a written stipulation, which shall be filed in the action or proceeding.

20.16.2. Environmental Laws.

The term "Environmental Laws" means any and all laws, rules, statutes, regulations, judgments, orders, permits, licenses, certificates, registrations, approvals, agreements, covenants, restrictions, requirements, policies or the like enacted now or hereafter 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 New Improvements, including, without limitation, the statutes described in the definition of Toxic Materials.

20.16.3. 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 authority 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 shall include, without limitation, the following compounds: (i) asbestos, (ii) petroleum, petroleum by-products, and petroleum degradation products, (iii) polychlorinated biphenyls, (iv) all substances now or hereafter 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 hereafter 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 hereafter defined as "hazardous waste" by Section 25117 of the California Health and Safety Code, (vii) all substances now or hereafter designated by the Governor of the State of California as substances known to the state to cause cancer or reproductive toxicity pursuant to California Health and Safety Code Section 25249.8, (viii) all substances now or hereafter defined as an "economic poison" pursuant to California Health and Safety Code Section 12753, and (ix) all substances now or hereafter defined as "extremely hazardous waste" pursuant to California Health and Safety Code Section 25115.

20.16.4. Liabilities.

The term "Liabilities" shall mean any and all Claims (as defined in Section 4.8.5) 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, without limitation, the following: (i) diminution in value of the Airport, the Leased Premises or New Improvements, (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 New Improvements, (iii) damages arising from any adverse impact on marketing of space at the Airport, the Leased Premises or New Improvements, (iv) sums paid in settlement of Claims (including, without limitation, reasonable 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, and (vi) costs incurred in connection with any investigation of site conditions and any cleanup, remediation, removal or restoration work necessary should Tenant fail to comply with Section 20.6.

21. OFFSET STATEMENT.

21.1. Delivery.

Tenant, from time to time upon not less than ten (10) days' prior written 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).

21.2. Reliance.

Any such statement may be relied upon by any encumbrancer of the Leased Premises and New Improvements 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.

22. MISCELLANEOUS.

22.1. Lease Interpretation.

22.1.1. Incorporation of Prior Agreements; Amendments.

This Lease contains the entire agreement between the parties hereto, and no prior or contemporaneous agreement or understanding shall be effective for any purpose, all of which, if any, are hereby terminated or rescinded, except as to provisions which are expressly stated to survive termination and any indemnity or insurance obligations in favor of Landlord. Except as otherwise expressly provided herein, no provision of this Lease may be amended or added to, except by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant agrees that it shall not unreasonably refuse to execute any amendment of or supplement to this Lease which Landlord determines is necessary or advisable in order to comply with applicable Laws, governmental regulations or Landlord's uniform policies reflected in resolutions in effect from time to time; provided Tenant shall not be required to execute any amendment of or supplement to this Lease which impairs the rights and benefits of Tenant or increases the obligations and liabilities imposed on Tenant under this Lease.

22.1.2. 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 herein 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, except as herein expressly set forth.

22.1.3. 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.

22.2. 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.

22.3. 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 Event of Default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular amount so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No waiver on the part of Landlord with respect to any provision of this Lease shall be effective unless such waiver is in writing.

22.4. 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.

22.5. Headings.

The Section headings, paragraph captions and marginal headings contained in this Lease are for convenience only and shall have no effect in the construction or interpretation of any provision hereof.

22.6. Notices.

All notices, requests, demands and other communications given, or required to be given under this Lease, shall be in writing, duly addressed to the parties as follows:

To Landlord: Burbank-Glendale-Pasadena
Airport Authority
2627 Hollywood Way
Burbank, CA 91505
Attn: Contracts and Properties Administrator

To Tenant: Southwest Airlines Co.
P.O. Box 376611
Love Field
Dallas, TX 75235
Attn: Vice President of Fuel Management

Any notices properly addressed, sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received seventy-two (72) hours after they are deposited in the United States mail, postage prepaid. Notices shall be deemed delivered and received at the time delivered if properly addressed and delivered to the addresses set forth in this Section during normal business hours or personally delivered to the person to whose attention they are addressed or sent by confirmed telecopy to a party's regular business telecopier during regular business hours. Notice sent by any other manner shall be effective upon actual receipt of the addressee. Any party may change its address for purposes of this Section by giving notice to the other party as provided in this Section.

22.7. Brokers.

Tenant warrants that it has not had any dealings with any real estate broker or agent in connection with this Lease, and Tenant agrees to defend, indemnify and hold harmless the Landlord Parties from and against any and all Claims for any compensation, commission or other charge by any finder or any other real estate broker or agent claiming through Tenant.

22.8. Recording.

Tenant shall not record this Lease; however the parties shall execute, deliver and record a memorandum thereof.

22.9. Governing Law.

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.

22.10. Signs.

Tenant shall not, without the prior written consent of Landlord, install or affix any signs or advertisements on or to the exterior of the Leased Premises, New Improvements or the Airport.

22.11. 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.

22.12. Force Majeure.

If either party hereto 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 Laws, delays arising from environmental remediation, 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 for a period in excess of thirty (30) days the Commencement Date or excuse Tenant from the prompt payment of any rent or other charge required of Tenant hereunder, except as may be expressly provided elsewhere in this Lease.

IN WITNESS WHEREOF, this Lease has been executed by the undersigned as of on the date first set forth above.

"Landlord"

BURBANK - GLENDALE - PASADENA AIRPORT AUTHORITY, a public entity

BY: Joyce Streator
Joyce Streator, President

"Tenant"

SOUTHWEST AIRLINES CO., a Texas corporation

BY: Roger H. Yaan
VP - Fuel Management
Fuel

"EXHIBIT A"

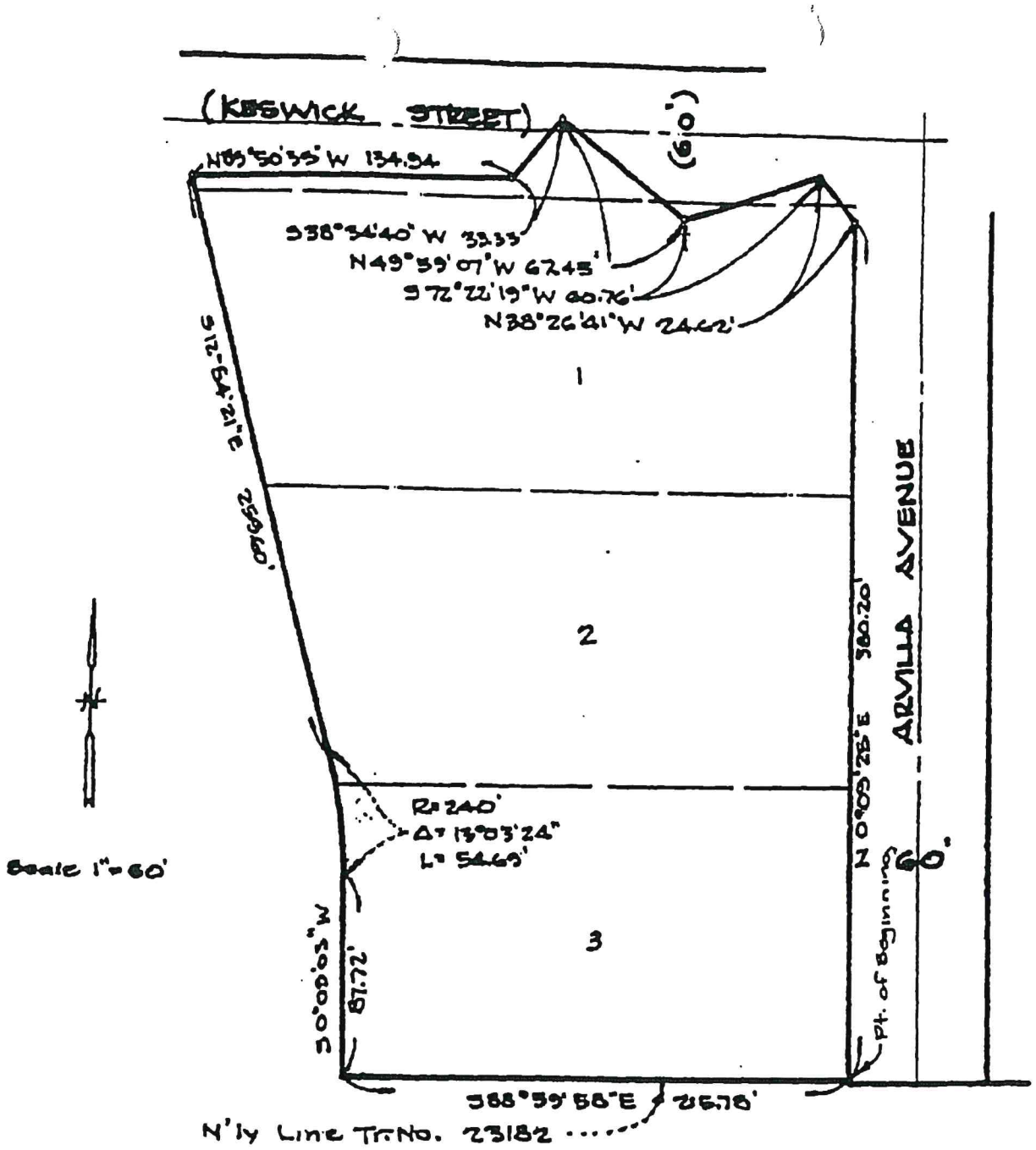
Legal description of Leased Premises

THAT PORTION OF LOTS 1, 2 AND 3 OF TRACT NO. 2532 TOGETHER WITH THAT PORTION OF KESWICK STREET, 60.00 FEET WIDE, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 28 PAGE 81 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF ARVILLA AVENUE, 60.00 FEET WIDE, AS SHOWN ON MAP OF TRACT NO. 23182 IN SAID CITY, COUNTY AND STATE AS PER MAP FILED IN BOOK 627, PAGES 82 AND 83 OF SAID MAPS, AND THAT CERTAIN COURSE IN THE NORTHERLY LINE OF LOT 1 OF SAID TRACT NO. 23182, SHOWN ON SAID MAP AS HAVING A BEARING AND LENGTH OF "NORTH 88°47'00" WEST 301.24 FEET"; THENCE ALONG SAID WESTERLY LINE OF ARVILLA AVENUE, NORTH 0°09'25" EAST 380.20 FEET; THENCE NORTH 38°26'41" WEST 24.62 FEET; THENCE SOUTH 72°22'19" WEST 60.76 FEET; THENCE NORTH 49°59' 07" WEST 67.45 FEET; THENCE SOUTH 38°34'40" WEST 33.33 FEET; THENCE NORTH 89°50'35" WEST 134.94 FEET; THENCE SOUTH 12°54'21" EAST 259.60 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE WESTERLY HAVING A RADIUS OF 240.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°03'24" AN ARC DISTANCE OF 54.69 FEET; THENCE SOUTH 0°09'03" WEST 87.72 FEET TO SAID NORTHERLY LINE OF SAID TRACT NO. 23182; THENCE ALONG SAID LINE, SOUTH 88°59'58" EAST 215.78 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.1707 ACRES.

DUBRON AND ASSOCIATES
SURVEYORS
16760 STAGG ST., SUITE 201
VAN NUYS, CA 91406
(818) 787-0676
JOB NO. 1009-1163 5/28/97



DUBRON AND ASSOCIATES *SURVEYORS*
16780 STAGG STREET SUITE 201
VAN NUYS, CA 91406 (818) 787-0676
5/28/97 • 1009 - 1165

Exhibit B

FAA GRANT AGREEMENT ASSURANCES

NONDISCRIMINATION

A. Tenant, for itself, its representatives, successors in interest, and permitted assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, managed or operated on the Leased Premises and New Improvements for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain, manage and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

B. Tenants for itself and its representatives, successors in interest and permitted assigns as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. No person on the ground of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises and New Improvements;

2. In the construction of any Improvements on, over or under the Leased Premises and New Improvements, if allowed, and the furnishings of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

3. Tenant shall use the Leased Premises and New Improvements in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

C. In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate this Lease and to re-enter and to repossess the Leased Premises and New Improvements, and hold the Leased Premises and New Improvements as if this Lease had never been made. This provision does not become effective until the procedures of 49 Code of Federal Regulations Part 21 are followed and completed, including expiration of appeal rights.

D. Tenant shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Tenant may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

E. Noncompliance with Provision D, above shall constitute a material breach hereof and in the event of such noncompliance Landlord shall have the right to terminate this Lease and the estate hereby created without liability therefor or, at the election of Landlord or the United States, either or both thereof shall have the right to judicially enforce Provisions A, B, C and D above.

F. Applicant agrees that it shall insert the above five provisions in any license or agreement by which said Tenant grants a right or privilege to any person, corporation, partnership, limited liability company or other entity to render accommodations and/or service to the public at the Leased Premises and New Improvements.

"EXHIBIT C"

Required Improvements

A. NEW TANKAGE

		TANK	DESCRIPTION
A.1	In Tank Vault 1		
	Compartment 1.1	#1	AST 8'ø X 33'Long, UL 142, Single Wall, Motor Gasoline, 12,000 Gal.
	1.2	#2	AST 8'ø x 33' Long, UL 142, Single Wall, AVGAS 100LL, 12,000 Gal.
	1.3	#3	AST 8'ø x 33' Long, UL 142, Single Wall, Diesel, 12,000 Gal.
	1.4	#4	18' Wide x 13' High X 50.7' Long Concrete Tank, Storm and Waste Water (#4A & #4B)
A.2	In Tank Vault 2		
	Compartment 2.1	#5	AST 11.5'ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.2	#6	AST 11.5'ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.3	#7	AST 11.5'ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.3	#8	AST 11.5ø X 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.
	2.3	#9	AST 11.5ø x 64' Long, UL 142 Type Single Wall, Jet A, 50,000 Gal.

A.3 Underground Tanks:

O/W#1 UST 8.0ø, 27' Long, TSI Separator, Model M
O/W#2 UST 8.0ø, 27' Long, TSI Separator, Model M

B. NEW BUILDINGS - MANNED

B.1 Operations Building:
Masonry one story, occupancy "B" office operations of 4-personnel, 1000 square feet including 120 square feet of laboratory, occupancy "B". Roof framing is steel with metal deck. Roof plan area for shadow = 1277 square feet.

"EXHIBIT C"

Required Improvements

C. NEW BUILDINGS - UNMANNED

C.1 Tank Vault Structure

Tank Vault 1

Reinforced Concrete
3 compartments with water fire sprinklers, NFPA 13.
2 compartments storm and waste water.

Tank Vault 2

Reinforced Concrete
5 compartments with water fire sprinklers, NFPA 13.

C.2 Loading Canopy: 3920 Sq. Ft with 3% AFFF foam/water sprinklers, NFPA 11. Structural Steel

C.3 Unloading Canopy 5120 Sq. Ft Structural Steel

C.4 Power Distribution Center: 160 Sq.Ft
Pre-manufactured steel building
Enclosing electrical motor control center
(Plan Check Package-Electrical)

C.5 Stand-By Power Generator (GENSET): 120 Sq.Ft
Pre-manufactured steel building (Plan Check Package-Electrical)

C.6 Transformer - Pad Mounted (Plan Check Package-Electrical)

"EXHIBIT D"

PERMITS

Bldg. Permit No.	
96WL 40522	Fuel storage vault w/att canopy
96WL 40520	Retaining Wall
96WL 40523	Office Lab
96WL 40519	Oil/Water Separators
96WL 40579	Grading
96WL 40521	Detached Canopy

AQMD	
326802	Jet-A Tank No. 1
326804	Jet-A Tank No. 2
326806	Jet-A Tank No. 3
326808	Jet-A Tank No. 4
326807	Jet-A Tank No. 5
322209	Gasoline Tank
322208	AVGAS Tank
322207	Transferring System

Exhibit "E"

REQUEST FOR APPROVAL
PROPOSED TENANT IMPROVEMENT

BURBANK GLENDALE PASADENA AIRPORT

1. Information

Tenant _____ Building# _____

Name of Contact _____

Address _____

Describe Proposed Improvements* _____

_____

_____

Estimated cost of improvements _____

Estimated start date _____ Completion Date _____

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

2. Preliminary Approvals

Airport Administration: Approved/Disapproved _____ Date _____

Comments _____

_____

Airport Engineering: Approved/Disapproved _____ Date _____

Comments _____

_____

3. Final Review and Approval

Safety & Security	(Reviewed by) _____	Date _____
Maintenance Department	(Reviewed by) _____	Date _____
Fire Department	(Reviewed by) _____	Date _____
Authority Insurance Underwriter	(Reviewed by) _____	Date _____
Engineering Department	(Approved by) _____	Date _____
Executive Director	(Approved by) _____	Date _____

4. Pre-Construction

Contractor _____ License# _____

Address _____

Contract Price _____

Date Construction to begin _____ End _____

Be sure to have a Certificate of Insurance, Material and Labor Bond and a Hold Harmless Statement.

Tenant Representative (Signed) _____ Date _____

5. Final Approval

Airport Engineering (Approved) _____ 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 of this form, and submit to: Burbank-Glendale-Pasadena Airport Administration, 2627 Hollywood Way, Burbank, CA 91505.
2. Upon receipt of this Request From, Airport Administration 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. Upon completion the form will be returned to the Tenant. The form will indicate whether preliminary approval has been granted, and if not granted, the reason for denial.
3. Upon receipt of preliminary approval, the Tenant shall proceed with preparing final plans and specifications for the Proposed Improvement. The plans and specifications shall conform to the following requirements. Five (5) sets of plans and specifications shall be submitted by the Tenant with this form to Airport Engineering for review by the Airport Fire Department, Airport Safety & Security, Airport Maintenance, Authority Insurance Underwriter and final review and approval by Airport Administration.
4. After the plans have received final approval and the Tenant has received written confirmation of this approval on this Form, the Tenant shall then complete Section 4, resubmit this form to the Authority notifying Engineering of their intent to begin construction. Prior to receiving approval to begin construction, a pre-construction meeting must be held in the Authority Administration offices when all insurance and bond requirements shall be satisfied, and a Hold Harmless Agreement shall be submitted to the Authority. Building permits and any other necessary permits shall be on file with the Authority. When all of these requirements have been satisfied, approval to begin construction will be granted on the form and a copy returned to the Tenant.
5. All Tenants shall within thirty (30) days after completion submit to Airport Engineering one set of "as built" plans. Also, an itemized summary of construction costs shall be forwarded to Airport Administration. Summary shall be signed by the contractor and notarized.

NOTES:
a) For smaller projects, costing less than $5,000 the Authority may at it 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

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 as required by State statutes.

Liability policies shall name Burbank-Glendale-Pasadena Airport Authority as an Additional Insured. Certificates of Insurance on all policies shall be filed with Airport Engineering. 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

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.

HOLD HARMLESS AGREEMENT

The Tenant and its Contractor agree to and do hereby indemnify and hold harmless Burbank-Glendale-Pasadena Airport Authority, its officers, agents and employees from every claim or demand made and every liability, loss, damage, or expense, of any nature whatsoever, which may be incurred by reason of:

a) liability for damages for (1) death or bodily injury to persons, (2) injury to, loss or theft of property, or (3) any other loss, damage or expense arising under either (1) or (2) above, sustained by the Contractor upon or in connection with the work performed on Airport property, except for liability resulting from the sole negligence or willful misconduct of Authority, its officers, employees, agents; and

b) any injury to or death of persons or damage to property caused by any act, neglect, default or omission of the Contractor, or any person, firm, or corporation, either directly or by independent contract, including all damages due to loss or theft, sustained by any person, firm, or corporation, including Authority, arising out of, or in any way connected with the work performed on Airport property whether said injury or damage occurs either on or off Authority property, if the liability arose from the negligence or willful misconduct of anyone employed by the Contractor, either directly or by Independent contract.

The contractor, at his/her own expense, cost, and risk, shall defend any and all actions, suits, or other proceedings that may be brought or instituted against the Authority, its officers, agents or employees, on any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the Authority, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "BUR FUEL COMPANY, LLC", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF SEPTEMBER, A.D. 2023, AT 1:40 O`CLOCK P.M.

Jeffrey W. Bullock, Secretary of State

2419233 8100
SR# 20233603608

Authentication: 204266771
Date: 09-28-23

You may verify this certificate online at corp.delaware.gov/authver.shtml

STATE OF DELAWARE
CERTIFICATE OF FORMATION
OF
BUR FUEL COMPANY, LLC

The undersigned authorized person, desiring to form a limited liability company pursuant to the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

1. The name of the limited liability company formed hereby is **BUR Fuel Company, LLC** (the "Company").

2. The registered office of the Company in the State of Delaware is located at 300 Creek View Road, Suite 209, Newark, New Castle County, Delaware 19711. The name of the registered agent at such address upon whom process against the Company may be served is Universal Registered Agents, Inc.

The undersigned has duly executed this Certificate of Formation as of September 28, 2023.

By: _____
Nolan Getty, Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:40 PM 09/28/2023
FILED 01:40 PM 09/28/2023
SR 20233603608 - File Number 2419233

AGREEMENT FOR ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT GROUND LEASE

This Agreement for Assignment and Assumption of Development Ground Lease (the "Agreement") is entered into to be effective as of 12:01 A.M. on _____ (the "Effective Date") by and between Southwest Airlines Co., a Texas corporation ("Assignor") and BUR Fuel Company, LLC, a Delaware limited liability company ("Assignee").

WHEREAS, Assignor entered into that certain Agreement for Development Ground Lease dated January 20, 1998 (the "Lease") with 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 (the "Landlord");

WHEREAS, Assignee and Aircraft Service International, Inc. d/b/a Menzies Aviation, a Delaware corporation, are parties to that certain Maintenance, Operating and Management Services Agreement dated January 1, 2019 (the "M&O Agreement"); and

WHEREAS, as of the Effective Date, Assignor desires to assign all of its right, title, and interest in and to the Lease to Assignee.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties to this Agreement agree as follows:

1. **DEFINED TERMS**. All capitalized terms used but not defined herein shall have the meaning given to them in the Lease.

2. **ASSIGNMENT**. Assignor hereby grants, conveys, transfers, assigns, releases, and delivers to Assignee, all right, title, and interest of Assignor in and to the Lease, the Leased Premises, effective as of the Effective Date, to have and hold the same unto itself, its successors and assigns for the remainder of the term of the Lease, and Assignee hereby accepts such grant, conveyance, transfer, assignment, release, and delivery.

3. **ASSUMPTION**. Assignee hereby assumes, and agrees to be bound by, all covenants, agreements, and obligations of Assignor under the Lease, which shall arise or be incurred, or which are required to be performed, on and after the Effective Date. The foregoing assumption expressly does not include assumption of any liabilities arising prior to the Effective Date. Assignee hereby accepts possession of the Leased Premises in its "as is/where is" condition.

4. **INDEMNIFICATION**.

    a. Assignor agrees to indemnify, defend and hold Assignee harmless from and against any liabilities, losses, claims, demands, fines, costs, expenses (including reasonable attorneys' fees and litigation costs) and judgments of any nature arising or alleged to

arise from or in connection with Assignor's performance of, or failure to perform, the covenants, agreements and obligations of the Tenant under the Lease before the date of this Assignment. Assignor shall pay all costs and expenses (including reasonable attorney's fees) incurred by Assignee in enforcing this indemnity, and from and against any and all liability to any third party, including claims for injury to or death of any person or damage to any property arising or alleged to arise from or in connection with Assignor's (A) performance of, or failure to perform, the covenants, agreements and obligations of this Agreement or of the Tenant under the Lease; or (B) occupancy or use of the Lease Premise prior to the Effective Date of this Assignment. Assignor shall pay all costs and expenses (including reasonable attorney's fees) incurred by Assignee in enforcing this indemnity.

b. Assignee agrees to indemnify, defend and hold harmless Assignor and Landlord, and their officers, employees, and agents, from and against any and all causes of action, liabilities, losses, claims, demands, fines, costs, expenses (including reasonable attorneys' fees and litigation costs) and judgments of any nature, and from and against any and all liability to any third party, including claims for injury to or death of any person or damage to any property arising or alleged to arise from or in connection with Assignee's (A) performance of, or failure to perform, the covenants, agreements and obligations of this Agreement or of the Tenant under the Lease; or (B) occupancy or use of the Lease Premise on and after the Effective Date of this Assignment, and continuing during the period of Assignee's possession of the Leased Premises. Assignee shall pay all costs and expenses (including reasonable attorney's fees) incurred by Assignor in enforcing this indemnity.

5. **FURTHER ASSURANCES**. It is the intent of the parties that the Lease and the Leased Premises be transferred, assigned, and delegated to the Assignee as aforesaid. Each party agrees to execute, acknowledge, and deliver any further deeds, assignments, conveyances, and other assurances, documents, and instruments of transfer and take such other actions consistent with the foregoing as may be necessary to carry out the intent of this Agreement or as may be requested.

6. **CONDITIONS PRECEDENT**. This Agreement is subject to and conditioned upon:

a. The written consent of the Landlord to this Agreement and the assignment herein.

b. The assignment of the M&O Agreement from Assignor to Assignee, along with any required approvals.

7. **MISCELLANEOUS**.

a. This Agreement may be executed in any number of counterparts, all of which together shall be deemed to one and the same instrument. This Agreement and any amendments to it may be transmitted by electronic means and each party hereto agrees that electronic signatures, including signatures transmitted by scanned PDF, will be binding as original signatures.

b. This Agreement shall constitute the entire understanding between the parties hereto relating to the subject matter hereof, and there are no agreements or understandings, whether written or oral, which are not incorporated herein.

c. This Agreement shall be governed by and interpreted under the laws of the State of California.

[*Signature page follows*]

IN WITNESS WHEREOF, this Agreement has been duly executed on behalf of the parties hereto to be effective as of the Effective Date notwithstanding the actual date of execution.

Assignor:

SOUTHWEST AIRLINES CO.

By: _____

Name: Michael AuBuchon

Title: MD-Fuel Strategy & Mgmt

Assignee:

BUR FUEL COMPANY, LLC

By: _____

Name: Nolan Getty

Title: Chairperson

DRAFT, Subject to Change
11-13-23 Commission Mtg.
Item No. 5.i.

Helicopter Maintenance and Operations Lease
City of Burbank and City of Glendale

Presented to
Burbank-Glendale-Pasadena Airport Authority
November 13, 2023

Scott Kimball
Deputy Executive Director
Operations, Business and SMS

Location


7540 Wheatland Ave
Burbank Airport – North (AV Line)...
Hollywood Burbank Airport


Leased Premises
Burbank FAA Air Traffic Control Tower

Hangar; Airport Interior View



DRAFT, Subject to Change
11-13-2023 Commission Meeting
Item No. 5.k. September 2023
Passenger and Air Cargo Statistics

PASSENGER STATISTICS REPORT SEPTEMBER 2023

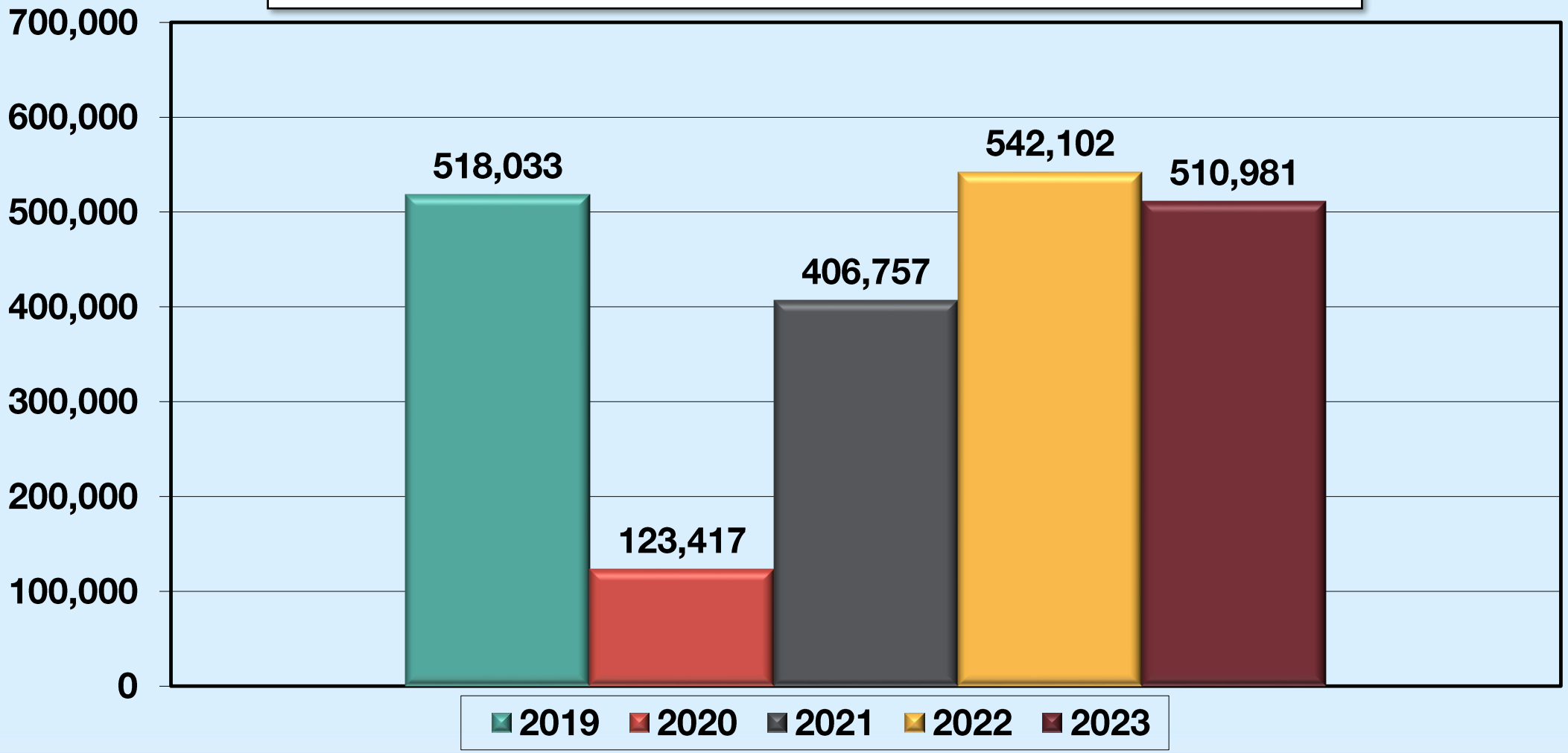
Burbank-Glendale-Pasadena
Airport Authority
November 13, 2023

Prepared by

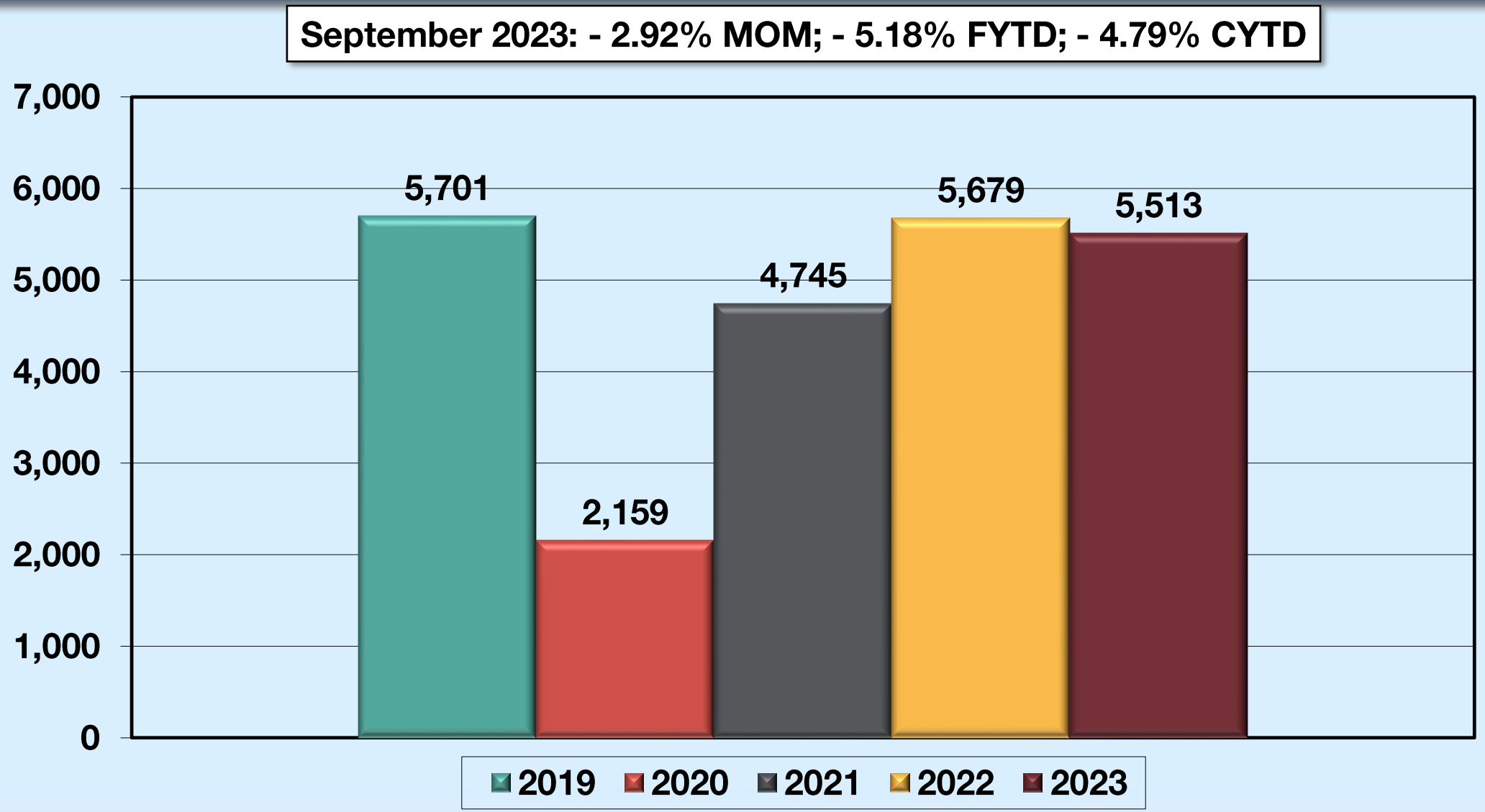
Nerissa Sugars, Director
Communications and Air Service

REVENUE PASSENGERS
ALL AIRLINES

September 2023: - 5.74% MOM; Calendar Year to Date: 0.28%; Fiscal Year to Date: - 3.89%



AIR CARRIER OPERATIONS
ALL AIRLINES



LOAD FACTOR: SEPTEMBER 2023 V. SEPTEMBER 2022

	2023	2022	
TOTAL Available Seats:	738,360	783,179	- 44,819 seats % ▼ - 5.72%
TOTAL Revenue Passengers:	510,981	542,102	- 31,121 passengers % ▼ - 5.74%
	Load Factor: 69.20%	**Load Factor:** 69.22%	

REGIONAL AIRPORT PASSENGER STATISTICS
SEPTEMBER 2023 V. SEPTEMBER 2022

BUR

2023	510,981
2022	542,102
% ▼	- 5.74%

ONT

2023	556,213
2022	516,945
% ▲	7.60%

SNA

2023	969,619
2022	1,014,460
% ▼	- 4.42%

LAX

2023	6,188,399
2022	5,630,514
% ▲	9.91%

LGB

2023	308,764
2022	282,032
% ▲	9.48%

LOAD FACTOR: SEPTEMBER 2023 V. SEPTEMBER 2022

	September 2023		September 2022	
Alaska	Seats: 78,792 Pax: 65,132	**Load Factor:** 82.66 %	Seats: 63,256 Pax: 50,228	**Load Factor:** 79.40%
American	Seats: 36,680 Pax: 30,588	**Load Factor:** 83.39%	Seats: 38,472 Pax: 33,762	**Load Factor:** 87.76%
Avelo	Seats: 38,514 Pax: 31,183	**Load Factor:** 80.97%	Seats: 43,281 Pax: 29,532	**Load Factor:** 68.23%

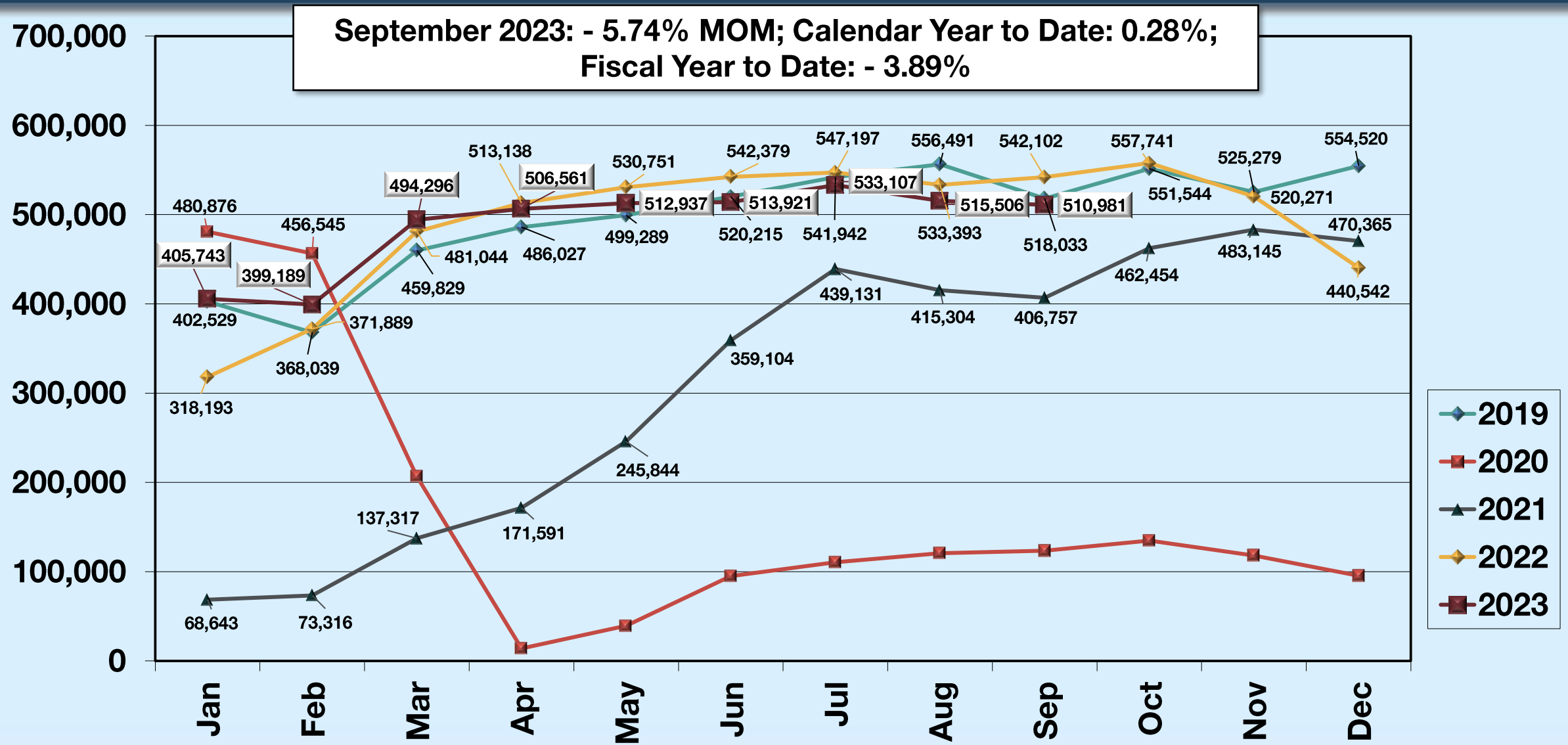
LOAD FACTOR: SEPTEMBER 2023 V. SEPTEMBER 2022

	September 2023		September 2022	
Delta	Seats: 13,376 Pax: 11,508	**Load Factor:** 86.03%	Seats: 23,688 Pax: 14,249	**Load Factor:** 60.15%
Flair	Seats: 0 Pax: 0	**Load Factor:** N/A	Seats: 3,402 Pax: 1,607	**Load Factor:** 47.24%
Frontier	Seats: 0 Pax: 0	**Load Factor:** N/A	Seats: 6,324 Pax: 3,895	**Load Factor:** 61.59%
JetBlue	Seats: 8,424 Pax: 6,671	**Load Factor:** 79.19%	Seats: 9,634 Pax: 7,326	**Load Factor:** 76.04%

LOAD FACTOR: SEPTEMBER 2023 V. SEPTEMBER 2022

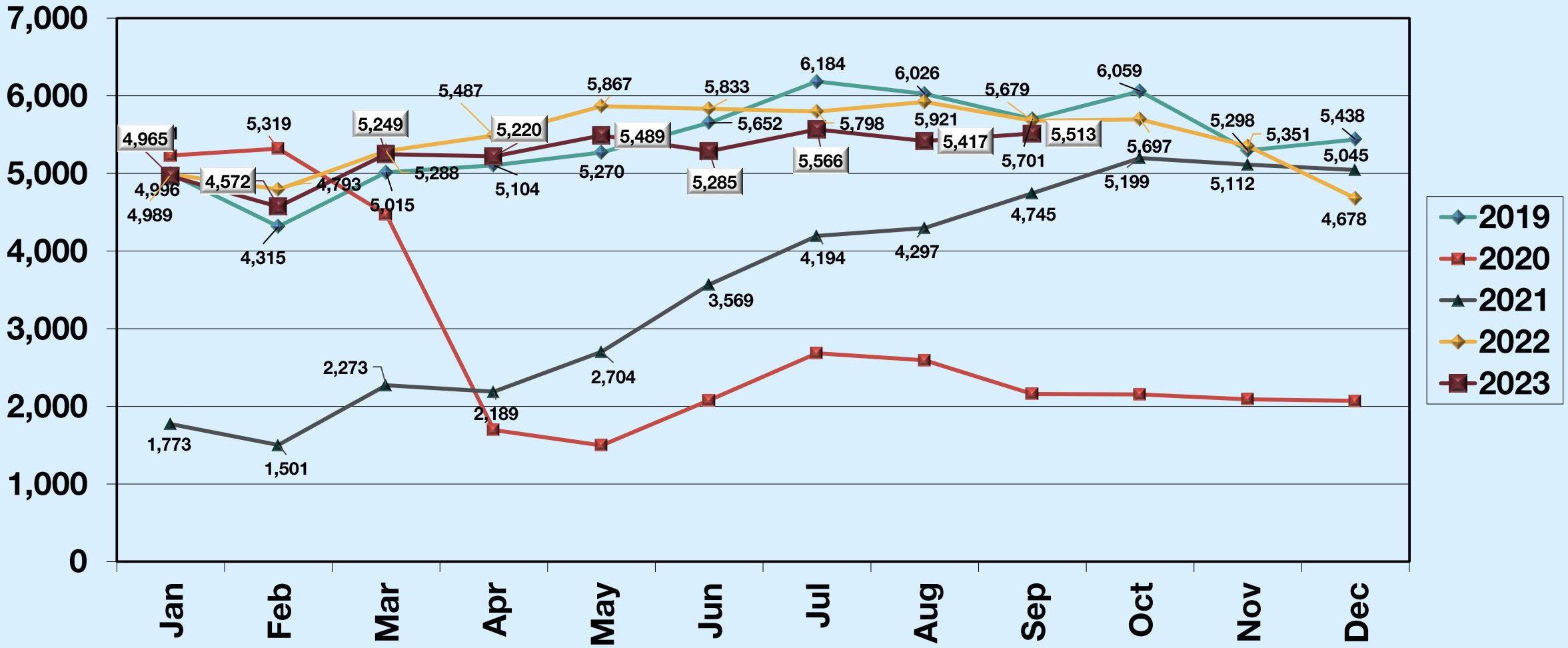
	September 2023		September 2022	
Southwest	Seats: 510,386 Pax: 326,095	**Load Factor:** 63.89%	Seats: 542,926 Pax: 359,113	**Load Factor:** 66.14%
Spirit	Seats: 28,028 Pax: 19,324	**Load Factor:** 68.95%	Seats: 21,294 Pax: 16,953	**Load Factor:** 79.61%
United	Seats: 24,160 Pax: 20,480	**Load Factor:** 84.77%	Seats: 30,902 Pax: 25,437	**Load Factor:** 82.32%

REVENUE PASSENGERS
ALL AIRLINES

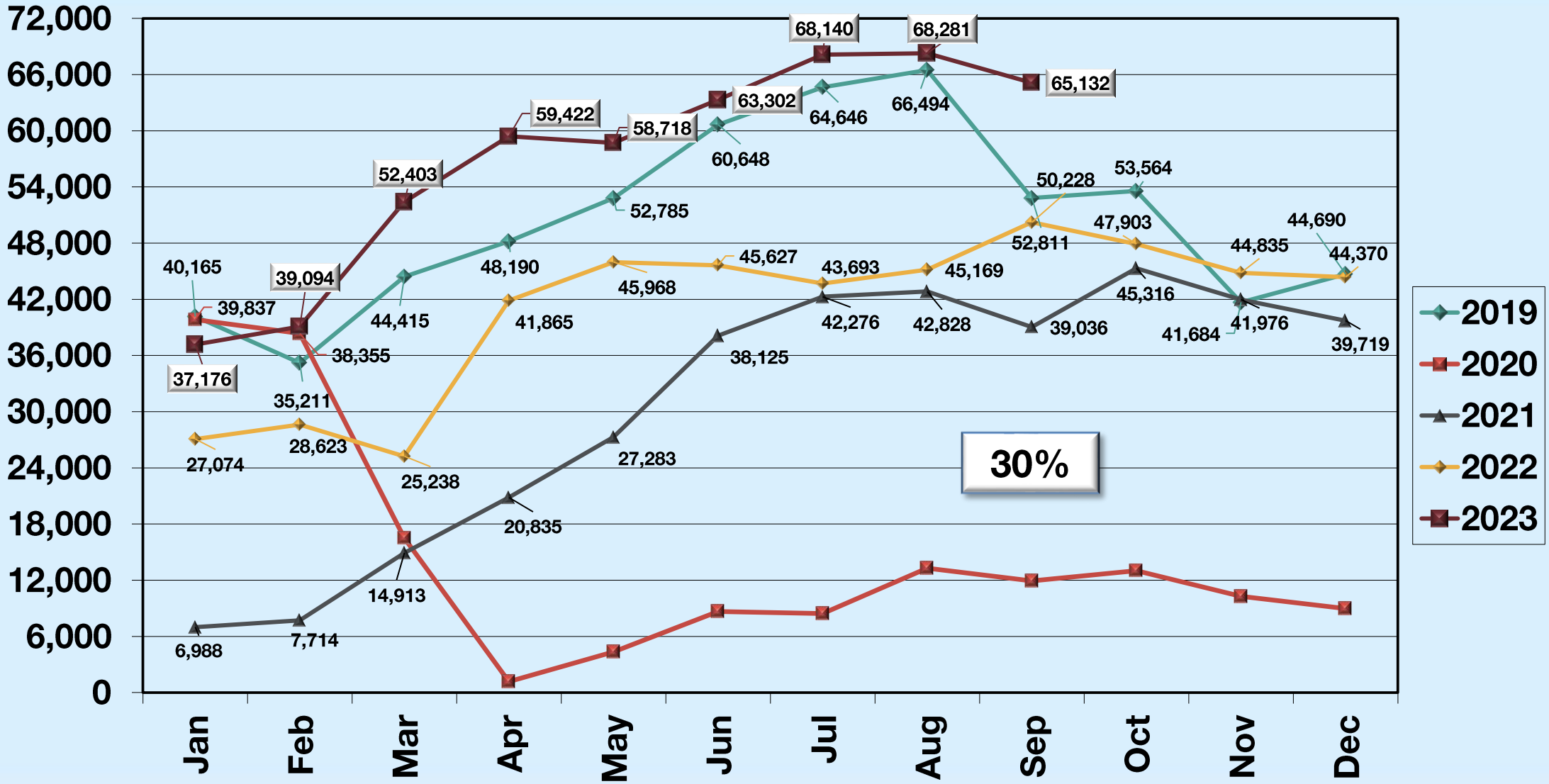


AIR CARRIER OPERATIONS
ALL AIRLINES

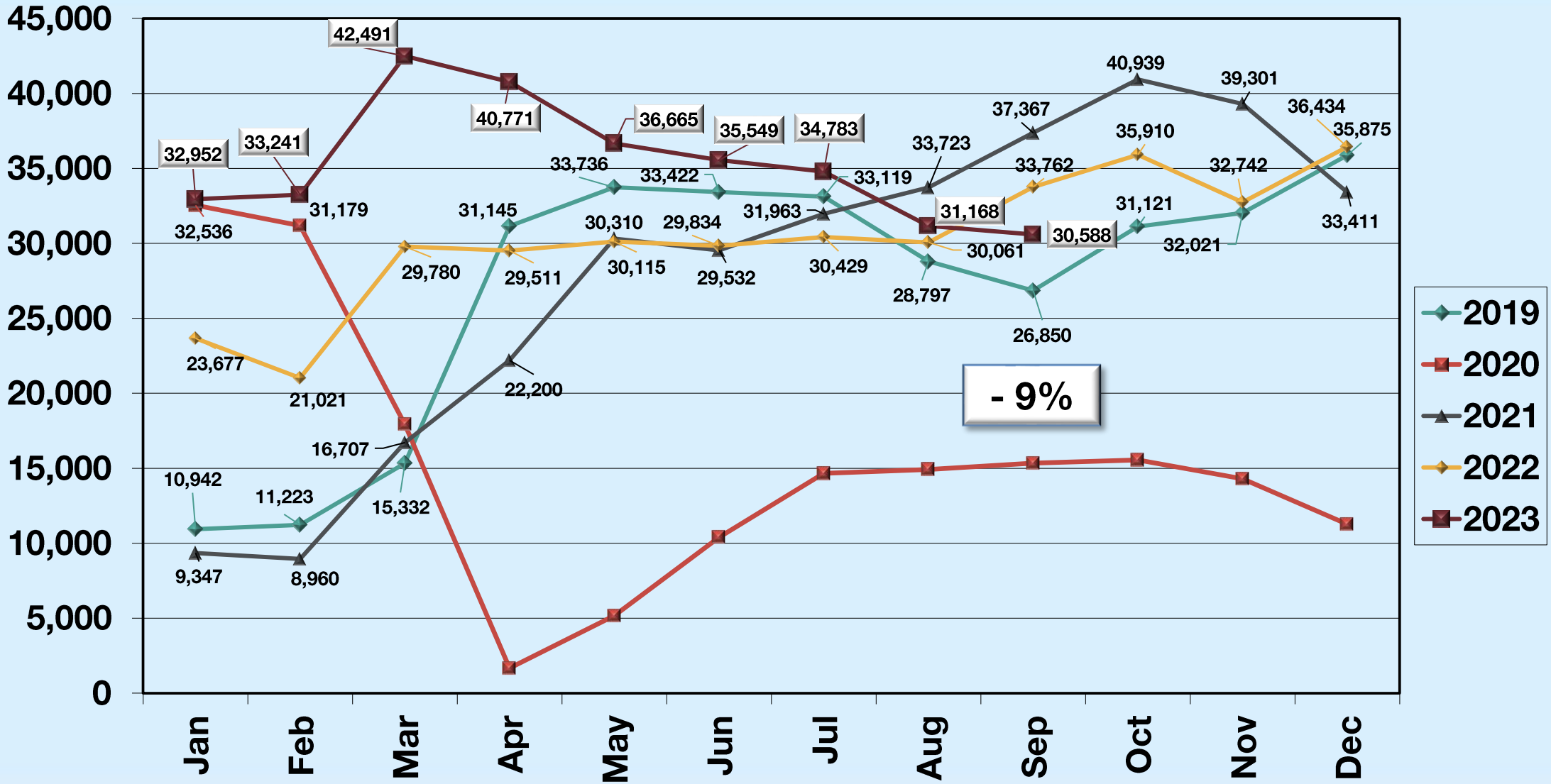
September 2023: - 2.92% MOM; - 5.18% FYTD; - 4.79% CYTD



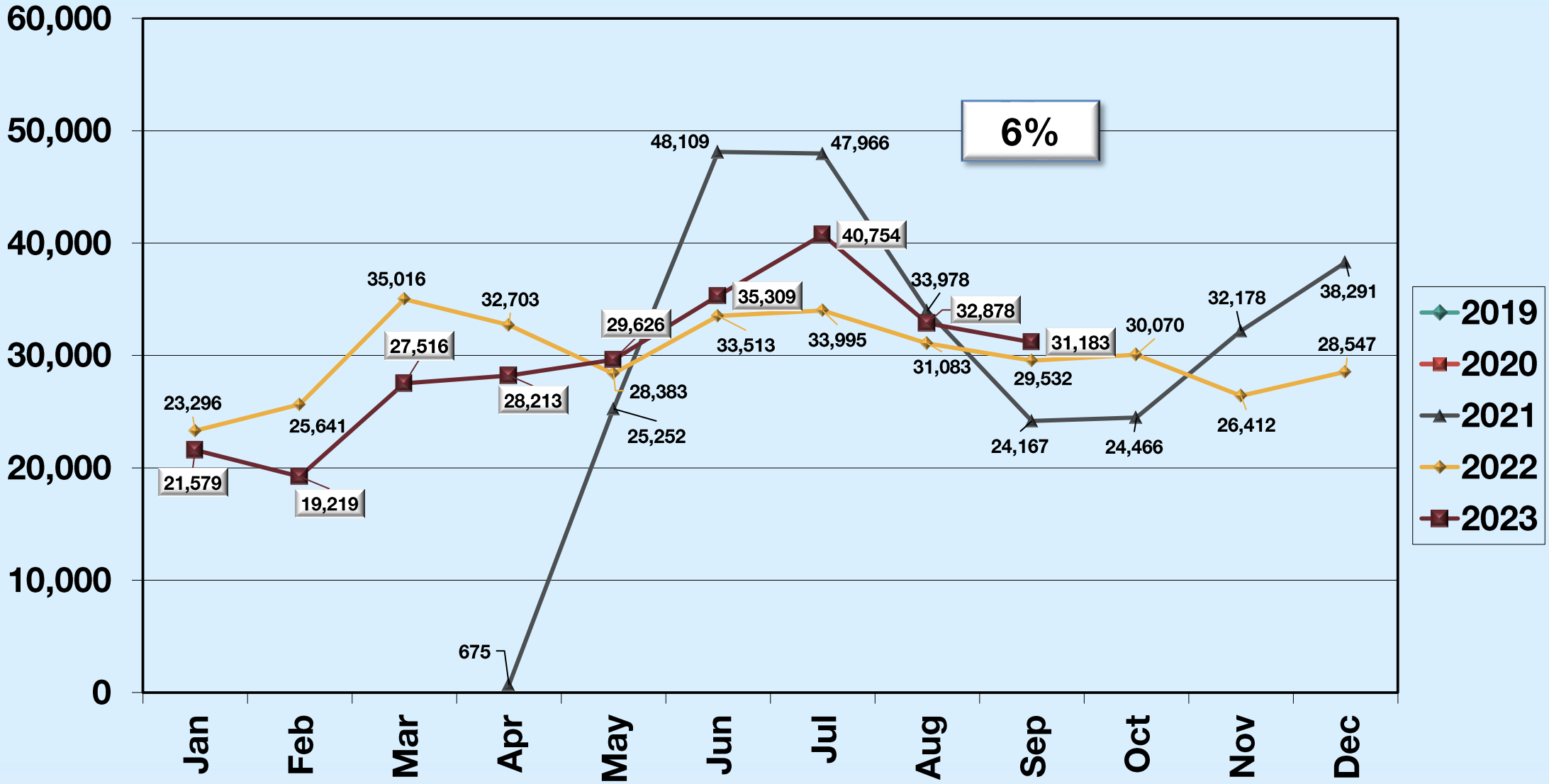
REVENUE PASSENGERS
ALASKA AIRLINES



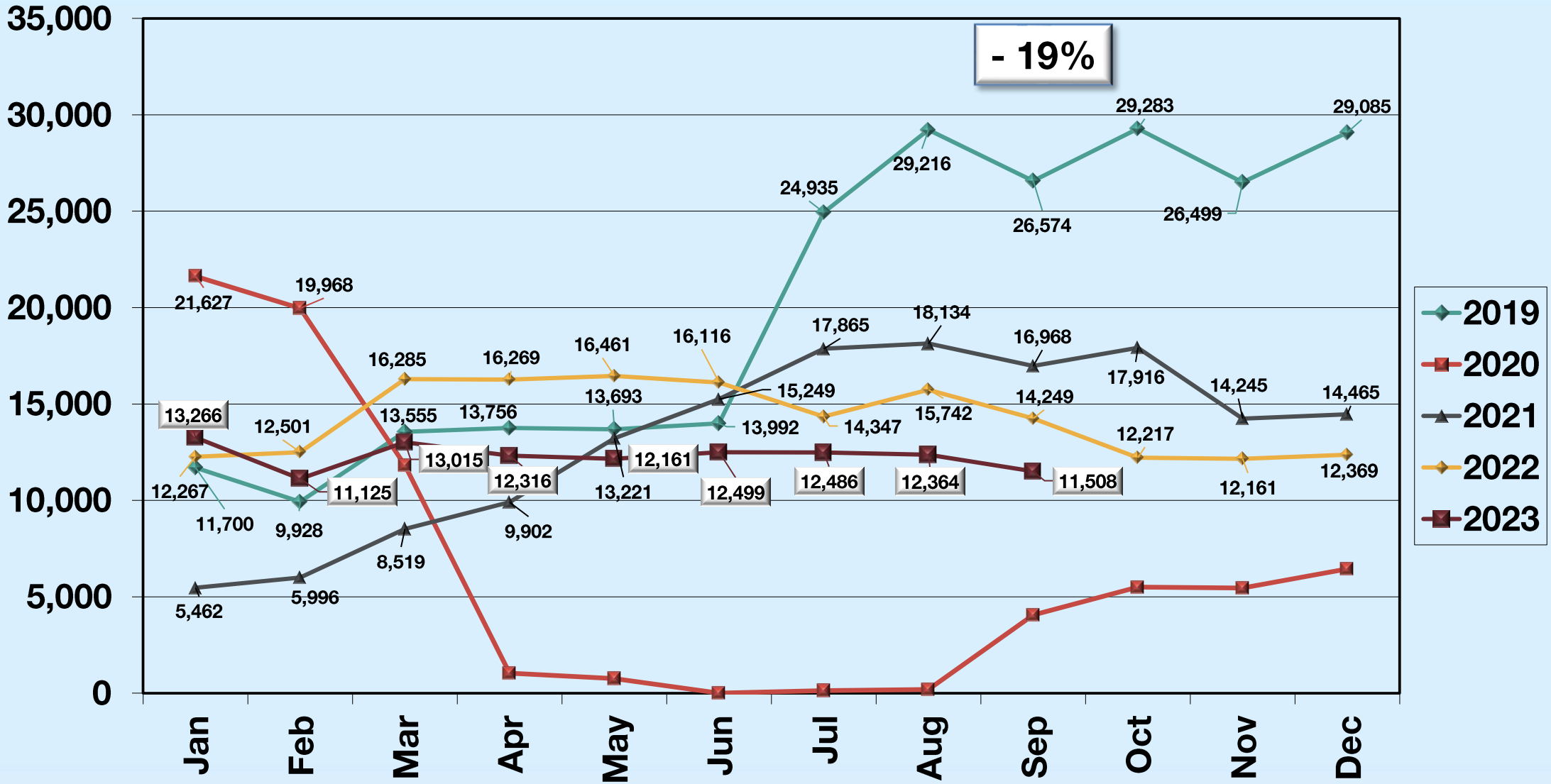
REVENUE PASSENGERS
AMERICAN AIRLINES



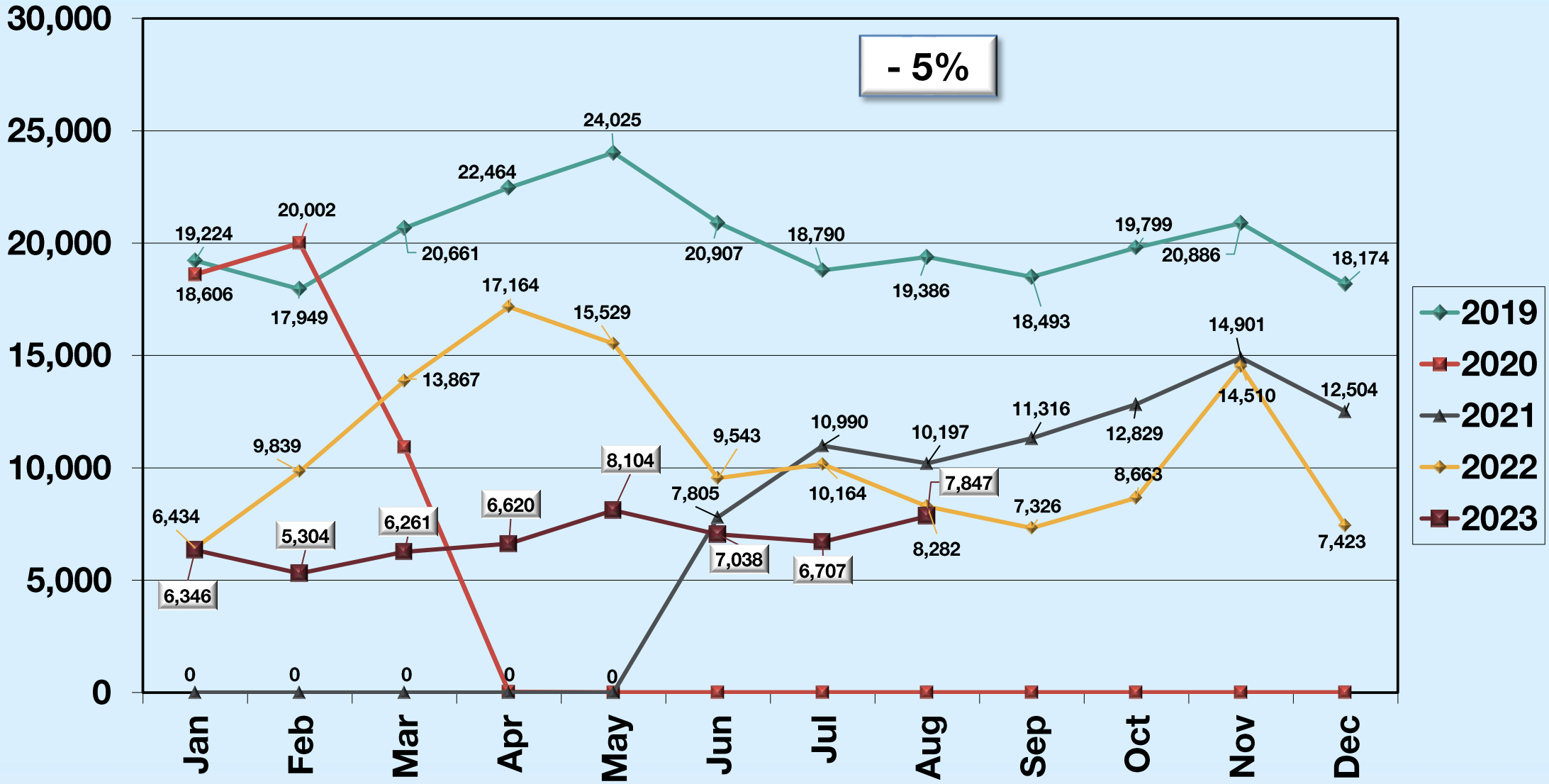
REVENUE PASSENGERS
AVELO AIRLINES



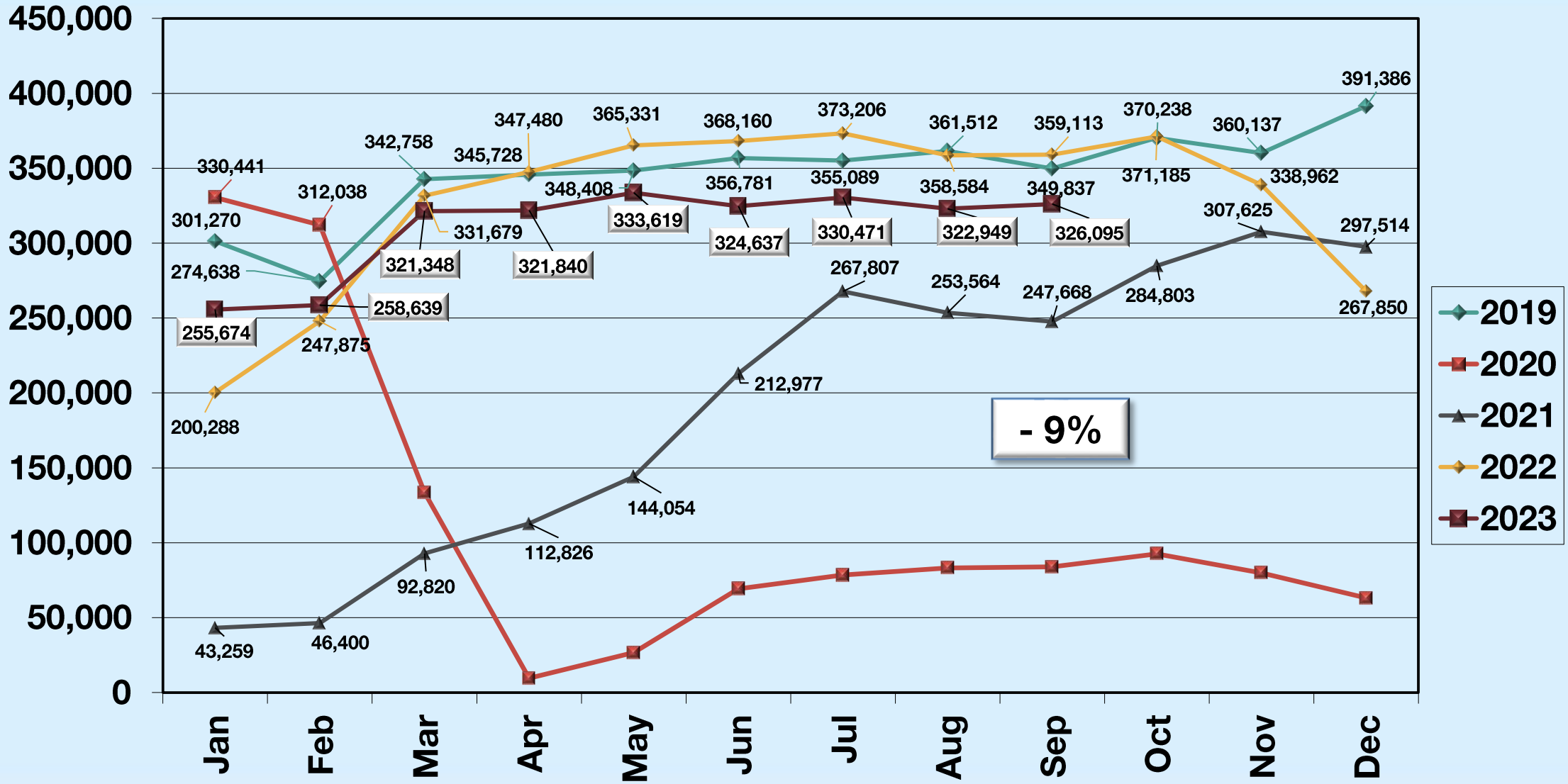
REVENUE PASSENGERS
DELTA AIR LINES



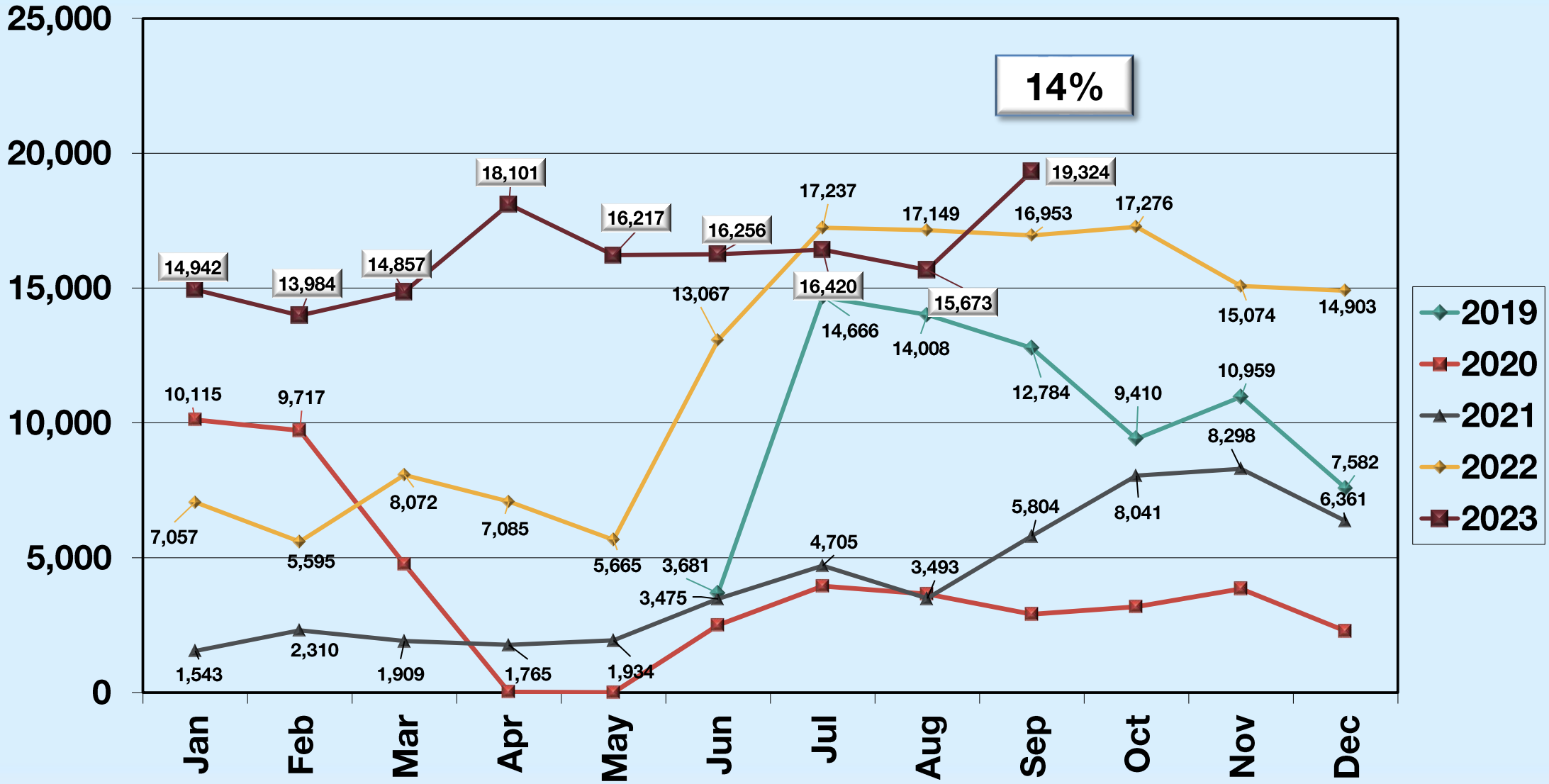
REVENUE PASSENGERS
JETBLUE AIRWAYS



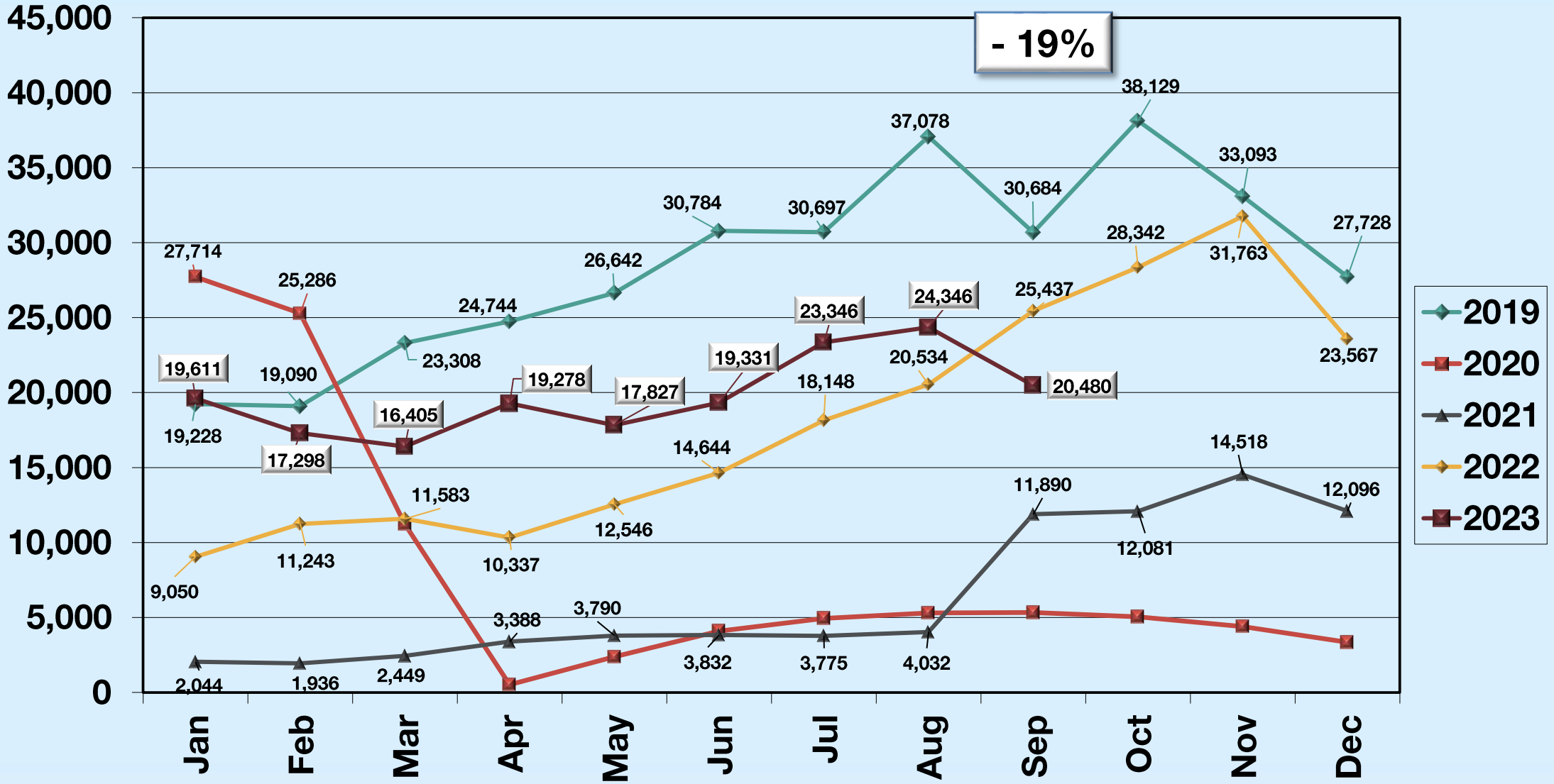
REVENUE PASSENGERS
SOUTHWEST AIRLINES



REVENUE PASSENGERS
SPIRIT AIRLINES



REVENUE PASSENGERS
UNITED AIRLINES



AIR CARRIER OPERATIONS
ALL AIRLINES

BREAKDOWN - MONTHLY TOTALS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2023	4,965	4,572	5,249	5,220	5,489	5,285	5,566	5,417	5,513			
2022	4,989	4,793	5,288	5,487	5,867	5,833	5,798	5,921	5,679	5,697	5,351	4,678
2021	1,773	1,501	2,273	2,189	2,704	3,569	4,194	4,297	4,745	5,199	5,112	5,045
2020	5,231	5,319	4,472	1,695	1,498	2,079	2,683	2,593	2,159	2,154	2,091	2,070
2019	4,996	4,315	5,015	5,104	5,270	5,652	6,184	6,026	5,701	6,059	5,298	5,438
2018	4,646	4,163	4,673	4,665	4,820	4,639	4,843	4,904	4,632	4,994	4,886	4,963
2007	5,777	5,203	5,834	5,857	6,237	6,023	6,318	6,324	5,974	6,326	6,001	6,075

Ground Transportation
Summary of Activity – September 2023

Presented to

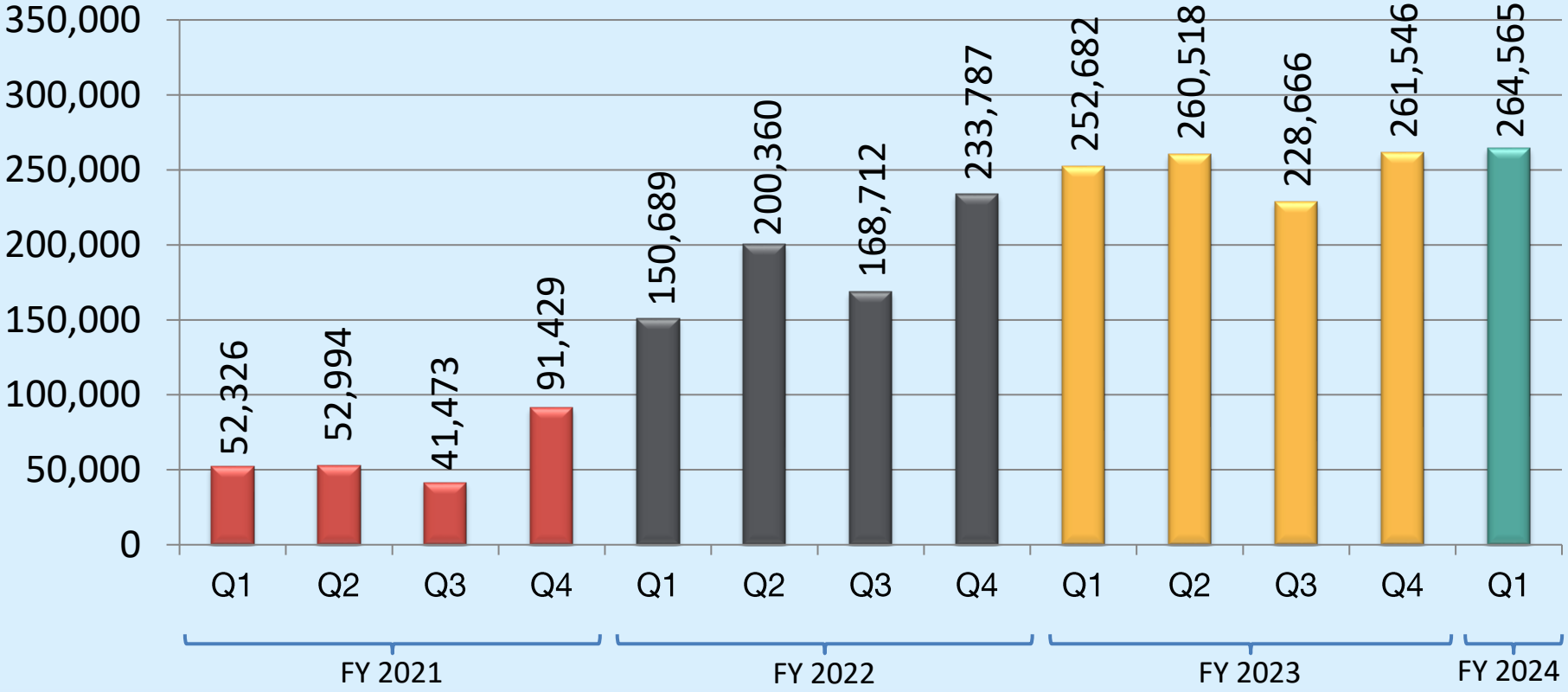
Burbank-Glendale-Pasadena

Airport Authority

November 13, 2023

Tom Janowitz
Sr. Manager, Ground Access

Quarterly TNC Activity Trend



September 2023 Activity Levels

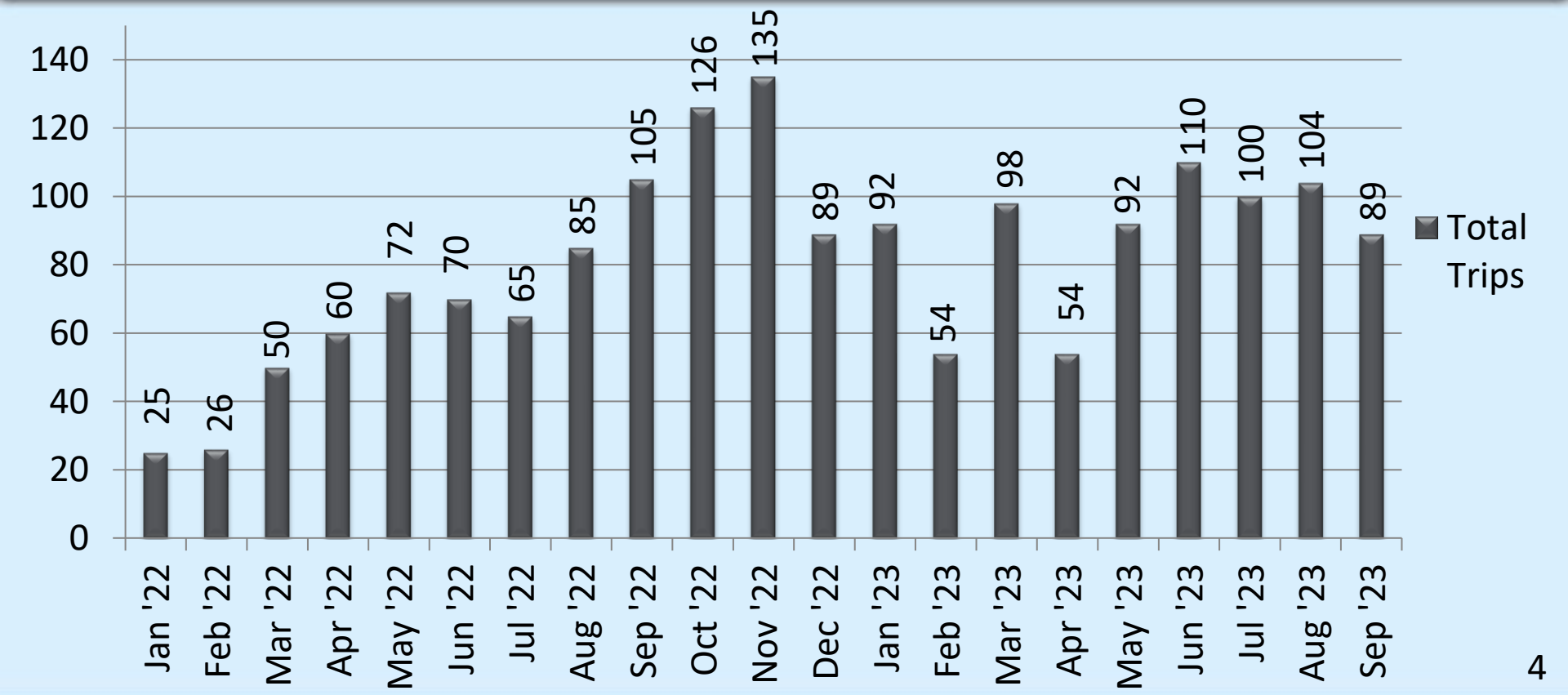
September 2023: $317,380

September 2022: $315,301

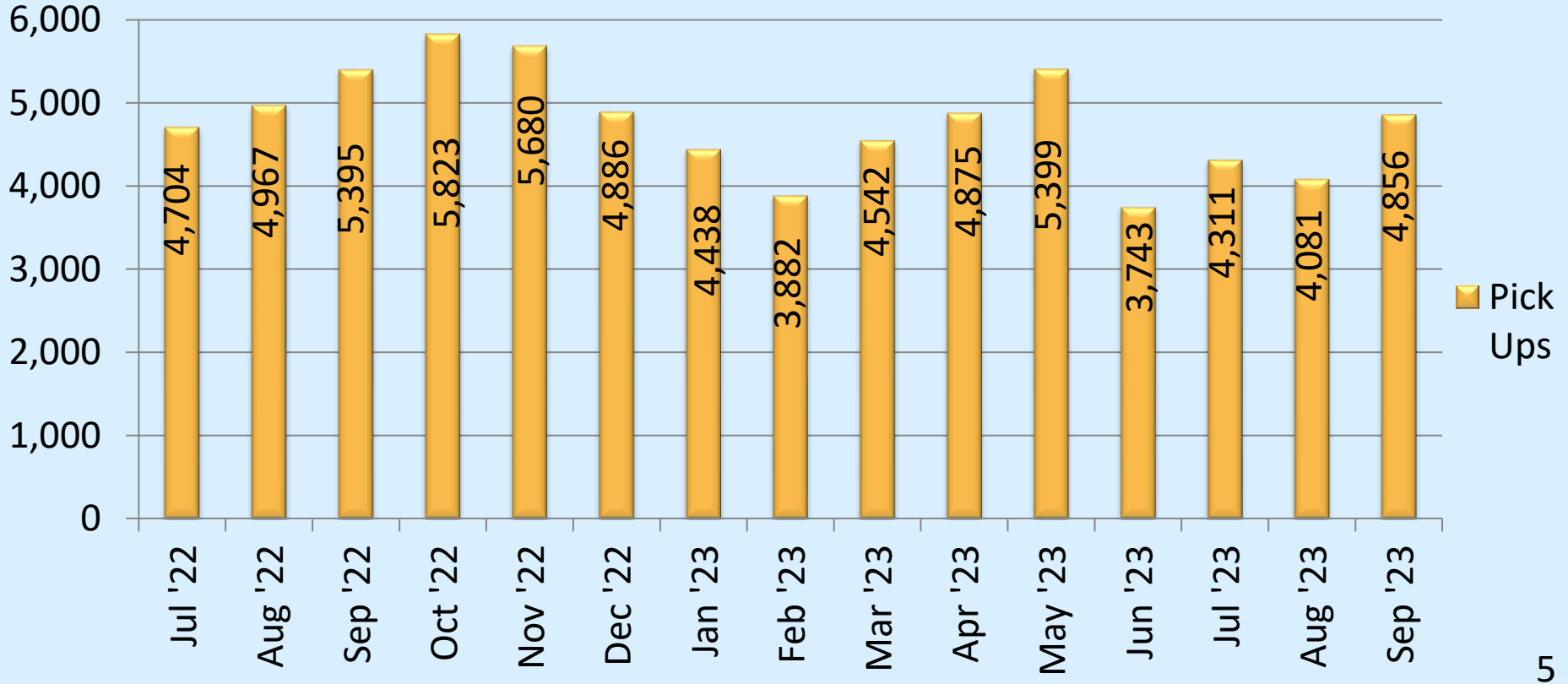
Difference: + $2,079

Passenger Activity Level Change:	- 5.74%
TNC Activity Revenue Change:	+ 0.66%

Metro Micro Activity Trend

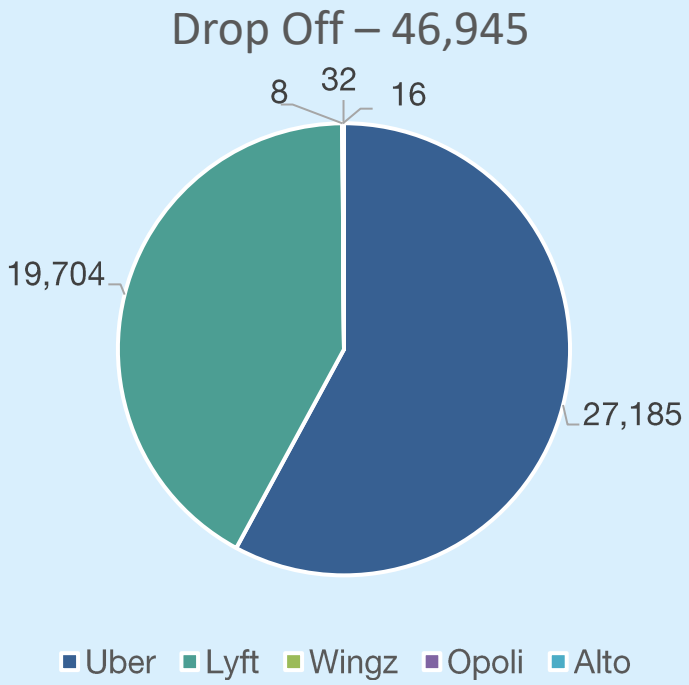


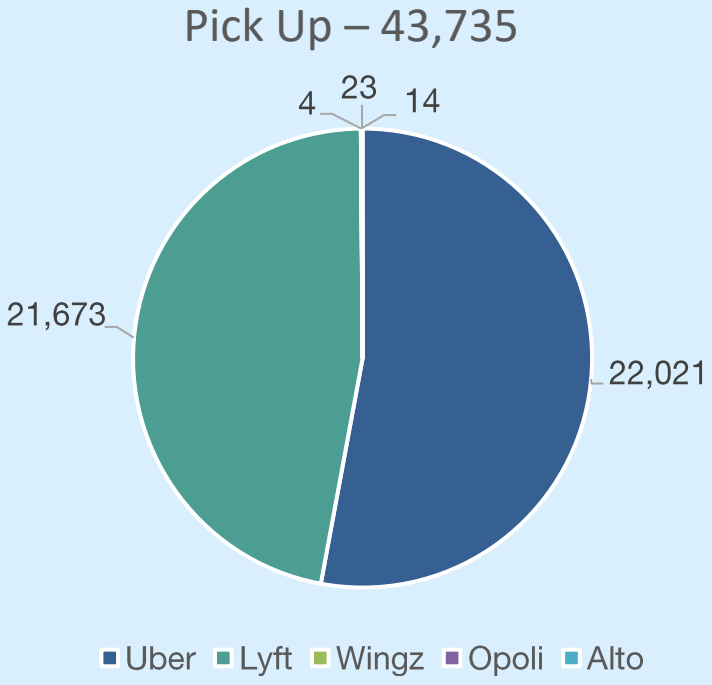
Taxi Activity Trend



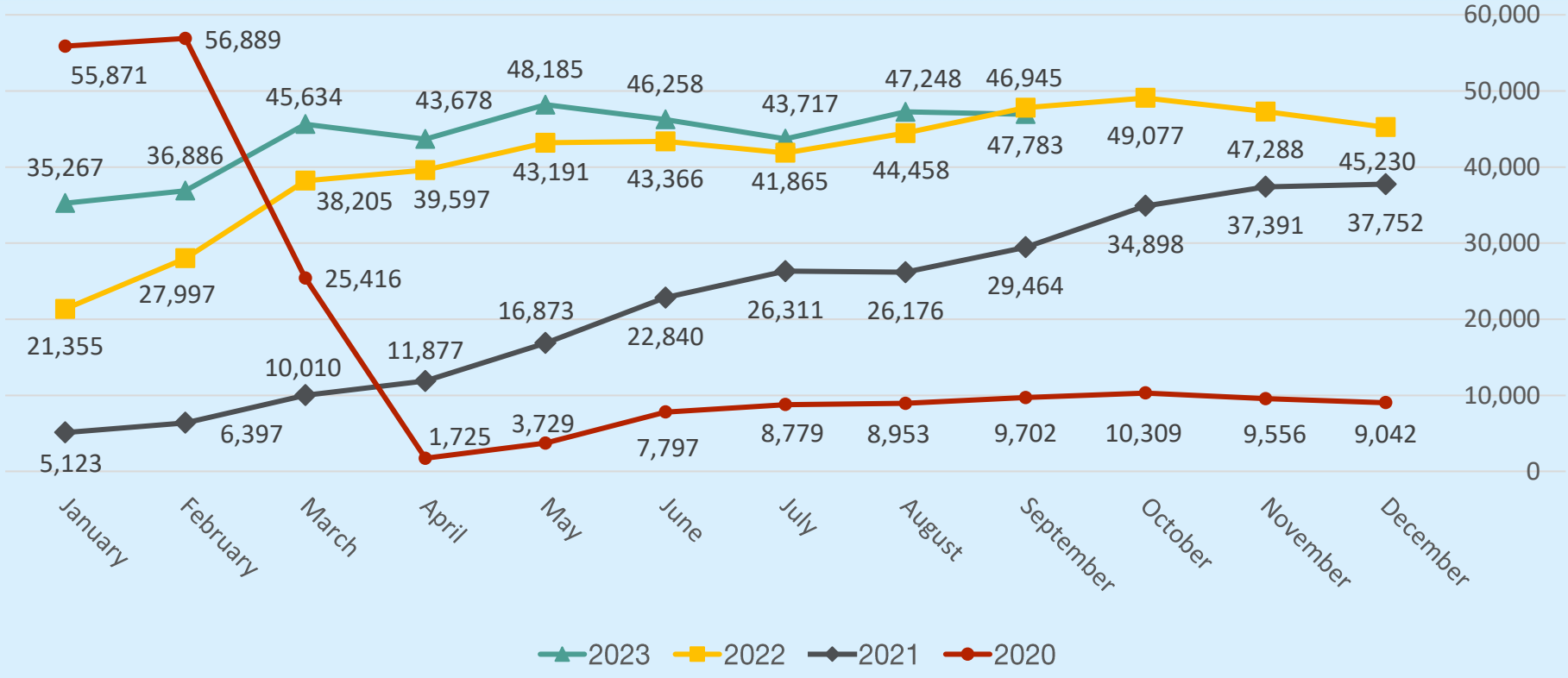
TNC Activity and Revenues – September 2023

TOTAL REVENUE = $317,380

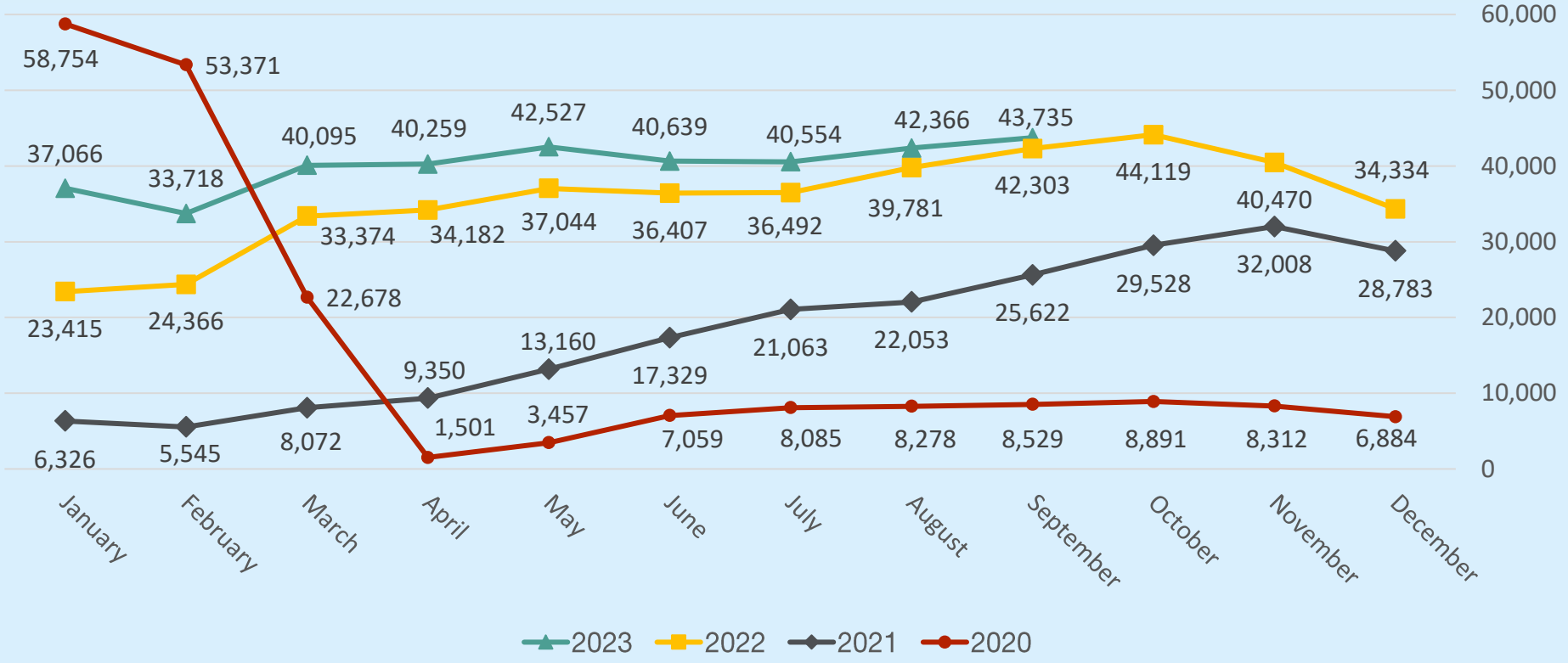




TNC Passenger Drop-Off



TNC Passenger Pick-Up



Parking Revenue – September 2023

Presented to

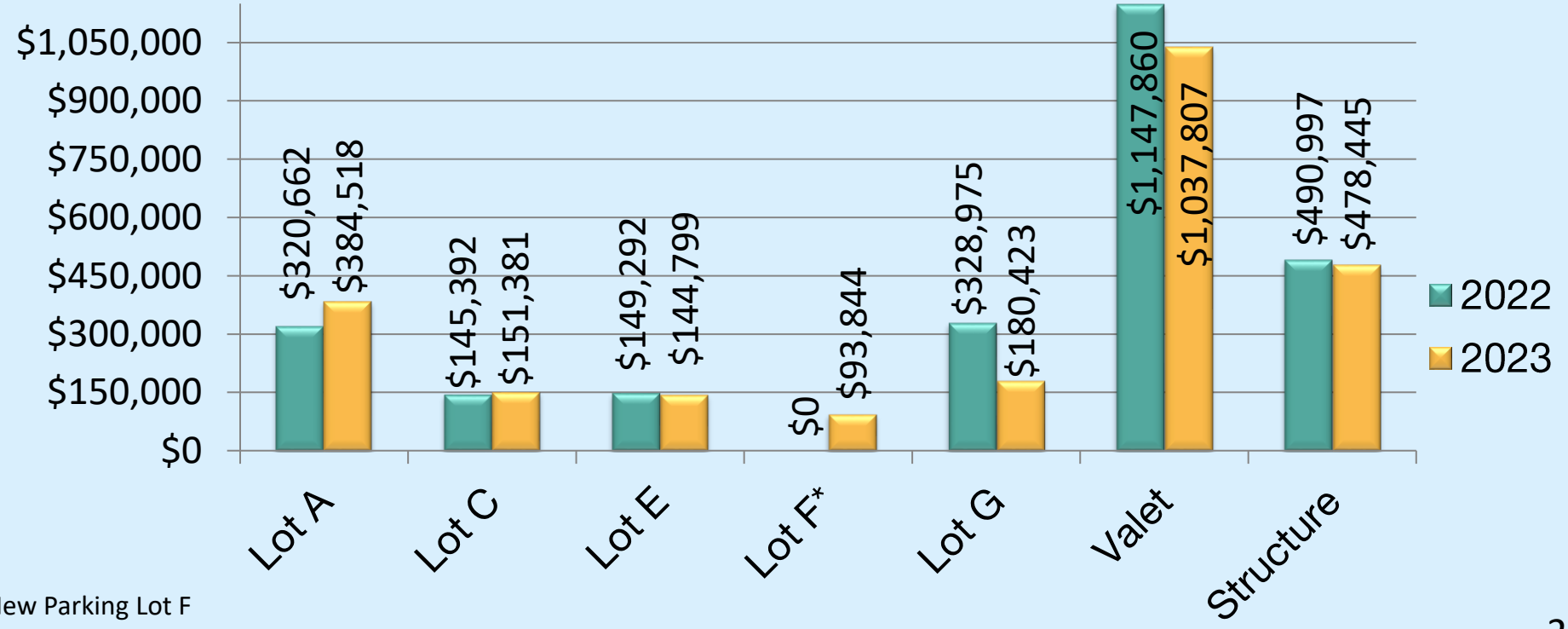
Burbank-Glendale-Pasadena

Airport Authority

November 13, 2023

Tom Janowitz
Sr. Manager, Ground Access

Revenue per Lot and Valet
September 2022 vs. 2023



*New Parking Lot F opened August 28

Parking Revenue Comparison

September 2023: $2,471,217

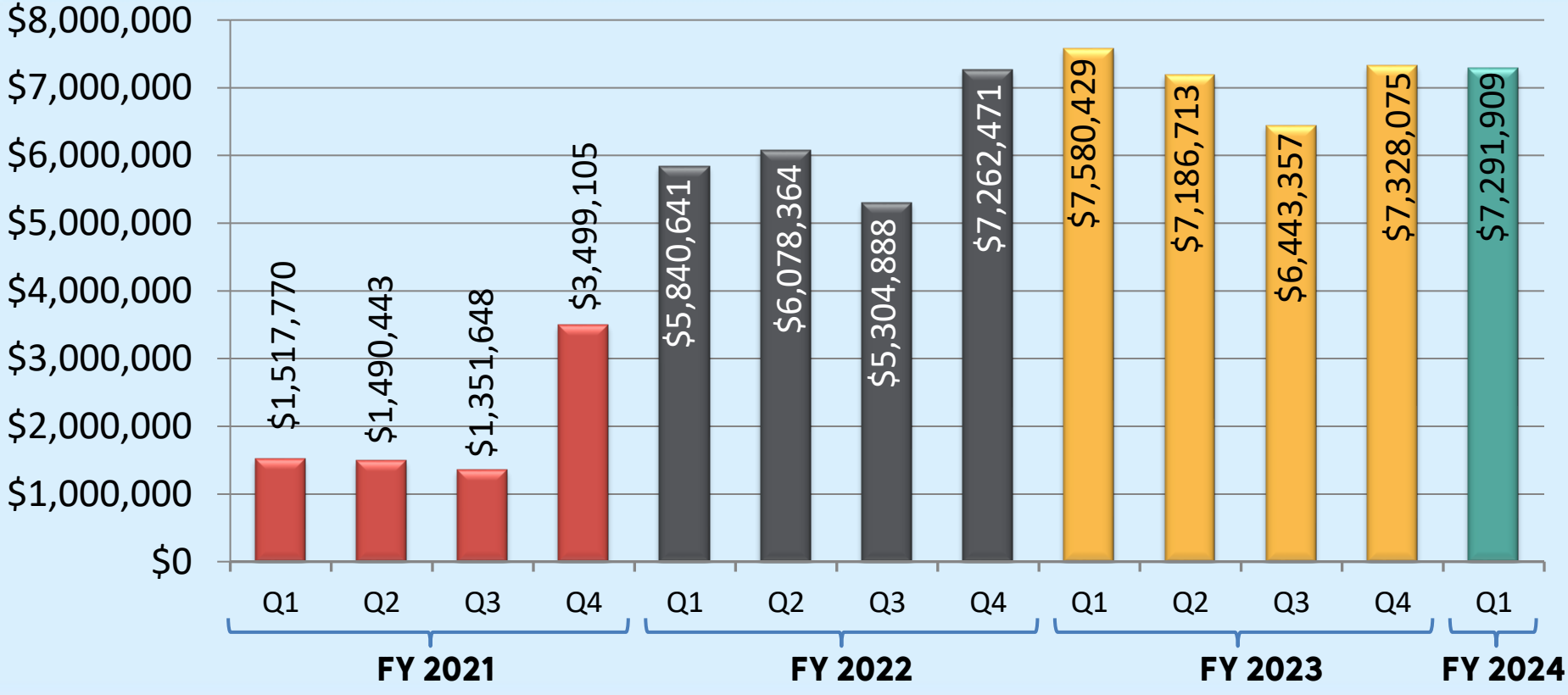
September 2022: $2,583,178

Difference: - $111,961

Parking Revenue Level Change: - 4.33%

Parking Ticket Level Change: - 3.91%

Quarterly Parking Revenue Trend



Draft, Subject to Change

Hollywood Burbank Airport

FAA PART 139 ANNUAL CERTIFICATION INSPECTION

Presented to
Burbank-Glendale-Pasadena Airport Authority
November 13, 2023

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Hollywood Burbank Airport

Background: Certification of Airports

- The Federal Aviation Administration (FAA) regulates airports with air carrier service under Title 14, Part 139 of the Code of Federal Regulations (CFR)
- Part 139 outlines the rules governing the certification and operations of public airports with commercial air carrier service
- These regulations address training, inspection documentation, record keeping and the facility requirements of the airfield

Inspection Process

- An FAA Airport Certification Safety Inspector conducts a multi-day inspection of BUR annually.
- The inspector specifically looks for adherence with Part 139 and other FAA compliance directives
- Inspection includes a review of records at the Operations and Aircraft Rescue Firefighting (ARFF) Departments, physical inspections of all tenant fueling agents as well as an inspection of the entire airfield

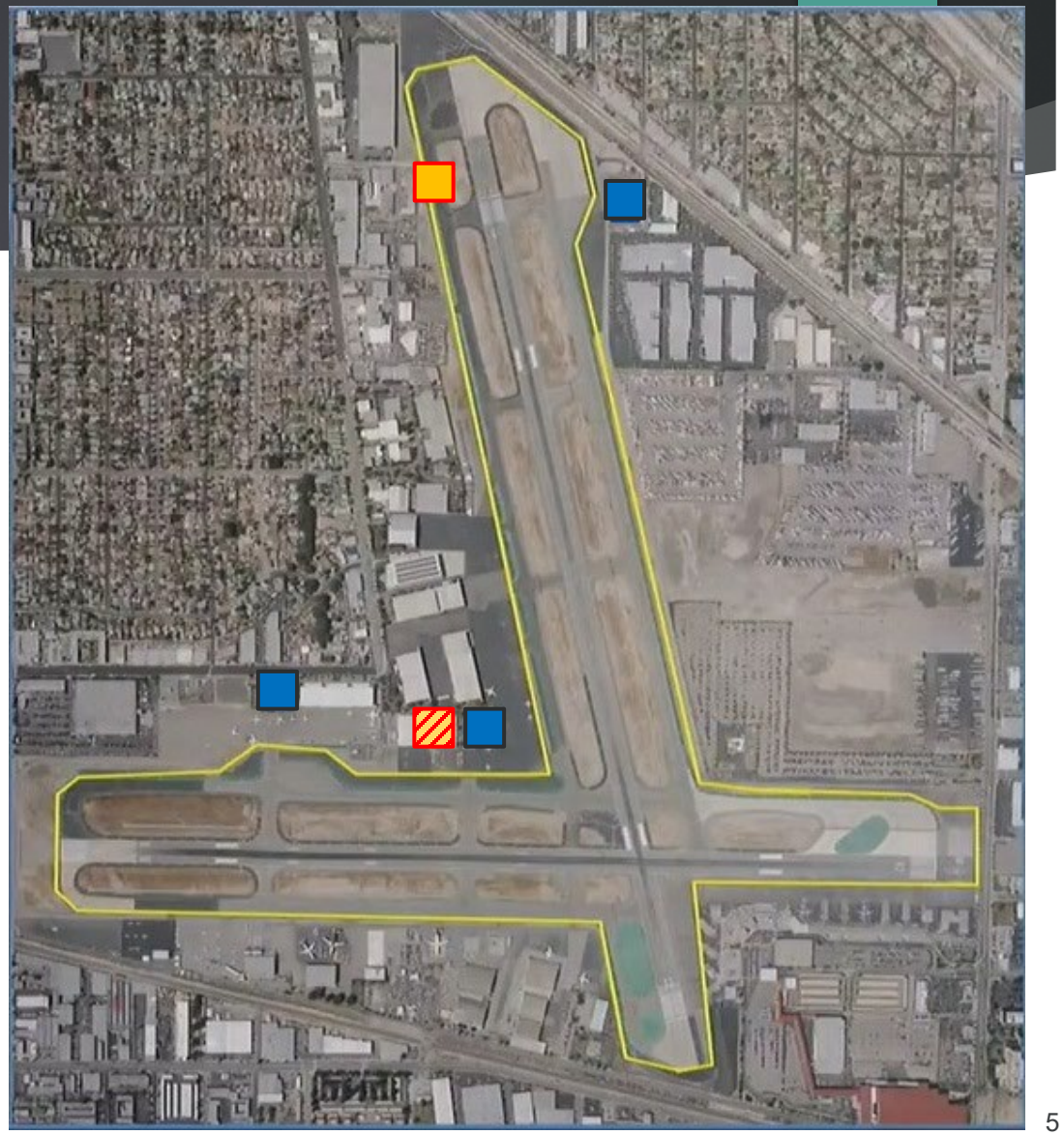
Inspection Process

- Date of Inspection: **April 18-21, 2023**
- The inspection covered a checklist of over 120 items such as
  - Recordkeeping, training and other documents
  - Airfield pavement, markings, lighting systems, and other equipment
  - Fueling Operators and Facilities
  - Aircraft Rescue and Firefighting facilities, equipment, and timed emergency response
  - Wildlife Management Program

Inspected Facilities

- Airfield Movement Area (All runways and taxiways, safety areas, navigation equipment)
- Fueling Facilities (Atlantic Aviation, Million Air, Menzies Aviation on behalf of BUR Fuels
- ARFF – Station 17
- ARFF timed response drill reporting point

  (FAA requirement is 3 minutes for first truck, 4 minutes for second truck)



Part 139 Inspection Results - 2023

- **Nine Discrepancies** were noted during the inspection
  - 7 discrepancies, 139.311(d) – related to airfield marking, signs, and lighting
    - Refresh of Airfield markings at multiple locations completed
  - 1 discrepancy, 139.319(g)(1) - ARFF: Operational Requirements
    - Foam test on one vehicle - out of tolerance
  - 1 discrepancy, 139.321(c) - Handling and Storing of Hazardous Substances and Materials
    - Two fire extinguishers on a FBO vehicle – expired annual certificate.

Part 139 Inspection - 2023

- Deadline for corrections:
  - September 7, 2023
- All corrections reported to FAA:
  - September 1, 2023
- FAA closes out BUR 2023 Inspection:
  - September 5, 2023