

# SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY

## REGULAR MEETING AGENDA

**WEDNESDAY, AUGUST 23, 2023**

**5:00 P.M. (Closed Session (if any), immediately followed by Open Session)**

MAIN AUDITORIUM – Norton Regional Event Center – 1601 East Third Street, San Bernardino, CA



A regional joint powers authority dedicated to the reuse of Norton Air Force Base for the economic benefit of the East Valley

**Frank J. Navarro, President**

*Mayor, City of Colton*

**Rhodes Rigsby, Vice President**

*Councilmember, City of Loma Linda*

**Penny Lilburn, Secretary**

*Mayor Pro Tem, City of Highland*

### COMMISSION MEMBERS:

**Dawn Rowe**

*Supervisor, County of San Bernardino*

**Helen Tran**

*Mayor, City of San Bernardino*

**Theodore Sanchez**

*Councilmember, City of San Bernardino*

### ALTERNATE COMMISSION MEMBERS:

**Phillip Dupper**

*Mayor, City of Loma Linda*

**Joe Baca, Jr.**

*Supervisor, County of San Bernardino*

**Larry McCallon**

*Mayor, City of Highland*

**Fred Shorett**

*Mayor Pro Tem, City of San Bernardino*

**John Echevarria**

*Councilmember, City of Colton*

- Full agenda packets are available at the SBIAA office, 1601 East Third Street, San Bernardino, California, will be provided at the meeting, and are posted in the Public Meetings/Agenda section of our website at [www.sbiaa.org](http://www.sbiaa.org). Office hours are 8:00 a.m. to 5:00 p.m., Monday - Friday.
- Recordings of the SBIAA Commission meetings are available in the Public Meetings/Agenda section of our website at [www.sbiaa.org](http://www.sbiaa.org).
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SBIAA office at (909) 382-4100. Notification 48 hours prior to the meeting will enable SBIAA staff to make reasonable arrangements to ensure accessibility to this meeting.
- Anyone who wishes to speak during public comment or on a particular item will be requested to fill out a speaker slip. Prior to speaking, speaker slips should be turned in to the Clerk of the Board.
- Public comments for agenda items that are not public hearings will be limited to three minutes.
- Public comments for items that are not on the agenda will be limited to three minutes.
- The three-minute limitation shall apply to each member of the public and cannot be shared.
- An additional three minutes will be allotted to those who require translation services.

## ORDER OF BUSINESS – CLOSED SESSION

This meeting of the governing Commission of the San Bernardino International Airport Authority will begin with Closed Session Public Comment and Closed Session, immediately followed by the Open Session portion of the meeting.

- **CALL TO ORDER**
- **CLOSED SESSION PUBLIC COMMENT**
- **LEGAL COUNSEL RECITES CLOSED SESSION ITEMS**
- **RECESS TO CLOSED SESSION**

### A. CALL TO ORDER / ROLL CALL

### B. CLOSED SESSION PUBLIC COMMENT

The Closed Session Public Comment portion of the San Bernardino International Airport Authority Commission meeting is limited to a maximum of three minutes for each speaker and comments will be limited to matters appearing on the Closed Session portion of the agenda. An additional three minutes will be allotted to those who require translation services. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

### C. CLOSED SESSION

An announcement is typically made prior to closed session discussions as to the potential for a reportable action at the conclusion of closed session.

- Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8  
Property: 105 North Leland Norton Way, San Bernardino CA 92408  
Negotiating Parties: Michael Burrows, SBIAA Chief Executive Officer and Betty Liu, Transportation Security Administration (TSA)
- Conference with legal counsel pursuant to Government Code section 54956.9(d)(2), regarding significant exposure to litigation – one case.

### D. REPORT ON CLOSED SESSION

Public announcement(s) will be made following closed session if there are any reportable actions taken during closed session.

**ORDER OF BUSINESS – OPEN SESSION**

- **CALL TO ORDER OPEN SESSION**
- **PLEDGE OF ALLEGIANCE**

**E. ITEMS TO BE ADDED OR DELETED**

Pursuant to Government Code Section 54954.2, items may be added on which there is a need to take immediate action, and the need for action came to the attention of the San Bernardino International Airport Authority subsequent to the posting of the agenda.

**F. CONFLICT OF INTEREST DISCLOSURE**

1. Members shall note agenda item contractors and subcontractors which may require member abstentions due to possible conflicts of interest.

**[PRESENTER: Jennifer Farris; PAGE#: 007]**

**G. INFORMATIONAL ITEMS**

It is intended that the following subject matters and their attachments are submitted to the Commission members for informational purposes only. No action is required with regard to these items in the form of a receive-and-file motion or otherwise. Members may inquire of staff as to any questions or seek clarifications, but no discussion may ensue other than to place an item on a subsequent agenda for further consideration. In such situations where permissible levels of discussion are conducted, members are reminded that staff has not presented the related contractor and interested parties conflicts of interest disclosures that are typically provided for agenda items for which action is intended to occur. Additionally, questions may arise as to negotiation strategies or other legal issues which are more appropriately addressed in a closed session discussion.

2. Informational Items
  - a. Chief Executive Officer's Report; **[PRESENTER: Michael Burrows; PAGE#: 015]**
  - b. Airport Activity Update **[PRESENTER: Mark Gibbs; PAGE#: 016]**

H. <b><u>COMMISSION CONSENT ITEMS</u></b>
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The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time under unless the Commission directs that an item be held for further discussion.

3. Register of Demands for August 23, 2023  
**[PRESENTER: Mark Cousineau; PAGE#: 017]**
4. Receive and file Treasurer's Report for June 30, 2023 for the San Bernardino International Airport Authority (SBIAA)  
**[PRESENTER: Mark Cousineau; PAGE#: 023]**
5. Authorize purchase of network switches by Presidio Networked Solutions Group, LLC in an amount not to exceed \$62,600  
**[PRESENTER: Mark Dennis; PAGE#: 026]**
6. Approve award of a service agreement with CertaPro Painters of Corona & Temecula Valley in an amount not to exceed \$88,500.00 to paint three Passenger Boarding Bridges (PBB's) at the Domestic Terminal  
**[PRESENTER: Jonathan Galvan; PAGE#: 033]**
7. Approve award of a multi-year agreement with H.F. Holt Electrical & Automation in an amount not to exceed \$104,000 for Terminal Baggage Handling System (BHS) preventative maintenance  
**[PRESENTER: Jonathan Galvan; PAGE#: 040]**
8. Approve Meeting Minutes: July 26, 2023  
**[PRESENTER: Jennifer Farris; PAGE#: 065]**
9. Approve Meeting Minutes: July 28, 2023 (Special)  
**[PRESENTER: Jennifer Farris; PAGE#: 074]**



I. **COMMISSION ACTION ITEMS**

Anyone who wishes to speak on a particular item will be requested to fill out a speaker slip. Prior to speaking, speaker slips should be turned in to the Clerk of the Board. Public comments for agenda items that are not public hearings will be limited to three minutes. An additional three minutes will be allotted to those who require translation services.

10. Consider and adopt Resolution No. 2023-05 of the San Bernardino International Airport Authority (SBIAA) changing the time of the regular meetings of the SBIAA Finance & Budget Committee and amending Resolution No. 2020-02  
**[PRESENTER: Michael Burrows; PAGE#: 079]**
11. Approve a five-year lease agreement with Executive Jet Maintenance (EJM) for Hangar No. 674  
**[PRESENTER: Darrell Hale; PAGE#: 084]**
12. Approve a revised lease agreement with UPS for Hangar No. 695  
**[PRESENTER: Darrell Hale; PAGE#: 116]**
13. Approve Amendment No. 4 to the Lease and Fire Services Agreement with the San Bernardino County Fire Protection District (SBCFPD) for portions of Building 680 (Airport Fire Station)  
**[PRESENTER: Mark Gibbs; PAGE#: 182]**
14. Approve an agreement with Climatec LLC in an amount of \$158,326.97 for the replacement of security cameras in the Domestic Passenger Terminal with a 5% contingency in the amount of \$7,916.35 - Phase 2  
**[PRESENTER: Mark Dennis; PAGE#: 209]**
15. Review Status of the Action Plan for the San Bernardino International Airport Authority (SBIAA) through December 31, 2023  
**[PRESENTER: Michael Burrows; PAGE#: 218]**

J. **ADDED AND DEFERRED ITEMS**

Deferred Items and Items which have been added pursuant to Government Code Section 54954.2 as noted above in Section E.

K. **OPEN SESSION PUBLIC COMMENT**


Anyone who wishes to speak during Open Session Public Comment will be requested to fill out a speaker slip. Prior to speaking, speaker slips should be given to the Clerk of the Board. Public comments for items that are not on the agenda will be limited to three minutes. The three-minute limitation shall apply to each member of the public and cannot be shared with other members of the public. An additional three minutes will be allotted to those who require translation services.

L. **COMMISSION MEMBER COMMENT**

Commission members may make announcements or give brief reports on activities or matters not appearing on the agenda, as well as provide direction to staff relating to matters which may be addressed at this time.

M. **ADJOURNMENT**

Unless otherwise noted, this meeting will be adjourned to the next meeting of the San Bernardino International Airport Authority Commission on Wednesday, September 27, 2023.

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: August 23, 2023</b></p> <p><b>ITEM NO: 1</b></p> <p><b>PRESENTER: Jennifer Farris, Assistant Secretary of the Commission</b></p>
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**SUBJECT: POSSIBLE CONFLICT OF INTEREST ISSUES FOR THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) COMMISSION MEETING OF AUGUST 23, 2023**

### **SUMMARY**

This agenda contains recommendations for action relative to certain contractors/principals and their respective subcontractors. Care should be taken by each Commission member to review and consider the information provided herein to ensure they are in compliance with applicable conflict of interest laws.

### **RECOMMENDED ACTION(S)**

Receive for information and consideration in accordance with applicable conflict of interest laws.

### **FISCAL IMPACT**

None.

PREPARED BY:	Jennifer Farris
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

## **BACKGROUND INFORMATION**

The potential conflicts information provided in this report is intended to be used as a means for each voting member to verify campaign contributions from their individual campaign records. The following information is considered to be complete only to the best knowledge that has been disclosed to staff by the following listed contractors and in many instances may not be complete as of the date of publication of the agenda. Staff will endeavor to provide updates and supplements to the disclosure information to the extent additional contractor disclosure information becomes known to staff at or prior to each particular meeting time.

In addition to other provisions of law which prohibit San Bernardino International Airport Authority (SBIAA) Commission members from having financial interests in the contracts of public agencies, the provisions of California Government Code Section 84308 prohibit individual SBIAA Commission members from participating in any Commission proceeding involving a license, permit, or other entitlement for use pending before the Commission, if the individual member has received a contribution of more than two hundred fifty dollars (\$250.00) within the preceding twelve (12) months or for three (3) months following any such Commission proceeding, from any person, company or entity who is the subject of the proceeding, including parent-subsidary and certain otherwise related business entities as defined in the California Code of Regulations, Title 2, Division 6, Section 18438.5, or from any person who actively supports or opposes a particular decision in the proceeding and who has a financial interest in such decision, as defined in California Government Code Section 87103.

The restrictions of Government Code Section 84308 do not apply if the individual member returns the contribution within thirty (30) days from the time they know, or should have known, about the contribution and the proceeding.

This agenda contains recommendations for action relative to the following contractors/principals and their respective subcontractors (as informed to SBIAA staff by the Principals):

<b><u>Agenda Item No.</u></b>	<b><u>Contractors/Tenants</u></b>	<b><u>Subcontractors/Subtenants</u></b>
5.	<u>Presidio Networked Solutions Group, LLC</u> Joseph Bowman, Account Manager	None.
6.	<u>Pdsrnb Enterprises, Inc. dba CertaPro Painters of Corona and Temecula Valley</u> David Myers, Owner/General Manager Pilar Myers, Co-Owner	None.

- |     |   |       |
|-----|---|-------|
| 7.  | <u>H.F. Holt Electrical &amp; Automation</u><br>David K. Taylor, Owner<br>Emma J. Taylor, Owner<br>Isaiah T. Brown, Lead Tech.                                | None. |
| 11. | <u>Executive Jet Management LLC</u><br>Kurt Belcher, President<br>Jmam Enterprises, Member  | None. |
| 12. | <u>UPS</u><br>Legalinc Registered Agents, Inc   | None. |
| 14. | <u>Climatec LLC</u><br>Mauro Lima Vez, CEO<br>Ronald Kleefman, CFO<br>Shawn Flahart, VP<br>Bob Peppe, Operations Director<br>Astrid Cardenas, Service Manager | None. |

**Attachments:**

1. California Government Code §§ 84308 and 87103
2. California Code of Regulations, Title 2, Division 6, §18438

CALIFORNIA CODES  
GOVERNMENT CODE  
SECTION 84308

**84308.** (a) The definitions set forth in this subdivision shall govern the interpretation of this section.

(1) "Party" means any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.

(2) "Participant" means any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision, as described in Article 1 (commencing with Section 87100) of Chapter 7. A person actively supports or opposes a particular decision in a proceeding if he or she lobbies in person the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency.

(3) "Agency" means an agency as defined in Section 82003 except that it does not include the courts or any agency in the judicial branch of **government**, local governmental agencies whose members are directly elected by the voters, the Legislature, the Board of Equalization, or constitutional officers. However, this section applies to any person who is a member of an exempted agency but is acting as a voting member of another agency.

(4) "Officer" means any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elective office in an agency.

(5) "License, permit, or other entitlement for use" means all business, professional, trade and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor, or personal employment contracts), and all franchises.

(6) "Contribution" includes contributions to candidates and committees in federal, state, or local elections.

(b) No officer of an agency shall accept, solicit, or direct a contribution of more than two hundred fifty dollars (\$250) from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for three months following the date a final decision is rendered in the proceeding if the officer knows or has reason to know that the participant has a financial interest, as that term is used in Article 1 (commencing with Section 87100) of Chapter 7. This prohibition shall apply regardless of whether the officer accepts, solicits, or directs the contribution for himself or herself, or on behalf of any other officer, or on behalf of any candidate for office or on behalf of any committee.

(c) Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before an agency, each officer of the agency who received a contribution within the preceding 12 months in an amount of more than two hundred fifty dollars (\$250) from a party or from any participant shall disclose that fact on the record of the proceeding. No officer of an agency shall make, participate in making, or in any way attempt to use his



or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution in an amount of more than two hundred fifty dollars (\$250) within the preceding 12 months from a party or his or her agent, or from any participant, or his or her agent if the officer knows or has reason to know that the participant has a financial interest in the decision, as that term is described with respect to public officials in Article 1 (commencing with Section 87100) of Chapter 7.

If an officer receives a contribution which would otherwise require disqualification under this section, returns the contribution within 30 days from the time he or she knows, or should have known, about the contribution and the proceeding involving a license, permit, or other entitlement for use, he or she shall be permitted to participate in the proceeding.

(d) A party to a proceeding before an agency involving a license, permit, or other entitlement for use shall disclose on the record of the proceeding any contribution in an amount of more than two hundred fifty dollars (\$250) made within the preceding 12 months by the party, or his or her agent, to any officer of the agency. No party, or his or her agent, to a proceeding involving a license, permit, or other entitlement for use pending before any agency and no participant, or his or her agent, in the proceeding shall make a contribution of more than two hundred fifty dollars (\$250) to any officer of that agency during the proceeding and for three months following the date a final decision is rendered by the agency in the proceeding. When a closed corporation is a party to, or a participant in, a proceeding involving a license, permit, or other entitlement for use pending before an agency, the majority shareholder is subject to the disclosure and prohibition requirements specified in subdivisions (b), (c), and this subdivision.

(e) Nothing in this section shall be construed to imply that any contribution subject to being reported under this title shall not be so reported.

CALIFORNIA CODES  
GOVERNMENT CODE  
SECTION 87103

**87103.** A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

(a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.

(b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.

(c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subdivision shall be adjusted biennially by the commission to equal the same amount determined by the commission pursuant to subdivision (f) of Section 89503.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.



(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

**§ 18438.5. Aggregated Contributions Under Section 84308.**

For purposes of Section 84308:

(a) Notwithstanding the provisions of Regulation 18215.1, to determine whether a contribution of more than \$250 has been made by any party to a proceeding, contributions made by a party's parent, subsidiary, or otherwise related business entity, (as those relationships are defined in subdivision (b) below), shall be aggregated and treated as if received from the party for purposes of the limitations and disclosure provisions of Section 84308.

(b) Parent, Subsidiary, Otherwise Related Business entity, defined.

(1) Parent-subsidiary. A parent-subsidiary relationship exists when one corporation has more than 50 percent of the voting power of another corporation.

(2) Otherwise related business entity. Business entities, including corporations, partnerships, joint ventures and any other organizations and enterprises operated for profit, which do not have a parent-subsidiary relationship are otherwise related if any one of the following three tests is met:

(A) One business entity has a controlling ownership interest in the other business entity.

(B) There is shared management and control between the entities. In determining whether there is shared management and control, consideration should be given to the following factors:

(i) The same person or substantially the same person owns and manages the two entities;

(ii) There are common or commingled funds or assets;

(iii) The business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis;

1 (iv) There is otherwise a regular and close working relationship between the entities; or

2 (C) A controlling owner (50% or greater interest as a shareholder or as a general partner)

3 in one entity also is a controlling owner in the other entity.

4 Note: Authority cited: Section 83112, Government Code. Reference: Section 84308,

5 Government Code.

#### 6 HISTORY

7 1. New section filed 5-26-2006; operative 6-25-2006. Submitted to OAL for filing pursuant to

8 *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924,

9 California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992

10 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements

11 and not subject to procedural or substantive review by OAL) (Register 2006, No. 21). For prior

12 history of section 18438.5, see Register 85, No. 8.

13 2. Amendment filed 8-12-2014; operative 9-11-2014 pursuant to title 2, section 18312(e)(1) of


14 the California Code of Regulations. Submitted to OAL for filing and printing pursuant to *Fair*

15 *Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California

16 Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC

17 regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not

18 subject to procedural or substantive review by OAL) (Register 2014, No. 33).

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: August 23, 2023</b></p> <p><b>ITEM NO: 2a</b></p> <p><b>PRESENTER: Michael Burrows, Chief Executive Officer</b></p>
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**SUBJECT: INFORMATIONAL ITEMS – CHIEF EXECUTIVE OFFICER'S REPORT**

## **SUMMARY**

An oral report will be provided at the time of the meeting.


PREPARED BY:	Michelle Casey
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

## **BACKGROUND INFORMATION**

None.

## **Attachments:**

1. None

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: August 23, 2023</b></p> <p><b>ITEM NO: 2b</b></p> <p><b>PRESENTER: Mark Gibbs, Director of Aviation</b></p>
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**SUBJECT: INFORMATIONAL ITEMS – AIRPORT ACTIVITY UPDATE**

## **SUMMARY**

An oral report will be provided at the time of the meeting.


PREPARED BY:	Mark Gibbs
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

## **BACKGROUND INFORMATION**

None.

## **Attachments:**

1. None.

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: August 23, 2023</b></p> <p><b>ITEM NO: 3</b></p> <p><b>PRESENTER: Mark Cousineau, Director of Finance</b></p>
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**SUBJECT: REGISTER OF DEMANDS FOR JULY 2023**

**SUMMARY**

SBIAA's Register of Demands for July 2023.

**RECOMMENDED ACTION(S)**

Receive for information.

**FISCAL IMPACT**

Various accounts as shown.

PREPARED BY:	Mark Cousineau
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	Michael Burrows

### **BACKGROUND INFORMATION**

The attached Register of Demands corresponds to checks issued in the month of July 2023. The total of the register is \$8,703,027.39.

**Fuel:** Titan Aviation Fuels was paid \$5,990,724.75 for aviation fuel to resell at the Luxivair-SBD. Merit Oil Co. was paid \$24,556.98 to operate SBIAA vehicles and for resale at Luxivair-SBD.

**Employee Benefits:** Kaiser Foundation Health Plan Inc. and Legal Shield Services Inc., were paid a total of \$101,032.17.

**Utilities:** Burrtec Waste Industries Inc., City of San Bernardino Water Department, East Valley Water District, Frontier Communications Corporation, Granite Telecommunications, Edison, The Gas Company, Underground Service Alert of Southern Cal, and Verizon were paid a total of \$161,751.94.

**Capital Projects Cost:** Citrus Motors Ontario Inc., CJMC Holdings LLC, and Puente Hills Ford were paid a total of \$148,977.13.

**Professional Services:** Allawos & Company; Aviatrix Communications LLC; Boston Fox Tighe International LLC; Coffman Engineers Inc.; David Turch and Associates; Eide Bailly LLP; Imagine Systems Inc; Innovative Federal Strategies LLC; Liebert Cassidy Whitmore; Ludwig Engineering Associates Inc.; Mead and Hunt Inc.; Mirau, Edwards, Cannon, Lewin & Tooke LLP.; Right Energy Group and Tom Dodson & Associates were paid a total of \$88,274.49.

### **Attachments:**

1. Register of Demands for the August 23, 2023 Commission Meeting
2. VISA breakdown - July 2023

**San Bernardino International Airport Authority**  
**Register of Demands for Commission Meeting**  
**8/23/2023**

Line	Company Name	Description	AP Register
1	# 1 Son Plumbing	Plumbing repairs and materials	75.00
2	A/C Mechanical Inc.	HVAC system maintenance and repairs	455.00
3	AAAE Federal Affairs	Digicast software membership 2023-2024	1,960.00
4	ADT LLC	Burglar and fire alarm monitoring	1,199.61
5	Allawos & Company	Professional consulting services-solar and green energy services	8,529.21
6	Alliant Insurance Services Inc.	General liability insurance premiums	774,744.16
7	Allison Mechanical Inc.	HVAC maintenance and repairs	4,516.00
8	Amazon Capital Services Inc.	Purchases of supplies and goods	4,063.88
9	American Security Group	Paging system wall mounts-PA stations	640.00
10	Amtech Elevator Services	Maintenance and repairs for elevators & escalators	9,594.00
11	Aviation Laboratories Inc.	Prist aircraft fuel additive	3,170.00
12	Aviatrix Communications LLC	Marketing services, advertising and Good Neighbor program	12,533.71
13	Bassco Services Inc.	Repairs and maintenance-refueler trucks	735.63
14	Bernell Hydraulics Inc.	Hydraulic hose repairs & supplies	24.26
15	Board Members	Director fees	1,050.00
16	Boston Fox Tigue International LLC	Marketing services	2,140.82
17	Breeze Aviation Group	Promotional marketing for event 08/2023	27,657.50
18	BrightView Landscape Services, Inc.	Luxiviar landscaping project	82,077.41
19	Burrtec Waste Industries Inc.	Trash removal services	8,875.61
20	C & A Janitorial Services	Janitorial services	6,782.21
21	C & M Electric	Repair motor bearings, seals & gaskets-bldg.759	339.22
22	California Airports Council-CAC	Annual membership fees-M. Burrows	750.00
23	CED-Consolidated Electrical Distributor	Light bulbs & electrical supplies	555.43
24	Chelsea Ciaca-Larios	Annual shoe reimbursement	149.00
25	Cintas Uniforms	Uniform and rug services	2,479.81
26	Citrus Motors Ontario Inc.	Ford F-150 Lightning Truck (airport green energy element)	80,396.44
27	City of SB Water Department	Water and sewer services	16,256.53
28	CJMC Holdings LLC	Professional services - capital project management services	1,500.00
29	Climatec LLC	Security system maintenance and repair upgrades	3,910.21
30	Coffman Engineers, Inc.	Airport planning and environmental assessment services	4,000.00
31	Dalton Trucking, Inc.	Round trip transport for stair truck "Touch a Truck Event"	1,720.00
32	Dans Lawnmower Center	Small equipment repairs and landscape supplies	1,323.59
33	David Turch and Associates	Professional services agreement - lobbying services	5,000.00
34	East Valley Water District	Water services	117.74
35	Eide Bailly LLP	Professional services audit FY 2021-2022	6,000.00
36	Environmental Management Technologies	Disposal of hazardous & non hazardous waste	686.55
37	Event Design Lab	Live streaming services	800.00
38	Ewing Irrigation Products Inc.	Commercial irrigation supplies and repairs parts	578.58
39	Express Quality Car Wash	Security department fleet vehicle car washes	157.91
40	FedEx	Courier services	225.21
41	Ford Credit Company	Monthly lease payments for Luxivair-SBD courtesy vehicles	1,943.44
42	Frontier Communications Corporation	Telephone services	4,797.97
43	Garrett Leffel	Annual shoe reimbursement	97.86
44	Gary's Viking Auto	Balance tires & wheel alignment for vehicles	75.00
45	GCAP Services Inc.	Profession service contract for (DBE) Disadvantage Business enterprise Evaluation of FAA	925.00
46	Gerred Snyder	BSIS reimbursement	118.00
47	GMSTEK LLC	Monthly subscription fee for point of sale system	1,537.73
48	Grainger	Parts and supplies for building repairs	673.97
49	Granite Telecommunications	Telephone services	4,835.57
50	Imagine Systems Inc.	Professional consulting services	8,160.98
51	Innovative Federal Strategies LLC	Professional service -Federal Legislative Advocacy Services	2,000.00
52	Jackhammer Movement Inc.	Phase 2 route promotion advertising & marketing	258.18
53	Kaiser Foundation Health Plan, Inc.	Employee medical benefits	100,204.87

**San Bernardino International Airport Authority**  
**Register of Demands for Commission Meeting**  
**8/23/2023**

Line	Company Name	Description	AP Register
54	Ken Grody Ford Redlands LLC	Fleet vehicle parts and services	230.07
55	Legal Shield Services Inc.	Employee legal group benefits	827.30
56	Liebert Cassidy Whitmore	Professional service agreement-ERC membership with premium Liebert library subscription	4,136.00
57	Loma Linda Chamber of Commerce	Membership dues 2020,2021 and 2022	290.00
58	Ludwig Engineering Associates Inc.	Professional Engineering services	3,988.75
59	Matt Martin	Annual boot reimbursement	200.00
60	Mead & Hunt Inc.	Professional consulting service agreement-providing air services	6,330.00
61	Merit Oil Company	Fuel inventory for fleet operations	24,556.98
62	Mirau Edwards Cannon Lewin & Tooke LLP	Professional legal services agreement	2,706.55
63	National Business Aviation Assoc Inc.	Annual membership fees-M. Gibbs	460.00
64	National Equipment Leasing LLC	Monthly lease payment for 7k, 10k, and 15k refuelers	28,396.20
65	Parts Authority Metro LLC	Vehicle parts and service supplies	18,319.71
66	Pete's Road Service Inc.	Vehicle repairs and parts	733.45
67	Petty Cash - Reshma Rajan	Petty cash custodian reimbursement for miscellaneous supplies and employee reimbursements	461.93
68	Pitney Bowes Global Financial Services	Leasing fees- postage machine	225.70
69	Presidio Networked Solutions Grp LLC	Cisco licensing & Smartnet support 3 year renewal & Cisco networking equipment repairs	56,914.56
70	Pristine Uniforms	Security uniforms	692.64
71	Puente Hills Ford	Ford F-150 Lightning Truck (airport green energy element)	67,080.69
72	RDO Equipment Co	John Deere parts & service	508.18
73	Redlands Community News	Advertising	3,245.50
74	Right Energy Group	Professional agreement for Green Energy Programs	6,500.00
75	San Bernardino Area Chamber of Commerce	Annual membership fees-M. Gibbs	250.00
76	San Bernardino County Fire Protection	Annual ARFF relayed services and staff hours	1,080,519.00
77	ServerSupply.com Inc.	purchase a hard drive-HP SAS 300GB	35.17
78	SITA Information Networking Computing USA	Network equipment to upgrade hardware, software & platform for CUTE systems	1,358.43
79	Southern California Edison	Electric power	123,992.74
80	Southern Computer Warehouse Inc.	Replacement UPS supporting network system	3,366.76
81	Staples Contract & Commercial LLC	Office supplies	710.28
82	Sunwest Printing Inc.	Printing services	39.15
83	Sysco Riverside Inc.	Hospitality bar supplies - Luxivair SBD	4,563.28
84	The Gas Company	Gas services	289.11
85	The Pitney Bowes Reserve Account	Postage fees	211.31
86	Thompson Industrial Supply	Bolt flange replacement-bldg.673	1,388.25
87	Titan Aviation Fuels	Jet A and Avgas fuel inventory purchases	5,990,724.75
88	Tom Dodson & Associates	Professional services - environmental issues/projects	16,248.47
89	Underground Service Alert Of Southern Cal	Notification system for underground utilities	45.00
90	US Bank	Administrative fees trustee agent	3,135.00
91	US Custom & Border Protection	Customs contract and inspection fees	2,314.43
92	US Customs & Border Protection	Customs quarterly service fees for airport program	11,362.18
93	Verizon Wireless	Wireless phone services	2,541.67
94	VISA	Office supplies, airport supplies and services, and Luxivair SBD supplies,	25,767.66
95	VFS Fire & Security Services	Recurring / unplanned maintenance, repairs & inspections-pump house	3,720.00
96	Victoria Hubbs	BSIS reimbursement	241.74
	Total		\$ 8,703,027.39



**Visa Breakdown**  
**July 2023**  
**SBIAA**

Line	Description	Vendor	Dept.	Amount
1	Office 365 licensing Basic	www.office.com	COB	220.00
2	Office 365 licensing Standard	www.office.com	COB	532.45
3	Office 365 licensing Premium	www.office.com	COB	725.80
4	Professional safe moving services.	Heavyweight Safe & Vault	COB	950.00
5	TV satellites subscription for Customs office	Dish Network	HR	100.70
6	New hire background screening	Checkr Inc.	HR	342.45
7	Supplies for employee engagement	Sams Club	HR	56.50
8	New hire drug screening	Exam Professionals	HR	350.00
9	Employee Harassment Training - refreshments	Sams Club	HR	333.88
10	Safety supplies - waist back & support belt	Uline Inc.	HR	41.25
11	Employee engagement	Sams Club	HR	40.98
12	Misc. items needed for Fuel Farm	Grainger	Fuel Farm	126.99
13	Detailing on all transport vehicles interior and exterior	Kool Kars	Fuel Farm	414.00
14	Embroidery for employees uniforms	AACCE Embroidery	Fuel Farm	25.00
15	Water pump RTV cooling tower repair	Napa	Maint	15.20
16	On Line airport security training E. Estrada & A. Zapata	Airport Training on Demand	Admin	990.00
17	Registration fees for ACE Communications Center operations virtual training course-Amanda Kohrell	American Assoc of Airport Executives	Admin	510.00
18	FBO staff hospitality	Stater Bros.	FBO	43.52
19	Cable TV - FBO annual movie subscription for theater	Netflix	FBO	19.99
20	Safety vests for fuelers	Triple Crown	FBO	30.00
21	Cable TV - Satellite subscription-FBO	Dish Network	FBO	242.59
22	Safety vests for fuelers	Triple Crown	FBO	628.48
23	Detailing on all transport vehicles interior and exterior	Kool Kars	FBO	701.50
24	Services for meeting w/Customs and Border Control	Chef Dave's Catering	FBO	405.58
25	Hospitality for June 6 Netherlands Business Delegation meeting	Corner Bakery	Admin	135.00
26	N-Fab Growler fleet side steps - Real Truck	LLC Realtruck and Auto Customs	Maint	950.37
27	Kobalt tool set drill and drill bit set	Lowes	Maint	239.20
28	New windshield for 2022 Chevy Colorado labor and installation	Go Glass	Maint	404.50
29	Parking revenue service CC processing	Windcave	IT	299.60
30	Agencies website usage charges cloud server	Digital Ocean	IT	64.30
31	Website management software license	Cpanel	IT	39.99
32	TV Content for Concourse streaming services	Sling TV	IT	60.34
33	Domain name renewals	Network Solutions	IT	39.99
34	Communication software hosted IT collaboration	Slack	IT	43.75
35	Terminal background music streaming service	Soundtrack Your Brand	IT	54.00
36	Annual renewal of domain names for agency website's	GoDaddy	IT	190.80
37	Fuel to be used for crew cars-FBO	Chevron	FBO	44.08
38	Car wash for crew cars-FBO	Chevron	FBO	8.00
39	Miscellaneous hospitality pizza for charter flights-FBO	Dominos	FBO	89.99
40	Vikron disinfect tablets for regulated garbage spills	QC Supply	FBO	35.77
41	Fuel to be used for crew cars-FBO	Chevron	FBO	59.06
42	Fuel to be used for crew cars-FBO	Chevron	FBO	71.02
43	Staff appreciation barbeque / catering-FBO	Westside Pit BBQ	FBO	3,775.02
44	Permits	South Coast AQMD	FBO	153.23
45	South Coast AQMD payment processing fee	South Coast AQMD	FBO	3.40
46	Fuel to be used for crew cars-FBO	Chevron	FBO	88.01
47	Tolls - VW	The Toll Roads	FBO	3.89
48	Supplies needed to stock hospitality bar	Sam's Club	FBO	115.76
49	Fuel to be used for crew cars-FBO	Chevron	FBO	60.43
50	Fuel to be used for crew cars-FBO	Chevron	FBO	66.62
51	Employee polo's for two new hires-OPS	Corporate Casuals	OPS	361.12
52	Tasers for Security	www.taser.com	OPS	3,545.03
53	Pepper Gel for Security	www.officestore.com	OPS	1,533.20
54	Uniform / Apparel-new hire employees jackets	E Custom Wear Inc.	OPS	142.64
55	Annual Promotional items SBD airport-TSA travel bags	AnyPromo.com	FBO	3,018.15

**Visa Breakdown  
July 2023  
SBIAA**

Line	Description	Vendor	Dept.	Amount
56	Adobe stock subscription	Adobe Inc.	Mktg	49.99
57	Press release distribution service	24-7 Press Release North	Mktg	266.00
58	Employee engagement - service/performance recognition	Kona Ice	OPS	68.78
59	Travel Jumpstart Conference Milwaukee WI. 06/2023 M. Burrows-business meeting	Oak Barrel	Admin	67.81
60	Travel Jumpstart Conference Milwaukee WI. 06/2023 M. Burrows-transportation	Uber	Admin	41.66
61	Travel Jumpstart Conference Milwaukee WI. 06/2023 M. Burrows-lodging	Hilton Hotels	Admin	668.92
62	Travel Jumpstart Conference Milwaukee WI 06/2023 M. Gibbs-meals	Ruby's Diner	Admin	18.07
63	Travel Jumpstart Conference Milwaukee WI 06/2023 M. Gibbs-meals	Stone Creek	Admin	10.27
64	Travel Jumpstart Conference Milwaukee WI 06/2023 M. Gibbs-transportation fuel	BP Untd	Admin	36.95
65	Travel Jumpstart Conference Milwaukee WI 06/2023 M. Gibbs-meals	Stone Creek Coffee	Admin	10.27
66	Travel Jumpstart Conference Milwaukee WI 06/2023 M. Gibbs-meals	Honey Butter Café	Admin	23.35
67	Travel Jumpstart Conference Milwaukee WI 06/2023 M. Gibbs-parking fees	John Wayne Airport	Admin	80.00
68	Travel Jumpstart Conference Milwaukee WI 06/2023 M. Gibbs lodging	Hilton Hotel	Admin	882.47
				<u>\$ 25,767.66</u>
	VISA Statement Balance			<u>\$ 25,767.66</u>
	Date Prepared: 08/01/2023			



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23 , 2023**

**ITEM NO: 4**

**PRESENTER: Mark Cousineau, Director of Finance**

**SUBJECT: RECEIVE AND FILE TREASURER'S REPORT FOR JUNE 30, 2023 FOR THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA)**

**SUMMARY**

SBIAA's monthly Treasurer's Report that reconciles cash.

**RECOMMENDED ACTION(S)**

Receive and file Treasurer's Report for June 30, 2023 for the San Bernardino International Airport Authority (SBIAA).

**FISCAL IMPACT**

None.

PREPARED BY:	Mark Cousineau
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	N/A
FINAL APPROVAL:	Michael Burrows

**BACKGROUND INFORMATION**

Attached is the Treasurer's Report for June 30, 2023, for the San Bernardino International Airport Authority. The total book value of cash accounts is \$11,203,170.18 on June 30, 2023. Bank statements reflect \$11,378,167.28. The difference between the two numbers is related to the outstanding checks, the deposits in transit, and other items June 30, 2023.

If you have any questions about this report, please contact me at (909) 382-4100 x141.

**Attachments:**

1. Treasurer's Report for June 30, 2023

**SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY**

**Treasurer Report**

**June 30, 2023**

<u>Cash</u>	Balance 05/31/23	Activities	Balance 06/30/23
<i>Checking Account - Wells Fargo Bank</i>	\$ 4,903,228.14	\$ 154,992.08	\$ 5,058,220.22
Deposits In Transit:			
Beginning	739,180.82	(739,180.82)	-
Ending		294,104.93	294,104.93
Outstanding Checks:			
Beginning	(373,624.85)	373,624.85	-
Ending		(469,102.03)	(469,102.03)
<i>Premium Money Market Account - Wells Fargo Bank</i>	6,612,831.87	(1,855,299.50)	4,757,532.37
Deposits In Transit:			
Beginning			
Ending			
<i>Payroll Account - Wells Fargo Bank</i>	292.54	3,342.91	3,635.45
Deposits In Transit:			
Beginning	-	-	-
Ending	-	-	-
Outstanding Checks:			
Beginning	-	-	-
Ending	-	-	-
Subtotal	11,881,908.52	(2,237,517.58)	9,644,390.94
<u>Investments</u>			
<i>Local Agency Investment Funds</i>	324,765.26	-	324,765.26
Deposits In Transit:			
Beginning			
Ending			
Subtotal	324,765.26	-	324,765.26
<u>Investments Held With Fiscal Agent</u>			
Debt Service Fund-US Bank-2021A series	1,106,955.05	(679,647.08)	427,307.97
Reserve Fund- US Bank 2021A series	528,848.70	2,073.00	530,921.70
Debt Service Fund-US Bank-2021B series	269,341.53	(60,701.89)	208,639.64
Reserve Fund -US Bank-2021B series	66,882.50	262.17	67,144.67
Subtotal	1,972,027.78	(738,013.80)	1,234,013.98
Total Cash and Investments	\$ 14,178,701.56	(2,975,531.38)	\$ 11,203,170.18

I certify that this report accurately reflects all cash and investments for the above period and all the investment is in compliance with San Bernardino International Airport Authority's Investment policy. San Bernardino International Airport Authority shall be able to meet it's expenditure requirement for next six month, anticipating operational fund receipts from IVDA.

  
Mark Cousineau, Treasurer



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 5**

**PRESENTER: Mark Dennis, IT Manager**

**SUBJECT: AUTHORIZE THE PURCHASE OF NETWORK SWITCHES WITH PRESIDIO NETWORKED SOLUTIONS GROUP, LLC IN AN AMOUNT NOT TO EXCEED \$62,600**

### **SUMMARY**

The San Bernardino International Airport Authority's (SBIAA) network switches, located in Building 48, are ten years old, and are no longer supported and have begun to fail. These switches are essential to the daily operation of SBIAA; supporting all Staff desktop computers, networked equipment, and distribute access for many of the authority's servers.

### **RECOMMENDED ACTION(S)**

Authorize the purchase of Cisco networking equipment with Presidio Networked Solutions Group, LLC to replace failing network switches in an amount not to exceed \$62,600; and authorize the Chief Executive Officer to execute all related documents.

### **FISCAL IMPACT**

Funding for this purchase was included in the approved SBIAA Fiscal Year 2023-24 budget in the General Fund, Account 50261 - IT Equipment and Communications in the amount of \$833,000 of which \$62,600 is allocated for this purchase.

PREPARED BY:	Mark Dennis
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

**BACKGROUND INFORMATION**

The existing network switches in Building 48 were purchased and installed approximately ten years ago. During this period SBIAA's networked equipment has more than doubled, placing a much greater load on the network equipment. The expected life span of the current switches has been exceeded as indicated by the increased rate of recent failures.

Staff proposes to replace the network switches with modern, supported equipment that will process current loads more efficiently, increase reliability as the authority network traffic becomes more critical, as well as provide greater growth potential for the future.

Quotes were requested from four authorized Cisco resellers and three vendors responded:

1. Presidio Networked Solutions Group, LLC: \$62,505.48
2. Hummingbird Networking: non-responsive quote
3. CDW-G: \$73,475.96

Presidio provided the most cost effective proposal.

Staff recommends the Commission approve the recommended action as set forth above.

**Attachments:**

1. Presidio Quote
2. Quote Summary

**TO:** San Bernardino International Airport  
Mark Dennis  
1601 East 3rd Street  
San Bernardino, CA 92408  
  
mdennis@sbdairport.com  
(p) 919-259-7959  
(f) (909) 382-4106

**FROM:** Presidio Networked Solutions Group, LLC  
Joe Bowman  
5000 Hopyard Rd  
Suite 188  
Pleasanton, CA 94588  
  
josephbowman@presidio.com  
(p) +1.925.568.2470

**BILL TO:** San Bernardino International Airport  
  
1601 East 3rd Street  
San Bernardino, CA 92408

**SHIP TO:** San Bernardino International Airport  
  
1601 E 3rd St  
San Bernardino, CA 92408

**Customer#:** SANBE017

**Contract Vehicle:** \*Open Market

**Account Manager:** Joe Bowman

**Inside Sales Rep:** Joe Dykhuis

**Title:** SB Airport - C9300X-48HX-E 3yrs

#	Part #	Description	Unit Price	Qty	Ext Price
<b>C9300X-48HX-E</b>					
1	C9300X-48HX-E	Catalyst 9300 48-port mGig UPoE+, Network Essentials	\$9,183.39	2	\$18,366.78
2	CON-SNT-C9300UX4	SNTC-8X5XNBD Catalyst 9300 48-port mGig UPoE+, Networ	\$862.50	2 for 36 mo(s)	\$5,175.00
3	C9300-NW-E-48	C9300 Network Essentials, 48-port license	\$0.00	2	\$0.00
4	SC9300UK9-179	Cisco Catalyst 9300 XE 17.9 UNIVERSAL UNIVERSAL	\$0.00	2	\$0.00
5	PWR-C1-1100WAC-P	1100W AC 80+ platinum Config 1 Power Supply	\$0.00	2	\$0.00
6	PWR-C1-1100WAC-P/2	1100W AC 80+ platinum Config 1 Secondary Power Supply	\$1,168.69	2	\$2,337.38
7	CAB-TA-NA	North America AC Type A Power Cable	\$0.00	4	\$0.00
8	C9300-SSD-NONE	No SSD Card Selected	\$0.00	2	\$0.00
9	STACK-T1-50CM	50CM Type 1 Stacking Cable	\$61.51	2	\$123.02
10	CAB-SPWR-30CM	Catalyst Stack Power Cable 30 CM	\$58.44	2	\$116.88
11	C9300-DNA-E-48	C9300 DNA Essentials, 48-Port Term Licenses	\$0.00	2	\$0.00
12	C9300-DNA-E-48-3Y	C9300 DNA Essentials, 48-port - 3 Year Term License	\$688.91	2	\$1,377.82
13	C9300X-NM-8Y	Catalyst 9300 8 x 10G/25G Network Module SFP+/SFP28	\$1,568.51	2	\$3,137.02
14	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	\$0.00	2	\$0.00
<b>Total:</b>					<b>\$30,633.90</b>
<b>C9300X-48HX-E</b>					
15	C9300X-48HX-E	Catalyst 9300 48-port mGig UPoE+, Network Essentials	\$9,183.39	2	\$18,366.78
16	CON-SNT-C9300UX4	SNTC-8X5XNBD Catalyst 9300 48-port mGig UPoE+, Networ	\$862.50	2 for 36 mo(s)	\$5,175.00
17	C9300-NW-E-48	C9300 Network Essentials, 48-port license	\$0.00	2	\$0.00



18	SC9300UK9-179	Cisco Catalyst 9300 XE 17.9 UNIVERSAL UNIVERSAL	\$0.00	2	\$0.00
19	PWR-C1-1100WAC-P	1100W AC 80+ platinum Config 1 Power Supply	\$0.00	2	\$0.00
20	PWR-C1-1100WAC-P/2	1100W AC 80+ platinum Config 1 Secondary Power Supply	\$1,168.69	2	\$2,337.38
21	CAB-TA-NA	North America AC Type A Power Cable	\$0.00	4	\$0.00
22	C9300-SSD-NONE	No SSD Card Selected	\$0.00	2	\$0.00
23	STACK-T1-50CM	50CM Type 1 Stacking Cable	\$61.51	2	\$123.02
24	CAB-SPWR-30CM	Catalyst Stack Power Cable 30 CM	\$58.44	2	\$116.88
25	C9300-DNA-E-48	C9300 DNA Essentials, 48-Port Term Licenses	\$0.00	2	\$0.00
26	C9300-DNA-E-48-3Y	C9300 DNA Essentials, 48-port - 3 Year Term License	\$688.91	2	\$1,377.82
27	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	\$0.00	2	\$0.00
28	C9300X-NM-BLANK	Catalyst 9300 Network Module Blank Module	\$0.00	2	\$0.00
29	C9300X-NM-NONE	Catalyst 9300 No-Network Module Selection	\$0.00	2	\$0.00
Total:					\$27,496.88

<p>*** Any Tax &amp; Freight Charges will be added/amended at time of billing, as applicable. Sales tax and shipping are estimated and subject to change.</p>	Sub Total:	\$58,130.78
	Shipping:	\$400.00
	Estimated Tax:	\$3,974.70
	Grand Total:	\$62,505.48

Quote valid for 30 days. Payment of invoices are due within 30 days from date of invoice unless other terms are issued. Late payments are subject to interest charges of the lesser of 1½% per month or the maximum amount allowed by law. All prices subject to change without notice. Supply subject to availability. This Quote is subject to Presidio's Standard Terms and Conditions below. Any changes to the following Terms and Conditions must be accepted in writing by Presidio, otherwise, CLIENT agrees to be bound by the following Terms and Conditions and pricing contained herein:

#### Pricing

- Quoted prices exclude applicable taxes. Invoicing will include applicable taxes unless a valid tax exempt certificate is provided.
- The price included herein reflects a 3% discount for payment by cash, check or wire transfer. This discount will not apply in the event that CLIENT pays using a credit card or debit card.
- Prices exclude freight, handling or insurance (unless itemized in the quote).
- Pricing for Professional Services are best-effort estimates only. Actual pricing will be finalized as part of a mutually-agreeable Statement of Work.

#### Invoicing

- CLIENT is invoiced for hardware ("goods") upon shipment from the manufacturer and shall accept and pay for partial shipments. Software is invoiced upon shipment of media or when download capability is provided. OEM services are billed per the OEM SOW. Presidio services are billed per the Presidio SOW.
- Usage-Based Services Terms and Conditions. For Usage-Based Services purchased by CLIENT, Presidio shall invoice CLIENT once a month. Notwithstanding the amounts included on the applicable purchase order, the invoice for Usage-Based Services will vary from month to month based upon CLIENT's usage and CLIENT shall be obligated to pay all charges for the Usage-Based Services used by CLIENT in the previous month. If CLIENT is delinquent in its payment obligations for the Usage-Based Services, then, upon reasonable, prior notice, Presidio reserves the right to suspend or discontinue such services at its sole discretion. CLIENT acknowledges and agrees that such discontinuation or suspension by PRESIDIO will not constitute a breach of PRESIDIO'S obligations to CLIENT. CLIENT agrees to indemnify and hold harmless PRESIDIO for any resulting damages due to the suspension or discontinuation of the Usage-Based Services due to CLIENT's delinquent or non-payment.
- Enterprise Software, Licensing and Subscription Services ("Enterprise Agreement"). For Third-Party-provided, enterprise-based software licensing and services, Presidio shall invoice CLIENT according to the terms of the Enterprise Agreement between CLIENT and the Third Party. If CLIENT is delinquent in its payment obligations hereunder, then, upon reasonable, prior notice, Presidio reserves the right to suspend or discontinue such services at its sole discretion. CLIENT acknowledges and agrees that such discontinuation or suspension by PRESIDIO will not constitute a breach of PRESIDIO'S obligations to CLIENT. CLIENT agrees to indemnify and hold harmless PRESIDIO for any resulting damages due to the suspension or discontinuation of the services due to CLIENT's delinquent or non-payment.

#### Freight, Handling, Shipping

- CLIENT will be billed for Presidio's and/or the manufacturer's freight charges for shipment of goods.
- Title/Risk of loss passes to CLIENT Freight on Board (FOB) origin unless otherwise agreed to in writing by Presidio. Orders shipped from a manufacturer to Presidio at CLIENT request for warehousing, configuration, storage or otherwise, shall be deemed to have been shipped to CLIENT.
- Presidio accepts no responsibility / liability in connection with the shipment.
- Goods held in a Presidio warehouse either a) at the CLIENT's request or b) in the event CLIENT refuses to accept delivery, may be subject to warehousing fees. Client may be asked to execute a Presidio "Warehousing Agreement". CLIENT must provide primary insurance coverage for CLIENT equipment held in a Presidio warehouse.
- International delivery services include (i) Consolidated billing in USD for all international deliveries (ii) Consolidated contracting with one entity, namely Presidio (iii) Single point of contact (iv) Freight forwarding including exportation permits, application of tariff headings, customs clearance (including import permits, licenses, certificates) (v) Asset Management, Tracking & Reporting.

#### Warranty and Limitation of Liability

- Product is warranted by the Manufacturer, not by Presidio. Please consult Manufacturer for warranty terms. IN NO EVENT SHALL PRESIDIO BE LIABLE TO CLIENT FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER, ARISING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. PRESIDIO'S ENTIRE LIABILITY AND CLIENT'S EXCLUSIVE REMEDY FOR DAMAGES FROM ANY CAUSE WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, NONPERFORMANCE OR MISREPRESENTATION, AND REGARDLESS OF THE FORM OF ACTIONS, SHALL BE LIMITED TO THE AMOUNT WHICH HAS BEEN ACTUALLY PAID TO PRESIDIO BY CLIENT FOR PRODUCTS HEREUNDER.

#### Return Policy

- CLIENTS return rights are subject to the return policies (& fees including restocking) of the applicable manufacturer
- A Presidio-issued Return Material Authorization (RMA) is required & needs to accompany returned items before any credit is issued to a CLIENT. Presidio reserves the right to deny RMA requests in the event the Manufacturer will not provide for an authorized return. If integration of product is performed at a Presidio facility, transfer of ownership occurs as of inception of integration regardless of shipment terms as manufacturers will not accept return of open product.
- CLIENTS have 15 calendar days from original ship date to request a RMA (unless shorter period is required by manufacturer)
- Items returned must be in original shipping cartons, unopened, unused, undamaged and unaltered failing which Presidio is entitled to reject acceptance of items or charge further fees
- The CLIENT is responsible for shipping fees to the destination highlighted in the RMA
- Opened software cannot be returned

#### Cancellation Policy

- CLIENT's cancellation of purchase order rights are subject to the cancellation policies (& fees) of the applicable manufacturer

#### Leases

- In the event Presidio does not receive payment for leased goods purchased on the CLIENT's behalf from the applicable third-party financing entity, CLIENT is obligated to pay Presidio for all such goods as indicated in the applicable Presidio invoice.

#### Software terms

- Software is subject to the license terms that accompany it.
- License terms are established between the CLIENT & owner of the software
- Unless Presidio is the owner or licensor, Presidio makes no representations and/or warranties relating to its operation, ownership or use.
- Delivery of software licenses are agreed to be accepted in electronic form from the third party software company. Otherwise, you agree to self-accrue any applicable sales tax at the rate in effect for the jurisdiction.

#### Term and Termination of Orders: Usage-Based Services, Enterprise Agreements and Multi-Year Orders

- The terms of use for Usage-Based Services (i.e. Cisco-provided WebEx or Software as a Service (SaaS)) are established by the applicable third-party provider of such services either at the applicable third-party provider website or via the separate agreement between CLIENT and third-party provider.
- The "Initial Term" of an order for Usage-Based Services and/or Enterprise Agreement ("Order") starts on the date the Usage-Based Services and/or Enterprise Agreement are available for use by CLIENT and lasts for the time period stated in the Order. After the Initial Term, unless prohibited by applicable law, there will be an automatic "Renewal Term" of the same length of time unless CLIENT notifies Presidio in writing that CLIENT does not want to renew at least sixty (60) days before the end of the then current Initial Term or Renewal Term. If the fees will change for the Renewal Term, Presidio will notify CLIENT reasonably in advance of the Renewal and in time for CLIENT to accept or reject renewing the Usage-Based Services and/or Enterprise Agreement. If CLIENT agrees with the fee changes, CLIENT may do nothing and the new fees will apply for the upcoming Renewal Term.
- Either party may terminate an Order by providing the other party written notice of termination at least sixty (60) days before the end of such Initial or Renewal Term. The termination will be effective on the last day of the Initial or Renewal Term and CLIENT will pay for the Usage-Based Services and/or Enterprise Agreement until the end of the current Initial or Renewal Term regardless of when CLIENT provided notice. Notwithstanding the foregoing, Usage-Based Services and Enterprise Agreements ordered are strictly non-cancelable during the Initial Term or Renewal Term except as otherwise provided in the applicable Service Terms and/or otherwise agreed upon in writing by Presidio. CLIENT will not be entitled to any refund for terminated Usage-Based Services or Enterprise Agreements during the Initial Term or Renewal Term except as agreed upon in writing by Provider and/or Presidio

#### Multi-Year Agreements

- For multi-year agreements, CLIENT expressly agrees to enter into a binding, non-cancelable agreement per the billing schedule set forth in the quote. THE CLIENT ACKNOWLEDGES AND AGREES THAT THE CLIENT'S AGREEMENT AND PAYMENTS FOR A MULTI-YEAR TRANSACTION ARE ESSENTIAL ELEMENTS OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES FOR MULTI-YEAR AGREEMENTS, SUCH THAT PRESIDIO WOULD NOT HAVE ENTERED INTO A MULTI-YEAR TRANSACTION WITHOUT SUCH AGREEMENT.

#### SmartNet (Third party Maintenance)

- CLIENTS rights are subject to the terms provided by the applicable manufacturer. (per website address)
- Delivery of software maintenance, including upgrades and updates are agreed to be accepted electronically. Otherwise, you agree to self-accrue applicable sales tax.

**Confidential Information.**

- CLIENT agrees that this quote is Presidio Confidential Information. CLIENT shall not disclose this quote to any third party for any purpose. CLIENT agrees to protect this Quote to the same extent that it protects its own Confidential Information, but with no less than a reasonable degree of care.

**Export Law Compliance.**

- CLIENT has been advised that any hardware or software provided to CLIENT via this Quote and/or subsequent purchase order may be subject to the U.S. Export Administration Regulations. CLIENT agrees to comply with all applicable United States export control laws, and regulations, as from time to time amended, including without limitation, the laws and regulations administered by the United States Department of Commerce and the United States Department of State.

**Miscellaneous Terms**

- Preprinted terms appearing on CLIENT Purchase Orders must be accepted in writing by Presidio to be applicable. Presidio's performance of such purchase order shall not constitute Presidio's acceptance of new or different terms, including pre-printed terms on such order. In absence of a purchase order, CLIENT agrees that its signature below grants Presidio the right to invoice CLIENT and authorizes payment to Presidio for the amounts owed.

Customer hereby authorizes and agrees to make timely payment for products delivered and services rendered, including payments for partial shipments

---

Customer Signature

---

Date

Inland Valley Development Agency  
1601 East Third Street  
San Bernardino, CA 92408-0131



San Bernardino Int'l Airport Authority  
1601 East Third Street  
San Bernardino, CA 92408-0131

**QUOTE SUMMARY SHEET**

Requestor Name: Mark Dennis

Date: 08/07/23

Requesting Agency: ☒ SBIAA ☐ FBO ☐ IVDA Requesting Division: IT

Attachments (List): Quotes

General description of items/services requested and reasons:

Replacement of aging 3Com network switches in building 48

Item #	Date Quote Rec'd	Vendor Name	Address	Contact Person	Phone # / Email	Price Quoted
1	08/07/23	Presidio Networked Solutions Grp, LLC	110 Parkway Drive South Hauppauge, NY 11788	Joe Bowman	925.568.2453	\$ 62,505.48
2	08/07/23	Hummingbird Networks	2470 Stearns Street #270 Simi Valley CA 93063	Melanie Hartnett	866-551-3278 x710 mhartnett@hummingbirdnetworks.com	\$ 56,268.00
3	08/11/23	CDW-G	200 N Milwaukee Ave Vernon Hills, IL 60061	Jordan Hamu	847.419.7342 jordham@cdwg.com	\$ 73,475.96

Notes:

Hummingbird quote is incomplete

Presidio provided the most cost effective proposal



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 6**

**PRESENTER: Jonathan Galvan, Airport Manager**

**SUBJECT: APPROVE AWARD OF A SERVICE AGREEMENT WITH CERTAPRO PAINTERS OF CORONA & TEMECULA VALLEY IN AN AMOUNT NOT TO EXCEED \$88,500.00 TO PAINT THREE PASSENGER BOARDING BRIDGES (PBB'S) AT THE DOMESTIC TERMINAL**

### **SUMMARY**

The Domestic Terminal has three Passenger Boarding Bridges (PBB's) that are utilized to board and deplane passengers during airline operations. The PBB's are in the public's view on a daily basis. In order to maintain all areas of the terminal, especially those that are in the public's view, staff solicited quotes to have the PBB's painted. Approval of this item will allow three PBB's at the Domestic Terminal to be painted to continue to improve the overall passenger experience throughout SBD International Airport.

### **RECOMMENDED ACTION(S)**

Approve award of a service agreement with CertaPro Painters of Corona & Temecula Valley in an amount not to exceed \$88,500.00 to paint three Passenger Boarding Bridges (PBB's) at the Domestic Terminal.

### **FISCAL IMPACT**

Funding for this agreement is included in the San Bernardino International Airport Authority (SBIAA) Fiscal Year 2023-24 budget in the General Fund, Account 50281 - Maintenance & Repair, Account 50325 - Supplies: Repairs & Maintenance in the amounts of \$170,000 and \$348,000, of which \$144,394 is available to fund this \$88,500 agreement.

PREPARED BY:	Jonathan Galvan
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

**BACKGROUND INFORMATION**

The Domestic Terminal has three passenger boarding bridges (PBB's) that are utilized to board and deplane passengers during daily operations. The PBB's are in the public's view on a daily basis. In order to maintain all areas of the terminal, especially those that are in public's view, staff solicited quotes to have the PBB's painted.

Three vendors were solicited to provide quotes. CertaPro Painters is the apparent lowest bidder to paint three PBB's at the domestic terminal.

Staff recommends the Commission approve the above recommended action.

**Attachments:**

1. Bid Tabulation
2. CertaPro Painters Quote



Inland Valley Development Agency  
1601 East Third Street  
San Bernardino, CA 92408-0131



San Bernardino Int'l Airport Authority  
1601 East Third Street  
San Bernardino, CA 92408-0131

**QUOTE SUMMARY SHEET**

Requestor Name: Jon Galvan

Date: 08/23/23

Requesting Agency: ☒ SBIAA ☐ FBO ☐ IVDA Requesting Division: OPS

Attachments (List): Quotes from three companies

General description of items/services requested and reasons:
It has been determined that the jet bridges at the Terminal are in need of professional repainting services

Item #	Date Quote Rec'd	Vendor Name	Address	Contact Person	Phone # / Email	Price Quoted
1	08/01/23	CertaPro Painters of Corona & Temecula Valley	41697 Hollister Lane Murrieta, CA 92562	David Myers	DMyers@certapro.com	\$88,500.00
2	08/14/23	JBT AeroTech	1805 West 2550 South Ogden, UT 84401	Stephen Kerner	Stephen.Kerner@JBT.com	\$123,990.73
3	08/16/23	AeroPro, LLC	13516 Phantom W, Bldg 756, Victorville, CA 92394-7901	Joe Ermalovich	je@aeropro.biz	\$116,670.00

Notes: <u>CertaPro Painters came in at the lowest over all bid</u>

## JOB SITE

### San Bernardino International Airp - Comm-Ext - JOB-1374-0142

SB International Airport  
 San Bernardino, CA 92408  
 (909) 677-6424  
[scarvalho@sbdairport.com](mailto:scarvalho@sbdairport.com)

## PREPARED BY

**David Myers**  
 Franchise Owner  
 909-815-5902  
[DMyers@certapro.com](mailto:DMyers@certapro.com)



## CLIENT

### San Bernardino International Airport Authority

1601 E. Third St.  
 San Bernardino, CA 92408  
 (909) 677-6424  
[scarvalho@sbdairport.com](mailto:scarvalho@sbdairport.com)

## CLIENT CONTACTS

Shauntil Carvalho  
**M:** (909) 677-6424  
**E:** [scarvalho@sbdairport.com](mailto:scarvalho@sbdairport.com)  
 Jon M  
**M:** 909-486-1925

## PRICING:

Base Price:	\$88,500.00
<b>Subtotal:</b>	<b>\$88,500.00</b>
<b>Total:</b>	<b>\$88,500.00</b>
<b>Balance</b>	<b>\$88,500.00</b>

## GENERAL SCOPE OF WORK

1. EPA compliant water recovery pressure washing with hot-water machines in conjunction with industrial grade degreaser for removal of dirt, grime, oxidation and other surface level stains as best as possible using the industry's best techniques (~3000 psi @ 200 degrees). Wash Water Recovery via gas-powered vacuum and industry-leading water collection tools for collection, filtration and disposal of wash water as best as possible. Please note that legal disposal of wash water requires usage of property or facilities onsite sanitary sewer lines. Should access not be allowed, a change order will be required to haul away and dispose into offsite facility.
2. Price includes lift rentals as needed.
3. Labor has been calculated at prevailing wage rates.

## SURFACE PREPARATION

### STANDARD LEVEL OF PREP

Unless stated otherwise in pictures and/or text in this proposal, this project is priced to include our standard level of prep. This includes the following:

- Wash or wipe down surfaces being painted.
- Scrape and sand loose and peeling paint. Please Note\*\* Scraping and sanding will not result in a smooth finish. There will be ups and downs where paint was removed.
- Spot priming bare wood and metal in areas being painted. We do not spot prime areas being stained.
- Window glazing if we are painting windows.
- Puttying, caulking, and wood filling as needed. We only caulk areas that were previously caulked and are missing or failing. We only remove caulking that is failing.
- Masonry Patching where needed. Please Note\*\* Masonry patching will not mimic the current texture of the masonry surface.

This level of prep DOES NOT include (Unless specified otherwise in this proposal) the following:

- Wood replacement
- Fixing imperfections that require feather sanding and bondo application.
- Full recaulking if caulk is not failing or missing.
- Resculpting trim and siding where damaged.
- Stripping existing surface coating.

## CLEAN UP

Daily: Ladders are taken down and stored in a designated area along with all other tools and supplies. All debris will be swept and removed from the property or deposited in the appropriate trash receptacle according to the customer's preference. Upon Completion: All tools, supplies & equipment will be removed from the property.



PROPOSAL AND COLOR SPECIFICATIONS

Surface/Item	Product	Paint / Primer Coats	Color
PBB 1 - All sides			
Siding - Metal siding - Airless Spray	Sherloxane-Epoxy -Semi-Gloss Macropoxy	1 / 1	TBD
Siding - Prep & Repair			
Wash			
Support columns	Sherloxane-Epoxy -Semi-Gloss Macropoxy	1 / 1	TBD
PBB 2 - All sides			
Siding - Metal siding - Airless Spray	Sherloxane-Epoxy -Semi-Gloss Macropoxy	1 / 1	TBD
Siding - Prep & Repair			
Wash			
Support columns	Sherloxane-Epoxy -Semi-Gloss Macropoxy	1 / 1	TBD
PBB 3 - All sides			
Siding - Metal siding - Airless Spray	Sherloxane-Epoxy -Semi-Gloss Macropoxy	1 / 1	TBD
Siding - Prep & Repair			
Wash			
Support columns	Sherloxane-Epoxy -Semi-Gloss Macropoxy	1 / 1	TBD

NOTES

OUR CERTAINTY SERVICES SYSTEM: To ensure that the project meets your expectations, we will:

- Meet with you at the beginning of the project to ensure all information is up to date and accurate.
- Communicate with you daily to inform you of what has been completed, what will be done tomorrow and any possible issues.
- And finally, have you do a final inspection with us to make sure that you are completely satisfied with the completed project.

ADDITIONAL NOTES

PICKING YOUR COLORS

To pick your colors, please go to the nearest Sherwin Williams paint store. We need color name, number, and sheen that you would like us to use. Color choices should be given to CertaPro no later than 5 days before your project's start date to avoid delays.

ROTTING WOOD AND TERMITE DAMAGE

If rotted wood or termite damage is identified during the painting project, you will be notified and presented possible solutions. It is not always possible to identify rotting wood or termite damage during the estimating process.

For information about our data collection and privacy practices, visit our privacy policy at <https://certapro.com/privacy-policy/>

SIGNATURES

CertaPro Painters Authorized Signature

Date

Authorized Client Signature

Date

Authorized Client Representative Name & Title

Client

PAYMENT DETAILS

Payment is due: In full upon job completion

## COMMERCIAL DEFINITIONS AND CONDITIONS OF THIS CONTRACT

**RELATIONSHIP** — The individual giving you this proposal is an independent contractor licensed by CertaPro Painters® to use its systems and trademarks to operate a painting franchise. The work will be completed by the independent franchised contractor. Please make any check payable to the franchise shown on the front of this proposal.

**COLORS** — Colors may be chosen by the client prior to commencement of work. If, after the job starts, a color change is required, the independent Contractor will have to charge for time and material expenses incurred on the original color.

**UNFORESEEN CONDITIONS** — Should conditions arise which could not be determined by visual inspection prior to starting work, the client must pay an agreed upon extra for the completion of such work.

**PROPOSAL** — This proposal is valid for 60 days after it was written. In addition, the Independent Franchised Contractor should be informed of your desire to have the work done and receive a signed copy of the proposal before work is to be started.

### ATTENTION CLIENT:

YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE BELOW NOTICE OF CANCELLATION FOR AN EXPLANATION OF THIS RIGHT. (SATURDAY IS A LEGAL BUSINESS DAY IN CONNECTICUT.) THIS SALE IS SUBJECT TO THE PROVISIONS OF THE HOME SOLICITATION SALES ACT AND THE HOME IMPROVEMENT ACT. THIS INSTRUMENT IS NOT NEGOTIABLE.

### NOTICE OF CANCELLATION

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE ABOVE DATE. IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN TEN BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED. IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE; OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK. IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN TWENTY DAYS OF THE DATE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREED TO RETURN THE GOODS AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT. TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM TO:

Name of Seller **CertaPro Painters of Corona & Temecula Valley**

DATE OF TRANSACTION \_\_\_\_\_

NOT LATER THAN MIDNIGHT OF \_\_\_\_\_

I HEREBY CANCEL THIS TRANSACTION

(Buyer's Signature)

(Date)

## LIMITED TWO YEAR WARRANTY

Subject to the limitation set forth below, for a period of 24 months from the date of completion of the work described on the front of this contract, the Independent Franchise Owner named on the front of this contract (the "Contractor") will repair peeling, blistering or chipping paint resulting from defective workmanship.

THIS LIMITED WARRANTY DOES NOT COVER:

- Any work where the Contractor did not supply the paint or other materials.
- Any work which was not performed by the Contractor.
- Varnished surfaces.
- Surfaces made of, or containing, galvanized metal.
- The cost of paint required to perform the repairs.
- Repairs to horizontal surfaces or any surface that, by virtue of its design permits moisture to collect. Surfaces include, but are not limited to, decks, railings, stairs, porches, roofs and wood gutters.
- Exact paint match as environmental conditions will affect the color and finish of all paints over time.
- Any repairs which are necessitated as a result of a defect in the paint regardless of whether the paint was supplied by the Contractor or the customer.
- Bleeding caused by knots, rust or cedar.
- Cracks in drywall, plaster or wood.
- Peeling, blistering or chipping where they are caused by:
  - mill-glazing from smooth cedar
  - ordinary wear and tear.
  - abnormal use or misuse.
  - peeling of layers of paint existing prior to the work performed by the Contractor.
  - structural defects.
  - settling or movement.
  - moisture content of the substrate.
  - abrasion, mechanical damage, abrasive cleaning, abuse or damage resulting from use of chemicals or cleaning agents or exposure to harmful solids, liquids or gases.
  - damage or defects caused in whole or in part by reason of fire, explosion, flood, acts of God, extreme weather conditions, misuse, alteration, abuse, vandalism, negligence, or any other similar causes beyond the control of the Contractor.

Repairs under this limited warranty will be performed only on the specific areas where peeling, blistering or chipping has occurred and only to the level of surface preparation described in the preparation section of the Contract.

FOR THIS WARRANTY TO BE VALID, YOU MUST:

- Pay the full contract price.
- Retain a copy of the original contract.
- Retain a copy of your cancelled check or other evidence of payment in full.
- Pay for all materials used to perform the repairs.

- Make the property accessible to the Contractor, or his employees, to perform the repairs.

THIS LIMITED WARRANTY IS THE ONLY EXPRESS WARRANTY MADE BY THE CONTRACTOR AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. THIS WARRANTY COVERS ONLY THOSE SERVICES PROVIDED BY THE CONTRACTOR TO THE ORIGINAL PURCHASER NAMED ON THE FRONT OF THIS CONTRACT. IN NO EVENT SHALL THE CONTRACTOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES IN EXCESS OF THE ORIGINAL CONTRACT PRICE. THIS WARRANTY MAY NOT BE ALTERED OR EXTENDED FOR ANY PURPOSE UNLESS DONE SO IN WRITING IN A DOCUMENT EXECUTED BY ALL PARTIES TO THIS CONTRACT.

This warranty gives you specific legal rights. Some jurisdictions do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above limitations or exclusions may not apply to you.

For warranty service, you should contact your Contractor to schedule an inspection of your property by calling CertaPro Painters® at 800.462.3782.



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 7**

**PRESENTER: Jonathan Galvan, Airport Manager**

**SUBJECT: APPROVE AWARD OF A MULTI-YEAR AGREEMENT WITH H.F. HOLT ELECTRICAL & AUTOMATION IN AN AMOUNT NOT TO EXCEED \$104,000 FOR TERMINAL BAGGAGE HANDLING SYSTEM (BHS) PREVENTATIVE MAINTENANCE**

### **SUMMARY**

The Terminal Baggage Handling System (BHS) is a critical airport system supporting terminal airline operations. To ensure the efficiency and reliability of the BHS system, a scheduled systematic maintenance approach by qualified technicians is required.

### **RECOMMENDED ACTION(S)**

Approve a one (1)-year agreement, with a one (1) year extension option with H.F. Holt Electrical & Automation in an amount not to exceed \$104,000 over a two (2) year period for preventative maintenance of the Terminal BHS; and authorize the Chief Executive Officer to execute all related documents.

### **FISCAL IMPACT**

Funding for this agreement was included in the San Bernardino International Airport Authority (SBIAA) Fiscal Year 2023-24 budget in the General Fund, Account 50281 - Maintenance & Repair, Account 50325 - Supplies: Repairs & Maintenance in the amounts of \$170,000 and \$348,000, of which \$196,394 is available to fund this \$52,000 agreement.

PREPARED BY:	Jonathan Galvan
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

**BACKGROUND INFORMATION**

The Terminal Baggage Handling System (BHS) is a critical component to the success of daily operations for commercial passenger services at SBD. The departure side of the BHS transports passengers' checked baggage from the ticket counters to TSA for bag checks, followed by transportation to the airside carousel for handling by ground personnel, and ending its course awaiting loading into the departing aircraft.

On the arrival side of the BHS, baggage handlers place arrived baggage on the BHS. The baggage is then transported from the ramp to the inside of the terminal to be claimed by passengers. Ensuring safe and proper operations of the BHS requires scheduled systematic preventative maintenance. Malfunctions to this system may lead to lost bags, flight delays, and poor customer service.

Staff solicited terminal BHS preventative maintenance proposals from three (3) qualified contractors. Of the three vendors, two responded and one declined to provide a proposal.

Of the two responsive vendors, H.F. Holt Electrical & Automation provided the apparent lowest cost proposal for preventative maintenance services in the amount of \$104,000.00 over a two-year term. Normal hourly rates apply for any repairs needed outside the routine preventative maintenance, as described in attached Bid Tabulation.

The SBIAA Fiscal Year 2023/2024 budget includes funds for preventative maintenance for the terminal Baggage Handling Sysytem. The proposed contract with H.F. Holt Electrical & Automation over a two year period would be \$104,000 for preventative maintenance services over the term of the contract. Staff would allocate budget funds during future Fiscal Years to cover the remaining one (1)-year term of the service agreement.

Staff recommends that the Commission approve the above recommended action as set forth above.

**Attachments:**

1. H.F. Holt Electrical & Automation Proposal
2. Bid Tabulation
3. Draft Service Agreement



## **SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY**

### **REQUEST FOR QUOTATION**

**For**

### **PREVENTATIVE MAINTENANCE & REPAIR SERVICES FOR BAGGAGE HANDLING SYSTEM**

July 10, 2023

Quote Deadline: July 20<sup>th</sup>, 2023

Send Quotations to:

San Bernardino International Airport Authority  
1601 E. Third Street  
San Bernardino, CA 92408

Attn: Shauntil Carvalho, Purchasing Manager

# **REQUEST FOR QUOTE (RFQ) FOR**

## **PREVENTATIVE AND CORRECTIVE MAINTENANCE SERVICES FOR BAGGAGE HANDLING SYSTEM**

**July 10<sup>th</sup>, 2023**

### **INVITATION**

The San Bernardino International Airport Authority (SBIAA), herein collectively referred to as "AGENCY", invites quotations from qualified Contractors for:

### **PREVENTATIVE MAINTENANCE & REPAIR SERVICES FOR BAGGAGE HANDLING SYSTEM**

#### **GENERAL SPECIFICATIONS:**

##### **BAGGAGE HANDLING SYSTEM**

1. The Terminal BHS is a G&S Airport Conveyor installed in 2008.
2. BHS consists of centralized PLCs and I/O. PLCs will be in MCP-01, while remote I/O racks will be in various MCPs throughout the BHS.
3. There is a total of 11 MCPs and 6 PanelView Operator Terminals, which are communicated by means of ControlNet.
4. All ControlNet networks will be non-redundant single media. Ethernet will communicate to the HMI and Data Historian Server.
5. Outbound Bag Flow: system includes two ticket counter lines feeding the security screening matrix and two outbound make-up devices.
6. Inbound bag flow system includes two claim carousels with two fire doors each and an oversize slide, also with a fire door.
7. Specs:
  - a) System PLC: Allen Bradley Micrologix 1400 series
  - b) Programming software: Allen Bradley RS LOGIX 500
  - c) Conveyor motors: 480 Volt, 3 Ph, 60 Hz
  - d) Fire/Security Doors: 120 Volt, 1 Phase, 60 Hz
  - e) Control Voltage: 24 Volt D.C

## **SCOPE OF SERVICES**

CONTRACTOR shall provide all labor for preventative and corrective maintenance service for the Domestic Terminal inbound and outbound baggage handling systems, carousels, conveyor systems, and fire doors. Bid Sheet attached, "Exhibit A", to be completed by CONTRACTOR.

### **Scope of Work**

1. All labor, tools, equipment, and material required to perform work.
2. The AGENCY reserves the right to coordinate, inspect and approve all aspects of maintenance and repairs to the baggage handling system (BHS)
3. Only trained personnel should work on the baggage handling system.
4. CONTRACTOR shall perform complete inspections on all of the equipment covered under this CONTRACT and file a written report which includes unit identification, specific and detailed descriptions of all deficiencies, and a time frame to correct these deficiencies.
5. The CONTRACTOR shall ensure that all work will be done in strict accordance with the manufacturer's instructions.
6. CONTRACTOR shall provide a technician to escort State, County, or independent inspectors when requested. If required, assistance for any reason to these entities shall be provided at no additional cost.
7. CONTRACTOR will provide trained and equipped technicians on site during operational hours for the first 30 days of an airline launch operation (August 4, 2022 – September 4, 2022).
8. The selected Contractor's employee(s) assigned to perform on-site work of any kind shall, at Contractor's sole cost and expense, obtain driver training and security badges by attending the AGENCIES Airport Driver's Training Course, approximately 1 to 2-hour class to obtain the required training.

Upon award of Contract to the selected CONTRACTOR, any employees assigned to perform on-site work under this Contract may, at AGENCIES's discretion, be required to disclose information about any criminal conviction history and be required to undergo background checks performed through the AGENCY, at a time and place, and in a manner, to be determined by the AGENCY. All required background checks shall be at the CONTRACTOR's sole cost and expense.



## **Maintenance**

1. Routine Maintenance - Procedures that will maintain the overall condition of the BHS, baggage carousel, and baggage conveyor systems. The contractor will provide a Maintenance Checklist (monthly, quarterly, and annually as needed) as approved by the agency.
2. The CONTRACTOR will be asked to provide proposals for any additional unforeseen repairs not covered under routine maintenance.
3. Provide training to SBD technicians for weekly/monthly checklist inspections.

## **Parts and Materials**

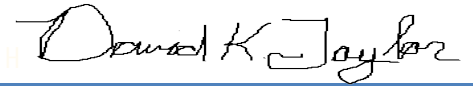
### **Replacement Parts**

All materials used at San Bernardino International Airport by the CONTRACTOR shall be new, high grade, free from defects, and subject to the review and approval of the AGENCY Project Manager or San Bernardino International Airport Maintenance Manager.

Parts, materials, and hardware shall be paid based on the actual invoice cost to the Contractor plus a percentage as specified and agreed upon by and between the AGENCY and The Contractor.

### **Spare Parts**

The CONTRACTOR is responsible for maintaining a spare parts inventory for materials needed for preventative maintenance.



CONTRACTOR NAME

**EXHIBIT "A"**

PREVENTATIVE MAINTENANCE & REPAIR SERVICES FOR:  
BAGGAGE HANDLING SYSTEM -AND/OR- PASSENGER BOARDING BRIDGE

**Bid Sheet**

The contractor bidding on this project shall be properly licensed in the State of California in the classification as designed in the Additional Contractor Requirements and shall satisfy the State as to their license qualifications as required. Contractors must be registered and provide proof of registration with the Department of Consumer Affairs.

The Contractor has carefully checked all figures and understands that the AGENCY will not be responsible for any errors or omissions on the part of the Contractor in making this bid.

Having been completely familiar with all conditions affecting the cost of work at the place where the work is to be done, these specifications and other contract documents prepared and issued; therefore, the Contractor hereby proposes and agrees to provide all services as outlined in the RFQ as follows:

SERVICE DESCRIPTION	YEAR ONE COMMITMENT 2022/2023	OPTIONAL YEAR TWO EXTENSION 2023/2024
Baggage Handling System	\$ 52,000.00	\$ 52,000.00

**Proposer's Hourly Service Rate Per Additional Service Requirement Section:**

(In this section, be sure to include fees for services outside the scope of services of the Preventative Maintenance Services and shall not be part of your proposed fees listed on the Bid Sheet. If necessary, attach a separate price sheet.)

Normal Business Hours, Hourly Rate: \$ 70.00	After-hours, Hourly Rate: \$ 90.00
Weekend On-Call, Hourly Rate:\$ 90.00	Holiday On-Call, Hourly Rate: \$ 90.00
Parts/Supply Mark-up %: 10	Additional Costs (specify): none



# SBIAA

## TABULATION OF BIDS

Request for Quote: 2024-002: Baggage Handling system

Number of Bids Sent: 4

Number of Bids Received: 2

<b>VENDOR:</b>		Eriks North America		H.F. Holt		Royal Industrial	
<b>PHONE:</b>		510-570-6810		(858)335-7065		(951) 385-7776	
<b>CONTACT:</b>		Bill Deller		David K. Taylor		Jamie Colflesh	
ITEM	SERVICE DESCRIPTION	Year One Total:	Optional Year Two Total:	Year One Total:	Optional Year Two Total:	Year One Total:	Optional Year Two Total:
1	Monthly Preventative Maintenance	\$95,000.00	\$95,000.00	\$52,000.00	\$52,000.00	Declined to Bid	
<i>Total Service Cost:</i>		<i>\$95,000.00</i>	<i>\$95,000.00</i>	<i>\$52,000.00</i>	<i>\$52,000.00</i>		
<b>2 Year Contract Total:</b>		<b>\$190,000.00</b>		<b>\$104,000.00</b>		<b>\$0.00</b>	
<b>Total Misc. Cost: Years 1-4</b>		<b>Hourly Rates:</b>	<b>Total (8hrs for the purpose of showing comparison):</b>	<b>Hourly Rates:</b>	<b>Total (8hrs for the purpose of showing comparison):</b>	<b>Hourly Rates:</b>	<b>Total (8hrs for the purpose of showing comparison):</b>
Normal Hourly Rate		\$ 115.00	\$ 920.00	\$ 70.00	\$ 560.00	\$ -	\$ -
After-hours Hourly Rate		\$ 145.00	\$ 1,160.00	\$ 90.00	\$ 720.00	\$ -	\$ -
Weekend On-call Hourly Rate		\$ 145.00	\$ 1,160.00	\$ 90.00	\$ 720.00	\$ -	\$ -
Holiday Hourly Rate		\$ 145.00	\$ 1,160.00	\$ 90.00	\$ 720.00	\$ -	\$ -
<i>Total Service Cost:</i>		<i>\$</i>	<i>4,400.00</i>	<i>\$</i>	<i>2,720.00</i>	<i>\$</i>	<i>-</i>
Parts Mark up %		10%		10%		0%	

## SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY

### **AGREEMENT FOR PROFESSIONAL SERVICES**

H.F. HOLT ELECTRICAL & AUTOMATION

This AGREEMENT FOR PROFESSIONAL SERVICES (the "Agreement") is made and entered into effective 9/1/2023, by and between the SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY, a joint powers authority created pursuant to Government Code Sections 6500, et seq., (the "SBIAA"), and H.F. HOLT ELECTRICAL & AUTOMATION (the "Consultant").

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN AND FOR SUCH OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

1. SUPERVISION OF CONSULTANT. The SBIAA staff designated in **Exhibit B** shall be responsible for the direction of any services to be performed by the Consultant and any Subcontractor to the Consultant under this Agreement. The Consultant shall not undertake any services under the terms of this Agreement unless instructed to do so by one of the staff members designated in Exhibit B. No other staff member is authorized by the SBIAA to request services from the Consultant.

2. TERM OF AGREEMENT. The term of this Agreement shall commence on the date first appearing in this Agreement and shall be in effect for one (1) year with one, one-year optional extension, expiring August 31, 2025 (the "Term"). The SBIAA reserves the right through the actions of the Chief Executive Officer of the SBIAA to terminate this Agreement at any time either with or without cause and at the sole convenience of the SBIAA upon delivery of notice of termination to the Consultant in accordance with Section 12; provided, however, that upon the effective date of any such termination, the SBIAA shall be responsible to pay and/or reimburse the Consultant for all services, materials and supplies as may have been furnished to the SBIAA through such termination date in accordance with the Scope of Services as referenced in Section 3.

3. CONSULTANT SCOPE OF SERVICES. The SBIAA hereby retains the Consultant to provide the professional consulting services set forth in the Scope of Services attached hereto as **Exhibit A** and incorporated herein by this reference. The Consultant hereby agrees to perform the services set forth in the Scope of Services in accordance with the terms of this Agreement. The Consultant shall perform the services as set forth in said Scope of Services within the time periods to be identified by the appropriate SBIAA representative.

4. PAYMENT BY SBIAA FOR WORK PERFORMED BY CONSULTANT.

A. The SBIAA shall compensate the Consultant in an aggregate amount not to exceed **Fifty-two Thousand Dollars (\$52,000.00)** for the Term of this Agreement. Should the optional, one-year extension be exercised, the amount not to exceed shall be **One-hundred Four Thousand Dollars (\$104,000.00)**.

B. The compensation designated in subsection 4. A shall be the Total Fee for the performance of the services and the delivery of the final work product materials, if any, as set forth in the Scope of Services. The Total Fee shall include, but not be limited to, the salaries of all Subcontractors retained by the Consultant and all employees of the Consultant to perform services pursuant to this Agreement and shall be inclusive of all costs and expenses incurred for mileage, travel, graphics, telephone, printing, fax transmission, postage, copies and such other expenses related to providing the services set forth in Exhibit A.

C. The Consultant shall invoice the SBIAA for services performed by the Consultant under this Agreement each calendar month during the Term of this Agreement.

D. The Consultant shall submit invoices under this Agreement to:

San Bernardino International Airport Authority  
Attention: Chief Executive Officer  
1601 E. Third Street, Suite 100  
San Bernardino, CA 92408

E. Each invoice of the Consultant shall set forth the time and expenses of the Consultant incurred in performance of the Scope of Services, during the period of time for which the invoice is issued. Each invoice of the Consultant shall clearly set forth the names of the individual personnel of the Consultant and any individual subconsultants utilized by the Consultant, during the time period covered by the invoice, a description of the professional services rendered on a daily basis by each named individual during such time period, the respective hourly rates of each named individual and the actual time expended by each named individual. Each invoice of the Consultant shall be accompanied by copies of all third party invoices for other direct costs incurred and paid by the Consultant during such time period. SBIAA shall pay all amounts set forth on the invoices of the Consultant and approved by the authorized SBIAA staff personnel who requested the services, within thirty (30) days of such approval.

5. RECORDS RETENTION. Records, maps, field notes and supporting documents and all other records pertaining to the use of funds paid to the Consultant hereunder shall be retained by the Consultant and available to the SBIAA for examination and for purposes of performing an audit for a period of five (5) years from the date of expiration or termination of this Agreement or for a longer period, as required by law. Such records shall be available to the SBIAA and to appropriate county, state or federal agencies and officials for inspection during

the regular business hours of the Consultant. If the Consultant does not maintain regular business hours, then such records shall be available for inspection between the hours of 9 a.m. and 5 p.m. Monday through Friday, excluding federal and state government holidays. In the event of litigation or an audit relating to this Agreement or funds paid to the Consultant by the SBIAA under this Agreement, such records shall be retained by the Consultant until all such litigation or audit has been resolved.

6. INDEMNIFICATION. The Consultant shall defend, indemnify and hold harmless the SBIAA, its officers, employees, representatives, and agents from and against any and all actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorney fees, for injury or damage of any type claimed as a result of the acts or omissions of the Consultant, its officers, employees, subcontractors and agents, arising from or related to performance by the Consultant of the services required under this Agreement.

7. INSURANCE. The Consultant shall maintain insurance as set forth in this Section 7 throughout the Term of this Agreement. The Consultant shall remain liable to the SBIAA pursuant to Section 6 above to the extent the Consultant is not covered by applicable insurance for all losses and damages incurred by the SBIAA that are caused directly or indirectly through the actions or inactions, willful misconduct or negligence of the Consultant in the performance of the services by the Consultant pursuant to this Agreement. These insurance policies must be issued by an insurance company or companies authorized to do business in the State of California and maintain an AM Best rating of A (V) or better. Such insurance coverages shall be as follows:

(1) Worker's Compensation Insurance. The Consultant and each of its subcontractors shall maintain worker's compensation coverage in accordance with California workers' compensation laws for all workers under the Consultant's and/or subcontractor's employment performing work under this Agreement.

(2) Automobile Insurance. The Consultant and each of its subcontractors shall maintain comprehensive automobile liability insurance for owned, hired, and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

(3) Commercial General Liability Insurance. The Consultant shall maintain general liability insurance with no exclusions or limitations relating to SBIAA Premises or Operations, written on an "Occurrence" policy form. "Claims Made" coverage will not be acceptable to the SBIAA unless such coverages have been fully disclosed by the Operator, and reviewed by the SBIAA prior to the execution of this Agreement. The SBIAA reserves the right to refuse any "Claims Made" policy form. All Commercial General Liability Insurance policies shall provide coverage for bodily injury and property damage, including death, arising out of or relating to the products and/or services provided by the Consultant under this agreement. Limits of insurance shall not be less than \$1,000,000 per occurrence, \$2,000,000 aggregate.

(4) Additional Insured Endorsement. The “San Bernardino International Airport Authority” shall be named by endorsement as an “Additional Insured” under the Consultant’s Commercial General Liability Insurance Coverage. The Additional Insured Endorsement must be on ISO Form CG 20 10 07 04 or an available equivalent acceptable to the SBIAA, with such modifications as the SBIAA may require. The Consultant’s general liability coverage shall be primary.

(5) Prior to the commencement of any work by the Consultant, the Consultant shall deliver to the SBIAA all “Certificates of Insurance” evidencing the existence of the insurance coverage required herein. All coverages shall remain in full force and effect continuously throughout the Term of this Agreement. Each policy of insurance that Consultant purchases in satisfaction of the insurance requirements of this Agreement shall provide that the policy may NOT be cancelled, terminated or modified in scope of coverage as it applies to the services to be provided by the Consultant under this agreement, except upon thirty (30) days prior written notice to the SBIAA.

(6) Certificate Holder. The Certificate Holder shall read as follows:

San Bernardino International Airport Authority  
Attention: Chief Executive Officer  
1601 E. Third Street, Suite 100  
San Bernardino, CA 92408

8. OWNERSHIP AND REUSE OF DOCUMENTS AND OTHER MATERIALS AND INFORMATION. All maps, photographs, data, information, reports, drawings, specifications, computations, notes, renderings, designs, inventions, photographs, modifications, adoptions, utilizations, correspondence or other documents generated by or on behalf of the Consultant for performance of the work set forth in the Scope of Services shall be the sole property of the SBIAA, as of the time of their preparation and payment therefore by the SBIAA, and shall be delivered to the SBIAA upon written request to the Consultant. The Consultant shall not make use of any maps, photographs, data, information, reports, drawings, specifications, computations, notes, renderings, designs, inventions, photographs, modifications, adoptions, utilizations, correspondence or other documents and other materials whether for marketing purposes or for use with other clients when such have become the property of the SBIAA without the prior express written consent of the SBIAA except to the extent that such maps, photographs, data, information, reports, drawings, specifications, computations, notes, renderings, designs, inventions, photographs, modifications, adoptions, utilizations, correspondence or other documents are readily available to the general public as public records pursuant to State law.

Consultant shall execute, acknowledge and perform any and all acts which shall reasonably be required in order for SBIAA to establish unequivocal ownership of the maps, photographs, data, information, reports, drawings, specifications, computations, notes,

renderings, designs, inventions, photographs, modifications, adoptions, utilizations, correspondence or other documents and record, register and procure an issuance in or to SBIAA's rights, title and/or interest.

9. PRESS RELEASES/PUBLICITY. Press or news releases, including photographs or public announcements, or confirmation of the same related to the services to be provided by the Consultant under this Agreement shall only be made by the Consultant with the prior written consent of the Chief Executive Officer of the SBIAA. Consultant shall not advertise, market or use other promotional efforts that include any data, pictures, or other representations of the SBIAA without the prior written consent of the Chief Executive Officer of the SBIAA.

10. CONFIDENTIALITY OF MATERIALS AND INFORMATION. The Consultant shall keep confidential all reports, survey notes and observations, information, and data acquired or generated in performance of the services set forth in the Scope of Services, which the SBIAA designates confidential. None of such designated confidential materials or information may be made available to any person or entity, public or private, without the prior written consent of the SBIAA. Consultant shall safeguard and not disclose confidential information of the SBIAA including any of the following: (a) patient, trademark or copyright information; (b) personnel information; (c) matters of a technical nature; (d) matters of a business nature; and, (e) other information of a similar nature which is not generally disclosed by the SBIAA, referred to collectively hereafter as "Confidential Information." Consultant further agrees not to use Confidential Information except as may be necessary to perform the services identified in this Agreement for the SBIAA. Upon termination or expiration of this Agreement, or otherwise as requested by the SBIAA, Consultant shall promptly deliver all Confidential Information to the SBIAA, if any, in whatever form, that may be in Consultant's possession or control.

11. DEFAULT AND REMEDIES.

A. Failure or delay by any party to this Agreement to perform any material term or provision of this Agreement shall constitute a default under this Agreement; provided however, that if the party who is otherwise claimed to be in default by the other party commences to cure, correct or remedy the alleged default within seven (7) calendar days after receipt of written notice specifying such default and shall diligently complete such cure, correction or remedy, such party shall not be deemed to be in default hereunder.

B. The party which may claim that a default has occurred shall give written notice of default to the party in default, specifying the alleged default. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default; provided, however, the injured party shall have no right to exercise any remedy for a default hereunder without delivering the written default notice as specified herein.

C. Any failure or delay by a party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with



a default. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties under this Agreement are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

D. In the event that a default of any party to this Agreement may remain uncured for more than seven (7) calendar days following receipt of written notice, as provided above, a "breach" shall be deemed to have occurred. In the event of a breach, the injured party shall be entitled to terminate this Agreement upon written notice to the other party, which termination shall be effective immediately upon receipt of such notice, and whether or not this Agreement is terminated, seek any appropriate remedy or damages available under applicable law.

12. TERMINATION.

A. This Agreement may be terminated by either party for any reason by giving the other party fifteen (15) calendar days prior written notice. The SBIAA shall pay the Consultant for all work authorized by the SBIAA and completed, prior to the effective termination date.

B. In the event of a termination of this Agreement under this Section 12, the Consultant shall provide all documents, notes, maps, reports, data or other work product developed in performance of the Scope of Services of this Agreement to the SBIAA, within ten (10) calendar days of such termination and without additional charge to the SBIAA.

13. NOTICE. All notices given hereunder shall be in writing. Notices shall be presented in person or by certified or registered mail using the United States Postal Service, return receipt requested, postage prepaid or by overnight delivery by a nationally recognized delivery service to the addresses set forth below. Notice presented by United States Mail shall be deemed effective on the third (3<sup>rd</sup>) business day following the deposit of such Notice with the United States Postal Service. This Section 13 shall not prevent the parties hereto from giving notice by personal service, which shall be deemed effective upon actual receipt of such personal service. Either party may change their address for receipt of written notice by notifying the other party in writing of a new address for delivering notice to such party.

CONSULTANT: H.F. Holt Electrical & Automation  
1265 Kendall Dr. #1711  
San Bernardino CA. 92407

SBIAA: San Bernardino International Airport Authority  
Attention: Chief Executive Officer  
1601 E. Third Street, Suite 100  
San Bernardino, CA 92408

14. COMPLIANCE WITH LAW. The Consultant shall comply with all local, state, and federal laws, including, but not limited to, environmental acts, rules and regulations applicable to the services to be provided by the Consultant under this Agreement. The Consultant shall maintain all necessary licenses and registrations for the lawful performance of the services required of the Consultant under this Agreement.

15. NONDISCRIMINATION. The Consultant shall not discriminate against any person on the basis of race, color, creed, religion, natural origin, ancestry, sex, marital status or physical handicap in the performance of the Scope of Services of this Agreement. Without limitation, the Consultant hereby certifies that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status of national origin. Further, the Consultant shall promote affirmative action in its hiring practices and employee policies for minorities and other designated classes in accordance with federal, state and local laws. Such action shall include, but not be limited to, the following: recruitment and recruitment advertising, employment, upgrading and promotion. In addition, the Consultant shall not exclude from participation under this Agreement any employee or applicant for employment on the basis of age, handicap or religion in compliance with state and federal laws.

16. SUBCONTRACTORS AND/OR SUBCONSULTANTS. The Consultant recognizes and agrees that it has the affirmative duty to disclose the company name, company address, names and titles of principals, key management and supervisory personnel of all subcontractors and/or subconsultants, and other persons, entities, agents, representatives and intermediaries (collectively, "Subcontractors") who may be participating in any manner in the Scope of Services to be rendered by the Consultant pursuant to the terms of this Agreement. The definition of Subcontractors shall also include any and all others persons who may attempt to influence any decision intended to be made by the governing body of the SBIAA with regard to the funding, other discretionary actions or additional approvals associated with this Agreement and the Scope of Services whether or not such other parties are seeking compensation from the Consultant in furtherance of the Scope of Services pursuant to this Agreement. All such Subcontractors shall be disclosed in writing by the Consultant to the Assistant Secretary of the SBIAA Commission, immediately upon Consultant entering into any agreement or contract, either written or oral, with each such Subcontractor. It is the obligation of the Consultant to so disclose to the Assistant Secretary of the Commission any and all Subcontractors, as defined above, throughout the Term of this Agreement. Failure on behalf of the Consultant and/or its agents, representatives and intermediaries to comply with this Section 16 shall result in the inability of SBIAA staff to authorize and/or submit to the SBIAA governing body any amendments, change orders, extensions of time, etc., relative to this Agreement.

The Consultant acknowledges the obligations as set forth in this Section 16 by the initials of the agent signing on behalf of the Consultant appearing below:

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(initial here)

17. CONSULTANT AND EACH SUBCONTRACTOR ARE INDEPENDENT CONTRACTORS.

The Consultant shall at all times during the performance the services described in Exhibit A be deemed to be an independent contractor. Neither the Consultant nor any of its subcontractors shall at any time or in any manner represent that it or any of its employees are employees of the SBIAA or any member agency of the SBIAA. The SBIAA shall not be requested or ordered to assume any liability or expense for the direct payment of any salary, wage or benefit to any person employed by Consultant or its Subcontractors to perform the services described in Exhibit A. Consultant is entirely responsible for the immediate payment of all subcontractor liens.

18. CONFLICT OF INTEREST – SBIAA REPRESENTATIVES. Consultant acknowledges that the SBIAA uses ethical business practices in the selection of its Consultants and in its other contracting practices. Consultant certifies that neither it nor its employees or agents have, with an intent to establish or maintain a business relationship with the SBIAA or any department thereof, provided any gift or sponsorship having a value of more than a fifty and 00/100 dollar (\$50.00) value, in total or aggregated total, to: (i) any person working on behalf of the SBIAA involved in the negotiation of this Agreement; (ii) any member of any department of the SBIAA procuring items or services from the Consultant under this Agreement; and/or (iii) any person with authority to negotiate this or any other contract on behalf of the SBIAA. Further, Consultant certifies that neither it nor its employees or agents shall at any time in the future, with an intent to establish or maintain a business relationship with the SBIAA or any department thereof, provide any gift or sponsorship having more than a fifty and 00/100 dollar (\$50.00) value, in total or aggregated total, to: (i) any person working on behalf of the SBIAA involved in the negotiation of this Agreement; (ii) any member of any department of the SBIAA procuring items or services from the Consultant under this Agreement; and/or (iii) any person with authority to negotiate this or any other contract on behalf of the SBIAA.

The Consultant acknowledges the obligations as set forth in this Section 18 by the initials of the agent signing on behalf of the Consultant appearing below:

\_\_\_\_\_  
(initial here)

19. CONFLICT OF INTEREST – CAMPAIGN CONTRIBUTIONS. The Consultant represents and warrants that it has reviewed and is familiar with the governing provisions of the California Government Code and the regulations promulgated there under by the Fair Political Practices Commission (“FPPC”) regarding campaign contributions to appointed members of the governing body of the SBIAA. The Consultant further represents and warrants that neither the Consultant, nor any number of individuals employed by the Consultant or other contractors and Subcontractors of the Consultant, or any others acting on behalf of or in concert with the Consultant, have contributed to: (i) any member of the governing body of the SBIAA, (ii) any election committee of any member of the governing body of the SBIAA, (iii) any “friends of” election committee of any member of the governing body of the SBIAA, or (iv) any

political action committee ("PAC") representing, acting with or on behalf of any member of the governing body of the SBIAA, an amount in the aggregate of more than Two Hundred Fifty and 00/100 Dollars (\$250.00) within the period commencing twelve (12) months prior to the date of the official action by the governing body of the SBIAA to approve this Agreement. The Consultant covenants and warrants that for the period of time commencing as of the date of the approval of this Agreement by the governing body of the SBIAA and for ninety (90) calendar days thereafter, similarly no such campaign and/or fund-raising contributions aggregating in excess of \$250.00 from the Consultant and other contractors and Subcontractors of the Consultant, or others action on behalf of or in concert with the Consultant, when aggregated with campaign contributions paid pursuant to the preceding sentence for the prior twelve (12) month period, shall be made to any member of the governing body who participated in the official action to approve this Agreement. Such \$250.00 limitation shall apply for the period of time commencing twelve (12) months prior to the date of the official action of the governing body of the SBIAA to approve this Agreement and for ninety (90) calendar days thereafter and all such campaign contributions within said fifteen (15) month period of time shall be aggregated for purposes of the FPPC rules and regulations. Any breach of this Section 19, whether intentional or unintentional, shall be deemed to be a material breach of this Agreement.

The Consultant acknowledges the obligations as set forth in this Section 19 by the initials of the agent signing on behalf of the Consultant appearing below:

\_\_\_\_\_  
(initial here)

20. FAIR POLITICAL PRACTICES COMMISSION FORMS AND FILINGS. The provisions of this Section 20 shall apply to the Consultant, its employees and/or agents providing or supervising the services to the SBIAA as set forth in this Agreement. The Consultant acknowledges and represents and warrants that the Consultant is aware of the requirements of the Fair Political Practices Commission ("FPPC") of the State of California, including the statutory requirements and the rules and regulations promulgated pursuant thereto, and the obligations and duties of third party contractors such as the Consultant to complete and timely submit the required FPPC reporting forms.

By the execution and acceptance of this Agreement with the SBIAA, the Consultant hereby agrees that no later than the first day of April (April 1) of each calendar year, or any other date as designated by SBIAA legal counsel or the Assistant Secretary of the Commission, the Consultant shall submit, and/or cause its employees and/or agents providing or supervising the services to the SBIAA as set forth in this Agreement to submit, to the Assistant Secretary of the Commission any reporting form or filing published and/or required by the FPPC which SBIAA legal counsel or the Assistant Secretary of the Commission should deem appropriate and so request of the Consultant, properly and fully completed in accordance with the instructions of the FPPC, which instructions shall be provided to Consultant by the Assistant Secretary of the Commission, identifying the appropriate and necessary economic disclosures

of the Consultant, its employees and/or agents who perform services by, through or on behalf of the Consultant to the SBIAA pursuant to this Agreement.

Further, the Consultant recognizes that it is neither the duty nor the responsibility of the SBIAA, its staff and/or legal counsel to review or seek additional information from the Consultant as to any information submitted to the SBIAA in the required FPPC reporting forms. The Consultant further understands that the Consultant, its principals, shareholders, and certain employees and/or agents could be subjected to fines and civil penalties imposed by the FPPC in the event any documentation submitted by the Consultant is deemed to be inadequate either by the FPPC or any other State or local prosecutorial office. Under some circumstances, such inadequacies for failure to comply with the FPPC requirements may also involve criminal sanctions.

The Consultant shall further defend, indemnify and hold harmless the SBIAA, its officers, employees, representatives, and agents, for any and all violations by the Consultant regarding FPPC reporting compliance requirements that result in any liability or financial loss to the SBIAA, its officers, employees, representatives, and agents, by reason of the failure of the Consultant to comply with the provisions of this Section 20, including staff costs, attorney fees and any and all other costs as may be incurred by the SBIAA, its officers, employees, representatives, and agents due to any alleged violations of the FPPC reporting requirements by the Consultant.

The Consultant acknowledges the obligations as set forth in this Section 20 by the initials of the agent signing on behalf of the Consultant appearing below:

\_\_\_\_\_  
(initial here)

21. CONSULTANT INTERESTS ADVERSE TO THE SBIAA. Consultant hereby represents that it has no interests adverse to the SBIAA or its individual member entities, at the time of execution of this Agreement. Consultant hereby agrees that, during the Term of this Agreement, the Consultant shall not enter into any agreement or acquire any interests detrimental or adverse to the SBIAA or its individual member entities. Additionally, Consultant hereby represents and warrants to SBIAA that Consultant and any partnerships, individual persons or any other party or parties comprising Consultant, together with each subcontractor who may hereafter be designated to perform services pursuant to this Agreement, do not have and, during the Term of this Agreement, shall not acquire any property ownership interest, business interests, professional employment relationships, contractual relationships of any nature or any other financial arrangements relating to the SBIAA, property over which the SBIAA has jurisdiction or any members or staff of the SBIAA that have not been previously disclosed in writing to SBIAA, and that any such property ownership interests, business interests, professional employment relationships, contractual relationships or any nature or any other financial arrangements will not adversely affect the ability of the Consultant to perform the services to the SBIAA as set forth in this Agreement.

22. SEVERABILITY. Each and every section of this Agreement shall be construed as a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof to certain circumstances shall be declared invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is declared invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties. This Agreement supersedes all prior negotiation, discussions and agreements between the parties concerning the subject matters covered herein. The parties intend this Agreement to be the final expression of their agreement with respect to the subjects covered herein and a complete and exclusive statement of such terms.

24. AMENDMENT OR MODIFICATION. This Agreement may only be modified or amended by written instrument duly approved and executed by each of the parties hereto. Any such modification or amendment shall be valid, binding and legally enforceable only if in written form and executed by authorized representatives of each of the parties hereto, following all necessary approvals and authorizations for such execution.

25. GOVERNING LAW. This Agreement shall be governed by the laws of the State of California. Any legal action arising from or related to this Agreement shall be brought in the Superior Court of the State of California in and for the County of San Bernardino.

26. NON-WAIVER. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the same provision or any remaining provisions of this Agreement.

27. CAPTIONS. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision of this Agreement.

28. ASSIGNMENT. This Agreement may not be assigned by the Consultant without the prior written consent of the SBIAA.

29. REPRESENTATIONS OF PERSONS EXECUTING AGREEMENT. The person(s) executing this Agreement warrant that he/she/they is/are duly authorized to execute this Agreement on behalf of and bind the parties each purports to represent.

30. EXECUTION IN COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which will constitute an original.

31. EFFECTIVENESS OF AGREEMENT AS TO THE SBIAA. This Agreement shall not be binding on the SBIAA until approved by the SBIAA Commission, approved as to form and legal content by SBIAA legal counsel, signed by the Chief Executive Officer and signed by an authorized representative of the Consultant.

32. NON-EXCLUSIVITY. This Agreement shall not create an exclusive relationship between the SBIAA and the Consultant for the services set forth in Exhibit A or any similar or related services. The SBIAA may, during the Term of this Agreement, contract with other consultants for the performance of the same, similar or related services as those that may be performed by the Consultant under this Agreement. The SBIAA reserves the discretion and the right to determine the amount of services to be performed by the Consultant for the SBIAA under this Agreement, including not requesting any services at all. This Agreement sets forth only the terms upon which any such services will be provided to the SBIAA by the Consultant, if such services are requested by the SBIAA, as set forth in this Agreement.

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**[SIGNATURES ON FOLLOWING PAGE]**

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IN WITNESS WHEREOF, two identical counterparts of this Agreement, each of which shall for all purposes be deemed an original thereof, have been duly executed by the authorized signatures of the officers of the parties hereinabove named, on the day and year first herein written.

**SBIAA**

Dated: \_\_\_\_\_

San Bernardino International Airport Authority,  
a joint powers authority

By: \_\_\_\_\_  
Michael Burrows, Chief Executive Officer

ATTEST:

\_\_\_\_\_  
Jennifer Farris,  
Assistant Secretary of the Commission

Approved as to form and legal content:

\_\_\_\_\_  
Scott Huber: Legal Counsel

**Consultant**

Dated: \_\_\_\_\_

H.F.Holt Electrical & Automation

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



## EXHIBIT A

### **SCOPE OF SERVICES**

CONTRACTOR shall provide all labor for preventative and corrective maintenance service for the Domestic Terminal inbound and outbound baggage handling systems, carousels, conveyor systems, and fire doors. Bid Sheet attached, "Exhibit A", to be completed by CONTRACTOR.

#### **Scope of Work**

1. All labor, tools, equipment, and material required to perform work.
2. The AGENCY reserves the right to coordinate, inspect and approve all aspects of maintenance and repairs to the baggage handling system (BHS)
3. Only trained personnel should work on the baggage handling system.
4. CONTRACTOR shall perform complete inspections on all of the equipment covered under this CONTRACT and file a written report which includes unit identification, specific and detailed descriptions of all deficiencies, and a time frame to correct these deficiencies.
5. The CONTRACTOR shall ensure that all work will be done in strict accordance with the manufacturer's instructions.
6. CONTRACTOR shall provide a technician to escort State, County, or independent inspectors when requested. If required, assistance for any reason to these entities shall be provided at no additional cost.
7. CONTRACTOR will provide trained and equipped technicians on site during operational hours for the first 30 days of an airline launch operation (August 4, 2022 – September 4, 2022).
8. The selected Contractor's employee(s) assigned to perform on-site work of any kind shall, at Contractor's sole cost and expense, obtain driver training and security badges by attending the AGENCIES Airport Driver's Training Course, approximately 1 to 2-hour class to obtain the required training.

Upon award of Contract to the selected CONTRACTOR, any employees assigned to perform on-site work under this Contract may, at AGENCIES's discretion, be required to disclose information about any criminal conviction history and be required to undergo background checks performed through the AGENCY, at a time and place, and in a manner, to be determined by the AGENCY. All required background checks shall be at the CONTRACTOR's sole cost and expense.

## **Maintenance**

1. Routine Maintenance - Procedures that will maintain the overall condition of the BHS, baggage carousel, and baggage conveyor systems. The contractor will provide a Maintenance Checklist (monthly, quarterly, and annually as needed) as approved by the agency.
2. The CONTRACTOR will be asked to provide proposals for any additional unforeseen repairs not covered under routine maintenance.
3. Provide training to SBD technicians for weekly/monthly checklist inspections.

## **Parts and Materials**

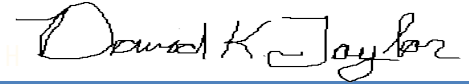
### **Replacement Parts**

All materials used at San Bernardino International Airport by the CONTRACTOR shall be new, high grade, free from defects, and subject to the review and approval of the AGENCY Project Manager or San Bernardino International Airport Maintenance Manager.

Parts, materials, and hardware shall be paid based on the actual invoice cost to the Contractor plus a percentage as specified and agreed upon by and between the AGENCY and The Contractor.

### **Spare Parts**

The CONTRACTOR is responsible for maintaining a spare parts inventory for materials needed for preventative maintenance.



CONTRACTOR NAME

**EXHIBIT "A"**

PREVENTATIVE MAINTENANCE & REPAIR SERVICES FOR:  
BAGGAGE HANDLING SYSTEM -AND/OR- PASSENGER BOARDING BRIDGE

**Bid Sheet**

The contractor bidding on this project shall be properly licensed in the State of California in the classification as designed in the Additional Contractor Requirements and shall satisfy the State as to their license qualifications as required. Contractors must be registered and provide proof of registration with the Department of Consumer Affairs.

The Contractor has carefully checked all figures and understands that the AGENCY will not be responsible for any errors or omissions on the part of the Contractor in making this bid.

Having been completely familiar with all conditions affecting the cost of work at the place where the work is to be done, these specifications and other contract documents prepared and issued; therefore, the Contractor hereby proposes and agrees to provide all services as outlined in the RFQ as follows:

SERVICE DESCRIPTION	YEAR ONE COMMITMENT 2022/2023	OPTIONAL YEAR TWO EXTENSION 2023/2024
Baggage Handling System	\$ 52,000.00	\$ 52,000.00

**Proposer's Hourly Service Rate Per Additional Service Requirement Section:**

(In this section, be sure to include fees for services outside the scope of services of the Preventative Maintenance Services and shall not be part of your proposed fees listed on the Bid Sheet. If necessary, attach a separate price sheet.)

Normal Business Hours, Hourly Rate: \$ 70.00	After-hours, Hourly Rate: \$ 90.00
Weekend On-Call, Hourly Rate:\$ 90.00	Holiday On-Call, Hourly Rate: \$ 90.00
Parts/Supply Mark-up %: 10	Additional Costs (specify): none


**EXHIBIT B**  
**SUPERVISORY STAFF PERSONNEL**

SBIAA Staff:

Chief Executive Officer

Director of Aviation

Assistant Secretary of the Commission (relating to records production, recordkeeping, political contributions, Form 700 compliance, etc., only)

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: August 23, 2023</b></p> <p><b>ITEM NO: 8</b></p> <p><b>PRESENTER: Jennifer Farris, Assistant Secretary of the Commission</b></p>
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**SUBJECT: APPROVE MEETING MINUTES: JULY 26, 2023**

**SUMMARY**

Submitted for consideration and approval by the San Bernardino International Airport Authority (SBIAA) Commission: Meeting minutes of the regular meeting held Wednesday, July 26, 2023.

**RECOMMENDED ACTION(S)**

Approve meeting minutes of the regular meeting held July 26, 2023.

**FISCAL IMPACT**

None.

PREPARED BY:	Jennifer Farris
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

**BACKGROUND INFORMATION**

None.

**Attachments:**

1. July 26, 2023 meeting minutes.

# SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY

## REGULAR MEETING COMMISSION ACTIONS

WEDNESDAY, JULY 26, 2023

3:00 P.M. (Closed Session, immediately followed by Open Session)

MAIN AUDITORIUM – Norton Regional Event Center 1601 East Third Street, San Bernardino, CA



A regional joint powers authority dedicated to the reuse of Norton Air Force Base  
for the economic benefit of the East Valley

### Commission Members

#### City of Colton

Mayor Frank J. Navarro, President	Present
Councilmember John Echevarria (alt)	Present (in audience)

#### City of Loma Linda

Councilmember Rhodes Rigsby	Absent
Mayor Phillip Dupper (alt)	Present

#### County of San Bernardino

Supervisor Dawn Rowe	Absent
Supervisor Joe Baca, Jr. (alt)	Present

#### City of San Bernardino

Mayor Helen Tran	Absent
Councilmember Theodore Sanchez	Present
Mayor Pro Tem Fred Shorett (alt)	Present

#### City of Highland

Mayor Pro Tem Penny Lilburn	Absent
Mayor Larry McCallon (alt)	Absent

#### Staff Members and Others Present

Michael Burrows, Chief Executive Officer	Scott Huber, Legal Counsel, Cole Huber, LLP
Mark Gibbs, Director of Aviation	Catherine Pritchett, Director of Administration
Mark Cousineau, Director of Finance	Jeff Barrow, Director of Development
Jonathan Galvan, Airport Manager	Jennifer Farris, Assistant Secretary of Commission
Wendy McConaughy, FBO Manager	

The Regular Meeting of the San Bernardino International Airport Authority was called to order by President Frank Navarro at approximately 3:02 p.m. on Wednesday, July 26, 2023.

A. **CALL TO ORDER / ROLL CALL**

Roll call was duly noted and recorded by voice.

Members of the Commission and staff joined Councilmember Theodore Sanchez in the Pledge of Allegiance.

B. **CLOSED SESSION PUBLIC COMMENT**

There was no closed session public comment.

C. **CLOSED SESSION**

President Frank Navarro recessed to closed session at 3:03 p.m. Mr. Scott Huber, Legal Counsel, Cole Huber, LLP, read the closed session items as posted on the agenda.

- a. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8  
Property: 105 North Leland Norton Way, San Bernardino CA 92408  
Negotiating Parties: Michael Burrows, SBIAA Chief Executive Officer and Betty Liu, Transportation Security Administration (TSA)
- b. Conference with legal counsel pursuant to Government Code section 54956.9(d)(2), regarding significant exposure to litigation – one case.

D. **REPORT ON CLOSED SESSION**

President Frank Navarro reconvened the meeting at 3:27 p.m. President Navarro asked Mr. Scott Huber, Legal Counsel, Cole Huber, LLP if there were any reportable items. Mr. Huber reported that there were none.

E. **ITEMS TO BE ADDED OR DELETED**

Mr. Scott Huber, Legal Counsel, Scott Huber, LLP, noted that pursuant to Government Code Section 54954.2 staff is requesting to add two additional items which each came to the attention of the San Bernardino International Airport Authority Staff subsequent to the posting of the agenda.

Councilmember Theodore Sanchez inquired as to the necessity to add these items to the current agenda.

Supervisor Joe Baca Jr., inquired as to the implications if these items are not added to this agenda.

Mr. Burrows and Legal Counsel detailed reasoning for presenting the items at today's meeting.

Councilmember Sanchez suggested that a Special Meeting be held at a later date to consider Agenda Item Nos. 14 and No. 15. Discussion ensued as to a potential future date.

Councilmembers Dupper and Baca retracted their initial motions to add Agenda Item Nos. 14 and No. 15 to the agenda.

A vote was taken by the Commission for staff to schedule a Special Meeting on July 28, 2023 at 10:00 a.m.

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Sanchez / Dupper  
AYES: Baca, Jr., Dupper, Navarro, Sanchez, and Shorett.  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

**F. CONFLICT OF INTEREST DISCLOSURE**

1. President Frank Navarro stated Commission Members should note the item(s) listed which might require member abstentions.

There were no conflicts noted.

**G. INFORMATIONAL ITEMS**

Mr. Michael Burrows, Chief Executive Officer, presented the following informational items:

2. Informational Items
  - a. Chief Executive Officer's Report
- 2a. Mr. Michael Burrows, Chief Executive Officer, expressed gratitude to the Maintenance Division for their efforts in maintaining the Airport's HVAC systems.

**H. COMMISSION CONSENT ITEMS**

Let the record reflect that all votes were done by roll call with each Commissioner's name and vote stated by voice.

3. Register of Demands – July 26, 2023
4. Receive and file Treasurer's Report for May 31, 2023, for the San Bernardino International Airport Authority (SBIAA)
5. Approve Meeting Minutes: June 28, 2023

**ACTION:** Approve Agenda Item Nos. 3- 5



RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Dupper / Shorett  
AYES: Baca, Dupper, Navarro, Sanchez, and Shorett  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

**I. COMMISSION ACTION ITEMS**

Let the record reflect that all votes were done by roll call with each Commissioner's name and vote stated by voice.

6. Conduct elections of President, Vice President, and Secretary for the San Bernardino International Airport Authority (SBIAA) for the term commencing July 26, 2023 through June 30, 2024.

Mr. Scott Huber, Legal Counsel, Cole Huber, LLP, called for nominations for the office of President, Vice President, and Secretary.

Mayor Dupper nominated Mayor Pro Tem Penny Lilburn for the office of Secretary. Supervisor Baca seconded the nomination. There being no further nominations forthcoming, President Navarro called for a vote by the Commission.

**ACTION:** Elect Mayor Pro Tem Penny Lilburn to the office of Secretary for the term commencing July 26, 2023 through June 30, 2024.

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Dupper / Baca  
AYES: Baca, Dupper, Navarro, Sanchez, and Shorett  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

President Navarro called for nominations for the office of Vice President. President Navarro nominated Councilmember Rhodes Rigsby. Mayor Dupper seconded the nomination. There being no further nominations forthcoming, President Navarro called for a vote by the Commission.

**ACTION:** Elect Councilmember Rhodes Risgby to the office of Vice President for the term commencing July 26, 2023 through June 30, 2024.

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Navarro / Dupper  
AYES: Baca, Dupper, Navarro, Sanchez, and Shorett  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

President Navarro called for nominations for the office of President. Mayor Dupper nominated Mayor Navarro. Supervisor Baca seconded the nomination. There being no further nominations forthcoming, President Navarro called for a vote by the Commission.

**ACTION:** Elect Mayor Frank Navarro to the office of President for the term commencing July 26, 2023 through June 30, 2024.

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Dupper / Baca  
AYES: Baca, Dupper, Navarro, Sanchez, and Shorett  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

7. Consider and discuss a potential change of the regular scheduled Commission meeting time

Mr. Scott Huber, Legal Counsel, provided a brief report on Agenda Item No. 7.

Mayor Dupper recognized Councilmember Rigsby for his wealth of knowledge and emphasized the importance of him remaining engaged.

The Commission unanimously directed staff to present a Resolution for adoption changing the time of regular SBIAA Commission meetings from 3:00 P.M. to 5:00 P.M. at a future meeting.

8. Consider and adopt proposed budget adjustments for Fiscal Year 2023-2024.

Mr. Mark Cousineau, Director of Finance, provided a brief report on Agenda Item No. 8.

**ACTION:** Consider and adopt budget adjustments reflected in the "Proposed Budget Adjustments Table" for Fiscal Year 2023-2024.

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Baca / Dupper  
AYES: Baca, Dupper, Navarro, Sanchez, and Shorett  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

9. Approve award of a multi-year contract with ADT LLC in an amount not to exceed \$81,792.00 for fire alarm and burglar alarm monitoring services.

Mr. Jonathan Galvan, Airport Manager, provided a brief report on Agenda Item No. 9.

Mayor Dupper expressed his personal concerns on conducting business with ADT LLC.

**ACTION:** Approve a one (1)-year contract with two (2)-each, one (1)-year extension options with ADT LLC in an amount not to exceed \$81,792.00 over a three-year period for both fire and burglar alarm monitoring services for specific SBIAA buildings; and authorize the Chief Executive Officer to execute all related documents.

RESULT:	<b>ADOPTED</b>
MOTION/SECOND:	Baca / Sanchez
AYES:	Baca, Navarro, Sanchez, and Shorett.
NAYS:	Dupper.
ABSTENTIONS:	None.
ABSENT:	None.

10. Approve Nuckles Oil Company, inc. dba Merit Oil Company as the service provider of gasoline and red-dye diesel fuels in an amount not to exceed \$500,000.00 during Fiscal Year 2023-2024

Mr. Jonathan Galvan, Airport Manager, provided a brief report on Agenda Item No. 10.

**ACTION:** Approve Nuckles Oil Company. Inc. dba Merit Oil Company as the service provider of gasoline and red-dye diesel fuels (non-aviation fuel) during FY 2023-2024 in an amount not to exceed \$500,000.00; and authorize the Chief Executive Officer to execute all related documents.

RESULT:	<b>ADOPTED [UNANIMOUSLY]</b>
MOTION/SECOND:	Baca / Dupper
AYES:	Baca, Dupper, Navarro, Sanchez, and Shorett.
NAYS:	None.
ABSTENTIONS:	None.
ABSENT:	None.

11. Approve a service agreement with Sysco Riverside, Inc. in an amount not to exceed \$75,000 for food, supply, beverage, and delivery services.

Mrs. Wendy McConaughy, FBO Manager, gave a brief report on Agenda Item No. 11.

**ACTION:** Authorize the award of a service agreement with Sysco Riverside, Inc. in an amount not to exceed \$75,000 food, supply, beverage, and delivery services; and authorize the Chief Executive Officer to execute all related documents.

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Dupper / Sanchez  
AYES: Baca, Dupper, Navarro, Sanchez, and Shorett.  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

12. Consider and discuss the SBD Good Neighbor Program Second Quarter 2023 Report

Ms. Rosemary Barnes, Aviatrix Communications, LLC, provided a presentation of the SBD Good Neighbor Program quarterly report (as contained on pages 082-107 of the agenda packet).

This item was for discussion purposes only, no action was taken.

13. Review Status of the Action Plan for the San Bernardino International Airport Authority (SBIAA) through December 31, 2023

**ACTION:** Review the Action Plan for the San Bernardino International Airport Authority through December 31, 2023.

Mr. Michael Burrows, Chief Executive Officer, provided a brief report on Agenda Item No. 13.

J. **ADDED AND DEFERRED ITEMS**

There were no items to be added or deferred.

K. **OPEN SESSION PUBLIC COMMENT**

There were no open session public comments.

L. **COMMISSION MEMBER COMMENT**

President Navarro acknowledged staff's ongoing efforts to advance SBD International Airport.


M. ADJOURNMENT

There being no further business before the Commission, President Frank Navarro declared the meeting adjourned at 4:18 p.m.

**Approved at a Regular Meeting of the San Bernardino International Airport Authority on Wednesday, August 23, 2023.**

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Jennifer Farris  
Assistant Secretary of the Commission

	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: August 23, 2023</b></p> <p><b>ITEM NO: 9</b></p> <p><b>PRESENTER: Jennifer Farris, Assistant Secretary of the Commission</b></p>
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**SUBJECT: APPROVE MEETING MINUTES: JULY 28, 2023**

### **SUMMARY**

Submitted for consideration and approval by the San Bernardino International Airport Authority (SBIAA) Commission: Meeting minutes of the special meeting held Friday, July 28, 2023 .

### **RECOMMENDED ACTION(S)**

Approve meeting minutes of the special meeting held July 28, 2023 .

### **FISCAL IMPACT**

None.

PREPARED BY:	Jennifer Farris
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

### **BACKGROUND INFORMATION**

None.

### **Attachments:**

1. July 28, 2023 special meeting minutes.

# SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY

## SPECIAL MEETING COMMISSION ACTIONS

FRIDAY, JULY 28, 2023

10:00 A.M. (Closed Session, immediately followed by Open Session)

MAIN AUDITORIUM – Norton Regional Event Center - 1601 East Third Street, San Bernardino, CA



A regional joint powers authority dedicated to the reuse of Norton Air Force Base  
for the economic benefit of the East Valley

### Commission Members

#### City of Colton

Mayor Frank J. Navarro, President	Present
Councilmember John Echevarria (alt)	Present (In audience)

#### City of Loma Linda

Councilmember Rhodes Rigsby	Absent
Mayor Phillip Dupper (alt)	Present

#### County of San Bernardino

Supervisor Dawn Rowe	Present
Supervisor Joe Baca, Jr. (alt)	Absent

#### City of San Bernardino

Mayor Helen Tran	Present
Councilmember Theodore Sanchez	Present (Arrived at 10:01 a.m.)
Mayor Pro Tem Fred Shorett (alt)	Present (In audience)

#### City of Highland

Mayor Pro Tem Penny Lilburn	Absent
Mayor Larry McCallon (alt)	Absent

#### Staff Members and Others Present

Michael Burrows, Chief Executive Officer	Scott Huber, Legal Counsel, Cole Huber, LLP
Mark Cousineau, Director of Finance	Jennifer Farris, Assistant Secretary of the Commission
Catherine Pritchett, Director of Administration	

The Special Meeting of the San Bernardino International Airport Authority was called to order by President Frank Navarro at approximately 10:00 a.m. on Friday, July 28, 2023.

A. **CALL TO ORDER / ROLL CALL**

Roll call was duly noted and recorded by voice.

Members of the Commission and staff joined Supervisor Dawn Rowe in the Pledge of Allegiance.

B. **CLOSED SESSION PUBLIC COMMENT**

There was no closed session public comment.

C. **CLOSED SESSION**

An announcement is typically made prior to closed session discussions as to the potential for a reportable action at the conclusion of closed session.

President Frank Navarro recessed to closed session at 10:01 a.m. Mr. Scott Huber, Legal Counsel, Cole Huber, LLP, read the closed session items as posted on the agenda.

- a. Conference with legal counsel pursuant to Government Code section 54956.9(d)(2), regarding significant exposure to litigation – one case.

D. **REPORT ON CLOSED SESSION**

President Frank Navarro reconvened the meeting at 10:16 a.m. President Navarro asked Mr. Scott Huber, Legal Counsel, Cole Huber, LLP if there were any reportable items. Mr. Huber reported that direction was given, and no reportable action was taken.

E. **ITEMS TO BE ADDED OR DELETED**

There were no items to be added or deleted.

F. **CONFLICT OF INTEREST DISCLOSURE**

1. President Frank Navarro stated Commission members should note the item(s) listed which might require member abstentions.

There were no conflicts noted.

G. **INFORMATIONAL ITEMS**

There were no Informational Items considered during this Special Meeting.



H. **COMMISSION CONSENT ITEMS**

There were no Consent Items considered during this Special Meeting.

I. **COMMISSION ACTION ITEMS**

Let the record reflect that all votes were done by roll call with each Commissioner's name and vote stated by voice.

2. Consider and adopt Resolution No. 2023-04 of the San Bernardino International Airport Authority (SBIAA) changing the time of the regular meetings of the SBIAA Commission and amending Resolution No. 2012-11

**ACTION:** Consider and adopt Resolution No. 2023-04 of the San Bernardino International Airport Authority (SBIAA) changing the time of the regular meetings of the SBIAA Commission and amending Resolution No. 2012-11

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Tran/ Rowe  
AYES: Dupper, Navarro, Rowe, Sanchez, and Tran  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

3. Approve a lease agreement with Thunder International Group, Inc. (Thunder) for Building No. 56

Mr. Michael Burrows, Chief Executive Officer, referenced an overhead map and provided a brief report on Agenda Item No. 3.

**ACTION:** Approve a lease agreement with Thunder International Group, Inc. (Thunder) for Building No. 56

RESULT: **ADOPTED [UNANIMOUSLY]**  
MOTION/SECOND: Tran/ Sanchez  
AYES: Dupper, Navarro, Rowe, Sanchez, and Tran  
NAYS: None.  
ABSTENTIONS: None.  
ABSENT: None.

4. Ratify the purchase of two (2) 2023 Ford Lightning Trucks with Citrus Motors Ontario, Inc. and Puente Hills Ford, LLC. in an amount not to exceed \$147,478

Mr. Michael Burrows, Chief Executive Officer, provided a brief report on Agenda Item No. 4.

Supervisor Dawn Rowe commented on the high demand for hybrid vehicles.

**ACTION:** Ratify the purchase of two (2) 2023 Ford Lightning Trucks with Citrus Motors Ontario, Inc. and Puente Hills Ford, LLC. In an amount not to exceed \$147, 478

RESULT:	<b>ADOPTED [UNANIMOUSLY]</b>
MOTION/SECOND:	Rowe/ Tran
AYES:	Dupper, Navarro, Rowe, Sanchez, and Tran
NAYS:	None.
ABSTENTIONS:	None.
ABSENT:	None.

J. **ADDED AND DEFERRED ITEMS**

There were no items to be added or deferred.

K. **OPEN SESSION PUBLIC COMMENT**

There were no open session public comments.

L. **COMMISSION MEMBER COMMENT**

There were no Commission Member comments.

M. **ADJOURNMENT**

There being no further business before the Commission, President Frank Navarro declared the meeting adjourned at 10:26 a.m.

**Approved at a Regular Meeting of the San Bernardino International Airport Authority on Wednesday, August 23, 2023.**

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Jennifer Farris  
Assistant Secretary of the Commission



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 10**

**PRESENTER: Michael Burrows, Chief Executive Officer**

**SUBJECT: CONSIDER AND ADOPT RESOLUTION NO. 2023-05 OF THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) CHANGING THE TIME OF THE REGULAR MEETINGS OF THE SBIAA FINANCE & BUDGET COMMITTEE AND AMENDING RESOLUTION NO. 2020-02**

### **SUMMARY**

On July 28, 2023 the SBIAA Commission adopted Resolution No. 2023-04 changing the time of regular SBIAA Commission meetings to 5:00 P.M. In order to more efficiently fulfill the responsibilities of the SBIAA Commission, it is appropriate to adopt Resolution No. 2023-05, changing the time of the regular meetings of the SBIAA Finance & Budget Committee to 4:00 P.M. and amending Resolution No. 2020-02.

### **RECOMMENDED ACTION(S)**

Consider and adopt Resolution No. 2023-05 of the San Bernardino International Airport Authority (SBIAA) changing the time of the regular meetings of the SBIAA Finance & Budget Committee and amending Resolution No. 2020-02.

### **FISCAL IMPACT**

None.

PREPARED BY:	Jennifer Farris
CERTIFIED AS TO AVAILABILITY OF FUNDS:	N/A
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

## **BACKGROUND INFORMATION**

On April 26, 2006, the San Bernardino International Airport Authority (SBIAA) approved Resolution No. 2006-01 creating the SBIAA Finance and Budget Committee to make recommendations to the SBIAA Commission relative to actions to be taken by the SBIAA on matters impacting the financial and budget considerations of SBIAA.

On August 9, 2006, the SBIAA Commission approved Resolution No. 2006-03, amending and restating certain provisions of Resolution No. 2006-01 pertaining to Finance and Budget Committee membership.

On December 12, 2012, the SBIAA Commission approved Resolution No. 2012-12, amending Resolution Nos. 2006-01 and 2006-02 changing the date, time, and location of the regular meetings of the SBIAA Finance and Budget Committee.

On August 26, 2020, the San Bernardino International Airport Authority (“SBIAA”) Commission approved Resolution No. 2020-02 which modified Resolution Nos. 2006-01, 2006-02, and 2012-12 changing one date of the regular meetings of the SBIAA Finance & Budget Committee.

In order to fulfill the responsibilities of the SBIAA Commission in providing direction and leadership to SBIAA staff, it is appropriate to adopt a resolution changing the time of the regular SBIAA Finance and Budget Committee meetings from 2:00 P.M to 4:00 P.M.

Provided herewith for your consideration is Resolution No. 2023-05, the adoption of which would change the time of the SBIAA Finance and Budget Committee meetings as follows:

**DATE:** Fourth (4<sup>th</sup>) Wednesday of the following months: January, April, August, and October

**TIME:** 4:00 p.m.

**LOCATION:** Norton Regional Event Center  
1601 E. Third Street  
San Bernardino, CA 92408

## **Attachments:**

1. Draft Resolution No. 2023-05

## **RESOLUTION NO. 2023-05**

### **RESOLUTION OF THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) CHANGING THE TIME OF THE REGULAR MEETINGS OF THE SBIAA FINANCE AND BUDGET COMMITTEE AND AMENDING RESOLUTION NO. 2020-02**

**WHEREAS**, the San Bernardino International Airport Authority (the “SBIAA”) is a joint powers authority created pursuant to Government Code Sections 6500, et seq., established in 1992 pursuant to certain Joint Exercise of Powers Agreement creating an Agency To Be Known As The San Bernardino International Airport Authority, dated as May 20, 1992, by and among the County of San Bernardino, the City of Colton, the City of Highland, the City of Loma Linda, and the City of San Bernardino; and

**WHEREAS**, on April 26, 2006, the San Bernardino International Airport Authority (“SBIAA”) Commission approved Resolution No. 2006-01 formally establishing the Finance and Budget Committee; and

**WHEREAS**, on August 9, 2006, the San Bernardino International Airport Authority (“SBIAA”) Commission approved Resolution No. 2006-02 which modified Resolution No. 2006-01 to allow for the appointment of either a primary or an alternate member to the Finance and Budget Committee; and

**WHEREAS**, on December 12, 2012, the San Bernardino International Airport Authority (“SBIAA”) Commission approved Resolution No. 2012-12 which modified Resolution Nos. 2006-01 and 2006-02 changing the date, time, and location of the regular meetings of the SBIAA Finance and Budget Committee; and

**WHEREAS**, on August 26, 2020, the San Bernardino International Airport Authority (“SBIAA”) Commission approved Resolution No. 2020-02 which modified Resolution Nos. 2006-01, 2006-02, and 2012-12 changing one date of the regular meetings of the SBIAA Finance & Budget Committee;

**WHEREAS**, the SBIAA Commission deems it reasonable and appropriate to amend Resolution Nos. 2006-01, 2006-02, 2012-12, and 2020-02 changing the time of the regular meetings of the SBIAA Finance and Budget Committee to 4:00 p.m. every January, April, August, and October.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THIS BOARD AS THE GOVERNING BODY OF THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY, AS FOLLOWS:**

**SECTION 1.** The above Recitals are true and correct and are incorporated herein by this reference.

**SECTION 2.** The governing Commission of the SBIAA hereby fixes and designates the date, time, and location of the regular meetings of the SBIAA Finance and Budget Committee as follows:

**DATE:** Fourth (4<sup>th</sup>) Wednesday of each of the months of January, April, August, and October

**TIME:** 4:00 p.m.

**LOCATION:** Norton Regional Event Center  
1601 E. Third Street  
San Bernardino, CA 92408

**SECTION 3.** Resolution Nos. 2012-12, 2006-03, 2006-01 and 2020-02 are hereby amended as set forth above.

**SECTION 4.** This Resolution shall become effective immediately upon its adoption.

**[SIGNATURES ON FOLLOWING PAGE]**

PASSED, APPROVED AND ADOPTED this 23<sup>rd</sup> day of August 2023 by the following vote:

**MOTION:**

**SECOND:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

Frank J. Navarro, President  
San Bernardino International Airport Authority

(SEAL)

Attest:

---

Jennifer Farris, Assistant Secretary of the Commission  
San Bernardino International Airport Authority

I, Jennifer Farris, Assistant Secretary of the Commission of the San Bernardino International Airport Authority (SBIAA) do hereby certify that the foregoing Resolution No. 2023-05 was duly and regularly passed and adopted by the SBIAA governing Commission at a Regular meeting thereof, held on the 23<sup>rd</sup> day of August 2023, that the foregoing is a full, true and correct copy of said Resolution and has not been amended or repealed.

(SEAL)

Attest:

---

Jennifer Farris, Assistant Secretary of the Commission  
San Bernardino International Airport Authority



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 11**

**PRESENTER: Darrell Hale, Property Manager**

**SUBJECT: APPROVE A FIVE YEAR LEASE AGREEMENT WITH EXECUTIVE JET MAINTENANCE (EJM) FOR HANGAR NO. 674**

### **SUMMARY**

The proposed lease with Executive Jet Maintenance (EJM) would include approximately 31,125 square feet of corporate Hangar No. 674 located at 225 N. Leland Norton Way, San Bernardino, CA, adjacent to SBD International's terminal. EJM is an FAA Part-145 aircraft maintenance company with bases at John Wayne Airport (SNA) in the City of Costa Mesa, and San Bernardino International Airport (SBD). This agreement would enhance EJM's presence at SBD with a second corporate hangar.

### **RECOMMENDED ACTION(S)**

Approve a five-year lease agreement with Executive Jet Maintenance (EJM) for Hangar No. 674; and authorize the Chief Executive Officer to execute all related documents, subject to technical and conforming changes as approved by legal counsel.

### **FISCAL IMPACT**

Approval of this item will result in a \$70,000 increase in estimated revenues. The adjusted San Bernardino International Airport Authority (SBIAA) Fiscal Year 2023-24 budget in the Luxivair-SBD (FBO) Fund, Account 41700 - Lease Revenue in the amount of \$420,000 will increase by \$70,000 to \$490,000.

PREPARED BY:	Darrell Hale
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows



## **BACKGROUND INFORMATION**

Staff solicited proposals from eleven (11) aviation firms with potential interest in leasing corporate Hangar No. 674. From the solicitation, three (3) firms submitted proposals, of which EJM provided the most competitive proposal.

As an FAA Part-145 certificated repair station, EJM specializes in corporate aircraft maintenance, avionics, and aircraft detailing at its existing bases in San Bernardino and John Wayne Airports. The company has occupied a 26,400 corporate hangar in good standing at SBD since 2016, and is seeking to occupy a second hangar at SBD to support its continued growth in corporate aircraft maintenance.

On June 30, 2023 Certified Aviation Services (CAS) submitted a notice of termination for their month-to-month tenancy of Hangar No. 674, and vacated the facility on August 8, 2023.

Principal lease terms and conditions by and between SBIAA and Executive Jet Maintenance (EJM) are as follows:

- Premises: approximately 31,125 square feet of hangar space
- Aircraft Ramp: 32,400
- Lease Term: Five (5)-years
- CPI adjustments: annually
- Security Deposit: Two (2) month's rent upon execution of Lease
- Monthly lease revenue of \$37,000.00 per month (\$444,000.00 annually)
- EJM to maintain all portions of the premises and pay all applicable utility usage charges; water and sewer utilities billed by SBIAA on a net-30 basis
- EJM to pay all applicable possessory interest taxes and maintain commercial general liability and hangar keepers insurance coverage naming SBIAA as an additional insured
- EJM will maintain an active repair station certificate during the term pursuant to Title 14 of the Code of Federal Regulations (14 CFR) Part 145
- EJM to comply with all applicable laws, Airport, FAA, and TSA rules and regulations

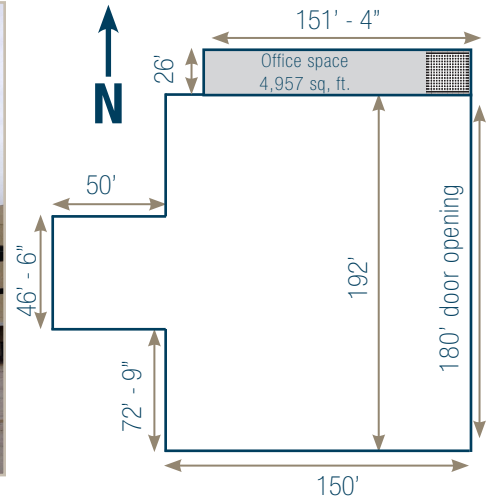
Staff recommends the Commission approve the recommended action as set forth above.

### **Attachments:**

1. Photos
2. Form of Lease

## Available For Lease

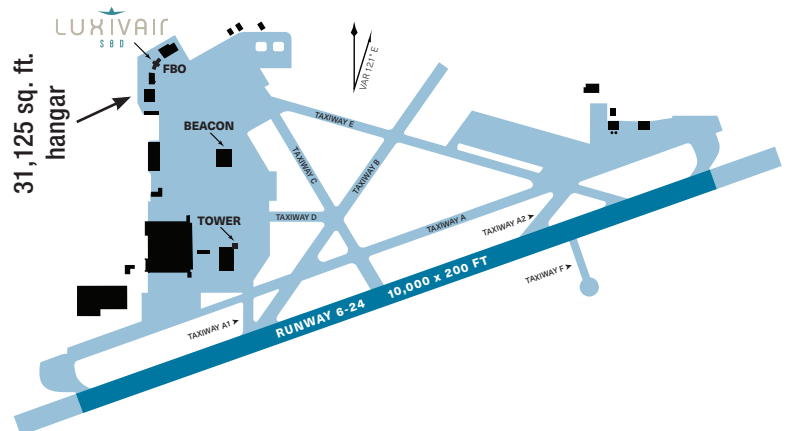
31,125 sq/Ft hangar, optional office and ramp



225 N. Leland Norton Way | San Bernardino, CA 92408

### Building Details

Building Size	31,125 sq.ft.
Adjacent Ramp	Negotiable
Airfield Access	Yes
Stories:	1
Uses:	Commerical aircraft hangar
Year of Original Construction:	1988
Type of Construction:	Metal Siding
Type of Roof:	Built up
Ceiling Heights:	50'
Door Height:	50'
Main Hangar Door Opening:	180'
Parking Area:	Covered parking
AFFF Fire Protection System:	Yes
Office Space	Adjoining 2-story Class A Office Space — 4,957 sq.ft. Furnished
Utilities	Phone, electricity, gas, water, sewer, fiber optic



### Airport Features

Property Management on site
24/7/365 roving airport security
Badged security access

**(909) 382-4100 ext 155**

Darrell Hale

Property Manager

dhale@sbdairport.com

## ***LEASE AGREEMENT***

This Lease Agreement ("Lease") is made by and between the San Bernardino International Airport Authority, a regional joint powers authority ("Authority") and the "LESSEE" identified below.

Authority is the owner of that certain Hangar, located at 225 N. Leland Norton Way in San Bernardino as described in Exhibit "A" (the "Premises") and exclusive aircraft ramp area described in Exhibit "B."

Authority hereby agrees to lease the Hangar described below as the "Premises" to LESSEE and LESSEE hereby agrees to lease the Premises from Authority on the terms and conditions contained in the Basic Provisions and the General Provisions set forth below.

### ***BASIC PROVISIONS***

1. ***LESSEE:*** Executive Jet Maintenance, LLC
2. ***LESSEE's Address:*** 225 N. Leland Norton Way  
San Bernardino, CA 92408
3. ***Premises:*** Hangar 674 located at 225 N. Leland Norton Way consisting of approximately 31,125 square feet of hangar space at **\$37,000 per month**, and approximately 32,400 square feet of aircraft ramp as described in Exhibit B.
4. ***Term:*** The term of this Lease shall be five (5)-years and shall commence on **September 1, 2023** and continue through **August 30, 2028** ("Expiration Date").
5. ***Reserved.***
6. ***Base Rent:*** The base monthly rent payable under this Lease for the hangar located at 225 N. Leland Norton Way shall be **\$37,000.00** ("Base Rent") which is payable in advance on the first day of each month, without offset or deduction, consisting of 31,125 square feet of hangar and 32,400 square feet of aircraft ramp, for a total of 63,525 square feet of occupied space. The Base Rent payable hereunder shall be subject to adjustment as provided in Section 3 of the General Provisions.
7. ***Parking Spaces:*** LESSEE shall have the non-exclusive right to use 20 parking spaces located on the west side of the Hangar.
8. ***Utilities:*** LESSEE shall pay all charges for all electricity, gas, water, sewer, trash disposal and other utility services which may be used or consumed on or for the Premises. Water, and sewer consumption shall be charged by Authority to LESSEE on a net-30 basis based on LESSEE's actual usage. LESSEE shall have the right at its sole cost and expense to provide additional utility service to the Premises or upgrade existing utilities as may reasonably be required by LESSEE subject to

Authority's prior written approval of plans and specifications therefor, which approval shall not unreasonably be withheld.

9. ***Security Deposit:*** LESSEE shall deposit with Authority a security deposit equal to two month's rent, in the amount of **Seventy Four Thousand & 00/100 Dollars (\$74,000.00)**, which shall be held by Authority in accordance with the terms of Section 5 of the General Provisions.
10. ***Use of Premises:*** LESSEE shall use and occupy the Premises for the following purpose, and for no other purpose without the prior written consent of Authority: aircraft maintenance, alteration or storage in accordance with at least one of the following ratings as defined in CFR Title 14, Part 145, Subpart B, 145.59 and/or Subpart B 145.61 of corporate, military, and/or general aviation aircraft as a certificated FAR Part 145 Repair Station, general office, aircraft parts storage, and other related uses incidental thereto. LESSEE aircraft maintenance activities shall conform with applicable fire code requirements, including LESSEE de-fueling aircraft prior to undergoing heavy maintenance or repair within the Premises. Painting of large structural pieces and control surfaces of aircraft is prohibited. LESSEE may conduct spray painting for minor touch-ups, the painting of small components and skin patches.
11. ***Lease Improvements:***  
  
☐ If the box is checked, Authority's tenant improvements obligations ("Authority Improvements")  
  
☒ Authority shall have no obligation to construct any improvements to the Premises
12. ***Authority's Address:*** San Bernardino International Airport Authority  
1601 East Third Street, Suite 100  
San Bernardino, CA 92408

### ***GENERAL PROVISIONS***

1. ***Reserved.***
2. ***Use of the Premises - Premises.***
  - 2.1 LESSEE shall comply with all of the following rules and regulations in the use and occupancy of the Premises:
    - (a) LESSEE shall not store any trash, containers, or other refuse outside of the Premises;

(b) LESSEE shall not display any merchandise, nor store or place any equipment or other items of personal property outside of the Premises without Authority's prior written consent;

(c) LESSEE shall not place any signs in the windows of the Premises nor paint or otherwise place markings on the windows or doors of the Premises, except for the name of LESSEE's business, without Authority's prior consent or as otherwise permitted under any sign criteria adopted by Authority from time to time;

(d) The vehicle parking areas of the Premises are for the common use by occupants of the Building and their employees and customers during normal business hours and no overnight parking of vehicles shall be permitted in the driveway or parking areas.

(e) Certain ramp area as described in Exhibit "B," located immediately adjacent to the main hangar doors, will be included in the Premises for LESSEE's exclusive use thereof.

(f) Authority reserves the right to adopt from time to time additional or alternative rules and regulations for the use and occupancy of the Premises, which rules and regulations shall be equally and nondiscriminatory applied to all occupants of the Building. All such rules and regulations shall become effective within ten (10) days after a copy of the same are delivered to LESSEE.

2.2 Authority reserves the right to make changes to the Premises, including the common areas thereof and to close and designate new or additional common areas, including establishing no parking areas, loading zones, or other such restrictions or use designations as Authority shall deem necessary or advisable, to modify or change the exterior of the buildings, and to grant easements or other rights with respect to the Premises, all of which easements shall be prior and superior to this Lease; provided, however, that any such modifications, changes, or easements shall not materially interfere with LESSEE's use and enjoyment of the Premises.

3. ***Rent Adjustment.*** On each anniversary of the Commencement Date (including during any extended term) the amount of LESSEE's monthly rent hereunder shall be increased in an amount equal to the percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles – Riverside – Orange County, California Area, All Items (1982-84=100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index").

The Index for the calendar month which is three (3) months prior to the month in which falls the Commencement Date (hereinafter referred to as the "Computation Index") shall be compared to the Index (hereinafter referred to as the "Base Index") for the month which is twelve (12) months prior to the Computation Index and the monthly rent shall be increased in accordance with the percentage increase between the Computation Index and the Base Index; provided, however, that in no event shall the rental rate be

decreased regardless of any reduction in the Index. Authority's failure or delay in timely calculating any rent increase shall not be deemed a waiver of such rent increase or any additional rent payable by reason thereof.

4. ***Late Payment.*** The parties agree that if any rent payment is not timely received by Authority, Authority will incur additional expenses and costs and will be damaged in an amount that would be impractical or extremely difficult to ascertain. To liquidate the amount of such damages, LESSEE agrees to pay to Authority an amount equal to six percent (6%) of the rent payment as a late charge for each rent payment not actually received by Authority at or prior to 5:00 p.m. on the fifth business day after it is due. Such late charge shall not, in any way, affect any of Authority's remedies with respect to late payment or non-payment by LESSEE of the monthly rent due hereunder.

5. ***Security Deposit.*** Upon the execution hereof, LESSEE shall deliver to Authority the amount set forth in Section 9 of the Basic Provisions (the "Security Deposit") which shall be held by Authority as security for the performance of all of LESSEE's obligations hereunder. The Security Deposit may be commingled by Authority in Authority's general accounts and will bear no interest. Whenever, and as often as LESSEE shall be in default in the performance of any obligations hereunder or the payment of any rent or other monetary sums hereunder, Authority may, but shall not be obligated to, apply said Security Deposit, or as much thereof as is necessary to cure the default. The application by Authority at any time prior to the termination of this Lease of the Security Deposit, or any portion thereof, to cure any default of LESSEE hereunder shall constitute a default of LESSEE and LESSEE shall forthwith pay to Authority the amount of such Security Deposit so applied. Within fifteen (15) days after the expiration of this Lease, and after discharge of LESSEE's obligations hereunder, any part of the Security Deposit then remaining shall be delivered to LESSEE.

6. LESSEE's use and occupancy of the Premises is subject to the disclosures, restrictions, covenants and conditions contained in the Quitclaim Deed from the United States Air Force to the Authority executed on February 12, 1999, and recorded December 17, 1999, as Document Number 19990517892 in the Official Records of San Bernardino County. A copy of the Quitclaim Deed is available at Authority's office or upon request to Authority. LESSEE covenants and agrees to comply with all of the requirements of the Quitclaim Deed as they relate to LESSEE's use and occupancy of the Premises.

7. ***Security.***

7.1 LESSEE shall be solely responsible for taking all necessary measures to carry out security requirements imposed by the FAA or TSA on Authority as operator of the Airport pursuant to access control system requirements or otherwise including controlling access to any restricted or controlled areas on the Airport. LESSEE shall be fully liable to Authority for any and all fines or penalties of any nature whatsoever which may be imposed upon Authority by the United States Government as a result of any unauthorized entry by LESSEE, LESSEE's employees, agents, representatives, servants, guests, invitees, contractors, sub-contractors or any vehicle operated by any of them, into

any area of the Airport to which access by persons or vehicles is restricted or controlled pursuant to FAA, TSA or Airport security rules, regulations or plans, and LESSEE shall be similarly liable to Authority where any such fines or penalties are the result of any violations by any person or entity when such person or entity may reasonably be deemed to have gained access to any such area on the Airport as a result of a failure on the LESSEE's part to control access to such areas.

7.2 At any time during the Term of this Lease, when requested in writing by the Chief Executive Officer, LESSEE shall submit to the Chief Executive Officer the security plans that are to be used or are being used by LESSEE regarding the Demised Premises.

## 8. ***Insurance.***

### 8.1 ***LESSEE's Insurance.***

A. LESSEE at its sole cost and expense shall maintain comprehensive general liability insurance on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury, death or property damage, occurring upon, in or about the Premises, such insurance to afford immediate protection, at the time of the inception of this Lease, and at all times during the term hereof, with limits of at least \$2,000,000 per occurrence and an aggregate of \$10,000,000.00. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the use, by or on behalf of LESSEE, or any other person or organization, of any owned, non-owned, leased or hired automotive equipment in the conduct of any and all operations permitted under this Lease.

B. LESSEE shall obtain and maintain insurance coverage on all of LESSEE's personal property, trade fixtures and other improvements to the Premises owned by LESSEE. Such insurance shall be full replacement cost coverage with a deductible not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by LESSEE for the replacement of personal property, trade fixtures and LESSEE owned improvements.

8.2 ***Authority's Insurance.*** Authority at its sole cost and expense, shall maintain fire and casualty insurance for the Building and other improvements on the Premises in such amounts and with such deductibles as Authority deems appropriate; excluding, however, any coverage for LESSEE's personal property, equipment, or improvements on the Premises. The premiums for such insurance coverage shall be a Premises Operating Expense.

8.3 ***Compliance with Insurer Requirements.*** LESSEE shall, at LESSEE's sole expense, comply with all requirements, guidelines, rules, orders, and similar mandates and directives pertaining to the use of the Premises and the Premises, whether imposed by Authority or Authority's insurers. If LESSEE's business operations, conduct, or use of the Premises cause any increase in the premium for any insurance

policies carried by Authority, LESSEE shall, within ten (10) business days after receipt of written notice from Authority, reimburse Authority for the increase. LESSEE shall comply with all rules, orders, regulations, or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and of any similar body in effect during the term of this Lease.

8.4 **Evidence of Insurance.** The insurance required to be carried by LESSEE hereunder shall be issued by an insurer of recognized responsibility which is authorized to write insurance in the State of California and has a "General Policyholders Rating" of at least B+ or V in the current Best's Insurance Guide or is otherwise acceptable to Authority. Upon the execution of this Lease and thereafter not less than fifteen (15) days prior to the expiration of any policy of insurance required to be carried hereunder, LESSEE shall furnish to Authority evidence reasonably satisfactory to Authority of the payment of premiums and issuance of the policies of insurance required by this Section.

8.5 **Notice to Authority.** The policy of insurance required hereunder by LESSEE shall contain an agreement by the insurer that such policy will not be canceled without at least thirty (30) days prior written notice by certified mail to Authority.

9. **Property Taxes.** LESSEE shall pay, prior to delinquency, all applicable taxes on LESSEE's personal property and equipment, any possessory interest tax upon the leasehold interest under this Lease, all business license taxes, and any other taxes applicable to LESSEE's use, occupancy or business operations on the Premises. If the possessory interest of LESSEE in the Premises or the personal property taxes for LESSEE's equipment and property are not separately assessed and the tax liability of LESSEE is included in a joint assessment, then Authority shall equitably allocate the total tax liability assessed under such a joint assessment and LESSEE shall pay LESSEE's share of such amount to Authority within thirty (30) calendar days of receipt of Authority's determination.

10. **Maintenance.**

10.1 **Condition of Demised Premises:** LESSEE acknowledges, agrees and represents to the Authority that the Demised Premises and any portion thereof are leased in an "AS IS", "WHERE IS" and "SUBJECT TO ALL FAULTS" condition, without any representation or warranty by the Authority concerning the condition of the Demised Premises, except as expressly set forth in this Lease, and without any obligation on the part of the Authority to make any alterations, repairs or additions to the Demised Premises, except as expressly set forth in this Lease. LESSEE acknowledges that neither the Authority, nor anyone acting on behalf of the Authority, has made any representation or warranty concerning the condition or state of repair of the Demised Premises, nor any agreement or promise to alter, improve, adapt or repair the Demised Premises that is not fully set forth in this Lease.

10.2 **Maintenance Costs:** LESSEE at its sole cost and expense shall at all times maintain the Premises, including grounds, buildings, structures and improvements



in a good state of repair and in a safe, clean, neat and sanitary condition. LESSEE hereby waives the provisions of Sections 1941 and 1942 of the Civil Code of the State of California and any statutes, laws or ordinances now or hereafter enacted permitting LESSEE to make repairs at the expense of the Authority or to terminate the Lease by reason of the condition of the Premises. In the event LESSEE fails to make any repairs required to be made by LESSEE in accordance with the terms of this Section, after providing ten (10) days' written notice (unless for emergency) Authority shall have the option but not the obligation to make such repairs at the expense of LESSEE. LESSEE shall pay as additional rent due hereunder upon demand all costs of Authority for making such repairs. Authority shall have no liability to LESSEE for any damage, inconvenience or interference with the use of the Premises by LESSEE as a result of the making of any repairs made by Authority under this Section and the rent shall not be abated by reason thereof.

11. ***Authority's Right to Relocate and/or Change Premises.*** The Authority retains the right to relocate and/or change the Premises to be used pursuant to this Lease and LESSEE's customers' requirements or schedules, provided the Authority can provide alternate Premises which are reasonably similar in condition, functionality, and purpose. These changes may occur for the following reasons that include: construction, maintenance, repairs, safety, flooding, natural disasters, aircraft access, and other similar purposes. The Authority, through the Chief Executive Officer, shall provide fifteen (15) days prior written notice to LESSEE of any request for change in location of the Premises, including the reason for such change. The Authority and LESSEE shall work together, and with the FAA as necessary, to facilitate the Premises change without substantial interruption to LESSEE's services to its customers as provided in this Agreement.

12. ***Compliance with Laws.*** LESSEE agrees to comply, at LESSEE's sole cost and expense, with all governmental laws, rules, ordinances and regulations applicable to LESSEE's use and occupancy of the Premises and the operation of LESSEE's business thereon. LESSEE shall be responsible for making any and all alterations or improvements to the Premises as necessary to comply with applicable governmental laws, rules, ordinances and regulations which are triggered by the nature of LESSEE's business operations on the Premises; all of which alterations shall be subject to the provisions of Section 12. LESSEE shall not allow the Premises to be used for any unlawful purpose, nor shall LESSEE cause, maintain, or permit any nuisance in on or about the Premises or other conduct (including noise which can be heard outside of the Premises) which will interfere with other occupants of the Building or adjoining property owners or their tenants.

13. ***Alterations to the Premises.***

13.1 LESSEE shall not make or suffer to be made any material modifications or alterations to the Demised Premises without first obtaining Authority's prior written consent to such modifications or alterations, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Authority may condition or withhold its consent in Authority's sole discretion to any modifications to structural components of the Hangar Building or any penetrations or modifications to the roof. In requesting Authority's consent, LESSEE shall submit to Authority plans and specifications for the modifications or alterations to be made sufficient for Authority to determine the

nature and scope of such modifications or improvements. If Authority disapproves LESSEE's plans and specifications, Authority shall give the reasons for such disapproval and LESSEE shall promptly revise the same to Authority's reasonable satisfaction. LESSEE shall provide Authority with at least ten (10) days' notice prior to having any construction materials delivered to the Demised Premises or commencing construction of any improvements, and shall reasonably cooperate with Authority in the posting of a notice of non-responsibility on the Demised Premises. LESSEE covenants and agrees that all Tenant Improvements constructed on the Demised Premises or work performed or caused to be performed by LESSEE shall be in full compliance with all laws, rules, orders, ordinances, directions, codes, regulations and requirements of all governmental agencies, offices, departments, bureaus and boards having jurisdiction over the Demised Premises.

13.2 Title to any Tenant Improvements constructed on the Demised Premises by LESSEE shall remain vested in LESSEE during the Term of this Lease. Upon the expiration or termination of this Lease all such Tenant Improvements shall be surrendered to Authority with the Demised Premises in good condition and repair and shall become the property of Authority, except for Personalty belonging to LESSEE as provided in 5.04.C. below. At the request of Authority, LESSEE shall provide a bill of sale transferring the Tenant Improvements to Authority. Notwithstanding the forgoing, Authority may notify LESSEE of the requirement for LESSEE to remove all or any portion of the Tenant Improvements within thirty (30) days after the expiration or termination of this Lease and LESSEE shall promptly remove that portion of the Tenant Improvement at LESSEE's cost and expense.

13.3 LESSEE may, without the prior written consent of the Authority, at LESSEE's sole cost and expense, install at the Demised Premises any trade fixtures, furnishings and equipment, all of which shall be deemed to be personal property of LESSEE (the "Personalty"). LESSEE shall have the right at any time during the Term to remove any or all of the Personalty, subject to LESSEE's obligation to repair damage, if any, resulting from such removal, at its sole cost and expense.

13.4 Any trade fixtures of LESSEE not removed from the Demised Premises prior to the expiration or earlier termination of the Term of this Lease, regardless of cause, shall automatically become the property of the Authority, as owner of the Demised Premises to which such fixtures are attached.

14. ***Liens.*** LESSEE shall not permit any mechanic's, materialmen's or other liens to be filed against the Premises nor against the LESSEE's leasehold interest in the Premises. If any such liens are filed, Authority may, without waiving Authority's rights and remedies based on such breach of LESSEE and without releasing LESSEE from any of LESSEE's obligations, cause such liens to be released by any means Authority shall deem proper, including payment in satisfaction of the claim giving rise to such lien. LESSEE shall pay to Authority at once, upon notice by Authority, any sum paid by Authority to remove such liens, together with interest at the rate of ten percent (10%) per annum.

15. ***Indemnification / Damage to LESSEE Property.***

15.1 LESSEE agrees to indemnify, defend (with counsel reasonably acceptable to Authority), and hold harmless Authority against and from any and all claims, actions, proceedings, liabilities, costs or expenses (collectively "Claims") arising out of or related to the Premises, or LESSEE's use and occupancy of the same, including without limitation, any Claims arising from any activity, work, or thing done, permitted or suffered by LESSEE in or about the Premises or upon Common Areas of the Premises, and shall further indemnify and hold harmless Authority against and from any and all Claims arising from any breach or default in the performance of any obligation on LESSEE's part to be performed under the terms of this Lease, or arising from any act, neglect, fault or omission of LESSEE, or of LESSEE's agents, employees, guests or customers. Notwithstanding anything herein to the contrary, LESSEE shall not be required to indemnify or defend Authority from any Claims resulting from the intentional or grossly negligent act of Authority.

15.2 To the fullest extent permitted by law, LESSEE waives all claims (in law, equity, or otherwise) against Authority arising out of, knowingly and voluntarily assumes the risk of, and agrees that neither Authority nor Authority's agents shall not be liable to LESSEE for any of the following: (a) the injury or death of any person; or (b) the loss of, injury or damage to, or destruction of any tangible or intangible property, including the resulting loss of use, economic losses, and consequential or resulting damage of any kind from any cause whatsoever, including without limitation, fire, explosion, water or rain which may leak from any part of the Building or other areas of the Premises or from the pipes, appliances or plumbing works therein or from the roof, street or sub-surface areas, or interruption with any utility service to the Premises. This exculpation clause shall not apply to claims against Authority or its agents to the extent that a final judgment of a court of competent jurisdiction establishes that the injury, loss, damage, or destruction was proximately caused by Authority's gross negligence, fraud, or willful injury to person or property.

16. ***Assignment.***

16.1 LESSEE shall not, either voluntarily or by operation of law, assign, sublet, sell, encumber, hypothecate, pledge, or otherwise transfer all or any part of LESSEE's leasehold estate hereunder. Authority may withhold its consent to any request to an assignment or subletting of the Premises by LESSEE, or condition such consent as Authority deems necessary or appropriate in its sole and absolute discretion.

16.2 No assignment or subletting of this Lease, including any consent by Authority to such action, shall release LESSEE from any obligations hereunder. Consent by Authority to any assignment or subletting of this Lease shall not operate to exhaust Authority's rights under this Section nor limit Authority right to prohibit or condition any further assignment or subletting of this Lease in Authority's sole discretion.

17. ***Defaults.*** The occurrence of any one or more of the following events shall constitute a default hereunder by LESSEE:

(a) Abandonment of the Premises by LESSEE. Abandonment is herein defined to include, but is not limited to, any absence by LESSEE from the Premises for five (5) days or longer while in material default of any provision of this Lease.

(b) The failure by LESSEE to make any payment of rent or any other payment required to be made by LESSEE hereunder within five (5) days of the date the same shall be due.

(c) (i) The making by LESSEE of any general assignment for the benefit of creditors; (ii) the filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against LESSEE, the same is dismissed within thirty (30) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of LESSEE's assets located at the Premises or of LESSEE's interest in this Lease where such seizure is not discharged within thirty (30) days.

(d) The failure by LESSEE to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by LESSEE, other than as specified in Section 19(a), (b), or (c) above, where such failure shall continue for a period of fifteen (15) days after written notice thereof from Authority to LESSEE; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161; provided, further, that if the nature of LESSEE's default is such that more than fifteen (15) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE shall commence such cure within such fifteen-day period and thereafter diligently prosecute such cure to completion.

(e) The failure by to LESSEE to comply with the terms and provisions of any other agreement with Authority for the Airport, including compliance with any permits held by LESSEE for operations on the Airport, or timely pay for any services provided to LESSEE by Authority including any fuel purchases or Airport fees where such failure continues for a period of thirty (30) days after written notice thereof from Authority to LESSEE.

18. ***Remedy on Default.***

18.1 In the event of any default hereunder by LESSEE, in addition to any other remedies available to Authority at law or in equity, Authority shall have the immediate option to terminate this Lease and all rights of LESSEE hereunder. In the event

that Authority shall elect to so terminate this Lease then Authority may recover from LESSEE:

(a) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that LESSEE proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that LESSEE proves could be reasonably avoided; plus

(d) any other amount necessary to compensate Authority for all the detriment proximately caused by LESSEE's failure to perform LESSEE's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

18.2 As used in Section 18.1(a) and (b) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in Section 18.1(c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

18.3 In the event of a default hereunder by LESSEE, Authority has the remedy described in California Civil Code Section 1951.4 (Authority may continue this Lease in effect after LESSEE's breach and abandonment and recover rent as it becomes due, if LESSEE has the right to sublet or assign, subject only to reasonable limitations).

18.4 All rights, options and remedies of Authority contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Authority shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default of LESSEE hereunder shall be implied from any acceptance by Authority of any rent or other payments due hereunder or any omission by Authority to take any such action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in such waiver. The consent or approval of Authority to or of any act by LESSEE requiring Authority's consent or approval shall not be deemed to waive or render unnecessary Authority's consent or approval to or of any subsequent similar acts by LESSEE.

19. ***Damage to Premises.***

19.1 As used herein the term "Material Damage" shall mean any damage or destruction to the Premises or any part of the Building or Common Areas which are necessary for LESSEE's use and enjoyment of the Premises by fire or by any other casualty to the extent that it materially interferes with LESSEE's use of the Premises. Should Material Damage occur Authority shall have the right, at its option to be exercised within forty-five (45) days of the date of such damage, to either (i) undertake to repair such damage as soon as reasonably practicable in view of the extent of such damage or destruction, in which event this Lease shall continue in full force and effect, except that LESSEE shall be entitled to the abatement of rent as provided below; or (ii) terminate this Lease by delivering written notice to LESSEE of Authority's election to so terminate. Authority shall, at Authority's expense, repair any non-Material Damage to the Premise or Premises as soon as reasonably practicable in view of the extent of such damage or destruction. Notwithstanding the foregoing, Authority shall have no responsibility to repair any damage or destruction to LESSEE's personal property or equipment or any alterations or improvements made by LESSEE on the Premises.

19.2 If this Lease is terminated as provided above, rent shall be prorated as of the time of the damage and any overpayment refunded. If Authority elects to repair the damage, this Lease shall continue and rent shall be abated during the period between the happening of the damage and completion of the repair proportionate to the extent such damage or destruction interferes with LESSEE's use of the Premises. Under no circumstances shall Authority be liable to LESSEE for any lost profits or damage to LESSEE's personal property caused by the occurrence of any damage or destruction to the Premises, the Building or the Common Areas. LESSEE hereby waives the provisions of Sections 1932(2) and 1933(4) of the California Civil Code and agrees that upon any damage or destruction to the Premises, Building or Common Areas, the provisions of this Section shall be used to determine whether this Lease shall be terminated or remain in effect.

20. ***Holding Over.*** LESSEE may not hold over upon the expiration of the Lease. If LESSEE holds over after the expiration or earlier termination of the term hereof without the express written consent of Authority, LESSEE shall become a LESSEE at sufferance only, at a rental rate equal to one hundred twenty percent (120%) of the rent in effect upon the date of such expiration or termination. Acceptance by Authority of rent after such expiration or earlier termination shall result in the creation of a month-to-month tenancy on the terms of this Lease so far as applicable, excluding any option to extend the term of this Lease.

21. ***Authority's Right of Entry.*** Authority reserves and shall at any and all times have the right to enter the Premises to inspect and repair the same and provide services hereunder, and at any time submit the Premises to prospective LESSEES all without being deemed guilty of any eviction of LESSEE and without abatement of rent. For each of the aforesaid purposes, Authority shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding LESSEE's

vaults and safes, and LESSEE shall not change the locks on the doors to the Premises without Authority's prior consent and providing Authority with a key to such new or modified lock.

22. ***Eminent Domain.*** In the event any portion of the Premises, or 25 percent or more of the Common Area, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, either party hereunder shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to such authority. LESSEE shall not assert any claim against Authority or the taking authority for any compensation because of such taking, and Authority shall be entitled to receive the entire amount of any award without deduction for any estate or interest of LESSEE. In the event the amount of property or the type of estate taken shall not result in a termination of this Lease, Authority shall be entitled to the entire amount of the award without deduction for any estate or interest of LESSEE, and Authority shall promptly proceed to restore the Common Areas, or Premises as applicable, to substantially its same condition prior to such partial taking. LESSEE shall not be entitled to any reduction in Base Rent by reason of any taking of the Common Areas. Nothing contained in this Section shall be deemed to give Authority any interest in any award made to LESSEE for the taking of personal property and fixtures belonging to LESSEE or for LESSEE's relocation expenses provided that such award to LESSEE, if any, shall not reduce the award that would otherwise be made to Authority for the taking of the Common Areas or the Premises, as applicable.

23. ***Hazardous Waste.***

23.1 As used herein, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material, waste, pollutant or contaminant, as defined, listed or regulated by any federal, state or local law, regulation or order, by common law decision, or the presence of which may give rise to liability under any statutory or common law theory based on negligence, trespass, nuisance, waste or strict liability, including without limitation, any petroleum products, by-products or hydrocarbons. The "Presence" of hazardous materials shall mean the manufacture, distribution, production, treatment, use, generation, storage, disposal, removal and/or transportation of Hazardous Materials.

23.2 LESSEE represents and warrants to Authority and agrees, at all times during the term of this Lease, as follows:

(a) Except as provided below, LESSEE shall not permit the Presence of Hazardous Materials on, under or about the Premises or the Premises, without receiving Authority's prior written consent, which consent Authority may withhold in its sole and absolute discretion and, if given, subsequently revoke at any time. Notwithstanding the above, LESSEE may without Authority's written consent permit the Presence of such Hazardous Materials on the Premises in such amounts as are necessary in the ordinary course of conducting LESSEE's business as described in Section 10 of the Basic Provisions provided that LESSEE shall be subject to all of the remaining provisions

of this Section. If Authority consents to the Presence of any such Hazardous Materials, or if Authority's consent thereto is not required, then LESSEE shall conduct any activities in connection with the Presence of such Hazardous Materials strictly in compliance with all applicable regulations, using all necessary and appropriate precautions. LESSEE shall be liable to Authority for the Presence of any Hazardous Materials caused or permitted to be caused by LESSEE, LESSEE's employees, agents, contractors, licensees or invitees, whether or not consented to by Authority hereunder;

(b) LESSEE agrees to indemnify, protect and hold Authority, its agents and employees, harmless from any and all demands, claims, causes of actions, penalties, liabilities, judgments, damages, and expenses including, without limitation, court costs and reasonable attorney's fees incurred by Authority as a result of (i) LESSEE's failure or delay in properly complying with all applicable regulations regarding the Presence of Hazardous Materials; or (ii) any adverse effect which results from the presence of any Hazardous Materials in or about the Premises or the Premises or the contamination of the Premises or Premises by Hazardous Materials caused or contributed to by LESSEE. If any action or proceeding is brought against Authority, Authority's agents or employees by reason of such claim, LESSEE, upon notice from Authority, will defend such claim at LESSEE's expense with counsel satisfactory to Authority. This indemnification by LESSEE of Authority shall survive the termination of this Lease;

(c) LESSEE shall allow Authority and Authority's agents, access and the right to enter and inspect the Premises for the Presence of any Hazardous Materials or any contamination of the Premises, at any time deemed reasonable by Authority, without prior notice to LESSEE, and in the event a release of Hazardous Materials occurs on or effects the Premises, LESSEE shall permit Authority or Authority's agents to enter the Premises at any time, without prior notice, to inspect, monitor, take emergency or long term remedial action, discharge LESSEE's obligations hereunder if LESSEE has failed to do so, or take any other action to restore the Premises to its original condition.

24. ***Subordination.*** Without the necessity of any additional document being executed by LESSEE, at the election of Authority or any beneficiary of a deed of trust or any mortgagee with a lien on the Premises, this Lease shall be subordinate to the lien of any such mortgage or deed of trust which may now exist or hereafter be executed by Authority; provided, however, that in the event of any mortgage or deed of trust executed after the date of this Lease, the beneficiary or mortgagee thereunder shall provide to LESSEE a non-disturbance agreement providing that LESSEE's right to possession of the Premises will not be disturbed so long as LESSEE is not in default of any of its obligations hereunder. Within ten (10) days of the request of Authority, LESSEE shall deliver to Authority any additional documents evidencing the subordination of this Lease to the lien of any such mortgage or deed of trust.

25. ***Estoppel Certificate.*** Within ten (10) days of the written request of Authority, LESSEE shall execute and deliver to Authority a statement certifying: (i) the commencement date of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect or, if there have been modifications hereto, that this Lease is in full force



and effect, as modified, and stating the date and nature of such modifications; (iii) the date to which the rent and other sums payable under this Lease have been paid; (iv) the fact that there are no current defaults under this Lease by either Authority or LESSEE except as specified in LESSEE's statement; (v) the fact that LESSEE does not have any option, right of first refusal or other right to purchase or acquire the Premises; and (vi) such other matters as requested by Authority. Authority and LESSEE intend that any statement delivered pursuant to this Section may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the Premises or any interest therein.

26. ***California Law to Apply.*** This Lease shall be governed by the laws of the State of California and any question arising hereunder shall be construed or determined according to such laws.

27. ***Disputes.*** Any actions or proceedings arising under, growing out of, or in any way related to this Lease shall be instituted and prosecuted only in courts located in the County of San Bernardino, State of California, and each party hereto expressly waives its right, under Part II, Title IV of the California Code of Civil Procedure, to cause any such actions or proceedings to be instituted or prosecuted elsewhere.

28. ***Attorneys' Fees.*** If either of the parties hereto shall bring any action or proceeding against the other to enforce or declare any rights herein created, or to bring about or declare the cancellation or rescission of this Lease, the prevailing party in such action or proceeding shall be entitled to receive from the other party all reasonable attorneys' fees and costs incurred in connection therewith.

29. ***Integration.*** This Lease contains the entire agreement and understanding between the parties with respect to the Premises. There are no oral understandings, terms or conditions, and neither party has relied upon any representations, express or implied, not contained in this Lease. All prior understandings, terms, or conditions are deemed merged into this Lease. This Lease may not be changed orally, but only by agreement in writing and signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought.

30. ***Counterparts.*** This Lease may be executed in counterparts, all of which shall be deemed an original but which together shall constitute one and the same Lease.

31. ***Notices.*** The address of the parties hereto for the purpose of any notices, demands of other communications (all of which shall be hereinafter collectively referred to as "Notices"), required or permitted by law or any provision of this Lease are set forth in the Basic Provisions. Any party may, upon written notice to the other, change its address for such Notice. All Notices of any kind which any party may be required or desires to give to or serve upon any other party shall be in writing and shall be deemed timely only in the event of the actual receipt of such Notice by the party to whom the Notice is directed (or the refusal of delivery of such Notice by such party) at or prior to the time specified.

32. ***Force Majeure.*** Neither the Authority nor LESSEE shall be deemed to be in breach of this Lease by reason of failure to perform any obligations under this Lease, if and to the extent that such failure is due to embargoes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, sabotage, strikes, boycotts, labor disputes, weather conditions, riots, rebellion and any circumstances for which the nonperforming party is not responsible and which is not within such party's reasonable control. This provision shall not apply to failures by LESSEE to pay Rent, fees or other charges, or to make any other monetary payment, whatsoever, required by this Lease, except in those cases where provision is made in this Lease for the abatement of such Rent, fees, charges or payments under such circumstances. As a condition precedent to the non-performing party having the benefits of this Section 32 apply to any non-performance of an obligation under this Lease, the party claiming that a force majeure event has occurred shall give written notice to the other party within fifteen (15) calendar days after the force majeure event has occurred setting forth the date and other specifics of the force majeure event and the effects to the non-performing party making such claim to the extent that such effects are known to the non-performing party at that time.

33. ***Miscellaneous.***

Add: Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such change or amendment is requested.

33.1 Time is of the essence of this Lease.

33.2 This Lease shall be construed as a whole and in accordance with its fair meaning, the captions being for the convenience of the parties only and not intended to describe or define the provisions in the portions of the Lease to which they pertain.

33.3 The unenforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions hereof unenforceable, invalid or illegal.

33.4 This Lease shall inure to the benefit and be binding upon the heirs, successors, administrators, executors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties have executed this Lease to be effective on  
and as of \_\_\_\_\_, 2023.

San Bernardino International Airport Authority -  
“Authority”

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Michael Burrows, Chief Executive Officer

Executive Jet Maintenance, LLC - “LESSEE”

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Kurt Belcher, President

Exhibit “A”  
Premises

(See following page)

Exhibit “B”  
Exclusive Ramp Area  
(See following page)

Exhibit "C"  
Airport Related Provisions

**1. AUTHORITY OPERATION OF AIRPORT AND AIRFIELD AREA**

In accordance with FAA Rules and Regulations, the Authority agrees to provide, operate and maintain the Airport and to make the Airfield Area, on a non-exclusive basis, available for use by LESSEE, its invitees, guests and licensees. LESSEE's use of the Airfield Area is subject to compliance with FAA Rules and Regulations, the Airport Rules and Regulations, the Airport Fee Schedule and the Authority's right to change or modify the Airfield Area or take portions of the Airfield Area and lease the same to third parties. LESSEE, its invitees, guests and licensees, shall, at all times during the Term of this Lease, have non-exclusive use of the Airport Roadway Area for ingress to and egress from the Demised Premises. The Authority may designate the portions of the Airport Roadway Area that LESSEE shall be allowed to use and may change such designation from time to time, as long as LESSEE has reasonable access, consistent with the use of the Demised Premises by LESSEE, for the purposes authorized by this Lease.

**2. NON-EXCLUSIVE USE OF AIRFIELD AREA AND OTHER COMMON USE FACILITIES AT THE AIRPORT**

A. LESSEE shall have access to and the non-exclusive use of the Airfield Area and other common use facilities and services at the Airport, as follows:

- (1) Runways for the purposes of landing and takeoff of aircraft;
- (2) Taxiways for the purpose of the ground movement of aircraft;
- (3) Aircraft ramps for the purposes of ground movement of aircraft, parking, air cargo activities, and engine run-ups;
- (4) Any other use normally incident to the foregoing, with the prior written consent of the Authority.

B. LESSEE's use of the Airfield Area and any designated portions of the Airport Roadway Area shall be non-exclusive and in common with others authorized by the Authority to use the Airfield Area or the Airport Roadway Area and is conditioned upon LESSEE's compliance with FAA Rules and Regulations, Airport Rules and Regulations, and the Airport Fee Schedule.

C. Positions on any public air passenger or cargo ramp that are for the purpose of loading and unloading aircraft and not located on the Demised Premises, shall be at all times under the control of the Chief Executive Officer. Ramp services or other aircraft maintenance activities on, over or outside of the Demised Premises must be provided in accordance with the Airport Rules and Regulations and duly authorized permit.

D. Authority shall have the right, without resulting in an actual or constructive eviction of LESSEE or otherwise disturbing the right of LESSEE to quietly use or enjoy the Demised Premises, and without abatement of Rent under this Lease, to do, cause or authorize any of the following:

(1) Temporarily close any part of the Airfield Area, to repair, maintain or improve the Airfield Area, or for any other reasonable purpose;

(2) Change the nature of the Airfield Area, including without limitation, change the location, size, shape and number of runways and taxiways, entry points, or the location, size or shape of any other part of the Airfield Area except that LESSEE shall have the right to terminate this Lease, pursuant to Section 19 above, in the event such change results in LESSEE's inability to continue to access the Airport with the type of aircraft being used by LESSEE prior to Authority's alteration of runway or taxiway width or length;

(3) Adopt and enforce storm water and surface water discharge standards for discharges from the Demised Premises to the Airfield Area or any other areas, as may be necessary or appropriate to comply with all applicable laws and permits issued to the Authority;

(4) Perform any other acts and make all necessary changes and alterations in the Airfield Area that the Authority may deem necessary or appropriate, including, from time to time, shutting down all or a portion of the Airfield Area for repair, maintenance or safety reasons.

E. Except in case of emergency, the Authority shall provide reasonable advance notice to LESSEE of any action by the Authority that may interfere with LESSEE's operations at the Airport and shall reasonably coordinate with LESSEE the timing and manner of such action, so as to minimize the interference with LESSEE's business operations at the Airport so far as reasonably possible.

### **3. RATES, FEES AND CHARGES FOR THE USE OF THE AIRPORT; LANDING FEES**

A. The Airport Fee Schedule is established from time to time by the Authority, in accordance with published nondiscriminatory accounting and rate-making procedures established and adopted by the Authority and includes the right to impose charges previously or currently imposed. LESSEE shall be required to pay all rates, fees and charges for use of the Airport by itself, its invitees, guests or licensees, within thirty (30) calendar days of the date of the first statement for such charges from the Authority.

B. The Authority reserves the right during the Term to add to or modify the Airport Fee Schedule, or other rates, fees or charges for use of the Airport, including the right to impose charges not previously or currently imposed. The Airport Fee Schedule includes, but is not limited to: landing fees, fuel flow fees (based on cost of cents per

gallon on all types of fuels), tie-down, storage or parking fees, Airport business permits, and other fees related to use of services, goods or Airport facilities.

C. During the Term, LESSEE shall pay fuel flow fees consistent with the Airport Fee Schedule. If LESSEE utilizes the services of an approved party as then permitted by the Authority to provide fueling services on the Airport, fuel flowage fees will be collected by the approved party and remitted to the Authority.

#### **4. AIRPORT ROADWAY AREA**

A. The Authority exclusively controls the Airport Roadway Area. LESSEE and LESSEE's employees, agents, suppliers, shippers, customers, invitees and guests shall have a non-exclusive right to use the Airport Roadway Area at all times during the Term of the Lease, for pedestrian and motor vehicle ingress to and egress from the Demised Premises, subject to the rights reserved by the Authority under the Lease, FAA Rules and Regulations and the Airport Rules and Regulations governing use of the Airport Roadway Area.

B. The Authority may do, cause or authorize any of the following activities, which shall not be an actual or constructive eviction of LESSEE, disturbance of the quiet use or enjoyment of the Demised Premises by LESSEE, terminate this Lease or justify any abatement of Rent under this Lease, as long as LESSEE has reasonable access to the Demised Premises at all times during the Term of this Lease:

(1) Temporarily close any part of the Airport Roadway Area to repair, maintain or improve the Airport Roadway Area or for any other reasonable purpose;

(2) Change the nature of the Airport Roadway Area, including, without limitation, changing the location, size, or shape, changing the number of driveways or entry points to the Airport Roadway Area, or the location, size, or shape of any parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas or walkways situated within the Airport Roadway Area;

(3) Exclude from or add land and/or improvements to the Airport that enjoy a non-exclusive right of use of the Airport Roadway Area;

(4) Remove unidentified or unauthorized persons, vehicles, personal property or improvements from the Airport Roadway Area;

(5) Cause the street address of the Demised Premises to be changed for all purposes;

(6) Use or allow the use of the Airport Roadway Area by third persons for pedestrian and motor vehicle ingress and egress to any part of the Airport or for the provision of underground or overhead utility services to any part of the Airport or other property or while engaged in maintenance, repairs, construction or other alteration to any part of the Airport or other property;



(7) Offer the Airport Roadway Area, or any portion thereof, or any utility service facility located therein, for dedication to the City of San Bernardino, pursuant to Government Code Section 7050 or other applicable law or to authorize enforcement by the City of San Bernardino of the Vehicle Code of the State of California for all or any portion of the Airport Roadway Area;

(8) Adopt and enforce storm water and surface water discharge standards for discharges from the Demised Premises to the Airport Roadway Area, as may be necessary or appropriate to comply with all applicable laws and permits issued to the Authority; and

(9) Perform any other acts and make other changes or alterations in the Airport Roadway Area and the Airport, as the Authority may deem necessary or appropriate.

C. Except in case of emergency, the Authority shall provide reasonable advance notice to LESSEE of activities to be conducted by or on behalf of the Authority affecting the Airport Roadway Area that could reasonably be anticipated to impact LESSEE and shall reasonably coordinate with LESSEE the timing and manner of such activities so as to minimize disruption of LESSEE's operations at the Airport.

D. LESSEE shall comply with all Airport Rules and Regulations relating to the use of the Airport Roadway Area and the application of the State of California Vehicle Code to the Airport Roadway Area. LESSEE shall not conduct business in the Airport Roadway Area, store any personal property in the Airport Roadway Area or otherwise place any obstacle or obstruction in the Airport Roadway Area. LESSEE shall comply with all vehicle traffic regulations and vehicle parking regulations imposed by the Authority, any municipal jurisdiction or the State of California on the Airport Roadway Area, including the provisions to be enforced by the City of San Bernardino pursuant to the State of California Vehicle Code. LESSEE shall not cause or authorize the construction or encroachment of any utility installation for the benefit of the Demised Premises on, in or under the Airport Roadway Area, except upon the prior written approval of the Authority which may be withheld or conditioned at Authority's sole discretion.

## **5. AIRCRAFT OPERATIONS**

A. The Authority agrees to operate the Airport in accordance with its FAA-approved Airport Certification Manual, as may be amended from time to time, as required by FAA Federal Aviation Regulation Part 139. LESSEE shall ensure that all of its Aircraft Operations are conducted in a manner consistent with the requirements described for the Airport in the FAA published U.S. Chart Supplements, as amended from time to time.

B. In the event that the Authority should, during the Term of this Lease, incur any costs or expenses providing ARFF services to LESSEE, or receive a bill from any local fire department, police, rescue or ambulance service for services provided by such entities to LESSEE, LESSEE shall remit to the Authority payment in full for such sums, upon demand.

## **6. OPERATION OF THE CONTROL TOWER**

The Authority is not obligated to furnish or provide any staffing for or equipment or facilities in connection with control tower operations at the Airport for the benefit of LESSEE, pursuant to this Lease or otherwise. It is expressly understood by LESSEE that the Authority may decrease the services offered by the control tower and the Airport, including its Instrument Landing System (“ILS”) and Automated Weather Observation System (“AWOS”) capabilities, at any time and without any default under this Lease. The Authority’s only obligation is to provide the minimum level of ILS and/or AWOS capabilities required by the FAA pursuant to Federal Aviation Regulations Part 171, if any.

Exhibit "D"  
Deed Requirements

The following disclosures, notices and provisions are made by Authority to LESSEE and are hereby incorporated into the Lease with the same effect as if fully stated therein:

**1. NOTICE OF HAZARDOUS SUBSTANCES GIVEN UNDER CERCLA SECTION 120 (h)(3)**

Pursuant to CERCLA Section 120 (h)(3), the applicable provisions of the Quitclaim Deed and all of the various studies and reports prepared by the Air Force, as referenced therein, the Air Force has given notice informing all interested persons of certain information relating to the presence of certain hazardous substances or toxic or contaminating materials that may affect or concern the Airport and the Demised Premises. The CERCLA notice of the Air Force, as set forth in the Quitclaim Deed, also includes a description of remedial action taken by the Air Force that affects or concerns the Airport and the Demised Premises prior to the date of this Lease, and the existence and effect of the remedial environmental action covenant of the Air Force concerning the Airport and the Demised Premises.

**2. NOTICE OF LEAD-BASED PAINT (LBP) AND ASBESTOS-CONTAINING MATERIAL (ACM) IN THE DEMISED PREMISES AND DISCLAIMER**

A. The Demised Premises includes improvements constructed before 1978 and have been determined to contain LBP and ACM. LESSEE acknowledges that the Authority has provided LESSEE with a copy of the ACM/LBP Survey regarding the presence of ACM and LBP on the Demised Premises prior to entering into this Lease.

B. LESSEE covenants and agrees that in its use and occupancy of the Demised Premises, it will comply with all applicable Environmental Laws relating to LBP and ACM. Upon Authority's satisfaction of its obligations to remediate ACM and LBP in connection with the Tenant Improvements that Authority has agreed to undertake to the Lease, if any; the Authority shall have no liability for damages for personal injury, illness, disability, or death to LESSEE, or to LESSEE's employees, agents, invitees, guests, vendors or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with LBP and/or ACM that remain on the Demised Premises, whether LESSEE properly warned, or failed to properly warn, the persons injured. Notwithstanding anything to the contrary in this Lease but expressly excepting Authority's obligations with respect to ACM and LBP, if any; as set forth in this Exhibit "D" of this Lease, neither the Authority nor LESSEE shall have any obligation to remove or remediate any LBP or ACM on the Demised Premises; provided, however, that LESSEE shall be obligated to remediate any LBP or ACM condition resulting from any disturbance, release or discharge of any LBP or ACM existing on the Demised Premises caused by any LESSEE Parties but in no event will LESSEE have any liability of any kind for the existence of hazardous substances, including any LBP or ACM

located in, on, under or about the Airport and Demised Premises that existed or originated prior to the Term of this Lease and which were not disturbed, released or discharged by LESSEE.

### **3. RELEASE OF THE AUTHORITY BY LESSEE RELATING TO LBP, ACM AND ALL OTHER HAZARDOUS SUBSTANCES**

A. Subject to the provisions set forth in Section 2.B. of this Exhibit "D" and the applicable provisions of the Lease to which this Exhibit "D" is attached, LESSEE on behalf of itself and its successors and assigns, waives and releases the Authority its elected officials, officers, employees, attorneys, consultants and agents and their successors and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liability, damages, penalties, fines, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, arising from or relating to the presence, alleged presence or remediation of LBP, ACM and all other harmful or Hazardous Substances in, under, or about the Demised Premises including, without limitation, any claims under or on account of any Environmental Laws.

B. LESSEE expressly waives any rights or benefits available to it with respect to the release set forth in the preceding Section under any provision of applicable law that generally provides that the general release does not extend to claims that the creditor does not know or suspect to exist in his or her favor at the time the release is agreed to, which, if known to such creditor, would materially affect a settlement. By execution of this Lease, LESSEE acknowledges that it fully understands the foregoing and with this understanding, nonetheless elects to and does assume all risk for claims known or unknown, described in Section 3.A above and without limiting the generality of the foregoing:

The undersigned acknowledges that it has been advised by legal counsel of its own choosing of the substance of the foregoing and the following and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

The undersigned, being aware of this California Civil Code Section 1542, hereby expressly waives any rights it may have thereunder, as well as under any other statutes or common law principles of similar effect.

Initials of the authorized and/or managing member of LESSEE: \_\_\_\_\_

The provisions of Sections 3.A. and 3.B. shall survive any expiration or termination of this Lease.

#### **4. AIR FORCE INDEMNITY – INSPECTION RIGHTS**

A. The Air Force may be obligated, pursuant to Section 330 of the National Defense Authorization Act of 1993, as amended, to indemnify the Authority or LESSEE from and against certain suits, claims, demands or actions, liability, judgment, cost or fees arising out of any claim for personal injury or property damage resulting from the unauthorized release or threatened release of any Hazardous Substance, pollutant or contaminant, or petroleum or petroleum derivative on, in, under or around the Demised Premises. In addition, except to the extent set forth in the Quitclaim Deed with respect to LBP and ACM, the Air Force may be liable, pursuant to Section 120(h) of CERCLA, for certain remedial actions found to be necessary on the Demised Premises on or after the Commencement Date.

B. In the event that any governmental agency having jurisdiction over the Demised Premises requires LESSEE, as a successor in possessory interest of the Air Force or the Authority in the Demised Premises, to take any removal or remedial action with regard to any Hazardous Substance, pollutant or contaminant, or petroleum or petroleum derivative on, in, under or around the Demised Premises for which the Air Force may be responsible under Section 120 (h) of CERCLA, or in the event of any dispute over the nature or scope of the obligations of the Air Force to indemnify LESSEE under Section 330 of the National Defense Authorization Act, or to remediate any Hazardous Substance, pollutant or contaminant, or petroleum or petroleum derivative under Section 120(h) of CERCLA, the Authority agrees to cooperate fully with LESSEE in tendering such a claim of indemnity to the Air Force. The Authority shall do so without assuming any liability, or obligation for such action, and shall sign any documents reasonably requested by any governmental agency or by LESSEE, provide any information or reasonable access to information in its possession or control and reasonably required in connection with such action. Notwithstanding anything in this Section 4.B. to the contrary, no provision of this Section 4.B. shall relieve LESSEE from its responsibility to comply with all Environmental Laws applicable to the activities of LESSEE on the Demised Premises, nor excuse any performance otherwise required of LESSEE under this Lease, during any period that the Demised Premises are rendered unusable; provided, however, if LESSEE's use and occupancy of the Demised Premises is substantially impaired for a period in excess of sixty (60) days, LESSEE shall be entitled to an equitable abatement of Rent based on the nature and square footage of the unusable portion of the Demised Premises or LESSEE may, upon written notice to Authority, elect to terminate the Lease pursuant to Section 19.

C. The Authority and the Air Force and/or their consultants, contractors and subcontractors shall have the right to enter upon the Demised Premises and conduct investigations and surveys, to include drillings, compiling, etc., as required under the Quitclaim Deed. These inspections or surveys will be coordinated with a representative designated by LESSEE and will occur on reasonable prior notice. Inspections will be conducted with a representative of LESSEE, and in such manner so as to reasonably minimize any disruption to the operations of LESSEE on the Demised Premises.

**5. DEMISED PREMISES, A NATIONAL PRIORITY LIST SITE**

LESSEE acknowledges that the Airport is identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, as amended. LESSEE acknowledges that the Authority provided it with access to the Lessee Air Force Base Federal Facility Agreement Under CERCLA Section 120 (the “FFA”) entered into by EPA Region 9, the State of California, and the United States Air Force on June 29, 1989, and agrees that should any conflict arise between the terms of the FFA and the provisions of this Lease, the terms of the FFA will prevail. LESSEE further agrees that the Authority assumes no liability to LESSEE should implementation of either the FFA or any provisions of the Quitclaim Deed interfere with LESSEE’s use of the Demised Premises. LESSEE shall not have any claim on account of any such interference against the Authority or any elected official, officer, agent, employee, attorney, consultant or contractor of the Authority. However, if the business operations of LESSEE on the Demised Premises are substantially disrupted for a period of thirty (30) calendar days or more by activities in implementation of the provisions of the FFA or the Quitclaim Deed, then LESSEE may terminate this Lease, upon thirty (30) calendar days prior written notice to the Authority.

**6.** The Authority and LESSEE further acknowledge that the United States government may be obligated, pursuant to Section 330 of the National Defense Authorization Act of 1993 (as amended), to indemnify the Authority and LESSEE from and against any suits, claims, demands or actions, liabilities, judgments, costs or other fees arising out of any claim for personal injury or property damage resulting from the release or threatened release of any hazardous substance, pollutant or contaminant, or petroleum or petroleum derivative affecting the Demised Premises. In addition, the Authority and LESSEE acknowledge that the United States government may be liable, pursuant to Section 120(h) of CERCLA, for any remedial action found to be necessary on the Demised Premises associated with any release or threatened release of hazardous substances affecting the Demised Premises that may have occurred prior to the date of the Quitclaim Deed.

Exhibit “E”  
Airport Rules and Regulations



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 12**

**PRESENTER: Darrell Hale, Property Manager**

**SUBJECT: APPROVE A REVISED LEASE AGREEMENT WITH UPS FOR HANGAR NO. 695**

### **SUMMARY**

The proposed lease with UPS would include approximately 53,955 square feet of Hangar No. 695; approximately 215,759 square feet of adjacent aircraft ramp; and approximately 230,000 square feet of graded lot. Hangar No. 695 premises have been under a month-to-month tenancy with UPS pending approval of revised terms and conditions. UPS is a leading integrated air cargo carrier and continues to be the Airport's longest standing sheduled air cargo carrier. This new lease would expand UPS' lease space while facilitating enhanced operations moving forward.

### **RECOMMENDED ACTION(S)**

Approve a revised lease agreement with UPS for Hangar No. 695 premises; and authorize the Chief Executive Officer to execute all related documents; subject to technical and conforming changes as approved by legal counsel.

### **FISCAL IMPACT**

Approval of this item would result in a \$193,489 increase in estimated revenues. The San Bernardino International Airport Authority (SBIAA) Fiscal Year 2023-24 budget in the Property Management Fund, Account 41700 - Lease Revenue in the amount of \$10,916,955 will increase by \$193,489 to \$11,110,444.

PREPARED BY:	Darrell Hale
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows



## **BACKGROUND INFORMATION**

UPS is the second largest air cargo airline in the world. The company commenced initial air cargo operations at the San Bernardino International Airport in 2017 and quickly expanded to Hangar No. 695 thereafter. UPS is among the world's leading integrated air cargo carriers and continues to be the longest standing scheduled air cargo airline at the Airport. What began as a seasonal operation, quickly grew to become one of the busiest gateways for UPS in Southern California, supporting as many as eleven (11)-flights per day during peak periods. The original agreement for use of Hangar No. 695 premises has recently been under a month-to-month hold-over tenancy, as revised terms and conditions were being reviewed and approved by UPS. UPS is seeking to proceed in entering into a revised new lease for Hangar No. 695.

Principal lease terms and conditions by and between SBIAA and UPS are as follows:

- Premises – approximately 53,955 square feet of Hangar No. 695; approximately 215,759 square feet of aircraft ramp; approximately 230,000 square feet of graded lot; and a guard booth at AOA Gate 1
- Initial Lease Term of three (3)-years, with two (2), one (1)-year extension options thereafter
- Annual CPI adjustments
- Extended term to be at the then existing fair market value rate
- Two (2) month's security deposit upon execution of Lease
- Initial monthly lease revenue of \$47,157 per month (\$565,884 annually)
- SBIAA to retain maintenance of Hangar structure, roof, foundation, and primary utility connections
- UPS would maintain all portions of the premises and pay all applicable utility usage charges.
- UPS will pay all applicable possessory interest taxes and maintain commercial general liability and hangar keepers insurance coverage naming SBIAA as an additional insured
- UPS to perform certain hangar door operator upgrades at its sole cost and expense. Base rent has been adjusted accordingly to offset 50% of this cost over the revised initial term.
- UPS would be required to comply with all applicable laws, Airport, FAA, and TSA rules and regulations

SBIAA's standard form hangar lease would be used for this agreement.

Staff recommends the Commission approve the recommended action as set forth above.

### **Attachments:**

1. Site Map
2. Form of Lease

# Exhibit A



R6

122,056 sq/ft

190'

160'

65'

R1

R2

Graded Lot:  
approx 230,000 sq/ft

**SAN BERNARDINO INTERNATIONAL  
AIRPORT AUTHORITY**

**HANGAR LEASE AGREEMENT**

**Between**

**San Bernardino International Airport Authority**

**a California Joint Powers Authority,  
as Lessor**

**and**

**United Parcel Service, Inc., an Ohio Corporation (UPS)  
as Lessee**



## HANGAR LEASE AGREEMENT

THIS HANGAR LEASE AGREEMENT (“Lease”) is entered into as of November 1, 2022 (“Effective Date”), by and between the San Bernardino International Airport Authority, a California joint powers authority existing and acting pursuant to Government Code Sections 6500, et seq. (the “Authority”), and the LESSEE identified below.

Authority is the owner of those certain facilities identified as Hangar No. 695, aircraft and staging ramp area, graded lot area, aircraft parking positions R1, R2, & R6 and guard shack. (the “Demised Premises”) located at the San Bernardino International Airport and identified on Exhibit “A,” attached hereto.

Authority hereby agrees to lease space in the Premises described below as the “Demised Premises” to LESSEE and LESSEE hereby agrees to leases the Demised Premises from Authority on the terms and conditions contained in the Basic Provisions and the General Provisions set forth below.

### ***BASIC PROVISIONS***

1.     **LESSEE:**                     United Parcel Service Incorporated, an Ohio corporation (UPS)
2.     **LESSEE’s Address:**    UPS, Inc.  
  Attention: Airport Properties, 3A  
  1400 N. Hurstbourne Parkway  
  Louisville, KY 40223
3.     **Demised Premises:** The Demised Premises is comprised of Hangar No. 695 consisting of approximately 53,955 square feet [\$22,283.00 per month (\$.41 per square foot for 53,955 square feet)] together with approximately 93,703 square feet of adjacent ramp area [included with Hangar 695 at no additional charge for rent]; Guard Booth located at Gate 1 [\$230.00 per month]; approximately 230,000 square feet of Graded Lot Area [\$16,100.00 per month (\$.07 per square foot for 230,000 square feet)]; Aircraft Parking Positions R1, R2 & R6 [\$8,544.00 per month (\$.07 per square foot for 122,056 square feet)] and the nonexclusive right for truck and vehicular access to the Demised Premises, all as depicted on Exhibit “A”, attached hereto.
4.     **Term:** The parties anticipate that the initial term (the “Term”) of this Lease will commence May 1, 2022 (“Commencement Date”) and expire on April 30, 2025 (“Expiration Date”).
5.     **Options to Extend Term:** LESSEE shall have two (2), one (1)-year options to extend the Term of this Lease (“Extended Term”) as described in section 3.02 of the General Provisions of this Lease.
6.     **Base Rent:** The base monthly rent payable under this Lease shall be \$47,157.00 per month (“Base Rent”) for the first year of this Lease, payable in advance on the first day of each month, without offset or deduction unless otherwise expressly provided for in this Lease.

The Base Rent payable hereunder shall be subject to adjustment as provided in Section 4.01 of the General Provisions.

7. **Rent Abatement/Credit:** Authority's acceptance of LESSEE's improvement upgrades and repair of hangar doors contained in Exhibit "I", Hangar Door Improvements, herein shall invoke a monthly rent credit of one-half the cost of repairs to the hangar doors which equals \$5,157.00 per month as related to the repair bid letter by CASCO Equipment Corporation.
8. **Additional Rent:** Additional ramp not already included as part of the Demised Premises may be available to LESSEE at the monthly cost of \$0.07 per square foot per month, subject to annual CPI increases as provided in Section 4.01.C below.
9. **Parking Spaces:** LESSEE's employees may park personal vehicles in SBIAA owned parking lots located in the vicinity of SBIAA's commercial passenger terminal. Access to Parking Area shall be subject to Authority's parking lot revenue control system. LESSEE's employees will be offered a monthly parking lot rate in accordance with the Airport Fee Schedule. Parking Area is depicted on Exhibit "B."
10. **Utilities:** Subject to the provisions of Section 5.09 below, LESSEE shall pay all charges for all electricity, gas, water, sewer, trash disposal and other utility services which may be used or consumed on or for the Demised Premises.
11. **Reserved**
12. **Security Deposit:** LESSEE shall deposit with Authority, a security deposit in the amount of Ninety-Four Thousand, Three Hundred and Fourteen and 00/100 Dollars (\$94,314.00), which shall be held by Authority in accordance with the terms of Section 10.01 of the General Provisions.
13. **Use of Demised Premises:** LESSEE shall use and occupy the Demised Premises for the following purpose, and for no other purpose without the prior written consent of Authority: air cargo handling, sorting and distribution and ancillary activities including aircraft and GSE maintenance related thereto.
14. **Lease Improvements:** Authority shall have no obligation to construct any improvements to the Demised Premises and Authority offers no financial incentives to LESSEE hereunder.
15. **Authority's Address:** 1601 East Third Street, Suite 100  
San Bernardino, CA 92048  
ATTN: Chief Executive Officer

## GENERAL PROVISIONS

### ARTICLE I DEFINITIONS

#### 1.01 [Reserved]

**1.02 “Aircraft Operations”** shall mean all aircraft movements and operations at the Airport that are conducted by LESSEE, its sublessees, licensees, and invitees or are for the benefit of LESSEE, its sublessees, licensees, or invitees and other parties conducting business with LESSEE, its sublessees, licensees, and invitees.

**1.03 “Airfield Area”** shall mean: (i) existing runways, (ii) existing taxiways, (iii) existing ramp and apron areas, (iv) any additions or extensions to existing runways, taxiways, ramp and apron areas following the date of this Lease, and (v) any facilities provided by the Authority at the Airport for public and common use by aircraft operators, servicers and others in connection with the landing and taking off of aircraft or in connection with operations authorized by the Authority to be performed upon the runways, taxiways and ramp and apron areas; but, only as and to the extent that the areas described in (i) through (v) are from time to time provided by the Authority at the Airport for public and common use by aircraft operators, servicers and others, pursuant to the Airport Rules and Regulations. The existing Airfield Area is depicted on Exhibit “C” attached to this Lease. For purposes of clarification, the ramp area included in the Demised Premises shall not be deemed part of the Airfield Area and shall be always subject to LESSEE’s exclusive use for so long as this Lease remains in effect.

**1.04 “Air Force”** means and refers to the United States Air Force. The Air Force is the grantor under the Quitclaim Deed and reserves certain interests in the Airport, including the Demised Premises, pursuant to the Federal Property and Administration Services Act of 1949, as amended, and CERCLA.

**1.05 “Airport”** means the San Bernardino International Airport including, without limitation, the Airfield Area, aircraft maintenance facilities, terminal, hangar and cargo buildings, parking areas, Airport Roadway Area, and other infrastructure and related improvements whether owned or operated by the Authority or other parties.

**1.06 “Airport Fee Schedule”** means the rates, fees, and charges for the use of the Airport or Airfield Area, which are from time to time adopted or amended by the Authority.

**1.07 “Airport Roadway Area”** means those certain areas and facilities within the Airport (excluding the Demised Premises and the Airfield Area) over and upon which LESSEE shall have a non-exclusive right (together with the Authority, and all other persons authorized by the Authority) of pedestrian and motor vehicle ingress to and egress from the Demised Premises to the system of public streets adjacent to the Airport.

**1.08 “Airport Rules and Regulations”** means the rules and regulations adopted by the Authority, applicable to the use and operation of the Airport as an FAA Part 139 compliant airport, as amended and in effect from time to time. A copy of the current Airport Rules and Regulations is attached to this Lease as Exhibit “E.” The Airport Rules and Regulations shall be applied equally

to all occupants of the Airport and may be amended changed or modified, from time to time, in the sole discretion of the Authority.

**1.09 “Authority”** shall mean the San Bernardino International Airport Authority, a California joint powers authority existing and acting pursuant to Government Code Sections 6500, et seq., or any successor entity.

**1.10 “Authority Financing”** shall mean any loan, bond financing, sale and lease back or other arrangement whether in the form of traditional municipal financing or other conventional financing arrangement pursuant to which the Authority raises money accompanied by a grant of a lien or a transfer of interest, including title to the Airport or any portion thereof, without regard to what use the Authority makes of the money raised.

**1.11 “Base Rent”** shall mean the rent, exclusive of other charges, as from time to time adjusted, as provided in Section 6 of the Basic Provisions.

**1.12 “CERCLA”** means and refers to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Sections 9601, et seq).

**1.13 “Commencement Date”** shall be the date specified in Section 4 of the Basic Provisions, subject to adjustment as provided in said Section 4.

**1.14 RESERVED – NO TEXT**

**1.15 “Demised Premises”** shall mean the Demised Premises generally described in Section 3 of the Basic Provisions and more particularly described in Section 2.01 below.

**1.16 “Environmental Laws”** means and refers to all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any governmental authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to environmental conditions on, under, or about the Demised Premises, as may be amended or modified, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”) [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (“RCRA”) [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (“FWPCA”) [33 USC Section 1251 et seq.]; the Toxic Substances Control Act (“TSCA”) [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act (“HMTA”) [49 USC Section 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.]; the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.]; the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the California Underground Storage of Hazardous Substances Act [H&SC Section 25288 et seq.]; the California Hazardous Substances Account Act [H&SC Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H&SC Section 24249.5 et seq.]; the Porter Cologne Water Quality Act [Water Code Section 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to the environment,

occupational health or industrial hygiene, to the extent the environmental laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Demised Premises, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

**1.17 “Environmental Matters”** means and refers to any or all of the following: (1) Any presence of Hazardous Substances on the Demised Premises or on, in, under or affecting all or any portion of any property adjacent or proximate to the Demised Premises, if the presence of such Hazardous Substances results from the activities of LESSEE; (2) Any storage, holding, handling, release, threatened release, discharge, generation, leak, abatement, removal or transportation of any Hazardous Substances on the Demised Premises by LESSEE; (3) Any violation of law, rule, regulation, judgment, order, permit, license, agreement, covenant, restriction, requirement or the like by LESSEE, relating to or governing in any way Hazardous Substances, occurring on the Demised Premises; (4) The failure of LESSEE to properly complete, obtain, submit and/or file any and all environmental notices, permits, licenses, authorizations, covenants and the like in connection with its activities on the Demised Premises; (5) The implementation and enforcement by LESSEE of any monitoring, notification or other precautionary measures that may, at any time, become necessary to protect against the release, potential release or discharge by any LESSEE Parties (defined in Section 10.03.A. below) of Hazardous Substances on the Demised Premises or in the air, any body of water, any other public domain or any property adjacent or proximate to the Demised Premises; (6) Any failure of LESSEE to, in compliance with all applicable Environmental Laws, lawfully remove, contain, transport or dispose of any Hazardous Substances stored or generated on the Demised Premises by any LESSEE Parties; and (7) Any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental authority having appropriate jurisdiction in connection with any Hazardous Substances or violation of any Environmental Law occurring or allegedly occurring as a result of the activities of LESSEE.

**1.18 “Chief Executive Officer”** means the Chief Executive Officer of the Authority or any successor in function having jurisdiction over the management, operation and control of the Airport or any authorized representative of any of the foregoing.

**1.19 “FAA”** refers to the Federal Aviation Administration.

**1.20 “FAA Rules and Regulations”** refers to all statutes, codes, laws, rules, regulations, orders, acts and other regulatory actions of the United States, whether or not promulgated by the FAA, relating in any way to air transportation, airports, aircraft and businesses related thereto, that the FAA is authorized to enforce.

**1.21 RESERVED – NO TEXT**

**1.22 “Hazardous Substance”** means the items described in Section 8.01 of this Lease.

**1.22 “Insurance”** shall mean all of the Insurance required by the provisions of Sections 10.05-10.09 of this Lease.

**1.23 “Parking Area”** shall mean the shared use area for parking of motor vehicles located in the vicinity of Authority’s commercial passenger terminal.



**1.25 “Quitclaim Deed”** shall mean the Quitclaim Deed from the United States Air Force to the Authority executed on February 12, 1999, and recorded December 17, 1999, as Document Number 19990517892 in the Official Records of the Recorder of the County of San Bernardino. A copy of the Quitclaim Deed has been provided to LESSEE and copies are available at Authority’s office or upon request to Authority.

**1.26 “Ramp Services”** shall mean any work that can be performed on an aircraft, pursuant to FAA Rules and Regulations, outside of hangar facilities.

**1.27 “Rent”** shall refer to all monetary amounts payable by LESSEE to the Authority, of any kind or nature whatsoever, pursuant to this Lease.

**1.28 “SCAQMD”** shall mean the South Coast Air Quality Management District or successor entity having jurisdiction over air quality related to the Demised Premises.

**1.29 “Security Deposit”** shall be that certain sum of money deposited by LESSEE with Authority pursuant to Section 10.01 of the Basic Provisions.

**1.30 “Tenant Improvements”** shall mean the modifications to the Demised Premises to be made by Authority as provided in Section 13 of the Basic Provisions and the attached Exhibit “B”.

**1.31 “Term”** shall be the initial Term as defined in Section 4 of the Basic Provisions together with any Extended Term of this Lease as defined in Section 5 of the Basic Provisions.

**1.32 “TSA”** shall mean the federal agency known as the Transportation Security Administration which has jurisdiction over the Airport as to certain security procedures and arrangements as further set forth in this Lease.

## **ARTICLE II LEASE AND USE OF DEMISED PREMISES**

### **2.01 DEMISED PREMISES**

A. The Authority leases to LESSEE and LESSEE leases from the Authority the Demised Premises defined in Section 3 of the Basic Provisions of this Lease and depicted on the attached Exhibits “A,” “D,” and “D-1”, subject to certain exceptions, reservations, terms, conditions, covenants and restrictions provided in this Lease.

B. Throughout the Term and any extension or renewal thereof, LESSEE shall have non-exclusive use of certain Airport Gates as identified in this Section 2.01B and on the attached Exhibits “D” and “D-1” which gates shall at all times be maintained, secured and operated by the Authority. Excepted from this operational requirement are Airport Gate No. 1 and pedestrian turnstiles which shall be operable by separate access control systems to be independently and separately operated by LESSEE and the Authority, respectively. LESSEE’s trucks and over-size vehicles shall have the non-exclusive right enter the Airfield Area to access the Demised Premises

through Airport Gate No. 1. LESSEE may use Airport Gate No. 2 for vehicle access, and LESSEE may use Airport Gate No. 3b as an alternate gate for trucks and over-size vehicles during those instances when Airport Gate No. 1 is inoperable. LESSEE shall provide pedestrian access through the turnstile gates located near Airport Gate No. 3b. LESSEE shall have exclusive use of one (1) guard booth at the pedestrian entrance and (1) guard booth at Gate 1.

C. LESSEE shall have the non-exclusive right to have reasonable access to and use of the Parking Area in accordance with Section 8 of the Basic Provisions. The Authority reserves the right to relocate all or any portion of the Parking Area, in the Authority's reasonable discretion, so long as the Authority provides LESSEE alternative parking of reasonably adequate size and comparable distance from the Demised Premises or otherwise reasonably acceptable to LESSEE for LESSEE's personal vehicle parking.

## **2.02 PERMITTED USES OF DEMISED PREMISES**

LESSEE and its sublessees shall use the Demised Premises only for the purposes set forth in Section 12 of the Basic Provisions, and any other use of the Demised Premises shall be subject to the prior written consent of the Authority which consent may be conditioned or withheld in Authority's sole discretion.

## **ARTICLE III TERM OF LEASE**

### **3.01 TERM OF LEASE**

The "Term" of this Lease includes the initial Term defined in Section 4 of the Basic Provisions, subject to adjustment as provided therein, together with the Extended Term defined in Section 5 of the Basic Provisions in the event LESSEE exercises its option for such Extended Term as provided in Section 3.02 below.

### **3.02 RIGHT TO NEGOTIATE EXTENSION OF TERM**

LESSEE shall have an option to extend the Term of this Lease for Two (2), One (1)-year terms. If Lessee exercises the option to extend the Term of this Lease, the Base Rent for the first year of the Extended Term shall be the fair market rent value (FMV) of the Demised Premises determined as follows:

(i) The FMV shall be determined by the average rental rate that comparable facilities are being leased for at VCV, LGB, PSP and ONT airports. Within 15 days after LESSEE's exercise of the extension option Authority shall provide LESSEE with its determination of the then existing FMV of the Demised Premises. Authority and LESEEE shall negotiate in good faith to determine the FMV Base Rent for the first year of the Extended Term.

(ii) If Authority and LESSEE cannot agree upon a FMV of the Demised Premises within thirty (30) days after LESSEE's exercise of the extension option, then the parties will attempt to agree upon an independent appraisal to determine the FMV of the Demised Premises. Such appraiser shall be duly licensed in California and hold a valid MAI license and

have a minimum of 5 years' experience appraising commercial/industrial property. The appraiser shall determine the FMV for the Demised Premises within thirty (30) days after such appraiser is hired by the parties, and such determination by the appraiser shall be binding on the parties. Authority and LESSEE shall each pay for fifty percent (50%) of the appraiser's fee.

(iii) If Authority and LESSEE cannot agree upon an appraiser within sixty (60) days after LESSEE's exercise of the extension option, then Authority and LESSEE shall each appoint their own appraiser and the two appraisers shall jointly select a third appraiser that satisfies the requirements of subsection (ii) above. All three appraisers shall then independently determine the FMV for the Demised Premises, and the Base Rent for the first year of the Extended Term shall be an average of the FMV of the two appraisers whose determination is closest to each other, with the remaining FMV being discarded from the calculation. Authority and LESSEE shall each pay their own appraiser's fee and fifty percent (50%) of the third appraiser's fee.

Commencing on the second year of the Extended Term, and each year thereafter, Based Rent shall be adjusted as provided in Section 4.01.B.

At least three (3) months prior to the expiration of the final year of the initial Term of this Lease, LESSEE shall notify Authority of its desire to exercise this option. If LESSEE decides not to exercise this option, or fails to take any action to either exercise or not exercise this option, or if LESSEE notifies Authority that it desires to exercise this option but no renewal agreement has been executed prior to the expiration of this Lease, LESSEE shall vacate the Leased Premises on or before the Expiration Date of this Lease, or LESSEE may remain in possession of the Leased Premises for a holdover period to which both parties agree in writing, prior to the Expiration Date of this Lease, at a rental rate in accordance with Section 9.04 herein. The lease rate shall be increased annually upon the anniversary of the commencement date of the Extended Term as set forth in Section 4.01 of this Lease.

## **PART IV RENT AND PERFORMANCE COVENANTS**

### **4.01 PAYMENT TERMS; DETERMINATION OF BASE RENT AND ANNUAL BASE RENT**

A. Beginning on the Commencement Date and continuing throughout the Term, Base Rent shall be paid in advance on or before the first day of each month, without offset or deduction. Base Rent shall be exclusive of any payments of Additional Rent payable by LESSEE to Authority. LESSEE shall be required to pay all applicable operating expenses including utility usage and connection fees, telephone, data, refuse, maintenance, insurance, applicable possessory interest and personal property tax assessments, business licenses, and all other applicable fees related to LESSEE's beneficial use or occupancy of the Demised Premises.

B. Rent Adjustment: On each anniversary of the Commencement Date (including during any Extended Term) the amount of LESSEE's monthly Base Rent hereunder shall be increased in an amount equal to the lesser of (i) the percentage increase, if any, in the Consumer

Price Index for All Urban Consumers, Riverside – San Bernardino - Ontario, CA, All Items (December 2017=100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index") or (ii) five percent (5%).

C. The Index for the calendar month which is three (3) months prior to the month in which falls the Commencement Date (hereinafter referred to as the "Computation Index") shall be compared to the Index (hereinafter referred to as the "Base Index") for the month which is twelve (12) months prior to the Computation Index and the monthly Rent shall be increased in accordance with the percentage increase between the Computation Index and the Base Index; provided, however, that in no event shall the Rent rate be decreased regardless of any reduction in the Index. Authority's failure or delay in timely calculating any Rent increase shall not be deemed a waiver of such Rent increase or any Rent payable by reason thereof; provided, however, LESSEE shall have thirty (30) days after receipt of Authority's notice of such increase in the Rent amount in which to pay any amounts owing for any previous month(s) as a result of Authority's delay in providing LESSEE with the amount of the Rent increase.

D. Fair Market Value Adjustment: Intentionally deleted.

#### **4.02 TIME AND MANNER OF RENT PAYMENTS**

A. If any Rent payment is not received by the Authority within ten (10) calendar days after the date that Rent is due, LESSEE shall pay to the Authority a late charge of five percent (5%) of the Rent past due, as liquidated damages, in lieu of actual damages (other than interest under Section 4.02C. and attorneys' fees and costs pursuant to the terms of this Lease); provided, however, the foregoing late charge shall not apply with respect to LESSEE's payment of the first month's Rent so long as that payment is made within thirty (30) days after the Commencement Date. LESSEE shall pay a late charge for each calendar month in which all or any part of any Rent payment remains delinquent for more than ten (10) calendar days after its due date. The parties agree that this late charge represents a reasonable estimate of the expenses that the Authority will incur because of any late payment of Rent (other than interest and attorneys' fees and costs). The Authority's acceptance of any liquidated damages shall not constitute a waiver of LESSEE's default with respect to the overdue amount or prevent the Authority from exercising any of the rights or remedies available to the Authority regarding this Lease. All monetary obligations of LESSEE to the Authority under this Lease are deemed Rent.

B. If any Rent payment is not received by the Authority within thirty (30) calendar days after that Rent payment is due, LESSEE shall pay to the Authority interest on the past-due amount from the date due until paid, at the rate of ten percent (10%) per year.

C. The Authority may accept Rent payments without waiving any rights, including rights under a previously served notice with respect to a payment default. In the event of such a default by LESSEE and if the Authority accepts payments after serving a notice of default, the Authority may nevertheless commence and pursue an action to enforce its rights and remedies under the previously served notice of default.

D. In the event that two (2) times or more during any consecutive twelve (12) month period, any payment of Base Rent to the Authority is returned or deemed void due to Non-

Sufficient Funds, the Authority, in exercise of its sole and absolute discretion, may require that all future payments from LESSEE to the Authority be made via cashier's check or via electronic funds transfer.

E. LESSEE may elect to make payments of Rent to Authority by means of electronic funds transfer. LESSEE will deliver to Authority written notice of its election to make payments of monthly Rent in that manner and, in response to that notice, Authority shall deliver to LESSEE written notice of the name of the bank and the number of the account into which Authority wishes LESSEE to make those payments. Authority may change the name of the bank and the number of the account into which Authority wishes LESSEE to make payments of monthly Rent at any time by delivering written notice to LESSEE at least thirty (30) days in advance of the date the change becomes effective. If LESSEE elects to make payments of monthly Rent to Authority by means of electronic funds transfer, LESSEE shall cause the transfer of each installment of monthly Rent to be made on the fifth day of each calendar month or, if the fifth day of a calendar month is a non-banking day or a United States holiday that LESSEE observes, on the next business day following the fifth day of the calendar month. Having made an election to make payments of monthly Rent by means of electronic funds transfer, LESSEE has no obligation to continue to make payments in that manner and may cease making payments in that manner after delivering written notice of its election to Authority. LESSEE shall send to Authority payment remittance information with respect to each payment that LESSEE makes in accordance with the terms of this Section 4.02.E in a format mutually acceptable to the parties. The National Automated Clearing House Association's Operating Guidelines regarding the Corporate Trade Exchange Format, as amended from time to time, and Article 4A of the Uniform Commercial Code, as adopted in Tennessee and as amended from time to time, will govern all payments LESSEE makes in accordance with the terms of this Section 4.02.E. For purposes of this Section 4.02.E, Authority warrants that it is not a "consumer," as that term is defined in Regulation E of the Federal Reserve Board. If, by reason of any error, mistake or fraud in the payment information Authority furnishes to LESSEE, misdirection of any payment of monthly Rent occurs, LESSEE will have no liability to Authority for the misdirected payment.

#### **4.03 RESERVED – NO TEXT**

#### **4.04 RAMP MAINTENANCE.**

Authority shall, at its sole cost and expense, be responsible for the repair and maintenance of the ramp area as depicted on Exhibit "A-1."

### **PART V PROVISIONS RELATING TO DEMISED PREMISES**

#### **5.01 RESERVED – NO TEXT**

#### **5.02 CONDITION OF DEMISED PREMISES**

LESSEE acknowledges, agrees and represents to the Authority that the Demised Premises and any portion thereof are leased in an "AS IS", "WHERE IS" and "SUBJECT TO ALL FAULTS" condition, without any representation or warranty by the Authority concerning the

condition of the Demised Premises, except as expressly set forth in this Lease, and without any obligation on the part of the Authority to make any alterations, repairs or additions to the Demised Premises, except as expressly set forth in this Lease. LESSEE acknowledges that neither the Authority, nor anyone acting on behalf of the Authority, has made any representation or warranty concerning the condition or state of repair of the Demised Premises, nor any agreement or promise to alter, improve, adapt or repair the Demised Premises that is not fully set forth in this Lease.

### **5.03 MAINTENANCE OF DEMISED PREMISES**

Maintenance: LESSEE shall immediately inform the Airport Manager of all repairs to the Hangar that LESSEE believes to be necessary or appropriate. The Authority shall assess such notifications, and is responsible for maintaining the hangar structure, roof, rotating beacon, foundation, primary electrical equipment and primary water and sewer connections. LESSEE shall, at its own expense, maintain the Hangar in a good and neat appearance, and in a safe condition at all times. Upon termination of this Lease, LESSEE shall return the Hangar to the Authority in substantially the same condition as the Hangar existed at the commencement of this Lease, together with any Tenant Improvements in accordance with Section 13 of the Basic Provisions herein, ordinary wear and tear excepted.

Except for Authority's maintenance obligations as set forth in the preceding paragraph, LESSEE, at its sole cost and expense, shall at all times maintain the Demised Premises, and Tenant Improvements including large rolling hangar doors, fire suppression system, walls, ceilings, flooring, doors, electrical, plumbing, lighting, restrooms, heating ventilation and air conditioning, and mechanical equipment in a good state of repair and in a safe, clean, neat and sanitary condition. In the event LESSEE fails to commence to make any repairs required to be made by LESSEE in accordance with the terms of this Section 5.03 and to thereafter diligently prosecute such repairs to completion within ten (10) days (or within such shorter period of time as is warranted under the circumstances in the event of an emergency) after LESSEE's receipt of Authority's written notice of such failure, Authority shall have the option but not the obligation to make such repairs at the expense of LESSEE and LESSEE shall pay, as additional rent due hereunder, upon demand, all reasonable costs incurred by Authority in making such repairs. Further, Authority shall have no liability to LESSEE for any damage, inconvenience or interference with the use of the Demised Premises by LESSEE as a result of the making of any repairs made by Authority due to LESSEE's failure to commence to perform its obligations under this Section within ten (10) days (or such shorter time as is commercially reasonable in the event of an emergency) after LESSEE's receipt of Authority's notice of such failure and the rent shall not be abated by reason thereof.

### **5.04 ALTERATIONS TO THE DEMISED PREMISES**

A. LESSEE shall not make, or suffer to be made, any structural modifications or alterations to the Demised Premises without first obtaining Authority's prior written consent to such modifications or alterations, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Authority may condition or withhold its consent in Authority's sole discretion to any modifications to structural components of the Demised Premises or any penetrations or modifications to the roof. In requesting Authority's consent, LESSEE shall submit to Authority plans and specifications for the modifications or alterations to be made sufficient for Authority to determine the nature and scope of such modifications or improvements.

If Authority disapproves LESSEE's plans and specifications, Authority shall give the reasons for such disapproval and LESSEE shall promptly revise the same to Authority's reasonable satisfaction. LESSEE shall provide Authority with at least ten (10) days' notice prior to having any construction materials delivered to the Demised Premises or commencing construction of any improvements and shall reasonably cooperate with Authority in the posting of a notice of non-responsibility on the Demised Premises. LESSEE covenants and agrees that all improvements constructed on the Demised Premises or work performed or caused to be performed by LESSEE (but expressly excluding the Tenant Improvements) shall be in full compliance with all laws, rules, orders, ordinances, directions, codes, regulations and requirements of all governmental agencies, offices, departments, bureaus and boards having jurisdiction over the Demised Premises.

B. Title to any improvements constructed on the Demised Premises by LESSEE shall remain vested in LESSEE during the Term of this Lease. Upon the expiration or termination of this Lease, all such improvements shall be surrendered to Authority with the Demised Premises in good condition and repair and shall become the property of Authority, except for Personalty belonging to LESSEE as provided in 5.04.C. below. At the request of Authority, LESSEE shall provide a bill of sale transferring the improvements to Authority. Notwithstanding the forgoing and not less than one hundred eighty (180) days prior to expiration of this Lease or contemporaneously with notification of any early termination of this Lease, Authority may notify LESSEE of the requirement for LESSEE to remove all or any portion of the improvements within sixty (60) days after the expiration or termination of this Lease and LESSEE shall promptly remove that portion of the improvement at LESSEE's cost and expense.

C. LESSEE may, without the prior written consent of the Authority, at LESSEE's sole cost and expense, install at the Demised Premises any trade fixtures, furnishings, and equipment, all of which shall be deemed to be personal property of LESSEE (the "Personalty"). LESSEE shall have the right at any time during the Term to remove any or all the Personalty, subject to LESSEE's obligation to repair damage, if any, resulting from such removal, at its sole cost and expense.

D. Any trade fixtures of LESSEE not removed from the Demised Premises prior to the expiration or earlier termination of the Term of this Lease, regardless of cause, shall automatically become the property of the Authority, as owner of the Demised Premises to which such fixtures are attached.

## **5.05 RESERVED**

## **5.06 SUBLETTING AND ASSIGNMENT**

Except for a Permitted Transfer (hereafter defined), LESSEE shall not, either voluntarily or by operation of law, assign, sublet, sell, encumber, hypothecate, pledge, or otherwise transfer all or any part of the Demised Premises or LESSEE's leasehold estate hereunder without the prior written consent of Authority. The transfer, either in a single transaction or cumulatively, of forty-nine and 9/10 percent (49.9%) or more of any membership, stock, or other ownership interest in Lessee shall constitute an assignment of the Lease hereunder unless such transfer qualifies as a Permitted Transfer. Notwithstanding the sublessee approval contained in this paragraph, LESSEE shall remain obligated to comply with all of the terms of the Lease. LESSEE shall notify all

approved sublessees that all sublessee rights are subordinate to those of LESSEE and, in the event of default of the LESSEE, any and all subleases shall be declared terminated in the event this Lease is terminated by LESSEE's default.

B. The term "Permitted Transfer" shall mean LESSEE'S assignment of this Lease or the sublet of all or any part of the Demised Premises to another entity that Controls, is Controlled by or is under common Control with LESSEE. The terms "Control," "Controls" or "Controlled" shall mean the direct or indirect ownership of more than fifty percent (50%) of the ownership interest or voting security of an entity or possession of the right to vote more than fifty percent (50%) of the voting interest in the ordinary direction of the entity's affairs. Notwithstanding anything herein to the contrary, the term Permitted Transfer shall not include any assignment or subletting of this Lease or the sale of LESSEE or transfer of any membership or other ownership interest in Lessee which is not to a Controlled entity, regardless of how the assignment, sale or transfer is structured. LESSEE shall provide advance written notice of any Permitted Transfer describing the transfer, the name of the entity and the ownership interests that qualify it as a Permitted Transfer, and the intended effective date of such transfer. It shall be LESSEE's burden to establish the requirements for Permitted Transfer hereunder and Authority may require evidence of stock, membership or other ownership interests of any entity which claims to be a Controlled entity.

C. When Authority's consent to any assignment of the Lease or subletting of the Demised Premises is required, such consent shall not be unreasonably withheld, conditioned, or delayed, provided, however, that in determining whether to consent to any such assignment or subletting, Authority may consider any relevant factors or issues in connection therewith, including without limitation: (i) whether the proposed transferee has sufficient financial capability to perform all of LESSEE's obligations under this Lease; (ii) whether the proposed transferee has the business experience and/or qualifications to conduct the business operations on the Demised Premises, including without limitation, satisfying the qualifications under Section 5.01 above; (iii) the business reputation of the proposed transferee, including without limitation any record of suspensions, disciplinary actions, or revocation of licenses by the FAA, it being understood that the business reputation of a proposed transferee is important to Authority in connection with the operation of the Airport; (iv) any increases in the risk of contamination of the property; (v) the terms of any assignment or subletting; and whether the proposed transfer might expose Authority to any material additional risk, liability or cost. In addition to the foregoing, Authority shall be entitled, in its sole discretion, to approve or impose conditions on any change in the use of the Demised Premises requested by any proposed transferee. In determining the financial capability of any proposed transferee as provided above, Authority shall be entitled to require such transferee to deliver to Authority a current copy of its financial statement together with copies of its tax returns for the previous three (3) years. Authority may further require any proposed transferee to provide evidence of the stock, membership, or other ownership interest therein. Authority shall hold all such documents in confidence and not disclose any information contained therein to third parties.

D. Any assignment hereunder, including any Permitted Transfer, shall be expressly subject to the transferee assuming all obligations under this Lease. No assignment or subletting of this Lease shall release LESSEE from any obligations hereunder without a written agreement



executed by Authority evidencing such release. Consent by Authority to any assignment or subletting of this Lease shall not operate to extinguish Authority's rights hereunder, and any such additional assignment or subletting shall be subject in each instance to the provisions of this Section 5.06. The Authority may accept rent or performance of LESSEE's obligations from any person or entity other than LESSEE, pending approval or disapproval of an assignment or subletting. Each request to the Authority for approval of an assignment or subletting or notice to the Authority of a Permitted Transfer under this Lease shall (i) be in writing, accompanied by the name of the proposed assignee or sublessee, (ii) except in the case of a Permitted Transfer, include such information regarding the financial and operational responsibility and appropriateness of the proposed assignee or sublessee as may be reasonably requested by the Authority, and, (iii) except with respect to a Permitted Transfer, include payment of a fee of two-thousand five hundred dollars (\$2,500) in the case of a proposed assignment or subletting to any person or entity to cover the Authority's costs in considering and/or processing such request.

E. The following terms and conditions shall apply to any subletting by LESSEE of all or any part of the Demised Premises and shall be deemed included in all subleases under this Lease, whether or not expressly incorporated therein:

(1) LESSEE assigns and transfers to the Authority all of LESSEE's interest in all rent payable on any sublease, and the Authority may collect such rent and apply the same toward LESSEE's obligations under this Lease; provided, however, that until a breach in the performance of LESSEE's obligations under this Lease occurs that remains uncured after all applicable notice and cure periods provided under this Lease, LESSEE may collect said rent. The Authority shall not, by reason of the foregoing or any assignment of such sublease, or by reason of the collection of rent, be deemed liable to the sublessee for any failure of LESSEE to perform and comply with any of LESSEE's obligations to such sublessee. LESSEE irrevocably authorizes and directs any sublessee, upon receipt of a written notice from the Authority stating that a breach exists in the performance of LESSEE's obligations under this Lease, to pay to the Authority all rent due and to become due under the sublease. Sublessee may rely upon any such notice from the Authority and shall pay all rents to the Authority, without any obligation or right to inquire as to whether such breach exists, notwithstanding any claim from LESSEE to the contrary.

(2) In the event of a breach of this Lease by LESSEE, the Authority may, at its sole option, require any sublessee to attorn to the Authority, in which event the Authority shall undertake the obligations of LESSEE under such sublease from the time of the exercise of said option, until the expiration or earlier termination of such sublease; provided, however, the Authority shall not be liable for any prepaid rents or security deposits paid by such sublessee to LESSEE or for any prior defaults or breaches of LESSEE.

(3) Intentionally deleted.

(4) No sublessee shall further assign or sublet all or any part of the Premises, without the Authority's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(5) The Authority shall deliver a copy of any notice of default or breach of this Lease by LESSEE to each sublessee of which the Authority has actual notice, who shall have the

right to cure the default of LESSEE within the applicable grace period, if any, specified in such notice.

F. In addition to any other basis the Authority may have for refusing to consent to an assignment or subletting under this Lease, it shall not be unreasonable for the Authority to refuse to consent, if the proposed assignee or sublessee is:

(1) A person with whom the Authority has negotiated for space at the Airport during the six (6)-calendar month period ending with the date the Authority receives notice of such proposed assignment or subletting and the Authority has space available or coming available to meet that person's requirements.

(2) A present tenant of the Authority, and the Authority has space available or coming available to meet that person's requirements.

(3) A person or business entity whose tenancy at the Airport or the Demised Premises would violate any agreements that the Authority has with any other person or entity.

(4) A governmental entity; or

(5) A person or entity that is not approved by the FAA if such approval is required.

#### **5.07 RIGHT TO ENTER AND MAKE REPAIRS**

A. The Authority and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right upon reasonable notice, except in cases of emergency or inability to provide notice, at such times as may be reasonable under the circumstances, with as little interruption to LESSEE's operations as is reasonably practicable, without abatement of Rent, to enter upon the Demised Premises for the following purposes:

(1) To inspect the Demised Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether LESSEE is in compliance with the terms and conditions of this Lease with respect to the Demised Premises.

(2) Intentionally deleted.

(3) To perform maintenance and make repairs and replacements in any case where the Authority is obligated to do so.

B. The Authority's entry onto the Demised Premises pursuant to this Section 5.07 shall not constitute a termination of this Lease, or the occupancy of LESSEE on the Demised Premises, or disruption of LESSEE's quiet use and enjoyment of the Demised Premises and the Authority shall not be liable to LESSEE as a result of such entry.

## **5.08 DAMAGE OR DESTRUCTION OF DEMISED PREMISES**

A. If, at any time prior to the expiration or termination of this Lease, the Demised Premises are wholly or partially damaged or destroyed by a casualty, the loss to the Authority from such casualty is fully covered (except for the applicable deductible) by insurance required to be maintained by the Authority or for the Authority's benefit under the terms of this Lease, and such casualty renders the Demised Premises totally or partially inaccessible or unusable by LESSEE in the ordinary conduct of LESSEE's business, then:

(1) Repairs Which Can Be Completed Within 180-Days. Within forty-five (45) calendar days after notice by LESSEE to the Authority of such damage or destruction, the Authority shall provide LESSEE with notice of its reasonable determination of whether the damage or destruction can be repaired within one hundred eighty (180) days after the occurrence of such damage or destruction without the payment of overtime or other premium. If all repairs to the Demised Premises can, in the Authority's reasonable judgment, be completed within said 180-day period following the date of notice to the Authority of such damage or destruction without the payment of overtime or other premium, the Authority shall, at the Authority's expense, repair the same and this Lease shall remain in full force and effect.

(2) Repairs Which Cannot Be Completed Within One Hundred Eighty (180) Days. If all repairs to the Premises cannot, in the Authority's reasonable judgment, be completed within one hundred eighty (180) days following the date of the Authority's receipt of notice by LESSEE to the Authority of such damage or destruction without the payment of overtime or other premiums, the Authority shall, within thirty (30) days after receipt of LESSEE's notice of the occurrence of such damage or destruction, notify LESSEE of such determination and the Authority or LESSEE may, at their respective sole and absolute option, upon written notice to the other given within thirty (30) calendar days after such notice from Authority to LESSEE, elect to either repair such damage or destruction at the electing party's sole expense (and in such event, this Lease shall continue in full force and effect), or elect to terminate this Lease as of the date of the occurrence of such damage or destruction. In the event LESSEE elects to repair such damage, Authority covenants and agrees with LESSEE that all proceeds payable under Authority's property insurance policy required pursuant to Section 10.11.A below (or that would have been payable, in the event Authority fails to maintain such policy) shall be made available to LESSEE for payment of the costs of such restoration; provided, however, any proceeds in excess of the cost LESSEE incurs in performing the restoration shall remain the property of Authority. If a casualty occurs and Authority has not maintained all or any of the property insurance required under this Lease, LESSEE shall be entitled to abate all Rent coming due under this Lease until such time as LESSEE has fully recovered all costs incurred by LESSEE in performing the restoration of the Demised Premises and the Term of this Lease shall automatically be extended, if necessary, in order for LESSEE to recoup the full amount of such costs.

B. If, at any time prior to the expiration or termination of this Lease, the Demised Premises are totally or partially damaged or destroyed from a casualty which is excluded from the insurance coverage that Authority is required to maintain pursuant to Section 10.11 of this Lease and the cost of repair is in excess of \$500,000, and the loss (except for the deductible) to the Authority from such casualty that is not fully covered by insurance maintained by the Authority or for the Authority's benefit renders the Demised Premises inaccessible or unusable to LESSEE

in the ordinary course of its business, the Authority shall provide written notice to LESSEE, within thirty (30) calendar days after notice to the Authority of the occurrence of such damage or destruction, whereby the Authority elects to either repair or restore such damage or destruction, in which case this Lease shall continue in full force and effect, or notifying LESSEE that Authority elects to terminate this Lease.

C. Notwithstanding anything to the contrary contained in the foregoing, if the Demised Premises are wholly or partially damaged or destroyed within the final twelve (12) months prior to the expiration date of the Term, and if as a result of such damage or destruction LESSEE is denied access or use of the Demised Premises for the conduct of its business operations for a period of thirty (30) consecutive days, the Authority or LESSEE may, at the option of either such party, by giving the other written notice within thirty (30) calendar days after receipt of notice of the occurrence of such damage or destruction, terminate this Lease.

D. In the event of any damage to or destruction of the Demised Premises, under no circumstances shall the Authority be required to repair any injury, or damage to, or make any repairs to or replacements of, LESSEE's Personalty, improvements (other than those Tenant Improvements made by Authority pursuant to Section 13 of the Basic Provisions), or any personal property of LESSEE's employees, invitees, guests or agents, or other persons whose property is located at the Demised Premises at the instance of LESSEE, it being solely the obligation of LESSEE to insure against any such loss. The Authority shall have no responsibility for any contents placed or kept in or on the Demised Premises by or at the instance of LESSEE.

E. This Section shall be LESSEE's sole and exclusive remedy in the event of damage or destruction to the Demised Premises, and LESSEE, as a material inducement to the Authority to enter into this Lease, irrevocably waives and releases LESSEE's rights under California Civil Code Sections 1932(2) and 1933(4) and successor sections. No damages, compensation or claim shall be payable by the Authority for any inconvenience, any interruption or cessation of LESSEE's business, or any annoyance, arising from any damage to or destruction of all or any portion of the Demised Premises.

## **5.09 UTILITY SERVICE**

A. Authority shall provide to the Demised Premises water, sewer, and electrical services. Water, and sewer consumption shall be charged by Authority to LESSEE on a net-30 basis based on LESSEE's actual usage. LESSEE shall assume responsibility for and place in its name the electrical charges through electrical meter primarily servicing the Demised Premises describes as Meter Number 259000-001983, Customer Account 700583931657. LESSEE shall have the right at its sole cost and expense to upgrade existing utilities as may reasonably be required by LESSEE subject to Authority's prior written approval of plans and specifications therefor, which approval shall not be unreasonably withheld, conditioned, or delayed.

B. Other than utilities that Authority is expressly required to provide to the Demised Premises pursuant to subparagraph "A" above, LESSEE shall be responsible for obtaining and paying for, at LESSEE sole cost and expense, any telephone, data, cable television, gas, or any other service to the Demised Premises that LESSEE deems necessary or desirable in connection with LESSEE's use and occupancy.

C. The parties hereto acknowledge and agree that the Authority does not own or control any of the utility systems servicing the Airport and the Demised Premises, and Authority shall not be responsible or liable for any interruption in the utility service to the Demised Premises, and no interruption to such utility service shall constitute a default by Authority hereunder or entitle LESSEE to any abatement of Rent or claims for damages or losses against Authority.

## **PART VI NON-EXCLUSIVE USE OF PORTIONS OF THE AIRFIELD AREA**

### **6.01 LESSEE USE OF AIRPORT AND AIRFIELD AREA**

A. In accordance with the applicable provisions of this Lease, LESSEE shall have the non-exclusive right to use the Airport, the Airfield Area, and the Airport Roadway Area depicted on Exhibits “D,” “D-1” & “H” attached hereto. For purposes of clarity, LESSEE and Authority acknowledge and agree that LESSEE shall have exclusive use of a guard booth located at Gate 1 and the “Pedestrian Guard Booth” depicted on Exhibit D-1.

B. LESSEE shall, by the tenth (10th) calendar day of each calendar month, provide the Chief Executive Officer with a complete listing of all aircraft landing operations and cargo volumes conducted by LESSEE during the previous calendar month. Such list shall include the date, time, type of aircraft, and aircraft registration number (i.e., tail number) for each aircraft. The phrase “aircraft landing operations conducted by LESSEE” shall include aircraft landing operations conducted by LESSEE at the Airport.

## **PART VII GENERAL PROVISIONS**

### **7.01 AGREEMENTS WITH THE UNITED STATES**

LESSEE’s use and occupancy of the Demised Premises is subject to the disclosures, restrictions, covenants and conditions contained in the Quitclaim Deed and the provision set forth in Exhibit “G” attached hereto (collectively referred to as the “Deed Requirements”). LESSEE covenants and agrees to comply with all of the Deed Requirements as they relate to, and are expressly applicable to, LESSEE’s use and occupancy of the Demised Premises. LESSEE further agrees to indemnify, hold harmless and defend the Authority and its elected officials, officers, directors, employees, attorneys and agents from any and all defaults or failures by LESSEE, its sublessees, invitees or agents to comply with the Deed Requirements affecting the Demised Premises.

## **7.02 LAWS, REGULATIONS AND AGREEMENTS TO BE OBSERVED**

A. LESSEE shall not use, or permit the use by parties authorized by LESSEE, of the Demised Premises, or any portion thereof, or any part of the Airport to which it is granted a right of use or occupancy by this Lease, for any purpose or use other than those expressly and specifically authorized by this Lease, or hereafter authorized in writing by the Chief Executive Officer.

B. LESSEE shall comply with and shall cause its officers, employees, contractors, sub-contractors, sublessees and licensees to comply with the Airport Rules and Regulations. LESSEE shall use reasonable efforts to cause its invitees and any other persons entering the Airport or the Demised Premises for LESSEE's business purposes to comply with the Airport Rules and Regulations.

C. Any disputes regarding the Airport Rules and Regulations shall first be presented at an administrative hearing before the Chief Executive Officer following administrative hearing procedures as may be adopted by the Authority. No legal action shall be brought by LESSEE against the Authority while contesting any such Airport Rules and Regulations until LESSEE has fully complied with the Authority's administrative hearing procedures, if any. Nothing in this Section shall be construed to prevent LESSEE from contesting in good faith any of the Airport Rules and Regulations without being considered in breach of this Section, during such time as is required to exhaust the administrative hearing procedure and so long as such contest is diligently commenced and prosecuted in good faith by LESSEE.

D. LESSEE acknowledges that the Demised Premises must, at all times, be in compliance with all applicable governmental laws, regulations and building codes governing nondiscrimination in public accommodations and commercial facilities, and that in the event LESSEE makes alterations to the Demised Premises, the Demised Premises shall be and shall remain in compliance with such laws, regulations and building codes throughout the Term of this Lease.

E. LESSEE will always during the Term of this Lease promptly observe and comply, at its sole cost and expense, with the provisions of all applicable federal, state and local laws, regulations and standards, and Environmental Laws in connection with its operation and activities at the Airport and on the Demised Premises.

## **PART VIII ENVIRONMENTAL DISCLOSURES AND COVENANTS**

### **8.01 HAZARDOUS SUBSTANCES**

"Hazardous Substances" means and includes without limitation those substances included within the definitions of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminate" in CERCLA, RCRA, TSCA, HMTA, or under any other environmental law and those substances listed in the United States Department of

Transportation (DOT) Table [49 CFR 172.101], or by the EPA, or any successor agency, as hazardous substances [40 CFR Part 302]; other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and any material, waste, or substance that is:

- (1) A petroleum or refined petroleum product.
- (2) Asbestos.
- (3) Polychlorinated biphenyl.
- (4) Designated as a hazardous substance pursuant to 33 USC Section 1321 or listed pursuant to 33 USC Section 1317.
- (5) A flammable explosive; or
- (6) A radioactive material.

## **8.02 COMPLIANCE WITH THE ENVIRONMENTAL CONDITIONS COVENANTS OF THE QUITCLAIM DEED**

A. LESSEE acknowledges that the Authority has disclosed that the Demised Premises is part of the former Norton Air Force Base which is designated as a “Federal Facility” on the National Priority List (“NPL”) under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, as amended. Authority warrants and represents to LESSEE that, as of the Effective Date, there are no institutional controls or deed restrictions in effect with respect to inclusion of the Demised Premises on the NPL and further agrees with LESSEE that the Authority shall provide LESSEE with prompt written notice of any notices the Authority receives at any time during the Term of this Lease, or during any renewal of extended Term, that pertain to any future restrictions and/or institutional controls imposed or required with respect to the Demised Premises or LESSEE’s use and occupancy thereof.

Any use, occupancy or activity of LESSEE on the Demised Premises resulting in a default by the Authority under the Quitclaim Deed relating to the environmental condition of the Demised Premises and for which the Authority receives a notice of default from the Air Force shall be deemed to be a material default of LESSEE under this Lease, subject to any applicable notice and cure period provided in this Lease. The response of the Authority, following receipt by the Authority of any such notice of default or breach from the Air Force, shall not waive, stay or otherwise mitigate or remedy the material default of LESSEE under this Lease.

LESSEE shall have no right under this Lease to participate in any proceeding between the Air Force and the Authority for the resolution of an alleged default, breach or other dispute among the Air Force, the Authority, the EPA or the State Department of Toxic Substance Control arising under (or in any way related to) the Quitclaim Deed.

Notwithstanding anything in the foregoing to the contrary, LESSEE shall be entitled to pursue any action or remedy directly against the Air Force with respect to any environmental condition affecting the Demised Premises that is not caused by LESSEE’s use, occupancy or

activities and the Authority hereby covenants and agrees with LESSEE that, upon receipt of LESSEE's notice of any such environmental condition that LESSEE believes is the responsibility of the Air Force, the Authority shall promptly take such action as is necessary to assist LESSEE in pursuing any action or remedy that is available against the Air Force pursuant to the terms and provisions of the Quitclaim Deed. Authority shall indemnify, defend, and hold LESSEE harmless with respect to claims, costs, demands, liabilities, actions, administrative proceedings, judgments, damages, penalties, and fines (including reasonable attorneys' fees and expenses, reasonable consultant fees, and reasonable expert fees) arising from, or in connection with any environmental condition or Hazardous Substances on or affecting the Demised Premises that do not arise out of LESSEE's use and occupancy, which duty shall survive the expiration or termination of this Lease until all claims against LESSEE involving any indemnified matter is fully, finally, and absolutely barred by the applicable statutes of limitations..

Authority acknowledges that LESSEE (a) has performed a Phase I Environmental Site Assessment (Groundwater & Environmental Services, Inc., April 2018) and (b) is in the process of further documenting historic soil, soil gas, and groundwater data in the vicinity of the Demised Premises and conducting a limited vadose zone subsurface investigation of the Demised Premises (collectively, the "Phase II"). If the Phase II identifies Hazardous Substances present in soil and/or soil gas samples above relevant screening levels, Authority agrees to promptly notify the Air Force and to diligently pursue all action that is necessary in order to adequately remediate such conditions so as to render the Demised Premises suitable for LESSEE's use and occupancy. LESSEE further acknowledges that Authority has provided LESSEE with a copy of that certain letter to Authority received from Converse Consultants dated April 2, 2018, together with the information referenced therein (collectively, the "ACM/LBP Survey"), pertaining to the presence of existing asbestos-containing material ("ACM") and lead-based paint ("LBP") at the Demised Premises.

### **8.03 LESSEE COMPLIANCE WITH ENVIRONMENTAL LAWS; LESSEE COVENANT REGARDING HAZARDOUS SUBSTANCES**

A. On and after the Commencement Date, LESSEE shall not cause or permit any Hazardous Substance to be used, generated, manufactured, produced, stored, brought upon, or released on, in, under or about the Demised Premises, or transported to or from the Demised Premises, by LESSEE, its agents, employees, contractors, invitees, guests or vendors in violation of any applicable Environmental Laws.

B. Without limiting the foregoing, if the activities of LESSEE, its officers, agents, employees, contractors, or invitees on the Demised Premises, the Airfield Area or the Airport Roadway Area result in a release of any Hazardous Substance in violation of applicable Environmental Laws, LESSEE shall at its sole cost and expense promptly take all actions necessary to fully remediate and remedy the condition caused by such release of a Hazardous Substance in compliance with all applicable Environmental Laws; provided, however, LESSEE shall not be required, nor will LESSEE have any liability for the cost of, remediating the Demised Premises to a level of contamination lower than that which exists on the Commencement Date or to a level of contamination lower than that which the governmental authorities having jurisdiction over the environmental condition require in order to discontinue enforcement actions. In addition, LESSEE's obligations as set forth in this Section 8.03B shall be applicable in the event LESSEE



is required to indemnify, defend, and hold Authority harmless from any environmental Claims (defined in Section 10.04B) pursuant to the provisions of Section 10.04 below.

C. LESSEE shall immediately notify the Authority of the occurrence of any of the following events and provide the Authority with a copy of all relevant documents in the custody or control of LESSEE: (i) discovery or actual knowledge of LESSEE of any environmental condition of the Demised Premises, the Airfield Area or the Airport Roadway Area that may give rise to a claim or accrual of action against the Air Force under Section 330(d) of the National Defense Authorization Act of 1993, as amended; (ii) receipt by LESSEE of any correspondence or communication from any governmental entity regarding noncompliance with Environmental Laws from and after the Commencement Date to the Demised Premises or the investigation or enforcement of any such Environmental Laws in connection with the occupancy or use of the Demised Premises by LESSEE; and (iii) discovery or actual knowledge of LESSEE of any release of any Hazardous Substance in violation of applicable Environmental Laws that occurs on, in, under or around the Demised Premises, the Airfield Area or the Airport Roadway Area occurring at any time during the Term of this Lease.

D. If pretreatment is required for any industrial wastes placed by LESSEE in the City of San Bernardino sewage treatment system under any applicable National Pollutant Discharge Elimination System (“NPDES”) permits, Environmental Protection Agency (“EPA”) regulations, or the Authority’s contracts for wastewater treatment, LESSEE shall pretreat such wastes as required.

E. LESSEE shall be solely responsible for obtaining and maintaining, at its sole cost and expense, any environmental permits required for its operations under this Lease, independent of any existing Airport permits, including any permits required by the SCAQMD, to comply with NPDES Stormwater Construction Permit requirements, or required by the EPA, the City of San Bernardino or County of San Bernardino or the State of California and all agencies thereof. LESSEE shall provide copies of all such permits to the Authority together with all renewals or extensions thereof. LESSEE shall immediately notify the Authority of any notice of violation, potential violation, modification, revocation, threatened revocation, suspension, threatened suspension, or other adverse action with respect to any of its permits and provide the Authority with copies of all requested documents related thereto.

Authority and LESSEE acknowledge that cooperation between the Parties may be necessary in order to comply with California’s General Permit for Storm Water Discharges Associated with Industrial Activities Order No. 2014-0057-DWQ (NPDES Permit No. CAS0000001) (the “Permit”) issued by the State Water Resources Control Board, including any modifications to the Permit during the Term. Authority expressly agrees that LESSEE shall be allowed to operate on the Demised Premises under Authority’s Storm Water Pollution Prevention Plan. LESSEE will cooperate with the requirements under the permit.

#### **8.04 EMERGENCY RESPONSE**

If required by applicable environmental regulations, LESSEE maintain the following: Hazardous Material Business Plan and Spill Prevention Countermeasures Control Plan. Such plan shall be independent of the Airport and, except for initial fire response and/or spill containment,

shall not rely on the use of Airport personnel or equipment. Should the Authority provide any personnel or equipment at the request of LESSEE, or in the event of an emergency threatening the safety of individuals, whether for initial fire response and/or spill containment, LESSEE agrees to reimburse the Authority for its actual costs of such response; provided, however, if the costs of fire response are included in costs that are payable to Authority by LESSEE per the terms of any other agreement between the Parties, it is understood and agreed that LESSEE shall not be required to reimburse Authority for those costs.

#### **8.05 RESERVED - NO TEXT**

#### **8.06 INSPECTION**

A. The Authority's rights under this Lease specifically include the right for the Authority and federal officials, pursuant to and in accordance with the applicable provisions of the Quitclaim Deed or of any other provision of law, to inspect the Demised Premises for compliance with Environmental Laws and occupational health and safety laws and regulations, whether or not the Authority is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections and are in addition to those authorized by any other provision of this Lease. Except when necessary for the immediate preservation of health and property, or as otherwise provided in this Lease, such inspections will occur at times mutually agreeable between the Authority and LESSEE and upon reasonable prior written notice to LESSEE, and the Authority shall conduct such inspections so as to reasonably minimize disruption to LESSEE's operations on the Demised Premises.

### **PART IX ACTS OF DEFAULT; TERMINATION OF LEASE**

#### **9.01 DEFAULT BY LESSEE**

A. The occurrence of any one or more of the following events shall constitute a default hereunder by LESSEE:

(1) Abandonment of the Demised Premises by LESSEE. Abandonment is herein defined to include, but is not limited to, any absence by LESSEE from the Demised Premises for ten (10) days or longer while in material default of any other provision of this Lease; provided, however, "abandonment" shall in no event include absence from the Demised Premises due to a casualty or environmental condition affecting the Demised Premises.

(2) The failure by LESSEE to make, when due, any payment of Rent required to be made by LESSEE hereunder within five (5) days after LESSEE's receipt of Authority's written notice of such failure to pay.

(3) (i) The making by LESSEE of any general assignment for the benefit of creditors; (ii) the filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the

case of a petition filed against LESSEE, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Demised Premises or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within sixty (60) days; or (iv) the attachment, execution or other judicial seizure of substantially all of LESSEE's assets located at the Demised Premises or of LESSEE's interest in this Lease where such seizure is not discharged within sixty (60) days.

(4) The failure of LESSEE to comply with all of the operating covenants contained in Section 5.03 and/or to cure any failure in connection therewith after receipt of notice from Authority and within the time periods provided in such Section.

(5) The failure by LESSEE to observe or perform any obligation under this Lease to be observed or performed by LESSEE, other than as specified in subsections A.(1),(2), (3) or (4) above, where such failure continues for a period of thirty (30) days after written notice thereof from Authority to LESSEE; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161; provided, further, that if the nature of LESSEE's default is such that more than thirty (30) days are reasonably required for its cure, then LESSEE shall not be deemed to be in default if LESSEE shall commence such cure within such thirty-day period and thereafter diligently prosecute such cure to completion.

## **9.02 REMEDIES FOR DEFAULTS BY LESSEE**

A. In the event of any default hereunder by LESSEE, in addition to any other remedies available to Authority at law or in equity, Authority shall have the immediate option to terminate this Lease and all rights of LESSEE hereunder. In the event that Authority shall elect to so terminate this Lease then Authority may recover from LESSEE:

(1) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

(2) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that LESSEE proves could have been reasonably avoided; plus

(3) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that LESSEE proves could be reasonably avoided; plus

(4) any other amount necessary to compensate Authority for all actual damages incurred by the Authority as a result of LESSEE's failure to perform LESSEE's obligations under this Lease. As used in Section 9.02A (1) and (2) above, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in Section 9.02A (3) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

B. In lieu of any termination right granted in Section 9.02.A above, if LESSEE fails to cure a default within the prescribed time period, the Authority may elect to (but shall not be required to) perform that obligation on LESSEE's behalf and, in such event, LESSEE shall pay to the Authority the amount of expense reasonably incurred by the Authority to cure LESSEE's default.

C. In the event of a default hereunder by LESSEE, Authority has the remedy described in California Civil Code Section 1951.4 (Authority may continue this Lease in effect after LESSEE's default and abandonment and recover rent as it becomes due, if LESSEE has the right to sublet or assign, subject only to reasonable limitations). LESSEE hereby agrees that the restrictions provided in Section 5.06 above on assignment and subletting of this Lease are reasonable.

D. All rights, options and remedies of Authority contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Authority shall have the right to pursue any one or all such remedies or any other remedy or relief which may be provided by law, whether stated in this Lease. No waiver of any default of LESSEE hereunder shall be implied from any acceptance by Authority of any Rent or other payments due hereunder or any omission by Authority to take any such action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in such waiver. The consent or approval of Authority to or of any act by LESSEE requiring Authority's consent or approval shall not be deemed to waive or render unnecessary Authority's consent or approval to or of any subsequent similar acts by LESSEE.

### **9.03 TERMINATION**

A. This Lease may be terminated by either LESSEE or Authority upon ninety (90) days prior written notice.

### **9.04 SURRENDER AND HOLDING OVER**

A. LESSEE covenants that at the expiration of the Term or at the earlier termination of this Lease, whichever is applicable, LESSEE will quit and surrender the Demised Premises to the Authority in as good a condition as when LESSEE first entered into possession of the Demised Premises, subject to reasonable wear and tear, casualty (except to the extent, if any, required by this Lease to be insured against and repaired by LESSEE), unless the damage is caused by the active negligence or willful misconduct of the Authority, condemnation and except as otherwise provided in this Lease.

B. Should LESSEE holdover in use or occupancy of any portion of the "Demised Premises" after the expiration or termination of this Lease, with the consent of the Authority, such holding over shall be deemed a tenancy from month to month. Rent, fees and charges for each month of such holdover tenancy shall be paid at the rate of one hundred ten percent (110%) of the Base Rent for the last month of the Term, as applicable, immediately prior to the holdover period, regardless of whether LESSEE is holding over on all or only a portion of the Demised Premises.

**PART X**  
**SECURITY DEPOSIT, EXCULPATION, INDEMNIFICATION,**  
**INSURANCE, AND TAXES**

**10.01 SECURITY DEPOSIT**

A. Amount of Security Deposit; Application. The Authority shall hold the Security Deposit identified in Section 11 of the Basic Provisions as security for the performance of LESSEE's obligations under this Lease, without interest, and Authority shall not be required to segregate or hold the security deposit in a separate account. If LESSEE defaults in performance of any LESSEE obligation under any provision of this Lease and such default continues beyond any applicable cure period following LESSEE's receipt of Authority's notice of the default, the Authority may, without prejudice to any other remedy it has, apply all or part of the Security Deposit to:

- (1) Any Rent or other sum in default.
- (2) Any amount that the Authority may spend or become obligated to spend in exercising the Authority's rights under this Lease; or
- (3) Any expense, loss, or damage that the Authority may suffer because of LESSEE's default.

B. Form of Security Deposit. In addition to United States Currency, other acceptable forms of Security Deposit shall be in one of the two following forms:

(1) A surety bond issued by an insurance company, or a corporate surety admitted by the California insurance commissioner to do business in the State of California and authorized to write such bonds in California.

(2) A continuous irrevocable letter of credit established in favor of the Authority for the account of LESSEE by a federally chartered bank acceptable to the Authority.

(3) If LESSEE defaults with respect to any provisions set for in Section 9.01 herein and such default continues beyond any applicable cure period following LESSEE's receipt of Authority's notice of the default, Authority may, to the extent allowed by law, with or without further notice to LESSEE, make claims against or draw down on the surety provided by LESSEE, up to the full amount thereof, and apply such draw on amount to correct any default by LESSEE as identified in this Section 10.01. Within fifteen (15) calendar days following any claim or draw on and application by Authority of any part or the entire surety amount provided by LESSEE, Authority shall provide LESSEE with written notice of such claim or draw on and application of Security Deposit funds.

C. The Authority's Transfer of Security Deposit on Transfer of Demised Premises. If the Authority disposes of its interest in the Demised Premises, the Authority may deliver or credit the Security Deposit to the Authority's successor in interest in the Demised Premises and thereupon be relieved of further responsibility with respect to the Security Deposit.

D. Assignment or Encumbrance of Security Deposit. LESSEE may not assign or encumber the Security Deposit without the prior written consent of the Authority. Any attempt by LESSEE to assign or encumber the Security Deposit without the prior written consent of the Authority shall be void and shall not be binding on the Authority.

E. Restoration of Security Deposit. If the Authority applies any portion of the Security Deposit, LESSEE shall, within ten (10) calendar days after written demand by the Authority, deposit with the Authority an amount sufficient to restore the Security Deposit to its original amount.

F. Return of Security Deposit. If LESSEE performs every provision of this Lease to be performed by LESSEE, the unused portion of the Security Deposit shall be returned to LESSEE or the last assignee of LESSEE's interest under this Lease within forty-five (45) calendar days following the expiration or termination of this Lease.

## **10.02 [RESERVED - NO TEXT]**

## **10.03 EXCULPATION**

A. Definition of "LESSEE Parties" and "Authority Parties". For purposes of this Section 10.03, the term "LESSEE Parties" refers singularly and collectively to LESSEE and LESSEE's officers, members, partners, agents, employees, invitees, and independent contractors, as well as to all persons and entities claiming through any of these persons or entities. The term "Authority Parties" refers singularly and collectively to the Authority and its elected officials, officers, agents, attorneys, consultants, and Authority's employees.

B. Exculpation.

(1) Exculpation. Except as provided elsewhere in this Lease, LESSEE, on its behalf and on behalf of all LESSEE Parties and to the fullest extent permitted by law, waives all claims (at law, in equity, or otherwise) against any Authority Parties arising out of, knowingly and voluntarily assumes the risk of, and agrees that the Authority Parties shall not be liable to the LESSEE Parties for any of the following :

(a) Injury to or death of any person; or

(b) Loss of, injury or damage to, or destruction of any tangible or intangible property, including the resulting loss of use, economic losses, and consequential or resulting damage of any kind from any cause, in each case, except to the extent due to the active negligence or willful misconduct of any Authority Parties.

Notwithstanding the foregoing, this waiver by LESSEE for itself and on behalf of any LESSEE Parties shall not extend to the gross negligence or willful misconduct of any of the Authority Parties.

C. Survival of Exculpation. The clauses of this Section 10.03 shall survive the expiration or earlier termination of this Lease, until all claims within the scope of this Section 10.03 are fully, finally, and absolutely barred by the applicable statutes of limitations.

D. LESSEE's Acknowledgment of Fairness. LESSEE acknowledges that this Section 10.03 was negotiated with the Authority, that the consideration for it is fair and adequate, and that LESSEE had a fair opportunity to negotiate, accept, reject, modify, or alter it.

E. No Exculpation for Non-delegable Duties. Notwithstanding anything in this Lease to the contrary, this exculpation clause shall not be interpreted or construed to relieve the Authority of liability arising out of a non-delegable duty imposed on or assumed by the Authority pursuant to any provision of this Lease including, without limitation, any liability arising out of any indemnification obligation of the Authority with respect to environmental conditions and Hazardous Substances in, on, under or about the Demised Premises that are not present or caused by LESSEE's use and occupancy of the Demised Premises.

#### **10.04 INDEMNIFICATION**

A. LESSEE's Indemnification of the Authority Parties. To the fullest extent permitted by law, LESSEE shall, at LESSEE's sole expense and with counsel reasonably acceptable to the Authority, indemnify, defend, and hold harmless the Authority Parties from and against all Claims, as defined in Section 10.04B, to the extent arising out of or relating (directly or indirectly) to LESSEE's use or occupancy of the Demised Premises or LESSEE's activities on the Airport, including without limitation:

(1) The use or occupancy, or manner of use or occupancy, of the Airport or the Demised Premises by LESSEE Parties;

(2) Any act, error, omission, or negligence of LESSEE Parties or of any invitee or licensee of LESSEE Parties in, on, or about the Airport or the Demised Premises.

(3) LESSEE Parties conducting of their business.

(4) Any improvements (other than those made by Authority pursuant to Section 13 of the Basic Provisions), activities, work, or things done, omitted, permitted, allowed, or suffered by LESSEE Parties in, at, or about the Demised Premises or the Airport, including the violation of or failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, order, decrees, or judgments in existence on the Commencement Date or enacted, promulgated, or issued after the Commencement Date; and

(5) Any breach or default in performance of any obligation on LESSEE's part to be performed under this Lease, including obligations that survive expiration or earlier termination of this Lease under the terms of this Lease.

Notwithstanding the foregoing, LESSEE's obligations pursuant to this Section 10.04 shall not extend to environmental conditions on or affecting the Demised Premises other than Environmental Matters as defined in Section 1.17 above.

B. Definition of Claims. For purposes of this Lease, "Claims" means all claims, losses, costs, damage, expenses, liabilities, liens, actions, causes of action (whether in tort or contract, at law or in equity, or otherwise), charges, assessments, fines, and penalties of any kind and Environmental Matters, as defined in this Lease (including consultant and expert expenses, court costs, and attorneys' fees actually incurred).

C. Type of Injury or Loss. This indemnification extends to and includes Claims for:

(1) Injury to any persons (including death at any time resulting from that injury); and

(2) Loss of, injury or damage to, or destruction of property (including all loss of use resulting from that loss, injury, damage, or destruction), and all economic losses and consequential or resulting damage of any kind.

D. Survival of Indemnification. The indemnification clauses of this Section 10.04 shall survive the expiration or earlier termination of this Lease until all claims against the Authority Parties involving any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

G. Duty to Defend. LESSEE's duty to defend the Authority Parties is separate and independent of LESSEE's duty to indemnify the Authority Parties.

## **10.05 COMPLIANCE WITH INSURER REQUIREMENTS**

LESSEE shall, at LESSEE's sole expense, comply with all requirements, commercially reasonable guidelines, rules, orders, and similar mandates and directives pertaining to LESSEE's operations in the Demised Premises and at the Airport, whether imposed by LESSEE's insurers, the Authority's insurers, or both. LESSEE shall, at LESSEE's sole expense, comply with all rules, orders, regulations, or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and of any similar body applicable to LESSEE's operations in the Demised Premises and at the Airport.

## **10.06 LESSEE'S LIABILITY COVERAGE**

LESSEE shall, at LESSEE's sole expense, maintain the liability insurance coverage set forth in this Section 10.06.

A. Commercial General Liability Insurance. LESSEE shall obtain commercial aviation liability insurance written on an "occurrence" policy form, covering bodily injury, property damage, personal injury, and advertising injury arising out of or relating (directly or indirectly) to LESSEE's business operations, conduct, assumed liabilities, or use or occupancy of the Demised Premises or the Airport, providing single limit coverage of, at least, Twenty-five Million Dollars (\$25,000,000.00) per occurrence. The commercial aviation liability insurance



policy shall not contain any intra-insured exclusions as between insured persons or organizations but shall include coverage for liability assumed under this Lease as an 'insured contract' for the performance of LESSEE's indemnity obligations under this Lease.

B. Broad Form Coverage. LESSEE's commercial aviation liability coverage shall include all the coverage typically provided by the Broad Form Comprehensive General Liability Endorsement, including broad form property damage coverage. When LESSEE's operations require it, LESSEE shall provide to the Authority evidence of such coverage for broad form property damage coverage, including coverage for products liability and completed operations. Such evidence shall be provided to the Authority prior to the Commencement Date of this Lease. LESSEE's commercial aviation liability coverage shall further include premises-operations coverage, contemplated operations coverage, owners and contractors' protective coverage (when reasonably required by the Authority), and the broadest available form of contractual liability coverage. It is the intent of the parties to this Lease that LESSEE's contractual liability coverage provides coverage to the maximum extent possible of LESSEE's indemnification obligations under this Lease.

C. Cross-Liability; Severability of Interests. LESSEE's commercial aviation liability policies shall be endorsed as needed to provide cross-liability coverage for LESSEE and the Authority and to provide severability of interests.

D. Primary Insurance Endorsements for Additional Insureds. LESSEE's commercial aviation liability policies shall be endorsed to have blanket coverage as needed to provide that the insurance afforded by those policies to the additional insureds is primary and that all insurance carried by the Authority Parties is strictly excess and secondary and shall not contribute with LESSEE's commercial aviation liability insurance.

E. Delivery of Certificate, Policy, and Endorsements. Before the earlier of (i) the date of LESSEE's early possession pursuant to Section 4 of the Basic Provisions or (ii) the Commencement Date, LESSEE shall deliver to the Authority an original certificate of insurance, executed by an authorized agent of the insurer or insurers, evidencing compliance with the liability insurance requirements of this Lease. Should any of the above-described policies be cancelled before the expiration date thereof, notice will be delivered to the Authority in accordance with the policy provisions.

F. Concurrency of Primary, Excess, and Umbrella Policies. LESSEE's liability insurance coverage may be provided by a combination of primary, excess, and umbrella policies, but those policies must be absolutely concurrent in all respects regarding the coverage afforded by the policies. The coverage of any excess or umbrella policy must be at least as broad as the coverage of the primary policy.

G. Survival of Insurance Requirements. LESSEE shall, at LESSEE's sole expense maintain in full force and effect the liability insurance coverage required under this Lease and shall maintain the Authority Parties as additional insureds for a period of no less than one (1) year after expiration or earlier termination of this Lease.

H. LESSEE's Workers' Compensation and Employer Liability Coverage. At such time as LESSEE hires an employee(s), LESSEE shall procure and maintain workers' compensation insurance as required by law and employer's liability insurance with limits of no less than One Million Dollars (\$1,000,000.00).

## **10.07 LESSEE'S FIRST PARTY INSURANCE**

LESSEE may, but shall not be required to, procure and maintain insurance coverage described in this Section 10.07, at LESSEE's sole expense.

A. LESSEE's Property Insurance. LESSEE may, but is not required to, procure and maintain property insurance coverage for:

(1) All office furniture, trade fixtures, office equipment, merchandise, and all other items of LESSEE's property in, on, at, or about the Demised Premises and the Airport, including property installed by, for, or at the expense of LESSEE.

(2) All other improvements, betterments, alterations, and additions to the Demised Premises made by LESSEE.

B. LESSEE acknowledges and agrees that, regardless of whether LESSEE does or does not elect to obtain all or any insurance coverages identified in Section 10.07.A above, Authority shall not be liable for any loss or damage to LESSEE's Personalty or improvements (other than those made by the Authority pursuant to Section 13 of the Basic Provisions) nor for any loss or damage to any personal property of LESSEE's employees, invitees, guests or agents, or other persons whose property is located at the Demised Premises at the instance of LESSEE except to the extent such loss or damage is due to the active negligence or willful misconduct of any Authority Parties.

C. LESSEE shall maintain or cause the aircraft owner to maintain hull coverage on each aircraft to be operated or ground coverage on each aircraft stored at the Airport, including the Demised Premises, in the stated amount of the value of each individual aircraft, as certified by the owner of each individual aircraft to the insurance carrier for such insurance coverage, which shall be the value of the individual aircraft for all purposes, as between LESSEE, the owner of the aircraft and the Authority.

## **10.08 [RESERVED – NO TEXT]**

## **10.09 FORM OF POLICIES AND ADDITIONAL REQUIREMENTS**

A. Insurance Independent of Exculpation and Indemnification. The insurance requirements set forth in Sections 10.04 through and including 10.07, inclusive, are independent of LESSEE's exculpation, indemnification, and other obligations under this Lease and shall not be

construed or interpreted in any way to restrict, limit, or modify LESSEE's exculpation, indemnification, or other obligations or to limit LESSEE's liability under this Lease.

B. Form of Policies. In addition to the requirements set forth in Sections 10.05 through 10.07, inclusive, the insurance required of LESSEE under this Lease must:

(1) Name the Authority and any other party the Authority specifies, by endorsement, as an additional insured.

(2) Be issued by an insurance company with a rating of no less than A-VIII in the current Best's Insurance Guide, or that is otherwise acceptable to the Authority, and admitted to engage in the business of insurance in the State of California;

(3) Be primary for all claims under it and provide that any insurance carried by the Authority Parties is strictly excess, secondary, and noncontributing with any insurance carried by LESSEE; and

(4) Provide that the insurance may not be canceled, non-renewed, or the subject of material change in coverage or available limits of coverage, except on at least thirty (30) days' prior written notice to the Authority.

C. LESSEE's Delivery of Policy, Endorsements, and Certificates. Except as otherwise provided in Section 10.06.E above, LESSEE shall provide any policy endorsements and certificates of insurance for all coverages required by this Lease to the Authority:

(1) On or before the Commencement Date; and

(2) At least thirty (30) calendar days before the expiration date of any policy;  
and

(3) On renewal of any policy

D. Deductibles and Self-Insured Retentions. All deductibles and self-insured retentions under LESSEE's policies are subject to the Authority's prior written approval. Such approval shall be at the reasonable discretion of the Authority.

E. The Chief Executive Officer may increase the limits of any insurance required under this Lease when the amount stated in this Lease is less than the level of liability insurance customarily required at other similar airports in the United States of America for operators of facilities like the Demised Premises; provided that the Chief Executive Officer provides LESSEE with at least ninety (90) calendar days' prior written notice of the change in insurance requirements, accompanied by a recent survey of insurance requirements for a majority of other similar airports in the United States of America.

F. If LESSEE fails to procure and maintain the insurance required of it under this Lease and does not cure such failure within thirty (30) calendar days of the date of notice of such failure to LESSEE from the Authority, (i) the Authority may, but shall not be required to, procure and maintain such insurance and be reimbursed for the cost of such insurance by LESSEE or,

alternatively, (ii) the Authority may terminate this Lease upon written notice to LESSEE and without providing LESSEE with any additional cure period.

G. The Authority makes no representation that the limits or forms of coverage of insurance specified in this Lease are adequate to cover LESSEE's property, business operations or obligations under this Lease.

#### **10.10 WAIVER OF SUBROGATION**

The Authority and LESSEE agree to cause the insurance companies issuing their respective property (first party) insurance to waive any subrogation rights that those companies may have against LESSEE or the Authority, respectively, as long as the insurance is not invalidated by the waiver. If the waivers of subrogation are contained in their respective insurance policies, the Authority and LESSEE waive any right that either may have against the other on account of any loss or damage to their respective property to the extent that the loss or damage is insured under their respective insurance policies.

#### **10.11 THE AUTHORITY'S PROPERTY DAMAGE INSURANCE COVERAGE**

A. The Authority shall carry first party property damage insurance on the structure of the Demised Premises in the form of Property All-Risk Special Form, Excluding Quake and Flood, in the total insurable value of the Demised Premises and all associated or related improvements. Authority shall have no obligation to insure any of LESSEE's personal property or improvements located on the Demised Premises.

B. The Authority shall maintain comprehensive general liability insurance written on an "occurrence" policy form, covering bodily injury, property damage, personal injury, and advertising injury arising out of or relating (directly or indirectly) thereto and providing single limit coverage with limits of at least Ten Million Dollars (\$10,000,000.00) per occurrence or such greater amount as Authority shall determine in its reasonable discretion.

C. During the Term, such coverage may be in such amounts, from such companies and on such other terms and conditions as the Authority may from time to time reasonably determine so long as the coverage amount is not less than the total insurable value of the Demised Premises and all associated or related improvements. On reasonable inquiry by LESSEE from time to time, the Authority shall inform LESSEE of all such insurance carried by the Authority applicable to the Demised Premises.

#### **10.12 TAXES AND LIENS**

A. In connection with the Demised Premises and LESSEE's personal property and operations thereon, LESSEE covenants and agrees:

(1) To pay, prior to delinquency, all applicable general and special real property taxes, personal property taxes, assessments, taxes on any of LESSEE's personal property or on any improvements made by LESSEE subsequent to the Commencement Date, possessory interest taxes upon the leasehold interests under this Lease for the Demised Premises, business license

taxes, utility taxes and any other taxes applicable to its use, occupancy or business operations at the Demised Premises;

(2) If LESSEE in good faith proceeds to contest any such tax, assessment or other public charge, or the validity thereof, by proper legal proceedings which operate to prevent the collection thereof or to prevent the appointment of a receiver because of nonpayment of any such tax, assessment or other public charge, LESSEE shall not be required to pay, discharge or remove any such tax, assessment or other public charge, so long as such proceeding is pending and undisposed of; provided, however, that LESSEE, not less than five (5) calendar days before any such tax, assessment or charge shall become delinquent, shall give notice to the Authority of LESSEE's intention to contest its validity. If such notice is so given by LESSEE to the Authority and such contest is conducted in good faith by LESSEE, the Authority shall not, pending the termination of such legal proceedings, pay, remove or discharge such tax, assessment or other charge.

B. If the possessory interest of LESSEE in the Demised Premises, or the personal property, trade fixtures, appliances and equipment of LESSEE on the Demised Premises or the real property taxes and assessments on the Demised Premises are not separately assessed under one or more county tax assessor tax parcel designations for any period of time during the Term of this Lease (e.g., a "joint assessment") and the tax liability of LESSEE for any amounts due under this Section 10.12 are included in a joint assessment, there shall be an equitable allocation of the total tax liability assessed against the Demised Premises under such a joint assessment. The allocation of the tax liability of LESSEE under a joint assessment shall be determined by the Authority based upon its review of the tax valuations assigned to the Demised Premises in the work sheets and assessment records of the San Bernardino County Assessor relating to any property tax assessment (or supplemental assessment) during the Term of this Lease. The Authority's reasonably good faith determination of the amount of tax liability allocated to LESSEE from any such joint assessment shall be conclusive and LESSEE shall pay such amount to the Authority within thirty (30) calendar days of receipt of the Authority's determination. The Authority shall promptly remit such amount upon its receipt from LESSEE to the San Bernardino County Tax Collector for the account of LESSEE and shall provide LESSEE with a copy of the paid tax receipt promptly upon the Authority's receipt of same. In no event shall the Authority be responsible for any property taxes or assessments relating to the Demised Premises during the Term of this Lease.

C. Upon the request of the Authority, LESSEE shall execute an appropriate form of a notice of responsibility of LESSEE for the payment of the taxes due under this Section 10.14 for filing by the Authority with the Office of the San Bernardino County Assessor and the San Bernardino County Tax Collector.

### **10.13 COVENANT AGAINST LIENS; PAYMENT BOND REQUIREMENT; NOTICE OF NO LIEN RIGHTS**

A. LESSEE shall not be the cause or object of any liens or allow such liens to exist, attach to, be placed on, or encumber the Authority's or LESSEE's interest in the Demised Premises or any associated real property by operation of law or otherwise. LESSEE shall not suffer or permit any lien of mechanics, material, suppliers, or others to be placed against the Demised

Premises or any associated real property with respect to work or services performed or claimed to have been performed for LESSEE or materials furnished or claimed to have been furnished to LESSEE or the Demised Premises on behalf of LESSEE. The Authority always has the right to post and keep posted on the Demised Premises any notice that it considers necessary for protection from such liens. At least seven (7) calendar days before beginning any form of construction at the Demised Premises, LESSEE shall give the Authority written notice of the expected commencement date of that construction to permit the Authority to post and record a notice of non-responsibility.

B. If any such lien attaches or LESSEE receives notice of any such lien, LESSEE shall cause the lien to be discharged of record by payment, by the posting of a bond, by order of a court of competent jurisdiction, or by other lawful means within thirty (30) days after LESSEE receives notice of the filing from the Authority. Despite any other provision of this Lease, if the lien is not discharged within said 30-day period, the Authority may immediately take all action necessary to release and remove the lien, without any duty to investigate the validity of it. All expenses (including reasonable attorneys' fees) incurred by the Authority in connection with the lien shall be considered Rent under this Lease and be immediately due and payable by LESSEE.

C. LESSEE shall, prior to allowing any labor to be performed on or materials supplied to the Demised Premises in connection with the construction of any improvements or alterations with a cost in excess of one hundred fifty thousand dollars (\$150,000), secure with a responsible corporate surety or sureties admitted to do business in the State of California by the Department of Insurance, a payment bond in an amount of not less than the sum of the total dollar amounts of each contract with providers of labor, materials and services on or to the Demised Premises, conditioned upon payment in full of the claims of all persons performing labor upon or furnishing materials to be used in or furnishing appliances or power contributing to any work to be performed at the Demised Premises. All such payment bonds are subject to the reasonable approval of the Authority. Notwithstanding the foregoing, if LESSEE demonstrates that it has the available funds necessary for payment of such labor and materials, or if any such work will mutually benefit both LESSEE and the Authority, no payment bond shall be required.

D. LESSEE acknowledges and agrees that the Demised Premises are owned by the Authority, which is a public entity, that the Demised Premises were transferred to the Authority by the United States of America with specific use restrictions and that the Demised Premises are not subject to the imposition of mechanic's liens in favor of providers of labor, material, or services. LESSEE further agrees to inform each of the providers of labor, material, or services on or to the Demised Premises of such fact and that the Authority is not responsible for payment of any claims by any such providers of labor, material or services.

## **PART XI QUIET ENJOYMENT**

### **11.01 COVENANT OF QUIET ENJOYMENT**

Provided that LESSEE is not in default under this Lease, LESSEE shall peacefully have and enjoy the Demised Premises, appurtenances, facilities, licenses, and privileges granted in this

Lease; provided, however, that certain temporary inconveniences may occur during construction of common use areas and facilities incidental to the improvement of the Airport.

## **11.02 INCONVENIENCES DURING CONSTRUCTION**

LESSEE recognizes that from time to time during the Term of this Lease it will be necessary for the Authority to initiate and pursue extensive programs of construction, reconstruction, expansion, relocation, maintenance, and repair at the Airport that will require accommodation, and that such construction, reconstruction, expansion, relocation, maintenance, and repair may inconvenience LESSEE in its operations at the Airport. LESSEE agrees that no liability shall attach to the Authority, its elected officials, officers, agents, employees, attorneys, contractors, subcontractors and representatives by reason of minor inconvenience or minor discomfort as a result of such activity and, for and in further consideration of this Lease of the Demised Premises, LESSEE waives any right to claim damages or other consideration for such minor inconvenience or minor discomfort; provided, however, that the Authority agrees that it shall schedule and undertake such activities in such a manner as shall reasonably minimize the disruption of the operations of LESSEE on the Demised Premises and before undertaking any such action, the Authority shall, except in case of emergency, provide reasonable advance notice to LESSEE of such activity.

## **PART XII MISCELLANEOUS PROVISIONS**

### **12.01 RESERVED**

### **12.02 APPLICABLE LAW**

This Lease shall be interpreted and enforced in accordance with the laws of the State of California.

### **12.03 JURISDICTION AND VENUE**

Any court action filed to enforce legal rights or remedies or to seek equitable relief regarding this Lease shall be filed in the Superior Court of the State of California in the County of San Bernardino, Central District, located within the City of San Bernardino, or in the United States District Court, Central District of California. The parties agree that no legal actions filed by the parties shall be removed or transferred to any other court except as provided herein without the express written consent of the other party.

### **12.04 ATTORNEYS' FEES AND COURT COSTS**

In any action filed by either party to this Lease to enforce any right under this Lease or injunctive or equitable relief regarding this Lease, the prevailing party shall, in addition to any monetary awards or other relief granted by the court, recover all reasonable costs, expenses and fees of attorneys, accountants and other expert witnesses from the non-prevailing party.

## **12.05 LEASE BINDING**

This Lease shall be binding on and inure to the benefit of LESSEE and Authority and their successors and assigns.

## **12.06 PARAGRAPH HEADINGS AND INDEX**

Any paragraph or Section headings and index or table of contents contained in this Lease are for convenience of reference only and are not intended to define, expand, or limit the scope of any provision of this Lease.

## **12.07 SIGNS**

LESSEE agrees that no signs identifying any LESSEE Parties or advertising displays shall be painted on or erected in any manner upon the Demised Premises without the prior written approval of the Chief Executive Officer, which shall not be unreasonably withheld, conditioned, or delayed, and all necessary approvals are obtained from the City of San Bernardino and other governmental entities. All signs installed by LESSEE shall comply with all applicable federal, state and local laws, ordinances, rules and regulations and all signs identifying LESSEE will conform to reasonable standards established by the Chief Executive Officer with respect to type, size, design and location.

## **12.08 RESERVED – NO TEXT**

## **12.09 RESERVED – NO TEXT**

## **12.10 NOTICES**

A. All notices required to be given to the either party under this Lease shall be in writing and shall be personally delivered, sent by nationally recognized overnight carrier (for next day or next business day delivery) or sent by United States Postal Service certified mail, return receipt requested, addressed to the Authority or LESSEE at the addresses provided in the Basic Provisions; provided, however, all notices to LESSEE shall also include a copy to:

UPS  
Attention: Airport Properties, 3A  
1400 N. Hurstbourne Parkway  
Louisville, KY 40223

B. Either party may designate in writing, delivered pursuant to Section 12.10A, a different address or persons for delivery of notices under this Lease. The effective date of service of any notice shall be the date such notice is received by LESSEE or the Chief Executive Officer.



C. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

## **12.11 WAIVER OF RELOCATION BENEFITS BY LESSEE**

As a material part of the consideration for the Authority entering into this Lease LESSEE hereby waives any rights that it might have to relocation assistance due to expiration of this Lease or termination of this Lease by the Authority, under California Government Code Sections 7260, et seq., or the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC §§4601, et seq.) or any similar Federal or State statute, regulation, circular or order.

## **12.12 SEVERABILITY**

If any covenant, condition or provision of this Lease is held by any court of competent jurisdiction to be invalid, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, if the invalidity of any such covenant, condition or provision does not materially prejudice either party to this Lease in its respective rights and obligations contained in the valid covenants, conditions or provisions in this Lease.

## **12.13 SECURITY**

Tenant shall comply fully with federally mandated security requirements by TSA and/or Department of Homeland Security as may change from time-to-time and the provisions set forth in 49 CFR Part-1542 Airport Security in all pertinent parts as directed either by representatives of the federal government or SBIAA.

## **12.14 FORCE MAJEURE**

Neither the Authority nor LESSEE shall be deemed to be in breach of this Lease by reason of failure to perform any obligations under this Lease, if and to the extent that such failure is due to embargoes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, sabotage, strikes, boycotts, labor disputes, weather conditions, riots, rebellion and any circumstances for which the nonperforming party is not responsible and which is not within such party's reasonable control. This provision shall not apply to (i) failures by LESSEE to pay Rent, fees or other charges, or to make any other monetary payment, whatsoever, required by this Lease, except in those cases where provision is made in this Lease for the abatement of such Rent, fees, charges or payments under such circumstances; or (ii) the ability of LESSEE to declare the Authority in default under this Lease. As a condition precedent to the nonperforming party having the benefits of this Section 12.14 apply to any non-performance of an obligation under this Lease, the party claiming that a force majeure event has occurred shall give written notice to the other party within fifteen (15) calendar days after the force majeure event has occurred setting forth the date and other specifics of the force majeure event and the effects to the

non-performing party making such claim to the extent that such effects are known to the non-performing party at that time.

#### **12.15 NO IMPLIED WAIVERS**

A. No waiver of any provision of this Lease shall be implied by any failure of the Authority or LESSEE, to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by the Authority or LESSEE of any provision of this Lease must be in writing. Such written waiver shall affect only the provision specified and only for the time and in the manner stated in the writing.

B. No receipt by the Authority of a lesser payment than the Rent required under this Lease shall be other than on account of the earliest amount due, and no endorsement or statement on any check or letter accompanying a payment or check shall be considered an accord and satisfaction. The Authority may accept checks or payments without prejudice to the Authority's right to recover all amounts due and pursue all other remedies provided for in this Lease.

C. The Authority's receipt of monies from LESSEE after giving notice to LESSEE terminating this Lease shall in no way reinstate, continue, or extend the Term or affect the termination notice given by the Authority before the receipt of those monies. After serving notice terminating this Lease, filing an action, or obtaining final judgment for possession of the Demised Premises, the Authority may receive and collect any Rent due, and the payment of that Rent shall not waive or affect such prior notice, action, or judgment.

#### **12.16 USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS**

LESSEE, its officers, agents, and employees, shall cooperate and comply with the provisions of any reasonable resolution or order of the Authority concerning the use, possession or sale of alcohol or drugs at the Airport. LESSEE shall maintain a drug free workplace in conformity with all federal rules and regulations. Nothing in this Section 12.16 shall be construed to limit or prohibit LESSEE's storage on the Demised Premises and/or transport of FDA approved drugs or alcoholic beverages while conducting LESSEE's business operations on the Demised Premises provided LESSEE complies with all laws of the United States and the State of California applicable to such activities.

#### **12.17 THIRD PARTIES**

This Lease does not, and shall not be deemed or construed to confer upon or grant to any third party or parties (excepting parties to whom LESSEE may assign this Lease or sublet all or any part of the Demised Premises in accordance with the terms hereof) any right to claim damages or to bring any suit, action or other proceeding against either the Authority or LESSEE because of any breach hereof or to enforce any of the terms, covenants, agreements or conditions in this Lease.

#### **12.18 CONFORMANCE WITH LAW**

A. LESSEE shall abide by the Airport Rules and Regulations and all applicable laws, rules and regulations of the City of San Bernardino, County of San Bernardino, State of California,

and any other duly constituted public authority having jurisdiction over the Airport. LESSEE shall deliver a copy of any notice alleging a violation by any LESSEE Parties or investigation of potential violation by any LESSEE Parties of laws, rules, regulations, orders, opinion, guidance letters or other regulatory acts of the United States, the State of California, or any other duly constituted public authority having jurisdiction over the Airport or LESSEE, within five (5) calendar days of LESSEE's receipt of any such notice. LESSEE agrees and understands that the commission of any illegal or unlawful act by LESSEE on the Airport that is not cured within ten (10) calendar days following LESSEE's receipt of written notice from the Authority (or within such longer period of time as is reasonable under the circumstances so long as LESSEE is diligently pursuing such cure) shall constitute a material default by LESSEE under this Lease, without further right to cure, and shall be cause for the Authority to terminate this Lease upon thirty (30) calendar days' written notice to LESSEE.

B. LESSEE covenants and agrees that in order to confirm the assurance required by the Authority by Title VI of the Civil Rights Act of 1964 and by 49 CFR Part 21 of the regulations governing the U.S. Department of Transportation, as amended, it will not, in its occupancy, operation or use of the Demised Premises or the Airport, discriminate nor permit discrimination against any person or group of persons on the grounds of race, color or national origin, in any manner prohibited by 49 CFR Part 21. Noncompliance with this clause will constitute a material breach of this Lease; therefore, in the event of such noncompliance, LESSEE hereby authorizes the Authority to take such action as the federal government may direct to enforce this covenant, and LESSEE also authorizes the federal government to take appropriate action to enforce compliance with this covenant, including the right to seek judicial enforcement. LESSEE will reasonably cooperate with the Authority in satisfying any reporting requirements imposed on the Authority under such programs or regulations or similar programs or regulations.

C. LESSEE covenants and agrees that it will undertake an affirmative action program, if required by applicable state or federal laws. LESSEE will reasonably cooperate with the Authority in satisfying any reporting requirements imposed on the Authority under such programs or regulations or similar programs or regulations.

D. Nothing in this Lease shall be construed as granting or authorizing the granting of an exclusive right to perform any services at the Airport within the meaning of Section 308 of the Federal Aviation Act or any other statute, ordinance, regulation, or policy of any governmental agency having jurisdiction over the Airport and/or the activities that take place at the Airport.

E. This Lease shall be subordinate to the provisions of any existing or future agreements between the Authority and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required by the provisions of the Federal Aviation Act of 1958, as amended, or any future act affecting the operation or maintenance of the Airport.

F. If the FAA requires, as a condition precedent to the granting of funds for the improvement of the Airport, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Lease, LESSEE shall have ten (10) calendar days following its receipt of written notice from the Authority of any requested Lease modification from the FAA to either deliver its written consent to the requested Lease modification to the Authority, which

consent shall not be unreasonably withheld, conditioned or delayed, or to deliver written notice to the Authority of its refusal to consent to the requested Lease modification. Any failure by LESSEE to timely deliver written notice of its consent or refusal to consent to any Lease modification requested by the FAA, in accordance with this Section, shall be deemed LESSEE's consent to the requested Lease modification. If LESSEE refuses to consent to any Lease modification requested by the FAA, as a condition precedent to the granting of funds for the improvement of the Airport, the Authority shall have the right to terminate this Lease, in accordance with the FAA requirements but not to exceed twelve (12) months' written notice to LESSEE.

G. LESSEE shall obtain all necessary approvals and furnish, at its own expense, all licenses, permits and authorizations necessary for any permitted improvements and the undertaking of all activities authorized under this Lease.

## **12.19 ENTIRE AGREEMENT**

The parties acknowledge and agree that this Lease and the attached Exhibits constitute the entire agreement and understanding of the parties with respect to the subject matter of this Lease, and that all representations made by any official, officer, agent, attorney, or employee of the respective parties, unless expressly set forth in this Lease, are null and void and of no effect. This Lease supersedes all prior and contemporaneous written or oral agreements and understandings between the Authority and LESSEE and all prior arrangements for all or any portions of the Demised Premises hereunder. This Lease cannot be changed, amended, or terminated orally. No alterations, amendments, changes, or modifications shall be valid unless made by an instrument in writing executed by both of the parties to this Lease.

## **12.20 CONDITION; FINAL APPROVAL**

This Lease is expressly conditioned upon and subject to the approval of the Commission of the Authority and shall not be or become effective or binding on the Authority or LESSEE until formally approved by the Commission of the Authority and fully executed by the Chief Executive Officer of the Authority, as provided for in the execution block for the Authority below and by the authorized representatives of LESSEE.

## **12.21 WAIVER OF RIGHTS OF REDEMPTION AND TO SEEK RELIEF FROM FORFEITURE**

LESSEE, as a part of the consideration given to the Authority for this Lease expressly waives any and all rights of redemption, right to seek relief from forfeiture, or similar right granted by or under any present or future laws including, but not limited to, California Civil Code Section 3275 and California Code of Civil Procedure Section 1179 and successor or replacement sections, if LESSEE is evicted from or dispossessed of the Demised Premises for any cause not the fault of the Authority, or if the Authority obtains a judgment of possession of the Demised Premises by reason of the violation by LESSEE of any of the terms, covenants, and conditions of this Lease or otherwise.

## **12.22 NO PRESUMPTIONS**

The Authority and LESSEE agree that no presumption, construction, or implication favoring the position of either the Authority or LESSEE shall be used or applied in the interpretation of this Lease and that the provisions of California Civil Code Section 1654 shall not apply to the interpretation of this Lease. The parties agree that any deletion of language from this Lease prior to its execution by the Authority and LESSEE shall not be construed to have any particular meaning or to raise any presumption, construction, or implication, including, without limitation, any implication that the parties intended thereby to state the opposite of the deleted language.

### **12.23 BROKER RELATIONSHIPS**

The Authority and LESSEE each represent and warrant to the other that neither has had any dealings with any person, firm, broker or finder in connection with this Lease, and that no one is entitled to any commission or finder's fee in connection with this Lease. The Authority and LESSEE agree to indemnify, protect, defend, and hold the other harmless from and against liability for compensation or charges that may be claimed by any broker, finder or other similar party by reason of any dealings or actions of the indemnifying party, including any costs, expenses, and/or attorney's fees incurred with respect thereto.

### **12.24 ATTORNMENT**

LESSEE shall attorn to the purchaser or other transferee of the Demised Premises and recognize such purchaser or other transferee as the Authority under this Lease, provided such purchaser or other transferee expressly assumes all of the Authority's obligations under this Lease in writing. Authority may transfer Authority's interest in the Demised Premises without the consent of LESSEE and such transfer or subsequent transfer shall not be deemed a violation on Authority's part of any of the terms and conditions of this Lease.

### **12.25 SUBORDINATION**

The rights of LESSEE under this Lease are and shall be subject and subordinate at all times to the lien or other transfer of interest by the Authority of any interest in the Airport or the Demised Premises, now or in the future, to secure Authority Financing and to all advances made or hereafter to be made upon the security thereof. Within thirty (30) calendar days after receipt of request therefore by the Authority, LESSEE shall deliver to the Authority a subordination agreement in a form acceptable to the Authority as may be required as part of any Authority Financing to evidence such subordination. Notwithstanding the foregoing, the Authority shall provide LESSEE with a non-disturbance and attornment agreement from the holder of any existing or future Authority Financing in a commercially reasonable form agreed to by the Authority and the holder of such Authority Financing. LESSEE agrees to make any reasonable modifications to this Lease that may be required by any potential holder of Authority Financing in the future, provided such modification does not materially and adversely affect LESSEE's rights or increase LESSEE's obligations under this Lease as determined by LESSEE in the exercise of commercially reasonable judgment.

### **12.26 [RESERVED]**

## **12.27 INCORPORATION**

All of the Exhibits, Riders, Attachments and Schedules referred to in this Lease and attached to this Lease are incorporated by this reference as though fully set forth herein.

## **12.28 CONSENTS AND APPROVALS**

In all instances in this Lease where the consent or approval of either party is required or requested, such consent shall not be unreasonably withheld, delayed, or conditioned, unless otherwise expressly set forth in this Lease.

## **12.29 JOINT AND SEVERAL OBLIGATIONS OF LESSEE**

If more than one individual or entity comprises LESSEE, the obligations imposed on each individual or entity that comprises LESSEE under this Lease shall be joint and several.

## **12.30 SUBMISSION OF LEASE**

Submission of this document for examination or signature by the parties does not constitute an option or offer to lease the Demised Premises on the terms in this document or a reservation of the Demised Premises in favor of LESSEE. This document is not effective as a lease or otherwise until approved by the Commission of the Authority and executed and delivered by both the Authority and LESSEE.

## **12.31 LESSEE AUTHORITY**

LESSEE and each individual executing this Lease on behalf of an entity represents and warrants that:

A. The individual(s) executing this Lease on behalf of LESSEE has/have full power and authority under LESSEE's governing documents to execute and deliver this Lease in the name of an on behalf of LESSEE and to cause LESSEE to perform its obligations under this Lease.

B. LESSEE is authorized to transact business in the State of California and has the power and authority under applicable law and its governing documents to execute and deliver this Lease and to perform its obligations under this Lease.

## **12.32 U.S. DEPARTMENT OF COMMERCE PROVISIONS**

LESSEE acknowledges that the Authority is and has been the recipient of certain U.S. Department of Commerce, Economic Development Administration (EDA) grant funding which has been expended for improvements to the Demised Premises and that it must comply with (EDA)

policies. LESSEE acknowledges that its use of the Demised Premises relating to EDA is subject to review by the EDA.

LESSEE agrees to comply with the Authority's responsibilities pursuant to compliance with the provisions of Section 112 of Public Law 92-65 (42 U.S.C. 3123) and 42 U.S.C. 6709, and the U.S. Department of Commerce's implementing regulations found at 15 C.F.R. §§ 8.7-8.15, and any amendments thereto.

LESSEE agrees to comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the U.S. Department of Commerce's implementing regulations found at 15 C.F.R. part 8b; Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.); the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) and the U.S. Department of Commerce's implementing regulations found at 15 C.F.R. part 20, and the nondiscrimination on the basis of age regulations found at 45 C.F.R. part 90.

Such requirements hold that no person in the United States shall on the ground of race, color, national origin, sex, handicap, or age be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any program or activity for which federal financial assistance has been extended.

In accordance with these assurances and without limiting the above, LESSEE agrees that these assurances shall be binding upon it and any grantees, assignees, transferees, lessees, and successors in interest. These assurances shall also be binding through any modification or amendment to the financial assistance award or to the project. Authority agrees to provide advance written notice to LESSEE of any such modifications or amendments.

LESSEE acknowledges that it is aware that if there appears to be a failure or threatened failure to comply with these assurances and the noncompliance or threatened noncompliance cannot be corrected by informal means, compliance may be affected by the suspension or termination of, or refusal to grant or to continue, federal financial assistance or by any other means authorized by law.

{SIGNATURE PAGE TO FOLLOW}

IN WITNESS WHEREOF, the parties hereto have executed this Lease to be effective as of the day and year first set forth above.

**AUTHORITY:**

**San Bernardino International Airport Authority, a  
California Joint Powers Authority**

By: \_\_\_\_\_  
Michael Burrows  
Chief Executive Officer

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

**LESSEE:**

**United Parcel Service Inc., an Ohio Corporation (UPS)**

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

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

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

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



Exhibit “A”

The Premises

Exhibit "B"

Parking Area

Exhibit "C"

Airfield Area

Exhibit “D”

Airport Roadway Area

Exhibit “D-1”

Airport Roadway Area & Pedestrian Walk Path

Exhibit “E”

Airport Rules and Regulations

## Exhibit "F"

### Airport Related Provisions

#### **1. AUTHORITY OPERATION OF AIRPORT AND AIRFIELD AREA**

In accordance with FAA Rules and Regulations, the Authority agrees to provide, operate, and maintain the Airport and to make the Airfield Area, on a non-exclusive basis, available for use by LESSEE, its invitees, guests, and licensees. LESSEE's use of the Airfield Area is subject to compliance with FAA Rules and Regulations, the Airport Rules and Regulations, the Airport Fee Schedule and the Authority's right to change or modify the Airfield Area or take portions of the Airfield Area and lease the same to third parties. LESSEE, its invitees, guests, and licensees, shall, always during the Term of this Lease, have non-exclusive use of the Airport Roadway Area for ingress to and egress from the Demised Premises. The Authority may designate the portions of the Airport Roadway Area that LESSEE shall be allowed to use and may change such designation from time to time, if LESSEE has reasonable access, consistent with the use of the Demised Premises by LESSEE, for the purposes authorized by this Lease.

#### **2. NON-EXCLUSIVE USE OF AIRFIELD AREA AND OTHER COMMON USE FACILITIES AT THE AIRPORT**

A. LESSEE shall have access to and the non-exclusive use of the Airfield Area and other common use facilities and services at the Airport, as follows:

- (1) Runways for the purposes of landing and takeoff of aircraft.
- (2) Taxiways for the purpose of the ground movement of aircraft.
- (3) Aircraft ramps for the purposes of ground movement of aircraft, parking, air cargo activities, and engine run-ups.
- (4) Any other use normally incident to the foregoing, with the prior written consent of the Authority.

B. LESSEE's use of the Airfield Area and any designated portions of the Airport Roadway Area shall be nonexclusive and in common with others authorized by the Authority to use the Airfield Area or the Airport Roadway Area and is conditioned upon LESSEE's compliance with FAA Rules and Regulations, Airport Rules and Regulations, and the Airport Fee Schedule.

C. Positions on any public air passenger or cargo ramp that are for the purpose of loading and unloading aircraft and not located on the Demised Premises, shall be always under the control of the Executive Director. Ramp services or other aircraft maintenance activities on, over or outside of the Demised Premises must be provided in accordance with the Airport Rules and Regulations.

D. Authority shall have the right, without resulting in an actual or constructive eviction of LESSEE or otherwise disturbing the right of LESSEE to quietly use or enjoy the Demised Premises, and without abatement of Rent under this Lease, to do, cause or authorize any of the following:

(1) Temporarily close any part of the Airfield Area, to repair, maintain or improve the Airfield Area, or for any other reasonable purpose.

(2) Change the nature of the Airfield Area, including without limitation, change the location, size, shape and number of runways and taxiways, entry points, or the location, size or shape of any other part of the Airfield Area except that LESSEE shall have the right to terminate this Lease, pursuant to Section 9.03.A.(2) above, in the event such change results in LESSEE's inability to continue to access the Airport with the type of aircraft being used by LESSEE prior to Authority's alteration of runway or taxiway width or length;

(3) Adopt and enforce storm water and surface water discharge standards for discharges from the Demised Premises to the Airfield Area or any other areas, as may be necessary or appropriate to comply with all applicable laws and permits issued to the Authority.

(4) Perform any other acts and make all necessary changes and alterations in the Airfield Area that the Authority may deem necessary or appropriate, including, from time to time, shutting down all or a portion of the Airfield Area for repair, maintenance, or safety reasons.

E. Except in case of emergency, the Authority shall provide reasonable advance notice to LESSEE of any action by the Authority that may interfere with LESSEE's operations at the Airport and shall reasonably coordinate with LESSEE the timing and manner of such action, to minimize the interference with LESSEE's business operations at the Airport so far as reasonably possible.

### **3. RATES, FEES AND CHARGES FOR THE USE OF THE AIRPORT; LANDING FEES**

A. The Airport Fee Schedule is established from time to time by the Authority, in accordance with published nondiscriminatory accounting and rate-making procedures established and adopted by the Authority and includes the right to impose charges previously or currently imposed. LESSEE shall be required to pay all rates, fees, and charges for use of the Airport by itself, its invitees, guests, or licensees, within thirty (30) calendar days of the date of the first statement for such charges from the Authority, excluding aircraft storage on the Demised Premises.

B. The Authority reserves the right during the Term to add to or modify the Airport Fee Schedule, or other rates, fees, or charges for use of the Airport, including the right to impose charges not previously or currently imposed. The Airport Fee Schedule includes, but is not limited to: landing fees, fuel flow fees (based on cost of cents per gallon on all types of fuels), tie-down, storage or parking fees, Airport business permits, and other fees related to use of services, goods or Airport facilities.

C. During the Term, LESSEE shall pay fuel flow fees consistent with the Airport Fee Schedule. If LESSEE utilizes the services of an approved party as then permitted by the Authority



to provide fueling services on the Airport, fuel flowage fees will be collected by the approved party and remitted to the Authority.

#### **4. AIRPORT ROADWAY AREA**

A. The Authority exclusively controls the Airport Roadway Area. LESSEE and LESSEE's employees, agents, suppliers, shippers, customers, invitees, and guests shall have a nonexclusive right to use the Airport Roadway Area at all times during the Term of the Lease, for pedestrian and motor vehicle ingress to and egress from the Demised Premises, subject to the rights reserved by the Authority under the Lease, FAA Rules and Regulations and the Airport Rules and Regulations governing use of the Airport Roadway Area.

B. The Authority may do, cause or authorize any of the following activities, which shall not be an actual or constructive eviction of LESSEE, disturbance of the quiet use or enjoyment of the Demised Premises by LESSEE, terminate this Lease or justify any abatement of Rent under this Lease, as long as LESSEE has reasonable access to the Demised Premises at all times during the Term of this Lease:

(1) Temporarily close any part of the Airport Roadway Area to repair, maintain or improve the Airport Roadway Area or for any other reasonable purpose.

(2) Change the nature of the Airport Roadway Area, including, without limitation, changing the location, size, or shape, changing the number of driveways or entry points to the Airport Roadway Area, or the location, size, or shape of any parking spaces, parking areas, loading, and unloading areas, ingress, egress, direction of traffic, landscaped areas or walkways situated within the Airport Roadway Area.

(3) Exclude from or add land and/or improvements to the Airport that enjoy a non-exclusive right of use of the Airport Roadway Area.

(4) Remove unidentified or unauthorized persons, vehicles, personal property or improvements from the Airport Roadway Area.

(5) Cause the street address of the Demised Premises to be changed for all purposes.

(6) Use or allow the use of the Airport Roadway Area by third persons for pedestrian and motor vehicle ingress and egress to any part of the Airport or for the provision of underground or overhead utility services to any part of the Airport or other property or while engaged in maintenance, repairs, construction or other alteration to any part of the Airport or other property.

(7) Offer the Airport Roadway Area, or any portion thereof, or any utility service facility located therein, for dedication to the City of San Bernardino, pursuant to Government Code Section 7050 or other applicable law or to authorize enforcement by the City of San Bernardino of the Vehicle Code of the State of California for all or any portion of the Airport Roadway Area.

(8) Adopt and enforce storm water and surface water discharge standards for discharges from the Demised Premises to the Airport Roadway Area, as may be necessary or appropriate to comply with all applicable laws and permits issued to the Authority; and

(9) Perform any other acts and make other changes or alterations in the Airport Roadway Area and the Airport, as the Authority may deem necessary or appropriate.

C. Except in case of emergency, the Authority shall provide reasonable advance notice to LESSEE of activities to be conducted by or on behalf of the Authority affecting the Airport Roadway Area that could reasonably be anticipated to impact LESSEE and shall reasonably coordinate with LESSEE the timing and manner of such activities to minimize disruption of LESSEE's operations at the Airport.

D. LESSEE shall comply with all Airport Rules and Regulations relating to the use of the Airport Roadway Area and the application of the State of California Vehicle Code to the Airport Roadway Area. LESSEE shall not conduct business in the Airport Roadway Area, store any personal property in the Airport Roadway Area or otherwise place any obstacle or obstruction in the Airport Roadway Area. LESSEE shall comply with all vehicle traffic regulations and vehicle parking regulations imposed by the Authority, any municipal jurisdiction or the State of California on the Airport Roadway Area, including the provisions to be enforced by the City of San Bernardino pursuant to the State of California Vehicle Code. LESSEE shall not cause or authorize the construction or encroachment of any utility installation for the benefit of the Demised Premises on, in or under the Airport Roadway Area, except upon the prior written approval of the Authority which may be withheld or conditioned at Authority's sole discretion.

## **5. AIRCRAFT OPERATIONS**

A. The Authority agrees to operate the Airport in accordance with its FAA-approved Airport Certification Manual, as may be amended from time to time, as required by FAA Federal Aviation Regulation Part 139. LESSEE shall ensure that all its Aircraft Operations are conducted in a manner consistent with the requirements described for the Airport in the FAA published U.S. Chart Supplements, as amended from time to time.

B. If the Authority should, during the Term of this Lease, incur any costs or expenses providing ARFF services to LESSEE, or receive a bill from any local fire department, police, rescue or ambulance service for services provided by such entities to LESSEE, LESSEE shall remit to the Authority payment in full for such sums, upon demand.

## **6. OPERATION OF THE CONTROL TOWER**

The Authority is not obligated to furnish or provide any staffing for or equipment or facilities in connection with control tower operations at the Airport for the benefit of LESSEE, pursuant to this Lease or otherwise. The Authority may provide some general level of control tower services at the Airport, as may be deemed necessary or desirable by the Authority, in its sole discretion. To the extent that any such Authority provided levels of control tower services are insufficient to meet the business needs of LESSEE, the Authority and LESSEE may make a separate agreement for the Authority to provide such additional operations as may be required to

obtain the level of control tower services desired by LESSEE, with LESSEE paying the costs for such additional services. It is expressly understood by LESSEE that the Authority may decrease the services offered by the control tower and the Airport, including its Instrument Landing System (“ILS”) and Automated Weather Observation System (“AWOS”) capabilities, at any time and without any default under this Lease. The Authority’s only obligation is to provide the minimum level of ILS and/or AWOS capabilities required by the FAA pursuant to Federal Aviation Regulations Part 171, if any.

## Exhibit "G"

### Deed Requirements

The following disclosures, notices and provisions are made by Authority to LESSEE and are hereby incorporated into the Lease with the same effect as if fully stated therein:

#### **1. NOTICE OF HAZARDOUS SUBSTANCES GIVEN UNDER CERCLA SECTION 120 (h)(3)**

Pursuant to CERCLA Section 120 (h)(3), the applicable provisions of the Quitclaim Deed and all of the various studies and reports prepared by the Air Force, as referenced therein, the Air Force has given notice informing all interested persons of certain information relating to the presence of certain hazardous substances or toxic or contaminating materials that may affect or concern the Airport and the Demised Premises. The CERCLA notice of the Air Force, as set forth in the Quitclaim Deed, also includes a description of remedial action taken by the Air Force that affects or concerns the Airport and the Demised Premises prior to the date of this Lease, and the existence and effect of the remedial environmental action covenant of the Air Force concerning the Airport and the Demised Premises.

#### **2. NOTICE OF LEAD-BASED PAINT (LBP) AND ASBESTOS-CONTAINING MATERIAL (ACM) IN THE DEMISED PREMISES AND DISCLAIMER**

A. The Demised Premises includes improvements constructed before 1978 and have been determined to contain LBP and ACM. LESSEE acknowledges that the Authority has provided LESSEE with a copy of the ACM/LBP Survey (defined in Section 8.02 of the Lease) regarding the presence of ACM and LBP on the Demised Premises prior to entering into this Lease.

B. LESSEE covenants and agrees that in its use and occupancy of the Demised Premises, it will comply with all applicable Environmental Laws relating to LBP and ACM. Upon Authority's satisfaction of its obligations to remediate ACM and LBP in connection with the Tenant Improvements that Authority has agreed to undertake as set forth in Exhibit "B" to the Lease, the Authority shall have no liability for damages for personal injury, illness, disability, or death to LESSEE, or to LESSEE's employees, agents, invitees, guests, vendors or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with LBP and/or ACM that remain on the Demised Premises, whether LESSEE properly warned, or failed to properly warn, the persons injured. Notwithstanding anything to the contrary in this Lease but expressly excepting Authority's obligations with respect to ACM and LBP as set forth in said Exhibit "B" and this Exhibit "G" of this Lease, neither the Authority nor LESSEE shall have any obligation to remove or remediate any LBP or ACM on the Demised Premises; provided, however, that LESSEE shall be obligated to remediate any LBP or ACM condition resulting from any disturbance, release or discharge of any LBP or ACM existing on the Demised Premises caused by any LESSEE Parties but in no event will LESSEE have any liability of any kind for the existence of hazardous substances, including any LBP or ACM located

in, on, under or about the Airport and Demised Premises that existed or originated prior to the Term of this Lease and which were not disturbed, released or discharged by LESSEE.

### **3. RELEASE OF THE AUTHORITY BY LESSEE RELATING TO LBP, ACM AND ALL OTHER HAZARDOUS SUBSTANCES**

A. Subject to the provisions set forth in Section 2.B. of this Exhibit "G" and the applicable provisions of the Lease to which this Exhibit "G" is attached, LESSEE on behalf of itself and its successors and assigns, waives and releases the Authority its elected officials, officers, employees, attorneys, consultants and agents and their successors and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liability, damages, penalties, fines, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, arising from or relating to the presence, alleged presence or remediation of LBP, ACM and all other harmful or Hazardous Substances in, under, or about the Demised Premises including, without limitation, any claims under or on account of any Environmental Laws.

B. LESSEE expressly waives any rights or benefits available to it with respect to the release set forth in the preceding Section under any provision of applicable law that generally provides that the general release does not extend to claims that the creditor does not know or suspect to exist in his or her favor at the time the release is agreed to, which, if known to such creditor, would materially affect a settlement. By execution of this Lease, LESSEE acknowledges that it fully understands the foregoing and with this understanding, nonetheless elects to and does assume all risk for claims known or unknown, described in Section 3.A above and without limiting the generality of the foregoing:

The undersigned acknowledges that it has been advised by legal counsel of its own choosing of the substance of the foregoing and the following and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM, MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

The undersigned, being aware of this California Civil Code Section 1542, hereby expressly waives any rights it may have thereunder, as well as under any other statutes or common law principles of similar effect.

Initials of the authorized and/or managing member of LESSEE: \_\_\_\_\_

The provisions of Sections 3.A. and 3.B. shall survive any expiration or termination of this Lease.

#### 4. AIR FORCE INDEMNITY – INSPECTION RIGHTS

A. The Air Force may be obligated, pursuant to Section 330 of the National Defense Authorization Act of 1993, as amended, to indemnify the Authority or LESSEE from and against certain suits, claims, demands or actions, liability, judgment, cost or fees arising out of any claim for personal injury or property damage resulting from the unauthorized release or threatened release of any Hazardous Substance, pollutant or contaminant, or petroleum or petroleum derivative on, in, under or around the Demised Premises. In addition, except to the extent set forth in the Quitclaim Deed with respect to LBP and ACM, the Air Force may be liable, pursuant to Section 120(h) of CERCLA, for certain remedial actions found to be necessary on the Demised Premises on or after the Commencement Date.

B. In the event that any governmental agency having jurisdiction over the Demised Premises requires LESSEE, as a successor in possessory interest of the Air Force or the Authority in the Demised Premises, to take any removal or remedial action with regard to any Hazardous Substance, pollutant or contaminant, or petroleum or petroleum derivative on, in, under or around the Demised Premises for which the Air Force may be responsible under Section 120 (h) of CERCLA, or in the event of any dispute over the nature or scope of the obligations of the Air Force to indemnify LESSEE under Section 330 of the National Defense Authorization Act, or to remediate any Hazardous Substance, pollutant or contaminant, or petroleum or petroleum derivative under Section 120(h) of CERCLA, the Authority agrees to cooperate fully with LESSEE in tendering such a claim of indemnity to the Air Force. The Authority shall do so without assuming any liability, or obligation for such action, and shall sign any documents reasonably requested by any governmental agency or by LESSEE, provide any information or reasonable access to information in its possession or control and reasonably required in connection with such action. Notwithstanding anything in this Section 4.B. to the contrary, no provision of this Section 4.B. shall relieve LESSEE from its responsibility to comply with all Environmental Laws applicable to the activities of LESSEE on the Demised Premises, nor excuse any performance otherwise required of LESSEE under this Lease, during any period that the Demised Premises are rendered unusable; provided, however, if LESSEE's use and occupancy of the Demised Premises is substantially impaired for a period in excess of sixty (60) days, LESSEE shall be entitled to an equitable abatement of Rent based on the nature and square footage of the unusable portion of the Demised Premises or LESSEE may, upon written notice to Authority, elect to terminate the Lease pursuant to Section 9.03.A(2) thereof.

C. The Authority and the Air Force and/or their consultants, contractors and subcontractors shall have the right to enter upon the Demised Premises and conduct investigations and surveys, to include drillings, compiling, etc., as required under the Quitclaim Deed. These inspections or surveys will be coordinated with a representative designated by LESSEE and will occur on reasonable prior notice. Inspections will be conducted with a representative of LESSEE, and in such manner so as to reasonably minimize any disruption to the operations of LESSEE on the Demised Premises.

**5. DEMISED PREMISES, A NATIONAL PRIORITY LIST SITE**

LESSEE acknowledges that the Airport is identified as a National Priority List (NPL) Site under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, as amended. LESSEE acknowledges that the Authority provided it with access to the Lessee Air Force Base Federal Facility Agreement Under CERCLA Section 120 (the “FFA”) entered into by EPA Region 9, the State of California, and the United States Air Force on June 29, 1989, and agrees that should any conflict arise between the terms of the FFA and the provisions of this Lease, the terms of the FFA will prevail. LESSEE further agrees that the Authority assumes no liability to LESSEE should implementation of either the FFA or any provisions of the Quitclaim Deed interfere with LESSEE’s use of the Demised Premises. LESSEE shall not have any claim on account of any such interference against the Authority or any elected official, officer, agent, employee, attorney, consultant, or contractor of the Authority. However, if the business operations of LESSEE on the Demised Premises are substantially disrupted for a period of thirty (30) calendar days or more by activities in implementation of the provisions of the FFA or the Quitclaim Deed, then LESSEE may terminate this Lease, upon thirty (30) calendar days prior written notice to the Authority.

6. The Authority and LESSEE further acknowledge that the United States government may be obligated, pursuant to Section 330 of the National Defense Authorization Act of 1993 (as amended), to indemnify the Authority and LESSEE from and against any suits, claims, demands or actions, liabilities, judgments, costs or other fees arising out of any claim for personal injury or property damage resulting from the release or threatened release of any hazardous substance, pollutant or contaminant, or petroleum or petroleum derivative affecting the Demised Premises. In addition, the Authority and LESSEE acknowledge that the United States government may be liable, pursuant to Section 120(h) of CERCLA, for any remedial action found to be necessary on the Demised Premises associated with any release or threatened release of hazardous substances affecting the Demised Premises that may have occurred prior to the date of the Quitclaim Deed.

Exhibit “H”

Non-Exclusive Employee Parking Area



Exhibit “I”

Hangar Door Improvements



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 13**

**PRESENTER: Mark Gibbs, Director of Aviation**

**SUBJECT: APPROVE AMENDMENT NO. 4 TO THE LEASE AND FIRE SERVICES AGREEMENT WITH THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT (SBCFPD) FOR PORTIONS OF BUILDING 680 (AIRPORT FIRE STATION)**

### **SUMMARY**

Approval of this item will authorize the Chief Executive Officer to execute a new lease agreement with San Bernardino County Fire Protection District (SBCFPD) for approximately 10,000 square feet of space in Building 680 (Airport Fire Station) at 165 S. Leland Norton Way at the San Bernardino International Airport.

### **RECOMMENDED ACTION(S)**

Approve Amendment No. 4 to the Lease and Fire Services Agreement with the San Bernardino County Fire Protection District (SBCFPD) for Building 680 (Airport Fire Station); and authorize the Chief Executive Officer to execute all related documents, subject to technical and conforming changes as approved by legal counsel.

### **FISCAL IMPACT**

Lease revenues (\$1.00) and Aircraft Rescue and Fire Fighting (ARFF) services (\$1,153,406) were included in the San Bernardino International Airport Authority's Fiscal Year 2023-2024 Budget in the General Fund, Account 50433 – ARFF Services.

PREPARED BY:	Mark Gibbs
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

## **BACKGROUND INFORMATION**

The Airport Fire Station (Building 680) is a 16,061 square foot building that has traditionally been operated by the City of San Bernardino Fire Department under an in-kind services lease agreement for provision of Aircraft Rescue and Fire Fighting (ARFF) services on an as needed basis. With the transition within the City of San Bernardino to annex to the San Bernardino County Fire Protection District (County Fire), the lease with the City of San Bernardino was subsequently assigned to County Fire. In 2017, County Fire formally expressed its desire to cancel the prior lease agreement and entered into negotiations with SBIAA on a new lease for use of the Airport Fire Station.

SBIAA staff has been actively negotiating with County Fire for the past several months, and an acceptable agreement has been reached.

The terms of the negotiated lease provide benefit to both SBIAA and County Fire. County Fire will have a convenient and suitable location for regional support to its local services, including support of the San Bernardino Regional Aircraft Rescue and Fire Fighting (ARFF) Training Center and continue to operate as a provider of services to the local community. SBIAA will retain the ability to offer 24-hour ARFF coverage to support commercial activity and its growing tenant base.

The principal terms of the Lease are as follows:

- The lease term is for up to Five (5) years, subject to a 365 calendar day termination provision.
- County Fire shall provide Aircraft Rescue and Fire Fighting (ARFF) services on a 24-hour basis, consisting of a Captain and two engineers/paramedics
- County Fire will pay \$1 per year for use of the building and will maintain the building/equipment and pay all utilities
- SBIAA will pay to County Fire up to \$766,159 for ARFF services, which amount represents approximately 50% of the annual operating costs of the facility
- SBIAA shall provide a license to County Fire for use of SBIAA-owned ARFF equipment
- County Fire shall maintain SBIAA-owned equipment and make certain repairs as needed
- County Fire shall provide insurance through its self-insurance programs
- In addition, County Fire shall provide fire investigation, advanced life support, fire prevention, fire inspection, permit assistance, badging, air show and event support, rescue, as well as maintaining personnel training and equipment records in accordance with the FAA approved Airport Certification Manual
- County Fire will provide a captain-level position to function as the Emergency Management Liaison and will participate in annual emergency drills and associated airport training
- SBIAA shall have access to any books, documents, and records of the District

- County Fire shall accept the building on an AS IS basis

The proposed term of the lease is for up to Five (5) years, subject to a 365 calendar day termination provision. County Fire will provide 24-hour Aircraft Rescue and Firefighting (ARFF) services and will maintain the facilities and equipment. The San Bernardino International Airport Authority (SBIAA) will be responsible for payment to County Fire for ARFF related services up to \$1,153,406 per year, payable on a monthly basis as invoiced.

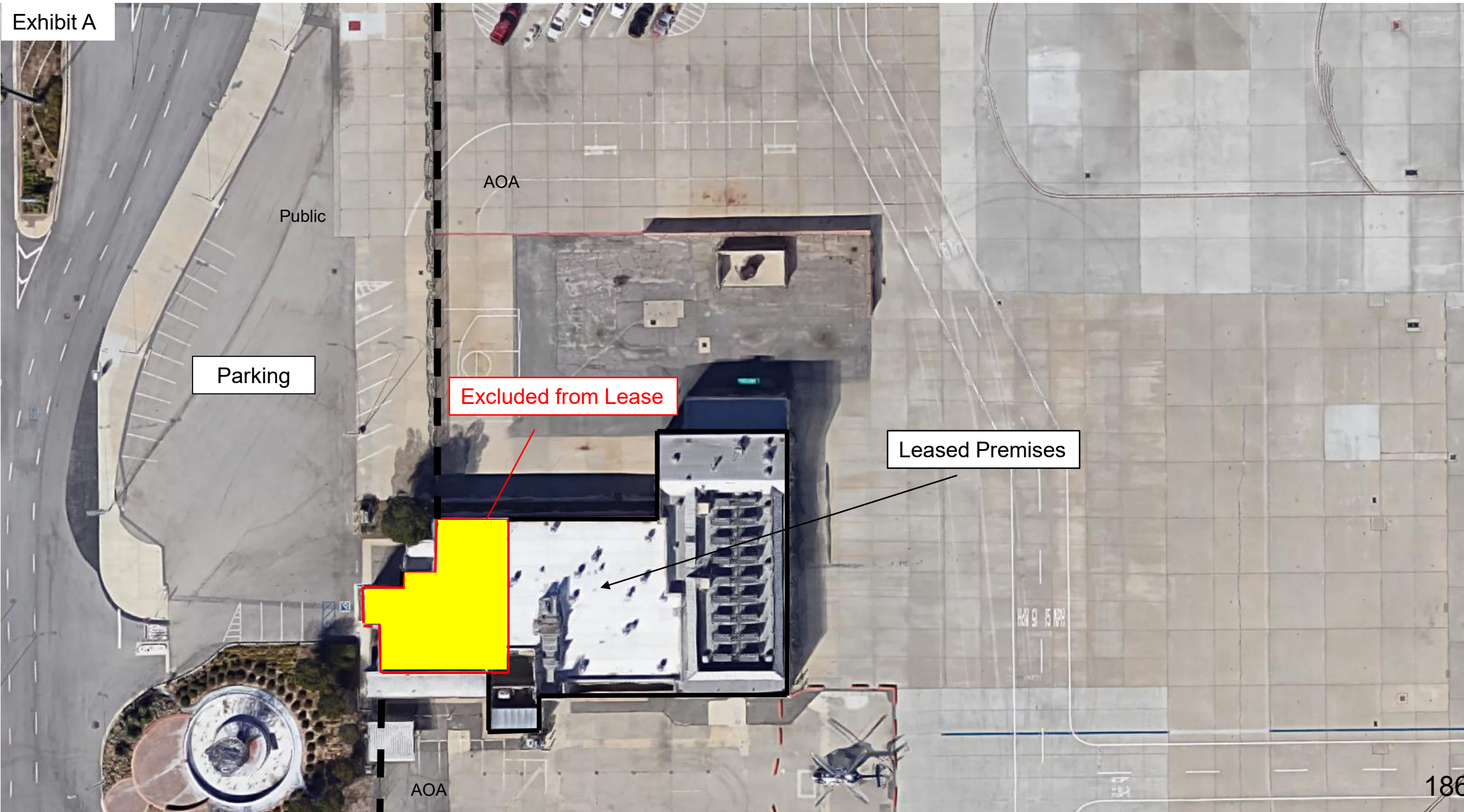
Staff recommends that the Commission approve the above recommended action.

**Attachments:**

1. Site Map
2. Amendment No. 4
3. Lease and Fire Services Agreement

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**Contract Number**

19-545 A-4

**SAP Number**

## San Bernardino County Fire Protection District

**Department Contract Representative**  
**Telephone Number**

Dan Munsey

387-5779

**Contractor**

San Bernardino International Airport  
Authority

**Contractor Representative**  
**Telephone Number**

Michael Burrows

909-382-4100

**Contract Term**

August 1, 2018 to June 30, 2026

**Original Contract Amount**

\$775,254 (Annual Amount)

**Amendment Amount**

\$1,153,406 (Annual Amount)

**Total Contract Amount**

**Cost Center**

### IT IS HEREBY AGREED AS FOLLOWS:

Pursuant to Section 15 of Agreement No. 19-545 (Agreement) between the San Bernardino International Airport Authority (SBIAA) and the San Bernardino County Fire Protection District (SBCFPD), SBIAA and SBCFPD agree to amend the Agreement as follows:

1. Section 2 is amended to read as follows:

2. Term

This Agreement shall be effective August 1, 2018, and shall remain in effect through June 30, 2026, subject to the termination provisions set forth in Section 5.

2. Section 7(a) is amended to read as follows:

7. Payment

(a) For the services provided by SBCFPD to SBIAA, on and after July 1, 2023, SBIAA shall pay SBCFPD the total lump sum of \$1,153,406 annually, subject to future annual adjustments as described in Section 3.B. SBIAA shall pay SBCFPD on a monthly basis in accordance with the payment schedule set below. A cost breakdown of the lump sum annual amount for SBCFPD Fiscal Year 2023-24 is shown in Exhibit "A", attached hereto and incorporated herein by this reference. Payments shall be due by the first (1st) day of each month of service. Payments received after sixty (60) days of when due shall include 10% simple interest after the sixtieth (60th) day of when due. SBCFPD shall have the right to terminate this Agreement sooner than provided for in Section 5 if the SBIAA does not make timely payments of its obligations hereunder to SBCFPD.

Month of Service	Payment Due	Payment Amount
July 2023	July 1, 2023	\$96,119

August 2023	August 1, 2023	\$96,117
September 2023	September 1, 2023	\$96,117
October 2023	October 1, 2023	\$96,117
November 2023	November 1, 2023	\$96,117
December 2023	December 1, 2023	\$96,117
January 2024	January 1, 2024	\$96,117
February 2024	February 1, 2024	\$96,117
March 2024	March 1, 2024	\$96,117
April 2024	April 1, 2024	\$96,117
May 2024	May 1, 2024	\$96,117
June 2024	June 1, 2024	\$96,117

All other terms of Agreement No. 19-545 shall remain in full force and effect.

This Amendment No. 4 may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Amendment No. 4. The parties shall be entitled to sign and transmit an electronic signature of this Amendment No. 4 (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Amendment No. 4 upon request.



This Amendment No. 4 shall take effect on the date it is signed by both parties.

**San Bernardino County Fire Protection District**

►

\_\_\_\_\_  
Dawn Rowe, Chair, Board of Directors

Dated: \_\_\_\_\_

SIGNED AND CERTIFIED THAT A COPY OF THIS  
DOCUMENT HAS BEEN DELIVERED TO THE  
CHAIR OF THE BOARD

Lynna Monell, Secretary

By \_\_\_\_\_  
Deputy

San Bernardino International Airport Authority

*(Print or type name of corporation, company, contractor, etc.)*

By ►

\_\_\_\_\_  
*(Authorized signature - sign in blue ink)*

Name \_\_\_\_\_  
*(Print or type name of person signing contract)*

Title \_\_\_\_\_  
*(Print or Type)*

Dated: \_\_\_\_\_

Address \_\_\_\_\_

**FOR COUNTY USE ONLY**

Approved as to Legal Form

►  
\_\_\_\_\_  
Scott Runyan, Principal Assistant County Counsel

Date \_\_\_\_\_

Reviewed for Contract Compliance

►  
\_\_\_\_\_

Date \_\_\_\_\_

Reviewed/Approved by Department

►  
\_\_\_\_\_  
Dan Munsey, Fire Chief/Fire Warden

Date \_\_\_\_\_

## EXHIBIT A

**San Bernardino International Airport (SBIAA) - Station 233 (Cost Share)**  
**FY 2023-24 Annual Costs**  
**May 9, 2023**

<b>Salaries and Benefits</b>	<b>Number of Positions</b>	<b>Average Cost Per Position</b>	<b>Annual Cost</b>
<b>Suppression</b>			
Captain - 50% of (3)	1.5	346,830	520,245
Engineer - 50% of (3)	1.5	312,162	468,243
<b>Suppression Total</b>	<b>3</b>		<b>\$ 988,487</b>
<b>Chief Officers</b>			
Assistant Chief 3.61 % of (1)	0.04	351,963	12,722
Battalion Chief 1.68 % of (15)	0.02	419,007	7,042
<b>Chief Officers Total</b>	<b>0.05</b>		<b>\$ 19,764</b>
<b>Total Salaries and Benefits</b>	<b>3.05</b>		<b>\$ 1,008,251</b>
<b>Operating Expenses</b>			
<b>Services and Supplies (50%)</b>			35,341
<b>Station Expenses</b>			
233 Airport (50%)			82,870
<b>Total Services and Supplies and Station Expenses</b>			<b>\$ 118,211</b>
<b>Administrative Overhead Costs</b>			21,644
<b>Total Operating Expenses</b>			<b>\$ 139,855</b>
Equipment - Freezer (100%)			5,300
<b>Total Annual Service Contract Requirements</b>			<b>\$ 1,153,406</b>

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY

Contract Number

19-545

SAP Number

## San Bernardino County Fire Protection District

Department Contract Representative  
Telephone Number

Don Trapp  
387-5779

Contractor

San Bernardino County  
International Airport Authority

Contractor Representative  
Telephone Number  
Contract Term

Michael Burrows  
909-382-4100  
August 1, 2018 through June 30,  
2023

Original Contract Amount  
Amendment Amount  
Total Contract Amount  
Cost Center

**Briefly describe the general nature of the contract:** *Agreement between the San Bernardino County Fire Protection District and the San Bernardino International Airport Authority to contract for provisions including certain fire protection and Aircraft rescue and Fire Fighting services.*

### FOR COUNTY USE ONLY

Approved as to Legal Form

  
Scott Runyan, Deputy County Counsel

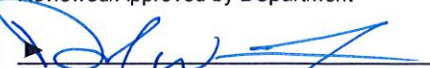
Date 7-15-19

Reviewed for Contract Compliance

►

Date

Reviewed/Approved by Department

  
Don Trapp, Interim Fire Chief/Fire Warden

Date 7/15/2019

## LEASE AND FIRE SERVICES AGREEMENT

THIS AGREEMENT is made upon approval by both parties, by and between the San Bernardino County Fire Protection District, existing pursuant to the Constitution and laws of the State of California (the "DISTRICT"), and the San Bernardino International Airport Authority, a joint exercise of powers authority established pursuant to Government Code Section 6500, et seq. (the "SBIAA").

### WITNESSETH

WHEREAS, the SBIAA is the fee title owner of certain property depicted on Exhibit "A" (the "Airport"), including a portion thereof which has situated thereon an Airport fire station suitable for maintaining an aircraft fire crash rescue operation (the "Fire Station" as additionally depicted on Exhibit "B") in support of the aviation related activities of the SBIAA; and

WHEREAS, the SBIAA desires to contract for the provision of certain fire protection and Aircraft Rescue and Fire Fighting (ARFF) services and other services incidental thereto at the San Bernardino International Airport; and

WHEREAS, the DISTRICT is willing and able to perform such services for the benefit of SBIAA and its customers.

NOW, THEREFORE, THE DISTRICT AND THE SBIAA HEREBY AGREE AS FOLLOWS:

#### Section 1. Leased Premises.

(a) The SBIAA leases to the DISTRICT, and the DISTRICT leases from the SBIAA, portions of that certain building known as Building No. 680 on the Airport and further described as the Fire Station as set forth on Exhibits "A" and "B", inclusive of the Common Area as defined below but exclusive of the Excluded Areas as defined below (the Fire Station, exclusive of the Excluded Areas but inclusive of the adjacent parking areas and other areas depicted on said Exhibit "B" shall be considered herein as the "Leased Premises"). This lease for the Leased Premises portion of the Fire Station shall include (i) the Fire Station exclusive of the Excluded Area, (ii) the adjacent parking area to the south of the Fire Station (South Parking Area) for six (6) passenger vehicles located within the secured fence line area which shall be available for the exclusive use of the DISTRICT for the parking of passenger vehicles, and (iii) the paved area extending approximately 30' east of the east wall of the Fire Station (East Paved Area), not including any Airport roadway or walkway, as further depicted in Exhibit "B." The DISTRICT shall also have the right to use the Common Area on a non-exclusive basis together with the tenants and the business guests and invitees of the tenants occupying the Excluded Areas.

(b) The Leased Premises as described in said Exhibit "A" shall specifically exclude (i) that portion of the office areas of the Fire Station which will be separately leased by the SBIAA, or otherwise reserved by the SBIAA, for use and occupancy, and (ii) the HVAC Mechanical Room, Electrical Room, and badging room as depicted on Exhibit "B" (the "Excluded Areas"). The lessees and all occupants and tenants of the Excluded Areas shall have the exclusive right to use, and not to exceed five (5) of the designated public parking spaces at the location depicted on Exhibit "B" (Public Parking Areas) and shall have the right to use, in common with the DISTRICT, the other common area facilities including restrooms, hallways, kitchen areas and entrances and exits as depicted on Exhibit "A" (the "Leased Premises").

(c) All personnel of the DISTRICT occupying the Leased Premises shall park within (i) the area designated as the On-Site Parking for passenger vehicles only and (ii) the service bays portion of the Fire Station for all other vehicles and apparatus; provided, however, that the two (2) items of apparatus of SBIAA described in Section 8 hereof shall have priority of parking in two such service bays. All other vehicles of the DISTRICT shall be parked within the public parking areas located adjacent to the Fire Station within public access areas of the Fire Station or in other public parking lots in the vicinity of the Fire Station.

## Section 2.            Term.

The term of this Lease Agreement shall commence retroactively to August 1, 2018, and shall remain in effect until June 30, 2023 (the "Initial Term"), subject to the termination provisions set forth in Section 5, below. The DISTRICT shall be entitled to assume possession and the use and occupancy of the Leased Premises immediately upon the effective date of this Lease Agreement.

## Section 3.            Lease Renewal; Renegotiation.

Either party may inform the other party of the necessity in the sole determination of the party seeking to initiate a renegotiation that such party desired to formally initiate a renegotiation of any term or provision of this Agreement whether due to a change in circumstances regarding the level of activity at the Airport or for any other operational, staffing or financial concerns of either party. Such party seeking to initiate such renegotiation shall provide the other party with at least thirty (30) days' prior written notice of the intent of such party to renegotiate this Agreement and stating the reasons for such renegotiation and the intended changes or modifications to this Agreement. Neither party shall have any duty or obligation to negotiate with the party delivering such notice of renegotiation, and in the event the party receiving the notice of renegotiation fails or refuses to meet with the other party for any such renegotiation, then the sole recourse available to the party seeking to renegotiate this Agreement shall be to either continue with the existing terms and provisions of this Agreement or to terminate this Agreement pursuant to Section 5.

Section 4.                    Lease Payment.

The annual rent payable by the DISTRICT to the SBIAA pursuant to this Lease Agreement shall be one dollar (\$1.00) per year.

Section 5.                    Termination.

This Lease Agreement may be terminated by either the DISTRICT or the SBIAA at any time without cause and without any stated reason upon delivery of at least three hundred sixty-five (365) days' written notice to the other party in the manner required for the delivery of notices pursuant to Section 14 hereof. This Lease Agreement shall then be effectively terminated as of the date to be set forth in the notice of termination as may be timely delivered by the party seeking to so terminate this Lease Agreement. Upon termination, the DISTRICT shall be compensated only for those services which have been rendered to the SBIAA by and through the date of termination, and the DISTRICT shall be entitled to no further compensation.

Section 6.                    Use of Leased Premises/Scope of Services Provided by DISTRICT.

(a) During the Initial Term and any Extended Term of this Lease Agreement, the DISTRICT may use the Fire Station and the Leased Premises for the purpose of providing (i) Aircraft Rescue and Firefighting services to the Airport and the SBIAA, (ii) such additional levels of structural fire, emergency response and other life safety and paramedic services as the DISTRICT may determine at its sole option based upon demonstrated need and availability of personnel, financial resources and equipment of the DISTRICT, and (iii) fire training services and facilities for the benefit of the Airport and the DISTRICT fire fighters. Parking for vehicles and apparatus of the DISTRICT shall be restricted to the locations as set forth in Section 1(c) hereof.

(b) The DISTRICT shall provide to SBIAA the following services: Aircraft Rescue and Fire Fighting, fire investigation, advanced life support, fire prevention, fire inspection, permit assistance, badging, air show and event support, rescue services, maintain personnel training and equipment records in accordance with the FAA approved Airport Certification Manual, and ARFF services, and standards shall comply with DISTRICT criteria and State and Federal guidelines. Modifications may be mutually agreed to be DISTRICT and SBIAA, provided such modifications are made in writing.

(c) The DISTRICT shall make available to the SBIAA an office at the captain level position to function as Emergency Management liaison, consistent with level of service. The DISTRICT shall participate in annual emergency drills (as requested) and associated airport training.

(d) The SBIAA or any authorized representative shall have access to any books, documents, and records of the DISTRICT, which are pertinent to this Agreement for the purposes of making an audit or examination. All books, records and supporting detail shall be retained for a period of five (5) years after the term of this Agreement. The DISTRICT agrees that in the event audit exceptions are determined by appropriate audit agencies, it shall be the responsibility of the DISTRICT to comply.

## Section 7.            Payment.

(a) Within thirty (30) days of both parties executing this agreement, SBIAA shall pay to the DISTRICT an amount not to exceed \$706,932 for August 1, 2018, to June 30, 2019. SBIAA shall pay to the DISTRICT \$775,254 for July 1, 2019, to June 30, 2020. For services provided by DISTRICT for July 1, 2019, to June 30, 2020, SBIAA shall pay to the DISTRICT monthly installments of \$64,604.50 at the beginning of each month during the period of this Agreement. Payments will be negotiated annually based upon the provisions of Section 3 herein and by amendment to this Agreement. DISTRICT and SBIAA have the option to terminate this Agreement if the parties cannot agree on future annual payments, in accordance with Section 5, "Termination." Termination pursuant to this Section 7(a) does not require three hundred sixty-five (365) days' notice and shall take effect on the start of the following fiscal year (July 1<sup>st</sup>). Payments shall be due by the fifth (5<sup>th</sup>) day of each month. Payments received after sixty (60) days of when due shall include 10% simple interest after the sixtieth (60<sup>th</sup>) day against the amount owing.

(b) DISTRICT shall have the right to terminate this Agreement sooner than provided for in Section 2 if SBIAA does not make timely payments of its obligations hereunder to DISTRICT.

(c) DISTRICT shall have the right to annually renegotiate the rate of services performed under this Agreement. SBIAA shall be responsible for any future MOU and/or Compensation Plan for salary/benefit increases that may occur during the term of the Agreement. Unless otherwise negotiated, the annual increase for supplies (excluding Dispatching/Radio Charges) shall not exceed the annual All Urban Consumer Price Index (CPI) for the Los Angeles/Riverside/Orange County areas for any given year. The calculation period for the CPI will be January 1 to December 31 of the preceding year.

(d) DISTRICT may give notice to SBIAA of increased costs incurred by DISTRICT in providing the services pursuant to this Agreement, and this Agreement may be amended to reflect the increased costs to DISTRICT, with any such amendment to be effective the date the costs for DISTRICT are increased. DISTRICT and SBIAA have the option to terminate this Agreement if the parties cannot agree on that amount of additional costs proposed by DISTRICT, in accordance with Section 5, "Termination." In the event of such termination, DISTRICT shall be paid for all services rendered until such termination date at the rates set forth in this Agreement.

(e) Annually, SBIAA and DISTRICT shall review staffing levels and SBIAA shall have the right at any time during the term of this Agreement to request a change in the level of fire protection services provided for herein. In such event, all provisions of this Agreement with respect to compensation paid by SBIAA shall remain in full force and effect, but in addition to payment of the sums herein provided, SBIAA shall pay DISTRICT in monthly installments the cost of such additional fire protection service.

(f) SBIAA shall not hold DISTRICT responsible for a reduction in fire protection services resulting from labor relation actions and SBIAA's obligation to pay DISTRICT shall be reduced for services not performed for that reason.

Section 8.            Acceptance of Leased Premises; Improvements.

The DISTRICT agrees that it shall utilize qualified DISTRICT personnel to inspect the Fire Station prior to assuming actual possession thereof and shall report in writing to the SBIAA as to any physical deficiencies in the major components set forth in the next succeeding sentence to be cured by the SBIAA prior to such possession by the DISTRICT. The SBIAA shall have no obligation to cause to be made any structural change, improvement, modification, alteration or addition to the Fire Station. The SBIAA shall not be obligated for compliance with any other occupancy requirements that may be imposed upon the DISTRICT, including, but not limited to, access by disabled persons and earthquake structural safety. The DISTRICT may at its own expense and with the prior written approval of the SBIAA cause to be made any structural or non-structural changes, improvements, modifications, alterations or additions as may better adapt the use of the Fire Station to the requirements of the DISTRICT for aircraft fire crash rescue purposes and for providing structural fire, emergency response and other life safety and paramedic services as the DISTRICT may determine at its sole option.

Section 9.            Equipment Provided by the SBIAA.

(a) The SBIAA hereby agrees to provide a license to DISTRICT for use of the SBIAA owned items of apparatus, which shall be the only apparatus furnished by the SBIAA to the DISTRICT during both the Initial Term and any Extended Term of this Lease Agreement, as set forth in Exhibit "C" ("Fire Equipment"). During the term of this Lease, the DISTRICT shall maintain in good repair the fire equipment and shall be financially responsible for said maintenance and repairs.

(b) The SBIAA agrees to be responsible for all major apparatus and equipment repairs and/or replacements unless the need for such repairs and/or replacements are the result of the negligent or willful misconduct of the DISTRICT, in which case the DISTRICT shall be responsible for promptly completing and paying for the costs of such repairs and/or replacements. Major apparatus and equipment repairs shall be defined as engine, transmission, drive train, pump and tank repairs which exceed \$1,000 for fire ARFF apparatus (including labor costs). SBIAA will remain financially responsible for new and replacement ARFF apparatus. If



the SBIAA fails to respond to the DISTRICT in a reasonable time, the DISTRICT shall include these costs as an element of the compensation paid by the SBIAA. Repairs to SBIAA owned vehicles for which the DISTRICT is responsible, unless such repairs are the result of the negligent or willful misconduct of the DISTRICT, shall be limited to an amount not to exceed \$40,000 annually. The SBIAA shall be directly billed for repairs exceeding this limit, only if the DISTRICT provided reasonable advanced written notification to the SBIAA, and the SBIAA duly authorized such repairs.

(c) The cost of providing, maintaining, and operating all property, furnishings, equipment, real or personal, furnished fire equipment set forth in Exhibit "C" ("Fire Equipment") as provided for above shall be borne by the DISTRICT unless otherwise provided for herein or by separate written agreement. New additional equipment and replacement of equipment with a value in excess of \$2,000 will be borne by the SBIAA.

(d) The DISTRICT and the SBIAA shall assist and cooperate, and shall participate and coordinate efforts to obtain all available grants, reimbursements, and related programs to enhance funding for the SBIAA.

(e) In order to achieve economies of scale, the SBIAA may authorize the DISTRICT to purchase equipment, apparatus, and supplies on behalf of the SBIAA. Recognizing that fire and emergency medical equipment, apparatus, and supplies are specialized for these functions, the SBIAA agrees to coordinate with the DISTRICT's specifications when the SBIAA makes such purchases.

#### Section 10. Repairs and Maintenance.

(a) The SBIAA shall be responsible for all major structural repairs and/or replacements which exceed \$1,000 per occurrence (including labor costs) to SBIAA owned facilities. Major structural repairs shall be defined as major plumbing problems where the slab or wall must be broken to access, major concrete replacement, major asphalt replacement, roof replacement, apparatus door replacement, major electrical or HVAC problems, and the structural integrity of the building and facility replacement due to fire, flood, earthquake, or any other natural or man-made disaster causing the facility to be rendered uninhabitable. The foregoing shall apply unless the need for such repairs and/or replacements are the result of the negligent or willful misconduct of the DISTRICT, in which case DISTRICT shall be responsible for promptly completing and paying for the costs of such repairs and/or replacements. Except as specifically set forth herein, SBIAA will remain financially responsible for new and replacement SBIAA facilities.

(b) The DISTRICT shall be responsible for the cleaning, sweeping, and maintenance of all exterior areas of the Fire Station including structural exterior walls, landscaping, concrete access areas adjacent to both the Fire Station and the Leased Premises and including the refuse container area. The DISTRICT shall, at its own expense, maintain and keep

the interior walls, electrical and utilities, HVAC, plumbing, living quarters and furnishings and appliances, interior passage doors and windows with in the exterior walls of the entire Fire Station in a safe and maintained condition.

Section 11.            Utilities.

The DISTRICT shall pay all utility service charges, including charges for electrical, gas, telephone, data, water, refuse disposal, janitorial, and maintenance related expenses for services provided to the Premises.

Section 12.            Removal of Equipment and Personal Property.

(a) The DISTRICT shall, upon the expiration or termination of this Lease Agreement and for a period of time not to exceed thirty (30) calendar days thereafter, have the right to remove all furniture, movable equipment and other items of personal property that are not considered as fixtures and additions to the Fire Station. Nothing shall be removed by the DISTRICT which is in any manner affixed or attached to the floors or walls and the removal of which would render the Fire Station less usable or would cause damage to any walls, floors, ceilings or windows.

(b) Any personal property or other equipment that is placed in the Leased Premises by the SBIAA pursuant to an inventory list delivered to the DISTRICT shall remain the personal property of the SBIAA unless ownership thereof is otherwise specifically transferred by the SBIAA to the DISTRICT by appropriate written instrument.

Section 13.            Destruction of Leased Premises.

If during the term hereof the Leased Premises are damaged or destroyed by fire or other casualty, neither party shall have any obligation to repair any portion of the Leased Premises and this Lease Agreement shall be subject to immediate termination effective upon receipt of notice of termination delivered by the terminating party to the other party; provided however, that the DISTRICT shall have the right, but not the obligation, to repair the Leased Premises to the extent necessary to continue in possession of the Leased Premises for the remainder of the then current term of this Lease Agreement.

Section 14.            Notices.

Any and all notices required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered, or (ii) mailed certified or registered mail, via United States Postal Service, return receipt requested, postage prepaid, or (iii) delivered by express delivery

service or messenger service, or (iv) dispatched through other electronic means or by verified fax transmission, to the respective parties at the addresses indicated below.

If to SBIAA:

San Bernardino International Airport Authority  
1601 East Third Street, Suite 100  
San Bernardino, CA 92408  
Attn: Executive Director  
Tel: 909-382-4100  
Fax: 909-382-4106

If to the DISTRICT:

San Bernardino County Fire Protection District –Administration  
157 W. 5<sup>th</sup> Street, 2<sup>nd</sup> Floor  
San Bernardino, CA 92410  
Attn: Fire Chief/Fire Warden  
Tel: 909-387-5779  
Fax: 909-387-5742

Any party may change its address by delivery of notice to the other party in the manner as set forth above.

Section 15.        Amendments.

This Lease Agreement may be amended or modified by the parties at their sole discretion only by the written agreement duly approved pursuant to official action of and executed by both parties in the manner as required by State Law. Failure on the part of either party to enforce any provisions of this Lease Agreement shall not be construed as a continuing waiver of the right to compel enforcement of such provision or provisions, and such failure to enforce any provision of this Lease Agreement shall never constitute nor be deemed to constitute an amendment to this Lease Agreement without the official action of the parties to specifically approve any such amendment.

Section 16.        Indemnification.

(a) DISTRICT, to the extent permitted by law, agrees to indemnity and hold harmless the SBIAA, its officers, agents, employees and volunteers from any and all claims including employment related claims, actions or losses, damages, and/or liability resulting from

DISTRICT's negligent acts or omissions which arise from DISTRICT's performance of its obligations under this Agreement.

(b) The SBIAA, to the extent permitted by law, agrees to indemnify and hold harmless DISTRICT and its officers, employees, agents and volunteers from any and all claims including employment related claims, actions, losses or damages and/or liability arising out of the SBIAA's negligent acts or omissions which arise from SBIAA's performance of its obligations under this Agreement.

(c) In the event SBIAA and/or DISTRICT is found to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under this Agreement, SBIAA and/or DISTRICT shall indemnify the other to the extent of this comparative fault.

(d) Notwithstanding indemnification for any claim, action losses, or damage involving a third party, the SBIAA and DISTRICT hereby waive any and all rights or subrogation recovery against each other.

#### Section 17.        Insurance.

(a) DISTRICT is an authorized self-insured public entity for purposes of Professional Liability, General Liability, Automobile Liability, Workers' Compensation and Property Damage and warrants that through its respective programs of self-insurance, it has adequate coverage or resources to protect against liabilities arising out of the performance of the term, conditions or obligations of this agreement.

(b) DISTRICT shall provide vehicle collision and comprehensive coverage through its JPA Insurance Program. For first party damages resulting in a total loss by DISTRICT use, reimbursement from DISTRICT's JPA Insurance shall be based on a depreciated value. Each party shall be responsible for providing and maintaining comprehensive insurance as necessary for the ongoing operations of the SBIAA.

(c) DISTRICT shall, within sixty (60) days of commencement of this Agreement, furnish certificates of insurance or self-insurance to SBIAA evidencing the insurance coverage including endorsements, above required prior to the commencement of performance of service hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to SBIAA, and DISTRICT shall maintain such insurance from the time DISTRICT commences performance of services hereunder until the completion of such services.

#### Section 18.        Validity.

If any of the terms, conditions, provisions or covenants of this Lease Agreement shall to any extent be judged to be invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, conditions, provisions and covenants of this Lease Agreement shall not be affected thereby and shall remain in full force and effect and be valid and enforceable to the fullest extent permitted by applicable law.

Section 19.            Entire Agreement.

No other understandings or agreements exist between the parties except as herein expressly stated herein with respect to the lease of the Fire Station. Any modifications or amendments to this Lease Agreement must be approved by the official actions of both the District and the governing board of the SBIAA and duly executed by authorized representatives of both parties.

Section 20.            Attorney Fees and Costs.

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own cost and attorney's fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorney's fees directly arising from a third-party legal action against a party hereto and payable under Section 16.

Section 21.            Venue.

The venue of any action for claim brought by any party to this Agreement will be the San Bernardino County Superior Court. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Agreement is brought by a third party, the parties hereto agree to use their best efforts to obtain a change of venue to the San Bernardino County Superior Court.

Section 22.            Successors and Assigns.

This Agreement shall be binding on the successors and assigns of the parties.

(Signature Page to Follow)


IN WITNESS WHEREOF, the parties have duly executed this Lease and Fire Services Agreement on the day and date identified below.

**San Bernardino Fire Protection District**

►   
Curt Hagman, Chairman, Board of Directors

Dated: 8-6-19

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

By   
Laura H. Welch, Secretary  
Lynna Moneill  
Deputy



**San Bernardino International Airport Authority**

(Print or type name of corporation, company, contractor, etc.)

By ►   
(Authorized signature - sign in blue ink)

Name Michael Burrows  
(Print or type name of person signing contract)

Title Executive Director  
(Print or Type)

Dated: 7/10/19

Address 1601 E. 3<sup>rd</sup> St. Suite 100  
San Bernardino CA 92408

**EXHIBIT "A"**

(Drawing of Premises demonstrating "Leased Premises" and "Excluded from Lease" areas)







**EXHIBIT “B”**  
**(Aerial View of Premises and Nearby Areas)**



"Exhibit B"





EXHIBIT "C"  
(Description of Fire Equipment)

Exhibit C

(Description of Fire Equipment)

Equipment Call Sign	TA-233	R-233	Red-233A	R-233B	EMS Response Trailer	Foam Trailer 233
VIN/SN	1FDKF38MXKNB80184	4ENDAAA86Y1001524	1R96WE6835 W490176	13069	N/A	N/A
Make	Ford	Emergency 1	Rosenbauer	Oshkosh	N/A	N/A
Model	P-20	P202	Panther 6x6	P-4	EMS Response Trailer	Foam Trailer 233



**TO: San Bernardino International Airport Authority Commission**

**DATE: August 23, 2023**

**ITEM NO: 14**

**PRESENTER: Mark Dennis, IT Manager**

**SUBJECT: APPROVE AN AGREEMENT WITH CLIMATEC, LLC IN AN AMOUNT OF \$158,326.97 FOR THE REPLACEMENT OF SECURITY CAMERAS IN THE DOMESTIC PASSENGER TERMINAL WITH A 5% CONTINGENCY IN THE AMOUNT OF \$7,916.35 - PHASE 2**

### **SUMMARY**

Approval of this item would authorize an agreement with Climatec, LLC in the amount of \$158,326.97, with a 5% contingency in the amount of \$7,916.35, to furnish, install, and configure Avigilon Security Cameras for necessary upgrades to the Domestic Passenger Terminal Security System.

### **RECOMMENDED ACTION(S)**

Approve an agreement with Climatec, LLC for the purchase, installation and configuration of Avigilon Security Cameras in the amount of \$158,326.97, with a \$7,916.35 contingency; and authorize the Chief Executive Officer to execute all related documents.

### **FISCAL IMPACT**

Funding for this agreement was included in the San Bernardino International Airport Authority's (SBIAA) Fiscal Year 2023-2024 Budget in the General Fund, Account 50261 – IT Equipment & Communications in the amount of \$833,000 of which \$166,244 is allocated to this agreement.

PREPARED BY:	Mark Dennis
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	Michael Burrows

**BACKGROUND INFORMATION**

In compliance with Transportation Security Administration (TSA) requirements, camera coverage within the Domestic Terminal is necessary to manage and respond to security and emergency situations in order to ensure the safety and security of the traveling public.

Staff has determined that compliance with TSA requirements is best achieved through replacement of existing equipment, using Avigilon Cameras as the most cost effective course of action. This is Phase-2 of the camera upgrade project in the Domestic Terminal.

Quotes were solicited from three authorized Avigilon resellers:

1. Climatec LLC: \$158,326.97
2. CDW-G: declined to bid
3. Presidio Inc: non-responsive quote

Presidio submitted an incomplete proposal for the required scope of work, and was deemed non-responsive. Climatec provided the most cost effective responsive proposal.

Staff requests SBIAA Commission approval of the above referenced action.

**Attachments:**

1. Climatec Quote
2. Summary of Respondent Proposals

# SECURITY & LIFE SAFETY

WE MAKE BUILDINGS WORK FOR YOU



A CLIMATEC SOLUTION

**SBIA Terminal Cameras Phase 3**  
**08/15/2023**

**Presented by**

**Chris Ling**

**Business Development Manager**

# CLIMATEC SOLUTION PROPOSAL

**Project Name: SBIA Terminal Cameras Phase 3**

**Project Address: 105 N. Leland Way, San Bernardino, CA 92408**

## **SCOPE OF WORK:**

- **Base Bid**
  - Supply and install (31) Avigilon Cameras based on attached table and device mark-ups. All mounting brackets and hardware are included.
    - (19) New locations.
    - (12) Replacements.
  - Pull CAT6 cable from new locations to Switches in IDF Rooms. Replacements to utilize existing cabling.
  - Programming to add new Cameras into Avigilon system.
  - Position, focus, and test new Cameras.
  - Project management.
  - One Year (12 mo.) warranty on parts and labor.
- **Add Alternate**
  - Supply and install Conduit for Cameras #12, #13, #25, #26, #27, #28, #29, #30, and #31.

## **GENERAL CONDITIONS:**

- Work shall not be performed until contract/purchase order has been fully executed and approved.
- Prevailing wage labor costs based on standard working hours (Monday-Friday, 7am-4pm). Additional costs will be required if afterhours labor is needed.
- This proposal is valid for 30 days.

## **EXCLUSIONS:**

- Warranty on any existing equipment.
- Union Labor if required.
- Performance and Payment Bonds.
- All 120VAC electrical wiring by others.
- Conduit, Penetrations, Wire Racks, UPS Power, Equipment, Rack Space.
- Network Infrastructure, Network Connections, Network IP Addresses, Bandwidth requirements.
- Servers & Workstations with OS & Data Base.
- After hours, weekends, over-time and expedited work schedules.
- Paint, Patch, Ceiling Tile Replacement, Access Panels, Fire Caulking, or Concrete Coring.
- Permits, third-party testing fees, PE stamps or Seismic Structural Calculations.
- Project phasing.
- Weekly meetings and full-time/on-site project management.
- Parking fees.
- Lift provided by others if required.
- Any Fire Alarm interface.



CAMERA #	MODEL NUMBER	SCOPE	LOCATION	MOUNT
1	20C-H4A-4MH-360	REPLACEMENT	NORTH CURB SIDE	CEILING
2	20C-H4A-4MH-360	REPLACEMENT	NORTH BAG CLAIM	CEILING
3	20C-H4A-4MH-360	REPLACEMENT	TERMINAL BY IDF	CEILING
4	20C-H4A-4MH-360	REPLACEMENT	TERMINAL BY CAFÉ	CEILING
5	15C-H4A-3MH-270	NEW	TICKET AREA	WALL/PENDANT
6	5.0C-H6M-D2-IR	NEW	TICKET AREA	CEILING NO MOUNT
7	15C-H4A-3MH-270	NEW	SOUTH TERMINAL	CEILING
8	20C-H4A-4MH-360	REPLACEMENT	SOUTH CURB SIDE	CEILING
9	15C-H4A-3MH-180	NEW	TSA AREA	WALL/PENDANT
10	15C-H4A-3MH-180	NEW	TSA AREA	WALL/PENDANT
11	15C-H4A-3MH-270	NEW	TSA AREA	CORNER/PENDANT
12	15C-H4A-3MH-180	NEW	BAG CLAIM	WALL/PENDANT
13	5.0C-H6M-D2-IR	NEW	BAG CLAIM CONVEYOR	CEILING NO MOUNT
14	15C-H4A-3MH-180	REPLACEMENT	EAST BAG CLAIM	WALL/PENDANT
15	15C-H4A-3MH-270	REPLACEMENT	N/W EXTERIOR POLE	POLE MOUNT/PENDANT
16	15C-H4A-3MH-180	NEW	N/W EXTERIOR POLE	POLE MOUNT/PENDANT
17	5.0C-H6M-D2-IR	NEW	2ND FLOOR CAFÉ	CEILING NO MOUNT
18	15C-H4A-3MH-270	REPLACEMENT	N/E EXTERIOR POLE	POLE MOUNT/PENDANT
19	20C-H4A-4MH-360	REPLACEMENT	S/W EXTERIOR POLE	POLE MOUNT/PENDANT
20	15C-H4A-3MH-180	NEW	S/W EXTERIOR POLE	POLE MOUNT/PENDANT
21	20C-H4A-4MH-360	REPLACEMENT	S/E EXTERIOR POLE	POLE MOUNT/PENDANT
22	8.0C-H5A-PTZ-DP36	NEW	S/E EXTERIOR POLE	POLE MOUNT/PENDANT
23	15C-H4A-3MH-180	REPLACEMENT	EAST BUILDING	WALL/PENDANT
24	15C-H4A-3MH-180	REPLACEMENT	EAST BUILDING	WALL/PENDANT
25	5.0C-H6M-D2-IR	NEW	JET BRIDGE ENTRY	CEILING NO MOUNT
26	12.0W-H5A-FE-DC1	NEW	JET BRIDGE CONTROL	CEILING NO MOUNT
27	5.0C-H5A-DO2	NEW	JET BRIDGE ENTRY	CEILING NO MOUNT
28	5.0C-H5A-DO2	NEW	JET BRIDGE CENTER	CEILING NO MOUNT
29	12.0W-H5A-FE-DC1	NEW	JET BRIDGE CONTROL	CEILING NO MOUNT
30	5.0C-H5A-DO2	NEW	JET BRIDGE ENTRY	CEILING NO MOUNT
31	12.0W-H5A-FE-DC1	NEW	JET BRIDGE CONTROL	CEILING NO MOUNT

# MATERIAL LIST

Qty	Part No.	Material Description	Part Cost	Ext Price
<b>Base Bid</b>				
8	15C-H4A-3MH-180	3x 5 MP, WDR, LightCatcher, 4mm, Camera Only	\$1,811.68	\$14,493.41
7	20C-H4A-4MH-360	4x 5 MP, WDR, LightCatcher, 2.8mm, Camera Only	\$2,113.63	\$14,795.42
3	12.0W-H5A-FE-DC1	12.0 MP, Fisheye In-ceiling Camera, Day/Night, WDR, 1.6mm f/2.0, Next-Generation Analytics	\$1,115.03	\$3,345.09
4	5.0C-H6M-D2-IR	5.0 MP, H6 Mini Dome Camera, WDR, LightCatcher, Day/Night, 2.4mm f/2.1, IR	\$509.93	\$2,039.71
1	8.0C-H5A-PTZ-DP36	H5A, 8MP 36x Pendant PTZ Dome	\$3,517.78	\$3,517.78
3	5.0C-H5A-DO2	5.0 MP WDR, LightCatcher, Day/Night, Outdoor Dome, 9-22mm f/1.6 P-iris lens, Next-Generation Analytics	\$1,202.87	\$3,608.60
5	15C-H4A-3MH-270	3x 5 MP, WDR, LightCatcher, 2.8mm, Camera Only	\$1,811.68	\$9,058.38
31	ACC7-ENT	ACC 7 Enterprise camera channel	\$297.35	\$9,217.94
7	H4-MT-POLE1	Pole mount adapter for use with H4A-MT-Wall1, H4-BO-JBOX1, H4SL, H4F, H4 PTZ, H4 IR PTZ and H4 Multisensor cameras.	\$90.59	\$634.12
6	H4AMH-AD-DOME1	Outdoor surface mount adapter, must order either a H4AMH-DO-COVR1 or H4AMH-DO-COVR1-SMOKE.	\$161.03	\$966.18
8	H4AMH-AD-PEND1	Outdoor pendant mount adapter, must order one of IRPTZ-MNT-Wall1 or IRPTZ-MNT-NPTA1 and one of H4AMH-DO-COVR1 or H4AMH-DO-COVR1-SMOKE.	\$161.03	\$1,288.24
20	H4AMH-DO-COVR1	Outdoor Dome Cover for H4 Multisensor	\$161.03	\$3,220.59
1	H4-MT-CRNR1	Corner mount adapter for use with H4A-MT-Wall1, H4-BO-JBOX1, H4SL, H4F, H4 PTZ, H4 IR PTZ and H4 Multisensor cameras.	\$90.59	\$90.59
7	IRPTZ-MNT-NPTA1	Pendant NPT adapter. For use with H4 IR PTZ or H4A-MH-AD-PEND1 on H4 Multisensor.	\$55.35	\$387.47
7	IRPTZ-MNT-WALL1	Wall arm for use with H4 IR PTZ or H4A-MH-AD-PEND1 on H4/H5 Multisensor.	\$95.62	\$669.32
20	POE-INJ2-60W-NA	Indoor single port Gigabit PoE++ 60W, North American power cord included. May also be used in European Union, Japan, Australia, New Zealand, Mexico, China, South Korea, Russia, Argentina, Saudi Arabia, Kuwait, UAE and Brazil. Temperature range of the PoE injector is -10C to +45C (14 °F to 113 °F). When used with the H4 IR PTZ, the camera will operate in a reduced temperature range from -10 °C to +50 °C (14 °F to 122 °F).	\$150.97	\$3,019.41
1	Installation Material	Cable, Mounting Supplies, Connectors, etc.	\$5,882.35	\$5,882.35
<b>Add Alternate</b>				
1	Conduit	300' of conduit	\$441.18	\$441.18
1	Misc. Hardware	Misc. Hardware	\$882.35	\$882.35

# PROPOSAL SUMMARY

## **PROJECT PRICE**

### **Base Bid:**

Material	\$76,234.60
Sales Tax – 8.75%	\$6,670.53
Freight	\$2,287.04
Technician Labor	\$57,986.96

<b>Total Price</b>	<b>\$143,179.13</b>
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### **Add Alternate:**

Material	\$1,323.53
Sales Tax – 8.75%	\$115.81
Freight	\$39.71
Technician Labor	\$13,668.79

<b>Total Price</b>	<b>\$15,147.84</b>
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**By signing below, I accept this proposal and agree to the terms and conditions contained herein.**

\_\_\_\_\_  
Customer Name (Printed):

\_\_\_\_\_  
Customer Signature:

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

Please reach out if you have any questions:

### **Chris Ling**

Business Development Manager | Anaheim, CA

Security & Life Safety

C: 657-650-8940

E: [cling@climatec.com](mailto:cling@climatec.com)



# TERMS & CONDITIONS

The sale of Equipment & Services by Climatec to the Customer are subject to the following terms and conditions regardless of other terms and conditions in any purchase order, document, or other communication of Customer. This agreement may only be modified in writing signed by authorized representative of both Climatec and Customer.

1. **SCOPE OF WORK.** This proposal is valid for 60 days from date of proposal. Beyond that time Climatec reserves the right to revise any or all portions of it. This proposal is based upon the use of straight time labor only unless stated otherwise in this proposal. Unless specifically noted in the statement of the scope of the work or services undertaken by Climatec under this agreement, Climatec's obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal or disposal of environment Hazards or dangerous substances, to include but not to be limited to asbestos, PCBs, or mold discovered in or on the premises. Proceeding with the scope of work defined in this agreement indicates acceptance of the terms & conditions of the agreement.
2. **INVOICING & PAYMENTS.** Climatec may invoice Purchaser for all materials delivered to the job site or to an off-site storage facility and for the work performed on-site and off-site. Purchaser agrees to pay Climatec amounts invoiced upon receipt of invoice. Waivers of lien will be furnished upon request, as the work progresses; to the extent payments are received. If Climatec's invoice is not paid within 30 days of its issuance, it is delinquent and Climatec shall add 1% per month interest onto delinquent amounts.
3. **WARRANTY.** Climatec is not the manufacturer of the Equipment, Products or Software. To the extend legally and contractually permitted. Warranty period shall be 12 months from the date of delivery of the Equipment, Products or Software. For Equipment or Products installed by Climatec, if Purchaser provides written notice to Climatec of any such defects within thirty (30) days after the appearance or discovery of such defect, Climatec shall, at its option, repair or replace the defective equipment and return said equipment to Purchaser. CLIMATEC MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, SUCH AS WARRANTY OF MERCHANTABILITY, FITNESS FOR PURPOSE OR NON-INFRINGEMENT. CLIMATEC FURTHER DISCLAIMS THAT THESE WARRANTIES DO NOT EXTEND TO ANY EQUIPMENT DUE TO NORMAL WEAR AND TEAR OR TO EQUIPMENT WHICH HAS BEEN REPAIRED BY OTHERS, ABUSED, NEGLECTED, ALTERED, IMPROPERLY USED, DAMAGED (WHETHER CAUSED BY ACCIDENT OR OTHERWISE), MODIFIED, USED FOR PURPOSES OTHER THAN MANUFACTURER'S INTENTION, OR WHICH HAS NOT BEEN PROPERLY AND REASONABLY MAINTAINED. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF EXPRESS OR IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO CUSTOMER. IN THAT EVENT, SUCH WARRANTIES ARE LIMITED IN DURATION TO THE WARRANTY PERIOD.
4. **INDEMNIFICATION.** Customer shall indemnify, defend and hold Climatec harmless from any claims based on (i) Climatec compliance with Customer's designs, specifications, instructions, (ii) modification of any Product by anyone other than Climatec (iii) negligent act or omission by Customer, (iv) breach of this agreement. UNDER NO CIRCUMSTANCES SHALL CLIMATEC, ITS AFFILIATES OR SUPPLIERS BE LIABLE FOR ANY OF THE FOLLOWING, EVEN IF INFORMED OF THEIR POSSIBILITY; DAMAGES CLAIMS BY ANY THIRD PARTY, WHETHER OR NOT THE CLAIMS ARE BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE; LOSS OF, DAMAGE TO, DATA; SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, INDIRECT DAMAGES, OR ANY ECONOMIC CONSEQUENTIAL DAMAGES; OR LOST PROFITS, BUSINESS REVENUE, GOODWILL, OR ANTICIPATED SAVINGS.
5. **LIMITATION OF LIABILITY.** Climatec's entire liability to Customer in the aggregate is limited to Customer's direct damages up to an amount not to exceed \$100,000.
6. **TAXES.** The price of this proposal does not include duties, sale, use, excise or other similar taxes unless required by federal, state or local law or unless stated otherwise in this proposal. Purchaser shall pay, in addition to the stated price, all taxes not legally required to be paid by Climatec or, alternatively, shall provide Climatec with acceptable tax exemption certificates.
7. **FORCE MAJEURE/DELAYS.** Climatec shall not be liable for any delay or failure to fulfill its obligations under this agreement due to causes beyond its reasonable control resulting from or attributed to acts of circumstances beyond Climatec's control, including but not limited to epidemics, pandemics, acts of God, man-made or natural disasters, medical crisis, criminal acts, transportation delays, Government required shut-downs, labor disputes, conditions of the premise, acts or omissions of the Purchaser, Owner or other Contractors or delays caused by an inability to obtain labor (direct or subcontracted) or materials, products, equipment or software. If any product required to complete work becomes temporarily or permanently unavailable, Climatec shall (a) be excused from furnishing said materials or equipment, or (b) be reimbursed for the difference between the cost of the materials or equipment unavailable and the cost of an agreeable substitute therefore.
8. **GENERAL:**
  1. Climatec and Customer shall comply with all applicable federal, state, and local laws and regulations. Permits required for the execution of the work shall be obtained and paid for by the Customer unless stated otherwise in this proposal.
  2. All disputes involving more than \$15,000 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorney's fees incurred as a result. Nothing here shall limit any rights under construction lien laws.
  3. Insurance coverage in excess of Climatec's standard limits will be furnished when requested and required and at Climatec's discretion the costs of this additional insurance may be passed on to the Purchaser. No credit will be given or premium paid by Climatec for insurance afforded by others.
  4. The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act (OSHA) relating in any way to the project or project site.
  5. The unenforceability of or invalidity of any of these terms or conditions will not affect the remainder of the terms & conditions.
  6. This Agreement shall be governed in accordance with the laws of the State of Arizona.
  7. Climatec and Customer agree that electronic signatures may be used and will be legally valid, effective and enforceable.

Inland Valley Development Agency  
1601 East Third Street  
San Bernardino, CA 92408-0131



San Bernardino Int'l Airport Authority  
1601 East Third Street  
San Bernardino, CA 92408-0131

**QUOTE SUMMARY SHEET**

Requestor Name: Mark Dennis

Date: 08/16/23

Requesting Agency: ☒ SBIAA ☐ FBO ☐ IVDA Requesting Division: IT


Attachments (List): Quotes

General description of items/services requested and reasons:
Installation and replacement of security cameras to monitor domestic terminal passenger and airline operations

Item #	Date Quote Rec'd	Vendor Name	Address	Contact Person	Phone # / Email	Price Quoted
1	08/09/23	Presidio Networked Solutions Grp, LLC	110 Parkway Drive South Hauppauge, NY 11788	Joe Bowman	925.568.2453 josephbowman@presidio.com	\$ 148,984.50
2		CDW-G	200 N Milwaukee Ave Vernon Hills, IL 60061	Jordan Hamu	847.419.7342 jordham@cdwg.com	
3	08/08/23	Climatec LLC	2150 S. Towne Centre PL. Anaheim, CA 92806	Cris Ling	657-650-8940 cling@climatec.com	\$ 158,326.97

Notes:
CDW-G declined to bid, Presidio proposal was incomplete
Climatec proposal was the most cost effective solution



	<p><b>TO: San Bernardino International Airport Authority Commission</b></p> <p><b>DATE: August 23, 2023</b></p> <p><b>ITEM NO: 15</b></p> <p><b>PRESENTER: Michael Burrows, Chief Executive Officer</b></p>
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**SUBJECT: REVIEW STATUS OF THE ACTION PLAN FOR THE SAN BERNARDINO INTERNATIONAL AIRPORT AUTHORITY (SBIAA) THROUGH DECEMBER 31, 2023**

### **SUMMARY**

On December, 16, 2015, the SBIAA Commission adopted a Strategic Plan and in January 2020 updated its Business Plan and near term outlook. These helped identify key dates and deliverables in an effort to focus San Bernardino International Airport Authority (SBIAA) Staff and resources to increase organizational, operational efficiencies and results.

### **RECOMMENDED ACTION(S)**

Review the Action Plan for the San Bernardino International Airport Authority through December 31, 2023.

### **FISCAL IMPACT**

None. The proposed plan identifies staff resources for which funding is included in the General Fund of the adopted San Bernardino International Airport Authority (SBIAA) Budget for Fiscal Year 2023/24.

PREPARED BY:	Michael Burrows
CERTIFIED AS TO AVAILABILITY OF FUNDS:	Mark Cousineau
APPROVED AS TO FORM AND LEGAL CONTENT:	Scott Huber
FINAL APPROVAL:	SBIAA Commission

**BACKGROUND INFORMATION**

The Action Plan identifies key dates and deliverables in an effort to focus San Bernardino International Airport Authority (SBIAA) Staff and resources to increase organizational and operational efficiencies.

This status is offered for consideration and review. Updates and adjustments should be made, as appropriate, at each monthly interval.

For review and discussion.

**Attachments:**

1. SBIAA Action Plan

# August 2023 – Airport Focal Areas



Ensure Operational &  
Financial Stability

Stabilize Revenue Streams &  
Sources

Good Neighbor Program

Airport Outreach:  
Business Retention & Expansion

Green Energy Element

Fuel Farm Project

Airport Terminal

Grant Programs &  
Initiatives

International Trade

U.S. Customs





## San Bernardino International Airport Authority

# Draft Action Plan for SBIAA (12/31/23)

Month	Key Initiative	Key Resources	Completion Date
July 2023	Airport Terminal Enhancements; SBD Good Neighbor Program	SBIAA Commission, CEO., General Counsel, Director of Aviation, Director of Finance	July 30, 2023
August 2023	Airport Activity Update; Terminal Systems and Security Upgrades	SBIAA Commission, CEO., General Counsel, Director of Aviation, Director of Finance	August 31, 2023
September 2023	Technical Advisory Committee; Capital Plan Review; AOA Access Road Project	SBIAA Commission & Committee, CEO., Director of Aviation, Director of Finance	September 30, 2023
October 2023	International Trade Initiatives; Policy & Procedures Updates; Quarterly Financials	SBIAA Commission & Committee, Director of Finance, Director of Aviation, Asst. Secretary of Commission	October 31, 2023
November 2023	Legislative Initiatives; Quarterly Budget Adjustments	SBIAA Commission & Committee, CEO., Director of Finance, Exec Staff	November 30, 2023
December 2023	Business Plan Update; Finalize Annual Audit	SBIAA Commission & Committee, CEO, Director of Aviation, Director of Finance, Exec Staff	December 31, 2023

# SBIAA Near-Term Action Plan – Implementation



August 2023

Sub-Initiative Status:



Incomplete

In Process

Completed

Stabilize Tenants & Infrastructure



Update Operational Plans



Airport Terminal Improvements



Implement New Accounting and  
Agenda Software



Airport Fuel Farm Upgrades



SBIAA Infrastructure  
Assessments



International Trade

U.S. Customs

