

# ONTARIO INTERNATIONAL AIRPORT AUTHORITY

## COMMISSION AGENDA – REGULAR MEETING



**JANUARY 26, 2023, AT 2:00 P.M.**

**MEETING WILL BE A HYBRID MEETING HELD IN PERSON AND BY TELECONFERENCE**

Ontario International Airport Authority Administration Offices  
1923 East Avion Street, Room 100, Ontario, CA 91761

**ALAN D. WAPNER**  
President

**RONALD O. LOVERIDGE**  
Vice President

**JIM W. BOWMAN**  
Secretary

**CURT HAGMAN**  
Commissioner

**JULIA GOUW**  
Commissioner

**ATIF ELKADI**  
Chief Executive Officer

**LORI D. BALLANCE**  
General Counsel

**JOHN M. SCHUBERT**  
Treasurer

**NORMA I. ALLEY, MMC**  
Board Clerk/Assistant Secretary

### THIS MEETING WILL BE HELD VIA IN PERSON AND TELECONFERENCE

Pursuant to Assembly Bill No. 361, the Ontario International Airport Authority (OIAA) Commission Meeting is being conducted as a hybrid in person and teleconference. Members of the public may utilize alternative measures established by OIAA to view the meetings and/or to address the Commission members. Please see participation instructions below.

**To dial in, call:** (909) 544-5280

#### ANY MEMBERS OF THE PUBLIC WISHING TO PROVIDE PUBLIC COMMENT MAY DO SO AS FOLLOWS:

**LIVE VIA TELEPHONE:** You may call (909) 544-5280 the day of the meeting to speak live during the meeting. When it is time for public comment, press \*9 on your telephone keypad to raise your hand. When called to speak, you will be brought into the meeting. Press \*6 to unmute yourself. Comments will be limited to 3 minutes.

**E-MAIL:** You may submit public comments by e-mail to [publiccomment@flyontario.com](mailto:publiccomment@flyontario.com) no later than 12:00 p.m. the day before the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.

**MAIL:** You may mail in public comments to the OIAA Clerk's Office at 1923 E. Avion St., Ontario, CA 91761. Comments by mail must be received no later than 12:00 p.m. the day before the meeting. Postmarks are not accepted. All written comments will be included in the meeting record.

Any members of the public who require special assistance or a reasonable accommodation to participate telephonically in the meeting may contact the Board Clerk at (909) 544-5307 or [clerk@flyontario.com](mailto:clerk@flyontario.com). Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended.

## WELCOME TO A MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- Anyone wishing to speak during public comment, or on an agenda item, will be required to fill out a Request to Address Card (blue slip). Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- You may submit public comments by e-mail to [publiccomment@flyontario.com](mailto:publiccomment@flyontario.com) no later than 4:00 p.m. the day before the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.
- Comments will be limited to 3 minutes. Speakers will be alerted when their time is up and no further comments will be permitted. Speakers are then to return to their seats.
- In accordance with State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of the board room will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.
- Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. Any members of the public who require special assistance or a reasonable accommodation to participate may contact the Board Clerk at (909) 544-5307 or [clerk@flyontario.com](mailto:clerk@flyontario.com).

## CALL TO ORDER (OPEN SESSION)

### ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

### PLEDGE OF ALLEGIANCE

## AGENDA REVIEW/ANNOUNCEMENTS

The Chief Executive Officer will go over all updated materials and correspondence received after the Agenda was distributed to ensure Commissioners have received them.

### 1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Agenda item contractors, subcontractors and agents may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

## PUBLIC COMMENTS

The Public Comment portion of the Commission meeting is limited to a maximum of 3 minutes for each Public Comment. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

## CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time Commission votes on them, unless a member of the Commission requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the Commission on items listed on the Consent Calendar will be given a total of 3 minutes.

### 2. APPROVAL OF MINUTES

Approve minutes for the OIAA special meetings on December 15, 2022.

### 3. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended December 31, 2022.

**4. COMMISSIONER'S STIPENDS AS REQUIRED BY AUTHORITY BYLAWS**

Approve additional stipends per Article IV, Section 6 of the Authority's Bylaws for President Wapner for the month of December, 2022.

**5. RESOLUTION MAKING FINDINGS AND DETERMINATIONS UNDER ASSEMBLY BILL NO. 361 TO CONTINUE AUTHORIZATION OF VIRTUAL MEETINGS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY FOR A PERIOD OF 30 DAYS**

Adopt a Resolution making findings and determinations under Assembly Bill 361 (AB 361) to authorize staff to continue to conduct virtual-only Commission and Committee meetings, in response to COVID-19.

RESOLUTION NO. 2023-01

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING REMOTE TELECONFERENCE MEETINGS BY THE COMMISSION AND ALL COMMITTEES IN ACCORDANCE WITH ASSEMBLY BILL 361 FOR A PERIOD OF THIRTY DAYS

**6. RESOLUTION UPDATING THE ONTARIO INTERNATIONAL AIRPORT SYSTEM RATES AND CHARGES FOR FISCAL YEAR 2022-2023**

Adopt a resolution approving updates to certain fees and rates in the Airport System Rates and Charges for Fiscal Year 2022-2023 at Ontario International Airport (ONT), including Terminal Use Fees, annual Rental Rates, Badging Fees, and Parking Rates.

RESOLUTION NO. 2023-02

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING REMOTE TELECONFERENCE MEETINGS BY THE COMMISSION AND ALL COMMITTEES IN ACCORDANCE WITH ASSEMBLY BILL 361 FOR A PERIOD OF THIRTY DAYS

**7. CONTRACT WITH KDG CONSTRUCTION FOR CONSULTING SERVICES REGARDING PROJECT MANAGEMENT AND CONSTRUCTION MANAGEMENT**

Authorize the Chief Executive Officer (CEO) to execute a three-year contract, with two, one-year extensions with KDG Construction Consulting in the amount of \$8,400,000 for the first contract year, for Project Management and Construction Management (PMCM) Services for the Ontario International Airport Authority (OIAA) Capital Improvement program (CIP) and Tenant Improvement program (TIP) at Ontario International Airport (ONT).

**8. SPENDING AUTHORITY INCREASE FOR FURNITURE PURCHASE FOR OFFICE REDESIGN**

Approve an increased spending authority for the union installation wages for the purchase for cubicles and furniture for the OIAA office redesign with Arnold’s Office Furniture not to exceed \$20,000.

**9. CONTRACT WITH CINTAS FOR AED EQUIPMENT AND MAINTENANCE**

Authorize the Chief Executive Officer (CEO) to sign a contract with Cintas to take over maintenance and repair of the Automated External Defibrillator (AEDs) that are stationed airport wide for three years in an amount not to exceed \$180,000 over the total term of the contract.

**10. PERSONNEL POSITION ADDITIONS AND MODIFICATIONS**

Approve personnel position additions and modifications.

**ADMINISTRATIVE REPORTS/DISCUSSION/ACTION**

**11. RESOLUTION REGARDING REVOLVING CREDIT FACILITY FOR CAPITAL PROJECTS**

Adopt a resolution to authorize, prepare, and execute a revolving credit agreement and fee agreement with PNC Bank in an aggregate principal amount not to exceed \$50 Million (Fifty million).

RESOLUTION NO. 2023-03

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING AND APPROVING THE PREPARATION, ENTERING INTO AND THE EXECUTION AND DELIVERY OF A REVOLVING CREDIT AGREEMENT AND FEE AGREEMENT, EACH BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND PNC BANK, NATIONAL ASSOCIATION, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE TO PNC BANK, NATIONAL ASSOCIATION, AS EVIDENCE OF SUCH AGREEMENT AND THE SECURITY THEREFOR, OF ONTARIO INTERNATIONAL AIRPORT AUTHORITY SUBORDINATED REVENUE NOTES, SERIES 2023, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000; AND PROVIDING FOR CERTAIN OTHER MATTERS

**MANAGEMENT REPORT**

Executive Office

## COMMISSION MATTERS

President Wapner

Vice President Loveridge

Secretary Bowman

Commissioner Hagman

Commissioner Gouw

## ADJOURNMENT

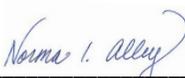
### AFFIDAVIT OF POSTING

I, Norma I. Alley, MMC, Board Clerk of the Ontario International Airport Authority (OIAA), do hereby declare under penalty of perjury that the foregoing agenda has been posted at the administrative office and on the OIAA website in compliance to the Brown Act.

Date Posted: January 23, 2023

Time posted: 2:00 P.M.

Signature: \_\_\_\_\_



Norma I. Alley, MMC

Ontario International Airport Authority Board Clerk

# ONTARIO INTERNATIONAL AIRPORT AUTHORITY



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** AGENDA REVIEW/ANNOUNCEMENTS

**SUBJECT:** RELATIVE POSSIBLE CONFLICT OF INTEREST

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Declare Conflict of Interest pertaining to agenda items and contractors and/or subcontractors, which may require member abstentions due to possible conflicts of interest.

**FISCAL IMPACT SUMMARY:** N/A

**BACKGROUND:** In accordance with California Government Code 84308, members of the Ontario International Airport Authority may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve (12) months and from an entity or individual if the member knows or has reason to know that the participant has a financial interest, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No	Principals & Agents	Subcontractors
07	KDG Construction	<ul style="list-style-type: none"><li>• Hill International</li><li>• Gannett Fleming</li><li>• Burns Engineering</li><li>• Chrysalis Global Consulting</li><li>• Safework CM</li><li>• Guida Surveying, Inc.</li><li>• Leighton Group</li><li>• S2 Engineering, Inc.</li><li>• Thurai Consulting</li><li>• G3 Quality, Inc.</li><li>• CMTS</li></ul>
08	Arnolds Office Furniture, LLC	<ul style="list-style-type: none"><li>• None</li></ul>
09	Cintas	<ul style="list-style-type: none"><li>• None</li></ul>
12	PNC Bank	<ul style="list-style-type: none"><li>• None</li></ul>

**PROCUREMENT:** N/A

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** N/A

**ATTACHMENTS:** N/A

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: Norma I. Alley, MMC

Originating Dept.: Clerk's Office

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Director Review: 

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Chief Review: 

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CEO Approval: 

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This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_

# ONTARIO INTERNATIONAL AIRPORT AUTHORITY



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** APPROVAL OF MINUTES

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Approve minutes for the OIAA special meeting on July 21, 2023.

**FISCAL IMPACT SUMMARY:** N/A

**BACKGROUND:** The OIAA Board of Commission held a public meeting and minutes were recorded in text. In accordance to OIAA's Records Retention Schedule, the OIAA must preserve these historical records in hard copy form for permanent retention.

**PROCUREMENT:** N/A

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** N/A

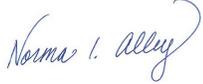
**ATTACHMENTS:**

- 1. Minutes

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

Originator Name: Norma I. Alley, MMC, Board Clerk

Originating Dept.: Clerk's Office

Director Review: 

Chief Review: 

CEO Approval: 

This Agenda Report has been reviewed by OIAA General Counsel.

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**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
SPECIAL COMMISSION MEETING  
MINUTES  
December 15, 2022, AT 2:00 P.M.**

*(not official until approved)*

This meeting was not called to order and adjourned due to lack of quorum.

**CALL TO ORDER**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**AGENDA REVIEW/ANNOUNCEMENT**

**1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST**

**CLOSED SESSION**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS (GOV §54956.8)**

**Property: ONT Terminals**

**Agency negotiator: OIAA General Counsel's office**

**Under negotiation: Lease**

**PUBLIC COMMENTS**

**CONSENT CALENDAR**

**2. APPROVAL OF MINUTES**

That the Ontario International Airport Authority (OIAA) Commission approve minutes for the OIAA meeting on November 17, 2022.

**3. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)**

That the Ontario International Airport Authority (OIAA) Commission receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended November 30, 2022.

**4. COMMISSIONER'S STIPENDS AS REQUIRED BY AUTHORITY BYLAWS**

That the Ontario International Airport Authority (OIAA) Commission approve additional stipends per Article IV, Section 6 of the Authority's Bylaws for President Wapner for the month of November, 2022.

**5. CONTRACT EXTENSION WITH JACOBS PROJECT MANAGEMENT AND PPM GROUP FOR CONSTRUCTION MANAGEMENT AND RELATED SERVICES**

That the Ontario International Airport Authority (OIAA) Commission authorize the Chief Executive Officer (CEO) to approve a contract extension to June 30, 2023, with Jacobs Project Management and PPM Group, Inc. for on-call construction management and related services at Ontario International Airport (ONT).

**6. NON-EXCLUSIVE LICENSE AGREEMENT AND FACILITY USE AGREEMENT WITH WORLDWIDE FREIGHT SERVICES/MERCURY AIR CARGO**

That the Ontario International Airport Authority (OIAA) Commission authorize the Chief Executive Officer (CEO) to negotiate some refinements to OIAA's template Facility Use Agreement (FUA) and Non-Exclusive License Agreement (NELA), and to execute such Agreements, to allow international cargo clearance activities at ONT.

**7. CONCESSION AGREEMENT WITH SSP AMERICA FOR FOOD AND BEVERAGE OUTLETS**

That the Ontario International Airport Authority (OIAA) Commission authorize the Chief Executive Officer (CEO) to execute a Food & Beverage (F&B) concession agreement with SSP America to re-brand and build restaurants in Terminals 2 & 4 to provide food and beverage services at Ontario International Airport (ONT) for a term of 20 years with one 5-year option to extend the term.

**8. AGREEMENT FOR MANAGED NETWORK SERVICES**

That the Ontario International Airport Authority (OIAA) Commission authorize the Chief Executive Officer to execute an agreement with NTT for managed network services in the amount not to exceed \$372,956.

**ADMINISTRATIVE REPORTS/DISCUSSION/ACTION**

**9. AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

That the Ontario International Airport Authority (OIAA) Commission approve the Audited Financial Statements for the fiscal year ended June 30, 2022.

**MANAGEMENT REPORT**

**COMMISSION MATTERS**

**ADJOURNMENT**

RESPECTFULLY SUBMITTED:

APPROVED:

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NORMA I. ALLEY, MMC, BOARD CLERK

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ALAN D. WAPNER, PRESIDENT



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended December 31, 2022.

**FISCAL IMPACT SUMMARY:** This is a cash-basis report, expenses and other expenditure transactions may be recorded in different accounting periods. Expenditure amounts are made in accordance with and funded from the Operating and Capital Budgets for the year ending June 30, 2023.

**BACKGROUND:** In June 2022, the OIAA Board of Commissioners adopted operating and capital budgets for the year ending June 30, 2023. Management prepares and provides various financial information and reports to the Board on a periodic basis to assist them in their review and understanding of OIAA's financial and budget performance. The Cash Disbursements Report (Bills/Report) provides summary information by supplier and payroll instance.

**PROCUREMENT:** N/A

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** N/A

**ATTACHMENTS:**

1. Cash Disbursement Report (Bills/Payroll) for the month ended December 31, 2022.

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: Irma Nazareno

Originating Dept.: Finance and Accounting

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Director Review: N/A

Chief Financial Officer John Schubert

Chief Review:



CEO Approval:



This Agenda Report has been reviewed by OIAA General Counsel.

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**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** COMMISSIONER'S STIPENDS AS REQUIRED BY AUTHORITY BYLAWS

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Approve additional stipends per Article IV, Section 6 of the Authority's Bylaws for President Wapner for the month of December, 2022.

**FISCAL IMPACT SUMMARY:** OIAA operating revenue.

**BACKGROUND:** Article IV, Section 6 of the Authority's Bylaws states as follows:

"No salary: Reimbursement for Expenses; Stipends. The members of the Commission shall receive no salary but shall be reimbursed for necessary expenses (including mileage in accordance with standard IRS mileage reimbursement rates) incurred in the performance of their duties. Additionally, Commissioners will receive a stipend in the amount of one hundred fifty dollars (\$150.00) for attendance at each Commission meeting, standing committee meeting, ad hoc committee meeting, and any Authority-related business function. A maximum of six (6) stipends are permitted per month. An additional two (2) stipends are permitted with prior approval of the President. More than eight (8) stipends per month will require approval by the full Commission."

During the month of December, 2022, President Wapner attended five (5) additional Authority-related business functions. Full Commission approval is needed to approve payment of these additional stipends.

**PROCUREMENT:** N/A

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** N/A

**ATTACHMENTS:** N/A

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: Executive Office Staff

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Originating Dept.: Executive Office

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Director Review: *Norma I. Alley*

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Chief Review: 

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CEO Approval: 

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**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** RESOLUTION MAKING FINDINGS AND DETERMINATIONS UNDER ASSEMBLY BILL NO. 361 TO CONTINUE AUTHORIZATION OF VIRTUAL MEETINGS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY FOR A PERIOD OF 30 DAYS

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Adopt a Resolution making findings and determinations under Assembly Bill 361 (AB 361) to authorize staff to continue to conduct virtual only Commission and Committee meetings, in response to COVID 19.

**FISCAL IMPACT SUMMARY:** N/A

**BACKGROUND:** Governor Newsom declared a state of emergency for California due to the COVID-19 virus on March 4, 2020. On March 12, 2020, the Governor issued Executive Orders relaxing some provisions of the Brown Act meeting requirements to allow remote meetings without legislative body members physically present at the meeting location. The OIAA Commission began conducting meetings virtually on March 26, 2020. The Executive Orders expired September 30, 2021, and the OIAA Commission resumed in-person meetings on October 28, 2021.

The Governor signed Assembly Bill 361 on September 17, 2021, allowing local agency legislative bodies to continue to hold meetings remotely through December 31, 2023, provided local agencies comply with specified requirements. The purpose of Assembly Bill 361 is to improve public access to local agency meetings during the COVID-19 pandemic by allowing broader remote meeting options.

As of December 20, 2021, the Center for Disease Control and Prevention has stated the Omicron variant is expected to result in a rapid increase in infections in the United States. As of December 31, 2021, the California Department of Public Health has evidenced emergency conditions related to the Omicron variant, including ongoing COVID-19 cases, hospitalizations, and deaths.

A legislative body member may hold a meeting remotely without needing to comply with the teleconferencing requirements of the Brown Act if:

1. Either a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing.

And

2. The legislative body makes the following findings by majority vote within the last 30 days (vote may occur at that meeting): (A) The legislative body has reconsidered the circumstances of the state of emergency. (B) Any of the following circumstances exist: (i) The state of emergency continues to directly impact the ability of the members to meet safely in person. (ii) State or local officials continue to impose or recommend measures to promote social distancing.
3. The legislative body continues to make the determinations in Item 2 every 30 days thereafter the initial determination.

The Commission adopted Resolution 2022-01 on January 7, 2022, and subsequently each month, making findings to hold remote meetings in accordance with AB 361, and may continue to extend the authorization in additional thirty (30) day increments for the duration of the declared emergency, or until the Commission decides to return to in-person meetings, or otherwise complies with the regular remote meeting requirements of the Brown Act.

If the Commission does not continue to adopt the Resolution to make the findings required for remote participation per Assembly Bill 361, the Brown Act rules regarding teleconferencing would apply for remote participation. Under the Brown Act rules, the Commission may hold remote meetings provided the meeting meets the following criteria:

- A majority of the Commission members participate in the meeting from locations within the jurisdiction boundaries.
- The meeting notice and agenda identify the teleconference locations, including full address and room number.
- The meeting agendas are posted at each teleconference location at least 72 hours before a regular meeting.
- The public has access to each teleconference location, including hotel room or residence, and each location has the technology, such as a speakerphone, to allow the public to participate in the meeting.
- The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location.
- The legislative body conducts all votes by roll call.

The adoption of the proposed Resolution would continue to authorize Commission and its Committee meetings to be conducted virtually through February 25, 2023. In order to comply with Assembly Bill 361, the attached Resolution needs to be renewed within 30-day intervals in order to allow for continued virtual meetings. The adoption of the Resolution will also apply to Commission Standing Committees, thus authorizing the Committees to meet virtually as well.

If adopted to continue virtual meetings, it is anticipated staff will return with another Resolution the proceeding month, to re-evaluate at that time and determine if future meetings will be held virtually or in person.

**PROCUREMENT:** N/A

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** N/A

**ATTACHMENT:**

1. Resolution

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: General Counsel

Originating Dept.: Legal/Executive

Director Review: N/A

Chief Review: N/A

CEO Approval: 

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This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_

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A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
AUTHORIZING REMOTE TELECONFERENCE MEETINGS BY THE  
COMMISSION AND ALL COMMITTEES IN ACCORDANCE WITH ASSEMBLY  
BILL 361 FOR A PERIOD OF THIRTY DAYS

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**WHEREAS**, COVID-19 (also known as the “Coronavirus Disease”) is a respiratory disease that has spread across the globe, with hundreds of thousands of confirmed cases in California, including San Bernardino County; and

**WHEREAS**, social distancing measures decrease the chance of spread of COVID- 19; and

**WHEREAS**, the Ontario International Airport Authority (OIAA) is committed to preserving and nurturing public access and participation in meetings of the Commission; and

**WHEREAS**, all meetings of OIAA’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Commission’s legislative bodies conduct their business; and

**WHEREAS**, the Brown Act, Government Code section 54953(e), authorizes remote teleconference meetings by a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625; and

**WHEREAS**, on March 4, 2020, the Governor proclaimed a state of emergency, which covers the entire state; and

**WHEREAS**, Government Code Section 54953(e)(3)(A-B) added by AB 361 provides an alternative to having public meetings in accordance with Government Code Section 54953(b)(3) when the OIAA has reconsidered the circumstances of the COVID-19 state of emergency and that the following circumstances exist:

1. The state of emergency as a result of COVID-19 continues to directly impact the ability of the members of the Commission to meet safely in person; or
2. State or local officials continue to recommend measures to promote social distancing.

**WHEREAS**, Government Code Section 54953(e) et seq. further requires that state or local officials have imposed or recommended measures to promote social distancing or the legislative body finds that meeting in person would present an imminent risk to the health or safety of attendees; and

**WHEREAS**, as of December 20, 2021, the Center for Disease Control and Prevention has stated the Omicron variant is expected to result in a rapid increase in infections in the United States; and

**WHEREAS**, such conditions under Government Code Section 54953(e)(3)(A-B) now exist in the general area surrounding the Ontario Airport in that:

(i) State officials recommend social distancing measures (CalOSHA (December 16, 2021) COVID-19 Prevention Emergency Temporary Standards What Employers Need to Know About the December 16 Standards) and

(ii) Emergency conditions evidenced by COVID-19 and its variants create ongoing COVID-19 cases, hospitalizations, and deaths and meeting in person would present imminent risk to health or safety of attendees (California Department of Public Health (December 31, 2021) State Officials Announce Latest COVID-19 Facts); and

**WHEREAS**, the OIAA affirms that it will allow for observation and participation by Commissioners and the public via Zoom in an effort to protect the constitutional and statutory rights of all attendees; and

**WHEREAS**, the OIAA approved Resolution 2022-25 at their meeting on December 19, 2022, authorizing virtual meetings of the Commission and Committee meetings in accordance with AB 361; and

**WHEREAS**, Government Code Section 54953 (e)(3) requires that the OIAA review the need and make findings for continuing the teleconferencing procedures as authorized by AB 361 at least once every thirty days.

**NOW, THEREFORE, BE IT RESOLVED** by the Ontario International Airport Authority Commission as follows:

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

**SECTION 2.** The OIAA finds that the state of emergency conditions related to COVID-19 as set forth in the Governor's Proclamation of a State of Emergency referenced above are on-going.

**SECTION 3.** The OIAA further finds that state officials recommend social distancing measures because conditions causing imminent risk to attendees as described above exist.

**SECTION 4.** The OIAA recognizes and affirms the existence and conditions of a state of emergency as proclaimed by the Governor, and affirms, authorizes, and proclaims the existence of a local emergency throughout the general area surrounding the Ontario Airport.

**SECTION 5.** The OIAA finds that the state of emergency as a result of COVID-19 continues to directly impact the ability of members of the Commission to meet safely in person and such fact creates an imminent health risk to such members.

**SECTION 6.** The OIAA authorizes the Commission and its Committees to conduct their meetings without compliance with Government Code section 54953(b)(3), and to instead comply with the remote meeting requirements as authorized by Government Code section 54953(e) et seq.

**SECTION 7.** The Chief Executive Officer, or his designee, and the Board Clerk of Ontario International Airport Authority are authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in

accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

**SECTION 8.** This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) February 25, 2023, or such time the Commission adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Ontario International Airport Authority may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting this 26<sup>th</sup> day of January, 2023.

\_\_\_\_\_  
ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

\_\_\_\_\_  
NORMA I. ALLEY, MMC, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
LORI D. BALLANCE, GENERAL COUNSEL

STATE OF CALIFORNIA            )  
COUNTY OF SAN BERNARDINO    )  
CITY OF ONTARIO                )

I, Norma I. Alley, MMC, Board Clerk/Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY the foregoing Resolution No. 2023-01 is the original and was duly passed and adopted by the Commission of the Ontario International Airport Authority at their Regular Meeting held January, 26, 2023, by the following roll call vote, to wit:

AYES:            COMMISSIONERS:

NOES:            COMMISSIONERS:

ABSENT:          COMMISSIONERS:

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NORMA I. ALLEY, MMC  
BOARD CLERK/ASSISTANT SECRETARY

(SEAL)

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**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** RESOLUTION UPDATING THE ONTARIO INTERNATIONAL AIRPORT SYSTEM RATES AND CHARGES FOR FISCAL YEAR 2022-2023

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Adopt a resolution approving updates to certain fees and rates in the Airport System Rates and Charges for Fiscal Year 2022-2023 at Ontario International Airport (ONT), including Terminal Use Fees, annual Rental Rates, Badging Fees, and Parking Rates.

**FISCAL IMPACT SUMMARY:** Upon OIAA Commission approval, Non-Preferential Terminal Gate Use Fee will be \$378.30, a 25.1% decrease from the current combined Non-Preferential Gate Use Fee and Jet Bridge Utility Fee on Non-Preferential Gate. Annual Rental Rates will be de-annualized to a Monthly Rental Rate. The annualization of the new monthly rate will be less than the current annual rate. Badging Fees will now have a badge re-issuance charge of \$30.00 per issuance, as well as an increased first and second lost/stolen badge replacement fees of \$100.00 and \$150.00 and an unrecovered badge fee of \$250.00. The daily rate of \$15.00 for Lot 6 is also added under the existing Parking Rates.

**BACKGROUND:** The current Airport System Rates and Charges was last updated on June 23<sup>rd</sup>, 2022. Terminal Use Fees have not been updated since the transfer of the airport. To ensure fair charges of non-preferential gate usage, staff conducted an analysis and based the newly proposed Non-Preferential Gate Use and Jet Bridge Utility Fee on an average of 13 aircraft turns a week on an average gate/holdroom size at the current Non-Signatory Terminal Rental Rate. Moving forward, the Non-Preferential Gate Use and Jet Bridge Utility Fee shall be adjusted every time the Terminal Rental Rates are adjusted. The average turn a week shall be adjusted depending on staff's efficiency analysis of gate usage.

To support the implementation of a new Lease Management System (LMS), the posted annual rental rates (including terminal space and other ground and facility rental rates) need to be de-annualized to a monthly rental rate. The new LMS rounds numbers by taking the annual rate, dividing it by 12, then rounding the calculated rate to the nearest two decimals. However, staff's current calculation of rents and rates include decimals throughout the entire calculation, and no rounding is conducted until the end of the calculation. Therefore, rounding errors may occur when rates are entered into the LMS. By having rents set at a monthly rate, this will avoid rounding errors and create a simpler process for billing and revenue collection.

ONT added a new Car Park Lot 6 in November 2022, which added 1,337 spaces to ONT's parking capacity. The daily rate of \$15 is being added to the Rates and Charges as a published rate.

Existing badging fees do not cover all the costs related to lost/stolen badge replacements and badge re-issuances when tenants and airline/non-airline partners request a new badge for various reasons. The addition of a badge re-issuance fee and increased lost/stolen badge replacements will allow the OIAA to cover charges related to such operations. Further, the addition of the Unrecovered Badge Fee will allow proper enforcement when badges are unsuccessfully recovered by the tenant.

**PROCUREMENT:** N/A

**CEQA COMPLIANCE AND LAND USE APPROVALS:** Exclusion from the definition of "project": The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines §15378(b)(4).)

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** N/A

**ATTACHMENTS:**

1. Resolution No. 2023-02
  - a. Exhibit B, Airport System Rates and Charges FY2022-2023

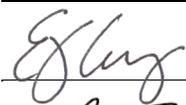
**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: Annie Lin

Originating Dept.: Revenue Management

Director Review: N/A

Chief Review: 

CEO Approval: 

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This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_

RESOLUTION NO. 2023-02

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A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
APPROVING AND ADOPTING AN AMENDED EXHIBIT OF THE AIRPORT  
SYSTEM RATES AND CHARGES FOR FISCAL YEAR 2022-23

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**WHEREAS**, the Ontario International Airport Authority (“the Authority” or “OIAA”) was established under a Joint Exercise of Powers Agreement between the City of Ontario and the County of San Bernardino (the “Joint Powers Agreement”) pursuant to the purpose of operating, maintaining, developing, and marketing the Ontario International Airport (the “Airport”); and

**WHEREAS**, the Authority Commission previously adopted Resolution No. 2022-14, approving the Annual Budget and Airport System Rates and Charges for FY 2022-23, effective July 1, 2022, at a public meeting held on June 23, 2022; and

**WHEREAS**, the Authority staff have reviewed the categories and various rates and charges listed in the Airport System Rates and Charges; and

**WHEREAS**, based on staff review, the Authority staff recommends certain amendments to the Airport System Rates and Charges to better support the daily operations of the Airport and Authority staff; and

**WHEREAS**, the Authority Commission has reviewed the proposed updated Airport System Rates and Charges for Fiscal Year 2022-23, and has held a public meeting relative to its adoption.

**NOW, THEREFORE, BE IT RESOLVED** by the Ontario International Airport Authority Commission as follows:

**SECTION 1.** The Ontario International Airport Authority Commission hereby approves and adopts the amended Exhibit “B”, which is attached hereto and by this reference incorporated.

**SECTION 2.** Effective Date. This Resolution will take effect immediately upon its adoption.

**SECTION 3.** Certification. The Secretary/Assistant Secretary shall certify as to the adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting this 26<sup>th</sup> day of January, 2023.

\_\_\_\_\_  
ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
NORMA I. ALLEY, MMC, ASSISTANT SECRETARY

\_\_\_\_\_  
LORI D. BALLANCE, GENERAL COUNSEL

STATE OF CALIFORNIA            )  
COUNTY OF SAN BERNARDINO    )  
CITY OF ONTARIO                )

I, Norma I. Alley, MMC, Board Clerk/Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY the foregoing Resolution No. 2023-02 is the original and was duly passed and adopted by the Commission of the Ontario International Airport Authority at their Regular Meeting held January 26, 2023, by the following roll call vote, to wit:

AYES:            COMMISSIONERS:

NOES:           COMMISSIONERS:

ABSENT:         COMMISSIONERS:

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NORMA I. ALLEY, MMC  
BOARD CLERK/ASSISTANT SECRETARY

(SEAL)

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
AIRPORT SYSTEM RATES AND CHARGES FY2022-2023  
EXHIBIT B**



Type	Unit	Signatory	Non-Signatory
<b>Landing Fees:</b>			
Aircraft over 25,000 pounds	Per 1,000 lbs. MGLW	\$ 1.64	\$ 2.05
Aircraft over 12,500 pounds up to 25,000 pounds	Per Landing	\$ 59.00	\$ 74.00
Aircraft less than 12,500 pounds	Per Landing	\$ 31.00	\$ 38.00
<b>Terminal Rental Rates:</b>			
Terminal Space	PSFPM	\$ 7.63	\$ 9.54
<b>Terminal Use Fees (Gate Use Charges):</b>			
Non-Preferential Terminal Gate Use Fee	Per Operation	\$ 378.30	\$ 378.30
<b>Joint Use Fees:</b>			
Joint Use Fee	Per Deplaned Passenger	Based on Joint Use Formula	
<b>FIS Use Fees:</b>			
FIS Use Fee	Per Deplaned Passenger	\$ 11.00	\$ 11.00
<b>Ramp and Apron Charges</b>			
Each 15-minute period or fraction thereof after airline has been given notice by the airport that the aircraft leave the area	Per 15 Minute Period	\$ 100.00	\$ 100.00
Each 10-minute period or fraction thereof when aircraft is double-parked or in a position other than a regular gate position and the airline has been given notice to leave the area	Per 10 Minute Period	\$ 100.00	\$ 100.00
Each 15-minute period or fraction thereof in excess of 30 minutes for the cleanup of fuel spills	Per 15 Minute Period	\$ 100.00	\$ 100.00
<b>Aircraft Parking Charges*</b>			
Parking Rate Per Airplane (Diversions) - For each 24-hr period after the first three hours the plane is on the ground. Any fraction thereof shall be a full 24-hr period.	Per 1,000 lbs. MGLW	\$ 0.40	\$ 0.40
Parking Rate Per Airplane (Non-Diversions) - For each 24-hr period the plane is on the ground. Any fraction thereof shall be a full 24-hr period.	Per 1,000 lbs. MGLW	\$ 0.40	\$ 0.40
<b>Ground Support Equipment Fee</b>			
For every wide-body passenger aircraft operation diverted to ONT. This will go to a special fund to recover the cost of the AVIRAMPs.	Per Use Per Equipment	\$ 450.00	\$ 450.00
<b>Passenger Facility Charge - (PFC)</b>			
Passenger Facility Charge - (before \$0.11 administrative fee)	Per Enplaned Passenger	\$ 4.50	\$ 4.50

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
AIRPORT SYSTEM RATES AND CHARGES FY2022-2023  
EXHIBIT B**

<b>Type</b>	<b>Unit</b>	<b>Rates / Fees / Charges</b>
<b>Clerk's Office Fees</b>		
Subpoena for Appearance	Per Day	\$ 280.00
Subpoena for Records	Per Subpoena	\$ 15.00
Public Records Request	Per Page	\$ 0.15
Public Records Request	Per USB Drive	\$ 10.00
<b>Badging Fees</b>		
New Badging/Fingerprinting	Each	\$ 70.00
Badge Renewal	Each	\$ 70.00
Badge Re-Issuance***	Each	\$ 30.00
First Lost or Stolen Badge Replacement	Each	\$ 100.00
Second Lost or Stolen Badge Replacement	Each	\$ 150.00
Unrecovered Badge Fee	Each	\$ 250.00
<b>Parking Rates</b>		
<i>Lot 2</i>		
Premium Parking Daily / Immediately in front	Per Day	\$ 27.00
General Parking	Per Day	\$ 21.00
<i>Lot 3</i>		
Daily Parking	Per Day	\$ 16.00
<i>Lot 4</i>		
Premium Parking Daily / Immediately in front	Per Day	\$ 27.00
General Parking	Per Day	\$ 21.00
<i>Lot 5</i>		
Daily Parking	Per Day	\$ 13.00
<i>Lot 6</i>		
Daily Parking	Per Day	\$ 15.00
<i>Valet</i>		
Daily Parking	Per Day	\$ 35.00
<b>Ground Transportation Permits/Agreements</b>		
TNCs	Per Drop-Off / Pickup	\$ 4.00
Charter Limousines/Sedan	Per Drop-Off / Pickup	\$ 3.00
Charter Buses	Per Drop-Off / Pickup	\$ 3.00
Charter Vans	Per Drop-Off / Pickup	\$ 3.00
Hotel/Motel Courtesy Van Annual Permit	Per Company	\$ 8,449.00
Off-Airport Parking Shuttles	Gross Revenues	12.0%
Taxi Cabs	Per Pick-Up	\$ 3.00
<b>Annual Permits and Licenses</b>		
Motor Vehicle Operating Permit	Annually Per Vehicle	\$ 100.00
Non-Exclusive License Agreement	Annually Per Company	\$ 500.00
Fuel Delivery Permit	Annually Per Company	\$ 1,000.00

Updated January 2023

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
AIRPORT SYSTEM RATES AND CHARGES FY2022-2023  
EXHIBIT B**

<b>Type</b>	<b>Unit</b>	<b>Rates / Fees / Charges</b>
<b>Film-Related Fees</b>		
<i>General Fees</i>		
Holding Fee (Amount goes towards deposit)	Up to 7 Days	\$ 250.00
Cancellation Fee (If cancelled 72 hrs prior to start)	Per Cancellation	\$ 500.00
Tech/Director Scouting Fee (after the first hour)	Per Hour	\$ 100.00
<i>OIAA Facilities and Vehicles</i>		
Facility Use	Per Hour	\$ 375.00
Facility Prep/Strike	Per Hour	\$ 312.00
<i>Production Vehicles</i>		
≥5 Ton Trucks/Trailers	Per Day	\$ 32.00
<5 Ton Trucks/Trailers	Per Day	\$ 19.00
Cast/Crew Personal Auto	Per Day	\$ 24.00
<i>B727 Use</i>		
View	Per Day	\$ 1,000.00
Exterior up to plane	Per Day	\$ 1,750.00
Interior/Exterior on plane	Per Day	\$ 3,900.00
<i>Airport Personnel</i>		
Film Desk Support Staff	Per Hour	\$ 100.00
Security Officer	Per Hour	\$ 50.00
Airport Police Sergeant	Per Hour	\$ 176.00
Law Enforcement Officer (LEO)	Per Hour	\$ 145.00
Electrician	Per Hour	\$ 70.00
Air Conditioning Mechanic	Per Hour	\$ 66.00
Instrument Mechanic	Per Hour	\$ 80.00
Communications Electrician	Per Hour	\$ 83.00
Operations Specialist	Per Hour	\$ 82.00
<b>General Ground and Facility Rental Rates - Minimum**</b>		
Unpaved Areas	PSFPM	\$ 0.15
Paved for Autos/Vehicles	PSFPM	\$ 0.19
Paved for Aircraft	PSFPM	\$ 0.24
General Building/Hangar Rate	PSFPM	\$ 0.32
Seasonal/Short-Term Use	PSFPM	\$ 0.22
<b>Fuel Delivery Fees</b>		
Aviation Gasoline	Per Gallon	\$ 0.05
Turbine Fuel	Per Gallon	\$ 0.05
Lubricants	Per Gallon	\$ 0.15

Additional Clarifications:

- (a) "FIS" – Federal Inspection Services facility, also known as the International Arrivals Terminal where Customs and Border Protection inspect arriving passengers from a foreign country.
- (b) "Joint Use Fee" – The fee charged to an air carrier for Joint Use Space, based on the Joint Use Formula as defined in the Operating Use and Terminal Lease Agreement and Air Carrier Operating Permit.
- (c) "Joint Use Formula" – The formula used to prorate eighty percent (80%) of the specified charge for Joint Use Space according to the ratio of the number of each airline's (both Signatory Airlines and Non-Signatory Airlines) deplaning passengers at the Airport during the most recent completed quarter for which such information is available to the total number of deplaning passengers of all airline users of the service or space during that same quarter. The remaining twenty percent (20%) is to be prorated equally among all airline users (both Signatory Airlines and Non-Signatory Airlines) of the space.
- (d) "MGLW" – Maximum Gross Landing Weight; the FAA Certificated Maximum Gross Landing Weight or actual gross landing weight of an Aircraft if no such specification exists. In computing fees prescribed herein, except for Aircraft weighing less than 25,000 pounds, 500 pounds or any larger part of 1,000 pounds shall be counted as if a whole 1,000 pounds, and any smaller part shall be disregarded.
- (e) "Non-Preferential Gate" – A gate that is not preferentially leased by a Signatory Air Carrier.
- (f) "Non-Signatory Air Carrier" – A cargo or passenger carrier that has not entered into the Operating Use and Terminal Lease Agreement with the OIAA.
- (g) "Operation" – Shall be the equivalent of one aircraft turn (one arrival and one departure).
- (h) "Preferential Gate" – A gate that is preferentially leased by a Signatory Air Carrier.
- (i) "PSFPM" – Per Square Foot Per Month.
- (j) "Signatory Air Carrier" – A cargo or passenger carrier that has entered into the Terminal Operating Use and Terminal Lease Agreement with the OIAA.
- (k) "Terminal" – Includes Terminal 1, Terminal 2, and Terminal 4, and the Federal Inspection Services Facility (International Arrivals Terminal).
- (l) \*\*"Aircraft Parking Charges" – Includes all airport-controlled/non-preferential aircraft parking positions at Airport. If a Jet Bridge is used on gates 411-414, then the additional appropriate charges shall incur. If a Preferential Gate is utilized, then additional fees may be levied.
- (m) \*\*\*"Ground and Facility Rental Rates" – These are subject to CPI or Fair Market Value adjustments based on the language written in each Facility Use Agreement or Lease.
- (n) \*\*\*\*"Badge Re-Issuance" – Adding badge icons, replacing a badge, and reprinting of a badge is considered a Badge Re-Issuance.



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** CONTRACT WITH KDG CONSTRUCTION FOR CONSULTING SERVICES REGARDING PROJECT MANAGEMENT AND CONSTRUCTION MANAGEMENT

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Authorize the Chief Executive Officer (CEO) to execute a three-year contract, with two, one-year extensions with KDG Construction Consulting in the amount of \$8,400,000 for the first contract year, for Project Management and Construction Management (PMCM) Services for the Ontario International Airport Authority (OIAA) Capital Improvement program (CIP) and Tenant Improvement program (TIP) at Ontario International Airport (ONT).

**FISCAL IMPACT SUMMARY:** The funding for this contract will come from a variety of sources including operating and capital budgets. There is \$1.5M in the current FY 2022-23 Operating Budget and funding in some currently approved capital projects. Additional budget will be requested in the FY 2023-24 Operating Budget and in future capital project budgets when they are brought to the board for approval.

**BACKGROUND:** The OIAA currently has several capital projects approved and in various phases of design and construction. Staff have also been planning and preparing multiple projects to bring to the board for approval that will result in transformative construction and development for the FAA Capital Improvement Program (ACIP), ONT's CIP and TIP across the airport campus.

To ensure the success of the programs and the individual projects, the OIAA will require PMCM services including staff augmentation to manage the design, phasing and successful delivery of the projects. The PMCM Services contractor will assist OIAA staff with developing the appropriate processes and procedures to deliver world-class projects while managing risk and maximizing value to the OIAA. In addition to actively managing the design and construction of capital projects, the PMCM contractor will help the OIAA with stakeholder engagement, identifying and managing potential schedule and scope conflicts, preparing and maintaining a master schedule of projects, employing an effective change management process and documentation standards, and preparing and maintaining a dashboard to continuously report on the status of the ACIP, CIP, and TIP.

**PROCUREMENT:** The procurement of the PMCM Services needed for the OIAA CIP and TIP was conducted in a Two-step Process involving the following: Step 1 for the Request for Qualifications (RFQ) was posted August 5, 2022, and the Statement of Qualifications (SOQ) were received on September 2, 2022. The three PMCM firms/teams with the highest-ranked scores were short-listed and notified to proceed to Step 2.

For Step 2, the Request for Proposals (RFP) was posted on September 30, 2022, and the proposals were received on October 28, 2022, for the short-listed PMCM firms/teams. After the proposals were reviewed and evaluated, interviews were conducted on November 16, 2022, and November 17, 2022. The notification of award was sent out to the PMCM firm/team with the highest score.

After notification of award, the OIAA negotiated a contract with KDG Construction Consulting for PMCM Services in the amount of up to \$8,400,000 in the first of 3 years with two one-year extensions, with a total potential contract duration of 5 years. If additional contract value is required to continue the contract for future years, those will be negotiated between staff and presented to the board for approval as needed.

**CEQA COMPLIANCE AND LAND USE APPROVALS:** The proposed staffing services decision is not a “project” under CEQA and does not require environmental review.

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** The proposed contract award for PMCM Services is to minimize impacts to airport operations during the delivery of the OIAA CIP and TIP and the FAA ACIP.

**SCHEDULE:** N/A

**ATTACHMENTS:** N/A

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: Keith Owens

Originating Dept.: Project Management

Director Review: Keith Owens *Keith A. Owens*

Chief Review: Michelle Brantley *Michelle Brantley*

CEO Approval: 

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** SPENDING AUTHORITY INCREASE FOR FURNITURE PURCHASE FOR OFFICE REDESIGN

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Approve an increased spending authority for the union installation wages for the purchase for cubicles and furniture for the OIAA office redesign with Arnold’s Office Furniture not to exceed \$20,000.

**FISCAL IMPACT SUMMARY:** Funds for this project were approved in the FY 2022-23 Capital Budget.

**BACKGROUND:** The OIAA Commission approved the furniture purchase for the Office Redesign on October 27, 2022, from Arnold’s/Sunline Office Furniture. OIAA abides by the David Beacon Prevailing Wage requirements and OIAA/Arnold’s realized that prevailing wages were not included in the original cost for install. We are requesting an increased spending authority not to exceed \$20,000 to cover additional labor costs.

**PROCUREMENT:** Due to Davis Bacon Prevailing Wages requirements we are seeking an increased spending authority not to exceed \$20,000 to cover union labor costs for installation of the furniture.

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** Install will be completed in phases. Phase one is set to start end of January 2023.

**ATTACHMENTS:** N/A

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: Taylor Mabry

Originating Dept.: Executive

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Director Review: 

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Chief Review: 

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CEO Approval: 

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This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** CONTRACT WITH CINTAS FOR AED EQUIPMENT AND MAINTENANCE

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Authorize the Chief Executive Officer (CEO) to sign a contract with Cintas to take over maintenance and repair of the Automated External Defibrillator (AEDs) that are stationed airport wide for three years in an amount not to exceed \$180,000 over the total term of the contract.

**FISCAL IMPACT SUMMARY:** The funding for this contract will come from Contractual Services under the Operations Department.

**BACKGROUND:** A maintained fleet of AEDs is critical to the sustained safety of the Airport. Having a reliably maintained AED is critical to the first aid response to an employee, customer, or visitor should they suffer cardiac arrest. Additionally, should an AED be used, it needs to be refurbished, and items replaced so it is ready to use again. If an AED should go bad, it needs to be replaced. We have not had a consistent contracted service provider at the Airport in which Aircraft Rescue and Fire Fighting (ARFF)/Ontario Fire has taken responsibility of our AED's. We wish to add a contracted vendor to relieve the Fire Department of this responsibility and to have the contracted vendor maintain stock of AEDs for replacement.

**PROCUREMENT:** The County of San Bernardino recently obtained competitive quotes or bids from qualified vendors that provide the needed AED products that OIAA also requires. Consistent with OIAA's Procurement Manual the OIAA will utilize the County's recent competitive bid or quote process to procure and obtain its needed AED products and services from Contractor.

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** N/A

**SCHEDULE:** Contract will be signed upon commission approval.

**ATTACHMENTS:** N/A

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: James Kesler

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Originating Dept.: Operations

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Director Review: N/A

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Chief Review:

James Kesler

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CEO Approval:



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This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** PERSONNEL POSITION ADDITIONS AND MODIFICATIONS

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Approve personnel position additions and modifications.

**FISCAL IMPACT SUMMARY:** The new position requests increase total FTE's by 11.5. The estimated additional cost impact, for these positions for the remainder of FY 2023 is \$682K (\$1.5M annually). Of the 11.5 additional FTE's, 1 is to increase a position from part-time to fulltime and three are expected to be filled by OIAA employees currently in other related positions. The estimated additional costs for these positions FYE 2023 will be offset by actual YTD savings as well as estimated future savings as a result of turnover and extended vacancies.

**BACKGROUND:** The return of ONT to pre-pandemic or higher levels of aviation activity has increased workloads and staffing levels, requiring OIAA employees in certain functional areas to assume supervisory and or additional job responsibilities. Also, recent organizational changes including the establishment of new divisions for Information Technology and Administrative Services require additional resources to expand the scope of these function areas consistent with the Authority's Strategic Plan and related initiatives. In addition to business demands, the request for additional resources is to respond to the results, needs and recommendations identified in the Enterprise Risk Assessment report. OIAA management is recommending the following new staff positions and modifications to meet these business requirements.

### **Information Technology**

OIAA currently has several complex software applications that require general as well as technical support on a routine basis. In addition, the Authority has near-term plans to enhance existing systems as well as to acquire and implement new application software. There are insufficient staff resources or expertise internally or through existing contractual arrangements to adequately support these efforts. Management is requesting a new IT Applications Manager position that would provide these general and technical support services, as well as assist in the implementation of new systems.

### **Finance**

The volume and complexity of accounting at the Authority has significantly impacted the responsibilities of OIAA Financial Accounting and Reporting staff. A request is being made to add two additional positions, an Accountant and a Grants Administrator.

The Accountant position would assume responsibility for more routine accounting and reporting tasks, especially around general ledger transactions, including account reconciliation and analysis, journal entry

preparation and entry and assistance with other subsidiary ledger work on accounts payable, accounts receivable and statistical data.

Grants administration has been shared across multiple departments. The addition of a Grants Administrator position will provide additional efficiency in centralizing all aspects of grant administration, including research of grant resources, preparation of grant applications, program, and financial reporting, grant project related documentation and compliance.

### **Procurement**

Procurement was reassigned as a corporate function within the Executive Division from Finance and is now overseen by the new Chief Administrative Officer position. The Procurement department is requesting two new positions, a Contract Analyst, and a Procurement Coordinator. The requests are not only to meet the growth in the amount and type of work around purchasing and contract functions, but also to provide additional controls and risk mitigation measures recommended by the Enterprise Risk Assessment.

Procurement specialists currently perform both procurement and contractual tasks. Management is requesting a new Contract Analysis that will assume most of the contract related workload from the specialists and provide additional contract support to other Procurement department staff to coordinate preparation and amendment of new contracts as well as evaluate contract status and funding.

The Procurement department provides purchasing and contract support across all departments at OIAA and procurement activities require interaction with a number of suppliers that provide a wide range of goods and services. Management is requesting a new position, Procurement Coordinator, to act as the lead to organize and facilitate procurement activities across this diverse set of stakeholders, including purchase orders, change orders, research, scheduling, training, process documentation and communications.

### **Digital**

OIAA conducts an intensive, active, and dynamic digital marketing program, through social media, the flyontario.com website and other digital media. Recently the part-time Digital Engagement Representative retired. Management is requesting that this position be increased to a full-time position to provide adequate resources for OIAA's expanding Digital Marketing efforts.

### **Air Service Development**

Air Service Development has two approved Air Service Development Senior Manager positions, one of these is currently vacant. Management is requesting a new Air Service Development Director position. The position is expected to be filled by the current Air Service Development Senior Manager. The Air Service Development Senior Manager position would be retained. The request is to facilitate the transfer of the department to the Executive Division from marketing and communications. This position would assume primary responsibility for the Air Service Development function. This would include more responsibility for directing airline relationships as well as evaluation, development, and administration of a more comprehensive air service development program.

### **Marketing and Communications**

Marketing and Communications has recently added marketing staff to adequately resource near-term planned activities and events for the Authority. However, despite the growth of the department, Marketing and Communications has not had dedicated administrative support, but has shared resources with other departments, primarily Revenue Management. Management is requesting approval for a full-time

Administrative Assistant. The position would take a lead in departmental budget preparation and analysis, supplier coordination, invoice coding, activity/event cost tracking and inventory management.

### **Human Resources**

As part of the Authority's organizational strategies, OIAA is transitioning all Human Resource functions from the City of Ontario Municipal Services contract to OIAA's Human Resource Department. This transition has not only increased the volume of human resource function tasks, but also the complexity of those tasks. Management is requesting the establishment of a new Human Resource Director position. The position would be filled by the current Senior Manager of Human Resources. The Senior Manager of Human Resources position would be retained.

### **Planning**

The Planning Department previously had an Environmental Manager position, which was modified to change the focus of the position from managing required NEPA and CEQA environmental and other regulatory environmental requirements around planning and project related programs at OIAA, to a position focused on organizational environmental compliance and OIAA sustainability. This modified position and the employee in that position were transferred to, and are currently under, the direction of Human Resources. With the substantial number of new projects recently approved by the Board of Commissioners and the availability of project management resources, the Planning and Project Management departments will need internal resources to manage NEPA, CEQA and other environmental requirements associated with the expanded Capital Improvement Program activities and projects.

### **Landside**

The airline consortium, ONT-TEC, is responsible for substantially all facility and landside maintenance for the ONT campus. Ultimately OIAA must ensure that the ONT campus is maintained to meet Authority expectations for safety and customer experience at ONT. Consequently, the Authority has assumed a greater role in landside maintenance efforts, including project related efforts. Management is requesting a new Director of Maintenance position to support these continuing and increased efforts. This work is currently being performed by the Field Manager, who is expected to fill the new Director of Maintenance position. OIAA would retain the Field Manager position.

### **Security**

Security is responsible for credentialing, badging, regulatory security compliance and oversight of public safety functions performed by the City of Ontario under OIAA's Municipal Services agreement at ONT. The Security Department is requesting a new Office Assistant position to provide administrative support to the department, including invoice coding and other accounting and budget support, supplier management, receipt and preparation of correspondence and supplies inventory

**PROCUREMENT:** N/A

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** Creates an additional 11.5 full-time equivalent positions.

**IMPACT ON OPERATIONS:** The requested positions will support additional resource requirements that are a result of a return to pre-pandemic aviation and business activity, as well as a substantial increase in planning, project and administrative needs to support expectations for the expanded Capital Improvement Program. In

addition, many of these requests directly or indirectly support efforts to improve the Authority's Enterprise Risk Assessment program.

**SCHEDULE:** Positions that are expected to be filled through promotion will be completed in January 2023. Positions that provide technical or administrative support to meet CIP requirements, will be prioritized and recruited first, with an expectation that they be filled in late Q3 or early Q4 of FY 2023, with the remainder of the positions to be filled by then end of FY 2023.

**ATTACHMENTS:** None

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: Yuliya Leina, Budget Manager

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Originating Dept.: Budget and Finance

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Director Review: N/A

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Chief Review: John M. Schubert, Chief Financial Officer

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CEO Approval:

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This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to, or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_



**MEETING DATE:** JANUARY 26, 2023

**AGENDA SECTION:** CONSENT CALENDAR

**SUBJECT:** RESOLUTION REGARDING REVOLVING CREDIT FACILITY FOR CAPITAL PROJECTS

**RELEVANT STRATEGIC OBJECTIVE:**  Invest in ONT  Master the Basics  Plan for the Future

**RECOMMENDED ACTION(S):** Adopt a resolution to authorize, prepare and execute a revolving credit agreement and fee agreement with PNC Bank in an aggregate principal amount not to exceed \$50 Million (Fifty million).

**FISCAL IMPACT SUMMARY:** PNC Bank, N.A. (the Bank) is providing a revolving line of credit (the LOC) up to \$50 million, which the Authority may draw upon as needed on either a taxable or tax-exempt basis to fund on-going capital needs. There is no origination cost for the Authority to the Bank, except the Bank's legal costs estimated to be \$50,000. The Authority has additional legal and financial advisory costs estimated not-to-exceed \$150,000. Interest rates on the LOC will vary depending on the timing of draws by the Authority and whether such draws are taxable or tax-exempt. Based on current market conditions as of January 9, 2023, the tax-exempt rate is 3.94% and the taxable rate is 4.91%. Assuming the Authority were to draw upon the full amount of the LOC upon closing assuming current market rates, the annual interest cost would range from \$1.97 million (tax-exempt) to \$2.46 million (taxable). Besides timing of draws by the Authority, the actual interest cost will depend on monthly changes in the base index rate under the Revolving Credit Agreement as described below. In addition to interest costs on borrowings the LOC is subject to a fee ranging from .10% to .15% of the unutilized portions of the LOC with a maximum of \$75K annually. No principal on the Notes is due until then, and the Authority expects to repay the Notes from its next bond issuance.

Interest costs will be funded from airline rates and charges in accordance with the Airline Operating Use and Lease Agreement (ULA).

**BACKGROUND:** The Board of Commissioners has authorized various capital projects and is expected to authorize future capital projects which are funded from multiple sources including grants, passenger facility and customer facility charges for applicable projects, and rates and charges under its Airline Use Agreements. In order to maintain liquidity and reduce the financial impact on the airlines through rates and charges, airports similar to the ONT typically maintain a line of credit with a bank to draw upon to fund capital projects in between long-term bond financings.

Each draw upon the line of credit becomes a loan secured by a note under the terms of the Revolving Credit Agreement (the RCA), the form of which is attached hereto and subject to Commission approval. Each draw can be tax-exempt or taxable depending on the project to be funded. Under the RCA, PNC would be paid during the three-year term of the agreement in two ways: (1) interest accrued on each draw of the line of credit; and (2) a

fee for that portion of the line credit that remains unutilized. The cost of each component is summarized in the table below:

<b>1. Per annum interest rate on draws</b>		
<b>Tax Exempt draws</b>		
One-month term SOFR* times 79% <i>(this rate adjusts each business day, as of Jan 9, 2023 was 4.43% times 79% equals 3.42%)</i>	Plus Credit Spread of 52 bps <i>(0.52%)</i>	Equals Jan 9 indicative rate of 3.94% <i>(actual rate will adjust each business day)</i>
<b>Taxable draws</b>		
One-month term SOFR* <i>(this rate adjusts each business day, as of Jan 9, 2023 was 4.43%)</i>	Plus Credit Spread of 58 bps <i>(0.58%)</i>	Equals Jan 9 indicative rate of 4.91% <i>(actual rate will adjust each business day)</i>
<b>2. Per annum Unutilized Fee</b>		
<ul style="list-style-type: none"> <li>• 0.15% for remaining available balance at &lt;50% drawn</li> <li>• 0.10% for remaining available balance at &gt;50% drawn</li> </ul>		

\* SOFR means Secured Overnight Financing Rate, which is a borrowing index that replaced LIBOR (the London Interbank Offered Rate) as the industry standard index for many short-term financing obligations.

The RCA also includes provisions in the event the Authority credit rating is downgraded, in which case the above credit spread increases for each category of downgrade. There is also a provision in the event the Authority does not pay off the line of credit by the maturity date, to convert the outstanding draws to a three-year fixed term out loan. The term out loan rate would likely be higher than the variable rate during the term of the line of credit. In each case, the maximum rate is 12% as permitted by law. The Authority has the ability to pay off the line of credit during the term of the agreement or the term out loan at any time without premium.

**PROCUREMENT:** On August 19<sup>th</sup> 2022, the Authority issued a Request for Proposal from qualified banks to provide a line of credit. The Authority received three proposals: City National Bank (a subsidiary of RBC), JP Morgan, and PNC Bank. Authority staff conducted interviews with both City National Bank and PNC Bank; and after such interviews the staff evaluation team determined that PNC rated as the highest scoring proposer.

**CEQA COMPLIANCE AND LAND USE APPROVALS:** N/A

**STAFFING IMPACT (# OF POSITIONS):** N/A

**IMPACT ON OPERATIONS:** Will return some operating cash already expended and makes available short-term financing for current capital projects underway. The ability to utilize the line of credit also reduces the need to use rates and charges to fund such projects on a paygo basis. This provides continuity for current project planning, construction, and completion, while limiting impact on the rate base.

**SCHEDULE:** Upon approval, funds are tentatively available to draw on February 1, 2023.

**ATTACHMENTS:**

1. Resolution No. 2023-03
2. PNC Revolving Credit and Fee Agreements

**STAFF MEMBER PRESENTING:** Chief Executive Officer Atif Elkadi

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Originator Name: John M. Schubert, Chief Financial Officer

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Originating Dept.: Finance

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Director Review: N/A

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John M. Schubert, Chief Financial Officer

Chief Review:

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CEO Approval:

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This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to, or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at [clerk@flyontario.com](mailto:clerk@flyontario.com).

**BOARD DISPOSITION:**  Approved  Denied  Continued to \_\_\_\_\_

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING AND APPROVING THE PREPARATION, ENTERING INTO AND THE EXECUTION AND DELIVERY OF A REVOLVING CREDIT AGREEMENT AND FEE AGREEMENT, EACH BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND PNC BANK, NATIONAL ASSOCIATION, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE TO PNC BANK, NATIONAL ASSOCIATION, AS EVIDENCE OF SUCH AGREEMENT AND THE SECURITY THEREFOR, OF ONTARIO INTERNATIONAL AIRPORT AUTHORITY SUBORDINATED REVENUE NOTES, SERIES 2023, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000; AND PROVIDING FOR CERTAIN OTHER MATTERS

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**NOW, THEREFORE, BE IT RESOLVED** by the Ontario International Airport Authority Commission as follows:

**SECTION 1. References.** Unless the context shall clearly indicate some other meaning, all capitalized words and terms used in this resolution which are not defined herein shall have the meanings given to them (a) in the Master Trust Indenture, dated as of November 1, 2016 (the “Master Indenture”), as supplemented and amended by the First Supplemental Trust Indenture, dated as of November 1, 2016, the Second Supplemental Trust Indenture, dated as of February 1, 2021 and the Third Supplemental Trust Indenture, dated as of April 1, 2021 (such supplemental indentures, together with the Master Indenture, are herein defined collectively as the “Indenture”), each between the Ontario International Airport Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee, or (b) in the Agreement hereinafter referred to, as applicable.

**SECTION 2. Revolving Credit Agreement.** Pursuant to and under the authority of Article 4, Chapter 5, Division 7, of Title 1 of the California Government Code and pursuant to a Joint Exercise of Powers Agreement dated as of August 21, 2012 (the “Joint Powers Agreement”), by and between the City of Ontario, California, a general law city and municipal corporation duly organized and existing under the Constitution and laws of the State of California and the County of San Bernardino, California, a political subdivision of the State of California duly organized and existing under the Constitution and laws of such state, for the purpose of providing funds to finance or reimburse a portion of the Authority's capital improvement program at the Ontario International Airport, there is hereby authorized to be entered into a Revolving Credit Agreement (the “Agreement”), between the Authority and PNC Bank, National Association (the “Lender”), pursuant to which the Lender shall from time to time advance Taxable Loans and Tax-exempt Loans (as each such term is defined in the Agreement) and, if applicable, the Term Loan (as defined in the Agreement), in an aggregate principal amount not to exceed Fifty Million Dollars (\$50,000,000).

**SECTION 3. Form of Revolving Credit Agreement.** The Agreement shall be in the form presented to the Board at the meeting at which this resolution is adopted, together with such changes as the Chief Executive Officer of the Authority shall approve consistent with this resolution, upon the advice of counsel, such approval to be conclusively evidenced by the execution thereof. The Agreement shall be executed in the name of the Authority by the manual signature of the Chief Executive Officer of the Authority, or in such other manner as may be required or permitted by law.

**SECTION 4. Security for Revolving Credit Agreement.** The Authority hereby grants and makes to secure the payment of principal of and interest on the Loans and the other Obligations (as defined in the Agreement) of the Authority under the Agreement, a valid and binding Lien on and pledge of the Net Pledged Revenues junior and subordinate to the Bonds and Policy Costs. The payment of the Loans and the other Obligations ranks on a parity with the payment of the principal and purchase price of and interest on all Parity Debt as defined in the Agreement. No filing, registration, recording or publication of this resolution or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the Lien created hereby on the Net Pledged Revenues to secure the payment of principal of and interest on Loans and the other Obligations under the Agreement. The principal of and interest on the Loans and the other Obligations under the Agreement may be paid from moneys constituting Net Pledged Revenues only if all deposits required to be made to the Trustee under the Indenture and all amounts of principal and interest which have become due and payable on the Bonds whether by maturity or redemption have been paid in full and the Authority is current on all payments, if any, required to be made to replenish any bond reserve fund created for any Bonds. The Authority hereby designates the Agreement, the Notes and the other Obligations under the Agreement as a “Subordinated Obligation” under the Indenture and designates the Agreement as an “other written instrument” for such purpose. If for any reason the Agreement, the Notes or any other Obligation under the Agreement shall be determined to not be a Subordinated Obligation for the purposes of the Indenture the pledge, Lien and security interest granted under this Section 4 shall be deemed a discretionary purpose as authorized by the Board and the Joint Powers Agreement within the meaning of Section 4.04(b)(6) of the Indenture.

**SECTION 5. Notes and Fee Agreement.** The Board hereby authorizes and approves the preparation, entering into and the execution and delivery by the Chief Executive Officer of the Authority of (a) three notes, in the aggregate principal amount for all three notes of not to exceed Fifty Million Dollars (\$50,000,000) to be designated (i) the “Ontario International Airport Authority Subordinated Revenue Note, Series 2023 (Tax-Exempt)”, evidencing the Authority’s obligation to repay the Loans under the Agreement which are Tax-exempt Loans, (ii) the “Ontario International Airport Authority Subordinated Revenue Note, Series 2023 (Taxable)”, evidencing the Authority’s obligation to repay the Loans under the Agreement which are Taxable Loans and (iii) the “Ontario International Airport Authority Subordinated Revenue Note, Series 2023 (Term)”, evidencing the Authority’s obligation to repay the Term Loan under the Agreement, if applicable (collectively, the “Notes”), each in the form attached to the Agreement, and (b) a Fee Agreement (the “Fee Agreement”), between the Authority and the Lender, in the form presented to the Board at the meeting at which this resolution is adopted, together with such changes to the Notes and Fee Agreement consistent with this resolution as the Chief Executive Officer shall approve upon the advice of counsel, such approval to be conclusively evidenced by the execution thereof. The Board hereby further ratifies, validates, confirms and approves the Notes and the Fee Agreement and the terms, provisions and conditions thereof.

**SECTION 6. Additional Authorizations Actions of Board.** The Board hereby authorizes the Chief Executive Officer or Chief Financial Officer of the Authority to take any and all such further action as upon the advice of counsel the Chief Executive Officer or Chief Financial Officer shall deem necessary or desirable to carry out, give effect to and consummate the transactions contemplated hereby.

**SECTION 7. Section 5852.1 Compliance.** In order to comply with Government Code Section 5852.1, the Board has obtained from the Authority’s municipal advisor the good faith estimates

relating to the Notes as set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public.

**SECTION 8. Effectiveness of Resolution.** This resolution shall take effect immediately.

**SECTION 9. Certification.** The Secretary/Assistant Secretary shall certify as to the adoption of this Resolution.

**PASSED, APPROVED, AND ADOPTED** at a Regular Meeting this 26<sup>th</sup> day of January, 2023.

\_\_\_\_\_  
ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

\_\_\_\_\_  
NORMA I. ALLEY, MMC, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
LORI D. BALLANCE, GENERAL COUNSEL

STATE OF CALIFORNIA            )  
COUNTY OF SAN BERNARDINO    )  
CITY OF ONTARIO                )

I, Norma I. Alley, MMC, Board Clerk/Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY the foregoing Resolution No. 2023-03 is the original and was duly passed and adopted by the Commission of the Ontario International Airport Authority at their Regular Meeting held January 26, 2023, by the following roll call vote, to wit:

AYES:            COMMISSIONERS:

NOES:            COMMISSIONERS:

ABSENT:          COMMISSIONERS:

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NORMA I. ALLEY, MMC  
BOARD CLERK/ASSISTANT SECRETARY

(SEAL)

## APPENDIX A

### Government Code Section 5852.1 Disclosure

The good faith estimates set forth herein are provided with respect to the Notes in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by CSG Advisors Incorporated, the Authority's Municipal Advisor based on the terms of the Revolving Credit Agreement and market conditions as of January 9, 2023 and assuming the Authority were to borrow the maximum amount permitted under this resolution upon the date of execution of the such agreement and did not repay such principal amount until the Facility Maturity Date as defined in such agreement.

*Principal Amount.* The Municipal Advisor has informed the Authority that, based on the assumptions described above, it's good faith estimate of the aggregate principal amount of the Notes to be sold is **\$50,000,000** (the "Estimated Principal Amount").

*True Interest Cost of the Notes.* The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Notes is sold, and based on the assumptions described above, the True Interest Cost of the Notes is **3.94%** if issued on a fully Tax-exempt basis, and **4.91%** if issued on a fully Taxable basis.

*Finance Charge of the Notes.* The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Notes is sold, and based on the assumptions described above, its good faith estimate of the finance charge for the Notes, which means the sum of all fees and charges paid to third parties (or costs associated with the Notes), is **\$200,000**.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Notes is sold, and based on assumptions described above, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Notes, less the finance charge of the Notes, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Notes, is **\$49,800,000**.

*Total Payment Amount.* The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Notes is sold, and based on the assumptions described above, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Notes, plus the finance charge for the Notes, as described above, not paid with the proceeds of the Notes, calculated to the final maturity of the Notes, is **\$55,910,000** if issued on a fully Tax-exempt basis, and **\$57,365,000** if issued on a fully Taxable basis.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Notes issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of each of the Notes being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Notes sold being different from the Estimated Principal Amount, (c) the actual repayment dates of the Notes being different than assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of each Note being different than those estimated for purposes of such estimates, (e) other market conditions, (f) any Unutilized Fees incurred if less than the full amount of authorized principal is drawn during the term of the Revolving Credit Agreement, (g) any downgrades to the credit rating of the Authority, or (f) alterations in the Authority's financing plan, delays in the financing,

additional legal work, or a combination of such factors and additional finance charges, if any, attributable thereto. The actual date of sale of the Notes and the actual principal amount of Notes sold will be determined by the Authority based on the timing of the need for proceeds of the Notes and other factors. The actual interest rates borne by the Notes will depend on market interest rates at the time of sale thereof. Any amortization of the Notes, if applicable, will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.

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REVOLVING CREDIT AGREEMENT

Dated as of February 1, 2023

between

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

and

PNC BANK, NATIONAL ASSOCIATION

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## TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS .....	1
Section 1.01.	Definitions.....	1
Section 1.02.	Accounting Terms and Determinations .....	20
ARTICLE II	THE CREDIT .....	21
Section 2.01.	Commitment to Lend .....	21
Section 2.02.	Method of Borrowing Loans; Account to Which Proceeds of Loans to Be Credited .....	21
Section 2.03.	The Notes .....	22
Section 2.04.	Maturity of Loans and Term Loan.....	23
Section 2.05.	Interest Rates.....	23
Section 2.06.	Fees .....	25
Section 2.07.	Optional Termination or Reduction of Commitment.....	25
Section 2.08.	Mandatory Termination or Reduction of Commitment .....	25
Section 2.09.	Optional Prepayments; Funding Indemnity .....	25
Section 2.10.	General Provisions as to Payments .....	25
Section 2.11.	Computation of Interest and Fees .....	26
Section 2.12.	The Term Loan .....	26
Section 2.13.	Determination of Taxability.....	26
Section 2.14.	Benchmark Replacement .....	27
Section 2.15.	Security .....	28
ARTICLE III	CONDITIONS.....	29
Section 3.01.	Effectiveness .....	29
Section 3.02.	Borrowings During the Revolving Credit Period .....	31
Section 3.03.	No Rating; DTC; Offering Document .....	31
ARTICLE IV	REPRESENTATIONS AND WARRANTIES.....	31
Section 4.01.	Organization, Powers, Etc.....	31
Section 4.02.	Authorization; No Contravention .....	32
Section 4.03.	Binding Effect.....	32
Section 4.04.	Financial Information.....	32
Section 4.05.	Litigation.....	33
Section 4.06.	Employee Benefit Plans, Etc.....	33
Section 4.07.	Security for and Status of Notes .....	33
Section 4.08.	Taxes .....	33
Section 4.09.	Full Disclosure .....	33
Section 4.10.	No Default.....	34
Section 4.11.	Liens on Net Pledged Revenues .....	34
Section 4.12.	No Sovereign Immunity.....	34

Section 4.13.	Title to Assets .....	34
Section 4.14.	Insurance .....	34
Section 4.15.	Pending Legislation and Decisions .....	34
Section 4.16.	Incorporation of Representations and Warranties.....	35
Section 4.17.	Federal Reserve Board Regulations.....	35
Section 4.18.	Environmental Laws .....	35
Section 4.19.	Tax Exempt Status .....	35
Section 4.20.	Compliance with Laws .....	36
Section 4.21.	Reserved.....	36
Section 4.22.	Financing Documents to Constitute a Contract and a Legal Obligation .....	36
Section 4.23.	Financing Documents .....	36
Section 4.24.	Sanctions and other Anti-Terrorism Laws; Anti- Corruption Laws .....	36
Section 4.25.	No Public Vote or Referendum.....	36
Section 4.26.	Swap Contracts .....	36
Section 4.27.	Airline Rates and Charges; Bonding.....	36
Section 4.28.	Solvency.....	36
Section 4.29.	Settlement Payments.....	37
ARTICLE V	COVENANTS.....	37
Section 5.01.	Information .....	37
Section 5.02.	Payment of Obligations; Removal of Liens.....	38
Section 5.03.	Maintenance of Property.....	38
Section 5.04.	Conduct of Business and Maintenance of Existence .....	38
Section 5.05.	Compliance with Laws .....	38
Section 5.06.	Inspection of Property, Books and Records.....	38
Section 5.07.	Use of Proceeds.....	39
Section 5.08.	Incorporation of Covenants by Reference; No Amendments; Etc.....	39
Section 5.09.	ERISA Matters.....	40
Section 5.10.	Further Assurances.....	40
Section 5.11.	Related Obligations.....	40
Section 5.12.	Insurance .....	40
Section 5.13.	Sovereign Immunity.....	40
Section 5.14.	Underlying Rating.....	41
Section 5.15.	Preservation of Lien; Liens .....	41
Section 5.16.	Sanctions and Other Anti-Terrorism Laws; Anti- Corruption Laws .....	41
Section 5.17.	Other Agreements .....	41
Section 5.18.	Financial Covenants.....	42
Section 5.19.	Investment Policy.....	42
Section 5.20.	Preservation of Existence, Ownership, Etc.....	42
Section 5.21.	Certain Information.....	42
Section 5.22.	Consolidation or Merger.....	42

Section 5.23.	Accounting Methods and Fiscal Year .....	42
Section 5.24.	Exempt Status .....	43
Section 5.25.	Impairment of Rights .....	43
Section 5.26.	Released Revenues.....	43
Section 5.27.	Swap Contracts .....	43
ARTICLE VI	EVENTS OF DEFAULT .....	44
Section 6.01.	Events of Default .....	44
Section 6.02.	Effect of Event of Default.....	46
Section 6.03.	No Right of Setoff.....	47
ARTICLE VII	INCREASED COSTS AND TAXES .....	48
Section 7.01.	Additional Costs.....	48
Section 7.02.	Taxes .....	49
ARTICLE VIII	MISCELLANEOUS .....	50
Section 8.01.	Notices .....	50
Section 8.02.	No Waivers .....	51
Section 8.03.	Expenses; Documentary Taxes; Indemnification .....	51
Section 8.04.	Amendments and Waivers .....	52
Section 8.05.	Successors and Assigns.....	52
Section 8.06.	Governing Law; Venue.....	53
Section 8.07.	Counterparts; Integration .....	54
Section 8.08.	Judicial Reference .....	54
Section 8.09.	Severability .....	54
Section 8.10.	Government Regulations .....	54
Section 8.11.	No Advisory or Fiduciary Relationship.....	54
Section 8.12.	Fees and Expenses .....	55
Section 8.13.	EMMA Postings.....	55
Section 8.14.	Acknowledgement Regarding Any Supported QFCs.....	55
EXHIBIT A	— FORM OF NOTICE OF BORROWING	
EXHIBIT B	— FORM OF NOTICE OF CHANGE OF LENDER ACCOUNT	
EXHIBIT C	— FORM OF TAXABLE NOTE	
EXHIBIT D	— FORM OF TAX-EXEMPT NOTE	
EXHIBIT E	— FORM OF TERM NOTE	
EXHIBIT F	— FORM OF REQUEST FOR AMORTIZATION PERIOD	
EXHIBIT G	— FORM OF COMPLIANCE CERTIFICATE	

## REVOLVING CREDIT AGREEMENT

This Revolving Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, this “*Agreement*”) is dated as of February 1, 2023, between the ONTARIO INTERNATIONAL AIRPORT AUTHORITY (the “*Authority*”), a joint powers authority established under Article I, Chapter 5, Division 7, of Title 1 of the California Government Code and pursuant to a Joint Exercise of Powers Agreement dated as of August 21, 2012 (as amended, restated, supplemented or otherwise modified from time to time, the “*Joint Powers Agreement*”), by and between the City of Ontario, California, a general law city and municipal corporation duly organized and existing under the Constitution and laws of the State of California (the “*City of Ontario*”), and the County of San Bernardino, California, a political subdivision of the State of California duly organized and existing under the Constitution and laws of such state (the “*County of San Bernardino*”), and PNC BANK, NATIONAL ASSOCIATION, and its successors and assigns (the “*Lender*”).

### RECITALS

WHEREAS, pursuant to the Joint Powers Act and the Joint Powers Agreement, the City of Ontario and the County of San Bernardino formed the Authority for the purpose of operating, maintaining, developing and marketing the Ontario International Airport;

WHEREAS, the Authority is now the sole owner, operator and sponsor of the Ontario International Airport and all related Ontario Airport Facilities (as hereinafter defined), and is entitled to collect all fees, charges, rentals and revenue received or collected in connection with its management and operation of the Ontario International Airport and deposit such amounts into an Airport Revenue Fund (as hereinafter defined);

WHEREAS, the Joint Powers Agreement provides that the Authority has the power to borrow money and to issue notes and other evidence of indebtedness of the Authority; and

WHEREAS, pursuant to the powers granted to the Authority under the Joint Powers Agreement, the Authority has requested that the Lender establish a revolving credit facility for the purpose of funding capital improvements at Ontario International Airport, and the Lender has agreed to make taxable and tax-exempt revolving loans to the Authority, on the terms and conditions set forth herein.

NOW, THEREFORE in consideration of the mutual promises, covenants and conditions contained herein, the parties agree as follows:

### ARTICLE I

#### DEFINITIONS

*Section 1.01. Definitions.* (a) Capitalized terms used herein but not otherwise defined in subsection (b) below or elsewhere herein shall have the meanings given to them in the Indenture.

(b) The following terms, as used herein, have the following meanings:

*“Additional Bonds”* has the meaning set forth in the Indenture.

*“Affiliate”* means any other Person controlling or controlled by or under common control with the Authority. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise.

*“Airport Revenue Fund”* has the meaning set forth in the Indenture.

*“Airport Revenues”* has the meaning set forth in the Indenture.

*“Alternate Rate”* means a rate of interest per annum equal to the sum of (i) the Base Rate plus (ii) the Applicable Spread for the applicable Loan type; *provided, however*, that in no event shall the Alternate Rate exceed the Maximum Rate.

*“Alternate Rate Loan”* means a Loan that bears interest at a rate based on the Alternate Rate.

*“Amortization End Date”* means the earliest to occur of (a) the third (3rd) anniversary of the Facility Maturity Date, and (b) the date on which all Loans are to be repaid, prepaid or cancelled in accordance with the terms of this Agreement.

*“Amortization Payment Date”* means (a) the Initial Amortization Payment Date and each third (3<sup>rd</sup>) month anniversary of the Initial Amortization Payment Date occurring thereafter which occurs prior to the Amortization End Date and (b) the Amortization End Date.

*“Amortization Period”* has the meaning set forth in Section 2.12 hereof.

*“Anti-Corruption Laws”* means the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010, and any other similar anti-corruption Laws or regulations administered or enforced in any jurisdiction in which the Authority or any of its Subsidiaries conduct business.

*“Anti-Terrorism Law”* means any Law in force or hereinafter enacted related to terrorism, money laundering, or economic sanctions, including the Bank Secrecy Act, 31 U.S.C. § 5311 *et seq.*, the USA PATRIOT Act, the International Emergency Economic Powers Act, 50 U.S.C. 1701, *et seq.*, the Trading with the Enemy Act, 50 U.S.C. App. 1, *et seq.*, 18 U.S.C. § 2332d, and 18 U.S.C. § 2339B.

*“Applicable Factor”* means seventy-nine percent (79%).

*“Applicable Spread”* means a rate per annum associated with the Level corresponding to the Ratings, as specified below.

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD FOR TAXABLE LOANS	APPLICABLE SPREAD FOR TAX-EXEMPT LOANS
Level 1	A3 or above	A- or above	A- or above	0.58%	0.52%
Level 2	Baa1	BBB+	BBB+	0.63%	0.57%
Level 3	Baa2	BBB	BBB	0.88%	0.82%
Level 4	Baa3	BBB-	BBB-	1.88%	1.82%
Level 5	Below Baa3	Below BBB-	Below BBB-	Default Rate	Default Rate

In the event of a split in the Ratings (*i.e.*, one of the Ratings is at a different Level than one or more of the other Ratings), the Applicable Spread shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 1 is the highest Rating and Level 5 is the lowest Rating for purposes of the above pricing grid). At any time during which (i) any Rating is suspended, withdrawn or otherwise unavailable from any Rating Agency or (ii) an Event of Default has occurred and is continuing, then, in any such case, the Applicable Spread shall immediately equal the rate set forth in Level 5, without notice to the Authority (*provided, however*, that the Lender will use commercially reasonable efforts to provide notice thereof to the Authority as promptly as possible thereafter). Any change in the Applicable Spread resulting from a change in any Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. The Authority acknowledges that as of the Effective Date the Applicable Spread is that specified above for Level 1.

“*Audited Financial Statements*” means the Authority’s audited financial statements for the Fiscal Year ended June 30, 2022.

“*Authorized Authority Representative*” has the meaning set forth in the Indenture.

“*Authorizing Resolution*” means Resolution No. [\_\_\_\_\_] adopted by the Board of Commissioners of the Authority on January 26, 2023.

“*Available Commitment*” means, on any date, an initial amount equal to the Commitment and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Loan made to the Authority hereunder; (b) upward in an amount equal to the principal amount of any Loan made to the Authority hereunder that is repaid, prepaid or cancelled, as applicable, in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.07 hereof; (d) downward to zero upon the expiration or termination of the Commitment in accordance with the terms hereof; *provided, however*, that after giving effect to any of the foregoing adjustments, the Available Commitment shall never exceed the amount of the Commitment then in effect.

“*Balloon Indebtedness*” means, with respect to any Series of Bonds or any other Debt of the Authority, twenty-five percent (25%) or more of the principal amount of which matures on the same date or within a Fiscal Year, that portion of such Series or other Debt, as applicable, which matures on such date or within such Fiscal Year; *provided, however*, that to constitute Balloon Indebtedness the amount of Bonds of a Series or the amount of such other Debt, as applicable, must equal or exceed 150% of such Series or such other Debt which matures during any preceding Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds or such Debt, as applicable, scheduled to be amortized by prepayment or redemption prior to their or its stated maturity date. A Commercial Paper Program (as defined in the Indenture) and the Commercial Paper (as defined in the Indenture) constituting part of such Program shall not be Balloon Indebtedness.

“*Bank Agreement*” means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement (such as a continuing covenant agreement or supplemental bondholder’s agreement), bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) (i) to make or provide funds to make, payment of, (ii) to purchase or (iii) to provide credit or liquidity enhancement, in each case, for bonds, notes, loans to or other obligations of the Authority. Bank Agreement shall not include a policy of municipal bond insurance or reserve fund surety policy or any provisions incorporated in a Supplemental Indenture with respect thereto, in each case, solely to the extent supporting any Bonds.

“*Base Rate*” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate, (ii) the Overnight Bank Funding Rate *plus* one-half of one percent (0.50%); and (iii) four percent (4.00%); *provided, however*, if the Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. If and when the Base Rate as determined above changes, the rate of interest with respect to any amounts hereunder to which the Base Rate applies will change automatically without notice to the Authority, effective on the date of any such change.

“*Bond Counsel*” means Hawkins Delafield & Wood LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the Authority and reasonably acceptable to the Lender (or selected by the Lender and reasonably acceptable to the Authority).

“*Bonds*” has the meaning set forth in the Indenture. As of the Effective Date, the only Outstanding Bonds are (i) the Authority’s Ontario International Airport Revenue Bonds, Series 2016 (Taxable), and (ii) the Authority’s Ontario International Airport Revenue Bonds, Series 2021A (Non-AMT), Series 2021B (AMT) and Series 2021C (Taxable).

“*Borrowing*” means a borrowing hereunder consisting of a Loan to be made to the Authority by the Lender pursuant to Article II.

“*Business Day*” means any day other than (a) a Saturday or Sunday or (b) a legal holiday on which commercial banks are authorized or required by law to be closed for business in

Pittsburgh, Pennsylvania or Ontario, California; *provided* that, when used in connection with an amount that bears interest at a rate based on SOFR or any direct or indirect calculation or determination of SOFR, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“*Capital Improvement Program*” means the plan adopted by resolution of the Authority with respect to Ontario International Airport that serves as the primary planning tool for identifying and prioritizing critical airport development and associated capital needs for the National Airspace System as mandated by the Federal Aviation Administration and serves as the basis for the distribution of grant funds under the Airport Improvement Program (AIP) and FAA Order No. 5090.5.

“*Change in Law*” shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, including, without limitation, any Risk-Based Capital Guidelines, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, ruling, guideline, regulation or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, ruling, guidelines, regulations or directives thereunder or issued in connection therewith and (ii) all requests, rules, rulings, guidelines, regulations or directives promulgated by the Lender for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued; *provided*, that, for the purposes of this definition only, “*Governmental Authority*” shall mean the government of the United States or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and all rules and regulations from time to time promulgated thereunder.

“*Commitment*” means the amount of \$50,000,000, as such amount may be reduced from time to time pursuant to Sections 2.07, 2.08 and 6.01 hereof.

“*Confidential Information*” means any sensitive or confidential information regarding the Lender or any Affiliate of the Lender designated as confidential to the Authority in writing.

“*Consultant*” has the meaning set forth in the Indenture.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Authority or any subsidiary, are treated as a single employer under Section 414 of the Code.

“*Covered Entity*” means (a) the Authority, and (b) each Person (if any) that, directly or indirectly, controls the Authority. For purposes of this definition, control of a Person means the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

“*Customer Facility Charges*” has the meaning set forth in the Indenture.

“*Daily 1M SOFR*” means, for any day, the interest rate per annum determined by the Lender by dividing (the resulting quotient rounded upwards, at the Lender’s discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for such day for a one-month period, as published by the Term SOFR Administrator, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage; *provided* that if Daily 1M SOFR, determined as provided above, would be less than the Floor, then Daily 1M SOFR shall be deemed to be the Floor. The rate of interest will be adjusted automatically as of each Business Day based on changes in Daily 1M SOFR without notice to the Authority. For any date that is not a Business Day, Daily 1M SOFR shall be the rate determined above for the immediately preceding Business Day.

“*Debt*” of any Person means, at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) except as set forth in the last sentence of this definition, all obligations of such Person as lessee which are capitalized in accordance with GAAP, (v) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property, (vi) all non-contingent obligations of such Person to reimburse the Lender or other Person in respect of amounts paid under a letter of credit or similar instrument, (vii) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (viii) all Debt of others Guaranteed by such Person, and (ix) all obligations of such Person under any Swap Contract. Debt shall not include the following: (a) leases and installment payment agreements secured solely by the property financed or leased by the Authority, (b) software subscriptions or other agreements of the Authority that are required to be capitalized under GAAP which are not secured by a pledge of Airport Revenues or Pledged Revenues or (c) Ontario Special Facility Obligations (as defined in the Indenture).

“*Default*” means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

“*Default Rate*” shall mean, for any day, and with respect to any Obligation, a rate of interest per annum equal to the greatest of (i) the Prime Rate *plus* three percent (3.00%); (ii) the Overnight Bank Funding Rate *plus* three and one-half percent (3.50%); and (iii) seven percent (7.00%); *provided, however*, that in no event shall the Default Rate exceed the Maximum Rate.

“*Delivered Information*” means (i) the Audited Financial Statements, (ii) information related to the Authority filed on EMMA, and (iii) information delivered directly to the Lender by the Authority or any of its representatives.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that interest paid or payable on the Tax-exempt Loans is includable, in whole or in part, in the gross income of the Lender for federal income tax purposes;

(ii) on the date when the Authority shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, interest paid or payable on the Tax-exempt Loans is includable, in whole or in part, in the gross income of the Lender for federal income tax purposes; or

(iii) on the date when the Authority shall receive notice from the Lender that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender all or a portion of the interest paid or payable on the Tax-exempt Loans;

*provided, however*, no Determination of Taxability shall occur under subparagraph (ii) or (iii) hereunder unless the Authority has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Lender, the Authority shall promptly reimburse, but solely from payments made by the Authority, the Lender for any payments, including any taxes, interest, penalties or other charges, the Lender shall be obligated to make as a result of the Determination of Taxability.

“*Effective Date*” means the date this Agreement becomes effective in accordance with Section 3.01.

“*EMMA*” means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

*“Environmental Claim”* means any and all administrative, regulatory or judicial investigations, proceedings, actions, suits, demand letters, claims, liens, notices of noncompliance or violation, relating in any way to any Environmental Law (*“claims”*) or any permit issued under any such Environmental Law, including without limitation (a) any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial, or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

*“Environmental Law(s)”* means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to air, water or land pollution, wetlands or the protection of the environment or to emissions, discharges or releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials or the clean up or other remediation thereof.

*“Environmental Liability”* means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Authority or any of its Affiliates directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, presence, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

*“ERISA”* means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

*“Event of Default”* has the meaning set forth in Section 6.01 hereof.

*“Event of Taxability”* means an event resulting in all or any portion of the interest paid or payable on the Tax-exempt Loans to be includable, in whole or in part, in the gross income of the Lender.

*“Excess Interest Amount”* shall have the meaning assigned to such term in Section 2.05(d)(ii).

*“Excluded Tax”* shall mean, with respect to the Lender, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Authority is located.

“*Facility Maturity Date*” means January 30, 2026, or, if such day is not a Business Day, the next succeeding Business Day unless such Business Day falls in another calendar month, in which case the Facility Maturity Date shall be the next preceding Business Day.

“*Fee Agreement*” means that certain Fee Agreement dated as of February 1, 2023, between the Authority and the Lender, as amended, supplemented, modified or restated from time to time and any other agreement delivered in substitution or exchange for such agreement.

“*Financing Documents*” means this Agreement, the Fee Agreement, the Indenture, the Authorizing Resolution, the Notes, the Joint Powers Agreement and each other agreement, instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“*Fiscal Year*” means the period of time beginning on July 1 of each year and ending on June 30 of the immediately subsequent year.

“*Fitch*” means Fitch, Inc.

“*Floor*” means a rate of interest per annum equal to zero basis points (0.00%).

“*GAAP*” has the meaning set forth in Section 1.02 hereof.

“*Governmental Authority*” shall mean the government of the United States or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Governmental Claims Act*” means California Government Code §§970 *et seq.*

“*Guarantee*” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment at) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term *Guarantee* shall not include endorsements for collection or deposit in the ordinary course of business. The term “*Guarantee*” used as a verb has a corresponding meaning.

“*Hazardous Materials*” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, contaminants, chemicals, wastes or other pollutants, including

petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

*“Indemnified Taxes”* shall mean Taxes other than Excluded Taxes.

*“Indenture”* means that certain Master Trust Indenture, between the Authority and the Trustee, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

*“Initial Amortization Payment Date”* means the first Business Day of the third (3rd) full calendar month following the Facility Maturity Date.

*“Interest Payment Date”* means (a) respect to any SOFR Loan or Alternate Rate Loan, the first Business Day of each March, June, September and December, commencing on March 1, 2023, and on the Facility Maturity Date, and, (b) with respect to the Term Loan, the first Business Day of each March, June, September and December during the Amortization Period and on the Amortization End Date, and, in each case, such earlier date on which all Loans or the related Loan is required to be paid in full in accordance with the terms hereof.

*“Investment Policy”* means the investment policy of the Authority delivered to the Lender pursuant to Section 3.01(i) hereof.

*“Joint Powers Agreement”* has the meaning set forth in the recitals hereof.

*“Laws”* shall mean any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

*“Lender Rate”* means the rate of interest per annum with respect to the Term Loan (i) from and including the date of the extension of the Term Loan up to and including the date which is ninety (90) days immediately succeeding such date, equal to the Base Rate from time to time in effect and (ii) from and after the date which is ninety-one (91) days immediately succeeding the date of the extension of the Term Loan, and at all times thereafter, equal to the sum of (a) the Base Rate from time to time in effect *plus* (b) two percent (2.00%); *provided, however*, that immediately and automatically upon the occurrence of any Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, the “Lender Rate” shall be the Default Rate; *provided, further*, that in no event shall the Lender Rate exceed the Maximum Rate.

*“Lending Office”* means the office of the Lender to which notices of Borrowings and other notices hereunder shall be given and to which payments of amounts due hereunder and under the Notes shall be made, which office (and any changes thereto) shall be communicated promptly by the Lender to the Authority at its address specified in or pursuant to Section 8.01.

“*Lien*” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Authority shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“*Loan*” means a Loan to be made by the Lender in accordance with the applicable Notice of Borrowing. The term “Loan” means, individually, a Taxable Loan or a Tax-exempt Loan and “Loans” means Taxable Loans or Tax-exempt Loans, or a combination thereof, as applicable.

“*Maintenance and Operation Expenses*” shall mean, for any given period, the total operation and maintenance expenses of Ontario International Airport as determined in accordance with GAAP as in effect from time to time, excluding depreciation expense and any operation and maintenance expenses of Ontario International Airport payable from moneys other than Pledged Revenues.

“*Margin Stock*” shall have the meaning assigned to such term in Regulation U promulgated by the Board of Directors of the Federal Reserve System, as now and hereafter from time to time in effect.

“*Material Adverse Effect*” means (a) a materially adverse effect upon the Authority’s business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects, (b) an adverse effect upon the binding nature, validity or enforceability of the Financing Documents or the Authority’s Obligations thereunder, (c) an adverse effect on the exclusion of interest with respect to the Tax-exempt Loans from gross income for purposes of federal income taxation or the exemption of such interest from State personal income taxes or (d) a material adverse effect (i) on the authority or ability of the Authority to perform any of its obligations under any Financing Document or the ability of the Authority to complete the transactions contemplated hereunder or thereunder or (ii) on the rights, remedies, security or interests of the Lender hereunder or under the other Financing Documents or on the validity, enforceability or perfection of the pledge of or lien on the Pledged Revenues under the Indenture or on the priority of the Liens created thereby.

“*Material Debt*” means Debt of the Authority which is either (a) Revenue Secured Debt that is subordinate to the Obligations hereunder and any other Parity Debt or (b) unsecured Debt, in each case, arising in one or more related or unrelated transactions, in an aggregate principal amount exceeding \$5,000,000.

“*Maximum Rate*” means the maximum rate of interest on the relevant obligation permitted by applicable law.

“*Moody’s*” means Moody’s Investors Service, Inc.

“*Net Pledged Revenues*” shall mean, for any given period, the Pledged Revenues for such period less, for such period, the Maintenance and Operation Expenses.

“Notes” means the Taxable Note and the Tax-exempt Note, as applicable.

“Notice of Borrowing” has the meaning set forth in Section 2.02(a)(i) hereof.

“Notice of Extension” has the meaning set forth in Section 2.01(b) hereof.

“NYFRB” means the Federal Reserve Bank of New York.

“Obligations” means all amounts payable by the Authority, and all other obligations to be performed by the Authority, pursuant to this Agreement and the other Financing Documents (including, without limitation, the fees set forth in the Fee Agreement and any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents).

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Ontario Airport Facilities” has the meaning set forth in the Indenture.

“Ontario International Airport” or “Airport” means the airport commonly known by such name, including all airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce belonging to or pertaining to the Authority and under the jurisdiction and control of the Authority and any successor entity thereto, including or excluding, as the case may be, such property as the Authority may either acquire or which shall be placed under its control, or divest or have removed from its control.

“Other Taxes” has the meaning set forth in Section 7.02(a) hereof.

“Outstanding”, with respect to any Bonds, has the meaning set forth in the Indenture.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Lender for the purpose of displaying such rate); *provided*, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; *provided*, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Lender at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Authority.

“Parity Debt” means Debt of the Authority secured by a pledge of, charge on or lien upon Net Pledged Revenues on a parity with the Loans but junior and subordinate to the Bonds and the Policy Costs.

*“Participant”* has the meaning set forth in Section 8.05(b) hereof.

*“Passenger Facility Charges”* has the meaning set forth in the Indenture.

*“Permitted Investments”* has the meaning set forth in the Indenture.

*“Person”* means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

*“Plan”* means, with respect to the Authority and each subsidiary at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group of which the Authority or such subsidiary is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Authority or such subsidiary is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

*“Pledged Revenues”* has the meaning set forth in the Indenture.

*“Policy Costs”* has the meaning set forth in the First Supplemental Trust Indenture, dated as of November 1, 2016, and the Third Supplemental Trust Indenture, dated as of April 1, 2021, each between the Authority and the Trustee, or draw reimbursements, interest and expenses with respect to a debt service reserve insurance policy or surety as provided in any a Supplemental Indenture providing for the issuance of Additional Bonds.

*“Prime Rate”* means the rate publicly announced by the Lender from time to time as its prime rate. The Prime Rate is determined from time to time by the Lender as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged by the Lender to any particular class or category of customers.

*“Program”* has the meaning set forth in the Indenture.

*“Program Bonds”* has the meaning set forth in the Indenture.

*“Property”* means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

*“Qualified Self Insurance”* has the meaning set forth in the Indenture.

*“Qualified Swap”* has the meaning set forth in the Indenture.

*“Ratings”* means the long-term unenhanced debt rating assigned to any of the Authority’s Bonds (or any other Debt secured on parity therewith) by each of Moody’s, Fitch and S&P.

“*Rating Agency*” means each of S&P, Moody’s and Fitch.

“*Regulation U*” means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“*Repayment Obligations*” has the meaning set forth in the Indenture.

“*Reportable Compliance Event*” means that: (a) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint, or similar charging instrument, arraigned, custodially detained, penalized or the subject of an assessment for a penalty, or enters into a settlement with a Governmental Authority in connection with any economic sanctions or other Anti-Terrorism Law or Anti-Corruption law, or any predicate crime to any anti-Terrorism Law or Anti-Corruption Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Terrorism Law or Anti-Corruption Law; (b) any Covered Entity engages in a transaction that has caused or may cause the Lender to be in violation of any Anti-Terrorism Laws, including a Covered Entity’s use of any proceeds of any Loan to fund any operations in, finance any investments or activities in, or, make any payments to, directly or indirectly, a Sanctioned Person or Sanctioned Jurisdiction; or (c) any Covered Entity otherwise violates, or reasonably believes that it will violate, any of the representations or covenant (including any negative covenant) of this Agreement.

“*Revenue Secured Debt*” means any Debt of the Authority secured by or payable from Airport Revenues.

“*Revolving Credit Period*” means the period from and including the Effective Date to and including the Facility Maturity Date.

“*Risk-Based Capital Guidelines*” shall mean (i) the risk-based capital guidelines in effect in the United States, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations.

“*S&P*” means Standard & Poor’s, a business of Standard & Poor’s Financial Services LLC.

“*Sanctioned Jurisdiction*” means any country, territory, or region that is the subject of sanctions administered by OFAC.

“*Sanctioned Person*” means (a) a Person that is the subject of sanctions administered by OFAC or the U.S. Department of State (“*State*”), including by virtue of being (i) named on OFAC’s list of “Specially Designated Nationals and Blocked Persons”; (ii) organized under the Laws of, ordinarily resident in, or physically located in a Sanctioned Jurisdiction; (iii) owned or controlled 50% or more in the aggregate, by one or more Persons that are the subject of sanctions administered by OFAC; (b) a Person that is the subject of sanctions maintained by the European Union (“*E.U.*”), including by virtue of being named on the E.U.’s “Consolidated list of persons, groups and entities subject to E.U. financial sanctions” or other, similar lists; (c) a Person that is

the subject of sanctions maintained by the United Kingdom (“U.K.”), including by virtue of being named on the “Consolidated List Of Financial Sanctions Targets in the U.K.” or other, similar lists; or (d) a Person that is the subject of sanctions imposed by any Governmental Authority of a jurisdiction whose Laws apply to this Agreement.

“*Settlement Payments*” has the meaning set forth in the Indenture.

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the NYFRB (or a successor administrator of the secured overnight financing rate).

“*SOFR Loan*” means a Loan that bears interest at a rate based on Daily 1M SOFR.

“*SOFR Reserve Percentage*” means, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

“*Specified Aggregate Annual Debt Service*” shall mean for any Fiscal Year the aggregate amount of principal and interest becoming due and payable during such Fiscal Year on all Bonds and any other Debt of the Authority (including, without limitation, the Loans hereunder and any Parity Debt). For purposes of calculating Specified Aggregate Annual Debt Service, the following components of debt service shall be computed as follows:

(i) in determining the principal due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on all Debt of the Authority in accordance with any amortization schedule established by the governing documents setting forth the terms of such Debt, including, as a principal payment, the Accreted Value (as defined in the Indenture) of any Capital Appreciation Bonds (as defined in the Indenture) or Original Issue Discount Bonds (as defined in the Indenture) maturing or scheduled for redemption in such year; in determining the interest due in each year, interest payable at a fixed rate shall (except to the extent subsection (ii), (iii) or (iv) of this definition applies) be assumed to be made at such fixed rate and on the required payment dates; *provided, however*, that interest payable on the Bonds shall be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(ii) if all or any portion or portions of an Outstanding Series (as defined in the Indenture) of Bonds, or Unissued Program Bonds or any other Debt of the Authority constitutes Balloon Indebtedness (excluding Program Bonds or Unissued Program Bonds to which subsection (vi) applies), then, for purposes of determining Specified Aggregate Annual Debt Service, each maturity which constitutes Balloon Indebtedness shall, unless otherwise provided in the Supplemental Indenture (as defined in the Indenture) pursuant to which such Balloon Indebtedness is issued or unless provision (iii) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service payments commencing not later than the year following the year in which such Balloon Indebtedness was originally

issued, and extending not later than 30 years from the date such Balloon Indebtedness was originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant (as defined in the Indenture) to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds, Unissued Program Bonds or Program Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in (i) above or such other provision of this definition as shall be applicable and, with respect to any Series, Unissued Program Bonds or Program Bonds or that portion of a Series thereof which constitutes Balloon Indebtedness, all payments of principal and interest becoming due prior to the year of the stated maturity of the Balloon Indebtedness shall be treated as described in (i) above or such other provision of this definition as shall be applicable;

(iii) any maturity of Bonds or other Debt of the Authority which constitutes Balloon Indebtedness as described in provision (ii) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation is made, shall be assumed to become due and payable on the stated maturity date and provision (ii) above shall not apply thereto unless there is delivered to the entity making the calculation a certificate of an Authorized Authority Representative stating that the Authority intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Authority is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Specified Aggregate Annual Debt Service, *provided* that such assumption shall not result in an amortization period longer than or an interest rate lower than that which would be assumed under provision (ii) above;

(iv) if any Outstanding Bonds (including Program Bonds then issued and Outstanding) or any Bonds which are then proposed to be issued or any other Debt of the Authority constitutes Tender Indebtedness (but excluding Program Bonds or Bonds as to which a Qualified Swap is in effect and to which subsection (vi) or (viii) applies), then, for purposes of determining Specified Aggregate Annual Debt Service, Tender Indebtedness shall be treated as if the principal amount of such Bonds or Notes or other Debt, as applicable, were to be amortized over a term of not more than 30 years commencing in the year in which such Series is first subject to tender and with substantially level Specified Aggregate Annual Debt Service payments and extending not later than 30 years from the date such Tender Indebtedness was originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement

index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds or other Debt bears interest which is or is not excluded from gross income for federal income tax purposes; and with respect to all principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender, such payments shall be treated as described in (i) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in (v) or (vi) below, as appropriate;

(v) if any Outstanding Bonds or other Debt of the Authority constitutes Variable Rate Indebtedness (except to the extent subsection (ii) or (iii) relating to Balloon Indebtedness or (iv) relating to Tender Indebtedness or subsection (viii) relating to Synthetic Fixed Rate Debt (as defined in the Indenture) and Qualified Swaps applies), the interest rate on such Bonds or other Debt shall be the average rate quoted in The Bond Buyer Revenue Bond Index, or such successor or replacement index, for the 12 months preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Authority or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for such Bonds or other Debt of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds or other Debt bear interest which is or is not excluded from gross income for federal income tax purposes;

(vi) with respect to any Program Bonds or Unissued Program Bonds (a) debt service on Program Bonds then Outstanding shall be determined in accordance with such of the foregoing provisions of this definition as shall be applicable, and (b) with respect to Unissued Program Bonds, it shall be assumed that the full principal amount of such Unissued Program Bonds will be amortized over a term certified by an Authorized Authority Representative at the time the initial Program Bonds of such Program are issued to be the expected duration of such Program or, if such expectations have changed, over a term certified by an Authorized Authority Representative to be the expected duration of such Program at the time of such calculation, but not to exceed 30 years from the date the initial Program Bonds of such Program are issued and it shall be assumed that debt service shall be paid in substantially level Specified Aggregate Annual Debt Service payments over such assumed term; the interest rate used for such computation shall be that rate quoted in The Bond Buyer Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes;

(vii) debt service on Repayment Obligations, to the extent such obligations constitute Bonds under Section 2.13 of the Indenture, shall be calculated as provided in Section 2.13 of the Indenture;

(viii) (a) for purposes of computing the Specified Aggregate Annual Debt Service of Bonds or other Debt of the Authority which constitutes Synthetic Fixed Rate Debt, the interest payable thereon shall be deemed to be the fixed rate as implied by the terms of the Swap Contract or the net interest rate payable pursuant to offsetting indices, as applicable;

(b) for purposes of computing Specified Aggregate Annual Debt Service of the Bonds or any other Debt of the Authority with respect to which any other Qualified Swap is in effect, interest deemed to be payable thereon shall be based on the net economic effect on the Authority expected to be produced by the terms of such Bonds or such other Debt, as applicable, and such Qualified Swap; and accordingly, the amount of interest deemed to be payable on any Bonds or other Debt with respect to which a Qualified Swap is in force shall be an amount equal to the amount of interest that would be payable at the rate or rates stated in such Bonds or such other Debt, as applicable, plus the amount payable by the Authority (or the Trustee) under the Qualified Swap in accordance with the terms thereof, less any amount to be received by the Authority from the Qualified Swap Provider (as defined in the Indenture) pursuant to the Qualified Swap;

(ix) if moneys, including moneys that are not Pledged Revenues, or Permitted Investments derived therefrom have been or will be irrevocably deposited with and are or will be held by the Trustee or another fiduciary or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on specified Bonds or other Debt of the Authority, then the principal and/or interest to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Specified Aggregate Annual Debt Service; and

(x) (a) with respect to the Loans, prior to the date of the extension of the Term Loan or the occurrence and continuation of an Event of Default, no principal amortization on the Loans shall be included in calculating Specified Aggregate Annual Debt Service, and (b) interest on the Loans shall be included in calculating Specified Aggregate Annual Debt Service and shall be calculated as follows for each Fiscal Year: the Tax-Exempt SOFR Rate and Taxable SOFR Rate as estimated by the Chief Financial Officer of the Authority at the beginning of the Fiscal Year and true-up to the actual Tax-Exempt SOFR Rate and Taxable SOFR Rate during such Fiscal Year. During the Amortization Period, principal of and interest on the Term Loan shall be as set forth in Section 2.12 hereof.

*“Subordinated Obligation”* has the meaning set forth in the Indenture.

*“Subsidiary”* means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Authority.

“*Supplemental Indenture*” has the meaning set forth in the Indenture.

“*Swap Contract*” means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Taxable Alternate Rate*” has the meaning assigned to such term in Section 2.05(c) hereof.

“*Taxable Date*” means the date on which interest on the Tax-exempt Loans is first includable in gross income of the Lender thereof as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“*Taxable Loan*” means a Loan the interest on which is not excluded from gross income for federal income tax purposes.

“*Taxable Note*” means the Ontario International Airport Authority Subordinated Revenue Note, Series 2023 (Taxable), substantially in the form set forth in Exhibit C hereto, evidencing the obligation of the Authority to repay the Loans which are Taxable Loans and interest thereon, issued under the Authorizing Resolution and in accordance with this Agreement.

“*Taxable SOFR Rate*” has the meaning assigned to such term in Section 2.05(a) hereof; *provided, however*, that in no event shall the Taxable SOFR Rate exceed the Maximum Rate.

“*Taxes*” shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“*Tax-exempt Alternate Rate*” has the meaning assigned to such term in Section 2.05(d) hereof.

“*Tax-exempt Loan*” means a Loan the interest on which is excluded from gross income for federal income tax purposes.

“*Tax-exempt Note*” means the Ontario International Airport Authority Subordinated Revenue Note, Series 2023 (Tax-Exempt), substantially in the form set forth in Exhibit D hereto,

evidencing the obligation of the Authority to repay the Loans which are Tax-exempt Loans and interest thereon, issued under the Authorizing Resolution and in accordance with this Agreement.

“*Tax-exempt SOFR Rate*” has the meaning assigned to such term in Section 2.05(b) hereof; *provided, however*, that in no event shall the Tax-exempt SOFR Rate exceed the Maximum Rate.

“*Tender Indebtedness*” has the meaning set forth in the Indenture.

“*Term Loan*” has the meaning set forth in Section 2.12.

“*Term Note*” means, to the extent that the Lender makes the Term Loan with respect to the Loans, the Ontario International Airport Authority Subordinated Revenue Note, Series 2023 (Term), substantially in the form set forth in Exhibit E hereto, evidencing the obligation of the Authority to repay the Term Loan that refunded the Loans and interest thereon, issued under the Authorizing Resolution in accordance with this Agreement.

“*Term SOFR Administrator*” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Lender in its reasonable discretion).

“*Term SOFR Reference Rate*” means the forward-looking term rate based on SOFR.

“*Termination Date*” means the Facility Maturity Date or, if earlier, the date on which the Commitment is terminated or permanently reduced to zero in accordance with the terms hereof.

“*Trustee*” means The Bank of New York Mellon Trust Company, N.A., together with any permitted successor trustee under the terms of the Indenture.

“*Unissued Program Bonds*” has the meaning set forth in the Indenture.

“*U.S. Government Securities Business Day*” means any day except for (A) a Saturday or Sunday or (B) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“*Variable Rate Indebtedness*” has the meaning set forth in the Indenture.

*Section 1.02. Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred with by the Authority’s independent public accountants) with the most recent audited financial statements of the Authority delivered to the Lender hereunder (“*GAAP*”).

## ARTICLE II

### THE CREDIT

#### *Section 2.01. Commitment to Lend.*

(a) *Loans.* During the Revolving Credit Period, the Lender agrees, on the terms and conditions set forth in this Agreement, to make revolving loans to the Authority pursuant to this Section from time to time in amounts such that the aggregate principal amount of Loans by the Lender at any one time outstanding shall not exceed the amount of the Available Commitment. Within the foregoing limit, the Authority may borrow under this subsection (a), repay or, to the extent permitted by Section 2.09, prepay, the Loans and re-borrow at any time during the Revolving Credit Period under this subsection (a).

(b) *Extension of Revolving Credit Period.* (i) No later than one hundred eighty (180) days prior to the Facility Maturity Date, the Authority may request the Lender to extend the then current Facility Maturity Date for a period of no less than 365 days. If the Lender, in its sole discretion, elects to extend the Facility Maturity Date then in effect, the Lender shall deliver to the Authority within ninety (90) days of receiving said request a written notice of extension (herein referred to as a “*Notice of Extension*”) designating the date to which the Facility Maturity Date is being extended. Such extension of the Facility Maturity Date shall be effective, after receipt of such Notice of Extension, on the Business Day following the date of delivery of such Notice, and thereafter all references in this Agreement to the Facility Maturity Date shall be deemed to be references to the date designated as such in the most recent Notice of Extension delivered to the Authority. Any date to which the Facility Maturity Date has been extended in accordance with this Section 2.01(b) may be extended in like manner. If the Lender fails to provide the Authority with a Notice of Extension as provided hereinabove, the Lender shall be deemed not to have consented to the Authority’s request. The Lender shall use commercially reasonable efforts to promptly notify the Authority if it will not extend the Facility Maturity Date, but the Lender’s or failure to do so shall be deemed a denial of the extension request.

(ii) Notwithstanding the foregoing, it is understood and agreed that the foregoing provisions are intended for the convenience of the parties only and shall in no respect prohibit the parties from agreeing to extend the Revolving Credit Period under other circumstances or at other times. In the event the Revolving Credit Period is extended under any other circumstances, the Lender shall give prompt written notice thereof to the Authority.

(iii) If the Revolving Credit Period is extended, whether pursuant to subsection (i) above or otherwise, the Authority shall be deemed to have made the representations and warranties contained herein on the date on which the Revolving Credit Period is so extended.

*Section 2.02. Method of Borrowing Loans; Account to Which Proceeds of Loans to Be Credited.* (a)(i) The Authority shall give the Lender notice in the form of Exhibit A hereto, executed by an Authorized Authority Representative (a “*Notice of Borrowing*”), by not later than

1:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day before each Borrowing (or such shorter time as the Lender may agree), specifying:

(A) the date of such Borrowing, which shall be a Business Day,

(B) the aggregate amount of such Borrowing (which shall not exceed the difference between (i) the amount of the Commitment and (ii) the aggregate principal amount of Loans then outstanding), and

(c) whether such Borrowing will be a Taxable Loan or a Tax-exempt Loan.

(ii) Upon the occurrence and during the continuance of any Event of Default, the Authority shall not be permitted to borrow any SOFR Loan.

(b) If the Lender makes a new Loan hereunder on a day on which the Authority is to repay all or any part of an outstanding Loan, unless the Authority shall otherwise repay the Loan coming due on such date, the Lender shall apply the proceeds of its new Loan to make such repayment and in such event only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by the Lender to the Authority or remitted by the Authority to the Lender, as the case may be.

(c) Subject to the provisions of subsection (b) of this Section 2.02, by not later than 3:00 p.m. (Pittsburgh, Pennsylvania time) on the date of each Borrowing, the Lender shall wire transfer, in federal or other immediately available funds, the proceeds of such Borrowing to the following account: [ \_\_\_\_\_ : ABA #: \_\_\_\_\_ ; Credit to: \_\_\_\_\_ ; Account #: \_\_\_\_\_ ].

(d) The Lender shall not be obligated to honor more than one Borrowing on any Business Day.

(e) Each Loan shall be in the principal amount requested by the Authority pursuant to each notice in the form of Exhibit A hereto but in any event in a minimum principal amount of \$250,000 or such greater amount which is an integral multiple of \$10,000; *provided, however*, that no more than one (1) Loan may be requested by the Authority in any calendar week.

*Section 2.03. The Notes.* (a) The Loans which are Taxable Loans shall be evidenced by a single Taxable Note payable to the Lender in an amount equal to the Commitment, and the Loans which are Tax-exempt Loans shall be evidenced by a single Tax-exempt Note payable to the Lender in an amount equal to the Commitment. Notwithstanding anything herein to the contrary, the aggregate principal amount of all Loans at any one time outstanding hereunder not exceed the amount of the Commitment.

(b) The Lender shall record the date, amount, type and maturity of each Loan made by it and the date and amount of each payment of principal made by or on behalf of the Authority with respect thereto, and prior to any transfer of any Note shall endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each Loan then

outstanding evidenced by such Note; *provided* that the failure of the Lender to make any such recordation or endorsement, or any error therein, or failure to submit any such notations to the Authority shall not affect the obligations of the Authority hereunder or under such Note. The Lender is hereby irrevocably authorized by the Authority so to endorse each Note and to attach to and make a part of each such Note a continuation of any such schedule as and when required.

(c) The Authority's obligations to repay each Loan and to pay interest thereon as provided herein shall be evidenced and secured by the related Note, and the Authority shall pay amounts under the related Note on each date on which the Authority is required to make a principal payment on the related Loan in an amount equal to the Loan payment due on such date. The payment of the principal of and interest on a Note shall constitute payment of the principal of and interest on the related Loans and the payment of the principal of and interest on the Loans shall constitute the payment of and principal and interest on the related Note and the failure to make any payment on any Loan when due shall be a failure to make a payment on the related Note and the failure to make any payment on the related Note when due shall be a failure to make a payment on the related Loan.

*Section 2.04. Maturity of Loans and Term Loan.* (a) Each Loan included in any Borrowing shall mature, and the principal amount thereof (together with all accrued and unpaid interest therein) shall be due and payable by the Authority, on the Facility Maturity Date or such earlier date on which all Loans or the related Loans become due and payable in accordance with the terms hereof; *provided, however*, that all Loans shall be due and payable in full on the Facility Maturity Date.

(b) The Term Loan shall mature, and the principal amount thereof (together with all accrued and unpaid interest thereon) shall be due and payable by the Authority on the Amortization End Date or such earlier date in accordance with the terms hereof.

*Section 2.05. Interest Rates.* Except as otherwise provided herein, each Loan shall be a SOFR Loan.

(a) Subject to subsections (f) and (g) below, Section 2.14 and Section 6.02 hereof, each SOFR Loan which is a Taxable Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of (i) Daily 1M SOFR from time to time in effect *plus* (ii) the Applicable Spread for Taxable Loans (the "*Taxable SOFR Rate*"). Such interest shall be payable by the Authority on each Interest Payment Date and on the Facility Maturity Date.

(b) Subject to subsections (f) and (g) below, Section 2.14 and Section 6.02 hereof, each SOFR Loan which is a Tax-exempt Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of (i) the product of (A) Daily 1M SOFR from time to time in effect *times* (B) the Applicable Factor, plus (ii) the Applicable Spread for Tax-exempt Loans (the "*Tax-exempt SOFR Rate*"). Such interest shall be payable by the Authority on each Interest Payment Date and on the Facility Maturity Date.

(c) Subject to subsections (f) and (g) below, Section 2.14 and Section 6.02 hereof, to the extent that any Loan is required to be an Alternate Rate Loan hereunder, each Alternate Rate Loan which is a Taxable Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of (i) the Base Rate then in effect *plus* (ii) the Applicable Spread for Taxable Loans (the “*Taxable Alternate Rate*”). Such interest shall be payable by the Authority on each Interest Payment Date and on the Facility Maturity Date.

(d) Subject to subsections (f) and (g) below, Section 2.14 and Section 6.02 hereof, to the extent that any Loan is required to be an Alternate Rate Loan hereunder, each Alternate Rate Loan which is a Tax-exempt Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the sum of (i) the product of (A) the Base Rate then in effect *times* (B) the Applicable Factor, plus (ii) the Applicable Spread for Tax-exempt Loans (the “*Tax-exempt Alternate Rate*”). Such interest shall be payable by the Authority on each Interest Payment Date and on the Facility Maturity Date.

(e) The Lender shall determine each interest rate applicable to the Loans hereunder. The Lender shall give prompt notice to the Authority by electronic mail of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(f) (i) If the amount of interest payable for any period in accordance with terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Rate, then interest for such period shall be payable in an amount calculated at the Maximum Rate for such period.

(ii) Any interest that would have been due and payable for any period but for the operation of Section 2.05(d)(i) shall accrue and be payable as provided in this paragraph (ii) and shall, less interest actually paid to the Lender for such period, constitute the “*Excess Interest Amount.*” If there is any accrued and unpaid Excess Interest Amount as of any date then the principal amount with respect to which interest is payable shall bear interest at the Maximum Rate, until the earlier of repayment of such principal or payment to the Lender of the entire Excess Interest Amount.

If there is any accrued and unpaid Excess Interest Amount as of any Interest Payment Date, then, on the current and each subsequent Interest Payment Date, interest shall be paid at the Maximum Rate rather than the otherwise applicable rate until the earlier of (A) payment to the Lender of the entire accrued Excess Interest Amount or (B) the Facility Maturity Date. Notwithstanding the foregoing, all unpaid Excess Interest Amount shall be, to the extent permitted by law, due and payable by the Authority as a fee on the Facility Maturity Date (or if such Excess Interest Amount relates to the Term Loan, on the Amortization End Date).

(iii) Notwithstanding the foregoing, on the date on which no principal amount hereunder remains unpaid, the Authority shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount.

(g) Subject to Section 2.14 hereof, the Term Loan shall bear interest on the outstanding principal amount thereof, for each date from the date of extension of such Term Loan until it becomes due, at a rate per annum equal to the Lender Rate. Such interest shall be payable by the Authority quarterly in arrears on each Interest Payment date and on the Amortization End Date.

*Section 2.06. Fees.* (a) The Authority agrees to perform its obligations provided for in the Fee Agreement, including, without limitation, the payment of any and all fees provided for therein and in the amounts set forth therein. The terms and provisions of the Fee Agreement are incorporated herein by reference. All references herein or in any other document to amounts or obligations due hereunder or under this Agreement shall be deemed to include, without limitation, all amounts and obligation due under the Fee Agreement, and any reference to this Agreement shall be deemed to include a reference to the Fee Agreement. All fees paid under this Agreement and the Fee Agreement shall be fully earned when due and nonrefundable when paid.

(b) Any principal of, and to the extent permitted by applicable law, any interest on, the Loans and any other sum payable hereunder, which is not paid when due shall bear interest, from the date due and payable until paid, payable on demand, at a rate per annum equal to the Default Rate.

*Section 2.07. Optional Termination or Reduction of Commitment.* During the Revolving Credit Period, the Authority may, upon at least ten (10) Business Days' notice to the Lender, (i) terminate the Commitment at any time, if no Loans are outstanding at such time, or (ii) reduce the Commitment from time to time by an aggregate amount of \$250,000 or any larger integral multiple of \$10,000, which amount shall be not greater than the amount of the Commitment in excess of the aggregate outstanding principal amount of the Loans.

*Section 2.08. Mandatory Termination or Reduction of Commitment.* Subject to earlier termination in accordance with Section 6.01 hereof, the Commitment shall terminate on the Termination Date, and any Loans then outstanding (together with accrued interest thereon and all other amounts payable hereunder) shall be due and payable on such date.

*Section 2.09. Optional Prepayments; Funding Indemnity.* The Authority may, upon at least two (2) Business Days' notice to the Lender, prepay any Borrowing in whole at any time, or from time to time in part (a) in amounts aggregating \$250,000 or any larger integral multiple of \$10,000 or (b) in an amount equal to the outstanding balance of the Loans, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

*Section 2.10. General Provisions as to Payments.* The Authority shall make each payment of principal of, and interest on, the Loans and the Term Loan and of fees hereunder and under the Fee Agreement, not later than 3:00 p.m. (Pittsburgh, Pennsylvania time) on the date when due, in federal or other funds immediately available in Pittsburgh, Pennsylvania, to the Lender by means of wire transfer of funds to the account referred to in Section 8.01; *provided, however*, that the Lender may, from time to time, change such account by written notice to the Authority, given to the Authority at its address referred to in Section 8.01. Whenever any payment of principal of, or interest on, the Loans or Term Loan or of fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day. If the date

for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

*Section 2.11. Computation of Interest and Fees.* Interest and fees shall be calculated on the basis of a 360-day year based upon the actual number of days elapsed.

*Section 2.12. The Term Loan.* Upon the Authority's written request to enter into an Amortization Period (as hereinafter defined) in the form of Exhibit F hereto delivered to the Lender no later than ten (10) days prior to the Facility Maturity Date and provided that (i) no Default or Event of Default shall have occurred and be continuing on such date or on the Facility Maturity Date and (ii) the representations and warranties set forth in Article IV hereof shall be true and correct as if made on the Facility Maturity Date, then the aggregate principal amount of Loans outstanding shall be converted to a term loan (the "*Term Loan*"), which Term Loan shall repaid in installments on each Amortization Payment Date, with the full amount of the Term Loan to be repaid in full on or before the Amortization End Date (the period commencing on the Facility Maturity Date and ending on the Amortization End Date is herein referred to as the "*Amortization Period*"). The Term Loan shall be evidenced by the Term Note and the Lender's receipt of such Note shall be a condition precedent to extension of the Term Loan. During the Amortization Period, (i) principal on the Term Loan shall be repaid in equal installments on each Amortization Payment Date and (ii) interest on the Term Loan shall accrue at the Lender Rate, be payable on each Interest Payment Date and be calculated on the basis of a 360-day year and actual days elapsed.

*Section 2.13. Determination of Taxability.* (a) In the event a Determination of Taxability occurs, to the extent not payable to the Lender hereunder, the Authority hereby agrees to pay to the Lender on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender on the Tax-exempt Loans during the period for which interest on the Tax-exempt Loans is included in the gross income of the Lender if the Tax-exempt Loans had borne interest at the Taxable SOFR Rate or the Taxable Alternate Rate, as applicable, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Lender during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by the Lender as a result of interest on the Tax-exempt Loans becoming included in the gross income of the Lender, together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender in connection therewith;

(b) Subject to the provisions of paragraph (c) below, the Lender shall afford the Authority the opportunity, at the Authority's sole cost and expense, to contest (i) the validity of any interpretation of the Code or adverse IRS ruling which causes the interest on the Tax-exempt Loans to be included in the gross income of the Lender or (ii) any challenge to the validity of the tax exemption with respect to the interest on the Tax-exempt Loans, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); *provided* that, in no event shall the Lender be required to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Authority or any other Person; and

(c) As a condition precedent to the exercise by the Authority of its right to contest set forth in paragraph (b) above, the Authority shall, on demand, immediately reimburse the Lender for any and all expenses (including attorneys' fees for services that may be required or desirable, as determined by the Lender in its sole discretion) that may be incurred by the Lender in connection with any such contest, and shall, on demand, immediately reimburse the Lender for any and all penalties or other charges payable by the Lender for failure to include such interest in its gross income.

(d) *Survival.* Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations of the Authority contained in this Section shall survive the termination of this Agreement and the payment in full of the Tax-exempt Loans and the obligations of the Authority thereunder and hereunder.

#### *Section 2.14. Benchmark Replacement.*

(a) The Lender shall have the right to make any technical, administrative or operational changes from time to time that the Lender decides may be appropriate to reflect the adoption and implementation of SOFR or any other Benchmark (as defined below) or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice or in such other manner as the Lender decides is reasonably necessary. Notwithstanding anything to the contrary herein or in any other Financing Document, any amendments implementing such technical, administrative or operational changes will become effective without any further action or consent of the Authority. The Lender shall provide notice to the Authority of any such amendment reasonably promptly after such amendment becomes effective.

(b) If the applicable interest rate under this Agreement is based on a Benchmark and the Lender determines (which determination shall be final and conclusive) that (A) such Benchmark cannot be determined pursuant to its definition other than as a result of a Benchmark Transition Event (as defined below), or (B) any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Lender with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impracticable for the Lender to make or maintain or fund loans based on that Benchmark, then the Lender shall give notice thereof to the Authority. Thereafter, until the Lender notifies the Authority that the circumstances giving rise to such determination no longer exist, (a) the availability of any Loan based on that Benchmark shall be suspended, and (b) the interest rate on all SOFR Loans outstanding hereunder shall be the Alternate Rate.

(c) Notwithstanding anything to the contrary herein or in any other Financing Document, if the Lender determines (which determination shall be final and conclusive) that a Benchmark Transition Event has occurred with respect to a Benchmark, the Lender may amend this Agreement to replace such Benchmark with a Benchmark Replacement; and any such amendment shall be in writing, shall specify the date that the Benchmark Replacement is effective and will not require any further action or consent of the Authority. Until the Benchmark Replacement is effective, amounts bearing interest with reference to a Benchmark will continue to bear interest with

reference to such Benchmark as long as such Benchmark is available, and otherwise such amounts automatically will bear interest at the Alternate Rate.

(d) For purposes of this Section, the following terms have the meanings set forth below:

*“Benchmark”* means, at any time, any interest rate index then used in the determination of an interest rate under the terms of this Agreement. Once a Benchmark Replacement becomes effective under this Agreement, it is a Benchmark. The initial Benchmark hereunder is Daily 1M SOFR.

*“Benchmark Replacement”* means, for any Benchmark, the sum of (a) an alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case that has been selected by the Lender as the replacement for such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the official sector or any official sector-sponsored committee or working group, for U.S. dollar-denominated credit facilities at such time; *provided* that, if the Benchmark Replacement as determined pursuant to the foregoing would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Financing Documents.

*“Benchmark Transition Event”* means a public statement or publication by or on behalf of the administrator of a Benchmark, the regulatory supervisor of such administrator, the Board of Governors of the Federal Reserve System, NYFRB, an insolvency official or resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that at the time of such statement or publication there is no successor administrator that will continue to provide such Benchmark or (b) such Benchmark is or will no longer be representative.

*Section 2.15. Security.* The Notes are authorized pursuant to the provisions of the Joint Powers Act and the Authorizing Resolution and in accordance with the Indenture and are to be issued only for the purposes authorized under the Authorizing Resolution. To secure the Loans and the other Obligations hereunder the Authority hereby grants to the Lender a valid pledge, charge and lien upon Net Pledged Revenues junior and subordinate to the Bonds and the Policy Costs. The payment of the Loans and the other Obligations hereunder ranks on a parity with the payment of the principal and purchase price of and interest on all Parity Debt. No filing, registration, recording or publication of the Authorizing Resolution or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the Lien created hereby on the Net Pledged Revenues to secure the payment of the principal of and interest on the Loans and the other Obligations hereunder. The principal of and interest on the Loans and the other Obligations hereunder shall be paid from Net Pledged Revenues only if all deposits required to be made to the Trustee under the Indenture and all amounts of principal of and interest which have become due and payable on the Bonds whether by maturity or redemption have been paid in full and the Authority is current on all payments, if any, required to be made to replenish

any bond reserve fund created for any Bonds. The Authority hereby designates this Agreement and the Notes and the other Obligations as a “Subordinated Obligation” under the Indenture and designates this Agreement as an “other written instrument” for such purpose. The Lender acknowledges that the Authority is not required to obtain the written consent of the Lender in order to issue any Additional Bonds under the Indenture. The Lender further acknowledges and agrees that the Authority has not elected to have the provisions of the Indenture applicable to the Bonds apply to this Agreement and the Notes and accordingly the Lender shall have no right to assert that this Agreement or the Notes are or should be treated as Bonds under the Indenture for any purpose, including, but not limited to, Sections 8.02 and 8.04 thereof. If for any reason this Agreement, the Notes and the other Obligations shall be determined to not be a Subordinated Obligation for the purposes of the Indenture, the pledge, Lien and security interest granted under this Section 2.15 shall be deemed a discretionary purpose as authorized by Authority and the Joint Powers Agreement within the meaning of Section 4.04(b)(6) of the Indenture. The Authority hereby designates the Obligations (other than the principal of and interest on the Loans) as Maintenance and Operation Expenses; *provided* such Obligations shall be paid after payment of principal of and interest on the Bonds.

### ARTICLE III

#### CONDITIONS

*Section 3.01. Effectiveness.* This Agreement shall become effective on the date on which each of the following conditions shall have been satisfied:

(a) receipt by the Lender of executed copies of this Agreement, the Fee Agreement and each of the other Financing Documents;

(b) receipt by the Lender of the duly executed (i) Taxable Note and Tax-exempt Note dated the Effective Date complying with the provisions of Section 2.03 hereof and (ii) Term Note dated the Effective Date complying with the provisions of Section 2.12 hereof;

(c) receipt by the Lender of (i) an opinion of counsel to the Authority, in a form acceptable to the Lender and covering such matters relating to the transactions contemplated hereby or by the Financing Documents as the Lender may reasonably request, and (ii) an opinion of Bond Counsel, in a form acceptable to the Lender and covering such matters relating to the transactions contemplated hereby or by the Financing Documents as the Lender may reasonably request (including, without limitation, as to (i) the validity, enforceability and priority of the pledge of Net Pledged Revenues to secure the obligations of the Authority hereunder and (ii) as to the tax-exempt status of the Tax-exempt Loans to be made from time to time, as evidenced by the Tax-Exempt Note);

(d) receipt by the Lender of a certified copy of (i) the Authorizing Resolution, (ii) the Indenture (including all supplements thereto), and (iii) the Joint Powers Agreement, together with a certificate of an Authorized Authority Representative, dated the Effective Date, certifying that each such document is in full force and effect on the Effective Date

and that there has been no other amendment or supplement of, or modification to, any provision of any such instrument, except as set forth therein;

(e) receipt by the Lender of a certificate of an Authorized Authority Representative, dated the Effective Date, certifying that (i) each of the Authority's representations and warranties contained (or incorporated by reference) herein is true and correct on and as of the Effective Date, (ii) no Default or Event of Default has occurred and is continuing, (iii) no petition by or against the Authority has at any time been filed under the United States Bankruptcy Code or under any similar law; (iv) no material adverse change has occurred in the ratings, condition (financial or otherwise), operations, business, assets, liabilities or prospects of the Authority since June 30, 2022, except as disclosed in writing to the Lender prior to the Effective Date; and (v) no transaction or event shall have occurred and no change shall have occurred in the financial condition of the Authority between the date of the Authority's most recent audited financial statements and the Effective Date which materially adversely affects the security for any of the Notes or the Obligations owed to the Lender hereunder, or the Authority's ability to repay when due its Obligations under this Agreement or any of the Notes;

(f) receipt by the Lender of a certificate of the Authority, dated the Effective Date, certifying as to the authorization and signatures of the officers of the Authority who are authorized to execute and deliver this Agreement, the Fee Agreement and the other Financing Documents executed and delivered on the Effective Date;

(g) receipt by the Lender of all opinions, certificates and other documents it may reasonably request relating to the existence of the Authority, the authority for and the validity of this Agreement and the other Financing Documents then being delivered, and any other matters relevant hereto or thereto, all in form and substance satisfactory to the Lender;

(h) receipt by the Lender of reimbursement of the Lender's fees and expenses and any other fees incurred in connection with the transaction contemplated by the Financing Documents, including, without limitation, any fee payable to the California Debt and Investment Advisory Commission by the Lender with respect to the Notes;

(i) a copy of the Authority's Investment Policy in effect as of the Effective Date;

(j) written confirmation that the Bonds are rated not less than "A-" by S&P and "A-" by Fitch;

(k) a copy of the Authority's annual budget and financial reports as the Lender shall have requested;

(l) the Authority shall have executed, and the Lender shall have received an executed copy of, the tax certificate related to the Tax-exempt Loans; and

(m) such other documents, instruments, approvals or opinions as the Lender may reasonably request.

*Section 3.02. Borrowings During the Revolving Credit Period.* The obligation of the Lender to make a Loan on the occasion of any Borrowing on or prior to the Facility Maturity Date is subject to the satisfaction of the following conditions:

- (a) receipt by the Lender of a Notice of Borrowing as required by Section 2.02;
- (b) the fact that, immediately after such Borrowing, the aggregate outstanding principal amount of the Loans will not exceed the amount of the Commitment;
- (c) the fact that, immediately before and as a result of giving effect to such Borrowing, no Event of Default shall have occurred and be continuing;
- (d) the fact that the representations and warranties of the Authority contained in this Agreement shall be true in all material respects on and as of the date of such Borrowing; and
- (e) with respect to any Tax-exempt Loan, neither the Authority nor the Lender shall have received actual notice (either verbal or written) from Bond Counsel that the opinion delivered pursuant to Section 3.01(c) hereof may no longer be relied upon.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Authority on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

*Section 3.03. No Rating; DTC; Offering Document.* Neither the Notes or the Loans shall be (i) assigned a specific rating by any Rating Agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document or (iv) placed or offered by a broker-dealer in the capacity of an underwriter or a placement agent.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

The Authority represents and warrants that:

*Section 4.01. Organization, Powers, Etc.* The Authority is a joint powers authority duly organized, validly existing and in good standing under the Laws of the State and has the power and authority to own its properties and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary, and possesses all material

governmental licenses, authorization, consents and approvals required to borrow under this Agreement and to issue the Taxable Note and Tax-exempt Note.

*Section 4.02. Authorization; No Contravention.* The Authorizing Resolution has been duly adopted and is in full force and effect. The execution, delivery and performance by the Authority of this Agreement (including, without limitation, the borrowing of Loans in an aggregate principal amount equal to the amount of the Commitment), the Notes and the other Financing Documents (as applicable) are within the Authority powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than action by the Authority, which has been taken) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the by-laws of the Authority or of any indenture, mortgage, deed of trust, lease, other agreement, judgment, injunction, order, decree or other instrument binding upon the Authority or the Financing Documents or any of its assets or result in the creation or imposition of any Lien on any asset of the Authority other than the Lien on Net Pledged Revenues created by and under the Indenture.

*Section 4.03. Binding Effect.* This Agreement and each of the other Financing Document constitute valid and binding agreements of the Authority and the Notes will constitute a valid and binding obligation of the Authority, enforceable against the Authority in accordance with their respective terms, except as such enforceability may be limited by the Authority's bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles relating to or limiting creditors' rights generally and by limitations on remedies available against public agencies such as the Authority in the State.

*Section 4.04. Financial Information.* The Audited Financial Statements, which financial statements, accompanied by the audit report of [**Lance, Soll & Lunghard, LLP**], nationally recognized independent public accountants, heretofore furnished to the Lender, which are consistent in all material respects with the audited financial statements of the Authority for the Fiscal Year ended June 30, 2021, fairly present the financial condition of the Authority in all material respects as of such dates and the results of its operations for the periods then ended in conformity with GAAP. Since June 30, 2022, there has been no material adverse change in the business, financial position, results of operations or prospects of the Authority. Each of the other Delivered Information was at the time the same was so furnished, correct in all material respects. Any financial, budget and other projections furnished by the Authority to the Lender were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Lender in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Authority, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the Authority that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Loans, or the ability of the

Authority to repay when due the Obligations, that has not been set forth in any of the Delivered Information.

*Section 4.05. Litigation.* Except as previously disclosed in writing by the Authority directly to the Lender, there is no action, suit or proceeding pending against, or to the knowledge of the Authority threatened against or affecting, the Authority, or relating to any Financing Document before any court or arbitrator or any governmental body, agency or official in which, if adversely determined, could result in a Material Adverse Effect.

*Section 4.06. Employee Benefit Plans, Etc.* The Authority has no funding deficiency with respect to any employee benefit plan and is otherwise in compliance with terms of any such plan in which the Authority or any of its employees participates. The Authority is not subject to ERISA and maintains no Plans.

*Section 4.07. Security for and Status of Notes.* The Notes are authorized pursuant to the provisions of the Joint Powers Act and the Authorizing Resolution and in accordance with the Indenture and are to be issued only for the purposes authorized under the Authorizing Resolution. The Loans and the other Obligations hereunder are secured by a valid pledge, charge and lien upon Net Pledged Revenues junior and subordinate to the Bonds and the Policy Costs. The payment of the Loans and the other Obligations hereunder ranks on a parity with the payment of the principal and purchase price of and interest on all Parity Debt. No filing, registration, recording or publication of the Authorizing Resolution or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the Lien created hereby on the Net Pledged Revenues to secure the payment of the principal of and interest on the Loans and the other Obligations hereunder. The principal of and interest on the Loans and the other Obligations hereunder shall be paid from Net Pledged Revenues only if all deposits required to be made to the Trustee under the Indenture and all amounts of principal of and interest which have become due and payable on the Bonds whether by maturity or redemption have been paid in full and the Authority is current on all payments, if any, required to be made to replenish any bond reserve fund created for any Bonds.

*Section 4.08. Taxes.* The Authority has timely filed or caused to be filed all tax returns, if any, which are required to be filed, has correctly stated the facts regarding any tax liability of the Authority on such returns and has paid all taxes, if any, shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees and other charges imposed on it or any of its property by any governmental body, agency or authority (other than those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which appropriate reserves in accordance with GAAP have been provided on the books of the Authority); and no tax liens have been filed and, to the best knowledge of the Authority, no claims are being actively asserted with respect to any such taxes, fees or other charges (other than those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which appropriate reserves in accordance with GAAP have been provided on the books of the Authority).

*Section 4.09. Full Disclosure.* All information heretofore furnished (including pursuant to any representation or warranty) by the Authority or its counsel to the Lender for purposes of or in

connection with this Agreement or any other Financing Document or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by the Authority to the Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified.

*Section 4.10. No Default.* No Default or Event of Default has occurred and is continuing hereunder. No “default” or “event of default” under, and as defined in, any of the other Financing Documents has occurred and is continuing. No default by the Authority has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Revenue Secured Debt including, without limitation, regularly scheduled payments on Swap Contracts which constitute Revenue Secured Debt. The Authority is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect and no petition by or against the Authority has at any time been filed under the United States Bankruptcy Code or any similar federal or State statute. No payment default has occurred and is continuing under any Debt of the Authority. The Authority is not in violation of any material term of its organizational documents or any material term of any bond indenture or agreement to which it is a party or by which any of its property or assets is bound.

*Section 4.11. Liens on Net Pledged Revenues.* There is no Lien on the Net Pledged Revenues other than the Lien created by the Indenture, including the Bonds and the Policy Costs, and Section 4.07 hereof.

*Section 4.12. No Sovereign Immunity.* The Authority is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Agreement or any other Financing Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or the Pledged Revenues might otherwise be made subject in any action, suit or proceeding relating to this Agreement or any other Financing Document, and no such immunity (whether or not claimed) may be attributed to the Authority or the Pledged Revenues.

*Section 4.13. Title to Assets.* The Authority has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect. No assets of the Ontario Airport Facilities are subject to any Lien other than Liens permitted by Section 5.09 of the Indenture.

*Section 4.14. Insurance.* The Authority currently maintains a system of self-insurance or insurance coverage with insurance companies believed by the Authority to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Authority (as determined in its reasonable discretion) and in full compliance with Section 5.10 of the Indenture and Section 5.12 hereof.

*Section 4.15. Pending Legislation and Decisions.* There is no amendment, or to the knowledge of the Authority, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any

legislation that has passed either house of the legislature of the State, or any published judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the issuance of the Notes, the security for the Notes or the Authority's obligations hereunder or under any of the other Financing Documents, the creation, organization, or existence of the Authority or the titles to office of any officers executing this Agreement or any other Financing Documents to which the Authority is a party or the Authority's ability to repay when due its obligations under this Agreement, the Notes, any obligations hereunder and the other Financing Documents.

*Section 4.16. Incorporation of Representations and Warranties.* The Authority hereby makes to the Lender the same representations and warranties made by the Authority in each Financing Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are incorporated herein by this reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to or waiver of such representations or warranties pursuant to or definitions contained in any of the relevant Financing Documents shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Lender.

*Section 4.17. Federal Reserve Board Regulations.* The Authority will not use any part of the proceeds of any Loan and has not incurred any indebtedness to be reduced, retired or purchased by the Authority out of such proceeds, for the purpose of purchasing or carrying any Margin Stock or violating Regulation T, U or X of the Board of Governors of the Federal Reserve System, and the Authority does not own and will not acquire any such Margin Stock.

*Section 4.18. Environmental Laws.* In the ordinary course of its business, the Authority conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the Authority, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean up or closure of properties presently or previously owned or operated, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, and related constraints on operating activities, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). The Authority and its assets and property (1) has not become subject to any Environmental Liability nor does the Authority know of any basis for any Environmental Liability, (2) has not received notice of any Environmental Claim or of any failure or alleged failure to comply with applicable federal, state or local health and safety statutes or regulations, except for notices of Environmental Claims or of failures or alleged failures to comply that, singly or in the aggregate, have not had and cannot have a Material Adverse Effect, and (3) to the best knowledge of the Authority, is in compliance with all Environmental Laws and has obtained and maintains or complies with any permit, license or other approval required under any Environmental Law.

*Section 4.19. Tax Exempt Status.* The Authority has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity, which action, if taken or omitted, would cause interest on any Tax-exempt Loan to be subject to federal income taxes or to personal income taxes levied by the State.

*Section 4.20. Compliance with Laws.* The Authority is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of its operation except such noncompliance as would not, in the aggregate, have a Material Adverse Effect.

*Section 4.21. Reserved.*

*Section 4.22. Financing Documents to Constitute a Contract and a Legal Obligation.* The provisions of the Notes, this Agreement and the other Financing Documents constitute a contract between the Authority and the Lender, and a separate legal obligation of Authority, and, in each case, such provisions are enforceable.

*Section 4.23. Financing Documents.* The Authorizing Resolution constitutes all of the documents and official action relevant or pertaining to the execution and delivery of this Agreement and the other Financing Documents.

*Section 4.24. Sanctions and other Anti-Terrorism Laws; Anti-Corruption Laws.* (a) No Covered Entity, nor any employees, officers, directors, affiliates, consultants, brokers, or agents acting on a Covered Entity's behalf in connection with this Agreement: (A) is a Sanctioned Person; (B) directly, or indirectly through any third party, is engaged in any transactions or other dealings with or for the benefit of any Sanctioned Person or Sanctioned Jurisdiction, or any transactions or other dealings that otherwise are prohibited by any Anti-Terrorism Laws.

(b) Each Covered Entity has (i) conducted its business in compliance with all Anti-Corruption Laws and (ii) has instituted and maintains policies and procedures designed to ensure compliance with such Laws.

*Section 4.25. No Public Vote or Referendum.* There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

*Section 4.26. Swap Contracts.* The Authority has not entered into any Swap Contract relating to Revenue Secured Debt (a) wherein any termination payment thereunder is senior to or on a parity with the payment of the Notes or (b) which requires the Authority to post cash collateral to secure its obligations thereunder.

*Section 4.27. Airline Rates and Charges; Bonding.* (a) The Authority has all necessary approvals to impose airline rates and charges in amounts sufficient to make all required payments of debt service as and when due.

(b) The projects financed with the proceeds of the Loans qualify for projects to be financed with Bonds issued under the Indenture.

*Section 4.28. Solvency.* The Authority is solvent and able to pay its debts as they become due.

*Section 4.29. Settlement Payments* . The Authority has paid in full all Settlement Payments.

## ARTICLE V

### COVENANTS

The Authority agrees that, so long as the Lender has any Commitment hereunder or any amount payable under the Notes or this Agreement (including the Term Loan) remains unpaid:

*Section 5.01. Information.* The Authority will deliver to the Lender:

(a) as soon as available and in any event no later than the end of the ninth month after the end of each Fiscal Year of the Authority, the audited financial statements including a statement of the income and expenses for such Fiscal Year and a balance sheet as of the close of such Fiscal Year for the Authority, all accompanied by (i) a certificate or opinion in writing of an independent certified public accountant of recognized standing, selected by the Authority, which opinion shall include a statement that said financial statements present fairly in all material respects the financial position of the Authority and are prepared in accordance with GAAP, and (ii) a Compliance Certificate of the chief executive officer, chief financial officer or other financial or accounting officer of the Authority reasonably acceptable to the Lender: (A) stating no Default or Event of Default has occurred during the period covered by such statements or, if a Default or Event of Default exists, a detailed description of the Default or Event of Default and all actions the Authority are taking with respect to such Default or Event of Default and (B) showing the Authority's compliance with the financial covenants set forth in Section 5.18(a) and (b) hereof;

(b) promptly and in any event within five (5) days after any officer of the Authority obtains knowledge of any Default or Event of Default, a certificate of an Authorized Authority Representative setting forth the details thereof and the action which the Authority is taking or proposes to take with respect thereto;

(c) as soon as available but in any event within ten (10) Business Days after approval of the Authority, copies of the Authority's annual budget;

(d) promptly as practicable, and in any event within ten (10) Business Days after any officer obtains knowledge thereof, written notice to the Lender of all actions, suits or proceedings pending or threatened against the Authority before any arbitrator of any kind or before any court or any other Governmental Authority which could reasonably be expected to result in a Material Adverse Effect;

(e) reasonably prior to the execution thereof, copies of any amendments to the Financing Documents or, with respect to this Agreement or the Fee Agreement, notice of amendment thereof to EMMA (excluding Supplemental Indentures that are limited solely to the issuance of Additional Bonds, and which do not otherwise amend any terms or provisions of the Indenture, except for amendments required by a provider of a policy of

municipal bond insurance or reserve fund surety policy required by the Indenture to effect the issuance of Additional Bonds);

(f) at any time that Moody's (to the extent that Moody's is then providing a rating on the Bonds), S&P or Fitch shall have downgraded its unenhanced long-term rating of any of the Bonds below "A3" (or its equivalent), "A-" (or its equivalent) or "A-" (or its equivalent), respectively, as soon as available, and in any event within sixty (60) days after each of the first three fiscal quarters of each Fiscal Year of the Authority, the unaudited financial statements of the Authority, including the balance sheet as of the end of such quarter and a statement of income and expenses, all in reasonable detail and certified, subject to year-end adjustment, by the chief executive officer, chief financial officer or other financial or accounting officer of the Authority acceptable to the Lender; and

(g) from time to time such additional information regarding the business affairs, financial condition and/or operations of the Authority as the Lender may reasonably request.

*Section 5.02. Payment of Obligations; Removal of Liens.* The Authority will (a) pay and discharge, at or before maturity, all its material obligations and liabilities of the Authority in accordance with the terms thereof, including, without limitation, tax liabilities, except where the same may be contested in good faith by appropriate proceedings, and will maintain, in accordance with GAAP appropriate reserves for the accrual of any of the same and (b) promptly discharge or cause to be discharged all Liens, encumbrances and charges on such property and assets, other than, in each case, those diligently contested by the Authority in good faith.

*Section 5.03. Maintenance of Property.* The Authority shall, in all material respects, maintain, preserve and keep its Property in good repair, working order and condition (ordinary wear and tear excepted), except to the extent that the failure to do so could reasonably be expected to result in a Material Adverse Effect.

*Section 5.04. Conduct of Business and Maintenance of Existence.* The Authority shall maintain its existence pursuant to its authorizing legislation and the Laws of the State, will continue to engage in business of the same general type as now conducted by the Authority and will preserve, renew and keep in full force and effect its existence and its rights, privileges and franchises necessary or desirable in the normal conduct of business of the Authority. The Authority shall maintain its existence as an airport operator or similar enterprise.

*Section 5.05. Compliance with Laws.* The Authority will comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, environmental laws) for the Authority, except where the necessity of compliance therewith is contested in good faith by appropriate proceedings.

*Section 5.06. Inspection of Property, Books and Records.* The Authority will keep proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to the business and activities of the Authority; and will permit representatives of the Lender to visit and inspect any of its properties, to examine and make

abstracts from any of its books and records and to discuss its affairs, finances and accounts with its officers, employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired.

*Section 5.07. Use of Proceeds.*

(a) *Use of Proceeds.* The Authority will not take or omit to take any action, which action or omission will in any way result in the proceeds from the Loans being applied in a manner other than for the Authority's Capital Improvement Program.

(b) *No Margin Stock.* The proceeds of the Loans made under this Agreement will not be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" within the meaning of Regulation U.

(c) *Anti-Corruption Laws.* The Authority hereby covenants and agrees that it will not, and will not permit any its Subsidiaries to, directly or indirectly, use the Loans or any proceeds thereof for any purpose which would breach any Anti-Corruption Laws in any jurisdiction in which any Covered Entity conducts business.

*Section 5.08. Incorporation of Covenants by Reference; No Amendments; Etc.* (a)(i) The Authority agrees that it will perform and observe each and every covenant and agreement required to be performed or observed by it in the Indenture (including, without limitation, Section 2.11 thereof regarding the tests for issuance of Additional Bonds), which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Authority.

(ii) To the extent that any provision incorporated by reference herein pursuant to paragraph (i) above permits the Authority or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition relating to such incorporated provision be acceptable or satisfactory to the Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same. No amendment or supplement to or termination or expiration of such covenants and agreements or defined terms made pursuant to the Indenture shall be effective to amend, supplement or terminate such covenants and agreements and defined terms as incorporated by reference herein without the prior written consent of the Lender.

(b) Without limiting the generality of the foregoing, the Authority will not amend, modify, waive or terminate, or consent to any amendment to or modification, waiver or termination of, any provision of any of the Financing Documents (including, without limitation, the Indenture) which could reasonably be expected to adversely affect the rights, remedies, security or interests of the Lender under this Agreement or any of the other Financing Documents, without the prior written consent of the Lender.

*Section 5.09. ERISA Matters.* The Authority will not adopt, or incur any material obligation or liability under or in respect of, any employee benefit plan, within the meaning of Section 3(3) of ERISA, that is subject to Title I or Title IV of ERISA.

*Section 5.10. Further Assurances.* The Authority shall, upon the request of the Lender, from time to time, execute and deliver and, if necessary, file, register and record such further financing statements, amendments, confirmation statements and other documents and instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Agreement and the Financing Documents. Except to the extent it is exempt therefrom, the Authority will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, the Financing Documents and such instruments of further assurance. The Authority, to the extent permitted by law, at all times shall defend, preserve and protect the pledge of the Net Pledged Revenues against all claims and demands of all persons whomsoever.

*Section 5.11. Related Obligations.* The Authority shall promptly pay all amounts payable by it hereunder and under the Financing Documents according to the terms hereof or thereof and shall duly perform each of its obligations under this Agreement and the other Financing Documents to which it is a party.

*Section 5.12. Insurance.* The Authority shall provide Qualified Self-Insurance or maintain insurance (a) in each case, in such amounts and against such risks as are prudent and reasonable or generally consistent with the amounts and types of insurance or self-insured programs provided by similar airports with reputable insurance companies or associations believed by the Authority at the time of purchase of such insurance to be financially sound and in such amounts and covering such risks as are usually carried by organizations engaged in the same or a similar business and similarly situated, which insurance may provide for reasonable deductibles from coverage and (b) in accordance with the terms of the Indenture. The Authority shall upon request of the Lender furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section 5.12.

*Section 5.13. Sovereign Immunity.* To the fullest extent permitted by applicable law, the Authority irrevocably agrees that it will not claim any immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction or order for specific performance, or (iv) enforcement of any judgment to which it or its revenues might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues (irrespective of their use or intended use), all such immunity, except to the extent provided in the Governmental Claims Act. To the extent that the Authority has or hereafter may acquire under any applicable law any right to immunity from legal proceedings on the grounds of sovereignty or otherwise, the Authority, to the extent permitted by law, hereby irrevocably waives such rights to immunity for itself and the Net Pledged Revenues (irrespective of their use or intended use), and

agrees not to invoke any defense of immunity in respect of its obligations arising under or related to this Agreement.

*Section 5.14. Underlying Rating.* The Authority shall at all times maintain a rating on the Bonds from at least one of Fitch or S&P. The Authority covenants and agrees that it shall not at any time withdraw or permit the withdrawal of any long-term unenhanced rating on the Bonds from Fitch or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.

*Section 5.15. Preservation of Lien; Liens.* (a) The Authority shall take all necessary action to maintain, perfect and preserve the pledge of, lien on and security interest in the Net Pledged Revenues securing the Notes and the payment and performance of the Authority's obligations hereunder.

(b) The Authority shall not, directly or indirectly, incur, create or permit to exist any Lien on all or any part of the Net Pledged Revenues that is senior to or on a parity with the Lien securing the Notes, other than (a) Liens created under and in accordance with the terms of the Indenture, including the Bonds and the Policy Costs; and (b) the Liens created to secure payment of principal or an interest on the Loans and other Parity Debt that may hereafter be in accordance with the terms hereof and of the Indenture.

*Section 5.16. Sanctions and Other Anti-Terrorism Laws; Anti-Corruption Laws.* (a) The Authority covenants and agrees that they shall immediately notify the Lender in writing upon the occurrence of a Reportable Compliance Event.

(b) Each Covered Entity shall conduct their business in compliance with all Anti-Corruption Laws and maintain policies and procedures designed to ensure compliance with such Laws.

(c) The Authority hereby covenants and agrees that it and its Subsidiaries will not: (a) become a Sanctioned Person or allow any employees, officers, directors, affiliates, consultants, brokers, or agents acting on its behalf in connection with this Agreement to become a Sanctioned Person; (b) directly, or indirectly through a third party, engage in any transactions or other dealings with or for the benefit of any Sanctioned Person or Sanctioned Jurisdiction, including any use of the proceeds of the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Person or Sanctioned Jurisdiction; (c) repay the Loans with funds derived from any unlawful activity; or (d) cause the Lender violate any Anti-Terrorism Law.

*Section 5.17. Other Agreements.* In the event that the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which such Bank Agreement provides such Person with different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Lender in this Agreement, the Authority shall provide the Lender with a copy of each such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Lender shall have the benefits of such different or more restrictive covenants, different or additional events of default

and/or greater rights and remedies as if specifically set forth herein. The Authority shall promptly enter into an amendment to this Agreement to include such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; *provided* that the Lender shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the Authority fails to provide such amendment.

*Section 5.18. Financial Covenants.* (a) *Specified Aggregate Annual Debt Service Coverage.* The Authority agrees that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport and for services rendered in connection therewith, so that during each Fiscal Year the Net Pledged Revenues will be equal to at least 110% of Specified Aggregate Annual Debt Service for such Fiscal Year.

(b) *Rate Covenant.* The Authority shall at all times comply with the covenant set forth in Section 5.04 of the Indenture.

(c) *Parity Debt.* The Authority shall not incur any additional Parity Debt (or any Revenue Secured Debt that is subordinate to Parity Debt) without the prior written consent of the Lender.

*Section 5.19. Investment Policy.* All investments of the Authority have been and will be made in accordance with the terms of its Investment Policy. The Authority shall provide the Lender with a copy of any amendment to its Investment Policy following the adoption of any such amendment. In no event shall the Authority make any investment of funds by (i) increasing or compounding the dollar amount of funds available for investment by obtaining loans or purchasing securities on margin or (ii) materially deviating from the Investment Policy in effect on the Effective Date, without the prior written consent of the Lender.

*Section 5.20. Preservation of Existence, Ownership, Etc.* The Authority shall not dissolve nor shall it sell, lease, assign, transfer or otherwise dispose of all or substantially all of the Authority's assets (including, without limitation, by sale and leaseback).

*Section 5.21. Certain Information.* The Authority shall not include in an offering document any information concerning the Lender that is not supplied in writing, or otherwise approved in writing, by the Lender expressly for inclusion therein; *provided*, that, except for the Confidential Information, the Authority may disclose the terms of this Agreement and the name of the Lender.

*Section 5.22. Consolidation or Merger.* The Authority shall not consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into it or acquire all or substantially all of the property and assets of any other Person.

*Section 5.23. Accounting Methods and Fiscal Year.* The Authority will not adopt, permit or consent to any change in accounting practices other than as required by GAAP and will not adopt, permit or consent to any change in its Fiscal Year.

*Section 5.24. Exempt Status.* The Authority shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Tax-exempt Loans from the gross income of the holders thereof for purposes of Federal income taxation under the Code.

(i) The Authority covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-exempt Loans under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the Tax-exempt Loans concerning certain matters pertaining to the use of proceeds of the Tax-exempt Loans, including any and all exhibits attached thereto (the “*Tax Certificate*”). This covenant shall survive payment in full or defeasance of the Tax-exempt Loans.

(ii) Notwithstanding any provisions of this Section, if the Authority shall obtain an opinion of nationally recognized bond counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Tax-exempt Loans, the Authority may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

*Section 5.25. Impairment of Rights.* The Authority shall not take or permit any action, under the Authorizing Resolution, the Notes, or any other Financing Documents or under any Parity Debt otherwise inconsistent with or impairing the rights, remedies, security or interests of the Lender under this Agreement including, without limitation, the obligation of the Authority to pay any obligations owed to the Lender.

*Section 5.26. Released Revenues.* Notwithstanding Section 2.16 of the Indenture, unless the Authority has received the prior written consent of the Lender, the Authority shall not, via a Supplemental Indenture, cause a category of income, receipts or other revenues then included in the definition of “Airport Revenues” and “Pledged Revenues” as defined in Section 1.01 of the Indenture to be excluded from such definitions of the Indenture.

*Section 5.27. Swap Contracts.* The Authority will not enter into any Swap Contract with respect to any Debt of the Authority wherein any termination payments or settlement amounts are senior to or on parity with the payment of the Loans or any other Obligations hereunder, in each case, without the prior written consent of the Lender.

## ARTICLE VI

### EVENTS OF DEFAULT

*Section 6.01. Events of Default.* If one or more of the following events (“*Events of Default*”) shall have occurred and be continuing, they shall each constitute an Event of Default hereunder, unless waived in writing by the Lender:

(a) (i) the Authority shall fail to pay when due any principal of or interest on any Loan or any Term Loan or (ii) the Authority shall fail to pay when due any fees (including, without limitation, any fees payable under the Fee Agreement) or any other amount or Obligation payable hereunder (other than the obligations described in clause (i)) when due and such failure under this clause (ii) shall continue for three (3) Business Days;

(b) the Authority shall fail to observe or perform any covenant contained (or incorporated by reference) in Sections 5.01, 5.04, 5.07, 5.08 (after giving effect to any grace period contained therein), 5.09, 5.11 (after giving effect to any grace period contained therein), 5.13, 5.14, 5.15, 5.16, 5.17, 5.18(a), 5.18(b) (after giving effect to any grace period contained therein), 5.18(c), 5.20, 5.21, 5.22, 5.24 (subject to Section 2.13(b)), 5.25, 5.26 or 5.27;

(c) the Authority shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clause (a) or (b) above) or in any Financing Document and such default shall remain unremedied for a period of sixty (60) days after the earlier of knowledge thereof by any officer of the Authority or written notice thereof from the Lender;

(d) any representation, warranty, certification or statement made by the Authority (or incorporated by reference) in this Agreement or any Financing Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any Financing Document shall prove to have been incorrect in any material respect when made (or deemed made);

(e) the Authority shall fail to make any payment in respect of any (i) Bonds, (ii) Parity Debt or (iii) any other Material Debt when due or within any applicable grace period; or, any event or condition shall occur which results in any (i) Bonds, (ii) Parity Debt or (iii) any other Material Debt being immediately due and payable;

(f) any event or condition shall occur which enables (or, with the giving of notice or lapse of time or both, would enable) the holder of any (i) Bonds, (ii) Parity Debt or (iii) any other Material Debt or any Person acting on such holder’s behalf to accelerate the maturity thereof;

(g) the Authority shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the

appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Authority seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against the Authority under the federal bankruptcy laws or applicable state law as now or hereafter in effect;

(i) (i) a judgment or order for the payment of money in excess of \$5,000,000 not covered by an insurance policy for which the insurer has confirmed coverage in writing and which is secured by or payable from the Pledged Revenues shall be rendered against the Authority and such judgment or order shall continue unsatisfied and unstayed for a period of sixty (60) days, or (ii) the Authority shall have failed to promptly lift any execution, garnishment, or attachment pursuant to a judgment or order which could reasonably be expected to impair the Authority's ability to carry on its related business;

(j) (i) any provision of this Agreement or any Financing Document related to (A) payment of principal of or interest on any Loan or any Term Loan or any other Revenue Secured Debt or (B) the validity or enforceability of the pledge of the Net Pledged Revenues or any other pledge or security interest created hereunder shall at any time for any reason cease to be valid and binding on the Authority as a result of any legislative or administrative action by a Governmental Authority with competent jurisdiction, or shall be declared, in a final nonappealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(ii) the validity or enforceability of any material provision of this Agreement or any other Financing Document related to (A) payment of principal of or interest on any Loan or any Term Loan or any other Revenue Secured Debt, or (B) the validity or enforceability of the pledge of the Net Pledged Revenues or any other pledge or security interest created hereunder shall be publicly contested by the Authority; or

(iii) any other material provision of this Agreement or any other Financing Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the Authority, or shall be declared to be null and void as a result of a final non-appealable judgment by a court of competent jurisdiction or by any Governmental Authority having

jurisdiction, or the validity or enforceability thereof shall be contested by the Authority;

(k) there shall occur a termination, winding up, liquidation or dissolution of the Authority or the consolidation or merger of the Authority with or into any Person;

(l) a moratorium shall have been declared or announced (whether or not in writing) by the Authority or any Governmental Authority with respect to any Debt of the Authority;

(m) any of S&P, Fitch or Moody's shall have (i) assigned the Bonds or any Parity Debt a Rating below "BBB-", "BBB-" or "Baa3", respectively, or (ii) suspended or withdrawn its Rating of any Bonds or any Parity Debt for credit related reasons, in each case to the extent then providing a Rating; or

(o) any "event of default" under the Indenture shall have occurred and be continuing.

then, and in every such event, the Lender (i) may, by notice to the Authority, terminate the Commitment as to the Loan or Loans, and the Commitment shall thereupon terminate, and (ii) may, by notice to the Authority demand that the Loans and the Term Loan be immediately due and payable by the Authority and the Authority shall thereupon be obligated to pay immediately the outstanding principal amount of such Loans or Term Loan, as applicable (together with accrued interest thereon), without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Authority; *provided* that in the case of any of the Events of Default specified in clause (g), (h), (k) or (l) above, without any notice to the Authority or any other act by the Lender, the Commitment shall thereupon immediately terminate and the related Loans or Term Loan, as applicable, shall immediately be deemed to be due for payment by the Authority and the Authority shall be obligated to pay immediately the outstanding principal amount of the related Loans or Term Loan, as applicable, (together with accrued interest thereon) and with all other amounts then owing hereunder, in each case, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Authority; *provided*, further, that, in all cases the Lender shall also be entitled to exercise any and all other rights and remedies available at law or in equity. Promptly following the taking of any action or the occurrence of any event or condition referred to above, the Lender shall give notice thereof to the Authority, but the failure to give any such notice or any delay in giving any such notice shall not impair the validity or effect of any action or event or condition referred to above.

*Section 6.02. Effect of Event of Default.* From and after the occurrence of an Event of Default, all amounts owing to the Lender and all amounts owing to the Lender hereunder and amounts owing on any related Loans or Term Loan, as applicable and all other obligations of the Authority hereunder shall bear interest at the Default Rate. Without limiting any other rights or remedies of the Lender provided for elsewhere in this Agreement or the other Financing Documents to which the Lender is a party, or by applicable Law, or in equity, or otherwise:

(a) Upon the occurrence, and during the continuance, of any Event of Default *other than* an Event of Default described in Section 8.01(g) or (h) hereof, the Lender may (i) terminate the Commitment and/or (ii) declare the unpaid principal amount of all outstanding Loans or the Term Loan, as applicable, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

(b) Upon the occurrence of any Event of Default described in Section 8.01(g) or (h) hereof, the Commitment and all other obligations of the Lender will automatically terminate without notice to or demand upon the Authority, which are expressly waived by the Authority, and the unpaid principal amount of all outstanding Loans or the Term Loan, as applicable, and other Obligations, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder will be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Authority hereby expressly waives.

(c) Upon the occurrence and during the continuation of any Event of Default, the Lender may exercise all rights and remedies under this Agreement or the other Financing Documents to which the Lender is a party, and enforce all other rights and remedies under applicable law.

(d) After the exercise of remedies provided for in this Section 6.02 (or after the Obligations under this Agreement and the other Financing Documents to which the Lender is a party have automatically become immediately due and payable as set forth above), any amounts received by the Lender on account of the Obligations shall be applied by the Lender to the payment of the Obligations under this Agreement and the other Financing Documents to which the Lender is a party and any other amounts as shall from time to time have become due and payable by the Authority to the Lender under this Agreement and the other Financing Documents to which the Lender is a party as the Lender may decide in its sole discretion.

(e) Upon the occurrence and during the continuation of any Event of Default, the Lender may, either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Agreement and the Notes or to enforce performance or observance of any obligation, agreement or covenant of the Authority under the Agreement and the Notes, whether for specific performance of any agreement or covenant of the Authority or in aid of the execution of any power granted to the Lender in the Agreement and the Notes.

*Section 6.03. No Right of Setoff.* Neither the Lender nor any of its Affiliates shall have any set-off rights against Airport Revenues, Passenger Facility Charges, Customer Facility Charges or state or federal grants paid or received by the Authority or any amounts held in any funds or accounts of the Authority.

## ARTICLE VII

### INCREASED COSTS AND TAXES

*Section 7.01. Additional Costs.*

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, capital or liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Lender;

(ii) subject the Lender to any Tax of any kind whatsoever with respect to this Agreement, any Loan or Term Loan made by it, or change the basis of taxation of payments to the Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 7.02 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Lender); or

(iii) impose on the Lender any other condition, cost or expense affecting this Agreement or the Loans or the Term Loan;

and the result of any of the foregoing shall be to increase the cost to the Lender of making Loans or Term Loan or maintaining the Commitment, or to reduce the amount of any sum received or receivable by the Lender hereunder, under any Loan or under the Term Loan(s) (whether of principal, interest or any other amount) then, upon written request of the Lender, as set forth in clause (c) below, the Authority shall promptly pay to the Lender or such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(b) *Capital or Liquidity Requirements.* If the Lender determines that any Change in Law affecting the Lender or the Lender's parent or holding company, if any, regarding capital or liquidity requirements, either (i) affects or would affect the amount of capital or liquidity to be maintained by the Lender or (ii) has or would have the effect of reducing the rate of return on the Lender's capital or the capital of the Lender's parent or holding company holding, if any, as a consequence of this Agreement, or of making Loans or Term Loan or maintaining the Commitment, to a level below that which the Lender or the Lender's parent or holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's parent or holding company with respect to capital or liquidity adequacy), then from time to time upon written request of the Lender as set forth in clause (c) below the Authority shall promptly pay to the Lender such additional amount or amounts as will compensate the Lender or the Lender's parent or holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or the Lender's parent or holding company, as the case may be, as specified in paragraph (a) or (b) of this Section in reasonable detail setting forth the computation of such compensation (including the reason therefor), and delivered to the

Authority, shall be conclusive absent manifest error. The Authority shall pay the Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of the Lender to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's right to demand such compensation.

(e) *Survival.* Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations of the Authority contained in this Section shall survive the termination of this Agreement and the payment in full of the Loans and the obligations of the Authority thereunder and hereunder.

*Section 7.02. Taxes.*

(a) Any and all payments to the Lender by the Authority hereunder or with respect to the Loans shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Authority shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loans, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Authority shall make such deductions and (iii) the Authority shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Authority shall make any payment under this Section to or for the benefit of the Lender with respect to Indemnified Taxes and if the Lender shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender to any taxing jurisdiction in the United States of America then the Lender shall pay to the Authority an amount equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Lender pursuant to this sentence shall not exceed the aggregate amount previously paid by the Authority with respect to such Indemnified Taxes. In addition, the Authority agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loans or from the execution or delivery of this Agreement or the Notes, or otherwise with respect to this Agreement or the Loans (hereinafter referred to as "*Other Taxes*"). The Lender shall provide to the Authority within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the Authority to the Lender hereunder; *provided*, that the Lender's failure to send such notice shall not relieve the Authority of its obligation to pay such amounts hereunder.

(b) The Authority shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Lender for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Lender or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that the Authority shall not be obligated to pay the

Lender for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender's gross negligence or willful misconduct. The Lender agrees to give notice to the Authority of the assertion of any claim against the Lender relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; *provided*, that the Lender's failure to notify the Authority promptly of such assertion shall not relieve the Authority of its obligation under this Section. Payments by the Authority pursuant to this Section shall be made within thirty (30) days from the date the Lender makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof; *provided* that the Authority shall not be required to compensate the Lender or pursuant to this clause (b) for any Indemnified Taxes or Other Taxes incurred or suffered more than nine (9) months prior to the date that the Lender notifies the Authority of its payment of such Indemnified Taxes or Other Taxes, and of the intention to claim indemnification therefor (except that if the imposition of such Indemnified Taxes or Other Taxes is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof). The Lender agrees to repay to the Authority any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the Authority pursuant to this Section received by the Lender for Indemnified Taxes or Other Taxes that were paid by the Authority pursuant to this Section and to contest, with the cooperation and at the expense of the Authority, any such Indemnified Taxes or Other Taxes which the Lender or the Authority reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the Authority, the Authority shall furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.

(d) Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations of the Authority contained in this Section shall survive the termination of this Agreement and the payment in full of the Loans and the obligations of the Authority thereunder and hereunder.

## ARTICLE VIII

### MISCELLANEOUS

*Section 8.01. Notices.* All notices, requests, consents and other communications to either party hereunder shall be in writing (including e-mail) and shall be given to such party at its address or e-mail address set forth on the signature page hereof or at such other address or e-mail address as such party may hereafter specify for the purpose by at least five Business Days' prior notice to the other party. Each such notice, request, consent or other communication shall be effective (i) if given by e-mail, when such e-mail is transmitted to the e-mail address specified in this Section and the appropriate answerback is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified in this Section; *provided* that notices to the Lender under Article II or Article VII shall not be effective until received.

Lender:

PNC Bank, National Association

10250 Constellation Blvd., 15<sup>th</sup> Floor  
Los Angeles, California 90067  
Telephone: (214) 577-4873  
Attention: Nicholas Boyle  
E-mail: nicholas.boyle@pnc.com

with a copy to: PNC Bank, National Association  
301 Fayetteville Street, Suite 2100  
Raleigh, North Carolina 27601  
Telephone: (919) 788-5573  
Attention: Brian Miller  
E-mail: brian.m.miller@pnc.com

Wire instructions: PNC Bank, National Association  
Pittsburgh, Pennsylvania  
ABA: 043-000-096  
BNF: Commercial Loans  
Account #: 130760016803  
Ref: Ontario International Airport Authority

If to Authority: Ontario International Airport Authority  
**[1923 East Avion Street  
Ontario, California 91761  
Telephone: (909) 544-5440  
Telecopy: ( ) \_\_\_\_\_  
Attention: John Schubert, Chief Financial Officer  
E-mail: jschubert@flyontario.com]**

*Section 8.02. No Waivers.* No failure or delay by the Lender in exercising any right, power or privilege hereunder or under any other Financing Document shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

*Section 8.03. Expenses; Documentary Taxes; Indemnification.* (a) The Authority shall pay (i) all out-of-pocket expenses of the Lender, including fees and disbursements of counsel for the Lender, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and any exercise or consideration of exercise by the Lender of its rights and remedies hereunder and (ii) all out-of-pocket expenses incurred by the Lender, including fees and disbursements of counsel, in connection with any Event of Default or alleged Event of Default, and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. The Authority shall, to the extent permitted by law, indemnify the Lender against any transfer taxes, documentary taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the other Financing Documents.

(b) To the fullest extent permitted by applicable law, the Authority agrees to indemnify the Lender and hold the Lender harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by the Lender in connection with or relating to or arising out of this Agreement or any other Financing Document, or any of the transactions contemplated hereby or thereby, or any actual or proposed use of proceeds of Loans hereunder; *provided* that the Lender shall not have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment. Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations of the Authority contained in this Section shall survive the termination of this Agreement and the payment in full of the Loans and the obligations of the Authority thereunder and hereunder.

*Section 8.04. Amendments and Waivers.* No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Authority therefrom, shall be effective unless in writing signed by the Lender and the Authority, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

*Section 8.05. Successors and Assigns.*

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the Authority, its successors, transferees and assigns and shall inure to the benefit of the Lender and its permitted successors, transferees and assigns. The Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. The Lender may, in its sole discretion and in accordance with applicable Law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Loans and the Financing Documents; *provided* that any such assignment by the Lender shall, unless an Event of Default is continuing, be subject to the prior written consent of the Authority, whose consent shall not be unreasonably withheld, conditioned or delayed.

(b) *Participations.* The Lender shall have the right to grant participations in all or a portion of the Lender's interest in the Loans, this Agreement and the other Financing Documents to one or more other banking institutions (each, a "*Participant*"); *provided, however*, that (i) no such participation by any such Participant shall in any way affect the obligations of the Lender hereunder and (ii) the Authority shall be required to deal only with the Lender, with respect to any matters under this Agreement, the Notes and the other Financing Documents and no such Participant shall be entitled to enforce any provision hereunder against the Authority. No such Participant shall be entitled to receive payment hereunder of any amount greater than the amount that would have been payable had the Lender not granted a participation to such Participant.

(c) *Certain Pledges.* The Lender may at any time pledge or grant a security interest in all or any portion of its rights under the Loans, this Agreement and the Financing Documents to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

*Section 8.06. Governing Law; Venue; Jury Trial Waiver.* (a) *Governing Law.* THIS AGREEMENT AND THE NOTES, AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTES AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA.

(b) *Submission to Jurisdiction.* THE AUTHORITY AGREES THAT, IN CONNECTION WITH ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, BY THE LENDER AGAINST THE AUTHORITY IN ANY WAY RELATING TO THIS AGREEMENT OR THE NOTES OR THE TRANSACTIONS RELATING HERETO OR THERETO, TO SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF. THE LENDER AGREES THAT, IN CONNECTION WITH ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, BY THE AUTHORITY AGAINST THE LENDER IN ANY WAY RELATING TO THIS AGREEMENT OR THE NOTES OR THE TRANSACTIONS RELATING HERETO OR THERETO, TO SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF CALIFORNIA SITTING IN SAN BERNARDINO COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE CENTRAL DISTRICT OF CALIFORNIA. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER FINANCING DOCUMENT SHALL AFFECT ANY RIGHT THAT THE PARTIES MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE NOTES AGAINST THE AUTHORITY IN THE COURTS OF ANY JURISDICTION.

(c) *Waiver of Venue.* THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT EITHER MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTES IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) *Waiver of Jury Trial.* EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

*Section 8.07. Counterparts; Integration.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

*Section 8.08. Judicial Reference.* IN THE EVENT THAT SECTION 8.06(D) HEREOF IS NOT APPLIED, IF ANY ACTION OR PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENT, THE COURT SHALL, AND IS HEREBY DIRECTED TO, MAKE A GENERAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 TO A REFEREE (WHO SHALL BE A SINGLE ACTIVE OR RETIRED JUDGE) TO HEAR AND DETERMINE ALL OF THE ISSUES IN SUCH ACTION OR PROCEEDING (WHETHER OF FACT OR OF LAW) AND TO REPORT A STATEMENT OF DECISION, *PROVIDED* THAT AT THE OPTION OF ANY PARTY TO SUCH PROCEEDING, ANY SUCH ISSUES PERTAINING TO A “PROVISIONAL REMEDY” AS DEFINED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1281.8 SHALL BE HEARD AND DETERMINED BY THE COURT.

*Section 8.09. Severability.* The invalidity or unenforceability of anyone or more phrases, sentences, clauses, or Sections contained in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part thereof.

*Section 8.10. Government Regulations.* The Lender hereby notifies the Authority that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Lender to identify the Authority in accordance with the Patriot Act. The Authority hereby agrees that it shall promptly provide such information upon request by the Lender. The Authority shall, promptly following a request by the Lender, provide all documentation and other information that the Lender reasonably requests in order to comply with its ongoing obligations under applicable law or regulation, including, without limitation, “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, and shall comply.

*Section 8.11. No Advisory or Fiduciary Relationship.* In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Financing Document), the Authority acknowledges and agrees, and acknowledges its Affiliates’ understanding, that: (a) (i) the services regarding this Agreement provided by the Lender and any Affiliate thereof are arm’s-length commercial transactions between the Authority, on the one hand, and the Lender and its Affiliates, on the other hand, (ii) the Authority has consulted its own legal, accounting, regulatory, tax, financial and other advisors to the extent it has deemed appropriate, and (iii) the Authority is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Documents; (b) (i) the Lender and its Affiliates each is and has been acting solely as a principal for its own interests and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor (municipal, financial or otherwise), agent or fiduciary, for the Authority, or any other Person and the Lender and its

Affiliates have no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Authority with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender or any of its Affiliates has provided other services or is currently providing other services to the Authority on other matters), (ii) neither the Lender nor any of its Affiliates has any obligation to the Authority with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Financing Documents, (iii) the only obligations the Lender and its Affiliates have to the Authority with respect to this transaction are set forth in this Agreement; and (iv) the Lender is not recommending that the Authority take an action with respect to the transaction described in this Agreement and the other Financing Documents; and (c) the Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Authority, and neither the Lender nor any of its Affiliates has any obligation to disclose any of such interests to the Authority. To the fullest extent permitted by law, the Authority, hereby waives and releases any claims that it may have against the Lender or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

*Section 8.12. Fees and Expenses.* (a) On the Effective Date, the Authority shall pay to Chapman and Cutler LLP, as counsel to the Lender, its legal fees and expenses incurred in connection with the preparation, review, negotiation, execution and delivery of the Financing Documents, as more fully set forth in the Fee Agreement. Legal fees shall be paid directly to Chapman and Cutler LLP, in accordance with its instructions.

(b) To the extent not paid pursuant to Section 3.01(i) hereof, the Authority shall pay any fee payable to the California Debt and Investment Advisory Commission by the Lender in connection with the transactions contemplated hereby and by the other Financing Documents.

*Section 8.13. EMMA Postings.* In the event the Authority files with EMMA, this Agreement or the Fee Agreement or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms with respect to any agreement to which the Lender is a party, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the “Rule”) (each such posting, an “EMMA Posting”), the Authority shall (i) provide the Lender with a copy of each EMMA Posting pertaining to this Agreement or the Fee Agreement prior to submitting or posting on EMMA and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. The Authority acknowledges and agrees that the Lender is not responsible for the Authority’s or any other entity’s (including, but not limited to, any broker-dealer’s) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule.

*Section 8.14. Acknowledgement Regarding Any Supported QFCs.* To the extent that the Financing Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit

Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “*U.S. Special Resolution Regimes*”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Financing Documents and any Supported QFC may in fact be stated to be governed by the Laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the Laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Financing Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Financing Documents were governed by the Laws of the United States or a state of the United States.

(b) As used in this Section 8.14, the following terms have the following meanings:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ONTARIO INTERNATIONAL AUTHORITY AIRPORT  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Executive Officer

PNC BANK, NATIONAL ASSOCIATION

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

**EXHIBIT A**

**FORM OF NOTICE OF BORROWING**

[Date]

To: PNC Bank, National Association (the “*Lender*”)  
10250 Constellation Blvd., 15<sup>th</sup> Floor  
Los Angeles, California 90067  
Telephone: (214) 577-4873  
Attention: Nicholas Boyle  
E-mail:nicholas.boyle@pnc.com

with a copy to:

PNC Bank, National Association  
301 Fayetteville Street, Suite 2100  
Raleigh, North Carolina 27601  
Telephone: (919) 788-5573  
Attention: Brian Miller  
E-mail:brian.m.miller@pnc.com

with a copy to:

PNC Bank, National Association  
500 First Avenue  
Pittsburgh, Pennsylvania 15219  
Telephone: (866) 375-1274  
Attention: Loan Administration  
E-mail: CorpLA@pnc.com

FROM: Ontario International Airport Authority

Re: Revolving Credit Agreement (as amended, supplemented, restated or  
otherwise modified from time to time, the “*Credit Agreement*”)  
dated as of February 1, 2023 between  
the Ontario International Airport Authority and the Lender

We hereby give notice, pursuant to Section 2.02(a) of the Credit Agreement, of the following proposed Borrowing:

Date of Borrowing ..... [Date]  
Loan Principal Amount..... [\$xx,xxx,xxx]  
Amount of Loans Outstanding..... [\$xxx,xxx,xxx]

The Proceeds of such Loan are to be wire transferred to the following account:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Loan constituting such Borrowing  
is to be a..... [Tax-exempt Loan] [Taxable Loan]  
The interest rate applicable to such Borrowing  
is to be the ..... [Tax-exempt SOFR Rate] [Taxable SOFR Rate]

The rates of interest on the Loan will not exceed the maximum rate permitted by law.

Terms used herein have the meanings assigned to them in the Credit Agreement.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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

**EXHIBIT B**

**FORM OF NOTICE OF CHANGE OF LENDER ACCOUNT**

[Date]

To: PNC Bank, National Association (the “*Lender*”)  
10250 Constellation Blvd., 15<sup>th</sup> Floor  
Los Angeles, California 90067  
Telephone: (214) 577-4873  
Attention: Nicholas Boyle  
E-mail:nicholas.boyle@pnc.com

with a copy to:

PNC Bank, National Association  
301 Fayetteville Street, Suite 2100  
Raleigh, North Carolina 27601  
Telephone: (919) 788-5573  
Attention: Brian Miller  
E-mail:brian.m.miller@pnc.com

with a copy to:

PNC Bank, National Association  
500 First Avenue  
Pittsburgh, Pennsylvania 15219  
Telephone: (866) 375-1274  
Attention: Loan Administration  
E-mail: CorpLA@pnc.com

FROM: Ontario International Airport Authority

Re: Revolving Credit Agreement (as amended, supplemented, restated or otherwise modified from time to time, the “*Credit Agreement*”) dated as of February 1, 2023 between the Ontario International Airport Authority and the Lender

We hereby give notice, pursuant to Section 2.02(c) of the Credit Agreement, of a change to the account to which the proceeds of Borrowings are to be wire transferred. From and after the date hereof, the proceeds of all Borrowings should be wire transferred to the following account:

**[account information to be inserted]**

Terms used herein have the meanings assigned to them in the Credit Agreement.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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

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

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

**EXHIBIT C**

**TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT**

**FORM OF TAXABLE NOTE**

Not to exceed \$50,000,000 principal amount

February 1, 2023

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
SUBORDINATED REVENUE NOTE,  
SERIES 2023 (TAXABLE)**

KNOW ALL MEN BY THESE PRESENTS: that ONTARIO INTERNATIONAL AIRPORT AUTHORITY (hereinafter referred to as the “*Authority*”), a joint powers authority established under Article I, Chapter 5, Division 7, of Title 1 of the California Government Code and pursuant to a Joint Exercise of Powers Agreement dated as of August 21, 2012, by and between the City of Ontario, California and the County of San Bernardino, California, for value received hereby promises to pay to PNC Bank, National Association (with its successors and assigns, the “*Lender*”), pursuant to that certain Revolving Credit Agreement dated as of February 1, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”), between the Authority and the Lender, but solely from the revenues, income and charges of the Authority hereinafter specified and not otherwise, on the Termination Date the aggregate unpaid and outstanding principal amount of all Taxable Loans made and advanced by the Lender from time to time pursuant to the Agreement, the aggregate principal amount of all Taxable Loans and Tax-Exempt Loans not to exceed at any one time \$50,000,000, together with interest on the outstanding principal balance of the Taxable Loans evidenced hereby at the rate specified in the Agreement on each Interest Payment Date and as otherwise specified in the Agreement; *provided, however,* upon the Authority’s written request to enter into an Amortization Period delivered to the Lender no later than ten (10) days prior to the Facility Maturity Date and provided that, on the Termination Date (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Article IV of the Agreement shall be true and correct on, and shall be deemed to have been made on, the Termination Date, the principal balance of the Taxable Loans, if any, maturing on such date shall convert to the Term Loan, the proceeds of which shall be deemed to have repaid such Taxable Loans under this note (this “*Taxable Note*”), and upon such conversion this Taxable Note shall thereafter be deemed canceled and no longer outstanding.

This Taxable Note is issued under the authority of and pursuant to and in full compliance with the Constitution and statutes of the State of California, including particularly the Joint Exercise of Powers Act, California Government Code Section 6500, *et seq.* (as amended, the “*Joint Powers Act*”) and Resolution No. [\_\_\_\_\_] adopted by the Board of Commissioners of the Authority on January 26, 2023 (the “*Resolution*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

This Taxable Note is issued to evidence the amounts due on the Taxable Loans, and is secured by the valid and binding Lien on and pledge of the Net Pledged Revenues junior and subordinate to the Bonds and Policy Costs. The payment of this Taxable Note ranks on a parity with the payment of the principal and purchase price of and interest on all Parity Debt. The principal of and interest on the Taxable Loans evidenced by this Taxable Note may be paid from moneys constituting Net Pledged Revenues only if all deposits required to be made to the Trustee under the Indenture and all amounts of principal and interest which have become due and payable on the Bonds whether by maturity or redemption have been paid in full and the Authority is current on all payments, if any, required to be made to replenish any bond reserve fund created for any Bonds.

This Taxable Note may be prepaid as provided in the Agreement. This Taxable Note may be exchanged at the principal office of the Authority upon the direction of the Lender in accordance with the Agreement for one or more Taxable Notes having the same aggregate principal amount and terms as this Taxable Note and in the name or names of such registered owners as the Lender shall direct subject to the Agreement.

This Taxable Note and the Taxable Loans it relates to do not constitute or evidence an indebtedness of the City of Ontario, the County of San Bernardino, the State of California, or any subdivision thereof other than the Authority to the extent set forth herein and in the Resolution, or a lien or charge on any property or the general revenues of the City of Ontario, the County of San Bernardino, the State of California, or any subdivision thereof other than the Authority to the extent set forth herein and in the Resolution, but shall constitute and evidence an obligation of the Authority payable only from the sources set forth herein and in the Resolution.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF ONTARIO, CALIFORNIA, THE COUNTY OF SAN BERNARDINO, CALIFORNIA, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE TAXABLE LOANS TO WHICH THIS TAXABLE NOTE RELATES. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Taxable Note do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and the Joint Powers Act and that the amount of this Taxable Note, together with all other indebtedness of the Authority, does not exceed any limit under any laws of the State of California or the Joint Powers Act.

IN WITNESS WHEREOF, the ONTARIO INTERNATIONAL AIRPORT AUTHORITY has caused this Taxable Note to be executed in its name and on its behalf with the signature of its Chief Executive Officer as of this 1st day of February, 2023.

ONTARIO INTERNATIONAL AIRPORT  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Executive Officer

*[SIGNATURE PAGE TO TAXABLE NOTE]*

**SCHEDULE I TO TAXABLE NOTE**

**Outstanding Taxable Loans evidenced by Taxable Note**

Date of Taxable Loan	Initial Principal	Outstanding Principal Amount
Total:		

**EXHIBIT D**

**TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT**

**FORM OF TAX-EXEMPT NOTE**

Not to exceed \$50,000,000 principal amount

February 1, 2023

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
SUBORDINATED REVENUE NOTE,  
SERIES 2023 (TAX-EXEMPT)**

KNOW ALL MEN BY THESE PRESENTS: that ONTARIO INTERNATIONAL AIRPORT AUTHORITY (hereinafter referred to as the “*Authority*”), a joint powers authority established under Article I, Chapter 5, Division 7, of Title 1 of the California Government Code and pursuant to a Joint Exercise of Powers Agreement dated as of August 21, 2012, by and between the City of Ontario, California and the County of San Bernardino, California, for value received hereby promises to pay to PNC Bank, National Association (with its successors and assigns, the “*Lender*”), pursuant to that certain Revolving Credit Agreement dated as of February 1, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”), between the Authority and the Lender, but solely from the revenues, income and charges of the Authority hereinafter specified and not otherwise, on the Termination Date the aggregate unpaid and outstanding principal amount of all Tax-exempt Loans made and advanced by the Lender from time to time pursuant to the Agreement, the aggregate principal amount of all Taxable Loans and Tax-Exempt Loans not to exceed at any one time \$50,000,000, together with interest on the outstanding principal balance of the Tax-exempt Loans evidenced hereby at the rate specified in the Agreement on each Interest Payment Date and as otherwise specified in the Agreement; *provided, however*, upon the Authority’s written request to enter into an Amortization Period delivered to the Lender no later than ten (10) days prior to the Facility Maturity Date and provided that, on the Termination Date (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Article IV of the Agreement shall be true and correct on, and shall be deemed to have been made on, the Termination Date, the principal balance of the Tax-exempt Loans, if any, maturing on such date shall convert to the Term Loan, the proceeds of which shall be deemed to have repaid such Tax-exempt Loans under this note (this “*Tax-exempt Note*”), and upon such conversion this Tax-Exempt Note shall thereafter be deemed canceled and no longer outstanding.

This Tax-exempt Note is issued under the authority of and pursuant to and in full compliance with the Constitution and statutes of the State of California, including particularly the Joint Exercise of Powers Act, California Government Code Section 6500, *et seq.* (as amended, the “*Joint Powers Act*”) and Resolution No. [\_\_\_\_\_] adopted by the Board of Commissioners of the Authority on January 26, 2023 (the “*Resolution*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

This Tax-exempt Note is issued to evidence the amounts due on the Tax-exempt Loans, and is secured by the valid and binding Lien on and pledge of the Net Pledged Revenues junior and subordinate to the Bonds and Policy Costs. The payment of this Tax-exempt Note ranks on a parity with the payment of the principal and purchase price of and interest on all Parity Debt. The principal of and interest on the Tax-exempt Loans evidenced by this Tax-exempt Note may be paid from moneys constituting Net Pledged Revenues only if all deposits required to be made to the Trustee under the Indenture and all amounts of principal and interest which have become due and payable on the Bonds whether by maturity or redemption have been paid in full and the Authority is current on all payments, if any, required to be made to replenish any bond reserve fund created for any Bonds.

This Tax-exempt Note may be prepaid as provided in the Agreement. This Tax-exempt Note may be exchanged at the principal office of the Authority upon the direction of the Lender in accordance with the Agreement for one or more Tax-exempt Notes having the same aggregate principal amount and terms as this Tax-exempt Note and in the name or names of such registered owners as the Lender shall direct subject to the Agreement.

This Tax-exempt Note and the Tax-exempt Loans it relates to do not constitute or evidence an indebtedness of the City of Ontario, the County of San Bernardino, the State of California, or any subdivision thereof other than the Authority to the extent set forth herein and in the Resolution, or a lien or charge on any property or the general revenues of the City of Ontario, the County of San Bernardino, the State of California, or any subdivision thereof other than the Authority to the extent set forth herein and in the Resolution, but shall constitute and evidence an obligation of the Authority payable only from the sources set forth herein and in the Resolution.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF ONTARIO, CALIFORNIA, THE COUNTY OF SAN BERNARDINO, CALIFORNIA, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE TAX-EXEMPT LOANS TO WHICH THIS TAX-EXEMPT NOTE RELATES. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Tax-exempt Note do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and the Joint Powers Act and that the amount of this Tax-exempt Note, together with all other indebtedness of the Authority, does not exceed any limit under any laws of the State of California or the Joint Powers Act.

IN WITNESS WHEREOF, the ONTARIO INTERNATIONAL AIRPORT AUTHORITY has caused this Tax-exempt Note to be executed in its name and on its behalf with the signature of its Chief Executive Officer as of this 1st day of February, 2023.

ONTARIO INTERNATIONAL AIRPORT  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Executive Officer

*[SIGNATURE PAGE TO TAX-EXEMPT NOTE]*

**Outstanding Tax-exempt Loans evidenced by Tax-exempt Note**

Date of Tax-exempt Loan	Initial Principal	Outstanding Principal Amount
Total:		

**EXHIBIT E**

**TRANSFER OF THIS NOTE IS RESTRICTED AS SET FORTH IN THE AGREEMENT**

**FORM OF TERM NOTE**

Not to exceed \$50,000,000 principal amount

February 1, 2023

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
SUBORDINATED REVENUE NOTE,  
SERIES 2023 (TERM)**

KNOW ALL MEN BY THESE PRESENTS: that ONTARIO INTERNATIONAL AIRPORT AUTHORITY (hereinafter referred to as the “*Authority*”), a joint powers authority established under Article I, Chapter 5, Division 7, of Title 1 of the California Government Code and pursuant to a Joint Exercise of Powers Agreement dated as of August 21, 2012, by and between the City of Ontario, California and the County of San Bernardino, California, for value received hereby promises to pay to PNC Bank, National Association (with its successors and assigns, the “*Lender*”), pursuant to that certain Revolving Credit Agreement dated as of February 1, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”), between the Authority and the Lender, but solely from the revenues, income and charges of the Authority hereinafter specified and not otherwise, in an amount equal to the aggregate principal balance of the Taxable Loans and the Tax-exempt Loans outstanding on the Termination Date not to exceed \$50,000,000, in equal quarterly installments on each Amortization Payment Date, together with interest on such Term Loan to be payable as set forth in the Agreement.

This note (this “*Term Note*”) is issued under the authority of and pursuant to and in full compliance with the Constitution and statutes of the State of California, including particularly the Joint Exercise of Powers Act, California Government Code Section 6500, *et seq.* (as amended, the “*Joint Powers Act*”) and Resolution No. [\_\_\_\_\_] adopted by the Board of Commissioners of the Authority on January 26, 2023 (the “*Resolution*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

This Term Note is issued to evidence the amounts due on the Term Loan, and is secured by the valid and binding Lien on and pledge of the Net Pledged Revenues junior and subordinate to the Bonds and Policy Costs. The payment of this Term Note ranks on a parity with the payment of the principal and purchase price of and interest on all Parity Debt. The principal of and interest on the Term Loan evidenced by this Term Note may be paid from moneys constituting Net Pledged Revenues only if all deposits required to be made to the Trustee under the Indenture and all amounts of principal and interest which have become due and payable on the Bonds whether by maturity or redemption have been paid in full and the Authority is current on all payments, if any, required to be made to replenish any bond reserve fund created for any Bonds.

This Term Note may be exchanged at the principal office of the Authority upon the direction of the Lender in accordance with the Agreement for one or more Notes having the same aggregate principal amount and terms as this Term Note and in the name or names of such registered owners as the Lender shall direct subject to the Agreement.

This Term Note and the Term Loan it relates to do not constitute or evidence an indebtedness of the City of Ontario, the County of San Bernardino, the State of California, or any subdivision thereof other than the Authority to the extent set forth herein and in the Resolution, or a lien or charge on any property or the general revenues of the City of Ontario, the County of San Bernardino, the State of California, or any subdivision thereof other than the Authority to the extent set forth herein and in the Resolution, but shall constitute and evidence an obligation of the Authority payable only from the sources set forth herein and in the Resolution.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF ONTARIO, CALIFORNIA, THE COUNTY OF SAN BERNARDINO, CALIFORNIA, THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE TERM LOAN TO WHICH THIS TERM NOTE RELATES. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Term Note do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and the Joint Powers Act and that the amount of this Term Note, together with all other indebtedness of the Authority, does not exceed any limit under any laws of the State of California or the Joint Powers Act.

IN WITNESS WHEREOF, the ONTARIO INTERNATIONAL AIRPORT AUTHORITY has caused this Term Note to be executed in its name and on its behalf with the signature of its Chief Executive Officer as of this 1st day of February, 2023.

ONTARIO INTERNATIONAL AIRPORT  
AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Executive Officer

*[SIGNATURE PAGE TO TERM NOTE]*

**EXHIBIT F**

**FORM OF REQUEST FOR AMORTIZATION PERIOD**

**[Date]**

PNC Bank, National Association  
10250 Constellation Blvd., 15<sup>th</sup> Floor  
Los Angeles, California 90067  
Telephone: (214) 577-4873  
Attention: Nicholas Boyle  
E-mail:nicholas.boyle@pnc.com

with a copy to:

PNC Bank, National Association  
301 Fayetteville Street, Suite 2100  
Raleigh, North Carolina 27601  
Telephone: (919) 788-5573  
Attention: Brian Miller  
E-mail:brian.m.miller@pnc.com

with a copy to:

PNC Bank, National Association  
500 First Avenue  
Pittsburgh, Pennsylvania 15219  
Telephone: (866) 375-1274  
Attention: Loan Administration  
E-mail: CorpLA@pnc.com

Ladies and Gentlemen:

Reference is hereby made to that certain Revolving Credit Agreement dated as of February 1, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”), between the Ontario International Airport Authority (the “*Authority*”) and PNC Bank, National Association (with its successors and assigns, the “*Lender*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Agreement.

The Authority hereby requests, pursuant to Section 2.12 of the Agreement, to enter into an Amortization Period so that any Loans not repaid on the Facility Maturity Date shall convert to the Term Loan and be payable during an Amortization Period as provided in Section 2.12 of the Agreement.

In connection with such request, the Authority hereby represents and warrants that:

(a) no Default or Event of Default has occurred and is continuing under the Agreement on the date that is the **[thirtieth (30th) day immediately succeeding]** the Facility Maturity Date; and

(b) all representations and warranties of the Authority in the Agreement are true and correct and are deemed to be made on the date that is the **[thirtieth (30th) day immediately succeeding]** the Facility Maturity Date.

We have enclosed along with this request the following information:

1. the aggregate outstanding principal amount of the Loans on the date hereof; and
2. any other pertinent information previously requested by the Lender.

Very truly yours,

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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

**EXHIBIT G**

**FORM OF COMPLIANCE CERTIFICATE**

**[Date]**

PNC Bank, National Association  
10250 Constellation Blvd., 15<sup>th</sup> Floor  
Los Angeles, California 90067  
Telephone: (214) 577-4873  
Attention: Nicholas Boyle  
E-mail:nicholas.boyle@pnc.com

with a copy to:

PNC Bank, National Association  
301 Fayetteville Street, Suite 2100  
Raleigh, North Carolina 27601  
Telephone: (919) 788-5573  
Attention: Brian Miller  
E-mail:brian.m.miller@pnc.com

Reference is hereby made to that certain Revolving Credit Agreement dated as of February 1, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”), between the Ontario International Airport Authority (the “*Authority*”) and PNC Bank, National Association (with its successors and assigns, the “*Lender*”). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Agreement.

The undersigned hereby certifies that:

1. I am the duly elected/appointed \_\_\_\_\_ of the Authority.
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Authority during the Fiscal Year ended \_\_\_\_\_, 20\_\_ (the “*Relevant Fiscal Year*”) covered by the attached financial statements.
3. The examinations described in paragraph 2 above did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of Relevant Fiscal Year covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below.
4. The financial statements required by Section 5.01(a) of the Agreement and being furnished to you concurrently with this Compliance Certificate are true and correct in all material

respects as of the date and for the periods covered thereby. If any definition set forth herein shall conflict with the Agreement, the terms of the Agreement shall control.

5. Schedule I hereto sets forth financial data and computations evidencing the Authority's compliance with certain covenants of the Agreement for the Relevant Fiscal Year, all of which data and computations, to my knowledge, have been made in accordance with the relevant Sections of the Agreement.

6. Described below are the exceptions, if any, to paragraph 3 above by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Authority have taken, are taking, or propose to take with respect to each such condition or event:

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In the event of a conflict between the attached Schedule I and any certifications relating thereto and the Agreement and related definitions used in calculating such covenants, the Agreement and such related definitions shall govern and control. The foregoing certifications, together with the computations set forth in Schedule I hereto are made and delivered as of the date first above written.

[SIGNATURE PAGE TO FOLLOW]

Very truly yours,

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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

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

Title: \_\_\_\_\_ 1

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<sup>1</sup> To be signed by the CEO, CFO or other financial or accounting officer of the Authority acceptable to the Lender.

**SCHEDULE I  
TO COMPLIANCE CERTIFICATE**

**COMPLIANCE CALCULATIONS  
FOR REVOLVING CREDIT AGREEMENT DATED AS OF FEBRUARY 1, 2023**

CALCULATIONS AS OF \_\_\_\_\_, 20\_\_

In the event of any conflict or inconsistency between the calculations set forth in Sections A and B below and the terms of the Agreement, the terms of the Agreement shall control.
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<b>A. <u>Specified Aggregate Annual Debt Service Coverage (Section 5.18(a))</u></b>	
1. Net Pledged Revenues	\$ _____
2. Specified Aggregate Annual Debt Service	\$ _____
3. Ratio of Line A1 to Line A2	_____ %
4. Line A3 must be equal to at least:	110%
5. Authority was in compliance in the Relevant Fiscal Year (circle yes or no)	yes/no
<b>B. <u>Rate Covenant (Section 5.18(b))</u></b>	
1. Net Pledged Revenues (as defined in the Indenture)	\$ _____
2. Aggregate Annual Debt Service (as defined in the Indenture)	\$ _____
3. Ratio of Line B1 to Line B2	_____ %
4. Line B3 must be equal to at least:	125%
5. Authority was in compliance in the Relevant Fiscal Year (circle yes or no)	yes/no <sup>2</sup>

<sup>2</sup> Note that non-compliance with the Rate Covenant in the Indenture is subject to a cure period, as set forth in Section 5.04 of the Indenture.

**FEE AGREEMENT  
DATED FEBRUARY 1, 2023**

Reference is hereby made to that certain Revolving Credit Agreement dated as of February 1, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the “*Agreement*”), between ONTARIO INTERNATIONAL AIRPORT AUTHORITY (the “*Authority*”) and PNC BANK, NATIONAL ASSOCIATION, and its successors and assigns (the “*Lender*”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Fee Agreement (this “*Fee Agreement*”) is to confirm the agreement between the Lender and the Authority with respect to the Commitment Fees (as defined below) and certain other fees and expenses payable by the Authority to the Lender. This Fee Agreement is the Fee Agreement referenced in the Agreement and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the Authority and the Lender, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

ARTICLE I. FEES.

*Section 1.1. Unused Commitment Fee.* The Authority hereby agrees to pay to the Lender a non-refundable commitment fee quarterly in arrears on the first Business Day of each March, June, September and December (commencing on March 1, 2023, for the period from and including the Effective Date to and including February 28, 2023) occurring prior to the Termination Date and on the Termination Date, for each day during the immediately preceding fee period (each such period, a “*Fee Period*”), in an amount equal to the product of the rate per annum specified in the applicable Level corresponding to the Rating (as defined below) in the pricing matrix below (the “*Commitment Fee Rate*”) multiplied by the Available Commitment, in each case, for each such day and the actual number of days elapsed (the “*Unused Commitment Fee*”) during each related Fee Period.

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	UNUSED COMMITMENT FEE IF COMMITMENT < 50% UTILIZED	UNUSED COMMITMENT FEE IF COMMITMENT ≥ 50% UTILIZED
Level 1	A3 or above	A- or above	A- or above	0.15%	0.10%
Level 2	Baa1	BBB+	BBB+	0.20%	0.15%
Level 3	Baa2	BBB	BBB	0.45%	0.40%
Level 4	Baa3	BBB-	BBB-	1.45%	1.40%
Level 5	Below Baa3	Below BBB-	Below BBB-	Default Rate	Default Rate

The term “*Rating*” as used above shall mean the long-term unenhanced debt rating assigned to any of the Authority’s Bonds (or any other Debt secured on parity therewith) by each of Moody’s,

Fitch and S&P. In the event of a split in the Ratings (i.e., one of the Ratings is at a different Level than one or more of the other Ratings), then the Unused Commitment Fee shall be based upon the Level in which the lowest Rating appears (for the avoidance of doubt, Level 1 is the highest Rating and Level 5 is the lowest Rating for purposes of the above pricing grid). At any time during which (i) any Rating is suspended, withdrawn or otherwise unavailable from any Rating Agency or (ii) an Event of Default has occurred and is continuing, then, in any such case, the Unused Commitment Fee shall immediately equal the rate set forth in Level 5, without notice to the Authority (*provided, however*, that the Lender will use commercially reasonable efforts to provide notice thereof to the Authority as promptly as possible thereafter). Any change in the Unused Commitment Fee resulting from a change in any Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. The Authority acknowledges that as of the Effective Date the Unused Commitment Fee is that specified above for Level 1. The Unused Commitment Fee shall be calculated on the basis of a 360-day year and actual days elapsed.

For purposes of the above pricing grid, the percentage utilized means, for each day during the applicable Fee Period, the amount for each such day equal to the quotient of (i) the balance of the outstanding principal amount of all Loans on such day *divided by* (ii) the amount of the Commitment in effect on such day.

*Section 1.2. Amendment Fee.* The Authority shall pay to the Lender a non-refundable amendment, standard waiver or consent fee in a minimum amount equal to \$2,500 (or such other amount reasonably determined by the Lender and agreed to by the Authority) for any change in the Agreement or the Financing Documents which requires the approval, waiver or consent of the Lender, plus the Lender's reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Lender may incur by reason of or in connection with such change, waiver or consent, payable not later than the effective date of each such amendment, standard waiver or consent.

*Section 1.3. Default Rate.* If the Authority shall fail to pay any amount payable under this Fee Agreement as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate. The Authority further agrees to pay within thirty (30) days after demand any amounts advanced by or on behalf of the Lender to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any other Financing Document, together with interest at the Default Rate.

## ARTICLE II. MISCELLANEOUS.

*Section 2.1. Out-of-Pocket Expenses; Administration.* (a) The Authority shall pay to the Lender promptly upon receipt of invoice any and all reasonable fees and expenses of the Lender (including the out-of-pocket expenses of the Lender), and the reasonable fees of counsel to the

Lender, plus disbursements (in an amount equal to \$50,000), all payable in accordance with this Fee Agreement. The reasonable fees of counsel to the Lender shall be paid directly to Chapman and Cutler LLP in accordance with the instructions provided by Chapman and Cutler LLP.

(b) The Authority further agrees to pay all of the Lender's out-of-pocket expenses (including, without limitation, reasonable fees and disbursements of counsel for the Lender) arising in connection with the administration and enforcement of, preservation of rights in connection with a workout, restructuring or default under, or amendment or waiver with respect to this Fee Agreement, the Agreement and the other Financing Documents, and any and all CDIA fees.

*Section 2.2. Amendments.* No amendment to this Fee Agreement shall become effective without the prior written consent of the Authority and the Lender.

*Section 2.3. Governing Law.* THIS FEE AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS FEE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA.

*Section 2.4. Counterparts.* This Fee Agreement may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by email with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 2.5. Severability.* Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 2.6. No Disclosure.* Unless required by law, the Authority shall not deliver or permit, authorize or consent to the delivery of this Fee Agreement any Person for delivery to the Municipal Securities Rulemaking Board unless the Lender provides its prior written consent. For the avoidance of doubt, (i) this Section 2.6 shall in no way limit or supersede Section 8.13 of the Agreement and (ii) all provisions of this Fee Agreement are hereby designated as confidential pursuant to the definition of "Confidential Information" in the Agreement.

*Section 2.7. Representation by Legal Counsel; Joint Preparation.* The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of

proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective representatives as of date first set forth above.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chief Executive Officer

[SIGNATURE PAGE TO FEE AGREEMENT (OIAA-PNC)]

PNC BANK, NATIONAL ASSOCIATION

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