

## FIRST AMENDMENT TO CONCESSION AGREEMENT

This First Amendment To Concession Agreement ("First Amendment"), dated for reference purposes only this \_\_\_\_ day of \_\_\_\_\_, 2003, is by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County"), and GOLDEN GATE HELICOPTERS, LLC dba DIAMOND AVIATION ("Operator"), who mutually agree as follows:

WHEREAS, County and Operator, on March 21, 2000 entered into a Concession Agreement for the operation of an aircraft flight training school and aircraft rental at 620 Airport Drive, San Carlos, County of San Mateo, California (the "Agreement"); and

WHEREAS, it is now the mutual desire of the parties to amend the Agreement,

NOW THEREFORE, FOR THE CONSIDERATION SET FORTH HEREIN, THE PARTIES AGREE THAT THE AGREEMENT IS HEREBY AMENDED AS FOLLOWS:


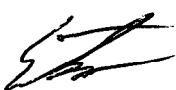
1. Section 1 (TERM) shall be amended to extend the ending date of the concession agreement from February 28, 2005, to September 30, 2005 in order to allow the Operator's lease and concession agreements to run concurrently. This Agreement shall automatically terminate in the event the Lease Agreement between Landlord and Operator terminates.
2. Section 8 (Insurance) paragraph a. shall be amended by deleting the first sentence and replacing it with the following:  
*Operator shall maintain insurance coverage satisfactory to County as listed on appendix "C-1" "Insurance Requirements" and shall furnish County evidence of such coverage prior to operating or conducting business activities listed on Appendix "A-1" "Operational Activities" on the airport.*
3. Appendix "A" (OPERATIONAL ACTIVITIES) shall be deleted in its entirety and replaced with the attached Appendix "A-1" incorporated by reference herein.
4. Appendix "B" (SAN CARLOS AIRPORT CONCESSION FEES) shall be deleted in its entirety and replaced with the attached Appendix "B-1".

Except as set forth in this First Amendment to Concession, all provisions of the Agreement shall remain unchanged and in full force and effect.

This First Amendment To Concession shall be effective only upon delivery by County to Operator of a copy that has been executed by the Operator and the President of the Board of Supervisors of the County of San Mateo pursuant to a resolution adopted in accordance with the California Government Code.

OPERATOR

DATE: 1/23/07

BY:    
Uche Emetaron, President  
Golden Gate Helicopters, LLC  
dba Diamond Aviation

LANDLORD

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
President, Board of Supervisors  
County of San Mateo

ATTEST:

\_\_\_\_\_  
Clerk of the Board

Resolution No. \_\_\_\_\_

APPENDIX "A-1"

"OPERATIONAL ACTIVITIES"  
TO AIRPORT CONCESSION AGREEMENT  
WITH GOLDEN GATE HELICOPTERS, LLC DBA DIAMOND AVIATION

- a. The concession agreement shall be limited to:
- (1) Aircraft Flight Training School and Aircraft Rental, which authorizes Operator to conduct on a non-exclusive basis aircraft flying and ground training instruction under which is designed to prepare students to qualify for FAA pilot's ratings, pilot's refresher training, and to provide on a non-exclusive basis aircraft for rental to the public, including aircraft rented for flying training or aircraft flight instruction. The operation of a flying club as a part of or adjunct to a flight school shall be considered as a contract aircraft rental activity and shall be subject to payments as prescribed in Appendix "B-1" "Concession Fees" of this Agreement.
  - (2) Aircraft Sales, which authorizes Operator to conduct on a non-exclusive basis sales to the public of new and used aircraft.
  - (3) Product Sales, which authorizes Operator to conduct on a non-exclusive basis sales of pilots' supplies including but not limited to books, manuals, charts, hats, t-shirts, and GPS products.
  - (4) Aircraft Maintenance Service, which authorizes Operator to conduct on a non-exclusive basis aircraft service and maintenance for which it is properly licensed and meets County requirements.
  - (5) Air Taxi/Charter Service, which authorizes Operator to conduct on a non-exclusive basis aircraft charter service to the public and is subject to Operator obtaining an air taxi certificate from the Federal Aviation Administration.

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APPENDIX "B-1"

"SAN CARLOS AIRPORT CONCESSION FEES"  
TO AIRPORT CONCESSION AGREEMENT  
WITH GOLDEN GATE HELICOPTERS, LLC DBA DIAMOND AVIATION

CONCESSION ACTIVITY:

Aircraft Flight Training School and Aircraft Rental  
Aircraft Sales\*  
Product Sales  
Aircraft Maintenance Service  
Air Taxi/Charter Service

MINIMUM MONTHLY FEE:

\$1,000 per month

Total combined minimum monthly fee shall not exceed \$1,000 unless 1% of the monthly gross receipts for the specified concession activities exceeds the minimum monthly fee. If 1% of the total monthly gross receipts exceeds minimum monthly fees, 1% of the gross receipts will be the concession fees owed for that month. Monthly gross receipts include flight instruction revenues generated by all flight instruction activities conducted at San Carlos Airport in association with Golden Gate Helicopters, LLC dba Diamond Aviation.

\*Aircraft sales fees are not calculated in the monthly gross but are listed separately as follows: \$100 Per Aircraft sold

All business enterprises conducted at County Airports are subject to concession fees. Those activities not previously specified in this agreement will be negotiated individually with operators and specified in Appendix "A-1" Operational Activities. Fees negotiated will be specified in Appendix "B-1" (this section).

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APPENDIX "C"-1 "  
"INSURANCE REQUIREMENTS"  
TO AIRPORT CONCESSION AGREEMENT  
WITH Golden Gate Helicopters,LLC dba Diamond Aviation

1. Prior to commencing operations on the airport, each concessionaire shall provide the County a Certificate of Insurance which includes the following provisions:

- Airport Premises Liability coverage in the minimum amount of \$1,000,000 each occurrence.
- The County of San Mateo shall be named as an Additional Insured.
- All required insurance shall contain a Separation of Insureds or Severability of Interests provision.
- The policy shall not be cancelled or non-renewed unless the County has received 30 days prior written notice. (Ten day prior notice in the event of cancellation for non-payment of premium is acceptable). Written notice shall be sent to: **County of San Mateo, Attn: Airport Manager, 620 Airport Drive, San Carlos, CA 94070.**

2. Depending on the type of business activity, some or all of the following additional insurance requirements shall apply:

For Concessionaires who take control of customer's aircraft:

- Hanger-Keepers coverage in the minimum amount \$100,000 each aircraft and \$300, 000 each occurrence.

For Concessionaires who provide repair or maintenance services, fuel service, or sales:

- Products and Completed Operations coverage in the minimum amount of \$1,000,000 each occurrence.

For Concessionaires who operate vehicles on the airport premises:

- Commercial Automobile Liability coverage for all Owned, Non-Owned and Hired automobiles in the minimum amount of \$1,000,000 each accident.

For Concessionaires who operate aircraft:

- Aircraft Liability coverage in the minimum amount of \$1,000,000 Combined Single Limit (CSL) Bodily Injury and Property Damage with a minimum sub-limit of \$100,000 each person. Policy shall include coverage for Owned, Non-Owned or Leased aircraft.

For Concessionaires who have employees:

- Workers Compensation coverage providing full statutory benefits and employer's liability in the minimum amount of \$1,000,000.