

**AIRPORT AGREEMENT  
COUNTY OF SAN MATEO - SAN CARLOS AIRPORT  
AND  
HILLER AVIATION MUSEUM - VERTICAL CHALLENGE HELICOPTER EVENT**

**THIS AGREEMENT**, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2004, by and between the **COUNTY OF SAN MATEO**, a political subdivision of the State of California, hereinafter called "County," and **HILLER AVIATION MUSEUM**, hereinafter called "Operator," and together with the County, the "Parties".

**W I T N E S S E T H:**

**WHEREAS**, County is owner of the airport in the vicinity of the City of San Carlos known as the **San Carlos Airport**, hereinafter called "Airport", a general purpose airport owned and maintained by County for the use and benefit of the public; and

**WHEREAS**, Operator desires to conduct a fund raising event commonly referred to as the "Vertical Challenge Helicopter Event," or the "Event" to benefit the Hiller Aviation Museum; and

**WHEREAS**, County is willing to permit Operator to conduct the Vertical Challenge Helicopter Event on the premises of San Carlos Airport; and Operator desires to engage in Event activities described in this agreement and use the Airport facilities as described; and

**WHEREAS**, the Government Code allows County to enter into an agreement for such activities:

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO** as follows:

1. TERM. The purpose of this Agreement is to conduct a fund raising event to benefit the Hiller Aviation Museum. The term of this Agreement shall be for a total of three days, including the day of the Event on Saturday, June 12, 2004; the day prior to the Event for the staging of equipment; and the day following the Event for the clean up and removal of all equipment and materials. The Event will be open to the public from 9:00 a.m. to 5:00 p.m. on Saturday, June 12, 2004.

2. ACTIVITIES PERMITTED. The Parties agree that the following activities shall be permitted exclusively on the day of the Vertical Challenge Helicopter Event:

1. Static display of military and civilian helicopters.
2. Helicopter rides.
3. The sale of food, beer and wine from participating groups.
4. Parachute jump.
5. Remote control helicopter demonstration.
6. Coast Guard search and rescue helicopter demonstration.
7. Helicopter water drop demonstration.
8. "Otto The Clown" helicopter demonstration.
9. "Captain Lazer" helicopter demonstration and pyrotechnic display.
10. "ShowCopters" helicopter demonstration.
11. Military helicopter demonstrations.
12. Harrier (vertical takeoff and landing) jet aircraft demonstration

3. USE OF AIRPORT FACILITIES. County shall allow Operator use of all facilities on the Airport that are normally open to, and usable by the public, subject to Airport rules and regulations, except that beer and wine sales will be allowed on the day of the Event. The Operator's right to use Airport facilities pursuant to this Agreement shall be non-exclusive.

The Airport and its operations shall remain under the control of County throughout the period of this Agreement. Operator agrees to comply with all reasonable requests of County personnel during the term of this Agreement.

4. LICENSES, FEES, TAXES. Operator shall, and County shall not, be responsible for any payment of licenses, fees, or taxes of any kind that might arise from the activities conducted pursuant to this Agreement.

5. INSURANCE.

a. During the full term of this Agreement, Operator shall maintain insurance coverage satisfactory to County as listed in Appendix "A", Insurance Requirements, which Appendix is incorporated by reference into this Agreement. This requirement can be met through separate or combined policies, provided each policy is in the minimum amounts indicated in Appendix "A". Operator shall furnish County satisfactory evidence of such insurance coverage no later than 30-days prior to the first day of the term of the agreement.

b. Each policy shall name County as an "additional insured" and shall provide for written notice by the insurer to County and to the insured thirty days prior to any cancellation. Where participants and vendors provide insurance to Operator, the policies must also be endorsed to include Operator and County as "additional insureds".

6. RIGHT OF INSPECTION. To the extent necessary to protect its rights and interests, County may inspect all premises and operations of the Operator related to the Event to determine if Operator is performing its obligations in accordance with the terms of this Agreement.

7. INDEMNITY.

a. Operator shall indemnify, defend, and hold harmless the County, its officers, agents, employees, and servants, from any and all claims, suits or actions of every

name, kind, and description brought for or on account of injuries to or death of any person, including Operator, or damage to property of any kind whatsoever and to whomsoever belonging (including any such claims, suits, or actions arising out of the concurrent active or passive negligence of County, its officers, agents, employees, and servants) which in any way arise from or are caused by the Event and any activities relating to the Event and the use or occupation of the Airport by Operator under the provisions of this Agreement, including any acts, omissions, or negligence, whether active or passive, of Operator, its agents, officers, employees, or permittees.

b. This section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

c. The duty of Operator to indemnify and hold harmless as set forth herein shall include the duty to defend as set forth in California Civil Code Section 2778.

8. COPARTNERSHIP DISCLAIMER. It is mutually agreed and understood that nothing contained in this Agreement shall be deemed or construed to constitute a partnership or joint venture between the Parties, or as constituting Operator or their employees as employees, agents or representatives of the County for any purpose or in any manner whatsoever.

9. CONTROL. Neither County nor its officers, agents or employees shall have any control over the conduct of the Operator, or any of Operator's employees or independent contractors, except as herein set forth, and Operator expressly agrees not to represent that Operator, or any of Operators' agents, servants, employees or independent contractors, are in any manner agents, servants or employees of County.

10. NATURE OF INTEREST GRANTED. It is specifically understood and agreed by the Parties that the relationship created by this instrument is not one of landlord and tenant, principal and agent, or owner and contractor, it being the intention of the Parties that this

Agreement is merely for the purpose of allowing Operator to use designated areas of Airport and the facilities thereon for the purpose of staging and conducting the Event and activities related and incidental thereto.

11. COMPLIANCE WITH LAW. Operator shall comply with:

a. All applicable Federal, State, County and City laws, rules, regulations, certificates and licenses related to the event, and shall have documentation of said compliance no later than three (3) days prior to the Event. Operator will provide County with evidence of such compliance upon request by the County.

b. Operator shall notify all users of its facilities and pilots of participating aircraft as to all applicable rules and regulations and require users and pilots to comply with them.

c. Operator shall keep full and accurate records of the income and expenses received and disbursed in connection with the operation, conduct, promotion, supervision or any other phase of the Event. County shall have the right to examine and audit such records at any reasonable time, and Operator shall fully cooperate by making such records available.

12. NO ASSIGNMENT, DELEGATION, NOR SUBLICENSING. This Agreement may not be assigned, delegated, nor can it as a whole, be the subject of a concession or sublicense agreement. However, Operator may allow concessionaires to enter upon the Airport for the performance of activities authorized by this Agreement. Only those tenants having an agreement with County, and those concessionaires, exhibitors, and salespersons having written agreements with Operator, shall be allowed to sell to the public on the Airport. Operator shall make written agreements with concessionaires, exhibitors, and salespersons available for inspection by County upon request.

13. OPERATION OF RADIO EQUIPMENT. Operator shall not operate any radio equipment transmitting electronic signals on the Airport that might interfere with the operations of the Airport's Air Traffic Control Tower, County radios, or other electronic transmissions essential to the operation of the Airport. Operator shall inform County Airport personnel before operating any radio equipment transmitting electronic signals on the Airport in connection with the Event.

14. OTHER REQUIREMENTS AND CONDITIONS. Operator agrees to abide by all special requirements/conditions contained in Appendix "B", "Special Requirements/Conditions"; Appendix "C", "Policies For Sale of Alcohol at Airport Events"; Appendix "D", "Standard Provisions for all Lease, Use, and Other Agreements and Permits at San Mateo County Airports"; and Appendix "E", "Operator Use Areas".

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

"COUNTY"

COUNTY OF SAN MATEO

BY

\_\_\_\_\_  
Mark Church, President  
Board of Supervisors, County of San Mateo

ATTEST:

\_\_\_\_\_  
Clerk of said Board

"OPERATOR"

HILLER AVIATION MUSEUM

BY

  
\_\_\_\_\_  
ALAN WAUFLE, CEO

**APPENDIX "A"**  
**"INSURANCE REQUIREMENTS"**  
**TO AIRPORT AGREEMENT**  
**WITH**  
**HILLER AVIAION MUSEUM -VERTICAL CHALLENGE HELICOPTER EVENT**

The Operator shall obtain liability insurance having limits for bodily injury, personal injury and property damage in an amount not less than \$1 million per occurrence and \$2 million in the aggregate. This insurance will provide coverage for:

- Air show liability
- Premises liability

Additionally, Operator shall obtain proof of insurance for the coverages indicated below in an amount not less than \$1 million from all vendors; aircraft operators and participants; contractors; and independent contractors, respectively:

- Products liability (Vendors)
- Aircraft liability (Aircraft Operators and Participants)
- Contractual liability (Contractors)
- Liability incurred by independent contractor (Independent Contractors)

The County of San Mateo, its, officers, agents, employees and members of Boards and Commissions shall be named as additional insured on all policies.

Initial:



**APPENDIX "B"**  
**"SPECIAL REQUIREMENTS/CONDITIONS"**  
**TO AIRPORT CONCESSION AGREEMENT**  
**WITH**  
**HILLER AVIATION MUSEUM - VERTICAL CHALLENGE HELICOPTER EVENT**

A. GENERAL.

1. In connection with the Event, Operator has accepted the condition of the Airport premises prior to its occupation and use thereof and shall make no demand upon County for any alterations, repairs, or construction.

2. Operator may use areas and facilities at the Airport designated by the County in Appendix "E". Operator shall have the right to construct and maintain such temporary facilities and/or structures as are necessary for the activities permitted by this Agreement, including controlling the ingress and egress of the public and Event participants. Temporary facilities and/or structures must be satisfactory to the County, and Operator shall immediately remove temporary facilities and/or structures upon request of the County.

3. It is understood that Operator's use of County real or personal property shall be at no cost to the County. Operator shall bear all costs connected with staging of the Event and activities incidental thereto, and the sole function of County is to allow Operator to make use of the Airport facilities and to enforce the provisions of this Agreement. Operator shall reimburse County for all expenses related the coordination and enforcement of the activities and requirements described in this agreement.

4. Safety shall be paramount at all times, and Operator shall take all reasonable steps to ensure that unsafe actions or conditions are corrected immediately and shall comply with all requests of the County in this regard. County may stop any and/or all Event activities until any identified unsafe or unsatisfactory activity or condition is corrected.

5. No Airport tenant, lessee or owner shall be denied access to his or her business, aircraft or hangar during the period of this Agreement without Airport authorization, nor shall they be charged an entry or parking fee for accessing/occupying any portion of the Airport or its facilities including event areas. Operator shall be responsible for ensuring that all airport tenants, business operators and their and customers have access to their aircraft, businesses and facilities at all times during the term of this agreement including the day of the event. Operator is responsible for the financial hardship of any tenant, business operator or customer related to the Operator's failure to comply with this requirement.

6. Operator shall have procedures in place to ensure that Operator's employees, agents, participants, volunteers and the general publics do not cause, or become involved in a runway incursion. County reserves the right to deny, for good cause, any of Operator's employees, agents, servants, or independent contractors the opportunity to participate in the Event.

7. Airport shall remain open to the flying public at all times, except as provided in this Agreement.

8. Operator shall not allow any Event aircraft to "hover taxi" into its parking position within the "Alpha" parking area without Airport authorization. Operator shall install wheels and ground taxi all Event aircraft into their respective parking areas within "Alpha" parking unless otherwise authorized by the Airport.

B. EVENT AUTHORIZATION

1. No activities or participants shall be included in the Event unless described herein, or approved in writing by the County.

2. Not later than 60 days prior to the day of the Event, Operator shall provide to the County for its approval:

- a. A final list of participating aircraft weighing over 12,500 pounds
- b. Schedule of fees, charges, and admission prices
- c. A detailed list of all scheduled Event activities and participants
- d. A final list of the names and contact numbers of personnel in key Event positions including but not limited to: Air-boss, Ground-boss, Announcer, Parking/Traffic Control, Emergency Services, Insurance and Communications
- e. Copies of all fire permits and requirements of the Fire Marshal as described herein.

3. Not later than 30 days prior to the day of the Event, Operator shall provide to the County for its approval:

- a. Insurance Certificate(s) as described herein
- b. Signed Indemnification and Hold Harmless Agreements for all show participants
- c. Copies of all FAA waivers, requirements, documents and correspondence related to the Event as described herein
- d. A written traffic circulation plan as described herein
- e. A written security plan as described herein
- f. Copies of notification letters to Skyway Holdings and their tenants as described herein

g A final list of all participant groups and concessionaires

4. Operator shall fully describe all Event activities in writing to the FAA and shall obtain written waivers and approval as required no later than 30 days prior to the Event. In the event the FAA determines that the described activities do not require a waiver, Operator will obtain a written statement from the FAA to that effect. Operator shall provide to County no later than 30 days prior to the Event, copies of all waivers, documents and correspondence with the FAA related to the Event.

5. Operator shall coordinate, obtain approval and comply with the requirements of the Fire Marshall related to all aspects of the event. Additionally, Operator shall obtain a fire permit issued from South County Fire for any pyrotechnic display no less 60-days prior to the event. Operator shall provide to County no later than 60 days prior to the Event, copies of all fire permits and requirements of the Fire Marshal.

6. Operator shall obtain and bear the expense of all licenses, permits and other authorization required by applicable agencies in connection with the Event. Operator shall pay promptly and discharge all lawful taxes and assessments which may be levied by Federal, State, County, City, or other tax levying body. Operator shall promptly obtain and pay all excise, license and permit fees of whatever nature applicable to the Operator's activities under this Agreement.

7. Operator shall include the number of tickets sold and gross proceeds for the event in its next monthly statement to the Airport, and shall submit payment for tickets sold and the percentage of the gross proceeds as required in its operating agreement with the County.

C. PAVEMENT PROTECTION.

1. Operator shall be responsible for any damage to Airport pavement caused by aircraft participating in the Event.

2. Operator shall develop a plan for County approval to prevent damage to Airport pavement, and to support, for static display, all aircraft associated with the Event with operating weights exceeding 12,500 pounds. The plan may include steel plates, or other approved methods necessary to protect Airport pavement. Operator shall, for Event, incur all costs for installation and removal of pavement protection method, and hold harmless County for any and all liability that may result from installation or removal of pavement protection method. Pavement protection shall be installed prior to arrival of any Event aircraft weighing over 12,500 pounds, and shall be removed not later than 5:00 p.m. of the day following the Event unless otherwise authorized by the Airport

D. NOISE ABATEMENT.

1. Operator shall provide a copy of the San Carlos Airport Noise Abatement Procedures to all pilots involved in, or associated with the Event. In addition, Operator shall take

all measures necessary to ensure that aircraft involved in or associated with the Event are in compliance with the noise abatement procedures, unless prior approval has been obtained from the Airport for specific activities during the Event that deviate from the standard noise abatement procedures.

E. CLOSURES:

1. Between 12:00 p.m. on the day before the Event, and 5:00 p.m. of the day after Event, the following Airport operational areas will be closed to normal airport operations, as depicted in Appendix "E", for the purpose of conducting activities described herein:

- a. The portion of Taxiways "Hotel 1" and "Hotel 2" between intersection "Charlie" and the Northwest overrun.
- b. The designated areas of "Alpha" aircraft parking.

2. The Airport will be closed during the following separate periods on the day of the Event for aircraft demonstrations and exhibitions:

- a. 11:30 a.m. and 12:30 p.m.
- b. 2:00 p.m. and 3:00 p.m.

3. The County will file all NOTAMS, and coordinate field closures for the above Event periods with the FAA and Airport Air Traffic Control Tower.

F. SECURING EVENT AREA.

1. Operator shall completely secure "Event Area", as depicted in Appendix "E", from the aircraft operations area, at its own expense, using temporary fencing, delineators, or other means approved by County. Operator shall not stage equipment or materials of any kind, or install temporary fencing on Airport premises until one (1) day prior to Event.

2. Operator shall remove all aircraft from the designated areas of "Alpha" parking as depicted in Appendix "E", no earlier than 9:00 a.m. of the day prior to the Event, and Operator shall replace same aircraft to their original parking positions not later than 5:00 p.m. of the day following Event. Operator shall incur all costs associated with moving, securing, and parking aircraft, and shall hold harmless County for any and all liability that may result from such activity. Airport staff will notify aircraft owners regarding the temporary relocation of their aircraft and coordinate temporary parking locations with the Operator and aircraft owners.

3. Operator shall notify all Skyway Holding hangar tenants of the Event and associated activities, including the times of runway closures and the proximity of Event activities in relation to Skyway Holding hangars. Operator shall provide sufficient personnel to ensure that aircraft egress into and out of the Skyway Holding parking area is safely coordinated and not prevented at any time during the term of this Agreement, except as provided above in Airport closures.

4. Operator shall ensure that all vendors associated with or participating in the Event

secure booths, tents, tarps and all other temporary facilities and structures in order to offset the effects of wind and rotor wash.

5. Operator shall have all Event items and equipment removed from the Airport by 5:00 p.m. of the day following the Event. Equipment and materials related to the Event remaining on the Airport after 5:00 p.m. on the day following the Event may, at the County's discretion, be removed by the County at the Operator's risk and expense.

G. CROWD CONTROL.

1. Operator shall direct all display aircraft to the designated parking areas, and shall ensure that proper crowd control barriers satisfactory to the County are in place.

2. Operator shall furnish such personnel as are necessary to enable the public to park, offer traffic directions, and provide crowd control. Crowd control barriers shall be in place at the Event not later than 9:00 a.m. on the day of Event and remain in place until all Event attendees have departed.

3. Operator shall ensure that all aircraft ride operators provide ground personnel to safely coordinate egress of customers onto the aircraft operations area and ensure adequate crowd control to the satisfaction of the County.

4. As depicted in Appendix "E", the "Controlled Area" on the East side of the runway shall encompass a boundary from the Northwest fence line of the transient parking area, to the edge of the Western most terminal walkway, to the Northwest face of the "Charlie" hangars, and along the Western most face of the Charlie through Gulf hangar rows.

H. VEHICLE OPERATION AND PARKING.

1. Vehicles owned or operated by Operator, its agents or employees, spectators or participants shall be parked within areas specifically designated for vehicle parking. Operator shall take all reasonable measures to ensure that vehicles involved in or associated with the Event operated on the Airport are operated in a safe and responsible manner. A speed limit of 10 MPH shall be strictly enforced. Vehicles shall not be operated in the vicinity of operating aircraft, nor shall they enter onto or cross the runway without proper authorization from the Airport. Unless specifically authorized by the County, no vehicles shall be permitted on any active taxiway.

2. The Airport Terminal Parking Lot will be reserved for official parking and restaurant parking on the day of Event.

3. A written traffic circulation plan shall be coordinated with, and approved by the California Highway Patrol (CHP), City of San Carlos, City of Belmont, City of Redwood City, County Sheriff Department, and the County of San Mateo. Operator shall follow this plan in guiding all traffic onto and off the Airport.

4. Operator shall not prevent or disrupt the normal movement of vehicle traffic onto or off of the Airport.

5. Operator shall provide and coordinate continuous transportation for, and incur all

costs associated with, shuttling Event participants between the Airport Terminal Building and the Event, while holding harmless County for any and all liability that may result from this activity. Operator shall maintain two way radio contact at all times with the Airport Control Tower and may not enter or cross any active runway or taxiway without proper authorization from the Airport.

6. Supervision of parking facilities shall be the responsibility of Operator.

7. Camper trucks, trailer and/or other temporary living facilities may not be parked overnight in any area of the Airport without written authorization from the Airport. No overnight camping is permitted.

I. FOOD AND BEVERAGE SALES.

1. Operator may offer for sale food and soft drinks, as well as beer and wine, provided, however, that no beverages shall be dispensed in bottles. County reserves the right to enter upon the concession area at any time for the purpose of inspecting the concessions.

2. Operator shall comply with all terms and requirements in the attached Appendix "C", "POLICIES FOR SALE OF ALCOHOL AT AIRPORT EVENTS".

J. SERVICES TO BE PROVIDED BY OPERATOR.

1. Operator shall provide adequate toilet facilities to accommodate spectators and workers at the Event.

2. Operator shall provide first aid facilities as are reasonably necessary to accommodate expected crowds.

K. SECURITY.

1. Operator shall provide, at its own expense, sufficient security personnel to ensure security for the Airport premises; based and transient aircraft; and participating Event aircraft, vehicles and equipment during the period of this Agreement. Operator shall ensure that based and transient aircraft on the Airport are not disturbed in any manner, and shall rope-off aircraft as necessary.

2. A written security plan shall be prepared and submitted to the County for approval no later than 30-days prior to the Event.

L. CLEAN UP AND REPAIRS.

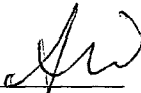
1. Operator shall provide sufficient personnel and equipment to collect and remove from the Airport all debris, trash, garbage, or other rubbish generated by the Event to the satisfaction of the County. Operator shall clean up and remove all trash and debris in the area outside the staging area prior to departing the Airport on the night of the Event. Inside the staging area, collection and removal of debris, trash, and garbage shall be completed within twenty-four (24) hours of the close of Event. In the event such collection and removal is not performed in a timely manner, County shall have the right to perform collection and removal itself, and to bill Operator for

all expenses related to doing so.

2. Operator shall be responsible for the repair and maintenance of any area of the Airport impacted by activities, under this Agreement. Immediately subsequent to the close of the Event, but not later than 5:00 p.m. on the day following the Event, Operator shall clean all Event areas, remove all equipment, booths, etc. from the premises, and shall restore the area insofar as possible to the condition existing immediately prior to the commencement of the Event. Portable restrooms will be removed by 5:00 pm on the Monday following the event.

3. Operator shall repair at its own expense any and all damage to the property of the County or to the property of others on the Airport, and which damage has been caused by Operator, its agents, employees or others who may be on the Airport for any purpose connected with the staging, viewing, and operation of the Event. This provision applies to all aircraft, including based, transient and Event aircraft.

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A handwritten signature in black ink, appearing to be the initials 'AW', written over a horizontal line.

APPENDIX "C"  
"POLICIES FOR SALE OF ALCOHOL AT AIRPORT EVENTS"

Policy Statement: This policy is provided to ensure that the dispensing and consumption of alcoholic beverages is managed in a reasonable, responsible and professional manner at all events taking place at San Mateo County Airports. Our purpose in developing this policy is to ensure that all negative consequences associated with alcohol consumption, at public events taking place at San Mateo County Airports, are minimized to the greatest possible extent.

San Mateo County will not grant permission to conduct any event that includes the consumption of alcohol as the primary activity. Neither will the County allow the use of County Airport facilities by any organization that does not strictly adhere to these policies as set forth. Before the County of San Mateo will grant permission to conduct events including the consumption of alcohol the following policies must be included in Concession or Permit Agreements for all Airport events.

- Permits for the sale of alcoholic beverages to the public must be obtained from Alcoholic Beverage Control (ABC). Permits must be obtained prior to the sale of alcohol and must be produced upon request of the County during the event.
- Alcohol may not be served to any person under the age of 21.
- Alcohol may not be served to any person who fails to present a California Drivers License or Identification Card showing them to be at least 21 years of age. Out of state Drivers Licenses or Identification Cards may be accepted, provided they are picture IDs and are supported by additional non-picture ID.
- Alcohol may not be served to any person who appears to be intoxicated.
- Only designated servers of alcohol will pour alcoholic beverages; no self-service of alcohol will be permitted. All servers of alcohol must be trained and be able to demonstrate that they are aware of all laws, guidelines, and policies related to the sale and dispensing of alcoholic beverages.
- Only two alcoholic drinks may be served to a customer at one time. Adequate staff must be provided to ensure that this policy is satisfied.
- Alcohol will be served in cups or glasses provided for the dispensing of alcohol. At no time may alcohol be dispensed into cups or glasses designated for the use of soft drinks.
- Guests may not bring alcoholic beverages into or outside of the permitted event.
- Signs required by law and service policies will be posted in a highly visible location at all alcoholic beverage serving stations.
- Signs warning of the dangers of consumption of alcoholic beverages by pregnant women will be posted, as prescribed by law.
- The sale of alcohol shall cease one hour prior to the closing of the event.
- Soft drinks and food must also be served at any event that includes the sale or distribution of alcoholic beverages.

Permittee or Concessionaire agrees that failure to comply with these policies will result in the immediate suspension of the sale of alcoholic beverages.

Initial AW



APPENDIX "D"  
"STANDARD PROVISIONS FOR ALL LEASE,  
USE, AND OTHER AGREEMENTS AND PERMITS  
SAN MATEO COUNTY AIRPORTS"

1. Operator/Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land" that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease, agreement or permit for a purpose for which a United States Department of Transportation (DOT) provision of similar services or benefits, Operator/Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, (CFR), DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
2. Operator/Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the lands and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Operator/Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
3. In the event of breach of any of the above nondiscrimination covenants, County may terminate the lease agreement or permit and reenter and repossess the land and the facilities thereon and hold them as if the lease, agreement or permit had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
4. Operator/Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided that Operator/Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Non-compliance with Provision 4 above shall constitute a material breach of the lease, agreement or permit. In the event of such non-compliance, County may terminate this lease, agreement or permit and the estate hereby created without liability thereof; or, at the election of County or the United States either or both of these governments may judicially enforce the Provision.

6. Operator/Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Operator/Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Operator/Lessee will require its covered suborganizations to provide assurances to Operator/Lessee that they similarly will undertake affirmative action programs and will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
7. County may further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of Operator/Lessee and without interference or hindrance.
8. County may, but shall not be obligated to Operator/Lessee to, maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport. County also may direct and control the activities of Operator/Lessee in this regard.
9. The lease, agreement or permit shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States relative to the development, operation or maintenance of the airport.
10. There is hereby reserved to County, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises covered by the lease, agreement or permit. This public right of flight shall include the right to cause in this airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or to land at, take off from or operate on the San Carlos or Half Moon Bay airport, as the case may be.
11. Operator/Lessee shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations if future construction of a building is planned for the premises covered by the lease, agreement or permit or in the event of any planned modification or alteration of any present or future building or structure on the premises.
12. Operator/Lessee, by accepting this lease, agreement or permit, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on any land leased that would be in conflict with the provisions of Part 77 of the Federal Aviation Regulations. If these covenants are breached, County may enter upon the land and remove the offending structure or object and cut the offending tree, all of which shall be at Operator/Lessee's expense.
13. Operator/Lessee, by accepting this lease, agreement or permit, agrees for itself, its successors and assigns that it will not make use of the premises covered by the lease, agreement or permit in any manner which might interfere with the landing and taking off of aircraft from the airport or otherwise constitute a hazard. If this covenant is breached, County may enter upon the premises and cause the abatement of such interference at Operator/Lessee's expense

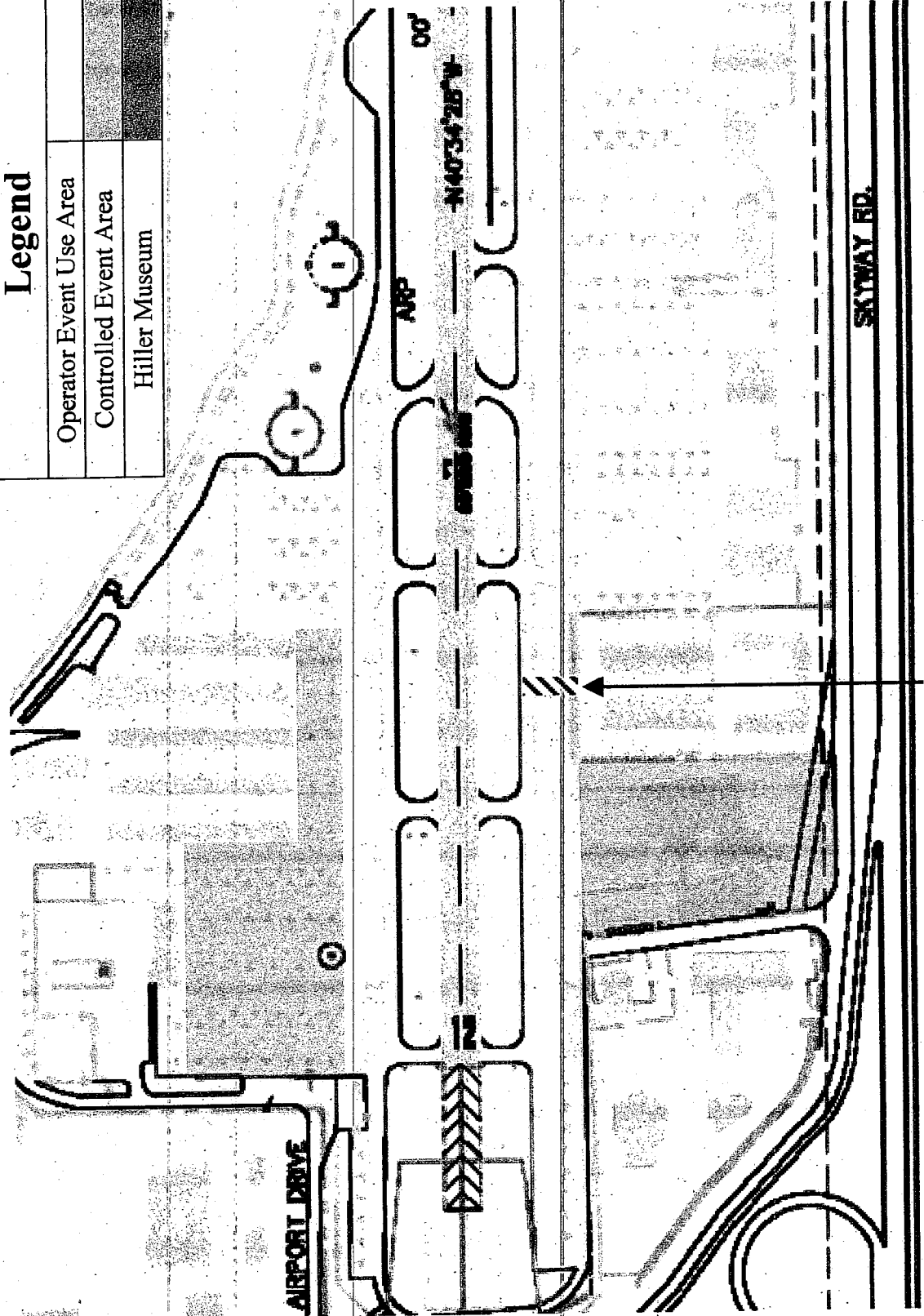
14. Nothing contained in the lease, agreement or permit shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349A).
15. The lease, agreement or permit and all its provisions shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency.
16. Operator/Lessee will conduct its programs and operate its facilities in accordance with the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and will assure that no qualified handicapped person shall, solely by reason of his or her handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination, including discrimination in employment. Operator/Lessee will conduct its programs and operate its facilities in compliance with all the requirements imposed by or pursuant to 49 CFR Part 27.
17. Operator/Lessee hereby assures that no person shall be excluded from participation, denied the benefits of or otherwise discriminated against in connection with the award and performance of any contract(s), including leases, covered by 49 CFR Part 23 on the grounds of race, color, national origin or sex. It is the policy of the Department of Transportation that minority business enterprises - as defined in 49 CFR Part 23.5 to mean a small business concern (pursuant to Section 3 of the Small Business Act) which is at least 51% owned, privately or through shares of public stock, by one or more minorities or women and whose management and daily business operations are controlled by one or more such individuals - shall have the maximum opportunity to participate in the performance of leases and, consequently, this lease/agreement/permit is subject to the applicable sections of 49 CFR Part 23, and those Regulations as may be amended.
18. Operator/Lessee shall insert the above Provisions in any lease, agreement, contract, permit, etc., by which it grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises covered by the lease, agreement or permit, including any subleases, and hereby assures that the above Provisions will be included in any agreement, contract, permit or further sub-lease granted or entered into by any sub-lessee of the Operator/Lessee.

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# APPENDIX "E"

Legend	
	Operator Event Use Area
	Controlled Event Area
	Hiller Museum



Operator Shall Provide  
Access for Aircraft  
Through this Area

Initial: *AW*