

**AIRPORT AGREEMENT
COUNTY OF SAN MATEO - SAN CARLOS AIRPORT
AND
HILLER AVIATION MUSEUM - DC-3 75th ANNIVERSARY CELEBRATION**

THIS AGREEMENT, made and entered into this _____ day of _____ 2010,
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, County and Operator have previously entered into a Lease and Operating
Agreement whereby the County permits the routine day to day operation of the Hiller Aviation
Museum on its leased premises in exchange for a concession fee of \$1.02 per ticket plus 2% of
total gross proceeds; and

WHEREAS, in addition to the routine operation of the museum, Operator desires to
conduct a special revenue-generating event outside the scope of its regular Lease and Operating
Agreement referred to as the "DC-3 75th Anniversary Celebration," or the "Event," which will
benefit the Hiller Aviation Museum; and

WHEREAS, County is willing to permit Operator to conduct the Event on its leased
premises and on portions of the Airport outside of the Operator's leased premises; and Operator
desires to engage in event activities described in this agreement and use the Airport facilities; and

WHEREAS, 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 staffing and overtime expenses related to the coordination and administration of the activities and requirements described in this Agreement; and

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

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL AGREEMENTS CONTAINED HEREIN, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. TERM. The purpose of this Agreement is to allow a special revenue-generating event at the Hiller Aviation Museum's leased area and on portions of the Airport outside of its leased premises. The term of this Agreement shall be for a total of two days: Friday, December 17, 2010; and Saturday, December 18, 2010 for the staging of historic aircraft and equipment for viewing by the general public. . The Event will be open to the public from 1:00 p.m. to 4:30 p.m. on Friday, December 17, 2010 and from 10:00 a.m. to 2:30 p.m. on Saturday, December 18, 2010.

However, both parties expressly agree that the indemnification and insurance requirements of this agreement will extend beyond the term of this agreement to cover any claims or losses that result from the activities permitted by this agreement.

2. ACTIVITIES PERMITTED. The Parties agree that the following activities shall be permitted exclusively on the days of the Event on certain portions of the

Airport's "Juliet" aircraft Parking Area (Event Area) unless otherwise indicated:

1. Fly-in and static displays of up to five (5) DC-3 or C-47 (military version of the DC-3) aircraft (Display Aircraft).
2. The display of period cars and military equipment.
3. Former flight attendant greeters wearing historic uniforms.
4. "Andrews Sisters" impersonators and World War II re-enactors.
5. Lectures and events describing the history and legacy of the Douglas DC-3 in the Hiller Aviation Museum.
6. Sale of food and non-alcoholic beverages

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, regulations and requirements. 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.

As required in Hiller's standard Lease and Operating agreement, Operator shall pay County at the rate of \$1.02 per ticket and 2% of gross revenues.

After the Event, Operator shall reimburse County for all expenses incurred by County related to staff time, coordination and administration of the activities and requirements described in this Agreement. Operator shall provide reimbursements of expenses to County within thirty (30) days of receipt of invoice from County.

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 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.

d. Operator shall require all Participants in the Event to agree to the requirements of this section 7, and to sign a hold harmless and indemnification agreement in favor of County, its officers, agents and employees.

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 permitting 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, with the specific understanding that every such agreement shall include a hold harmless and indemnification in favor of the County of San Mateo and its officers, agents and employees, as set forth in section 7 of this agreement.

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 "A", "Insurance Requirements"; Appendix "B", "Special Requirements/Conditions"; Appendix "C", "Standard Provisions for all Lease, Use, and Other Agreements and Permits at San Mateo County Airports"; and Appendix "D", "Event Use Area Map", each of which is attached hereto and incorporated by reference as part of this agreement. In the event Operator does not timely comply with each and every requirement in this Agreement and the Appendices hereto, County Director of Public Works or the Director's designee may terminate this agreement and may rescind the County's permission to conduct the activities permitted herein.

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

"COUNTY"

COUNTY OF SAN MATEO

BY

President
Board of Supervisors, County of San Mateo

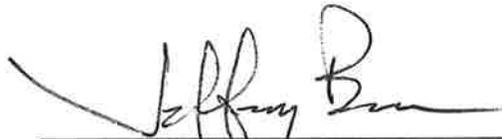
ATTEST:

Clerk of said Board

"OPERATOR"

HILLER AVIATION MUSEUM

BY



Jeffery Bass, President and CEO
Hiller Aviation Museum

APPENDIX "A"
"INSURANCE REQUIREMENTS"

The Operator shall obtain liability insurance having limits for bodily injury, personal injury and property damage in an amount not less than \$1million per occurrence and \$5 million in the aggregate. This insurance will provide coverage for:

- Premises/General liability

Additionally, Operator shall obtain proof of insurance for the coverages indicated below in an amount not less than \$1million 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: DB

APPENDIX "B"
"SPECIAL REQUIREMENTS/CONDITIONS"

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 "D". 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 to 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 necessary 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. Operator shall comply with all requirements and requests of FAA relating to any and/or all Event activities.

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 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 public 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.

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 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. A final list of participating aircraft, equipment and items weighing over 12,500 pounds
- c. Schedule of fees, charges, and admission prices
- d. A detailed list of all scheduled Event activities and participants
- e. A final list of the names and contact numbers of personnel in key Event positions including but not limited to: Museum and Event Area personnel, Parking/Traffic Control, Insurance and Communications
- f. A written security plan as described herein
- g. A final list of all participant groups and concessionaires
- h. A FOD Action & Removal Plan

3. Prior to the Event, Operator shall provide signed indemnification and hold harmless Agreements for all event participants.

4. 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.

5. 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 and infrastructure caused by aircraft, vehicles and equipment participating in the Event.

2. No later than 30-days prior to the Event, 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. The plan shall include the placement of large steel plates under all aircraft, equipment and items exceeding 12,500 pounds, and other approved methods for other aircraft as necessary to protect Airport pavement. ***The use of plywood sheets shall not be permitted.*** Operator shall incur all costs for installation and removal of pavement protection equipment and methods, and hold harmless County for any and all liability that may result from installation or removal of pavement protection. 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. on Sunday December 19, 2010.

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 09:00 a.m. on Friday December 17, 2010, and 5:00 p.m. on Saturday December 18, 2010, the "Juliet" aircraft parking areas will be closed to normal airport operations, as depicted in Appendix "D". No closures of the runway or taxiway are authorized at any time. The County will file all NOTAMS, and coordinate the aircraft parking area closures for the above Event periods with the FAA and Airport Air Traffic Control Tower. Operator shall shorten or adjust Event activities to ensure adequate time for the departure of Event aircraft, cleanup of the transient area as required under the Operator's FOD Action & Cleanup Plan and removal of all temporary facilities and structures and barricades/delineators so that the ramps, runway and taxiways are clear and the Airport's "Juliet" aircraft parking area are ready to open and resume normal operations no later than 5:00 p.m. on Saturday December 18, 2010.

F. SECURING EVENT AREA.

1. Operator shall completely secure "Aircraft Display Area", as depicted in Appendix "D", 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 the Event.

2. Operator shall relocate all aircraft from the designated areas in the "Juliet" parking area as directed by the County and depicted on Appendix "D". Operator shall obtain authorization from the owners of all aircraft prior to their relocation. Operator shall relocate these aircraft no earlier than 9:00 a.m. on the Thursday December 17, 2010, and Operator shall replace same aircraft to their original parking positions not later than 5:00 p.m. on Sunday December 19, 2010. Operator shall coordinate and obtain written approval from West Valley Flying Club and Silicon Valley Aviation prior to the Event and the use of their designated tie-down areas associated with Event activities. Operator shall be responsible for 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. Operator shall coordinate the movement, relocation and temporary parking spaces for each aircraft with the County. Operator shall ensure that all aircraft controlled or operated by Silicon Valley Aviation or aircraft stored in the “Alpha” hangar parking area are able to ingress and egress their hangars at all times during the Event.

3. 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/prop wash. Operator shall ensure that all display aircraft are operated in a manner so as to minimize and/or prevent damage to airport property and aircraft from the effects of rotor/prop wash.

4. Operator shall have all Event items and equipment removed from the Airport no later than by 5:00 p.m. on Saturday December 18, 2010. Equipment and materials related to the Event remaining on the Airport after 5:00 p.m. Saturday December 18, 2010 may, at the County’s discretion, be removed or relocated by the County at the Operator’s risk and expense.

G. CROWD CONTROL.

1. Operator shall direct all display aircraft to the designated parking area, and shall ensure that proper crowd control barriers and signage are in place to the satisfaction of the County prior to the arrival of any display aircraft or viewing public.

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 and signage shall be in place at the Event not later than 8:00 a.m. on Friday, December 17, 2010 and remain in place until all Event attendees, display aircraft and all Event equipment materials have departed and/or been relocated or removed.

3. Operator shall ensure that no bicycles, skateboards, scooters, roller skates and/or rollerblades are brought onto and/or operated on the Airport.

4. The Event locations shall encompass a boundary depicted in Appendix “D”, the “Event Use Area Map”.

5. Operator shall not engage in the sale of Event tickets outside of the Operator’s leased area. All ticket sales for the Event shall take place within the Museum.

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. All motorized equipment operating on the Airport Operations Area (AOA) shall be clearly marked with a 3-foot square flag, consisting of a two checked pattern of international orange and white squares of not less than one foot on each side, mounted on a staff to fly above the vehicle; or

alternatively, an operating amber rotating beacon. Vehicles and equipment operated during the hours of sunset to sunrise or hours of restricted visibility due to fog shall be equipped with an operating amber rotating beacon.

2. The Airport's Parking Lots will be reserved for tenant and business parking on the day of Event.

3. Operator shall not prevent or disrupt the normal movement of vehicle traffic relating to airport businesses and tenants onto or off of the Airport.

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

5. 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 and its employees, contractors, volunteers, participants, vendors and concessionaires may offer for sale food and soft drinks, 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 and its employees, contractors, volunteers, participants, vendors and concessionaires shall comply with Chapter 4.106 of the San Mateo County Ordinance Code regulating the use polystyrene and disposable food service ware at all County facilities and events.

J. SERVICES TO BE PROVIDED BY OPERATOR.

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

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 approved by the Airport to ensure security for the Airport premises; protection of the aircraft movement areas from Event attendees and vehicles; 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, rubbish generated by the Event to the satisfaction of the County. Inside the Event Area, collection and removal of debris, trash, and garbage shall be completed no later than 5:00 p.m. on Saturday December 18, 2010. 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 Saturday December 18, 2010, Operator shall clean all Event Areas, remove all equipment, booths, etc. from the Event Area, 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.

4. In the event that display aircraft are unable to depart prior to 5:00 p.m. on Saturday December 18, 2010, Operator shall relocate those aircraft as required and approved by the Airport Manager or his designee. Operator shall ensure sufficient staff and equipment are available to move aircraft after the Event. Airport Operations Staff will assist with relocation in accordance with "SECTION H. VEHICLE OPERATION AND PARKING" of this Appendix.

M. FOREIGN OBJECT DEBRIS (FOD) ACTION & REMOVAL

1. Keeping the runway and taxiways clean is critical to safety of aircraft operations. Operator shall develop and submit a FOD Action & Removal Plan for County approval for the Operator's collection and removal of FOD resulting from Event or related activities. FOD affecting the safety of aircraft operations shall be removed immediately in accordance with the Operator's FOD Action & Removal Plan or upon Operator receiving notification from the Airport Manager or his designee. The FOD Action & Removal Plan shall include an adequate number of personnel to collect and remove FOD in a timely manner from Airport Operations Area. In the event such collection and removal is not performed in a timely manner and/or to the satisfaction of the Airport Manager or his designee, County reserves the right to perform the FOD collection and removal and bill Operator for all expenses related to doing so.

N. NOTIFICATION.

1. Operator shall ensure the community is aware of the Event through an announcement in local paper and Redwood Shores Homeowner's Association newsletter. Additionally, Operator shall ensure that any notification to airport tenants, users and/or the general public shall not conflict with the terms and requirements of this Agreement.

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APPENDIX "C"
"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.

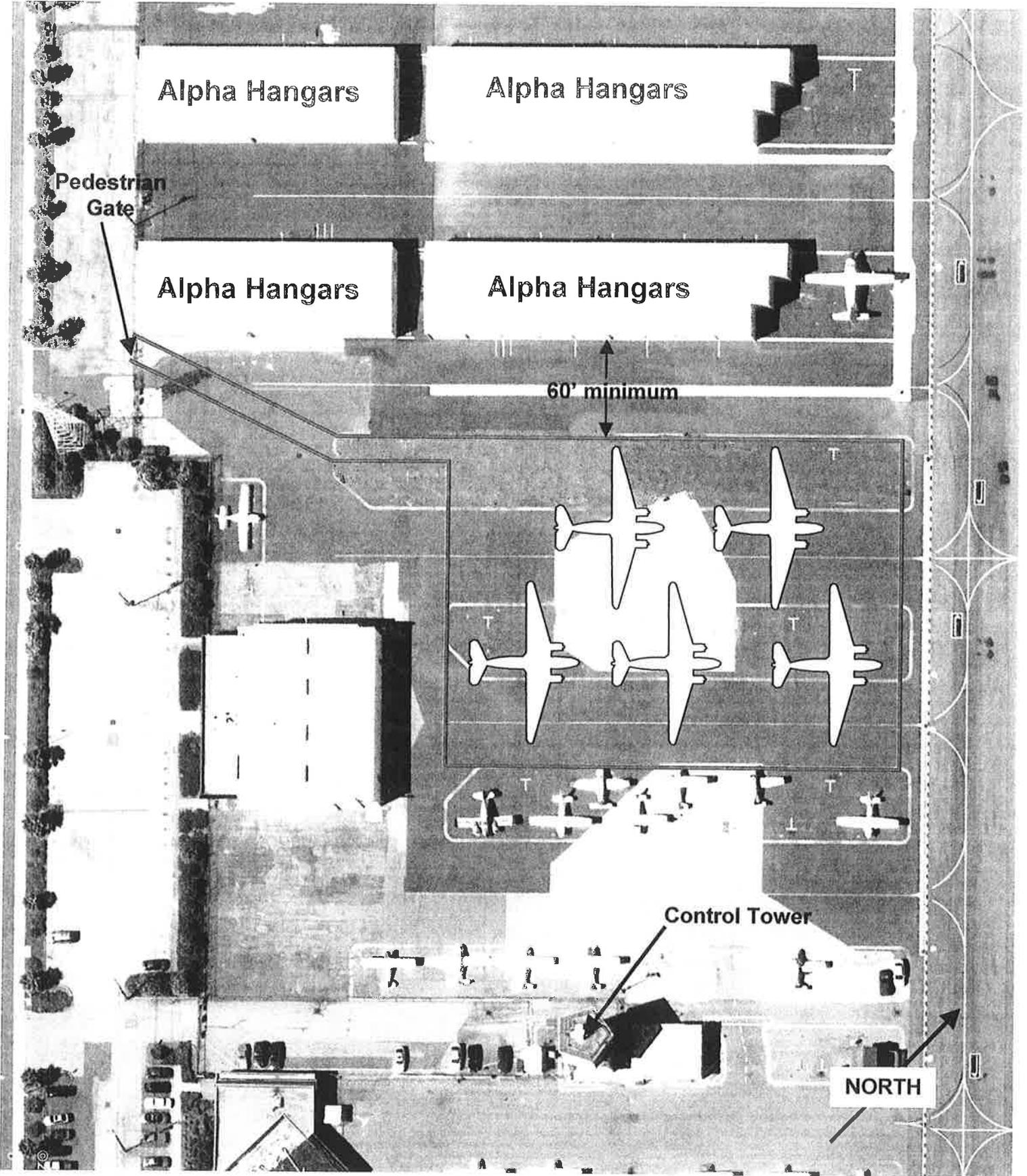
6. Operator/Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152. Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, 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.

Initial

Handwritten initials, possibly "DB", written in black ink over a horizontal line.

APPENDIX "D"
"EVENT USE AREA MAP"



— Rope and delineators
for Event Area

 DC-3 Display Aircraft

 Initials