

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
GRANT AGREEMENT

Part 1 - Offer

Date of Offer April 12, 2005

San Carlos Airport/Planning Area

Project No. 3-06-0210-10

Contract No. DTFA08-05-C-31571

TO: County of San Mateo
(herein called the "Sponsor")

FROM: The United States of America (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated March 02, 2005, for a grant of Federal funds for a project at or associated with the San Carlos Airport/Planning Area which Project Application, as approved by the FAA, is hereby incorporated herein and made a part hereof, and

WHEREAS, the FAA has approved a project for the Airport or Planning Area (herein called the "Project") consisting of the following:

Rehabilitate access road and parking apron; install perimeter fencing; airport drainage improvements-design only.

all as more particularly described in the Project Application.

NOW THEREFORE, pursuant to and for the purpose of carrying out the provisions of Title 49, United States Code, as amended, and in consideration of (a) the Sponsor's adoption and ratification of the representations and assurances contained in said Project Application and its acceptance of this Offer as hereinafter provided, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the assurances and conditions as herein provided, THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States share of the allowable costs incurred in accomplishing the Project, 95.00 percent of the allowable project costs.

The Offer is made on and subject to the following terms and conditions:

Conditions

1. The maximum obligation of the United States payable under this offer shall be \$285,000.00. For the purposes of any future grant amendments which may increase the foregoing maximum obligation of the United States under the provisions of Section 512(b) of the Act, the following amounts are being specified for this purpose:

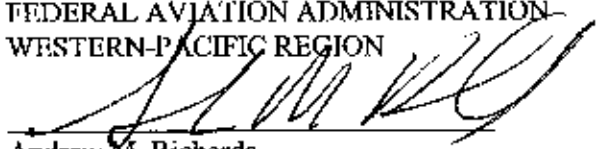
\$ 0.00	for planning
\$ 285,000.00	for airport development or noise program implementation.
2. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration as to allowability under the Act.
3. Payment of the United States share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
4. The sponsor shall carry out and complete the Project without undue delays and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe, and agrees to comply with the assurances which were made part of the project application.
5. The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the sponsor.
6. This offer shall expire and the United States shall not be obligated to pay any part of the costs of the project unless this offer has been accepted by the sponsor on or before May 31, 2005, or such subsequent date as may be prescribed in writing by the FAA.
7. The sponsor shall take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or disbursed by the sponsor that were originally paid pursuant to this or any other Federal grant agreement. It shall obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. It shall return the recovered Federal share, including funds recovered by settlement, order or judgment, to the Secretary. It shall furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by the Secretary.
8. The United States shall not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

9. **Buy American Requirement.** Unless otherwise approved by the FAA, it will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for airport development or noise compatibility for which funds are provided under this grant.
10. It is understood and agreed by and between the parties hereto that this Grant Offer is made and accepted upon the basis of preliminary plans and specifications; and the parties agree that within 180 days from the date of acceptance of this Grant Offer, the Sponsor shall furnish final plans and specifications to the FAA, that no construction work will be commenced hereunder, and that no contract will be awarded for the accomplishment of such work until the said final plans and specifications have been approved by the FAA; and the parties do further agree that any reference made in this Grant Offer or in the aforesaid Application to plans and specifications shall be considered as having reference to said final plans and specifications as approved.
11. The sponsor agrees to request cash draw downs on the letter of credit only when actually needed for its disbursements and to timely reporting of such disbursements as required. It is understood that failure to adhere to this provision may cause the letter of credit to be revoked.
12. It is mutually understood and agreed that if, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000.00 or five percent (5%), whichever is greater, the maximum obligation of the United States can be unilaterally reduced by letter from the FAA advising of the budget change. Conversely, if there is an overrun in the total actual eligible and allowable project costs, FAA may increase the maximum grant obligation of the United States to cover the amount of the overrun not to exceed the statutory percent limitation and will advise the Sponsor by letter of the increase. It is further understood and agreed that if, during the life of the project, the FAA determines that a change in the grant description is advantageous and in the best interests of the United States, the change in grant description will be unilaterally amended by letter from the FAA. Upon issuance of the aforementioned letter, either the grant obligation of the United States is adjusted to the amount specified or the grant description is amended to the description specified.
13. In accordance with Section 47108(b) of the Act, as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
 - a. may not be increased for a planning project;
 - b. may be increased by not more than 15 percent for development projects;
 - c. may be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall

comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION
WESTERN-PACIFIC REGION


Andrew M. Richards
Manager, Airports District Office

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this _____ day of _____, 2005.

County of San Mateo
(NAME OF SPONSOR)

(SEAL)

By _____
(SPONSOR'S DESIGNATED OFFICIAL REPRESENTATIVE)

Title _____
President, Board of Supervisors

Attest: _____

Title: _____

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:


That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of _____. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at _____ this _____ day of _____, 2005.

SIGNATURE OF SPONSOR'S ATTORNEY

comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION
WESTERN-PACIFIC REGION


Andrew M. Richards
Manager, Airports District Office

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this _____ day of _____, 2005.

County of San Mateo
(NAME OF SPONSOR)

(SEAL)

By _____
(SPONSOR'S DESIGNATED OFFICIAL REPRESENTATIVE)

Title _____
President, Board of Supervisors

Attest: _____

Title: _____

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of _____. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at _____ this _____ day of _____

SIGNA

- The date of execution by the Sponsor should be entered under Part II - Acceptance, on this page.
- The date of the Certificate of Sponsor's Attorney **MUST BE** the same or later than the date of execution.
- The original SEAL **MUST BE** stamped on this page.



U.S. Department
of Transportation
Federal Aviation
Administration

San Francisco Airports District Office
831 Mitten Road, Room 210
Burlingame, California 94010-1303

April 12, 2005

FEDERAL EXPRESS

Mr. Neill Cullen
Director of Public Works
San Mateo County
620 Airport Drive
San Carlos, California 94070

Dear Mr. Cullen:

Airport: **San Carlos, CA; AIP Project No. 3-06-0210-10; Contract No.**
DTFA08-05-C-31571; Grant Offer

Enclosed are four (4) original sets of the approved Grant Offer for the above project.

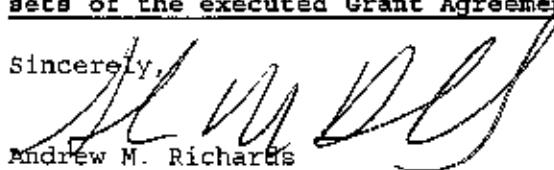
Acceptance of the Grant Offer will obligate the Sponsor to accomplish the described development. The United States commits itself to participate in the allowable cost of the project not to exceed the amount shown on Page 2 of the Grant Offer. The offer must be accepted on or before May 31, 2005, as specified in Condition 6, Page 2 of the Grant Offer. All four (4) sets of the Grant Offer must be signed, dated, certified and attested with stamp.

Basic considerations are that members of the Sponsor's governing body know the full content of the Grant Offer and that the method of acceptance conforms to local law.

The official of the sponsor authorized to accept the enclosed Grant Offer shall accept same by signing said offer and inserting the date in the space provided under Part II - Acceptance. The Sponsor's attorney shall certify that the acceptance complies with all applicable laws and constitutes a legal and binding obligation of the sponsor by executing the "CERTIFICATE OF SPONSOR'S ATTORNEY". The date of said certificate shall be the same as, or later than the date of the execution.

When the document is fully executed, certified, attested and appropriate seals are impressed, please return three (3) sets of the four (4) original sets of the executed Grant Agreement to this office.

Sincerely,



Andrew M. Richards
Manager, Airports District Office

Enclosures