GRANT AGREEMENT

U. S. Department of Transportation
Federal Aviation Administration

Date of Offer: September 9, 2011
Recipient: County of Santa Clara
(Herein called ["Sponsor")

Project Number: 3-06-0182-08
Airport: Palo Alto

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, Ninety-five percent (95.00%) of the allowable costs incurred in accomplishing the project consisting of the following:

"Rehabilitate Runway 13/31 (crack/slurry seal including marking/signage) – Design;
Rehabilitate Taxiways A, B, C, E and Z (crack/slurry seal including marking/signage) – Design"

as more particularly described in the Project Application dated June 29, 2011.

The maximum obligation of the United States payable under this Offer shall be $57,000.00 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

[Signature]
Manager, San Francisco Airports District Office

SPECIAL CONDITIONS

This Grant Offer may be funded all or in part with funds from the Small Airport Fund.

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein, in the Project Application, and in the May 2011 "Terms and Conditions of Accepting Airport Improvement Program Grants" to be signed concurrent with the Grant acceptance.

Executed this 12 day of Sept., 2011

[Signature]
Signature of Sponsor's Designated Official Representative

[Title]
President, Board of Supervisors, Santa Clara County

CERTIFICATE OF SPONSOR'S ATTORNEY

[Signature]
Signature of Sponsor's Attorney

[Date]