



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:

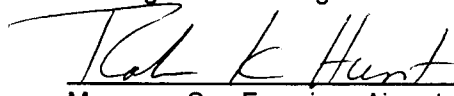
**"Rehabilitate Runway 13/31 (crack/slurry seal including marking/signage) – Design;
Rehabilitate Taxiways A, B, C, E and Z (crack/slurry seal including marking/signage) –
Design"**

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



Manager, San Francisco Airports District Office

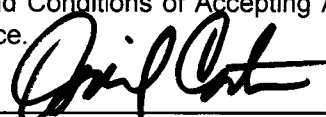
SPECIAL CONDITIONS

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., 20 11



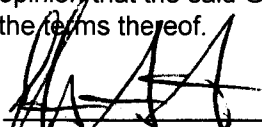
Signature of Sponsor's Designated Official Representative
President, Board of Supervisors, Santa

Title
Clara County

(Seal)

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Elizabeth G. Pianos, 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 California. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said 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 Title 49 U.S.C. 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.



Signature of Sponsor's Attorney

Executed this 12 day of September, 20 11