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U.S. Department
of Transportation
**Federal Aviation
Administration**

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

July 23, 2007

HAYWARD
JUL 26 2007
EXECUTIVE
AIRPORT

CERTIFIED MAIL

Mr. Ross Dubarry
Acting Airport Manager
City of Hayward
20301 Skywest Drive
Hayward, California 95451

Dear Mr. Dubarry:

Airport: **Hayward Executvie, CA**; AIP Project No. 3-06-0103-14;
Grant Offer

Enclosed are two (2) 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 the Grant Offer. **The offer must be accepted before or on August 20, 2007. Both 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 and date said offer. 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 "CERTIFCATE 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 one (1) executed set of the Grant Agreement to this office.**

Sincerely,

Andrew M. Richards
Manager, Airports District Office

Enclosures

07-084

U. S. Department of Transportation
Federal Aviation Administration

GRANT AGREEMENT

ORIGINAL

Date of Offer: July 23, 2007

Recipient: City of Hayward
(Herein called ["Sponsor"])

Project Number: 3-06-0103-14

Airport: Hayward Executive

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%) of the allowable costs incurred in accomplishing the project consisting of the following:

"Construct north side transient helipad (parking apron), including drainage and marking"

as more particularly described in the Project Application dated April 3, 2007.

The maximum obligation of the United States payable under this Offer shall be **$1,200,000.00** 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

Acting Manager, San Francisco Airports District Office

SPECIAL CONDITIONS

The Sponsor agrees to comply with the Special Conditions as described in Attachment A.

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 2007 "Terms and Conditions of Accepting Airport Improvement Program Grants" signed on June 15, 2007.

Executed this 30th day of July, 2007

Signature of Sponsor's Designated Official Representative

(Seal)

ACTING CITY MANAGER
Title

ATTEST: Angelina Reyes
Angelina Reyes, City Clerk

CERTIFICATE OF SPONSOR'S ATTORNEY

I, MICHAEL O'TOOLE, CITY ATTORNEY, 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.

ASSISTANT CITY ATTORNEY, IN BEHALF OF CITY ATTORNEY

Signature of Sponsor's Attorney

Executed this 30th day of July, 2007

ATTACHMENT A

GRANT SPECIAL CONDITIONS

Project Number: 3-06-0103-14 **Airport:** Hayward Executive

1. The sponsor agrees to request cash drawdowns 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.

2. Approval of the project included in this agreement is conditioned on the Sponsor's compliance with applicable air and water quality standards in accomplishing project construction. Failure to comply with this requirement may result in suspension, cancellation, or termination of Federal assistance under this agreement.

3. 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.

4. For a project to replace or reconstruct pavement at the airport, the Sponsor shall implement an effective airport pavement maintenance management program as is required by Airport Sponsor Assurance Number C-11. The Sponsor shall use such program for the useful life of any pavement constructed, reconstructed, or repaired with federal financial assistance at the airport. As a minimum, the program must conform with the provisions outlined below:

Pavement Maintenance Management Program

An effective pavement maintenance management program is one that details the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed. An airport sponsor may use any form of inspection program it deems appropriate. The program must, as a minimum, include the following:

a. **Pavement Inventory.** The following must be depicted in an appropriate form and level of detail:

(1) location of all runways, taxiways, and aprons;

(2) dimensions;

(3) type of pavement, and;

(4) year of construction or most recent major rehabilitation.

For compliance with the Airport Improvement Program (AIP) assurances, pavements that have been constructed, reconstructed, or repaired with federal financial assistance shall be so depicted.

b. Inspection Schedule.

(1) **Detailed Inspection.** A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," the frequency of inspections may be extended to three years.

(2) **Drive-By Inspection.** A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition.

c. **Record Keeping.** Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The types of distress, their locations, and remedial action, scheduled or performed, must be documented. The minimum information to be recorded is listed below:

(1) inspection date,

(2) location,

(3) distress types, and

(4) maintenance scheduled or performed.

For drive-by inspections, the date of inspection and any maintenance performed must be recorded.

d. **Information Retrieval.** An airport sponsor may use any form of record keeping it deems appropriate, so long as the information and records produced by the pavement survey can be retrieved to provide a report to the FAA as may be required.

e. **Reference.** Refer to Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements and establishing an effective maintenance program. Specific types of distress, their probable causes, inspection guidelines, and recommended methods of repair are presented.

5. The sponsor agrees to perform the following:

a. Furnish a construction management program to FAA prior to the start of construction which shall detail the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal specifications. The program shall include as a minimum:

(1) The name of the person representing the sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract.

(2) Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of services to be provided.

(3) Procedures for determining that testing laboratories meet the requirements of the American Society of Testing and Materials standards on laboratory evaluation, referenced in the contract specifications (D 3666, C 1077).

(4) Qualifications of engineering supervision and construction inspection personnel.

(5) A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test.

(6) Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, and that the proper corrective actions, where necessary, are undertaken.

b. Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or did not meet the applicable test standard. The report shall include the pay reductions applied and reasons for accepting any out-of-tolerance material. An interim test and quality control report shall be submitted, if requested by the FAA.

c. Failure to provide a complete report as described in paragraph 2, or failure to perform such tests, shall, absent any compelling justification, result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction shall be at the discretion of the FAA and will be based on the type of types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under the grant agreement.

d. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce grant payments accordingly if such independent tests determine that sponsor test results are inaccurate.

6. **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.

7. 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.

8. The Sponsor agrees to take the following actions to maintain and/or acquire a property interest, satisfactory to the FAA, in the Runway Protection Zones:

Existing Fee Title Interest in the Runway Protection Zone: The Sponsor agrees to prevent the erection or creation of any structure or place of public assembly in the Runway Protection Zone, except for NAVAIDS that are fixed by their functional purposes or any other structure approved by the FAA. Any existing structures or uses within the Runway Protection Zone will be cleared or discontinued unless approved by the FAA.

Existing Easement Interest in the Runway Protection Zone: The Sponsor agrees to take any and all steps necessary to ensure that the owner of the land within the designated Runway Protection Zone will not build any structure in the Runway Protection Zone that is a hazard to air navigation or which might create glare or misleading lights or lead to the construction of residences, fuel handling and storage facilities, smoke generating activities, or places of public assembly, such as churches, schools, office buildings, shopping centers, and stadiums.

9. Please note that this grant offer may be funded all or in part with funds from the Small Airport Fund.