The 1994 Grant Assurances End in 2014 not in 2023

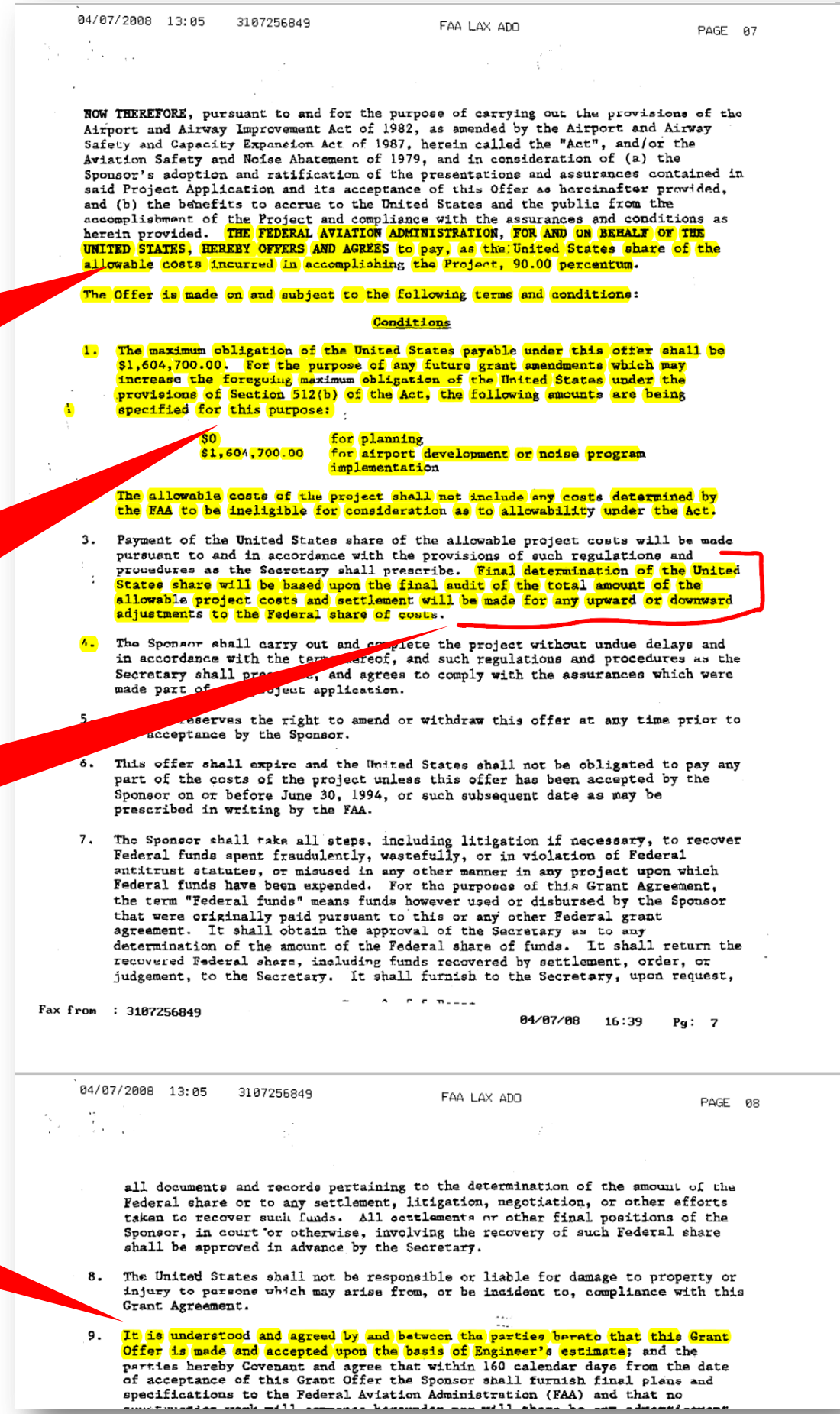
Per the 1994 Grant Agreement dated June 27, 1994, the FAA offers and agrees to pay a share of the allowable costs incurred in accomplishing the Project at 90%.

The "maximum obligation" of the FAA is $1,607,700. But future grant amendments may increase the "maximum obligation" under the provisions of Section 512b of the Airport and Airway Safetey and Capacity Expansion Act of 1987. See the next page to see what 512b says.

Final determination of the FAA's share will be based upon the final audit. Settlement will be made for any upward or downward adjustments to the FAA's share of the costs.

It is agreed that this Grant Offer is made and accepted based on an Engineer's estimate.

Note: This page is from the 1994 Grant Agreement dated June 27, 1994.



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NOW THEREFORE, pursuant to and for the purpose of carrying out the provisions of the Airport and Airway Improvement Act of 1982, as amended by the Airport and Airway Safety and Capacity Expansion Act of 1987, herein called the "Act", and/or the Aviation Safety and Noise Abatement of 1979, and in consideration of (a) the Sponsor's adoption and ratification of the presentations 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, 90.00 percentum.

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 $1,604,700.00. For the purpose 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 for planning
   $1,604,700.00 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 the 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 United States 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 June 30, 1994, 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 funds. It shall return the recovered Federal share, including funds recovered by settlement, order, or judgement, to the Secretary. It shall furnish to the Secretary, upon request,

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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. It is understood and agreed by and between the parties hereto that this Grant Offer is made and accepted upon the basis of Engineer's estimate; and the parties hereby Covenant and agree that within 160 calendar days from the date of acceptance of this Grant Offer the Sponsor shall furnish final plans and specifications to the Federal Aviation Administration (FAA) and that no

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Per 512b of the Airport and Airway Safety and Capacity Expansion Act, the "maximum obligation" of the FAA may be increased. This is subject to Paragraph 3.

Paragraph 3 says, the "maximum obligation" of the FAA for projects getting assistance under the Airport and Airway Safety and Capacity Expansion Act after September 30, 1987 may be increased by no more than 15%.

Note: This page is from the Airport and Airway Safety and Capacity Expansion Act.

49 USC app. 2210.

(k) PROCEDURES FOR MODIFYING ASSURANCES.—Section 511 is further amended by adding at the end thereof the following new subsection:

"(f) PROCEDURES FOR MODIFYING ASSURANCES.—If the Secretary proposes to modify any assurance required of a person receiving a grant under this Act and in effect on or after the date of the enactment of this subsection or proposes to require compliance with any additional assurance from such person, the Secretary shall first—

Federal Register, publication.

"(1) publish notice of such proposal in the Federal Register, and

"(2) provide an opportunity for comment on such proposal.".

SEC. 110. GRANT AGREEMENTS.

49 USC app. 2211.

(a) MAXIMUM OBLIGATION OF THE UNITED STATES.—Section 512(b) is amended to read as follows:

"(b) MAXIMUM OBLIGATION OF THE UNITED STATES.—

"(1) GENERAL RULE.—Subject to paragraphs (2) and (3) of this subsection, when an offer is accepted in writing by a sponsor, the amount stated in the offer as the maximum obligation of the United States may not be increased.

"(2) EXCEPTIONS FOR FISCAL YEARS 1987 AND BEFORE.—The maximum obligation of the United States under this subsection with respect to a project receiving assistance under a grant approved under this title on or before September 30, 1987, may be increased—

"(A) by not more than 10 percent in the case of a project for airport development (other than a project for land acquisition); and

"(B) by an amount not to exceed 50 percent of the total increase in allowable project costs attributable to an acquisition of land or interests in land, based upon current credible appraisals.

Any increase under this section may be paid only from funds recovered by the United States from other grants made under this title.

"(3) EXCEPTIONS FOR FISCAL YEARS 1988 AND THEREAFTER.—The maximum obligation of the United States under this subsection with respect to a project receiving assistance under a grant approved under this title or the Aviation Safety and Noise Abatement Act of 1979 after September 30, 1987, may be increased by not more than 15 percent in the case of a project for airport development.".

(b) WORKSCOPE.—Section 512 is amended by adding at the end thereof the following new subsection:

"(d) WORKSCOPE.—The Secretary may amend, with the consent of the grant recipient, a grant agreement entered into under this title to change the workscope of a project funded under such grant if such amendment does not result in any increase in the maximum obligation of the United States authorized under subsection (b) of this section.".

(c) CONFORMING AMENDMENT.—Section 512(c) is amended by inserting "MAXIMUM OBLIGATION FOR GRANTS UNDER THE AIRPORT AND AIRWAY DEVELOPMENT OF 1970.—" before "Notwithstanding".

The 1994 Grant Assurances End in 2014 not in 2023

The 1994 Grant Agreement between the FAA and Santa Monica is amended, per Amendment #2 dated August 27, 2003

The "maximum obligation" is increased by $240,600 from $1,604,700 to $1,845,300.

This is an increase of exactly 14.99%, in compliance with terms of the 1994 Grant Agreement and Section 512b of the Airport and Airway Safety and Capacity Expansion Act. Final accounting and adjustments were actually expected.

All other terms and conditions of the 1994 Grant Agreement remain in full force and effect.

Conclusion: The $240,600 Amendment #2 that increased the maximum obligation of the FAA, was an expected adjustment in the original Grant, and had no impact on the term of the 1994 Grant Assurances.

Note: This page is from Amendment #2 dated August 27, 2003, and is related to the 1994 Grant Agreement dated June 27, 1994.

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U.S. Department of Transportation

Federal Aviation Administration

EXHIBIT ITEM 6

Page 1 of 2 Pages

Contract No. DTFA08-94-C-20857

Santa Monica Airport/Planning Area

Santa Monica, California

AMENDMENT NO. 2 TO GRANT AGREEMENT FOR PROJECT NO. NO. 3-06-0239-06

WHEREAS, the Federal Aviation Administration (hereinafter referred to as the "FAA") has determined it to be in the interest of the United States that the Grant Agreement between the FAA, acting for and on behalf of the United States, and the city of Santa Monica, (hereinafter referred to as the "Sponsor"), accepted by said Sponsor on the 29th day of June, 1994, be amended in conformance with Sponsor's letter dated September 27, 2002.

NOW THEREFORE, WITNESSETH:

That in consideration of the benefits to accrue to the parties hereto, the FAA on behalf of the United States, on the one part, and the Sponsor, on the other part, do hereby mutually agree that said Grant Agreement be and is hereby amended as follows:

The maximum obligation stated on page 2, condition 1, is hereby increased by $240,600.00, from $1,604,700.00 to $1,845,300.00.

All other terms and conditions of the Grant Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to said Grant Agreement to be duly executed as of the 27 day of August, 2003.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION
WESTERN-PACIFIC REGION

John P. Milligan
Supervisor, Standards Section

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The 1994 Grant Assurances End in 2014 not in 2023

The September 27, 2002 Letter from the City of Santa Monica confirms the $240, 600 "reflect increased costs and changed conditions which occurred during construction"

sp file

Civil Engineering and Architecture Division
1918 Main Street, Suite 300
Santa Monica, California 90405

City of
Santa Monica

September 27, 2002

Post-it® Fax Note 7671	Date	# of pages ▶
To Bob Trimborn	From Bill Zein	
Co./Dept. AIRPORT	Co.	
Phone #	Phone #	
Fax # 572-4495	Fax #	

Ruben Cabalbag, P.E.
Airports Program Engineer
Federal Aviation Administration
P.O. Box 92007, WWPC
Lawndale, CA 90009

Subject: Santa Monica Airport Grant Amendment for Project No. AIP 3-06-0239-06 (II)

Dear Mr. Cabalbag:

The City of Santa Monica requests to amend the Federal Grant for Project No. AIP 3-06-0239-06 (II) to increase participation amount by $240,600 to a total of $1,845,300 to reflect increased costs and changed conditions which occurred during construction. These modifications are outlined in Attachment 1.

This modification to the grant will more effectively enhance and improve the overall condition and safety of the public-use areas of the Airport. This request will not require an update and approval of the Airport Layout Plan.

If you have any questions or desire additional information regarding this matter, please don't hesitate to contact our Airport Manager Mr. Robert Trimborn at (310) 458-8591.

Sincerely,

Susan McCarthy
City Manager

cc: Robert Trimborn, Airport Manager
Anthony Antich, P.E., City Engineer
Bill Zein, P.E., Sr. Civil Engineer
Donald Patterson, Sr. Administrative Analyst

tel: 310 458-8721 • fax: 310 393-4425

Note: This page is from the Sponsor's letter dated September 27, 2002.