

**AMENDMENT NO. 1
TO FUNDING AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
THE PEBBLE BEACH COMPANY**

THIS AMENDMENT NO. 1 to the Funding Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and The Pebble Beach Company (hereinafter, "PROJECT APPLICANT") is hereby entered into between the County and the PROJECT APPLICANT (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, PROJECT APPLICANT entered into a Funding Agreement with County on July 29, 2014 (hereinafter "Agreement"); and

WHEREAS, PROJECT APPLICANT has applied to the County for approval of various development permits for The Pebble Beach Company's Inclusionary Housing Development (hereinafter, "Project") requiring an Environmental Impact Report (hereinafter, "EIR"); and

WHEREAS, County engaged ICF Jones & Stokes, Inc. (hereinafter, "Contractor") to prepare the EIR for the Project; and

WHEREAS, the Final EIR for the Project has not been completed; and

WHEREAS, Task 7, Optional Tasks, Air Quality Dispersion Modeling and Air Quality Site Specific Health Risk Assessment, of Exhibit A of the Agreement are no longer necessary to complete the EIR allowing for a budget cost savings of \$22,265; and

WHEREAS, the Parties wish to include newly identified services for completion of Task 6.2, Administrative Draft EIR, at a cost of \$37,325; and

WHEREAS, the County will reallocate funding for Task 7, Optional Tasks, Air Quality Dispersion Modeling and Air Quality Site Specific Health Risk Assessment, in the amount of \$22,265 to the newly identified services for Task 6.2, Administrative Draft EIR; and

WHEREAS, the CONTRACTOR will request a transfer from the Agreement's Project Contingency budget in the amount of \$15,060 to fund the remaining amount for completion of the newly identified services for the Project; and

WHEREAS, the Parties wish to amend the Agreement to reallocate funding with no associated dollar amount increase to allow funding by the PROJECT APPLICANT to the County for costs incurred by the Contractor and County departments to continue to provide tasks identified in the Agreement and as amended by this Amendment No. 1.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend the second sentence of Paragraph B of "RECITALS", to read as follows:

CONTRACTOR shall perform the Scope of Work specified in the Professional Services Agreement, hereinafter, "PSA", between County and CONTRACTOR, attached to this AGREEMENT as Exhibits "1" and "1A", and incorporated herein by reference.

2. Amend Paragraph C of "RECITALS", to read as follows:

County and PROJECT APPLICANT hereby agree that County shall engage CONTRACTOR to provide the services set forth in Exhibits "1" and "1A" of this AGREEMENT.

3. Amend the first sentence of Paragraph 4 to read as follows:

Within thirty (30) days after the end of each quarter, County shall provide quarterly progress reports to the PROJECT APPLICANT showing CONTRACTOR's charges from the prior quarter associated with completion of task(s) as specified in "Exhibits A and A-1" of the PSA (Scope of Services/Payment Provisions for the PROJECT).

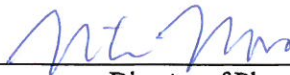
4. Amend the first sentence of Paragraph 5, "Engagement of CONTRACTOR", to read as follows:

This AGREEMENT is based on County engaging CONTRACTOR in accordance with the PSA between County and CONTRACTOR, attached hereto and incorporated by this reference as Exhibits "1" and "1A".

5. All other terms and conditions of the Agreement remain unchanged and in full force.
6. This Amendment No. 1 shall be attached to Agreement and incorporated therein as if fully set forth in the Agreement.
7. The recitals to this Amendment No. 1 are incorporated into the Agreement and this Amendment No. 1.

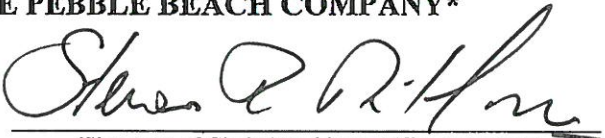
IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

By: 
Director of Planning

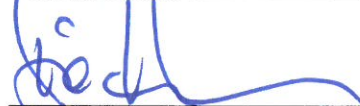
Date: 7/9/15

THE PEBBLE BEACH COMPANY*

By: 
(Signature of Chair, President or Vice President)

Steven R. Aitchison
Its: Senior Vice President
(Printed Name and Title)

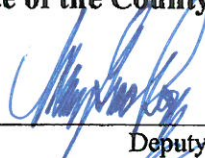
Date: June 25, 2015

By: 
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

David A. Heuck
Its: Executive Vice President, and CFO
(Printed Name and Title)

Date: June 25, 2015

**Approved as to Form and Legality
Office of the County Counsel**

By: 
Deputy County Counsel

Date: 7-8-15

*INSTRUCTIONS: IF PROJECT APPLICANT is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If PROJECT APPLICANT is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. IF PROJECT APPLICANT is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

EXHIBIT 1A

**AMENDMENT NO. 1 TO THE
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
ICF JONES & STOKES, INC.
AND THE COUNTY OF MONTEREY
FOR
THE PEBBLE BEACH COMPANY'S
INCLUSIONARY HOUSING
ENVIRONMENTAL IMPACT REPORT**

**AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
ICF JONES & STOKES, INC.**

THIS AMENDMENT NO. 1 to the Professional Services Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and ICF Jones & Stokes, Inc. (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, CONTRACTOR entered into a Professional Services Agreement with County on July 29, 2014 (hereinafter, "Agreement"); and

WHEREAS, The Pebble Beach Company (hereinafter, "Project Applicant") has applied to the County for approval of various development permits for The Pebble Beach Company's Inclusionary Housing Development (hereinafter, "Project") requiring an Environmental Impact Report (hereinafter, "EIR"); and

WHEREAS, the Final EIR for the Project has not been completed; and

WHEREAS, Task 7, Optional Tasks, Air Quality Dispersion Modeling and Air Quality Site Specific Health Risk Assessment, of Exhibit A of the Agreement, are no longer necessary to complete the EIR allowing for a budget cost savings of \$22,265; and

WHEREAS, the Parties wish to include newly identified services for completion of Task 6.2, Administrative Draft EIR, at a cost of \$37,325; and

WHEREAS, the County will reallocate the funding for Task 7, Optional Tasks, Air Quality Dispersion Modeling and Air Quality Site Specific Health Risk Assessment, in the amount of \$22,265 to the newly identified services for completion of Task 6.2, Administrative Draft EIR; and

WHEREAS, the CONTRACTOR will request a transfer from the Agreement's Project Contingency budget in the amount of \$15,060 to fund the remaining amount for completion of the newly identified services for Project; and

WHEREAS, the Parties wish to amend the Agreement to reallocate funding with no associated dollar amount increase to allow CONTRACTOR to continue to provide tasks identified in the Agreement and as amended by this Amendment No. 1.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend the first sentence of Paragraph 1, "Services to be Provided", to read as follows:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibits A and A-1** in conformity with the terms of this Agreement.

2. Amend the first sentence of Paragraph 2, "Payments by County", to read as follows:

County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibits A and A-1**, subject to the limitations set forth in this Agreement.

3. Amend Paragraph 4, "Additional Provisions/Exhibits", by adding "Exhibit A-1, Scope of Services/Payment Provisions".

4. All other terms and conditions of the Agreement remain unchanged and in full force.

5. This Amendment No. 1 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

6. The recitals to this Amendment No. 1 are incorporated into the Agreement and this Amendment No. 1.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

CONTRACTOR*

By: [Signature]
Director of Planning

ICF Jones & Stokes, Inc.
Contractor's Business Name

Date: 7/9/15

By: [Signature]
(Signature of Chair, President or Vice President)

Its: Chris Elliott, Vice President
(Print Name and Title)

Date: 7/2/15

**Approved as to Form and Legality
Office of the County Counsel**

By: [Signature]
Deputy County Counsel

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)

Its: Steve Wirt, Asst. Secretary
(Print Name and Title)

Date: 7-8-15

Date: 7/2/15

Approved as to Fiscal Provisions

By: [Signature]
Auditor/Controller

Date: 7-6-15

Approved as to Indemnity and Insurance Provisions

By: _____
Risk Management

Date: _____

*INSTRUCTIONS: IF CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. IF CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

EXHIBIT A-1 - SCOPE OF SERVICES/PAYMENT PROVISIONS
To Agreement by and between
County of Monterey, hereinafter referred to as “County”
and
ICF Jones & Stokes, Inc., hereinafter referred to as “CONTRACTOR”

A. SCOPE OF SERVICES

A.1 CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of the additional work, as set forth below:

TASK 6.2 ADMINISTRATIVE DRAFT EIR (ADEIR):

- A. Revised Application Plan Set.** When CONTRACTOR received the revised application plan set with new site plans for the Project in early December 2014, a first draft of most of the Environmental Impact Report (EIR) sections were complete. As a result, CONTRACTOR conducted a global search for changes throughout the document, revised figures, and made changes to the Project Description, Air Quality, Biology (including GIS calculations, and Hydrology).
- B. Aesthetics.** This Scope of Services provides three (3) visual simulations. CONTRACTOR prepared four (4) visual simulations and two (2) “visibility screening” photos. Additionally, based on Public comments received during the scoping process, the analysis and discussion is more robust than anticipated. The second entry simulation was added because the simulations from Miles and Lawton Avenues show that the Project would be largely screened; therefore, showing both entries illustrate the worst-case scenario for Project impacts. This was deemed important to provide full disclosure of visual impacts to the Public, which has heightened sensitivity to the Project, to help illustrate Project impacts. All of the simulations required more work than expected to locate features because the orange fencing delineating the buildings was torn down by residents. Additional revisions to the simulations were required after CONTRACTOR received information on the general, earth-toned coloring proposed for the buildings for the Project. The simulations were subsequently revised again when CONTRACTOR received the specific color selections for the buildings. Heightened Public sensitivity is also why two (2) visibility screening photos were added to adequately address resident concerns on Project visibility using existing visibility conditions, and to be proactive and help alleviate as many concerns about the Project, as possible, before release of the Public draft. The visibility screening photos required extra time to prepare and required revisions to the analysis to incorporate discussion about the screening photos. Additional time was needed for team discussions on the ultimate need for and approach to preparing the visibility screening figures.
- C. Air Quality.** This Scope of Services includes a qualitative screening level analysis to determine the potential for elevated health risks to nearby sensitive receptors, and includes a more extensive site-specific health risk assessment as an optional task if the screening level analysis indicated the potential for elevated health risk. Based on CONTRACTOR’s understanding of the Project area, including the sensitivity of emissions shown in the previous Pebble Beach Company Project analysis, and given the proximity of nearby receptors, which are as close as fifty (50) feet, CONTRACTOR determined there was the potential for elevated health risk at nearby residences which CONTRACTOR was unable to qualitatively dismiss. Therefore, a quantitative site-specific analysis using a conservative

EXHIBIT A-1 - SCOPE OF SERVICES/PAYMENT PROVISIONS

screening-level dispersion model was undertaken to evaluate health risks. The screening-level analysis of health risks was conducted using the AERSCREEN dispersion model (spending approximately \$3,780), which is not as extensive as performing a full site-specific health risk assessment using the more complex AERMOD dispersion model (which was estimated to cost \$13,920). AERSCREEN is a screening-level version of the AERMOD model. The screening-level analysis using AERSCREEN was deemed appropriate for the health risk assessment, as it would provide a conservative and defensible quantitative analysis of health risks that would avoid the additional costs and level of effort associated with a full site-specific health risk assessment using AERMOD.

- D. Biological Resources.** This Scope of Services provides the Project Applicant's technical report will include seasonal surveys for special-status plants to confirm their presence/absence and that necessary information will be in the survey report. Because the technical report was very brief (about one and one half (1.5) pages) and mainly referenced previous work, CONTRACTOR prepared the technical section with less dependence on the technical report than anticipated. CONTRACTOR performed more literature search and in-depth analysis of the California Natural Diversity Database (CNDDDB) for potential presence of plants and animals on site than anticipated.
- E. Traffic.** This Scope of Services provides that the Project Applicant's technical report will provide an adequate technical basis for the impact analysis, and/or that Project Applicant's subconsultant, (Fehr & Peers), will produce any necessary additional quantitative analysis. There was additional coordination/review of the Traffic Impact Analysis (TIA) (about three (3) rounds). In short, the analysis was not complete, and CONTRACTOR spent more time reviewing the report, coordinating with Fehr & Peers, and preparing the traffic analysis than anticipated. For example, CONTRACTOR generated the cumulative analysis because it was not included in the initial report, and Fehr & Peers subsequently added it. Also, the current state of traffic operations in Monterey County was not presented in the report, so CONTRACTOR corresponded with County staff to ensure the traffic analysis was accurate. The revised/new traffic information resulted in the need to recalculate air quality and noise numbers.
- F. Alternatives.** This Scope of Services provides analysis of four (4) alternatives, including: reduced density onsite, revised design onsite, one (1) offsite location, and No Project alternatives. CONTRACTOR analyzed a total of six (6) alternatives, including: two (2) onsite, three (3) offsite, and one (1) No Project. Additionally, the No Project alternative was substantially more complicated than anticipated.
- G. Other Technical Work.** Several other small items also required additional effort.

Cultural Resources. This Scope of Services provides that a soil survey map, which would be used to determine the presence of soils that could potentially contain buried archaeological deposits, would be provided as part of the Project Applicant's Archaeological Assessment (or separately in GIS). The soil survey map was not provided, so CONTRACTOR developed the soil survey map. Although not always included in analyses in the past, soil survey maps are becoming standard procedure for addressing *geoarchaeology*, because there is a correlation between certain soil types and the likelihood of finding buried archaeological resources.

EXHIBIT A-1 - SCOPE OF SERVICES/PAYMENT PROVISIONS

Hydrology. This Scope of Services provides a drainage report describing stormwater runoff would be provided. Although the site plans include a drainage plan with proposed facilities, obtaining the needed information was more time consuming than anticipated.

Public Services. This Scope of Services provides information regarding Public services could be obtained from the Pebble Beach Community Services District Fire Department and the Monterey County Sheriff's Department. Obtaining this information required substantial follow up, beyond the effort that was originally anticipated.

H. Additional Management, Coordination and Review. CONTRACTOR has incurred additional costs for management, coordination, and review associated with preparing the ADEIR for the Project that is not specific to the aforementioned identifiable out of scope elements, but due to the extension of the Project schedule, the inefficiency of stopping and starting the analysis (relative to traffic and other matters), and a general higher complexity of the Project than anticipated in CONTRACTOR's budget.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/ PAYMENT

Agreement amount shall not be increased and shall not exceed the original Base Budget amount of \$205,665.00 and original Contingency Budget amount of \$30,849.75 for a total amount not to exceed \$236,514.75 for the additional work and for the performance of all things necessary for or incidental to the performance of work as set forth in the Project's Scope of Services. CONTRACTOR'S compensation for services rendered under Exhibit A-1 shall be based on the attached Cost Estimate.

CONTRACTOR warrants that the cost charged for services under the terms of this Agreement are not in excess of those charged any other client for the same services performed by the same individuals.

B.2 CONTRACTORS BILLING PROCEDURES

NOTE: Payment is based upon satisfactory acceptance of each deliverable of the Agreement and based on the attached Payment Provisions of this Exhibit A-1.

County may, in its sole discretion, terminate the Agreement or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Table 1. Cost Estimate for Out of Scope Costs (Pebble Beach Inclusionary Housing EIR)

Employee Name	Consulting Staff										Production Staff			Subtotal	Labor Total	Total Price			
	Weller R	Giberson K	Anita E	Swift S	Stock J	McFallis M	Hirchler S	Edell T	Christensen E	Grant J	LaPointe A	Messick T	Parker W				Messick T	Editor	Assistant Contractor/Editing
Task	Project Oversight, QM/QC	Project Mgmt, AIs	P.C. Traffic, Cumulative	Land Use, Rec, PSU	Aesthetics, CA/QC	Air Quality, Climate Change	Noise, Sr, AQ	Biology (Botany/ Wetlands)	Biology (Wildlife)	Cultural Resources (Archaeology)	Hydrology	Noise, Traffic, Simulations	GIS	Jobsheet	Editor	Assistant Contractor/Editing	Subtotal	Labor Total	Total Price
Task 5.2 Administrative Draft EIR	4	8				2								2			\$2,250	\$0	\$2,250
A. Revised Application Plan Set	2	6			15										1	1	\$4,430	\$170	\$4,600
B. Aesthetics						24											\$5,750	\$0	\$5,750
C. Air Quality							12										\$1,840	\$0	\$1,840
D. Biological Resources	2	8				8											\$4,670	\$0	\$4,670
E. Traffic	2	24				8											\$5,470	\$340	\$5,810
F. Alternatives	2	4															\$0	\$0	\$0
G. Other Technical Work																	\$490	\$0	\$490
Cultural																	\$850	\$0	\$850
Hydrology																	\$900	\$0	\$900
Public Services																	\$0	\$0	\$0
H. Additional Management, Coordination, Review																	\$0	\$0	\$0
Management	3	18															\$0	\$0	\$0
Coordination	4	22															\$0	\$0	\$0
Review	4	22															\$0	\$0	\$0
Total Hours	13	84				82		12	4	4	2	8	8	2	6		\$7,170	\$0	\$7,170
CP Rate 2015 Billing Rates	\$725	\$170	\$115	\$115	\$195	\$115.00	\$170.00	\$115	\$115	\$115	\$135	\$135	\$100	\$115	\$100		\$24,615	\$0	\$24,615
Subtotal	\$2,925	\$14,280	\$9,230	\$4,635	\$3,195	\$3,860.00	\$1,250.00	\$1,380	\$460	\$220	\$270	\$1,980	\$200	\$200	\$265	\$295	\$24,615	\$510	\$25,125
TOTAL																			
REQUEST FOR TRANSFER FROM PROJECT CONTINGENCY																			
CREDIT FROM TASK 7, OPTIONAL TASKS (AIR QUALITY DISPERSION MODELING \$9,230; AIR QUALITY SITE SPECIFIC HEALTH RISK ASSESSMENT \$13,920)																			
TOTAL INCREASE AMOUNT TO AGREEMENT																			

