

**AMENDMENT NO. 2
TO FUNDING AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
SYAR INDUSTRIES, INC.**

THIS AMENDMENT NO. 2 to the Funding Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Syar Industries, Inc. (hereinafter, "PROJECT APPLICANT") is hereby entered into between the County and the PROJECT APPLICANT (collectively, the "Parties") as of the last date opposite the respective signatures below.

WHEREAS, PROJECT APPLICANT entered into a Funding Agreement with County on August 2, 2012 (hereinafter "Agreement"); and

WHEREAS, Agreement was amended by the Parties on May 22, 2013 (hereinafter, "Amendment No. 1", including Exhibit 1-A, Amendment No. 1 to the Professional Services Agreement); and

WHEREAS, PROJECT APPLICANT has applied to the County for approval of a thirty-five (35) year extension of Use Permit PC-7477 for the Stonewall Canyon Quarry (hereinafter, "Project") and requiring an Environmental Impact Report (EIR); and

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

WHEREAS, the EIR for the Project has not been completed by the Contractor due to the need for submission of a new Mining and Reclamation Plan by the PROJECT APPLICANT for review and evaluation before completion of the EIR for the Project; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term to December 31, 2014 with no associated dollar amount increase to allow additional time for the PROJECT APPLICANT to provide a new Mining and Reclamation Plan before completion of the EIR for the Project.

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

1. Amend the third paragraph in Section a, "CONTRACTOR", of Paragraph 6, "Payments to CONTRACTOR and County" to read as follows:

Should this AGREEMENT be terminated prior to December 31, 2014, any unearned balance of the Base Budget deposited by PROJECT APPLICANT to fund the PSA and Amendment No. 1 to the PSA's Base Budget amount shall be returned to PROJECT APPLICANT within sixty (60) days of receipt of notice of termination by County.

2. Amend Paragraph 8, "Term.", to read as follows:

AGREEMENT shall become effective June 19, 2012 and continue through December 31, 2014, unless terminated pursuant to Paragraph 9 or amended pursuant to Paragraph 13 of AGREEMENT.

3. Amend first sentence of Paragraph 9, "Termination.", to read as follows:

AGREEMENT shall terminate on December 31, 2014, but may be terminated earlier by PROJECT APPLICANT or County, by giving thirty (30) days written notice to the other.

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

5. This Amendment No. 2 shall be attached to Agreement and incorporated therein as if fully set forth in the Agreement.

IN WITNESS WHEREOF, the Parties hereby execute this Amendment No. 2 to the Agreement as of the last date opposite the respective signatures below:

THE COUNTY OF MONTEREY

By: ML [Signature]
Director of Planning

Date: 5/29/14

PROJECT APPLICANT*

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

Its: VICE PRESIDENT, ENGINEERING
(Printed Name and Title)

Date: 5-19-14

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

Its: Suzanna A. Dericco, CFO
(Printed Name and Title)

Date: 5.19.14

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

By: [Signature]
Deputy County Counsel

Date: 5-29-2014

*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.