

**AMENDMENT NO. 3
TO AGREEMENT FOR FUNDING OF ENGINEERING WORK**

This Amendment No. 3 to Agreement for Funding of Engineering Work (“Amendment No. 2”) is made and entered into the ____ day of _____, 2013 by and between the COUNTY OF MONTEREY, a political subdivision of the State of California (“County”), and AROMAS WATER DISTRICT, a County Water District (“Aromas”) (collectively the “Parties”).

RECITALS

1. In or about December of 2009, the Parties executed and entered into an Agreement for Funding of Engineering Study (“Engineering Study Agreement”) whereby the County agreed to pay to Aromas a sum not to exceed \$7,500 to fund an engineering study associated with a proposal to connect the Aromas system to a water distribution system in the Oak Ridge subdivision located in the County.

2. In or about April of 2010, the Parties executed and entered into an Agreement for Funding of Engineering Work (hereafter “Engineering Work Agreement”) in an amount not to exceed \$155,000 whereby the County would pay to Aromas a sum not to exceed \$155,000 to fund additional engineering and other work associated with the proposal to connect the Aromas system to the Oak Ridge System, and also to a portion of the Via Del Sol subdivision, also located in the County.

3. In or about May of 2012, the Parties executed and entered into an Amendment 1 to the Agreement for the Funding of Engineering Work (hereafter “Amendment No.1) increasing the amount of \$155,000 by \$50,000, for an amount not to exceed \$205,000, to fund additional engineering and other work associated with the proposal to connect the Aromas System to the Oak Ridge System and also to a portion of the Via Del Sol subdivision, also located in the County.

4. In or about January of 2013, the Parties executed and entered into an Amendment 2 to the Agreement for the Funding of Engineering Work (hereafter “Amendment No. 2) increasing the amount of \$205,000 by \$58,000, for an amount not to exceed \$270,000, to fund additional engineering and other work associated with the proposal to connect the Aromas System to the Oak Ridge System and also to a portion of the Via Del Sol subdivision, also located in the County, and a total amount not to exceed \$270,500 for both the Engineering Study Agreement and the Engineering Work Agreement.

5. An assessment district has been successfully formed to implement the project to connect to the Aromas system, and annexation of the area to Aromas has been approved.

6. The Parties now desire to amend Section 2 of the Engineering Work Agreement

to clarify how and under what circumstances the County will be repaid by Aromas in light of the available financing for the project (a loan from the Federal Department of Agriculture) and the requirements of that financing.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements contained in the Agreement and herein, and other good and valuable consideration, the Parties agree as follows:

1. Section 2 of the Engineering Work Agreement is hereby amended to provide as follows:

“2. **Payment by County.** County agrees to pay to Aromas the sum of \$263,000, in payments as required by the Freitas contract, or contracts or invoices from others, within thirty (30) days of receipt of each invoice from Aromas or others. To the extent permitted by law, Aromas will repay to County the sum of \$270,500, and any additional sums advanced by County, if any, if an assessment district is successfully formed to implement the proposed project to connect Oak Ridge to Aromas. Such repayment shall be made solely to the extent that funds are available through the financing of the assessment district, and as such funds are available from time to time during such financing. The CAO is hereby authorized to document such repayment when the terms of any assessment district financing are known. In the event that such an assessment district is not formed, no repayment by Aromas to County shall be required; and to the extent that any financing for the assessment district does not generate sufficient funds to design and construct the project described herein and provide for full repayment to County, no repayment by Aromas to County shall be required of such portion.”

2. This Amendment No. 3 shall take effect immediately upon execution by all of the Parties.

3. Except as specifically set forth in this Amendment No. 3, all other terms and conditions of the Engineering Work Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, County and Aromas have caused this Amendment No. 2 to be executed as of the dates set forth below.

DATED: _____

COUNTY OF MONTEREY

Benny Young
Resource Management Agency Director

DATED: _____

AROMAS WATER DISTRICT

Vicki Morris
General Manager

APPROVED AS TO FORM AND LEGALITY

CHARLES J. MCKEE, County Counsel

By _____
Leslie J. Girard
Chief Assistant County Counsel

District Counsel, Aromas Water District

Robert Bosso