

Attachment B
Amendment No. 3 to
Benchmark Resources PSA A-11561

REF130098

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**AMENDMENT NO. 3
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
BENCHMARK LAND USE GROUP, INC. (D.B.A. BENCHMARK RESOURCES)**

THIS AMENDMENT NO. 3 to the Professional Services Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Benchmark Land Use Group, Inc. (d.b.a. Benchmark Resources) (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the County and CONTRACTOR are referred to as the "Parties") as of the last date opposite the respective signatures.

WHEREAS, CONTRACTOR entered into a Professional Services Agreement with County on November 5, 2009, (hereinafter, "Agreement"); and

WHEREAS, a County Consent to Assignment, effective May 1, 2010, was executed by the County on June 7, 2011 for the benefit of Resource Design Technology, Inc., a corporation, and Benchmark Land Use Group, Inc. (d.b.a. Benchmark Resources), a corporation; and

WHEREAS, Agreement was amended by the Parties on November 6, 2012 (hereinafter, "Amendment No. 1", including Exhibit A-1 – Scope of Services/Payment Provisions); and October ____, 2013 (hereinafter, "Amendment No. 2", including Exhibit A-2 – Scope of Services/Payment Provisions); and

WHEREAS, Surface Mining and Reclamation Act (SMARA) annual inspections are required by the State of California for sixteen (16) mine sites located in the County of Monterey; and

WHEREAS, tasks as outlined in Exhibit A – Scope of Services/Payment Provisions and Exhibit A-1 – Scope of Services/Payment Provisions of the Agreement have been completed; and

WHEREAS, tasks as outlined in Exhibit A-2 – Scope of Services/Payment Provisions of the Agreement are nearing completion; and

WHEREAS, the County has a continuing need to conduct annual SMARA review and annual inspection reports for 2013 for the sixteen (16) mine sites, and for assistance to meet the requirements of the County's SMARA compliance program; and

WHEREAS, additional time and funding are necessary; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term to January 31, 2014 and increase the amount by \$127,520 to allow CONTRACTOR to continue to provide tasks identified in the Agreement and as amended by this Amendment No. 3.

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, A-1 A-2 and A-3 in conformity with the terms of this Agreement.

2. Amend 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, A-1, A-2 and A-3, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$306,113.50.

3. Amend the first sentence of Paragraph 3, "Term of Agreement", to read as follows:

The term of this Agreement is from November 3, 2009 to January 31, 2014, unless sooner terminated pursuant to the terms of this Agreement.

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

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

6. This Amendment No. 3 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

IN WITNESS WHEREOF the Parties hereto have executed this Amendment No. 3 to the Agreement as of the last date opposite the respective signatures below:

COUNTY OF MONTEREY

CONTRACTOR*

By: _____
Contracts/Purchasing Officer

Benchmark Land Use Group, Inc.
(d.b.a. Benchmark Resources)

Contractor's Business Name

Date: _____

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

Its: _____
(Print Name and Title)

Date: _____

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

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

By: _____
Deputy County Counsel

Its: _____
(Print Name and Title)

Date: _____

Date: _____

Approved as to Fiscal Provisions

By: _____
Auditor/Controller

Date: _____

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-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

BENCHMARK[®]
RESOURCES

September 25, 2013

Laura Lawrence
Monterey County
Resource Management Agency—Planning Department
168 W. Alisal Street, 2nd Floor
Salinas, California 93901

SUBJECT | **PROPOSED SCOPE OF WORK AND BUDGET FOR SMARA REVIEW,
ANNUAL INSPECTION REPORTS, AND LART/SMGB SUPPORT**

Dear Ms. Laura Lawrence:

Benchmark Resources will support Monterey County (County) in conducting annual State Mining and Reclamation Act (SMARA) review and annual inspection reports for 2013. We are also available to provide assistance as necessary to respond to the Office of Mine Reclamation's (OMR) Lead Agency Review Team (LART) and State Mining and Geology Board (SMGB) review of the County's SMARA compliance program.

SMARA inspection tasks will include the following for each mining operation (see Attachment A, "Budget Tables," Table 1, "Budget for Annual SMARA Inspection and FAE Review"):

Review Files and Reclamation Requirements: Review approved reclamation plans and amendments, recent annual report, recent financial assurance estimate (FAE), documentation of the existing financial assurance mechanism (FAM), previous annual inspection reports, and County correspondence related to any continued violations or corrective actions taken by the operator. Verify current operator/owner information. Determine whether the operation is permitted based on a vested right or a use permit and identify permit conditions applicable to reclamation.

Conduct Mine Site Inspections and Prepare Annual Inspection Reports (Using the New Surface Mining Inspection Report [form MRRC-1]): Perform mine site inspections to observe operation and reclamation conditions at each mine site. The inspection task includes preinspection preparation, actual inspections, and postinspection analysis and documentation. Using information obtained through inspections and postinspection analysis, complete draft surface mining inspection reports for each mine using the MRRC-1 form, including supplemental information

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

Ms. Laura Lawrence | September 25, 2013

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(e.g., graphics, photographs, documentation) as necessary to document observed mine operations and reclamation conditions relative to the requirements of the approved reclamation plan. Following County review and input, prepare final surface mining inspection reports for submittal to the County, including copies for the County to provide to the operator, OMR, and the SMGB Executive Officer (as required by the SMGB at their hearing on September 12, 2013). Benchmark Resources will also prepare a notice to OMR (pursuant to PRC § 2774[b]) documenting that inspections have been completed and identifying whether the operations comply with the State Mining and Reclamation Act (SMARA).

Verification of Financial Assurance Estimate: Review and make recommendations to clarify, substantiate, and standardize the reclamation estimates in the FAE in accordance with the requirements of §2773.1 of SMARA and §3800 *et seq.* of the regulations.

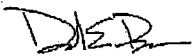
Verification of Financial Assurance Mechanism: Obtain current FAM value through review of operator evidence, compare the FAM to the FAE amounts, and verify that the FAM amount is appropriate. Provide memorandum of the FAM's adequacy. If the FAM is deemed inadequate, provide recommendations for adjusting the FAM. Review and verify any necessary revisions to the FAM when submitted by the operator and document this subsequent review in a memorandum to the County.

LART/SMGB Support tasks (see Attachment A, "Budget Tables," Table 2, "Budget for Proposed LART/SMGB Support Service"):

Response to SMGB Executive Officer Review: As a result of the LART review process, the SMGB is requiring the County to submit 2013 annual inspection forms to the Executive Officer of the SMGB. Support will be provided in responding to any comments received from the Executive Officer on the Surface Mining Inspection Reports. We will review any comments and draft a response to the comments for the County's consideration.

The schedule for the above tasks is shown in Attachment B, "Budget for Proposed LART/SMGB Support Services." We look forward to the opportunity to continue to assist the County in meeting its SMARA requirements.

Sincerely,



David E. Brown
Principal

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

ATTACHMENT A: BUDGET TABLES

Please note that our cost estimate to conduct mine inspections for 2013 reflects the initial increased effort of assembling information needed for completion of the State Mining and Geology Board’s new MRRC-1 form. This initial year of preparing the new form will require more detailed investigation and documentation of reclamation plan requirements as compared to subsequent years, when this information will be documented in the format of the MRRC-1 form. Our budget reflects the initial 2013 preparation.

**TABLE 1
BUDGET FOR ANNUAL SMARA INSPECTION AND FAE REVIEW**

Mine I.D. and Name	Annual Inspection	FAE/FAM	Total Site Fee
91-27-0004—Metz Facility	\$5,150	\$2,450	\$7,600
91-27-0005—Natividad Quarry	\$5,150	\$2,450	\$7,600
91-27-0007—BLM Rockpile	\$5,150	\$2,450	\$7,600
91-27-0009—Bitterwater (Bray)	\$5,150	\$2,450	\$7,600
91-27-0011—Pine Canyon Quarry	\$5,150	\$2,450	\$7,600
91-27-0012—Stonewall Canyon Quarry	\$5,150	\$2,450	\$7,600
91-27-0019—Brinan Pit	\$5,150	\$2,450	\$7,600
91-27-0020—Echenique Pit	\$5,150	\$2,450	\$7,600
91-27-0021—Jefferson Pit	\$5,150	\$2,450	\$7,600
91-27-0023—Beck Pit (DKD Pit)	\$5,150	\$2,450	\$7,600
91-27-0025—Chalone Creek Pit	\$5,150	\$2,450	\$7,600
91-27-0026—Bradley Mine	\$5,150	\$2,450	\$7,600
91-27-0027—Chualar Site	\$5,150	\$2,450	\$7,600
91-27-0028—Handley Ranch Quarry	\$5,150	\$2,450	\$7,600
91-27-0029—Hidden Canyon	\$5,150	\$2,450	\$7,600
91-27-0030—Carmel Stone Mine	\$5,150	\$2,450	\$7,600
TOTAL:	\$82,400	\$39,200	\$121,600

Notes: FAE = financial assurance estimate; FAM = financial assurance mechanism.

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

MONTEREY COUNTY

Attachment A: Budget Tables

TABLE 2
BUDGET FOR PROPOSED LART/SMGB SUPPORT SERVICES

Professional Services	Hours	Rate	Amount
Principal (Mr. Brown)	24	\$215	\$5,160
Document Specialist	8	\$95	\$760
TOTAL:			\$5,920

EXHIBIT A-3 – SCOPE OF SERVICES/PAYMENT PROVISIONS

ATTACHMENT B: SCHEDULE

Task	Completed By:
Preinspection Tasks	October 28 – November 15, 2013
Field Inspections	November 18 – December 3, 2013
Inspection Reports	December 2 – December 20, 2013
FAE/FAM Review	December 2 – December 20, 2013
County Review/Revisions	December 6 – December 23, 2013
Submit Final Reports to OMR/SMGB	December 27, 2013

Notes: FAE = financial assurance estimate; FAM = financial assurance mechanism.