

**AMENDMENT NO. 3  
TO FUNDING AGREEMENT  
BETWEEN COUNTY OF MONTEREY AND  
THOMPSON HOLDINGS, LLC**

**THIS AMENDMENT NO. 3** to the Funding Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Thompson Holdings, LLC (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 applied to the County for approval of a Combined Development Permit for the Paraiso Hot Springs Resort (hereinafter, "Project") requiring an Environmental Impact Report (hereinafter, "EIR"); and

**WHEREAS**, County engaged EMC Planning Group, Inc. (hereinafter, "Contractor") to prepare the EIR for the Project; and

**WHEREAS**, PROJECT APPLICANT entered into a Funding Agreement with County on September 11, 2012 (hereinafter, "Agreement") to provide funding for the EIR for the Project through June 30, 2013 for an amount not to exceed \$163,466.93; and

**WHEREAS**, Agreement was renewed, retroactive to June 30, 2013, by the Parties on January 20, 2016 (hereinafter, "Renewal and Amendment No. 1", including Exhibit 1 – Professional Services Agreement, Exhibit 1A – Amendment No. 1 through Amendment No. 5 to the Professional Services Agreement, and Exhibit 1B – Amendment No. 6 to the Professional Services Agreement) and amended to extend the term for forty-two (42) additional months through December 31, 2016 and to increase the amount by \$146,232.28 which resulted in a total not to exceed amount of \$309,699.21; and

**WHEREAS**, Agreement was amended by the Parties on December 21, 2016 (hereinafter, "Amendment No. 2", including Exhibit 1C, Amendment No. 7 to the Professional Services Agreement) to extend the term for six (6) additional months through June 30, 2017 and to reallocate funding in the amount of \$10,805.00 with no increase in the not to exceed amount; and

**WHEREAS**, Contractor has completed Project tasks through circulation of the Project's Recirculated Draft EIR for Public review; and

**WHEREAS**, the Parties have identified a need to update the Project's Draft EIR; and

**WHEREAS**, additional time is necessary to allow the Parties to further negotiate additional new tasks to the Scope for completion of the Project; and

**WHEREAS**, the Parties wish to further amend the Agreement to extend the term for one (1) additional year to June 30, 2018 with no associated dollar amount increase to allow PROJECT APPLICANT to continue funding County for costs incurred by Contractor and County departments to complete tasks identified in this Agreement and as amended by this Amendment No. 3.

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

1. Amend the third paragraph of Section a, "CONTRACTOR", of Paragraph 4, "Payments to CONTRACTOR and County", to read as follows:

Should this AGREEMENT be terminated prior to June 30, 2018, any unearned balance of the Base Budget deposited by PROJECT APPLICANT to fund 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 6, "Term", to read as follows:

AGREEMENT shall become effective September 10, 2012 and continue through June 30, 2018, unless terminated pursuant to Paragraph 7 or amended pursuant to Paragraph 11 of AGREEMENT.

3. Amend the first sentence of Paragraph 7, "Termination", to read as follows:

AGREEMENT shall terminate on June 30, 2018, but may be terminated earlier by PROJECT APPLICANT or County, by giving thirty (30) days' written notice to the other.

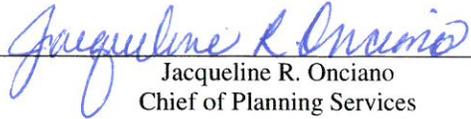
4. Amend "TO COUNTY" section of Paragraph 20, "Notices", to read as follows:

Jacqueline R. Onciano  
Chief of Planning Services  
County of Monterey Resource Management Agency  
Land Use and Community Development  
1441 Schilling Place-South, 2<sup>nd</sup> Floor  
Salinas, California 93901-4527

5. All other terms and conditions of the Agreement remain unchanged and in full force.
6. This Amendment No. 3, the previous Renewal and Amendment No. 1, and Amendment No. 2 to the Agreement shall be attached to this Agreement and incorporated therein as if fully set forth in the Agreement.
7. The recitals to this Amendment No. 3 are incorporated into the Agreement and this Amendment No. 3.

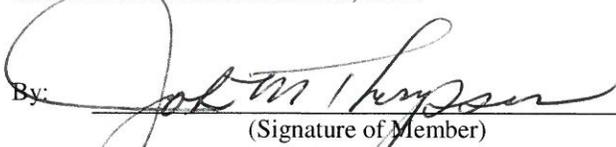
IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

By:   
Jacqueline R. Onciano  
Chief of Planning Services

Date: 16 June 2017

THOMPSON HOLDINGS, LLC\*

By:   
(Signature of Member)

Its: JOHN M. THOMPSON, MANAGER  
(Print Name and Title as Member)

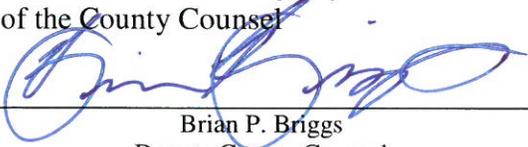
Date: 5-23-17

By:   
(Signature of Member)

Its: WILLIAM M. THOMPSON-MANAGER  
(Print Name and Title as Member)

Date: 5-23-17

Approved as to Form and Legality  
Office of the County Counsel

By:   
Brian P. Briggs  
Deputy County Counsel

Date: 5-30-17

\*INSTRUCTIONS: IF PROJECT APPLICANT is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set for in the Agreement together with the signatures of two specified officers. If PROJECT APPLICANT is a partnership, the name of the partnership shall be set forth in the Agreement 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 this Agreement.