

AGREEMENT FOR PROFESSIONAL SERVICES

This agreement ("Agreement"), dated as of June 20, 2022 ("Effective Date") is by and between the Great Redwood Trail Agency ("GRTA") and American Rail Engineers, dba ARE, , (hereinafter "Consultant").

R E C I T A L S

WHEREAS, Consultant is an experienced civil engineer in the state of California and CEO/President of ARE Corp., a company which provides Project Management and civil engineering services for railroad rehabilitation projects throughout the United States; and

WHEREAS, Consultant brings over 20 years' experience as GRTA's project manager and on-call engineer managing all aspects of GRTA's railroad engineering, construction and maintenance, including 2 detailed Capital Assessment Reports documenting the cost of rail rehabilitation of the entire rail line for Class 1 and Class 2 freight rail service; and

WHEREAS, Consultant has completed preliminary research and analysis pursuant to a contract dated November 29, 2021 that has assisted GRTA to date in connection with its efforts to railbank the former North Coast Railroad Authority right of way from MP 139.5 to MP 300.5, including certain spur lines; and

WHEREAS, GRTA desires the ongoing assistance of Consultant to assist with ongoing related efforts; and

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

A G R E E M E N T

I. Scope of Services.

1.1 Services to Be Performed. Upon authorization by GRTA, Consultant shall perform the work as set forth in Exhibit "1" hereto. GRTA shall provide direction to Consultant regarding which tasks included in Exhibit "1" are authorized to be commenced. GRTA shall not be obligated to authorize any portion of such work; it shall be authorized by GRTA and performed by Consultant on an "as needed" basis. Such authorization will include an item number reference and be provided in writing.

1.2 Cooperation With GRTA. Consultant shall cooperate with GRTA and GRTA staff in the performance of all work hereunder.

1.3 Performance Standard. Consultant shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Consultant's profession. GRTA has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by GRTA shall not operate as a waiver or release. If GRTA determines that any of Consultant's work is not in accordance with such level of competency and standard of care, GRTA, in its sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with GRTA to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

2. Payment.

For all services and incidental costs required hereunder, Consultant shall be paid in accordance with the following terms:

Consultant shall be paid for work as set forth in the attached Exhibit 1 at the rates set forth therein, on a time and materials basis at a total price not to exceed \$264,890.00. Consultant shall not be entitled to any additional payment for any expenses incurred in completion of the services, which shall include the cost of travel or equipment associated with the completion of any required fieldwork, if the total billed amount exceeds the maximum amount to be billed herein.

Unless otherwise noted in this Agreement, payments shall be made within the normal course of GRTA business after presentation of an invoice in a form approved by the GRTA for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by the GRTA. Undisputed invoices will be paid within 45 days. Amounts remaining outstanding after 45 days are subject to interest at a rate of 0.67% per month.

Pursuant to California Revenue and Taxation code (R&TC) Section 18662, GRTA shall withhold seven percent of the funds paid to Consultant for services performed within the State of California under this agreement, for payment and reporting to the California Franchise Tax Board, unless Consultant provides GRTA with a completed Form 590.

3. Term of Agreement. The term of this Agreement shall be from the Effective Date through June 30, 2023 unless terminated earlier in accordance with the provisions of Article 4 below.

4. Termination.

4.1 Termination for Cause. Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, GRTA may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.

4.2 Termination without Cause. If at any time GRTA desires to terminate this contract, GRTA may immediately terminate this Agreement by giving Consultant written notice of such termination and directing Consultant to cease any further work hereunder.

4.3 Delivery of Work Product and Final Payment Upon Termination.

In the event of termination, Consultant, within 14 days following the date of termination, shall deliver to GRTA all reports, original drawings, graphics, plans, studies, and other data or documents, in whatever form or format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement and shall submit to GRTA an invoice showing the services performed, hours worked, and copies of receipts for expenses up to the date of termination.

4.4 Payment Upon Termination. Upon termination of this Agreement by GRTA, Consultant shall be entitled to receive full payment for all services satisfactorily rendered and reimbursable expenses properly incurred hereunder. If GRTA terminates this Agreement without cause pursuant to Section 4.2 hereof, Consultant shall additionally be entitled to payment at the rates set forth in Exhibit 1 for any additional work by Consultant to compile or analyze any information or data already collected by Consultant in order to make such information or data useable to GRTA. Prior to commencing such additional work, Consultant shall inform GRTA of the additional work required and provide an estimate of hours needed to complete such tasks.

5. Indemnification. Consultant agrees to accept all responsibility for loss or damage to any person or entity, including GRTA, and to indemnify, hold harmless, and release GRTA, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Consultant, that arise out of, pertain to, or relate to Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against GRTA based upon a claim relating to such Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant's obligations under this Section apply whether or not there is concurrent or contributory negligence on GRTA's part, but to the extent required by law, excluding liability due to GRTA's conduct.

6. Insurance. With respect to performance of work under this Agreement, Consultant shall maintain insurance as described in Exhibit A, which is attached hereto and incorporated herein by this reference.

7. Prosecution of Work. The execution of this Agreement shall constitute Consultant's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

8. [DELETED]

9. Representations of Consultant.

9.1 Standard of Care. GRTA has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Consultant's work by GRTA shall not operate as a waiver or release.

9.2 Status of Consultant. The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of GRTA and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits GRTA provides its employees. In the event GRTA exercises its right to terminate this Agreement pursuant to Article 4, above, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

9.3 Records Maintenance. Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to GRTA for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder.

9.4 Conflict of Interest. Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder.

9.5 Nondiscrimination. Without limiting any other provision hereunder, Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis, including without limitation, the GRTA's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

9.6 Ownership of Work Product. All reports, drawings, graphics, plans, and studies, in their final form and format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement, shall be the property of GRTA. Consultant shall deliver such materials to GRTA upon request in their final form and format. Such materials shall be and will remain the property of GRTA without restriction or limitation. Document drafts, notes, and emails of the Consultant and Consultant's subcontractors, consultants, and other agents shall remain the property of those persons or entities.

10. Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

11. Method and Place of Giving Notice, Submitting Bills and Making Payments. All notices, bills, and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

GRTA: Executive Director
419 Talmage Rd # M,
Ukiah, CA 95482
ncra.hiedy@sbcglobal.net

TO CONSULTANT: CFO
American Rail Engineers Corporation
300 E 39th St. Ofc 5A
Kansas City, MO 64111
ap@are-corp.com

When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill or payment shall be deemed received on the next business day. When a copy of a notice, bill or payment is sent by facsimile or email, the notice, bill or payment shall be deemed received upon transmission as long as (1) the original copy of

the notice, bill or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

12. Miscellaneous Provisions.

12.1 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

12.2 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or the forum nearest to the City of Santa Rosa, in the County of Sonoma.

12.3 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

12.4 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

12.5 Survival of Terms. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

12.6 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CONSULTANT:

GRTA:

ARE _____

By: _____

Name: _Angelique M.
Lucero_____

Title: __CFO_____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____