

AMENDMENT TWO TO AGREEMENT FOR ENGINEERING SERVICES
FOR
REPLACEMENT OF ST. HELENA CREEK BRIDGE AT WARDLAW STREET (14C-0035)
AND
REHABILITATION OF COOPER CREEK BRIDGE AT WITTER SPRINGS ROAD (14C-0102)
IN LAKE COUNTY, CALIFORNIA

THIS AMENDMENT TO AGREEMENT is made this 2nd day of JULY, 2018, by and between the County of Lake, hereinafter referred to as "COUNTY", and Quincy Engineering, Inc., hereinafter referred to as "CONSULTANT".

WITNESSETH

WHEREAS, COUNTY and CONSULTANT have entered into an AGREEMENT dated June 2, 2015, and Amendment One dated August 4, 2015 to provide preliminary and final design, environmental services, right of way, bidding and construction assistance services in order to replace the St. Helena Creek Bridge at Wardlaw Street (14C-0035) and rehabilitate the Cooper Creek Bridge at Witter Springs Road (14C-0102); and

WHEREAS, COUNTY AND CONSULTANT now desire to amend said Agreement to allow for substitution of the sub-consultant for environmental services; and

WHEREAS, said substitution does not affect the agreed price; and

WHEREAS, Article XV, Section A, "MODIFICATION", of said Agreement allows that matters concerning scope of services which do not affect the agreed price may be modified by mutual written consent of CONSULTANT and COUNTY executed by Director of Public Works; and

WHEREAS, COUNTY AND CONSULTANT now desire to amend said Agreement to allow for said substitution.

NOW, THEREFORE, the parties hereto agree as follows:

1. ARTICLE I, "SCOPE OF SERVICES", Section A, is hereby modified to read as follows:

"CONSULTANT shall perform the services described in Exhibit "A" and hereby modified by Exhibits "C" and "D", attached hereto and incorporated herein by this reference hereinafter called Scope of Work. In the event of a conflict between this Agreement and Exhibits "A", "C" and "D", the provisions of this Agreement shall control."

2. ARTICLE VI, "COMPENSATION AND TERMS OF PAYMENT", Section C, is hereby modified to read as follows:

- C. **Compensation:** The method of payment for this contract will be based on Actual Cost-Plus-Fixed Fee. COUNTY will reimburse CONSULTANT for actual costs (including labor costs, employee benefits, travel, equipment rental costs, overhead and other direct costs) incurred by CONSULTANT in performance of the work set forth in Exhibit "B" as hereby modified by Exhibits "C" and "D". Direct Costs for Sub-consultants will be billed as actual costs. No payment will be made prior to approval of any work, nor for any work performed prior to approval of this Agreement.

CONSULTANT will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the approved CONSULTANT'S Cost Proposal, unless additional reimbursement is provided for by contract amendment. In no event, will CONSULTANT be reimbursed for overhead costs at a rate that exceeds COUNTY's approved overhead rate set forth in the Cost Proposal. In the event, that COUNTY determines that a change to the work from that specified in the Cost Proposal and contract is required, the contract time or actual costs reimbursable by COUNTY shall be adjusted by contract amendment to accommodate the changed work.

For all services CONSULTANT shall be paid in accordance with the budget set forth in Exhibit "B" as hereby modified by Exhibits "C" and "D", provided however that the total payments to CONSULTANT shall not exceed \$507,110 for St. Helena Creek Bridge at Wardlaw Street (14C-0035), \$377,220 for Cooper Creek Bridge at Witter Springs Road (14C-0102), and a total of \$884,330 without prior written authorization by COUNTY and formal Amendment to this Agreement.

St. Helena Creek Bridge at Wardlaw Street (14C-0035); Phase 1 Only	\$366,970.00
St. Helena Creek Bridge at Wardlaw Street (14C-0035); Total	\$507,110.00
Cooper Creek Bridge at Witter Springs Road (14C-0102); Phase 1 Only	\$108,070.00
Cooper Creek Bridge at Witter Springs Road (14C-0102); Total	\$377,220.00

In addition to the allowable incurred costs, COUNTY will pay CONSULTANT a fixed fee of \$25,772.83 (\$17,777.35 for Phase 1 Only) for St. Helena Creek Bridge at Wardlaw Street and \$18,390.69 (\$6,973.87 for Phase 1 Only) for Cooper Creek Bridge at Witter Springs Road. The fixed fee is nonadjustable for the term of the contract, except in the event of a significant change in the scope of work and such adjustment is made by contract amendment.

Reimbursement for transportation and subsistence costs shall not exceed the rates specified in the approved Cost Proposal.

Except as specifically modified herein, all other terms and conditions of the AGREEMENT dated June 2, 2015, and Amendment One dated August 4, 2015 shall remain in full force and effect.

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COUNTY and CONSULTANT have executed this Amendment to Agreement on the day
and year first written above.

COUNTY OF LAKE:



Scott De Leon
Public Works Director

Quincy Engineering, Inc.



John Quincy, President

APPROVED AS TO FORM:
ANITA L. GRANT
County Counsel

By: 

EXHIBIT “D”

AMENDMENT TWO TO

AGREEMENT FOR ENGINEERING SERVICES

FOR

REPLACEMENT OF ST. HELENA CREEK BRIDGE AT WARDLAW STREET (14C-0035)

AND

REHABILITATION OF COOPER CREEK BRIDGE AT WITTER SPRINGS ROAD (14C-0102)

IN LAKE COUNTY, CALIFORNIA



Fred Pezeshk, Principal Engineer
County of Lake
Department of Public Works
255 N. Forbes Street
Lakeport, CA 95453

April 5, 2018

**Re: St. Helena Creek Bridge at Wardlaw Street Replacement Project
Substitution of Environmental Subconsultant**

Dear Mr. Pezeshk:

As the County is aware, Stantec Consulting Services Inc. (Stantec) has acquired North State Resources, Inc. (NSR). The attached letter from Stantec requesting reassignment of the NSR contract provides more information and details on this matter. Since NSR was the only identified environmental firm on the Quincy proposed team, we are seeking a substitution as outlined in the Caltrans Local Assistance Procedures Manual (LAPM) Section 10-8 – *Substitution of Consultant Personnel and Subconsultants (dated January 2018)*.

Quincy is proposing that the entire environmental scope of services previously assigned to NSR now be performed by Stantec under the direction of Wirt Lanning whom was the only identified "Key Staff" in our original proposal with NSR. The work being performed by JRP under Wirt Lanning's direction would continue to be performed by JRP. Therefore the same qualified key personnel will be in charge of the same scope of services just under the banner of a new similarly qualified firm. Since the same key staff will be performing the services, the provisions of LAPM 10-8 are met. If the County requests additional information, it can be provided.

One of the other provisions in the LAPM 10-8 requires the substitute must be replaced at the same or lower cost as the original team member or firm. Attached are the proposed Stantec cost proposals, all of which are less than the original not to exceed amounts for the same tasks. We have included the JRP Original Cost Proposal as well as those remain in effect and there are not changes to the JRP Cost Proposals. We are also including Stantec Exhibit 10k for the Wardlaw Street Project.

While the County considers our substitution request, please let us know if there any questions or any other information the County needs to make their decision. I can be reached at (916) 368-9181 or markr@quincyeng.com.

Respectfully submitted,

Quincy Engineering, Inc.

A handwritten signature in blue ink that reads "Mark L. Reno".

**Mark L. Reno, PE
Project Manager**

Attachments



Stantec Consulting Services Inc.
5000 Bechelli Lane Suite 203, Redding CA 96002-3553

November 17, 2017
File: NSR Legacy #14.177.001

Attention: John S. Quincy, President
Quincy Engineering, Inc.
11017 Cobblersrock Dr. #100
Rancho Cordova, CA 95670

Dear Mr. Quincy,

**Reference: Contract for Wardlaw St. over St. Helena Creek Bridge Replacement Project
[BRLO 5914 (088)]**

Please be informed that on October 27, 2017, Stantec Consulting Services Inc. ("Stantec") purchased certain assets of North State Resources, Inc., ("NSR") with the result that the ongoing business and affairs of NSR will be carried on through Stantec. Stantec will maintain NSR's present office locations with no interruption in operations or client services, and no changes to the currently assigned project manager or key staff without prior authorization by our clients. All future projects and operations will be transitioned to the Stantec name in the upcoming months.

We're active members of the communities we serve. That's why at Stantec, we always design with community in mind. The Stantec community unites approximately 22,000 employees working in over 400 locations across 6 continents. Our work—engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, construction services, project management, and project economics, from initial project concept and planning through to design, construction, commissioning, maintenance, decommissioning, and remediation—begins at the intersection of community, creativity, and client relationships. With a long-term commitment to the people and places we serve, Stantec has the unique ability to connect to projects on a personal level and advance the quality of life in communities across the globe. Stantec trades on the TSX and the NYSE under the symbol STN. Visit us at stantec.com or find us on social media.

Stantec's vision includes working with the best clients on the best projects and providing the best services. Accordingly, please be assured that the continuity of your current project will be unaffected by this new arrangement. The caliber of the personnel currently working on your project will not change and, except for the assignment requested herein, no other aspect will be affected.

In this regard, we request your approval to assign the existing above referenced contract in the name of NSR to Stantec. Because financial accounting for services performed by NSR is required to comply with cost principles established by federal and state funding agencies, please find attached for your convenient reference a letter, *Certification of Final Indirect Costs*, completed for Stantec confirming that all costs used by Stantec to establish indirect costs rates going forward are allowable in accordance with the applicable costs principles of the Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR), Part 31.

Design with community in mind



November 17, 2017
John S. Quincy, President
Page 2 of 2

Reference: Contract for Wardlaw St. over St. Helena Creek Bridge Replacement Project [BRLO 5914 (088)]

Kindly indicate your consent to the request for assignment by returning a duplicate copy of this letter, executed on behalf of Quincy Engineering, to me at tim.a.reilly@stantec.com.

Thank you for your consideration, and for the trust you placed in NSR over the years. We look forward to continuing to support you and your staff in the future as part of the Stantec family.

Regards,

NORTH STATE RESOURCES, INC., now STANTEC CONSULTING SERVICES, INC.

A handwritten signature in blue ink, appearing to read 'T. Reilly', is written over a horizontal line.

Timothy A. Reilly
Principal
Phone: (530) 222-5347, ext.
Fax: (530) 222-4958
tim.a.reilly@stantec.com

Attachment: Certification of Final Indirect Costs

Mark Reno, P.E.

The undersigned hereby consents to the assignment of the Contract noted above to Stantec Consulting Services Inc. effective 4/13/18, 2017.

**John S. Quincy, President
Quincy Engineering**

A handwritten signature in blue ink, appearing to read 'John Quincy', is written over a horizontal line.

111717 ReassignmentTransportation.docx

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Stantec Consulting Services Inc.
226 Causeway Street, 6th Floor, Boston MA 02114-2171

June 1, 2017

Certification of Final Indirect Costs

Firm Name: Stantec Consulting Services Inc.

Indirect Cost Rate: Home Office = 160.40% Field = 121.48%

Date of Preparation (mm/dd/yyyy): 5/31/2017

Fiscal Period Covered (mm/dd/yyyy to mm/dd/yyyy): 1/1/2016 to 12/31/2016

I, the undersigned, certify that I have reviewed the information used to establish final indirect cost rates for the fiscal period as indicated in this audit and to the best of my knowledge and belief:

1. All costs used to establish final indirect costs rates are allowable in accordance with the applicable costs principles of the Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR), Part 31.
2. This submitted audit (inclusive of indirect costs) does not include any costs which are expressly unallowable under the costs principles of the FAR of 48 CFR 31.
3. Additionally, I certify that all known material transactions or events that have occurred affecting the firm's ownership, organization, and indirect costs have been disclosed.

Signature:

A handwritten signature in blue ink, appearing to read "DC", followed by a period.

Name of Certifying Official (Print): Don Craig, FCPA, FCMA

Title: Vice President – US Financial Services

Date of Certification (mm/dd/yyyy): 6/01/2017

ORIGINAL COST PROPOSAL

County of Lake
Three Bridges Project
St. Helena Creek at Wardlaw Street, 14C-0035 (Bridge Replacement) - PHASE 1

North State Resources, Inc.

CONTRACT No. BRLO-5914(088)
SUB CONSULTANT: North State Resources, Inc.

CONSULTANT COST PROPOSAL
April 20, 2015

DIRECT LABOR

Name	Classification	Hours	Initial Hourly Rate	Total
0	0	0	\$0.00	\$0.00
W. Lanning	Program Manager 4	106	\$53.56	\$5,677.36
B. Ludwig	Cultural Resources Specialist 4	22	\$42.80	\$941.60
M. Roeder	Cultural Resources Specialist 2	120	\$21.00	\$2,520.00
H. Kelly	Biologist 4	16	\$36.80	\$588.80
M. Gorman	Biologist 3	2	\$28.60	\$57.20
P. Kirk	Biologist 3	182	\$28.60	\$5,205.20
C. Carpenter	Environmental Scientist 3	172	\$32.00	\$5,504.00
T. Mooney	GIS Analyst 2	34	\$24.96	\$848.64
S. Cantu	Admin Assistant 3	36	\$26.08	\$938.88
B. Weichman	Admin Manager 3	18	\$30.68	\$552.24
0	0	0	\$0.00	\$0.00

708

Subtotal Direct Labor Costs \$22,833.92
Anticipated Salary Increases (3%) \$685.02

TOTAL - Direct Labor \$23,518.94

INDIRECT COSTS

	Rate	Total
Overhead	89.00%	\$20,931.85
Fringe Benefit	29.00%	\$6,820.49
General & Administrative	29.00%	\$6,820.49
	147.00%	

TOTAL - Indirect Costs \$34,572.84

FEE (10.00%)

TOTAL - Fee \$5,809.18

OTHER DIRECT COSTS

			Total
Travel Costs	2960 @	\$0.56	\$ 1,657.60
Photocopies			\$ 2,300.00
Overnight Service	6 @	\$15.00	\$ 90.00
Information Center	1 @	\$300	\$ 300.00

\$4,347.60

TOTAL COST \$68,248.56

Subcontractor Costs
Total Contract

\$
\$ 68,248.56

ORIGINAL COST PROPOSAL

County of Lake
Three Bridges Project
St. Helena Creek at Wardlaw Street, 14C-0035 (Bridge Replacement) - PHASE 1

JRP Historical Consulting, LLC

CONTRACT No. BRLO-5914(088)
SUB CONSULTANT: JRP Historical Consulting, LLC

CONSULTANT COST PROPOSAL
April 20, 2015

DIRECT LABOR

Name	Classification	Hours	Initial Hourly Rate	Total
Herbert	Principal/Partner	0	\$70.59	\$0.00
Wee	Principal/Partner	0	\$70.59	\$0.00
Bunse	Partner	0	\$65.45	\$0.00
McMorris	Partner	56	\$61.58	\$3,448.59
Larson, B.	Senior Historian II	0	\$48.77	\$0.00
Webb	Architectural Historian III	0	\$39.40	\$0.00
Miltenberger	Senior Historian I	0	\$36.40	\$0.00
Melvin	Historian II	80	\$28.56	\$2,284.80
Freeman	Historian II	0	\$27.87	\$0.00
Norby	Historian II	0	\$27.73	\$0.00
Brookshear	Architectural Historian II	0	\$27.70	\$0.00
Larson, K.	Office Manager	4	\$25.00	\$100.00
Miller, C.	Historian I	0	\$23.68	\$0.00
Trew	Historian I	0	\$21.99	\$0.00
Flores	Graphics/GIS Technician I	12	\$21.90	\$262.85
Miller, H.	Research Assistant II	52	\$19.69	\$1,023.89
Koontz	Administrative Assistant I	7	\$18.03	\$126.18

211
Subtotal Direct Labor Costs \$7,246.31
Anticipated Salary Increases \$144.93

TOTAL - Direct Labor \$7,391.24

INDIRECT COSTS

	Rate	Total
Overhead	30.58%	\$2,260.24
Fringe Benefit	49.91%	\$3,688.97
General & Administrative	40.42%	\$2,987.54
	120.91%	

TOTAL - Indirect Costs \$8,936.74

FEE (10.00%)

TOTAL - Fee \$1,632.80

OTHER DIRECT COSTS

			Total
Travel Costs	475 @	\$0.56	\$ 266.00
Photocopies	140 @	\$0.15	\$ 21.00
Report Production	16 @	\$40.00	\$ 640.00
Postage / Shipping	4 @	\$10.00	\$ 40.00

\$967.00

TOTAL COST \$18,927.78

Subcontractor Costs
Total Contract

\$ -
\$ 18,927.78

County of Lake
Three Bridges Project
St. Helena Creek at Wardlaw Street, 14C-0035 (Bridge Replacement) - PHASE I
REVISED COST PROPOSAL
Stantec Consulting Services, Inc. (formerly North State Resources, Inc.)

CONTRACT No. BRLO-5914(088) CONSULTANT COST PROPOSAL
SUB CONSULTANT: Stantec Consulting Services, Inc. (formerly North State Resources, Inc.) REV 04/05/18

DIRECT LABOR

Name	Classification	Hours	Hourly Rate	Total
T. Reilly	Senior Principal	0	\$79.33	\$0.00
W. Lanning	Principal - Level 15	94	\$67.31	\$6,327.14
TBD	Cultural Resources - Level 15	20	\$65.00	\$1,300.00
TBD	Cultural Resources - Level 10	120	\$36.01	\$4,321.20
L. Lindstrand	Senior Assoc. Level 13 (Biologist)	16	\$50.60	\$809.60
D. Pluth/M. Mercer	Biologist Level 8	2	\$27.70	\$55.40
T. Hanson	Biologist Level 7	172	\$25.43	\$4,373.96
C. Carpenter	Env. Analyst Level 10	164	\$36.37	\$5,964.68
T. Mooney	GIS Analyst Level 9	34	\$31.31	\$1,064.54
S. Cantu (Langford)	Admin Assistant Level 9	32	\$31.50	\$1,008.00
B. Weichman	Admin Manager Level 11	8	\$37.79	\$302.32
K. Bainbridge	Biologist Level 10	0	\$33.16	\$0.00
B. Cohen	Env. Analyst Level 7	0	\$25.52	
N. Eide	Biologist Level 11	0	\$40.24	
S. Farrant (Holt)	Env. Scientist Level 9	0	\$32.81	
C. Femino	Env. Analyst Level 7	0	\$24.11	
A. Loveless	Biologist Level 6	0	\$23.49	
K. Marine	Principal - Level 15	0	\$69.74	
K. McDonald	Tech. Editor Level 12	0	\$41.67	
J. McLaughlin	Env. Analyst Level 10	0	\$34.90	
L. Morris	Biologist Level 6	0	\$23.47	
C. Shoemaker	GIS Analyst Level 11	0	\$39.59	
S. Taylor	Biologist Level 5	0	\$19.48	
S. Tona	Biologist Level 9	0	\$30.16	
M. Wuestehube	Principal - Level 14	0	\$59.76	
G. Youngblood	Biologist Level 7	0	\$25.06	

662

Subtotal Direct Labor Costs \$25,526.84
Anticipated Salary Increases (3 \$765.81

TOTAL - Direct Labor \$26,292.65

INDIRECT COSTS

	Rate	Total
Overhead	89.00%	\$23,400.45
Fringe Benefit (Included in OH)	29.00%	\$7,624.87
General & Administrative (Included in OH)	29.00%	\$7,624.87
	147.00%	

TOTAL - Indirect Costs \$38,650.19

FEE(0.00%)TOTAL - Fee\$0.00

OTHER DIRECT COSTS

Travel Costs	2940 @	\$0.56	\$	1,646.40	
Photocopies			\$	1,269.00	
Overnight Service	6 @	\$15.00	\$	90.00	
Information Center	1 @	\$300	\$	300.00	
					\$3,305.40

TOTAL COST\$68,248.23

Subcontractor Costs\$ -
Total Contract\$ 68,248.23

ORIGINAL COST PROPOSAL

County of Lake
Three Bridges Project
St. Helena Creek at Wardlaw Street, 14C-0035 (Bridge Replacement)

North State Resources, Inc.

CONTRACT No.
SUB CONSULTANT:

BRLO-5914(088)
North State Resources, Inc.

CONSULTANT COST PROPOSAL
April 20, 2015

DIRECT LABOR

Name	Classification	Hours	Initial Hourly Rate	Total
0	0	0	\$0.00	\$0.00
W. Lanning	Program Manager 4	114	\$53.56	\$6,105.84
B. Ludwig	Cultural Resources Specialist 4	22	\$42.80	\$941.60
M. Roeder	Cultural Resources Specialist 2	120	\$21.00	\$2,520.00
H. Kelly	Biologist 4	16	\$36.80	\$588.80
M. Gorman	Biologist 3	2	\$28.60	\$57.20
P. Kirk	Biologist 3	182	\$28.60	\$5,205.20
C. Carpenter	Environmental Scientist 3	272	\$32.00	\$8,704.00
T. Mooney	GIS Analyst 2	42	\$24.96	\$1,048.32
S. Cantu	Admin Assistant 3	44	\$26.08	\$1,147.52
B. Welchman	Admin Manager 3	18	\$30.68	\$552.24
0	0	0	\$0.00	\$0.00

832
Subtotal Direct Labor Costs \$26,870.72
Anticipated Salary Increases (3%) \$806.12

TOTAL - Direct Labor \$27,676.84

INDIRECT COSTS

	Rate	Total
Overhead	89.00%	\$24,632.39
Fringe Benefit	29.00%	\$8,026.28
General & Administrative	29.00%	\$8,026.28
	147.00%	

TOTAL - Indirect Costs \$40,684.96

FEE (10.00%)

TOTAL - Fee \$6,836.18

OTHER DIRECT COSTS

			Total
Travel Costs	2960 @	\$0.56	\$ 1,657.60
Photocopies			\$ 2,500.00
Overnight Service	6 @	\$15.00	\$ 90.00
Information Center	1 @	\$300	\$ 300.00

\$4,547.60

TOTAL COST \$79,745.58

Subcontractor Costs
Total Contract

\$
\$ 79,745.58

ORIGINAL COST PROPOSAL

County of Lake
Three Bridges Project
St. Helena Creek at Wardlaw Street, 14C-0035 (Bridge Replacement)

JRP Historical Consulting, LLC

CONTRACT No. BRLO-5914(088)
SUB CONSULTANT: JRP Historical Consulting, LLC

CONSULTANT COST PROPOSAL
April 20, 2015

DIRECT LABOR

Name	Classification	Hours	Initial Hourly Rate	Total
Herbert	Principal/Partner	0	\$70.59	\$0.00
Wee	Principal/Partner	0	\$70.59	\$0.00
Bunse	Partner	0	\$65.45	\$0.00
McMorris	Partner	56	\$61.58	\$3,448.59
Larson, B.	Senior Historian II	0	\$48.77	\$0.00
Webb	Architectural Historian III	0	\$39.40	\$0.00
Miltnerberger	Senior Historian I	0	\$36.40	\$0.00
Melvin	Historian II	80	\$28.56	\$2,284.80
Freeman	Historian II	0	\$27.87	\$0.00
Norby	Historian II	0	\$27.73	\$0.00
Brookshear	Architectural Historian II	0	\$27.70	\$0.00
Larson, K.	Office Manager	4	\$25.00	\$100.00
Miller, C.	Historian I	0	\$23.68	\$0.00
Trew	Historian I	0	\$21.99	\$0.00
Flores	Graphics/GIS Technician I	12	\$21.90	\$262.85
Miller, H.	Research Assistant II	52	\$19.69	\$1,023.89
Koontz	Administrative Assistant I	7	\$18.03	\$126.18
		211		
		Subtotal Direct Labor Costs		\$7,246.31
		Anticipated Salary Increases		\$144.93

TOTAL - Direct Labor **\$7,391.24**

INDIRECT COSTS

	Rate	Total
Overhead	30.58%	\$2,260.24
Fringe Benefit	49.91%	\$3,688.97
General & Administrative	40.42%	\$2,987.54
	120.91%	

TOTAL - Indirect Costs **\$8,936.74**

FEE (10.00%)

TOTAL - Fee **\$1,632.80**

OTHER DIRECT COSTS

			Total
Travel Costs	475 @	\$0.56	\$ 266.00
Photocopies	140 @	\$0.15	\$ 21.00
Report Production	16 @	\$40.00	\$ 640.00
Postage / Shipping	4 @	\$10.00	\$ 40.00

\$967.00

TOTAL COST **\$18,927.78**

Subcontractor Costs
Total Contract

\$ -
\$ 18,927.78

County of Lake
Three Bridges Project
St. Helena Creek at Wardlaw Street, 14C-0035 (Bridge Replacement)
REVISED COST PROPOSAL
Stantec Consulting Services, Inc. (formerly North State Resources, Inc.)

CONTRACT No. BRLO-5914(088) **CONSULTANT COST PROPOSAL**
SUB CONSULTANT: Stantec Consulting Services, Inc. (formerly North State Resources, Inc.) REV 04/05/18

DIRECT LABOR

Name	Classification	Hours	Hourly Rate	Total
T. Reilly	Senior Principal	0	\$79.33	\$0.00
W. Lanning	Principal - Level 15	98	\$67.31	\$6,596.38
TBD	Cultural Resources - Level 15	20	\$65.00	\$1,300.00
TBD	Cultural Resources - Level 10	120	\$36.01	\$4,321.20
L. Lindstrand	Senior Assoc. Level 13 (Biologist)	16	\$50.60	\$809.60
D. Pluth/M. Mercer	Biologist Level 8	2	\$27.70	\$55.40
T. Hanson	Biologist Level 7	172	\$25.43	\$4,373.96
C. Carpenter	Env. Analyst Level 10	264	\$36.37	\$9,601.68
T. Mooney	GIS Analyst Level 9	42	\$31.31	\$1,315.02
S. Cantu (Langford)	Admin Assistant Level 9	40	\$31.50	\$1,260.00
B. Weichman	Admin Manager Level 11	8	\$37.79	\$302.32
K. Bainbridge	Biologist Level 10	0	\$33.16	\$0.00
B. Cohen	Env. Analyst Level 7	0	\$25.52	
N. Eide	Biologist Level 11	0	\$40.24	
S. Farrant (Holt)	Env. Scientist Level 9	0	\$32.81	
C. Femino	Env. Analyst Level 7	0	\$24.11	
A. Loveless	Biologist Level 6	0	\$23.49	
K. Marine	Principal - Level 15	0	\$69.74	
K. McDonald	Tech. Editor Level 12	0	\$41.67	
J. McLaughlin	Env. Analyst Level 10	0	\$34.90	
L. Morris	Biologist Level 6	0	\$23.47	
C. Shoemaker	GIS Analyst Level 11	0	\$39.59	
S. Taylor	Biologist Level 5	0	\$19.48	
S. Tona	Biologist Level 9	0	\$30.16	
M. Wuestehube	Principal - Level 14	0	\$59.76	
G. Youngblood	Biologist Level 7	0	\$25.06	

782

Subtotal Direct Labor Costs \$29,935.56
Anticipated Salary Increases (3) \$898.07

TOTAL - Direct Labor \$30,833.63

INDIRECT COSTS

	Rate	Total
Overhead	89.00%	\$27,441.93
Fringe Benefit (Included in OH)	29.00%	\$8,941.75
General & Administrative (Included in OH)	29.00%	\$8,941.75
	147.00%	

TOTAL - Indirect Costs \$45,325.43

FEE	(0.00%)			TOTAL - Fee	\$0.00
OTHER DIRECT COSTS					
				Total	
Travel Costs	2940 @	\$0.56	\$	1,646.40	
Photocopies			\$	1,550.00	
Overnight Service	6 @	\$15.00	\$	90.00	
Information Center	1 @	\$300	\$	300.00	
					\$3,586.40
				TOTAL COST	\$79,745.46
Subcontractor Costs			\$	-	
Total Contract			\$	79,745.46	

**EXHIBIT 10-K CONSULTANT ANNUAL CERTIFICATION OF
INDIRECT COSTS AND FINANCIAL MANAGEMENT SYSTEM**

(Note: If a Safe Harbor Indirect Cost Rate is approved, this form is not required.)

Consultant's Full Legal Name: Stantec Consulting Services Inc.

Important: Consultant means the individual or consultant providing engineering and design related services as a party of a contract with a recipient or sub-recipient of Federal assistance. Therefore, the Indirect Cost Rate(s) shall not be combined with its parent company or subsidiaries.

Indirect Cost Rate:

Combined Rate _____ % **OR**

Home Office Rate 160.40 % and Field Office Rate (if applicable) 121.48 %

Facilities Capital Cost of Money _____ % (if applicable)

Fiscal period * 01/01/2016 - 12/31/2016

* Fiscal period is annual one year applicable accounting period that the Indirect Cost Rate was developed (not the contract period). The Indirect Cost Rate is based on the consultant's one-year applicable accounting period for which financial statements are regularly prepared by the consultant.

I have reviewed the proposal to establish an Indirect Cost Rate(s) for the **fiscal period** as specified above and have determined to the best of my knowledge and belief that:

- All costs included in the cost proposal to establish the indirect cost rate(s) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) 48, Code of Federal Regulations (CFR), Chapter 1, Part 31 (48 CFR Part 31);
- The cost proposal does not include any costs which are expressly unallowable under the cost principles of 48 CFR Part 31;
- The accounting treatment and billing of prevailing wage delta costs are consistent with our prevailing wage policy as either direct labor, indirect costs, or other direct costs on all federally-funded A&E Consultant Contracts.
- All known material transactions or events that have occurred subsequent to year-end affecting the consultant's ownership, organization, and indirect cost rates have been disclosed as of the date of this certification.

I am providing the required and applicable documents as instructed on Exhibit 10-A.

Financial Management System:

Our labor charging, job costing, and accounting systems meet the standards for financial reporting, accounting records, and internal control adequate to demonstrate that costs claimed have been incurred, appropriately accounted for, are allocable to the contract, and comply with the federal requirements as set forth in Title 23 United States Code (U.S.C.) Section 112(b)(2); 48 CFR Part 31.201-2(d); 23 CFR, Chapter 1, Part 172.11(a)(2); and all applicable state and federal rules and regulations.

Our financial management system has the following attributes:

- Account numbers identifying allowable direct, indirect, and unallowable cost accounts;
- Ability to accumulate and segregate allowable direct, indirect, and unallowable costs into separate cost

accounts;

- Ability to accumulate and segregate allowable direct costs by project, contract and type of cost;
- Internal controls to maintain integrity of financial management system;
- Ability to account and record costs consistently and to ensure costs billed are in compliance with FAR;
- Ability to ensure and demonstrate costs billed reconcile to general ledgers and job costing system; and
- Ability to ensure costs are in compliance with contract terms and federal and state requirement

Cost Reimbursements on Contracts:

I also understand that failure to comply with 48 CFR Part 16.301-3 or knowingly charge unallowable costs to Federal-Aid Highway Program (FAHP) contracts may result in possible penalties and sanctions as provided by the following:

- Sanctions and Penalties - 23 CFR Part 172.11(c)(4)
- False Claims Act - Title 31 U.S.C. Sections 3729-3733
- Statements or entries generally - Title 18 U.S.C. Section 1001
- Major Fraud Act - Title 18 U.S.C. Section 1031

All A&E Contract Information:

- Total participation amount \$ 134,427,175 on all State and FAHP contracts for Architectural & Engineering services that the consultant received in the last three fiscal periods.
- The number of states in which the consultant does business is 50.
- Years of consultant's experience with 48 CFR Part 31 is 20 (+).
- Audit history of the consultant's current and prior years (if applicable)
 - ☒ Cognizant ICR Audit ☐ Local Gov't ICR Audit ☒ Caltrans ICR Audit
 - ☒ CPA ICR Audit ☒ Federal Gov't ICR Audit

I, the undersigned, certify all of the above to the best of my knowledge and belief and that I have reviewed the Indirect Cost Rate Schedule to determine that any costs which are expressly unallowable under the Federal cost principles have been removed and comply with Title 23 U.S.C. Section 112(b)(2), 48 CFR Part 31, 23 CFR Part 172, and all applicable state and federal rules and regulations. I also certify that I understand that all documentation of compliance must be retained by the consultant. I hereby acknowledge that costs that are noncompliant with the federal and state requirements are not eligible for reimbursement and must be returned to Caltrans.

Name**: Don Craig

Title**: Vice President - Financial Services

Signature: 

Date of Certification (mm/dd/yyyy): 04/24/2018

Email**: don.craig@stantec.com

Phone Number**: 617.654.6021

**An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President, a Chief Financial Officer, or equivalent, who has authority to represent the financial information used to establish the indirect cost rate.

Note: Both prime and subconsultants as parties of a contract must complete their own Exhibit 10-K forms. Caltrans will not process local agency's invoices until a complete Exhibit 10-K form is accepted and approved by Caltrans Audits and Investigations.

Distribution: 1) Original - Local Agency Project File
2) Copy - Consultant
3) Copy - Caltrans Audits and Investigations

ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of the 27th day of October, 2017.

AMONG:

NORTH STATE RESOURCES, INC.

a corporation existing under the laws of California
(the "**Seller**")

OF THE FIRST PART

- and -

STANTEC CONSULTING SERVICES INC.

a corporation existing under the laws of New York
(the "**Buyer**")

OF THE SECOND PART

- and -

LAURA KUH

(the "**Principal**")

OF THE THIRD PART

THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

1.0 DEFINITIONS

1.1 *Defined Terms*

For the purpose of this Agreement, unless the context otherwise requires, the terms set out in Schedule 1.1 shall have the respective meanings set out in Schedule 1.1 and grammatical variations of such terms shall have corresponding meanings.

2.0 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 *Purchased Assets*

Subject to the provisions of this Agreement, the Seller agrees to sell, assign and transfer to the Buyer and the Buyer agrees to purchase from the Seller, effective as of the close of business on the Closing Date, all of the property, rights, interest and assets used in connection with or otherwise relating to the Purchased Business (other than the Excluded

Assets), whether real or personal, tangible or intangible, of every kind and description and wheresoever situate, as a going concern (collectively, the "**Purchased Assets**"), including without limitation, the following:

- (a) **Equipment.** All equipment, facsimile machines, photocopiers, fixtures, furniture, furnishings and other fixed assets owned by the Seller and used in connection with the Purchased Business listed on Schedule 2.1(a);
- (b) **Agreements.** All executed or potential orders or Contracts for the provision of services listed on Schedule 2.1(b) (the "**Work Backlog**");
- (c) **Work Product.** All work product of the Seller related to the agreements described in subsection 2.1(b) and related work in progress identified on Schedule 4.4;
- (d) **Proposals.** The Seller's interest in any outstanding proposals as listed on Schedule 2.1(d);
- (e) **Computer Hardware and Software.** All computer hardware and software, including all rights under licenses and other agreements or instruments relating thereto which are owned by the Seller or to which the Seller is entitled listed on Schedule 2.1(e);
- (f) **Books and Records.** All books and records (other than those required by law or subject to confidentiality requirements to be retained by the Seller, copies of which, excluding those books and records subject to confidentiality requirements, will be made available to the Buyer), including, without limitation, library and technical reference books, project files related to the agreements described in subsection 2.1(b), drawings, client lists, advertising material, employee manuals, personnel records related to the current Employees, supply records and correspondence files (together with, in the case of any such information that is stored electronically, the media on which the same is stored); and
- (g) **Goodwill.** All goodwill associated with the Purchased Business, including the exclusive right to use the Seller's interest in the name "North State Resources, Inc." and all trade names, as part of the name or style under which the Purchased Business or any part thereof is carried on by the Buyer.

2.2 Excluded Assets

The Purchased Assets shall not include any of the following property and assets (collectively, the "**Excluded Assets**");

- (a) **Cash.** All cash on hand or in banks or other depositories;
- (b) **Accounts Receivable.** All accounts receivable of the Seller together with any allowance for doubtful accounts receivable;
- (c) **Cost in Excess of Billings.** All cost in excess of billings;
- (d) **Employee Advances.** Any right to repayment of advances to Employees;
- (e) **Income Taxes.** All income Tax installments paid by the Seller and the right to receive any refund of income Taxes paid by the Seller;

- (f) **Vehicles.** All personal use vehicles owned or leased by the Seller;
- (g) **Recoverable Expenses.** Any recoverable expenses incurred and recorded prior to the Closing Date to be invoiced on or after the Closing Date for the benefit of the Seller;
- (h) **Policies of Insurance.** Any policy of insurance or plan for the benefit of employees generally pursuant to which the Seller or any of its directors, officers or Employees are insured and;
- (i) **Reserved Assets.** The assets listed on Schedule 2.2(i).

3.0 ASSUMPTION OF LIABILITIES

3.1 *Assumption of Certain Liabilities by the Buyer*

Subject to the provisions of this Agreement, the Buyer agrees to assume, pay, satisfy, discharge, perform and fulfill, from and after the Time of Closing, only those obligations and liabilities of the Seller existing as at the Time of Closing under:

- (a) the following office leases:
 - (i) 5000 Bechelli Lane, Suites 101, 104, 202, 203 and 204, Redding, CA 96002;
 - (ii) 2490 Progress Drive, Unit #4, Redding, CA 96001;
 - (iii) 2020 L Street, Suite 240, Sacramento, CA 95811;
 - (iv) 2595 Ceanothus Avenue, Suite 182, Chico, CA 95973;
- (b) the Seller's obligations arising from and after the Closing Date pursuant to the Contracts comprising the Work Backlog;
- (c) the Seller's obligations under the capital equipment leases listed on Schedule 3.1(c);
- (d) any photocopies, facsimile, computer and telephone system leases as required to operate the Purchased Business; and
- (e) the Seller's obligations arising from and after the Closing Date pursuant to the Contracts relating to the computer hardware and software listed on Schedule 2.1(e);

(collectively, the "**Assumed Liabilities**").

3.2 *Retained Liabilities*

The Seller agrees to retain all liabilities not specifically included in the Assumed Liabilities (the "**Retained Liabilities**"), including, without limitation, the following:

- (a) liabilities of the Seller for all costs and expenses, including payables, accrued liabilities, bank obligations, shareholder loans and all other indebtedness of the

Seller incurred up to and including the Closing Date and further including those liabilities, invoices for which might be received after the Closing Date, but which are for services, supplies or events rendered to the Seller prior to the Closing Date;

- (b) liabilities of the Seller at the Closing Date with respect to accrued wages and salaries, commissions, bonuses, vacations and holiday pay, workers' compensation levies, withholding deductions for federal and state income Taxes, other payroll deductions, state pension plan deductions as well as liabilities relating to benefits already in place and accruing in favor of the Employees of the Seller;
- (c) liabilities of the Seller in respect of claims arising out of professional services provided by the Seller prior to the Closing Date;
- (d) dividends declared by the Seller prior to the Closing Date or payable at the Closing Date;
- (e) long term debt of the Seller; and
- (f) income Taxes payable by the Seller accrued in the operation of the Purchased Business prior to the Closing Date.

3.3 *Liability and Warranty Obligations*

The Buyer shall not assume, and the Seller shall be solely responsible for and shall indemnify and hold harmless the Buyer from and against, all liability, warranty and other claims and obligations arising in respect of services provided by the Seller in connection with the Purchased Business up to the Time of Closing whether such claims are raised before or after the Time of Closing. The Buyer may satisfy any such obligations not assumed by it where it is required to do so by law or by order of any court or regulatory authority having jurisdiction over it and, in any such case, the Seller shall reimburse the Buyer forthwith following demand for all expenses incurred by the Buyer in connection therewith.

3.4 *Responsibility for Work Completed by the Buyer Related to Ongoing Projects*

The Buyer shall be solely responsible for and shall indemnify and save harmless the Seller from and against all liability, warranty and other claims and obligations arising in respect of services provided by the Buyer after the Time of Closing in connection with the agreements described in subsection 2.1(b).

3.5 *Rollover of Accrued Vacation*

The parties acknowledge that it is the Buyer's intent to extend offers of employment to substantially all of the Employees, although such intent shall not constitute any commitment, Contract, understanding (express or implied), or any obligation on the part of the Buyer to a post-closing relationship with any such Employee, other than the Principal and those employees (each an "**Assumed Employee**") who are offered and accept an employment agreement with the Buyer. To the extent the Buyer hires any such persons, then, in addition to all other applicable terms hereof, the following terms shall apply:

- (a) The Seller shall calculate the aggregate value of all accrued paid time off, vacation, banked time and holiday time for each Assumed Employee and Principal as at the Closing Date ("**Accrued Vacation**").

- (b) Using the pre-Closing salary rate applicable to each of the Assumed Employees, the Buyer shall calculate and credit each Assumed Employee and Principal with accrued vacation up to a maximum of four (4) weeks (37.5 hours per week) per Assumed Employee or Principal (the amount so credited, the "**Rollover**").
- (c) The aggregate value of the Rollover for each Assumed Employee and Principal shall be a downward adjustment to the Purchase Price to account for the Buyer's assumption of the liability associated therewith (the "**Rollover Adjustment**"). The Rollover Adjustment shall be set off as an adjustment to the payment payable under subsection 4.2(b)(ii).

To the extent the Accrued Vacation exceeds the value of the Rollover, the Seller shall pay such excess to the Assumed Employee or Principal directly on the earlier to occur of (i) the time prescribed by applicable law or (ii) ten (10) days after the Rollover Adjustment has been finally determined.

3.6 *Third Party Consents*

To the extent that Seller's rights under any Purchased Asset or Assumed Liability may not be assigned to Buyer without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset or Assumed Liability in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by law and the Purchased Asset, shall act after the Closing Date as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law and the Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

4.0 **PURCHASE PRICE**

4.1 *Purchase Price*

The aggregate purchase price (the "**Purchase Price**") payable by the Buyer to the Seller for the Purchased Assets shall be [REDACTED] plus the Buyer shall assume the Assumed Liabilities. The Purchase Price shall be satisfied by the payments referred to in section 4.2 and the assumption of the Assumed Liabilities as provided in section 3.1.

4.2 *Payment of the Purchase Price*

The Purchase Price will be satisfied as follows:

(a) *Payment on the Closing Date*

On the Closing Date the Buyer will deliver to the Seller, or as the Seller may direct, by way of wire transfer, the amount of [REDACTED], and the Buyer will assume the Assumed Liabilities.

(b) **Payments after the Closing Date:**

- (i) [REDACTED] payable by way of wire transfer on [REDACTED] together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing;
- (ii) [REDACTED] payable by way of wire transfer on the first anniversary of the Closing Date, together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing, less any Losses permitted to be offset in accordance with section 11 hereof;
- (iii) [REDACTED] payable by way of wire transfer on the second anniversary of the Closing Date, together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing, less any Losses permitted to be offset in accordance with section 11 hereof; and
- (iv) [REDACTED] payable by way of wire transfer on the third anniversary of the Closing Date, together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing, less any Losses permitted to be offset in accordance with section 11 hereof.

4.3 Allocation of Purchase Price

The Seller and the Buyer agree to allocate the Purchase Price among the Purchased Assets as follows:

Fixed Assets
Goodwill

[REDACTED]
[REDACTED]

and to report the sale and purchase of the Purchased Assets for all federal, state and local Tax purposes in a manner consistent with such allocation. The Seller and the Buyer shall in the reporting of such sale and purchase execute such forms and make such elections as are appropriate in order to report the sale and purchase consistently to the Taxing authorities.

4.4 Post-Closing Adjustment to the Purchase Price

On or before December 20, 2017, the Seller shall deliver to the Buyer a schedule substantially in the form attached hereto as Schedule 4.4 (the "**Post-Closing Adjustment Schedule**") setting out the amount of each Adjustment Item to the Purchase Price (collectively, the "**Net Adjustment Amount**") as of the Closing Date. Buyer and Seller acknowledge and agree that, in accordance with the definition of Adjustment Items set out Schedule 1.1, Adjustment Items may include other items which are not listed on Schedule 4.4, but are appropriate to adjust in a transaction of this nature, as described in the definition of "Adjustment Item" in Schedule 1.1. The Buyer shall have ten (10) business days to review the Post-Closing Adjustment Schedule and notify the Seller of any disputed amounts. If the Buyer does not notify the Seller of any disputed items, the agreed upon Net Adjustment Amount shall be effected through an upward or downward adjustment on account of the Purchase Price payable to the Seller. Any adjustment to the Purchase

IN WITNESS WHEREOF this Agreement has been executed by the parties.

STANTEC CONSULTING SERVICES INC.


Per:  _____

Per:  _____

NORTH STATE RESOURCES, INC.

Per:  _____

Per: _____


Laura Kun

STANTEC CONSULTING SERVICES INC.

- and -

NORTH STATE RESOURCES, INC.

- and -

LAURA KUH

SCHEDULE 1.1

DEFINED TERMS

- (a) **"Accrued Vacation"** has the meaning set out in subsection 3.5(a);
- (b) **"Adjustment Items"** means, collectively, (i) the regular rent and additional rent, business Taxes, operating costs and other amounts prepaid by the Seller under the real property leases being assumed by the Buyer hereunder; (ii) any prepaid expenses relating to the capital or operating leases assumed by the Buyer; (iii) work in progress as of the Closing Date related to any item in Work Backlog as mutually agreed by Buyer and Seller and (iv) any other variable item or other item which, due to its nature, the parties determine is appropriate to adjust the Purchase Price for;
- (c) **"Assumed Employee(s)"** has the meaning set out in section 3.5;
- (d) **"Assumed Liabilities"** has the meaning set out in section 3.1;
- (e) **"Basket Amount"** has the meaning set out in section 11.2;
- (f) **"Business Day"** means any day, other than a Saturday or a Sunday, on which the main branch of the Bank of America is open for business;
- (g) **"Closing Date"** means October 27, 2017 or such other date as the Seller and the Buyer may mutually determine;
- (h) **"Code"** means the *Internal Revenue Code* of 1986, as amended from time to time;
- (i) **"Contract"** means any agreement, indenture, contract, lease, deed of trust, license, option, instrument or other commitment, whether written or oral;
- (j) **"Covenant Cap"** has the meaning set out in section 11.2;
- (k) **"Damaged Party"** has the meaning set out in section 11.5;

- (l) **"Employees"** means those employees of the Seller who are employed in the Purchased Business immediately prior to the Time of Closing;
- (m) **"Encumbrance"** means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any Contract to create any of the foregoing;
- (n) **"Excluded Assets"** has the meaning set out in section 2.2;
- (o) **"FCPA"** has the meaning set out in section 5.28;
- (p) **"Financial Statements"** means the Unaudited Financial Statements;
- (q) **"GAAP"** has the meaning set out in section 12.4;
- (r) **"Indemnification Limit"** has the meaning set out in section 11.2;
- (s) **"Indemnitors"** has the meaning set out in section 11.7;
- (t) **"Knowledge"** means (a) with respect to an individual, that such individual will be deemed to have Knowledge of a particular fact or other matter if:
 - (i) that individual is actually aware of that fact or matter; or
 - (ii) a reasonably prudent individual occupying a similar position or having like responsibilities or duties as an employee, officer or director, or holding a similar position of ownership or control within a subject organization could be expected to discover or otherwise become aware of that fact or matter in the course of conducting a reasonable investigation regarding the accuracy of any representation or warranty contained in this Agreement; or
 (b) with respect to Buyer and Seller (non-individuals), that such entity will be deemed to have Knowledge of a particular fact or other matter if any individual who is serving as a director, officer, partner of Buyer or Seller (or in any similar capacity) has Knowledge of that fact or other matter (as set forth in (a)(i) and (a)(ii) above).
- (u) **"Leased Property"** has the meaning set out in section 5.8;
- (v) **"Leases"** has the meaning set out in section 5.8;
- (w) **"Losses"** means, in respect of any matter, all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter;
- (x) **"Material Adverse Effect"** means any material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings business or prospects of the Purchased Business;

- (y) **"Net Adjustment Amount"** has the meaning set out in section 4.4;
- (z) **"Non-Competition Covenants"** has the meaning set out in section 11.1;
- (aa) **"Officer's Certificate"** has the meaning set out in section 11.5;
- (bb) **"Permitted Encumbrances"** means the Encumbrances described in Appendix "B" to this Schedule 1.1;
- (cc) **"Personal Property Leases"** has the meaning set out in section 5.9;
- (dd) **"Post-Closing Adjustment Schedule"** has the meaning set out in section 4.4;
- (ee) **"Purchase Price"** has the meaning set out in section 4.1;
- (ff) **"Purchased Assets"** has the meaning set out in section 2.1;
- (gg) **"Purchased Business"** means the business carried on by the Seller consisting primarily of environmental consulting and specializing in the physical, biological, and environmental sciences and regulatory compliance;
- (hh) **"Responsible Party"** has the meaning set out in section 11.5;
- (ii) **"Retained Liabilities"** has the meaning set out in section 3.2;
- (jj) **"Rollover"** has the meaning set out in subsection 3.5(b);
- (kk) **"Rollover Adjustment"** has the meaning set out in subsection 3.5(c);
- (ll) **"Schedules"** has the meaning set out in section 12.10;
- (mm) **"Seller's Disclosure Schedule"** means the document entitled "Seller's Disclosure Schedule" which has been prepared by the Seller and delivered to the Buyer concurrently with the execution and delivery of this Agreement and contains, *inter alia*, exceptions to the representations and warranties set forth in this Agreement;
- (nn) **"Seller Forfeiture Amount"** has the meaning set out in section 9.1;
- (oo) **"Taxes"** means any federal, state, local or non-US income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other Tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty, or addition thereto, whether disputed or not and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other person;
- (pp) **"Time of Closing"** means 11:59 PM (PDT) on the Closing Date, or such other time on the Closing Date as the Seller and the Buyer may mutually determine;

- (qq) **"Unaudited Financial Statements"** means the financial statements of the Seller as at and for the financial year ended March 31st, 2017, including the notes thereto, a copy of which is annexed hereto as Appendix "A" to this Schedule 1.1;
- (rr) **"Work Backlog"** has the meaning set out in subsection 2.1(b).

YEAR

2017

Withholding Exemption Certificate

CALIFORNIA FORM

590

(This form can only be used to certify exemption from nonresident withholding under California R&TC Section 18662. This form cannot be used for exemption from wage withholding.)

File this form with your withholding agent.
(Please type or print)

Withholding agent's name

Vendor/Payee's name

Stantec Consulting Services Inc.

Vendor/Payee's ☐ Social security number
☐ SOS no. ☐ California corp. no. ☒ FEIN

11-2167170

Note:
Failure to furnish your
identification number will
make this certificate void.

Vendor/Payee's address (number and street)

5000 Bechelli Lane, Suite 203

APT no.

Private Mailbox no.

Vendor/Payee's daytime telephone no.

(530) 222-5347

City

Redding

State

CA

ZIP Code

96002

I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual. Read the following carefully and check the box that applies to the vendor/payee:

☐ **Individuals — Certification of Residency:**

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly inform the withholding agent. See instructions for Form 590, General Information D, for the definition of a resident.

☒ **Corporations:**

The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State to do business in California. The corporation will withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California, I will promptly inform the withholding agent. See instructions for Form 590, General Information E, for the definition of permanent place of business.

☐ **Partnerships:**

The above-named partnership has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The partnership will file a California tax return and will withhold on foreign and domestic nonresident partners when required. If the partnership ceases to do any of the above, I will promptly inform the withholding agent. **Note:** For withholding purposes, a Limited Liability Partnership is treated like any other partnership.

☐ **Limited Liability Companies (LLC):**

The above-named LLC has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The LLC will file a California tax return and will withhold on foreign and domestic nonresident members when required. If the LLC ceases to do any of the above, I will promptly inform the withholding agent.

☐ **Tax-Exempt Entities:**

The above-named entity is exempt from tax under California R&TC Section 23701 _____ (insert letter) or Internal Revenue Code Section 501(c) _____ (insert number). The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly inform the withholding agent.
Note: Individuals cannot be tax-exempt entities.

☐ **Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:**

The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

☐ **California Irrevocable Trusts:**

At least one trustee of the above-named irrevocable trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly inform the withholding agent.

☐ **Estates — Certification of Residency of Deceased Person:**

I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

CERTIFICATE: Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided herein is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent.

Vendor/Payee's name and title (type or print) Marie Lagrimas, Financial Manager

Vendor/Payee's signature ►

Marie Lagrimas

Date 12/01/17

Instructions for Form 590

Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

A Purpose

Use Form 590 to certify an exemption from nonresident withholding. Complete and present Form 590 to the withholding agent. The withholding agent will then be relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless told by the Franchise Tax Board (FTB) that the form should not be relied upon.

Important – This form cannot be used for exemption from wage withholding. Any questions regarding wage withholding should be directed to the California Employment Development Department.

Do not use Form 590 if you are a seller of California real estate. Sellers of California real estate should use Form 593-C, Real Estate Withholding Certificate.

B Law

R&TC Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California.

Withholding is required on:

- Payments to nonresidents for services rendered in California;
- Distributions of California source income made to domestic nonresident partners and members and allocations of California source income made to foreign partners and members;
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business;
- Payments to nonresidents for royalties for the right to use natural resources located in California;
- Distributions of California source income to nonresident beneficiaries from an estate or trust; and
- Prizes and winnings received by nonresidents for contests in California.

For more information on withholding and waiver requests, get FTB Pub. 1017, Nonresident Withholding Partnership Guidelines, and FTB Pub. 1023, Nonresident Withholding Independent Contractor, Rent and Royalty Guidelines. To get a withholding publication see General Information G.

C Who can Execute this Form

Form 590 can be executed by the entities listed on this form.

Note: In a situation where payment is being made for the services of a performing entity, this form can only be completed by the performing entity or the performing entity's partnership or corporation. It **cannot** be completed by the performing entity's agent or other third party.

Note: The grantor of a revocable/grantor trust shall be treated as the vendor/payee for withholding purposes. Therefore, if the vendor/payee is a revocable/grantor trust and one or more of the grantors is a nonresident, withhold-

ing is required. If all of the grantors of a revocable/grantor trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

D Who is a Resident

A California resident is any individual who is in California for other than a temporary or transitory purpose or any individual domiciled in California who is absent for a temporary or transitory purpose.

An individual domiciled in California who is absent from California for an uninterrupted period of at least 546 consecutive days under an employment-related contract is considered outside California for other than a temporary or transitory purpose.

Note: Return visits to California that do not total more than 45 days during any taxable year covered by the employment contract are considered temporary.

This provision does not apply if an individual has income from stocks, bonds, notes, or other intangible personal property in excess of \$200,000 in any taxable year in which the employment-related contract is in effect.

A spouse who is absent from California for an uninterrupted period of at least 546 days to accompany a spouse who is under an employment-related contract is considered outside of California for other than a temporary or transitory purpose.

Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident. For assistance in determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status, or call the Franchise Tax Board at (800) 852-5711 or (916) 845-6500 (not toll-free).

E What is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the California Secretary of State. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

F Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested.

Note: If the withholding agent has received Form 594, Notice to Withhold Tax at Source, only the performing entity can complete and

sign Form 590 as the vendor/payee. If the performing entity completes and signs Form 590 indicating no withholding requirement, you must send a copy of Form 590 with Form 594 to the FTB.

For more information, contact the Withholding Services and Compliance Section. See General Information G.

The vendor/payee must notify the withholding agent if:

- The individual vendor/payee becomes a nonresident;
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California;
- The partnership ceases to have a permanent place of business in California;
- The LLC ceases to have a permanent place of business in California; or
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold. Remit the withholding using Form 592-A, Nonresident Withholding Remittance Statement, and complete Form 592, Nonresident Withholding Annual Return, and Form 592-B, Nonresident Withholding Tax Statement.

G Where to get Publications, Forms, and Additional Information

You can download, view, and print FTB Publications 1017, 1023, 1024, and nonresident withholding forms, as well as other California tax forms and publications not related to nonresident withholding from our Website at: www.ftb.ca.gov

To have publications or forms mailed to you or to get additional nonresident withholding information, please contact the Withholding Services and Compliance Section.

WITHHOLDING SERVICES AND
COMPLIANCE SECTION
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: (888) 792-4900
(916) 845-4900 (not toll-free)
FAX: (916) 845-9512

Assistance for persons with disabilities:

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

Asistencia bilingüe en español

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9)

STD. 204 (Rev. 6-2003)

1	INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.														
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print) Stantec Consulting Services, Inc. <hr/> <table style="width: 100%;"> <tr> <td style="width: 60%;">SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)</td> <td style="width: 40%;">E-MAIL ADDRESS</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>MAILING ADDRESS 5000 Bechelli Lane, Suite 203</td> <td>BUSINESS ADDRESS 13980 Collections Center Drive</td> </tr> <tr> <td>CITY, STATE, ZIP CODE Redding, CA 96002</td> <td>CITY, STATE, ZIP CODE Chicago, IL 60693</td> </tr> </table>			SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)	E-MAIL ADDRESS	<hr/>		MAILING ADDRESS 5000 Bechelli Lane, Suite 203	BUSINESS ADDRESS 13980 Collections Center Drive	CITY, STATE, ZIP CODE Redding, CA 96002	CITY, STATE, ZIP CODE Chicago, IL 60693				
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CITY, STATE, ZIP CODE Redding, CA 96002	CITY, STATE, ZIP CODE Chicago, IL 60693														
3 PAYEE ENTITY TYPE CHECK ONE BOX ONLY	ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): 1 1 - 2 1 6 7 1 7 0 <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> ESTATE OR TRUST <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: <table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> </table> </div> <div style="width: 50%;"> CORPORATION: <input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.) <input type="checkbox"/> LEGAL (e.g., attorney services) <input type="checkbox"/> EXEMPT (nonprofit) <input checked="" type="checkbox"/> ALL OTHERS </div> </div>														NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.
4 PAYEE RESIDENCY STATUS	<input checked="" type="checkbox"/> California resident - Qualified to do business in California or maintains a permanent place of business in California. <input type="checkbox"/> California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding. <div style="margin-left: 20px;"> <input type="checkbox"/> No services performed in California. <input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached. </div>														
5	<p style="text-align: center;">I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.</p> <table style="width: 100%;"> <tr> <td style="width: 65%;">AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) Timothy A. Reilly</td> <td style="width: 35%;">TITLE Senior Principal</td> </tr> <tr> <td>SIGNATURE </td> <td> <table style="width: 100%;"> <tr> <td style="width: 50%;">DATE 12/14/2017</td> <td style="width: 50%;">TELEPHONE (530) 222-5347</td> </tr> </table> </td> </tr> </table>			AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) Timothy A. Reilly	TITLE Senior Principal	SIGNATURE	<table style="width: 100%;"> <tr> <td style="width: 50%;">DATE 12/14/2017</td> <td style="width: 50%;">TELEPHONE (530) 222-5347</td> </tr> </table>	DATE 12/14/2017	TELEPHONE (530) 222-5347						
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DATE 12/14/2017	TELEPHONE (530) 222-5347														
6	Please return completed form to: Department/Office: _____ Unit/Section: _____ Mailing Address: _____ City/State/Zip: _____ Telephone: (____) _____ Fax: (____) _____ E-mail Address: _____														

PAYEE DATA RECORD

STD. 204 (Rev. 6-2003) (REVERSE)

1	<p><u>Requirement to Complete Payee Data Record, STD. 204</u></p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p>								
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>								
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>								
4	<p><u>Are you a California resident or nonresident?</u></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <table border="0"> <tr> <td>Withholding Services and Compliance Section:</td> <td>1-888-792-4900</td> <td>E-mail address:</td> <td>wscs.gen@ftb.ca.gov</td> </tr> <tr> <td>For hearing impaired with TDD, call:</td> <td>1-800-822-6268</td> <td>Website:</td> <td>www.ftb.ca.gov</td> </tr> </table>	Withholding Services and Compliance Section:	1-888-792-4900	E-mail address:	wscs.gen@ftb.ca.gov	For hearing impaired with TDD, call:	1-800-822-6268	Website:	www.ftb.ca.gov
Withholding Services and Compliance Section:	1-888-792-4900	E-mail address:	wscs.gen@ftb.ca.gov						
For hearing impaired with TDD, call:	1-800-822-6268	Website:	www.ftb.ca.gov						
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>								
6	<p>This section must be completed by the State agency requesting the STD. 204.</p>								
	<p><u>Privacy Statement</u></p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>								



Fred Pezeshk, Principal Engineer
County of Lake
Department of Public Works
255 N. Forbes Street
Lakeport, CA 95453

April 5, 2018

**Re: Cooper Creek Bridge at Witter Springs Road Rehabilitation Project
Substitution of Environmental Subconsultant**

Dear Mr. Pezeshk:

As the County is aware, Stantec Consulting Services Inc. (Stantec) has acquired North State Resources, Inc. (NSR). The attached letter from Stantec requesting reassignment of the NSR contract provides more information and details on this matter. Since NSR was the only identified environmental firm on the Quincy proposed team, we are seeking a substitution as outlined in the Caltrans Local Assistance Procedures Manual (LAPM) Section 10-8 – *Substitution of Consultant Personnel and Subconsultants (dated January 2018)*.

Quincy is proposing that the entire environmental scope of services previously assigned to NSR now be performed by Stantec under the direction of Wirt Lanning whom was the only identified "Key Staff" in our original proposal with NSR. The work being performed by JRP under Wirt Lanning's direction would continue to be performed by JRP. Therefore the same qualified key personnel will be in charge of the same scope of services just under the banner of a new similarly qualified firm. Since the same key staff will be performing the services, the provisions of LAPM 10-8 are met. If the County requests additional information, it can be provided.

One of the other provisions in the LAPM 10-8 requires the substitute must be replaced at the same or lower cost as the original team member or firm. Attached are the proposed Stantec cost proposals, all of which are less than the original not to exceed amounts for the same tasks. We have included the JRP Original Cost Proposal as well as those remain in effect and there are not changes to the JRP Cost Proposals. We are also including Stantec Exhibit 10k for the Witter Springs Project.

While the County considers our substitution request, please let us know if there any questions or any other information the County needs to make their decision. I can be reached at (916) 368-9181 or markr@quincyeng.com

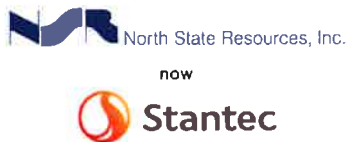
Respectfully submitted,

Quincy Engineering, Inc.

A handwritten signature in blue ink that reads "Mark L. Reno".

**Mark L. Reno, PE
Project Manager**

Attachments



Stantec Consulting Services Inc.
5000 Bechelli Lane Suite 203, Redding CA 96002-3553

November 17, 2017
File: NSR Legacy #14.177.002

Attention: John S. Quincy, President
Quincy Engineering, Inc.
11017 Cobblersroock Dr. #100
Rancho Cordova, CA 95670

Dear Mr. Quincy,

**Reference: Contract for Witter Springs Road over Cooper Creek Bridge Replacement Project
[BRLO 5914 (090)]**

Please be informed that on October 27, 2017, Stantec Consulting Services Inc. ("Stantec") purchased certain assets of North State Resources, Inc., ("NSR") with the result that the ongoing business and affairs of NSR will be carried on through Stantec. Stantec will maintain NSR's present office locations with no interruption in operations or client services, and no changes to the currently assigned project manager or key staff without prior authorization by our clients. All future projects and operations will be transitioned to the Stantec name in the upcoming months.

We're active members of the communities we serve. That's why at Stantec, we always design with community in mind. The Stantec community unites approximately 22,000 employees working in over 400 locations across 6 continents. Our work—engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, construction services, project management, and project economics, from initial project concept and planning through to design, construction, commissioning, maintenance, decommissioning, and remediation—begins at the intersection of community, creativity, and client relationships. With a long-term commitment to the people and places we serve, Stantec has the unique ability to connect to projects on a personal level and advance the quality of life in communities across the globe. Stantec trades on the TSX and the NYSE under the symbol STN. Visit us at stantec.com or find us on social media.

Stantec's vision includes working with the best clients on the best projects and providing the best services. Accordingly, please be assured that the continuity of your current project will be unaffected by this new arrangement. The caliber of the personnel currently working on your project will not change and, except for the assignment requested herein, no other aspect will be affected.

In this regard, we request your approval to assign the existing above referenced contract in the name of NSR to Stantec. Because financial accounting for services performed by NSR is required to comply with cost principles established by federal and state funding agencies, please find attached for your convenient reference a letter, *Certification of Final Indirect Costs*, completed for Stantec confirming that all costs used by Stantec to establish indirect costs rates going forward are allowable in accordance with the applicable costs principles of the Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR), Part 31.

Design with community in mind



November 17, 2017
John S. Quincy, President
Page 2 of 2

**Reference: Contract for Witter Springs Road over Cooper Creek Bridge Replacement Project
[BRLO 5914 (090)]**

Kindly indicate your consent to the request for assignment by returning a duplicate copy of this letter, executed on behalf of Quincy Engineering, to me at tim.a.reilly@stantec.com.

Thank you for your consideration, and for the trust you placed in NSR over the years. We look forward to continuing to support you and your staff in the future as part of the Stantec family.

Regards,

NORTH STATE RESOURCES, INC., now STANTEC CONSULTING SERVICES, INC.

A handwritten signature in blue ink, appearing to read 'Tim Reilly', is written over a horizontal line.

Timothy A. Reilly
Principal
Phone: (530) 222-5347, ext.
Fax: (530) 222-4958
tim.a.reilly@stantec.com

Attachment: Certification of Final Indirect Costs

Mark Reno, P.E.

The undersigned hereby consents to the assignment of the Contract noted above to Stantec Consulting Services Inc. effective 4/13/18, 2017.

**John S. Quincy, President
Quincy Engineering**

A handwritten signature in blue ink, appearing to read 'John Quincy', is written over a horizontal line.



Stantec Consulting Services Inc.
226 Causeway Street, 6th Floor, Boston MA 02114-2171

June 1, 2017

Certification of Final Indirect Costs

Firm Name: Stantec Consulting Services Inc.

Indirect Cost Rate: Home Office = 160.40% Field = 121.48%

Date of Preparation (mm/dd/yyyy): 5/31/2017

Fiscal Period Covered (mm/dd/yyyy to mm/dd/yyyy): 1/1/2016 to 12/31/2016

I, the undersigned, certify that I have reviewed the information used to establish final indirect cost rates for the fiscal period as indicated in this audit and to the best of my knowledge and belief:

1. All costs used to establish final indirect costs rates are allowable in accordance with the applicable costs principles of the Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR), Part 31.
2. This submitted audit (inclusive of indirect costs) does not include any costs which are expressly unallowable under the costs principles of the FAR of 48 CFR 31.
3. Additionally, I certify that all known material transactions or events that have occurred affecting the firm's ownership, organization, and indirect costs have been disclosed.

Signature:

A handwritten signature in blue ink, appearing to read "DC", followed by a comma.

Name of Certifying Official (Print): Don Craig, FCPA, FCMA

Title: Vice President – US Financial Services

Date of Certification (mm/dd/yyyy): 6/01/2017

ORIGINAL COST PROPOSAL

County of Lake
Three Bridges Project
Cooper Creek at Witter Springs Road, 14C-0102 (Bridge Rehabilitation)

North State Resources, Inc.

CONTRACT No. BRLO-5914(090)
SUB CONSULTANT: North State Resources, Inc.

CONSULTANT COST PROPOSAL
April 20, 2015

DIRECT LABOR

Name	Classification	Hours	Initial Hourly Rate	Total
0	0	0	\$0.00	\$0.00
W. Lanning	Program Manager 4	80	\$53.56	\$4,284.80
B. Ludwig	Cultural Resources Specialist 4	16	\$42.80	\$684.80
M. Roeder	Cultural Resources Specialist 2	116	\$21.00	\$2,436.00
H. Kelly	Biologist 4	12	\$36.80	\$441.60
M. Gorman	Biologist 3	2	\$28.60	\$57.20
P. Kirk	Biologist 3	140	\$28.60	\$4,004.00
C. Carpenter	Environmental Scientist 3	192	\$32.00	\$6,144.00
T. Mooney	GIS Analyst 2	34	\$24.96	\$848.64
S. Cantu	Admin Assistant 3	36	\$26.08	\$938.88
B. Weichman	Admin Manager 3	14	\$30.68	\$429.52
0	0	0	\$0.00	\$0.00

642
Subtotal Direct Labor Costs \$20,269.44
Anticipated Salary Increases (3%) \$608.08

TOTAL - Direct Labor \$20,877.52

INDIRECT COSTS

	Rate	Total
Overhead	89.00%	\$18,581.00
Fringe Benefit	29.00%	\$6,054.48
General & Administrative	29.00%	\$6,054.48
	147.00%	

TOTAL - Indirect Costs \$30,689.96

FEE (10.00%)

TOTAL - Fee \$5,156.75

OTHER DIRECT COSTS

			Total
Travel Costs	1770 @	\$0.56	\$ 991.20
Photocopies			\$ 1,750.00
Overnight Service	4 @	\$15.00	\$ 60.00
Information Center	1 @	\$300.00	\$ 300.00

\$3,101.20

TOTAL COST \$59,825.43

Subcontractor Costs \$
Total Contract \$ 59,825.43

ORIGINAL COST PROPOSAL

County of Lake
Three Bridges Project
Cooper Creek at Witter Springs Road, 14C-0102 (Bridge Rehabilitation)

JRP Historical Consulting, LLC

CONTRACT No. BRLO-5914(090)
SUB CONSULTANT: JRP Historical Consulting, LLC

CONSULTANT COST PROPOSAL
April 20, 2015

DIRECT LABOR

Name	Classification	Hours	Initial Hourly Rate	Total
Herbert	Principal/Partner	0	\$70.59	\$0.00
Wee	Principal/Partner	0	\$70.59	\$0.00
Bunse	Partner	0	\$65.45	\$0.00
McMorris	Partner	24	\$61.58	\$1,477.97
Larson, B.	Senior Historian II	0	\$48.77	\$0.00
Webb	Architectural Historian III	0	\$39.40	\$0.00
Miltnerberger	Senior Historian I	0	\$36.40	\$0.00
Melvin	Historian II	56	\$28.56	\$1,599.36
Freeman	Historian II	0	\$27.87	\$0.00
Norby	Historian II	0	\$27.73	\$0.00
Brookshear	Architectural Historian II	0	\$27.70	\$0.00
Larson, K.	Office Manager	3	\$25.00	\$75.00
Miller, C.	Historian I	0	\$23.68	\$0.00
Trew	Historian I	0	\$21.99	\$0.00
Flores	Graphics/GIS Technician I	8	\$21.90	\$175.23
Miller, H.	Research Assistant II	40	\$19.69	\$787.61
Koontz	Administrative Assistant I	5	\$18.03	\$90.13
		136		
		Subtotal Direct Labor Costs		\$4,205.30
		Anticipated Salary Increases		\$84.11

TOTAL - Direct Labor \$4,289.41

INDIRECT COSTS

	Rate	Total
Overhead	30.58%	\$1,311.70
Fringe Benefit	49.91%	\$2,140.84
General & Administrative	40.42%	\$1,733.78
	120.91%	

TOTAL - Indirect Costs \$5,186.32

FEE (10.00%)

TOTAL - Fee \$947.57

OTHER DIRECT COSTS

			Total
Travel Costs	325 @	\$0.56	\$ 182.00
Photocopies	110 @	\$0.15	\$ 16.50
Report Production	8 @	\$40.00	\$ 320.00
Postage / Shipping	3 @	\$10.00	\$ 30.00

\$548.50

TOTAL COST \$10,971.80

Subcontractor Costs
Total Contract

\$ -
\$ 10,971.80

County of Lake
Three Bridges Project
Cooper Creek at Witter Springs Road, 14C-0102 (Bridge Rehabilitation)
REVISED COST PROPOSAL
Stantec Consulting Services, Inc. (formerly North State Resources, Inc.)

CONTRACT No. BRLO-5914(090) CONSULTANT COST PROPOSAL
SUB CONSULTANT: Stantec Consulting Services, Inc. (formerly North State Resources, Inc.) REV 04/04/18

DIRECT LABOR

Name	Classification	Hours	Hourly Rate	Total
T. Reilly	Senior Principal	0	\$79.33	\$0.00
W. Lanning	Principal - Level 15	80	\$67.31	\$5,384.80
TBD	Cultural Resources - Level 15	16	\$65.00	\$1,040.00
TBD	Cultural Resources - Level 10	116	\$36.01	\$4,177.16
L. Lindstrand	Senior Assoc. Level 13 (Biologist)	12	\$50.60	\$607.20
D. Pluth/M. Mercer	Biologist Level 8	2	\$27.70	\$55.40
T. Hanson	Biologist Level 7	140	\$25.43	\$3,560.20
C. Carpenter	Env. Analyst Level 10	144	\$36.37	\$5,237.28
T. Mooney	GIS Analyst Level 9	34	\$31.31	\$1,064.54
S. Cantu (Langford)	Admin Assistant Level 9	36	\$31.50	\$1,134.00
B. Weichman	Admin Manager Level 11	8	\$37.79	\$302.32
K. Bainbridge	Biologist Level 10	0	\$33.16	\$0.00
B. Cohen	Env. Analyst Level 7	0	\$25.52	
N. Eide	Biologist Level 11	0	\$40.24	
S. Farrant (Holt)	Env. Scientist Level 9	0	\$32.81	
C. Femino	Env. Analyst Level 7	0	\$24.11	
A. Loveless	Biologist Level 6	0	\$23.49	
K. Marine	Principal - Level 15	0	\$69.74	
K. McDonald	Tech. Editor Level 12	0	\$41.67	
J. McLaughlin	Env. Analyst Level 10	0	\$34.90	
L. Morris	Biologist Level 6	0	\$23.47	
C. Shoemaker	GIS Analyst Level 11	0	\$39.59	
S. Taylor	Biologist Level 5	0	\$19.48	
S. Tona	Biologist Level 9	0	\$30.16	
M. Wuestehube	Principal - Level 14	0	\$59.76	
G. Youngblood	Biologist Level 7	0	\$25.06	
		588		
Subtotal Direct Labor Costs				\$22,562.90
Anticipated Salary Increases (3				\$676.89

TOTAL - Direct Labor \$23,239.79

INDIRECT COSTS

	Rate	Total
Overhead	89.00%	\$20,683.41
Fringe Benefit (Included in OH)	29.00%	\$6,739.54
General & Administrative (Included in OH)	29.00%	\$6,739.54
	147.00%	

TOTAL - Indirect Costs \$34,162.49

FEE (0.00%) TOTAL - Fee \$0.00

OTHER DIRECT COSTS

			<u>Total</u>	
Travel Costs	1770 @	\$0.56	\$ 991.20	
Photocopies			\$ 1,072.00	
Overnight Service	4 @	\$15.00	\$ 60.00	
Information Center	1 @	\$300.00	\$ 300.00	\$2,423.20
			TOTAL COST	<u>\$59,825.47</u>
Subcontractor Costs			\$ -	
Total Contract			<u>\$ 59,825.47</u>	

**EXHIBIT 10-K CONSULTANT ANNUAL CERTIFICATION OF
INDIRECT COSTS AND FINANCIAL MANAGEMENT SYSTEM**

(Note: If a Safe Harbor Indirect Cost Rate is approved, this form is not required.)

Consultant's Full Legal Name: Stantec Consulting Services Inc.

Important: Consultant means the individual or consultant providing engineering and design related services as a party of a contract with a recipient or sub-recipient of Federal assistance. Therefore, the Indirect Cost Rate(s) shall not be combined with its parent company or subsidiaries.

Indirect Cost Rate:

Combined Rate _____ % **OR**

Home Office Rate 160.40 % and Field Office Rate (if applicable) 121.48 %

Facilities Capital Cost of Money _____ % (if applicable)

Fiscal period * 01/01/2016 - 12/31/2016

* Fiscal period is annual one year applicable accounting period that the Indirect Cost Rate was developed (not the contract period). The Indirect Cost Rate is based on the consultant's one-year applicable accounting period for which financial statements are regularly prepared by the consultant.

I have reviewed the proposal to establish an Indirect Cost Rate(s) for the **fiscal period** as specified above and have determined to the best of my knowledge and belief that:

- All costs included in the cost proposal to establish the indirect cost rate(s) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) 48, Code of Federal Regulations (CFR), Chapter 1, Part 31 (48 CFR Part 31);
- The cost proposal does not include any costs which are expressly unallowable under the cost principles of 48 CFR Part 31;
- The accounting treatment and billing of prevailing wage delta costs are consistent with our prevailing wage policy as either direct labor, indirect costs, or other direct costs on all federally-funded A&E Consultant Contracts.
- All known material transactions or events that have occurred subsequent to year-end affecting the consultant's ownership, organization, and indirect cost rates have been disclosed as of the date of this certification.

I am providing the required and applicable documents as instructed on Exhibit 10-A.

Financial Management System:

Our labor charging, job costing, and accounting systems meet the standards for financial reporting, accounting records, and internal control adequate to demonstrate that costs claimed have been incurred, appropriately accounted for, are allocable to the contract, and comply with the federal requirements as set forth in Title 23 United States Code (U.S.C.) Section 112(b)(2); 48 CFR Part 31.201-2(d); 23 CFR, Chapter 1, Part 172.11(a)(2); and all applicable state and federal rules and regulations.

Our financial management system has the following attributes:

- Account numbers identifying allowable direct, indirect, and unallowable cost accounts;
- Ability to accumulate and segregate allowable direct, indirect, and unallowable costs into separate cost

accounts;

- Ability to accumulate and segregate allowable direct costs by project, contract and type of cost;
- Internal controls to maintain integrity of financial management system;
- Ability to account and record costs consistently and to ensure costs billed are in compliance with FAR;
- Ability to ensure and demonstrate costs billed reconcile to general ledgers and job costing system; and
- Ability to ensure costs are in compliance with contract terms and federal and state requirement

Cost Reimbursements on Contracts:

I also understand that failure to comply with 48 CFR Part 16.301-3 or knowingly charge unallowable costs to Federal-Aid Highway Program (FAHP) contracts may result in possible penalties and sanctions as provided by the following:

- Sanctions and Penalties - 23 CFR Part 172.11(c)(4)
- False Claims Act - Title 31 U.S.C. Sections 3729-3733
- Statements or entries generally - Title 18 U.S.C. Section 1001
- Major Fraud Act - Title 18 U.S.C. Section 1031

All A&E Contract Information:

- Total participation amount \$ 134,427,175 on all State and FAHP contracts for Architectural & Engineering services that the consultant received in the last three fiscal periods.
- The number of states in which the consultant does business is 50.
- Years of consultant's experience with 48 CFR Part 31 is 20 (+).
- Audit history of the consultant's current and prior years (if applicable)
 - ☒ Cognizant ICR Audit ☐ Local Gov't ICR Audit ☒ Caltrans ICR Audit
 - ☒ CPA ICR Audit ☒ Federal Gov't ICR Audit

I, the undersigned, certify all of the above to the best of my knowledge and belief and that I have reviewed the Indirect Cost Rate Schedule to determine that any costs which are expressly unallowable under the Federal cost principles have been removed and comply with Title 23 U.S.C. Section 112(b)(2), 48 CFR Part 31, 23 CFR Part 172, and all applicable state and federal rules and regulations. I also certify that I understand that all documentation of compliance must be retained by the consultant. I hereby acknowledge that costs that are noncompliant with the federal and state requirements are not eligible for reimbursement and must be returned to Caltrans.

Name**: Don Craig

Title**: Vice President - Financial Services

Signature: 

Date of Certification (mm/dd/yyyy): 04/24/2018

Email**: don.craig@stantec.com

Phone Number**: 617.654.6021

**An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President, a Chief Financial Officer, or equivalent, who has authority to represent the financial information used to establish the indirect cost rate.

Note: ***Both prime and subconsultants as parties of a contract must complete their own Exhibit 10-K forms. Caltrans will not process local agency's invoices until a complete Exhibit 10-K form is accepted and approved by Caltrans Audits and Investigations.***

Distribution: 1) Original - Local Agency Project File
2) Copy - Consultant
3) Copy - Caltrans Audits and Investigations

ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of the 27th day of October, 2017.

AMONG:

NORTH STATE RESOURCES, INC.

a corporation existing under the laws of California
(the "**Seller**")

OF THE FIRST PART

- and -

STANTEC CONSULTING SERVICES INC.

a corporation existing under the laws of New York
(the "**Buyer**")

OF THE SECOND PART

- and -

LAURA KUH

(the "**Principal**")

OF THE THIRD PART

THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

1.0 DEFINITIONS

1.1 *Defined Terms*

For the purpose of this Agreement, unless the context otherwise requires, the terms set out in Schedule 1.1 shall have the respective meanings set out in Schedule 1.1 and grammatical variations of such terms shall have corresponding meanings.

2.0 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 *Purchased Assets*

Subject to the provisions of this Agreement, the Seller agrees to sell, assign and transfer to the Buyer and the Buyer agrees to purchase from the Seller, effective as of the close of business on the Closing Date, all of the property, rights, interest and assets used in connection with or otherwise relating to the Purchased Business (other than the Excluded

Assets), whether real or personal, tangible or intangible, of every kind and description and wheresoever situate, as a going concern (collectively, the "**Purchased Assets**"), including without limitation, the following:

- (a) **Equipment.** All equipment, facsimile machines, photocopiers, fixtures, furniture, furnishings and other fixed assets owned by the Seller and used in connection with the Purchased Business listed on Schedule 2.1(a);
- (b) **Agreements.** All executed or potential orders or Contracts for the provision of services listed on Schedule 2.1(b) (the "**Work Backlog**");
- (c) **Work Product.** All work product of the Seller related to the agreements described in subsection 2.1(b) and related work in progress identified on Schedule 4.4;
- (d) **Proposals.** The Seller's interest in any outstanding proposals as listed on Schedule 2.1(d);
- (e) **Computer Hardware and Software.** All computer hardware and software, including all rights under licenses and other agreements or instruments relating thereto which are owned by the Seller or to which the Seller is entitled listed on Schedule 2.1(e);
- (f) **Books and Records.** All books and records (other than those required by law or subject to confidentiality requirements to be retained by the Seller, copies of which, excluding those books and records subject to confidentiality requirements, will be made available to the Buyer), including, without limitation, library and technical reference books, project files related to the agreements described in subsection 2.1(b), drawings, client lists, advertising material, employee manuals, personnel records related to the current Employees, supply records and correspondence files (together with, in the case of any such information that is stored electronically, the media on which the same is stored); and
- (g) **Goodwill.** All goodwill associated with the Purchased Business, including the exclusive right to use the Seller's interest in the name "North State Resources, Inc." and all trade names, as part of the name or style under which the Purchased Business or any part thereof is carried on by the Buyer.

2.2 *Excluded Assets*

The Purchased Assets shall not include any of the following property and assets (collectively, the "**Excluded Assets**");

- (a) **Cash.** All cash on hand or in banks or other depositories;
- (b) **Accounts Receivable.** All accounts receivable of the Seller together with any allowance for doubtful accounts receivable;
- (c) **Cost in Excess of Billings.** All cost in excess of billings;
- (d) **Employee Advances.** Any right to repayment of advances to Employees;
- (e) **Income Taxes.** All income Tax installments paid by the Seller and the right to receive any refund of income Taxes paid by the Seller;

- (f) **Vehicles.** All personal use vehicles owned or leased by the Seller;
- (g) **Recoverable Expenses.** Any recoverable expenses incurred and recorded prior to the Closing Date to be invoiced on or after the Closing Date for the benefit of the Seller;
- (h) **Policies of Insurance.** Any policy of insurance or plan for the benefit of employees generally pursuant to which the Seller or any of its directors, officers or Employees are insured and;
- (i) **Reserved Assets.** The assets listed on Schedule 2.2(i).

3.0 ASSUMPTION OF LIABILITIES

3.1 *Assumption of Certain Liabilities by the Buyer*

Subject to the provisions of this Agreement, the Buyer agrees to assume, pay, satisfy, discharge, perform and fulfill, from and after the Time of Closing, only those obligations and liabilities of the Seller existing as at the Time of Closing under:

- (a) the following office leases:
 - (i) 5000 Bechelli Lane, Suites 101, 104, 202, 203 and 204, Redding, CA 96002;
 - (ii) 2490 Progress Drive, Unit #4, Redding, CA 96001;
 - (iii) 2020 L Street, Suite 240, Sacramento, CA 95811;
 - (iv) 2595 Ceanothus Avenue, Suite 182, Chico, CA 95973;
- (b) the Seller's obligations arising from and after the Closing Date pursuant to the Contracts comprising the Work Backlog;
- (c) the Seller's obligations under the capital equipment leases listed on Schedule 3.1(c);
- (d) any photocopies, facsimile, computer and telephone system leases as required to operate the Purchased Business; and
- (e) the Seller's obligations arising from and after the Closing Date pursuant to the Contracts relating to the computer hardware and software listed on Schedule 2.1(e);

(collectively, the "**Assumed Liabilities**").

3.2 *Retained Liabilities*

The Seller agrees to retain all liabilities not specifically included in the Assumed Liabilities (the "**Retained Liabilities**"), including, without limitation, the following:

- (a) liabilities of the Seller for all costs and expenses, including payables, accrued liabilities, bank obligations, shareholder loans and all other indebtedness of the

Seller incurred up to and including the Closing Date and further including those liabilities, invoices for which might be received after the Closing Date, but which are for services, supplies or events rendered to the Seller prior to the Closing Date;

- (b) liabilities of the Seller at the Closing Date with respect to accrued wages and salaries, commissions, bonuses, vacations and holiday pay, workers' compensation levies, withholding deductions for federal and state income Taxes, other payroll deductions, state pension plan deductions as well as liabilities relating to benefits already in place and accruing in favor of the Employees of the Seller;
- (c) liabilities of the Seller in respect of claims arising out of professional services provided by the Seller prior to the Closing Date;
- (d) dividends declared by the Seller prior to the Closing Date or payable at the Closing Date;
- (e) long term debt of the Seller; and
- (f) income Taxes payable by the Seller accrued in the operation of the Purchased Business prior to the Closing Date.

3.3 *Liability and Warranty Obligations*

The Buyer shall not assume, and the Seller shall be solely responsible for and shall indemnify and hold harmless the Buyer from and against, all liability, warranty and other claims and obligations arising in respect of services provided by the Seller in connection with the Purchased Business up to the Time of Closing whether such claims are raised before or after the Time of Closing. The Buyer may satisfy any such obligations not assumed by it where it is required to do so by law or by order of any court or regulatory authority having jurisdiction over it and, in any such case, the Seller shall reimburse the Buyer forthwith following demand for all expenses incurred by the Buyer in connection therewith.

3.4 *Responsibility for Work Completed by the Buyer Related to Ongoing Projects*

The Buyer shall be solely responsible for and shall indemnify and save harmless the Seller from and against all liability, warranty and other claims and obligations arising in respect of services provided by the Buyer after the Time of Closing in connection with the agreements described in subsection 2.1(b).

3.5 *Rollover of Accrued Vacation*

The parties acknowledge that it is the Buyer's intent to extend offers of employment to substantially all of the Employees, although such intent shall not constitute any commitment, Contract, understanding (express or implied), or any obligation on the part of the Buyer to a post-closing relationship with any such Employee, other than the Principal and those employees (each an "**Assumed Employee**") who are offered and accept an employment agreement with the Buyer. To the extent the Buyer hires any such persons, then, in addition to all other applicable terms hereof, the following terms shall apply:

- (a) The Seller shall calculate the aggregate value of all accrued paid time off, vacation, banked time and holiday time for each Assumed Employee and Principal as at the Closing Date ("**Accrued Vacation**").

- (b) Using the pre-Closing salary rate applicable to each of the Assumed Employees, the Buyer shall calculate and credit each Assumed Employee and Principal with accrued vacation up to a maximum of four (4) weeks (37.5 hours per week) per Assumed Employee or Principal (the amount so credited, the "**Rollover**").
- (c) The aggregate value of the Rollover for each Assumed Employee and Principal shall be a downward adjustment to the Purchase Price to account for the Buyer's assumption of the liability associated therewith (the "**Rollover Adjustment**"). The Rollover Adjustment shall be set off as an adjustment to the payment payable under subsection 4.2(b)(ii).

To the extent the Accrued Vacation exceeds the value of the Rollover, the Seller shall pay such excess to the Assumed Employee or Principal directly on the earlier to occur of (i) the time prescribed by applicable law or (ii) ten (10) days after the Rollover Adjustment has been finally determined.

3.6 *Third Party Consents*

To the extent that Seller's rights under any Purchased Asset or Assumed Liability may not be assigned to Buyer without the consent of another person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its commercially reasonable efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset or Assumed Liability in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by law and the Purchased Asset, shall act after the Closing Date as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by law and the Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

4.0 **PURCHASE PRICE**

4.1 *Purchase Price*

The aggregate purchase price (the "**Purchase Price**") payable by the Buyer to the Seller for the Purchased Assets shall be [REDACTED] plus the Buyer shall assume the Assumed Liabilities. The Purchase Price shall be satisfied by the payments referred to in section 4.2 and the assumption of the Assumed Liabilities as provided in section 3.1.

4.2 *Payment of the Purchase Price*

The Purchase Price will be satisfied as follows:

(a) *Payment on the Closing Date*

On the Closing Date the Buyer will deliver to the Seller, or as the Seller may direct, by way of wire transfer, the amount of [REDACTED], and the Buyer will assume the Assumed Liabilities.

(b) **Payments after the Closing Date:**

- (i) [REDACTED] payable by way of wire transfer on [REDACTED] together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing;
- (ii) [REDACTED] payable by way of wire transfer on the first anniversary of the Closing Date, together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing, less any Losses permitted to be offset in accordance with section 11 hereof;
- (iii) [REDACTED] payable by way of wire transfer on the second anniversary of the Closing Date, together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing, less any Losses permitted to be offset in accordance with section 11 hereof; and
- (iv) [REDACTED] payable by way of wire transfer on the third anniversary of the Closing Date, together with interest on the outstanding Purchase Price calculated at the short-term applicable rate in effect at the Time of Closing, less any Losses permitted to be offset in accordance with section 11 hereof.

4.3 Allocation of Purchase Price

The Seller and the Buyer agree to allocate the Purchase Price among the Purchased Assets as follows:

Fixed Assets	[REDACTED]
Goodwill	[REDACTED]

and to report the sale and purchase of the Purchased Assets for all federal, state and local Tax purposes in a manner consistent with such allocation. The Seller and the Buyer shall in the reporting of such sale and purchase execute such forms and make such elections as are appropriate in order to report the sale and purchase consistently to the Taxing authorities.

4.4 Post-Closing Adjustment to the Purchase Price

On or before December 20, 2017, the Seller shall deliver to the Buyer a schedule substantially in the form attached hereto as Schedule 4.4 (the "**Post-Closing Adjustment Schedule**") setting out the amount of each Adjustment Item to the Purchase Price (collectively, the "**Net Adjustment Amount**") as of the Closing Date. Buyer and Seller acknowledge and agree that, in accordance with the definition of Adjustment Items set out Schedule 1.1, Adjustment Items may include other items which are not listed on Schedule 4.4, but are appropriate to adjust in a transaction of this nature, as described in the definition of "Adjustment Item" in Schedule 1.1. The Buyer shall have ten (10) business days to review the Post-Closing Adjustment Schedule and notify the Seller of any disputed amounts. If the Buyer does not notify the Seller of any disputed items, the agreed upon Net Adjustment Amount shall be effected through an upward or downward adjustment on account of the Purchase Price payable to the Seller. Any adjustment to the Purchase

IN WITNESS WHEREOF this Agreement has been executed by the parties.

STANTEC CONSULTING SERVICES INC.

Per: _____

Per: _____

NORTH STATE RESOURCES, INC.

Per: _____

Per: _____



Laura Kuh

STANTEC CONSULTING SERVICES INC.

- and -

NORTH STATE RESOURCES, INC.

- and -

LAURA KUH

SCHEDULE 1.1

DEFINED TERMS

- (a) **"Accrued Vacation"** has the meaning set out in subsection 3.5(a);
- (b) **"Adjustment Items"** means, collectively, (i) the regular rent and additional rent, business Taxes, operating costs and other amounts prepaid by the Seller under the real property leases being assumed by the Buyer hereunder; (ii) any prepaid expenses relating to the capital or operating leases assumed by the Buyer; (iii) work in progress as of the Closing Date related to any item in Work Backlog as mutually agreed by Buyer and Seller and (iv) any other variable item or other item which, due to its nature, the parties determine is appropriate to adjust the Purchase Price for;
- (c) **"Assumed Employee(s)"** has the meaning set out in section 3.5;
- (d) **"Assumed Liabilities"** has the meaning set out in section 3.1;
- (e) **"Basket Amount"** has the meaning set out in section 11.2;
- (f) **"Business Day"** means any day, other than a Saturday or a Sunday, on which the main branch of the Bank of America is open for business;
- (g) **"Closing Date"** means October 27, 2017 or such other date as the Seller and the Buyer may mutually determine;
- (h) **"Code"** means the *Internal Revenue Code* of 1986, as amended from time to time;
- (i) **"Contract"** means any agreement, indenture, contract, lease, deed of trust, license, option, instrument or other commitment, whether written or oral;
- (j) **"Covenant Cap"** has the meaning set out in section 11.2;
- (k) **"Damaged Party"** has the meaning set out in section 11.5;

- (l) **"Employees"** means those employees of the Seller who are employed in the Purchased Business immediately prior to the Time of Closing;
- (m) **"Encumbrance"** means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any Contract to create any of the foregoing;
- (n) **"Excluded Assets"** has the meaning set out in section 2.2;
- (o) **"FCPA"** has the meaning set out in section 5.28;
- (p) **"Financial Statements"** means the Unaudited Financial Statements;
- (q) **"GAAP"** has the meaning set out in section 12.4;
- (r) **"Indemnification Limit"** has the meaning set out in section 11.2;
- (s) **"Indemnitors"** has the meaning set out in section 11.7;
- (t) **"Knowledge"** means (a) with respect to an individual, that such individual will be deemed to have Knowledge of a particular fact or other matter if:
 - (i) that individual is actually aware of that fact or matter; or
 - (ii) a reasonably prudent individual occupying a similar position or having like responsibilities or duties as an employee, officer or director, or holding a similar position of ownership or control within a subject organization could be expected to discover or otherwise become aware of that fact or matter in the course of conducting a reasonable investigation regarding the accuracy of any representation or warranty contained in this Agreement; or(b) with respect to Buyer and Seller (non-individuals), that such entity will be deemed to have Knowledge of a particular fact or other matter if any individual who is serving as a director, officer, partner of Buyer or Seller (or in any similar capacity) has Knowledge of that fact or other matter (as set forth in (a)(i) and (a)(ii) above).
- (u) **"Leased Property"** has the meaning set out in section 5.8;
- (v) **"Leases"** has the meaning set out in section 5.8;
- (w) **"Losses"** means, in respect of any matter, all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter;
- (x) **"Material Adverse Effect"** means any material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings business or prospects of the Purchased Business;

- (y) **"Net Adjustment Amount"** has the meaning set out in section 4.4;
- (z) **"Non-Competition Covenants"** has the meaning set out in section 11.1;
- (aa) **"Officer's Certificate"** has the meaning set out in section 11.5;
- (bb) **"Permitted Encumbrances"** means the Encumbrances described in Appendix "B" to this Schedule 1.1;
- (cc) **"Personal Property Leases"** has the meaning set out in section 5.9;
- (dd) **"Post-Closing Adjustment Schedule"** has the meaning set out in section 4.4;
- (ee) **"Purchase Price"** has the meaning set out in section 4.1;
- (ff) **"Purchased Assets"** has the meaning set out in section 2.1;
- (gg) **"Purchased Business"** means the business carried on by the Seller consisting primarily of environmental consulting and specializing in the physical, biological, and environmental sciences and regulatory compliance;
- (hh) **"Responsible Party"** has the meaning set out in section 11.5;
- (ii) **"Retained Liabilities"** has the meaning set out in section 3.2;
- (jj) **"Rollover"** has the meaning set out in subsection 3.5(b);
- (kk) **"Rollover Adjustment"** has the meaning set out in subsection 3.5(c);
- (ll) **"Schedules"** has the meaning set out in section 12.10;
- (mm) **"Seller's Disclosure Schedule"** means the document entitled "Seller's Disclosure Schedule" which has been prepared by the Seller and delivered to the Buyer concurrently with the execution and delivery of this Agreement and contains, *inter alia*, exceptions to the representations and warranties set forth in this Agreement;
- (nn) **"Seller Forfeiture Amount"** has the meaning set out in section 9.1;
- (oo) **"Taxes"** means any federal, state, local or non-US income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other Tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty, or addition thereto, whether disputed or not and including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other person;
- (pp) **"Time of Closing"** means 11:59 PM (PDT) on the Closing Date, or such other time on the Closing Date as the Seller and the Buyer may mutually determine;

- (qq) **"Unaudited Financial Statements"** means the financial statements of the Seller as at and for the financial year ended March 31st, 2017, including the notes thereto, a copy of which is annexed hereto as Appendix "A" to this Schedule 1.1;
- (rr) **"Work Backlog"** has the meaning set out in subsection 2.1(b).

YEAR

2017

Withholding Exemption Certificate

CALIFORNIA FORM

590

(This form can only be used to certify exemption from nonresident withholding under California R&TC Section 18662. This form cannot be used for exemption from wage withholding.)

File this form with your withholding agent.
(Please type or print)

Withholding agent's name

Vendor/Payee's name

Vendor/Payee's ☐ SOS no. ☐ Social security number ☐ California corp. no. ☒ FEIN**Note:**
Failure to furnish your
identification number will
make this certificate void.

Stantec Consulting Services Inc.

11-2167170

Vendor/Payee's address (number and street)

APT no.

Private Mailbox no.

Vendor/Payee's daytime telephone no.

5000 Bechelli Lane, Suite 203

(530) 222-5347

City

State

ZIP Code

Redding

CA

96002

I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual. Read the following carefully and check the box that applies to the vendor/payee:

☐ **Individuals — Certification of Residency:**

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly inform the withholding agent. See instructions for Form 590, General Information D, for the definition of a resident.

☒ **Corporations:**

The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State to do business in California. The corporation will withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California, I will promptly inform the withholding agent. See instructions for Form 590, General Information E, for the definition of permanent place of business.

☐ **Partnerships:**

The above-named partnership has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The partnership will file a California tax return and will withhold on foreign and domestic nonresident partners when required. If the partnership ceases to do any of the above, I will promptly inform the withholding agent. **Note:** For withholding purposes, a Limited Liability Partnership is treated like any other partnership.

☐ **Limited Liability Companies (LLC):**

The above-named LLC has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The LLC will file a California tax return and will withhold on foreign and domestic nonresident members when required. If the LLC ceases to do any of the above, I will promptly inform the withholding agent.

☐ **Tax-Exempt Entities:**

The above-named entity is exempt from tax under California R&TC Section 23701 _____ (insert letter) or Internal Revenue Code Section 501(c) _____ (insert number). The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly inform the withholding agent.

Note: Individuals cannot be tax-exempt entities.

☐ **Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:**

The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

☐ **California Irrevocable Trusts:**

At least one trustee of the above-named irrevocable trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly inform the withholding agent.

☐ **Estates — Certification of Residency of Deceased Person:**

I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

CERTIFICATE: Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided herein is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent.

Vendor/Payee's name and title (type or print) Marie Lagrimas, Financial Manager

Vendor/Payee's signature ►

Marie LagrimasDate 12/01/17

Instructions for Form 590

Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

A Purpose

Use Form 590 to certify an exemption from nonresident withholding. Complete and present Form 590 to the withholding agent. The withholding agent will then be relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless told by the Franchise Tax Board (FTB) that the form should not be relied upon.

Important – This form cannot be used for exemption from wage withholding. Any questions regarding wage withholding should be directed to the California Employment Development Department.

Do not use Form 590 if you are a seller of California real estate. Sellers of California real estate should use Form 593-C, Real Estate Withholding Certificate.

B Law

R&TC Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California.

Withholding is required on:

- Payments to nonresidents for services rendered in California;
- Distributions of California source income made to domestic nonresident partners and members and allocations of California source income made to foreign partners and members;
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business;
- Payments to nonresidents for royalties for the right to use natural resources located in California;
- Distributions of California source income to nonresident beneficiaries from an estate or trust; and
- Prizes and winnings received by nonresidents for contests in California.

For more information on withholding and waiver requests, get FTB Pub. 1017, Nonresident Withholding Partnership Guidelines, and FTB Pub. 1023, Nonresident Withholding Independent Contractor, Rent and Royalty Guidelines. To get a withholding publication see General Information G.

C Who can Execute this Form

Form 590 can be executed by the entities listed on this form.

Note: In a situation where payment is being made for the services of a performing entity, this form can only be completed by the performing entity or the performing entity's partnership or corporation. It cannot be completed by the performing entity's agent or other third party.

Note: The grantor of a revocable/grantor trust shall be treated as the vendor/payee for withholding purposes. Therefore, if the vendor/payee is a revocable/grantor trust and one or more of the grantors is a nonresident, withhold-

ing is required. If all of the grantors of a revocable/grantor trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

D Who is a Resident

A California resident is any individual who is in California for other than a temporary or transitory purpose or any individual domiciled in California who is absent for a temporary or transitory purpose.

An individual domiciled in California who is absent from California for an uninterrupted period of at least 546 consecutive days under an employment-related contract is considered outside California for other than a temporary or transitory purpose.

Note: Return visits to California that do not total more than 45 days during any taxable year covered by the employment contract are considered temporary.

This provision does not apply if an individual has income from stocks, bonds, notes, or other intangible personal property in excess of \$200,000 in any taxable year in which the employment-related contract is in effect.

A spouse who is absent from California for an uninterrupted period of at least 546 days to accompany a spouse who is under an employment-related contract is considered outside of California for other than a temporary or transitory purpose.

Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident. For assistance in determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status, or call the Franchise Tax Board at (800) 852-5711 or (916) 845-6500 (not toll-free).

E What is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the California Secretary of State. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

F Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested.

Note: If the withholding agent has received Form 594, Notice to Withhold Tax at Source, only the performing entity can complete and

sign Form 590 as the vendor/payee. If the performing entity completes and signs Form 590 indicating no withholding requirement, you must send a copy of Form 590 with Form 594 to the FTB.

For more information, contact the Withholding Services and Compliance Section. See General Information G.

The vendor/payee must notify the withholding agent if:

- The individual vendor/payee becomes a nonresident;
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California;
- The partnership ceases to have a permanent place of business in California;
- The LLC ceases to have a permanent place of business in California; or
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold. Remit the withholding using Form 592-A, Nonresident Withholding Remittance Statement, and complete Form 592, Nonresident Withholding Annual Return, and Form 592-B, Nonresident Withholding Tax Statement.

G Where to get Publications, Forms, and Additional Information

You can download, view, and print FTB Publications 1017, 1023, 1024, and nonresident withholding forms, as well as other California tax forms and publications not related to nonresident withholding from our Website at: www.ftb.ca.gov

To have publications or forms mailed to you or to get additional nonresident withholding information, please contact the Withholding Services and Compliance Section.

WITHHOLDING SERVICES AND
COMPLIANCE SECTION
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: (888) 792-4900
(916) 845-4900 (not toll-free)
FAX: (916) 845-9512

Assistance for persons with disabilities:
We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

Asistencia bilingüe en español
Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

STD. 204 (Rev. 6-2003)

1	INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.								
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print) Stantec Consulting Services, Inc. <hr/> <table style="width: 100%;"> <tr> <td style="width: 60%;">SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)</td> <td style="width: 40%;">E-MAIL ADDRESS</td> </tr> <tr> <td>MAILING ADDRESS 5000 Bechelli Lane, Suite 203</td> <td>BUSINESS ADDRESS 13980 Collections Center Drive</td> </tr> <tr> <td>CITY, STATE, ZIP CODE Redding, CA 96002</td> <td>CITY, STATE, ZIP CODE Chicago, IL 60693</td> </tr> </table>			SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)	E-MAIL ADDRESS	MAILING ADDRESS 5000 Bechelli Lane, Suite 203	BUSINESS ADDRESS 13980 Collections Center Drive	CITY, STATE, ZIP CODE Redding, CA 96002	CITY, STATE, ZIP CODE Chicago, IL 60693
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CITY, STATE, ZIP CODE Redding, CA 96002	CITY, STATE, ZIP CODE Chicago, IL 60693								
3	PAYEE ENTITY TYPE CHECK ONE BOX ONLY <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> ESTATE OR TRUST <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: </div> <div style="width: 45%;"> CORPORATION: <input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.) <input type="checkbox"/> LEGAL (e.g., attorney services) <input type="checkbox"/> EXEMPT (nonprofit) <input checked="" type="checkbox"/> ALL OTHERS <div style="border-bottom: 1px solid black; display: inline-block; width: 150px;"></div> </div> </div>		NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.						
4	<div style="border: 1px solid black; padding: 5px;"> <input checked="" type="checkbox"/> California resident - Qualified to do business in California or maintains a permanent place of business in California. <input type="checkbox"/> California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding. <div style="margin-left: 20px;"> <input type="checkbox"/> No services performed in California. <input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached. </div> </div>								
5	<p style="text-align: center;">I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.</p> <table style="width: 100%;"> <tr> <td style="width: 70%;">AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) Timothy A. Reilly</td> <td style="width: 30%;">TITLE Senior Principal</td> </tr> <tr> <td>SIGNATURE </td> <td> DATE 12/14/2017 TELEPHONE (530) 222-5347 </td> </tr> </table>			AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) Timothy A. Reilly	TITLE Senior Principal	SIGNATURE 	DATE 12/14/2017 TELEPHONE (530) 222-5347		
AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) Timothy A. Reilly	TITLE Senior Principal								
SIGNATURE 	DATE 12/14/2017 TELEPHONE (530) 222-5347								
6	Please return completed form to: Department/Office: _____ Unit/Section: _____ Mailing Address: _____ City/State/Zip: _____ Telephone: (____) _____ Fax: (____) _____ E-mail Address: _____								

PAYEE DATA RECORD

STD. 204 (Rev. 6-2003) (REVERSE)

1	<p><u>Requirement to Complete Payee Data Record, STD. 204</u></p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p>								
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>								
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>								
4	<p><u>Are you a California resident or nonresident?</u></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <table border="0"> <tr> <td>Withholding Services and Compliance Section:</td> <td>1-888-792-4900</td> <td>E-mail address:</td> <td>wscs.gen@ftb.ca.gov</td> </tr> <tr> <td>For hearing impaired with TDD, call:</td> <td>1-800-822-6268</td> <td>Website:</td> <td>www.ftb.ca.gov</td> </tr> </table>	Withholding Services and Compliance Section:	1-888-792-4900	E-mail address:	wscs.gen@ftb.ca.gov	For hearing impaired with TDD, call:	1-800-822-6268	Website:	www.ftb.ca.gov
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For hearing impaired with TDD, call:	1-800-822-6268	Website:	www.ftb.ca.gov						
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>								
6	<p>This section must be completed by the State agency requesting the STD. 204.</p>								
	<p><u>Privacy Statement</u></p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>								

