

SERVICES CONTRACT

between

SALT LAKE COUNTY
for its Salt Lake Valley Health Department

and

APPLUS TECHNOLOGIES, INC.

(for I/M Program in Salt Lake County)

This contract is made and entered into this 28 day of December, 2010, by and between Salt Lake County, a political subdivision of the State of Utah, for its Salt Lake Valley Health Department ("HEALTH") and Applus Technologies, Inc., a Delaware corporation doing business in Salt Lake County (hereinafter "CONTRACTOR"). HEALTH and CONTRACTOR are sometimes jointly referred to hereinafter as the "Parties".

WITNESSETH

WHEREAS, HEALTH has solicited proposals (RFP #HE10175) for the services of a CONTRACTOR to develop and operate an automobile emissions inspection and maintenance ("I/M") program and to provide such equipment, software and other services as are necessary for such operation; and

WHEREAS, CONTRACTOR has responded to said solicitation with an offer to provide the services, software and equipment desired by HEALTH; and

WHEREAS, the Parties have negotiated the terms and conditions of an agreement between them concerning the receipt of services, software, maintenance, equipment and payment thereof.

NOW THEREFORE, in consideration of the mutual covenants set forth hereinafter, the Parties agree as follows:

1. Responsibilities of CONTRACTOR

A. CONTRACTOR shall assist the Health Department's Bureau of Air Pollution Control in the operation and data management of a decentralized enhanced I/M program in Salt Lake County. The CONTRACTOR's primary responsibilities will be supplying, repairing and servicing the UTAH2011 test equipment and designing and operating the Vehicle Information Database ("VID"). Other services include the preparation of reports, collecting and managing per-test and monthly fee revenues and offering consumable products for sale to I/M stations.

B. CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion and coordination of all services, systems and products furnished by CONTRACTOR, its subcontractors and their principals, officers, employees and agents, under this contract. In performing the specified work, CONTRACTOR shall follow practices consistent with generally accepted professional and technical standards.

C. CONTRACTOR shall assure that all products of its efforts are technically sound and conform with all pertinent federal, state and local statutes, codes, ordinances, resolutions and other regulations. CONTRACTOR will not produce a product which violates or infringes on any patent or copyright rights. CONTRACTOR shall, without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, reports and other services. Permitted or required approval by HEALTH of any products or services furnished by CONTRACTOR shall not relieve CONTRACTOR of responsibility for the professional and technical accuracy and adequacy of its work. HEALTH's review, approval, acceptance or payment for any of CONTRACTOR's services hereunder shall not be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract; and

CONTRACTOR shall be and remain liable in accordance with the terms of this contract and applicable law for all damages to HEALTH caused by CONTRACTOR's failure to perform under this contract.

D. CONTRACTOR shall assign Barton Richter to be the on-site program manager. As the on-site program manager, Mr. Richter shall provide network operations oversight, finance and accounting, UTAH2011 test equipment installation, repair and maintenance, and VID software, service implementation, and maintenance. Matt Peterson will manage the implementation, transition and operation phases of the program. All of the work specified for completion under this contract shall be performed by CONTRACTOR or by CONTRACTOR's associates, employees and subcontractors identified in CONTRACTOR's Proposal (July 22, 2010) submitted in response to HEALTH's Request for Proposals (HE10175) or as otherwise accepted by HEALTH, all of whom shall work under the personal supervision of CONTRACTOR's manager specified above. Should said manager become unable to complete his responsibilities under this contract for any reason, CONTRACTOR will replace him with a qualified person whom HEALTH finds satisfactory. If CONTRACTOR fails to make such a replacement within thirty (30) days, HEALTH may terminate this contract for default.

E. All materials, equipment, information and documents, whether finished, unfinished or draft, developed, prepared, completed, or acquired by CONTRACTOR during the performance of services for which it has been compensated under this contract, shall become the property of HEALTH and shall be delivered to HEALTH's representative upon completion or termination of this contract. CONTRACTOR shall not be liable for damages, claims, or losses arising out of any reuse of the plans, specifications, or other deliverables on any other project pursued by HEALTH.

F. CONTRACTOR agrees that its officers and employees will cooperate with HEALTH in the performance of work under this contract and will be available for consultation with HEALTH at such reasonable times with advance notice as to not conflict with their other responsibilities. Specifically, Tom Springer, CONTRACTOR's CEO, or Darrin Green will be available for quarterly meetings at HEALTH's offices in Salt Lake City, for the duration of the contract.

2. Responsibilities of HEALTH

A. HEALTH plans to retain its decentralized I/M inspection network, which is comprised of test-only and test-and-repair stations.

B. HEALTH agrees that its officers and employees will cooperate with CONTRACTOR in the performance of work under this contract and will be available for consultation with CONTRACTOR at reasonable times during normal business hours, with advance notice. All representations made by HEALTH's officers and employees must be approved by HEALTH's designated representative who is identified below.

C. Work performed by CONTRACTOR under this contract shall be subject to periodic review by HEALTH's representative. HEALTH's representative may delegate any or all of his/her responsibilities under this contract to appropriate staff members and shall so inform CONTRACTOR by written notice before the effective date of each such delegation. CONTRACTOR may not rely upon representations made by any other HEALTH officer or employee.

D. Comments of HEALTH's representative upon review of CONTRACTOR's performance may be reported to CONTRACTOR in writing as deemed necessary by the

representative. It is understood that HEALTH's representative's comments do not relieve CONTRACTOR from the overall responsibility for the professional and technical accuracy of all services, systems, or products delivered under this contract.

3. CONTRACTOR's Scope of Work

CONTRACTOR hereby agrees to furnish HEALTH with the services specified in the Scope of Work and Tasks to be Completed, more specifically described in the Request for Proposals #HE10175 ("RFP") Addenda and CONTRACTOR's Proposal (July 22, 2010), including:

A. CONTRACTOR will assist HEALTH in the operation and data management of a decentralized enhanced I/M program, including:

1. CONTRACTOR shall design, supply and maintain the UTAH 2011 test equipment;
 2. CONTRACTOR shall design and operate the Vehicle Identification Database (VID);
 3. CONTRACTOR shall provide and support an intranet or internet system between CONTRACTOR, HEALTH and the I/M program stations for the dissemination of information;
 4. CONTRACTOR shall provide a means to transmit selected data from the vehicle test records to the State Department of Motor Vehicles;
 5. CONTRACTOR shall provide a means to transmit selected data from the vehicle test records to HEALTH's website;
 6. CONTRACTOR shall prepare reports, including those required by the EPA;
- and

7. CONTRACTOR shall collect and manage the per-test and monthly fee revenues.

B. CONTRACTOR shall enter into a contract with each I/M program station to make available the UTAH2011 emission analyzers approved by HEALTH.

C. CONTRACTOR shall design and provide the UTAH2011 analyzers and software to be used by all I/M program stations.

1. CONTRACTOR will warrant unencumbered title to all equipment and other components of the system delivered under the contract upon completion of the initial three (3) year contract term. CONTRACTOR will also warrant that HEALTH shall have a perpetual, nonexclusive license to use any proprietary software installed as part of the system.

D. Existing stations permitted by HEALTH and operating UTAH98 equipment will be provided new replacement UTAH2011 equipment by CONTRACTOR. Replacement equipment is to be provided on a numerically equivalent basis to the UTAH98 equipment. Equipment to include a three (3) year extended warranty/service agreement, at no charge to the I/M station.

CONTRACTOR shall also provide an extended warranty/service agreement on the equipment during any subsequent contract renewal periods for the replacement equipment.

E. The purchase of any additional analyzers in addition to those being replaced by CONTRACTOR shall be the responsibility of the individual I/M station owner for existing or new stations.

F. CONTRACTOR shall develop an I/M station contract that clearly delineates equipment costs, the per-test and monthly fees established to collect the revenue necessary to operate the program. The contract will describe the responsibilities of both the CONTRACTOR

and the I/M stations participating in the UTAH2011 program. CONTRACTOR shall execute the contract with all participating I/M stations. All per test and monthly fees shall be prepaid by I/M program stations to the CONTRACTOR. At the end of each program year, CONTRACTOR will have and pay for an independent audit performed by a local CPA. At the conclusion of the audit, a reconciliation shall occur and any funds which were collected in excess of the prices proposed in this RFP will be returned on a prorated basis by CONTRACTOR to the I/M stations as test authorizations.

G. CONTRACTOR shall provide an equipment, parts, service and maintenance warranty on all UTAH2011 test equipment and software that is registered by HEALTH. All CONTRACTOR costs for equipment, parts, service and maintenance, connection to the VID system and for the VID hardware and software and reports will be recovered through the per-test fee and a minimum monthly fee from each I/M station during the primary contract term.

H. CONTRACTOR shall provide hardware and software for a VID system that will interface with the UTAH2011 analyzer system and will accept the data from existing HEALTH VID systems that is contained in a SQL server data base. CONTRACTOR shall implement the transition and data transfer from the existing system without a service interruption.

CONTRACTOR shall develop, implement, operate, maintain and manage the VID in a secure site:

1. A VID that will connect with all registered UTAH2011 systems and with the Utah Division of Motor Vehicles data base so as to download vehicle identification information based on the license plate or the Vehicle Identification Number (VIN);
2. The system must provide real time or near real time access to vehicle test data at the VID and at HEALTH's offices;

3. A system that is capable of transferring a subset of the vehicle test data on a real time or near real time basis to the County;

4. To ensure constant communication and continuous VID operation, a redundant VID system shall be provided, installed and maintained at a separate and secure site;

5. CONTRACTOR shall provide Polk VIN data and Vehicle Look-up Tables (VLT) or their equivalent; and

6. CONTRACTOR shall provide necessary data security controls to prevent unauthorized access.

I. CONTRACTOR shall be responsible for developing and/or providing any programs or software associated with the program-specific user interface and:

1. An internet based communications network with all registered UTAH2011 analyzers;

2. CONTRACTOR shall design, implement, operate and maintain an Internet based communications network with HEALTH and the I/M program stations to support the information requirements of the I/M program.

J. CONTRACTOR shall develop, implement, operate, maintain and manage:

1. A reporting system to generate all reports required to meet EPA 40 C.F.R. § 51 requirements;

2. A report of auditor activities and findings;

3. A means to transfer vehicle test data via the Internet to HEALTH website;

4. A system to monitor and record equipment reliability, calibration, security, record keeping and anti-tampering in the field and immediately report any apparent problem to

HEALTH. Maintenance records shall be made available to HEALTH.

5. A system to provide HEALTH prescribed QA reports and a system to generate ad hoc reports. Reports shall be provided on a regular basis as determined by CONTRACTOR and HEALTH; and

6. An automatic report estimating the total emission of pollutants between I/M tests. These estimates will be based on reported odometer readings and EPA or other approved emission estimates.

K. CONTRACTOR shall periodically implement equipment upgrades and software updates as needed to the UTAH2011 test equipment after approval by HEALTH. The cost of any hardware upgrade shall be provided for in the contract between CONTRACTOR and I/M program stations. At a minimum, the CONTRACTOR shall provide reasonable software updates including communications with new model vehicles throughout the life of the program operation at no charge.

L. CONTRACTOR shall provide consultation and shall make available complete equipment installation instructions to stations approved by HEALTH at no additional charge.

M. CONTRACTOR shall provide methods for locking out I/M station analyzers from the VID, on-site, and from HEALTH's offices.

N. To ensure continued smooth operation of the I/M program, CONTRACTOR shall complete and demonstrate the following tasks to HEALTH at least thirty (30) days prior to April 1, 2011:

1. That the VID system and the data transfer is fully operational;
2. At least 200 stations are supplied with UTAH2011 equipment and ready for operation by March 1, 2011. All existing stations permitted by HEALTH shall be supplied with

UTAH2011 equipment and operational by April 1, 2011;

3. That a complete parts supply system and/or parts inventory is available;

4. That trained staff are available; and

5. That the UTAH2011 analyzer software and hardware functions and performs as proposed by CONTRACTOR.

4. Contract Documents

A. This contract between the Parties shall consist of the following documents:

1. This document (including Exhibits A, B, C, D, E & F);

2. HEALTH's Request for Proposal (HE10175), including the addenda dated June 21, 2010 and July 2, 2010, attached hereto as Exhibits A, B & C and incorporated herein by reference;

3. CONTRACTOR's Proposal (July 22, 1010) to HEALTH's Request for Proposals, attached hereto as Exhibit D and incorporated herein by reference; and

4. CONTRACTOR's service contract with licensed I/M program stations, attached hereto as Exhibit E and incorporated herein by reference.

B. In the event any conflict shall arise between the provisions of the foregoing documents, said conflict shall be resolved by giving priority to the documents according to the order set forth above.

5. Changes to Scope of Work

A. HEALTH may at any time, by written order made by HEALTH's representative, make changes within the general scope of this contract, and the work to be performed. If such changes cause an increase or decrease in CONTRACTOR'S cost or time required for performance

of any work under this contract, an equitable adjustment shall be made and this contract shall be modified in writing accordingly. Any claim by CONTRACTOR for adjustment under this clause must be asserted in writing within thirty (30) days from the date of receipt by CONTRACTOR of a notification of change unless HEALTH grants a further period of time before the date of final payment under this contract.

B. No work for which an additional compensation will be charged by CONTRACTOR shall be furnished without the written authorization of HEALTH's representative.

6. Compensation

A. Fees. CONTRACTOR shall collect a per-test and monthly fee from I/M stations for the UTAH2011 analyzers, equipment maintenance, warranty, VID hardware, software, and data collection and management. Per-test fees and monthly service fees shall be jointly determined by HEALTH and CONTRACTOR. The fees will be determined so as to assure sufficient revenue to operate the program. CONTRACTOR will collect a monthly charge from HEALTH to cover the cost of the equipment, equipment maintenance and warranty of HEALTH's equipment.

B. CONTRACTOR's Compensation. CONTRACTOR will be compensated over the three (3) year term of the contract for the goods and services enumerated in Attachment D "Price Proposal" of the RFP and in CONTRACTOR's proposal. Specific Details of the compensation are included in Exhibit F. A summary of the compensation is as follows:

- 1.a A per unit fee for UTAH2011 systems (for 342 units for existing stations)
- 1.b A per unit fee for up to two years maintenance (for new stations)
2. A fee for the VID hardware
3. A fee for data preparation and reports
4. A fee for HEALTH's UTAH2011 systems
5. A fee for maintaining HEALTH's UTAH98 system or an equivalent loaded mode system capable of testing for nitrogen oxides.

C. Price Escalation/De-escalation. Prices stated must be firm for the primary three (3) year term of this contract unless a price decrease is offered. The CONTRACTOR may issue a written request for price escalation in years 4, 5 and 6 based upon the prices submitted with this proposal. Escalation requests must be made in writing to Contracts and Procurement six (6) months prior to the contract renewal. Price escalation shall not exceed 3% from the original proposal price for the corresponding year or consumables. The request must include detailed documentation explaining and supporting the price change request. Price decreases shall be passed on immediately. Contracts and Procurement has the sole discretion to grant or deny price increases.

7. Non-Funding:

Upon execution of this contract by both Parties, a sum sufficient to pay HEALTH's monetary obligation, as established in Exhibit F, for Salt Lake County's current fiscal year, will be encumbered and made available for payments required hereunder. The Parties understand and agree that no further funds are currently available for payment of HEALTH's monetary obligation under this contract beyond December 31, 2010, the end of Salt Lake County's current fiscal year. HEALTH's obligation for payments beyond the end of the current fiscal year is contingent upon funds being appropriated by Salt Lake County's governing body for payments which may come due under this contract. In the event no funds, or insufficient funds are appropriated in any fiscal year beyond December 31, 2010, this contract shall terminate on the last day of the fiscal year for which funds are appropriated. Such termination shall not be construed as a breach or default of this contract and termination shall be without liability of HEALTH or Salt Lake County of any kind whatsoever, and no right of action for damages or other relief shall accrue to the benefit of CONTRACTOR or its successors or assigns as to the contract or any portion thereof, except that if,

upon termination of this contract under the non-funding provisions set forth in this clause, HEALTH has not fully paid for any services which have been provided by CONTRACTOR as part of those specified in Exhibit F, HEALTH shall remain liable to CONTRACTOR for payment for such services according to the terms of this contract, and said liability shall survive said termination.

8. Period of Performance

CONTRACTOR shall commence work under this contract immediately upon execution by both Parties, and shall complete its work strictly within the time requirements set forth in the contract documents. The Parties stipulate that time is of the essence in the accomplishment of services under this contract according to the time schedules set forth herein. Although the Period of Performance begins on execution of this contract by the Parties, the three (3) year primary contract term shall begin April 1, 2011, and expire on March 31, 2014, as provided for in paragraph 27, unless terminated earlier as provided for in paragraph 28 herein.

9. Subcontracting:

Work specified by the contract documents shall not be subcontracted by CONTRACTOR without prior written approval of HEALTH. Approval by HEALTH of CONTRACTOR's request to subcontract, or acceptance of or payment for subcontracted work by HEALTH, shall not relieve CONTRACTOR of responsibility for the professional and technical accuracy and adequacy of the work. CONTRACTOR shall be and remain liable for all damages to HEALTH caused by a subcontractor's negligence and for subcontractors failure to deliver according to the contract documents.

10. Testing and Acceptance of Software/Computer Programs

A. Preliminary Acceptance

1. CONTRACTOR shall notify HEALTH in writing when it considers a software/computer program required by the Scope of Work is ready for testing and acceptance. Upon receipt of said notice, HEALTH shall have fifteen (15) calendar days to perform a preliminary acceptance test. Such test shall be conducted on HEALTH's site to determine whether:

(a) the software and any installed equipment required for the proper function of the software meet the specifications and perform the functions required by the contract documents, and according to associated documentation;

(b) the software and any installed equipment are capable of running on a repetitive basis while performing the work as expected by HEALTH on a variety of data, without failure; and

(c) the documentation and support meet the requirements of the contract documents.

2. If the software and any installed equipment successfully meet these criteria, HEALTH will notify CONTRACTOR in writing that the system is being preliminarily accepted. If said software and any installed equipment fail to meet any of the foregoing criteria, HEALTH shall notify CONTRACTOR in writing and CONTRACTOR shall have ten (10) calendar days, or a period of time mutually agreed to between HEALTH and CONTRACTOR, following receipt of such notice, within which to correct, modify or improve the system to meet said criteria. HEALTH shall have five (5) calendar days following said ten (10) day period to re-conduct the preliminary acceptance test.

3. If HEALTH fails to notify CONTRACTOR in writing of acceptance or non-acceptance within twenty (20) calendar days after receiving CONTRACTOR's written notice that the system is ready for preliminary testing, the system shall be deemed accepted.

4. If the system fails to meet the above-stated criteria during HEALTH's retest, CONTRACTOR shall be deemed to be in default, even if prior systems successfully passed the preliminary acceptance criteria, and HEALTH shall have all remedies allowed by this contract and by law.

B. Final Acceptance

Final acceptance of all computer systems and software required by this contract shall occur when all services and/or software have been performed, installed or delivered and each has been preliminarily accepted; and after successful performance of each of the acceptance criteria during the final evaluation period, which shall occur over a period of fifteen (15) calendar days immediately following preliminary acceptance, and which shall consist of compliance with the "required performance level" described below.

11. Delivery

The product and services to be provided by CONTRACTOR will be deemed delivered to HEALTH in satisfaction of this contract only when the same have been completed, installed, tested and finally accepted by HEALTH.

12. Required Performance Level

A. Hardware, software and any other equipment furnished under this contract must perform the functions for which they are intended as specified in the contract documents. To ensure constant communication and continuous VID operation, the VID must maintain at least 98% up-

time between 7:00 a.m. and 7:00 p.m. Utah time. The VID must capture and store ninety-nine percent (99%) of the data associated with the I/M tests performed.

B. The “average effectiveness level” is a percentage figure determined by dividing the total productive time (time of actual use during covered periods described above) by the sum of the total productive time and the down time (lost productive time), minus, in the case of maintenance, travel time, multiplied by one-hundred (100).

13. Warranties

A. CONTRACTOR warrants that the hardware, software and any installed equipment provided under this contract shall conform to the requirements of, and perform as specified by, the contract documents. CONTRACTOR further warrants that any installed equipment shall be new, unless explicitly approved otherwise by HEALTH.

B. CONTRACTOR warrants that the system will operate at the performance levels specified above.

C. CONTRACTOR warrants that the product provided under the contract documents will be free from defects in design, materials and workmanship for a period of five (5) years following final acceptance and agrees to make prompt correction of defects without charge for parts or labor during said period.

D. CONTRACTOR warrants unencumbered title to all equipment and other components of the system delivered under this contract, upon contract completion, and that HEALTH shall have a perpetual, non-exclusive license to use any proprietary software installed as part of the system.

E. CONTRACTOR's liability for breach of any and all warranties herein shall be limited to the remedies provided herein, and CONTRACTOR shall not be liable for special, incidental or consequential damages provided, however, that the remedies shall include the following:

1. repair of the product;
2. replacement of any defective components of the product; or
3. replacement of the product with a product of equal or greater performance

F. CONTRACTOR may elect any of the foregoing remedies, but all will be provided at no additional cost to HEALTH.

G. Warranty provisions set forth herein shall be in lieu of all other warranties, express or implied, and of all obligations or liabilities on the part of CONTRACTOR arising out of or in connection with the use or performance of any part of the product installed pursuant to the contract documents.

14. Training

A. CONTRACTOR shall train HEALTH's personnel in the operation of the product and systems developed under this contract. Training shall be provided to HEALTH's key personnel, as the same are designated by HEALTH, with the goal that said personnel shall become qualified to train other HEALTH personnel in the operation of said product and systems. CONTRACTOR shall conduct a training program that will accomplish said goal. CONTRACTOR shall present a program sufficient to teach each student the use of the product and systems provided under the contract documents and enable them to use each component thereof to solve a problem from a problem set.

B. Training is not an extra expense under this contract and shall be paid for by

HEALTH as part of the total compensation set forth in Exhibit F.

15. Copyright and Patent Protection

A. CONTRACTOR warrants that it has legal title to any proprietary software used or incorporated into the system provided to HEALTH under this contract, or has the right from the legal owner(s) thereof to use, and to license use, to HEALTH on a perpetual basis.

CONTRACTOR agrees to defend HEALTH and hold HEALTH harmless from any claims, legal actions or proceedings asserted or brought against HEALTH based on alleged infringement of any patent, copyright, trade secret or any other proprietary right of any third party, by the equipment or any part thereof, any operating or service manuals, any documentation or any software program; and CONTRACTOR agrees to pay all settlement costs and all damages and costs awarded against HEALTH (including royalties assessed against HEALTH) arising out of such claims or legal actions. HEALTH shall promptly notify CONTRACTOR in writing of any such claim of legal action brought or threatened and CONTRACTOR shall be permitted to assume control of the defense and settle any negotiations. HEALTH shall have the right to be represented by counsel of its choosing, at HEALTH's own expense. At the request and expense of CONTRACTOR, HEALTH shall actively cooperate and assist CONTRACTOR in the defense of any such claim or legal action. In the event CONTRACTOR should fail to defend any such claim or legal action, HEALTH may, in addition to any other legal remedy which HEALTH may have, at its election, defend such claim or legal action and be reimbursed by CONTRACTOR for its reasonable expenses and attorney's fees incurred in said defense. CONTRACTOR shall pay all damages and costs awarded in any such claim or legal action against HEALTH.

B. In the event an injunction shall be obtained effective against the use of any

equipment hardware, software, or parts thereof by reason of the infringement of any patent, copyright, trade secret or other propriety right, CONTRACTOR may, at its option and expense, either:

1. if obtainable at a reasonable price, procure for HEALTH the right to use the equipment hardware, software, part, manual, etc.;
2. replace or modify the same in a manner that does not degrade the performance of the products and systems so that they/it become non-infringing; or
3. repurchase any infringing hardware, software, equipment, part, manual, etc., at the price at which it was sold to HEALTH under this contract.
4. CONTRACTOR shall not have any liability to HEALTH under any provision of this clause if any infringement claim is based upon the use of any program or equipment or part thereof, in combination with any program or equipment or part thereof not furnished or approved by CONTRACTOR, or if the equipment or software is used in a manner for which they were not designed.

16. Maintenance and Support

CONTRACTOR agrees to provide maintenance upon any approved emissions equipment and computer system, consisting of either or both hardware and software, during the term of this contract without further charge to HEALTH.

17. Ownership of Copyright and Patents: Work for Hire

A. CONTRACTOR will promptly disclose to HEALTH any and all work products which it may conceive, make, develop or work on, in whole or in part, solely or jointly with others, whether or not during regular working hours, which relate to the actual or anticipated performance

of systems, plans, or programs which CONTRACTOR develops and/or implements through its work under this contract and/or through the utilization of funds supplied by HEALTH under this contract.

B. Except for computer software code and associated documentation, all matters subject to disclosure under the immediately preceding paragraph, together with all related rights, such as patents, copyrights, trademarks, designs, and trade secrets shall be the exclusive property of HEALTH. However, CONTRACTOR shall be entitled to a royalty-free license to use such property.

C. Work product which may be copyrighted shall be produced as a work made for hire when the work performed is within the scope of the definition of a work made for hire under the principles of United States copyright law. As such, the copyrights in those works shall belong to HEALTH from the date(s) of their creation and no further action by CONTRACTOR or HEALTH shall be necessary to perfect HEALTH's rights in them. CONTRACTOR shall be entitled to a royalty-free license to use such copyrights, but such licenses shall not extend to the sub-licensing of the same to third parties.

D. Copyrightable work product which does not meet the definition of a work made for hire under the principles of United States copyright law shall be promptly assigned by CONTRACTOR to HEALTH. CONTRACTOR will, without additional compensation, assign the copyright in all work product to HEALTH as soon as it is fixed and the copyright comes into existence. CONTRACTOR shall also assist HEALTH in taking any legal steps which may be required to perfect HEALTH's copyrights in said work products, including, but not limited to, execution of a formal assignment of copyright in recordable form, making and keeping of proper

records, and giving evidence and testimony if requested. HEALTH agrees to pay CONTRACTOR for CONTRACTOR's reasonable time in performing these services at CONTRACTOR's normal billing rate, and to pay all reasonable out of pocket expenses incurred by CONTRACTOR in providing this assistance. CONTRACTOR shall be entitled to a royalty-free license to use such copyrights.

E. Notwithstanding any of the foregoing, computer software code developed by CONTRACTOR for use under this contract shall remain the exclusive property of CONTRACTOR. However, HEALTH shall be entitled to a perpetual license, without further fee, to use such software and any associated documentation which are developed and/or implemented by CONTRACTOR during its work under this contract. CONTRACTOR further agrees to provide HEALTH a perpetual license, without further fee, for the use of all upgrades and improvements to said software and associated documentation which may subsequently be developed by CONTRACTOR. CONTRACTOR agrees to promptly provide HEALTH with such upgrades and improvements.

F. The source code for all software developed by CONTRACTOR under this contract, and the source code for any improvements and upgrades made in said software, shall be placed in escrow with Iron Mountain Incorporated. In the event CONTRACTOR becomes bankrupt, or for any other reason is unable to comply with the requirements of this contract, HEALTH shall be entitled to obtain said source code(s) for its use as contemplated by this contract. CONTRACTOR's obligation to place said source codes in escrow and HEALTH's rights thereto, shall expire when the term of the contract, including any extensions thereto, has expired, and CONTRACTOR has no further foreseeable obligations under this contract.

G. CONTRACTOR represents and warrants that it shall identify all work product and

all inventions, improvements, computer code, or other contributions contained in the work product which are original and exclusively developed for and provided to HEALTH under this contract; and that it shall further identify any previously existing materials, such as software, computer codes, etc. which are used and/or incorporated into the product and services provided under this contract.

18. Independent Contractor

The Parties stipulate that CONTRACTOR is an independent contractor. HEALTH has no authority to supervise or direct the means or methods whereby CONTRACTOR performs hereunder, and HEALTH is interested only in the product to be produced and services to be rendered by CONTRACTOR. CONTRACTOR shall provide customer service training for its employees and shall provide quality customer service with a high level of customer satisfaction particularly to I/M program station personnel. Further, CONTRACTOR's agents or employees shall not be considered as agents of HEALTH, and shall have no right or interest in the rights and benefits of Salt Lake County employees.

19. Liquidated Damages

The Parties stipulate that time is of the essence in the performance of this contract and that HEALTH will suffer monetary damages for each day beyond the completion date established under the contract documents that it is unable to implement the vehicle emissions I/M system which CONTRACTOR has been retained under this contract to provide. Late delivery/implementation damages are as follows:

A. Requirements outlined in the RFP requiring completion by March 1, 2011 that are not completed by April 1, 2011 will incur a \$500.00 per calendar day late delivery charge until all requirements are met.

B. Requirements outlined in the RFP requiring completion by April 1, 2011 that are not completed by May 1, 2011 will incur a \$3,000.00 per calendar day late delivery charge until all requirements are met.

C. Any damages incurred will be paid by check to HEALTH by CONTRACTOR and will not be funded from the per test and monthly fee revenues.

20. Risk of Loss

Except for causes proximately arising from the acts or omissions of HEALTH's agents or employees including but not limited to, outright partial or complete cancellation of the I/M program by Salt Lake County or the state of Utah, CONTRACTOR shall bear the risk of loss, from any cause whatsoever, of the software and any equipment provided pursuant to this contract, up to the date of preliminary acceptance by HEALTH.

21. Assignment

No work or services to be performed under this contract may be assigned by CONTRACTOR without the prior, written consent of HEALTH. Upon written notice to HEALTH, CONTRACTOR may assign its rights to payments under this contract, provided, however, that such assignment must be made with a reservation of HEALTH's right to assert any defense or claim it may have against CONTRACTOR as a claim or defense against CONTRACTOR's assignee upon said assignee's demand upon HEALTH for payments under this contract.

22. Severability

If any provision hereof is found to be illegal, invalid, or unenforceable for any reason, such finding shall not affect the other provisions hereof.

23. Waiver

No term of this contract shall be considered waived and no breach excused by either party unless made in writing. No consent, waiver, or excuse by either party, express or implied shall constitute a subsequent consent, waiver or excuse.

24. Notices

Any notices required, or to be given in connection with the contract shall be sent to the following:

HEALTH:

Richard Valentine, Manager
Salt Lake Valley Health Department
Bureau of Air Pollution Control
788 East Woodoak Lane
Murray, Utah 84107

CONTRACTOR:

Tom Springer, President
Applus Technologies, Inc.
444 North Michigan Avenue, Suite 1110
Chicago Illinois 60611

with copies to:

Darrin Greene
Vice-President of Operations
Applus Technologies, Inc.
444 North Michigan Avenue, Suite 1110
Chicago, Illinois 60611

and

Barton Richter
Program Manager
Applus Technologies, Inc.

25. Designated Representatives

The persons named above are hereby designated as each party's representative for communication in matters pertaining to this contract. Any change in such designation shall be in

writing, sent to the address set forth above. Notice of change in any designation shall be accomplished in the same manner.

26. Entire Agreement:

This contract contains the entire agreement between the Parties, and no statements, promises, or inducements made by either party, or agents for either party, that are not contained in this written Agreement shall be binding or valid; and this Agreement may not be enlarged, modified or altered, except in writing, signed by the Parties.

27. Term

The primary term of the contract shall be three (3) years beginning April 1, 2011 and ending March 31, 2014. Each program year will be from April 1st to the following March 31st during the three year primary term (April 1, 2011, to March 31, 2014), unless terminated earlier as provided for in paragraph 28. At the discretion of HEALTH, the contract may be extended annually after the primary term for three additional one year periods, or for one three year period, if it is determined to be in the best interest of HEALTH.

28. Termination

A. Termination for Convenience

1. HEALTH may terminate performance of work under this contract in whole or, from time to time, in part if HEALTH determines that a termination is in HEALTH's interest. HEALTH's designated representative shall terminate by delivering to the CONTRACTOR a Notice of Termination specifying the extent of termination and the effective date.

2. After receipt of a Notice of Termination, and except as directed by HEALTH's designated representative, the CONTRACTOR shall immediately proceed with the

following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

- (a) stop work as specified in the notice;
- (b) place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the contract;
- (c) terminate all subcontracts, including equipment leases, to the extent they relate to the work terminated;
- (d) assign to HEALTH as directed by HEALTH's designated representative, all right, title and interest of the CONTRACTOR under the subcontracts and leases terminated, in which case HEALTH shall have the right to settle or to pay any termination settlement proposal arising out of those terminations;
- (e) with approval or ratification to the extent required by HEALTH's designated representative, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts and leases; the approval or ratification will be final for purposes of this clause;
- (f) as directed by HEALTH's designated representative, transfer title and deliver to HEALTH: (1) the fabricated or non-fabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, and (2) the completed or partially completed plans drawings, information and other property that, if the contract had been completed, would be required to be furnished to HEALTH;
- (g) complete performance of the work not terminated;
- (h) take any action that may be necessary, or that HEALTH's designated

representative may direct for the protection and preservation of the property related to this contract that is in the possession of the CONTRACTOR and in which HEALTH has or may acquire an interest; and

(i) use CONTRACTOR's best efforts to sell, as directed or authorized by HEALTH's designated representative, any property of the types referred to in subparagraph 2(f), above, of this clause; provided, however, that the CONTRACTOR: (1) is not required to extend credit to any purchaser, and (2) may acquire the property under the conditions prescribed by and at prices approved by, HEALTH's designated representative. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by HEALTH under this contract, credited to the price or cost of the work, or paid in any other manner directed by HEALTH's designated representative.

3. CONTRACTOR shall submit complete termination inventory schedules no later than thirty (30) calendar days from the effective date of termination, unless extended in writing by HEALTH's designated representative upon written request of CONTRACTOR within this thirty (30) day period.

4. After termination, CONTRACTOR shall submit a final termination settlement proposal to HEALTH's designated representative in the form and with the certification prescribed by HEALTH's designated representative. CONTRACTOR shall submit the proposal promptly, but no later than sixty (60) calendar days from the effective date of termination, unless extended in writing by HEALTH's designated representative upon written request by CONTRACTOR within the sixty day period. If CONTRACTOR fails to submit the proposal within the time allowed, HEALTH's designated representative may determine, on the basis of information

available, the amount, if any, due CONTRACTOR because of the termination under this clause and shall pay the amount so determined.

5. Subject to paragraph 4, above, of this clause, CONTRACTOR and HEALTH may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination under this clause. The amount may include a reasonable allowance for profit on the work done. However, the agreed amount, whether under this subparagraph 5 or subparagraph 6, below, of this clause, exclusive of costs shown in subparagraph 6(c), below, of this clause, may not include profit on work terminated nor exceed the total contract price as reduced by: (1) the amount of payments previously made; and (2) the contract price of work not terminated. The contract shall be modified, and CONTRACTOR paid the agreed amount. Paragraph 6 below, of this clause shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph. If CONTRACTOR has entered into long-term equipment leases upon the reasonably based assumption that this contract shall not be terminated for non-funding or convenience of HEALTH, any costs incurred by CONTRACTOR as a result of cancellation(s) of said long-term leases shall be reimbursable items under this clause, notwithstanding any other clause or restriction in the contract.

6. If HEALTH and CONTRACTOR fail to agree on the whole amount to be paid because of termination under this clause, HEALTH shall pay CONTRACTOR the amounts determined by HEALTH's designated representative as follows, but without duplication of any amounts agreed upon under subparagraph 5, above, of this clause:

(a) The contract price for completed supplies or services accepted by HEALTH (or sold or acquired under subparagraph 2(i), above, of this clause) not previously paid for, adjusted for any saving of freight and other charges.

(b) The total of:

(i) the costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under subparagraph 6(a), above, of this clause;

(ii) the cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph 6(b)(i), above, of this clause; and

(iii) a sum, as profit on subparagraph 6(b)(i), above, of this clause, determined by HEALTH to be a fair and reasonable profit in the particular circumstances of the progress of this contract up to the point of termination.

(c) The reasonable costs of settlement of the work terminated, including:

(i) accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) the termination and settlement of subcontracts (excluding the amounts of such settlements);

(iii) storage, transportation and other costs incurred reasonably necessary for the preservation, protection, or disposition of the termination inventory; and

(iv) the termination and settlement of leases, including equipment leases.

(d) For any area of dispute remaining upon termination for HEALTH's convenience which is not remedied or provided for by the terms of this contract, CONTRACTOR and HEALTH shall retain the rights and remedies afforded them by law.

7. Except for normal spoilage, and except to the extent that HEALTH expressly assumed the risk of loss, HEALTH shall exclude from the amounts payable to CONTRACTOR under paragraph 6, above, of this clause, the fair value, as determined by HEALTH, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to HEALTH or to a buyer, normal wear and tear excepted.

8. In arriving at the amount due CONTRACTOR under this clause, there shall be deducted:

(a) all unliquidated advance or other payments to CONTRACTOR under the terminated portion of this contract;

(b) any claim which HEALTH has against CONTRACTOR under this contract; and

(c) the agreed price for, or the proceeds of the sale of, materials, supplies or other things acquired by CONTRACTOR or sold under the provisions of this clause and not recovered by or credited to HEALTH.

9. If the termination is partial, CONTRACTOR may file a proposal with HEALTH's designated representative for an equitable adjustment of the price(s) of the continued portion of the contract. HEALTH shall make any equitable adjustment agreed upon. Any proposal by CONTRACTOR for an equitable adjustment under this clause shall be required within thirty (30) days from the effective date of termination unless extended in writing by HEALTH's designated representative.

10. (a) HEALTH may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by CONTRACTOR for the terminated portion

of the contract, if HEALTH believes the total of these payments will not exceed the amount to which CONTRACTOR will be entitled.

(b) If the total payments exceed the amount finally determined to be due, CONTRACTOR shall repay the excess to HEALTH upon demand, together with interest computed at the legal rate, as set forth in the laws of the state of Utah. Interest shall be computed for the period from the date the excess payment is received by CONTRACTOR to the date the excess is repaid. Interest shall not be charged on any excess payment due to a settlement proposal because of retention or disposition of termination inventory until ten (10) days after the date of the retention or disposition, or a later date determined by HEALTH because of the circumstances.

11. Unless otherwise provided in this contract, or by statute, CONTRACTOR shall maintain all records and documents relating to the terminated portion of this contract for three (3) years after final settlement. This includes all books and other evidence bearing on CONTRACTOR's costs and expenses under this contract. CONTRACTOR shall make these records and documents available to HEALTH, at CONTRACTOR's office, at all reasonable times, without any direct charge. If approved by HEALTH, photographs or other authentic reproductions may be maintained instead of original records and documents.

B. Termination for Default

1. (a) HEALTH may, subject to subparagraphs 3 and 4, below, of this clause, by written notice of default to CONTRACTOR, terminate this contract in whole or in part if CONTRACTOR fails to:

(i) deliver services, systems or products within the time specified in the contract documents, or any extension;

- (ii) make progress so as to endanger performance of this contract; or
- (iii) perform any of the other provisions of this contract.

(b) HEALTH's right to terminate this contract under subparagraphs (a)(ii) and (iii), above, may be exercised if CONTRACTOR does not cure such failure within thirty (30) days after receipt of the notice from HEALTH's designated representative specifying the failure.

2. If HEALTH terminates this contract in whole or in part, under this clause, it may acquire under the terms and in the manner HEALTH considers appropriate, services, systems or products similar to those terminated, and CONTRACTOR will be liable to HEALTH for any excess costs for those services, systems or products. However, CONTRACTOR shall continue the work not terminated.

3. Except for the default of subcontractors of any tier, CONTRACTOR shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of CONTRACTOR. Examples of such causes are: (a) acts of God or of the public enemy; (b) acts of the government in either its sovereign or contractual capability; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of CONTRACTOR.

4. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both CONTRACTOR and the subcontractor, and without the fault or negligence of either, CONTRACTOR shall not be liable for any excess

costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for CONTRACTOR to meet the required delivery schedule.

5. If this contract is terminated for default, HEALTH may require CONTRACTOR to transfer title and deliver to HEALTH, any: (a) completed supplies, systems or products; and (b) partially completed supplies, systems or products, parts, plans, drawings, information and contract rights (collectively referred to as "materials" in this clause) that CONTRACTOR has specifically produced or acquired for the terminated portion of this contract. Upon directions of HEALTH, CONTRACTOR shall also protect and preserve property in its possession in which HEALTH has an interest.

6. HEALTH shall pay the contract price for completed services, systems, or products delivered and accepted in the performance of this contract as set forth in Exhibit F, Paragraph C, Salt Lake Valley Health Department.

7. If, after termination for default, it is determined that CONTRACTOR was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of HEALTH.

8. The rights and remedies of HEALTH in this clause are in addition to any other rights and remedies provided by law or under the contract documents.

29. Covenant Against Contingent Fees

CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide permanent employees. For breach or violation of this warranty, HEALTH shall have the right to annul this contract without liability, or in its

discretion, to deduct from the contract price, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

30. Ethics

CONTRACTOR represents that it has not: (a) provided an illegal gift or payoff to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or to any relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake County Code of Ordinances § 2.07 (2010); or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake county ordinances.

31. Campaign Contributions

The Salt Lake County campaign finance disclosure ordinance limits campaign contributions by contractors to County candidates. Salt Lake County Code of Ordinances § 2.72A (2010). CONTRACTOR acknowledges and understands those limitations on campaign contributions mean that any person, business, corporation or other entity that enters into a contract or is engaged in a contract with the County is prohibited from making campaign contributions in excess of \$100.00 to County candidates during the term of the contract and during a single election cycle as defined in the ordinance. CONTRACTOR further acknowledges that violations of those provisions governing campaign contributions may result in criminal sanctions as well as termination of this Agreement.

32. Insurance

A. CONTRACTOR, at its own cost, shall secure and maintain during the term of this contract, the following minimum insurance coverage:

1. CONTRACTOR shall assume responsibility to provide Workers Compensation and employer's liability insurance coverage for its employees as required by the State of Utah. In the event any work is subcontracted, CONTRACTOR shall require its subcontractor(s) similarly to provide workers' compensation insurance as required by the laws of the State of Utah.
2. Commercial general liability insurance on an occurrence form with Salt Lake County as an additional insured, in the minimum amount of \$1,000,000 per occurrence with a \$2,000,000 general policy aggregate. The policy shall protect HEALTH, CONTRACTOR, and any subcontractor from any claims for damages for personal injury, including accidental death, and from claims for property damage that arise from CONTRACTOR's operations under this contract, whether performed by the CONTRACTOR itself, any subcontractor, or anyone directly or indirectly employed by either of them. Such insurance shall provide coverage for premises operations, acts of independent contractors, and completed operations.
3. Professional liability insurance in the minimum amount of \$1,000,000 per occurrence with a \$1,000,000 annual policy aggregate limit for any CONTRACTOR personnel who provide services in connection with this contract.
4. Commercial automobile liability insurance that provides coverage for owned, hired, and non-owned automobiles, with Salt Lake County as an additional insured, in the minimum amount of \$1,000,000 per occurrence.

B. CONTRACTOR agrees to meet the following requirements with respect to the insurance policies specified above:

1. The policies shall be issued by insurance companies licensed to do business in the State of Utah and currently rated A- or better by A.M. Best Company.

2. CONTRACTOR shall furnish certificates of insurance showing its insurance coverage with the signed contract.

3. In the event CONTRACTOR fails to maintain and keep in force any insurance policies as required herein, HEALTH shall have the right at its sole discretion to obtain such coverage and reduce payments to CONTRACTOR for the costs of said insurance.

33. Governmental Immunity:

Salt Lake County is a body corporate and politic of the State of Utah subject to the Government Immunity Act of Utah (the "Act"), Utah Code Ann. §§ 63G-7-101 to 904 (2010). The parties agree that HEALTH shall only be liable within the parameters of the Governmental Immunity Act. Nothing contained in this Agreement shall be construed in any way, to modify the limits of liability set forth in the Act or the basis for liability as established in the Act.

34. Indemnity

Regardless of the coverage provided by any insurance, CONTRACTOR shall pay all costs necessary to defend and shall indemnify and hold harmless HEALTH against and from any and all claims demands, actions, attorneys' fees, costs and expenses arising out of or related to CONTRACTOR's performance under this contract. The Parties do not intend that any provision of this contract relating to liability, insurance, indemnity, etc. are included or intended to limit or

enlarge HEALTH's rights and responsibilities under the Act, specifically including the limitations upon amounts recoverable against HEALTH set forth in § 63G-7-604 of said Act.

35. Covenant

CONTRACTOR covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of work required under this contract. CONTRACTOR further covenants that, to the extent of its knowledge and ability, in the performance of work under this contract, no person having any such conflict of interest shall be employed by CONTRACTOR.

36. No Officer or Employee Interest

It is understood and agreed that no officer or employee of the County has or shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds resulting from the performance of this Agreement. No officer or employee of CONTRACTOR or any member of their families shall serve on any County board or committee or hold any such position which either by rule, practice, or action nominates, recommends, or supervises CONTRACTOR's operations, or authorizes funding or payments to CONTRACTOR.

37. Public funds and Public Monies

A. Definitions: "Public funds" and "public monies" mean monies, funds, and accounts, regardless of the source from which they are derived, that are owned, held, or administered by the state or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities, or any county, city, school district, political subdivision, or other public body. The terms also include monies, funds or accounts that have been transferred by any of the aforementioned public entities to a private contract provider for public

programs or services. Said funds shall maintain the nature of "public funds" while in CONTRACTOR's possession.

B. CONTRACTOR's Obligation: CONTRACTOR, as recipient of "public funds" and "public monies" pursuant to this and other contracts related hereto, expressly understands that it, its officers and employees are obligated to receive, keep safe, transfer, disburse and use these "public funds" and "public monies" as authorized by law and this Agreement for the provision of services to Salt Lake County. CONTRACTOR understands that it, its officers and employees may be criminally liable under Utah Code Ann. § 76-8-402, for misuse of public funds or monies. CONTRACTOR expressly understands that the County may withhold funds or require repayment of funds from CONTRACTOR for contract noncompliance, failure to comply with directives regarding the use of public funds, or for misuse of public funds or monies.

38. Affidavits

Upon the execution of this Agreement and if required by the County, CONTRACTOR shall submit a sworn affidavit from each officer, employee or agent of CONTRACTOR who has been in contact or communicated with any officer, agent or employee of the County during the past calendar year concerning the provision of these goods and services. The affidavit shall contain the following statement:

I do solemnly swear that neither I, nor to the best of my knowledge, any member of my firm or company, have either directly or indirectly restrained free and competitive bidding by entering into any agreement, participating in any collusion, or otherwise taken any action unauthorized by the governing body of the County, or in violation of applicable law.

39. Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute

one agreement binding on all the parties, notwithstanding that each of the parties are not signatory to the original or the same counterpart. Further, executed copies of this Agreement delivered by facsimile or email shall be deemed an original signed copy of this Agreement.

40. Employee Status Verification

CONTRACTOR shall register and participate in the Status Verification System as required by Utah Code Ann. § 63G-11-103(3). The Status Verification System is an electronic system operated by the federal government, through which an authorized official of a state agency or political subdivision of the state may inquire by exercise of authority delegated pursuant to 8 U.S.C. § 1373 to verify the citizenship or immigration status of an individual within the jurisdiction of the agency or political subdivision. CONTRACTOR is individually responsible for verifying the employment status only of new employees who work under CONTRACTOR's supervision or direction and not those who work for another contractor or subcontractor, except each contractor or subcontractor who works under or for another contractor shall certify to the main contractor by affidavit that the contractor or subcontractor has verified, through the Status Verification System, the employment status of each new employee of the respective contractor or subcontractor. CONTRACTOR shall comply in all respects with the provisions of Utah Code Ann. § 63G-11-103(3). CONTRACTOR's failure to so comply may result in the immediate termination of its contract with HEALTH.

41. Notice to Retirees of Utah Retirement Systems ("URS")

Salt Lake County is a URS "participating employer." Entering into an agreement with the County may affect a URS retiree's retirement benefits including, but not limited to, cancellation of the retiree's "retirement allowance" due to "reemployment" with a "participating employer" pursuant

to Utah Code Ann., § 49-11-504 to 505 (2010). In addition, CONTRACTOR is required to immediately notify HEALTH if a retiree of URS is the contractor, or an owner, operator, or principal of the CONTRACTOR. CONTRACTOR shall refer the URS retiree to the URS Retirement Department at 801-366-7770 or 1-800-695-4877 for all questions about post-retirement employment regulations.

42. Government Records Access Management Act

CONTRACTOR acknowledges that Salt Lake County is a governmental entity subject to the Utah Government Records Access and Management Act ("GRAMA"), Utah Code Ann. §§ 63G-2-101 to 901 (2010). As a result, HEALTH is required to disclose certain information and materials to the public, upon request. CONTRACTOR agrees to timely refer all requests for documents, materials and data in its possession relating to this Agreement and its performance to HEALTH's representative for response by HEALTH.

43. Laws of Utah and Venue:

It is understood and agreed that this contract shall be governed by the laws of the State of Utah, both as to interpretation and performance. Venue for any and all legal actions arising hereunder shall lie in the District Court in and for the County of Salt Lake, State of Utah.

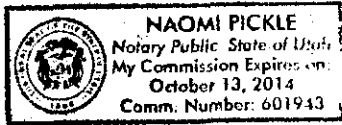
IN WITNESS WHEREOF, the Parties execute this contract as of the date first set forth above.

APPLUS TECHNOLOGIES, INC.

By Thomas Springer
Thomas Springer

STATE OF UTAH)
 :SS
County of Salt Lake)

On this 21 day of December, 2010, personally appeared before me **Thomas Springer**, who being first duly sworn did state that he is the President of Applus Technologies, Inc. and that the foregoing Settlement Agreement was signed on behalf of said corporation by authority of its bylaws or a resolution and that said corporation executed the same.



Naomi Pickle
NOTARY PUBLIC
Residing at:

My Commission Expires:
October 13, 2014

