

January 10, 2017

MPE Incorporated P.O. Box 2429 Park City, Utah 84060

Attention:

Pat Sweeney

EMAIL: psbro3@comcast.net

Subject:

Preliminary Slope Guidance and Revised Proposal

Proposed Treasure Hill Resort

Park City, Utah

Project No. 1160503

#### Gentlemen:

Applied Geotechnical Engineering Consultants, Inc. (AGEC) is pleased to provide updated preliminary slope guidance and a revised proposal for a preliminary geotechnical investigation for the proposed Treasure Hill Resort development to be located near the town lift and west of Lowell Avenue in Park City, Utah.

AGEC previously delivered preliminary bedrock cut slope guidance in an email to Pat Sweeney dated August 30, 2016, and a proposal for a preliminary geotechnical investigation dated September 28, 2016 under project No. 1160503. Additional analysis has allowed us to refine our preliminary cut slope guidance as well as our proposed exploration plan.

#### PROPOSED CONSTRUCTION

We understand that the site is being considered for construction of a combination of residential and commercial development. Excavation to a depth of up to approximately 100 feet is being considered for the proposed development. We understand that material from the excavation will remain on site and be placed above the area proposed for development.

## **GEOLOGIC CONDITIONS**

AGEC has performed preliminary site geologic reconnaissance in the area and reviewed geologic literature and reports. Our preliminary review to date indicates that:

The stratigraphy of the site generally consists of Pennsylvanian age Weber Quartzite and Permian age Park City Formations. The Weber Quartzite consists of medium- to thin-bedded, pale gray to tan, fine-grained quartzite and sandstone while the Park City Formation consists largely of pale-gray fossiliferous limestone with some chert and sandstone.

The Weber Quartzite is the dominant unit in the area proposed for development. The northwest portion of the property is largely underlain by Park City Formation. This includes some of the area proposed for fill placement. Quaternary age colluvial soils composed of clay, silt, sand, gravel, cobbles, and boulders overly the bedrock units over most of the site.

AGEC performed approximate bedrock jointing measurements on the site from exposed bedrock on outcrops, mine adits, and road cuts on June 28 and October 18, 2016. The measurements showed three predominant joint sets at the following orientations (more data is necessary for a good statistical sample):

Strike (±30°)	Dip (±30°)
N 10° W	15° E
Due N	70° W
Due W	85° N

#### PRELIMINARY BEDROCK CUT SLOPE GUIDANCE

Based on information obtained from a literature review, our bedrock jointing measurements at the surface, the proposed construction and our experience in the area, a preliminary slope stability analysis has been performed. Several cut profiles were analyzed by projecting the measured joint sets onto them. The cut profiles with the projected joint sets are attached.

Using the measurements we have and assuming that they represent the site, the following maximum cut slope suggestions are given. These suggestions are a revision of the guidance given in the above-referenced email.

Slope (vertical to horizontal)
4:1
2:1
2:1
2:1
4:1
4:1
2:1
2:1
-

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These values are preliminary and are based on the limited data we have been able to gather thus far. With additional exploration and investigation we can better define these recommendations.

#### PROPOSED STUDY

Based on the our experience in the area and additional analysis, the subsurface conditions anticipated and our understanding of the proposed construction, we propose to perform a preliminary subsurface exploration, laboratory testing and geological and engineering analysis to assist in developing conceptual design recommendations for the proposed development.

In order to better define the subsurface conditions of the site, we would like to make a slight adjustment to the above-referenced proposal by proposing to excavate an additional six to eight shallow test pits into the bedrock along the roadways at the lower Creole and Quit-n-Time ski runs to measure bedrock jointing. The proposed approximate locations for these test pits are shown on Figure 1, labeled as Test Pits TP-2 through TP-9. We anticipate that the added scope will add approximately \$2,000 to \$3,000 to the geotechnical fee.

A summary of our Scope of Services is included in Exhibit A.

#### FEE

We propose to provide the services based on hourly and unit costs in accordance with the attached fee schedule (Exhibit B). We estimate that our fee will fall within the ranges described below.

Task	Estimated Fee
3 Borings	\$16,000 - \$20,000
6 to 8 Creole and Quit-n-Time Shallow Test Pits (TP-2 through TP-9)	\$2,000 - \$3,000
Creole Drainage Test Pit (TP-1)	\$1,000-\$2,000
2 Additional Cut-Feasability Test Pits (TP-10 & 11)	\$5,000-\$8,000
Laboratory Testing	\$500 - \$1,000
Analysis	\$4,000 - \$6,000
Estimated Total	\$28,500 - \$40,000

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The fee estimate assumes that the client will provide access to the site for a track mounted drill rig and support vehicles, as well as access to water for drilling.

We appreciate the opportunity of providing this proposal to you and look forward to working with you on the project. If this proposal meets with your approval, please sign both copies of the Engineering Services Agreement and return one copy to this office. Issuance of our report is dependant on our receiving an executed copy of this agreement.

Sincerely,

APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC.

Taylor J. Nordquist, E.I.T.

Reviewed by James E. Nordquist, P.E., G.E.

Enclosures

# EXHIBIT A - SCOPE OF SERVICES APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC.

Based on the anticipated subsurface conditions and the proposed construction, we propose the following Scope of Work.

# 1. Field Investigation

Drill three borings in the area of the proposed development. The proposed boring locations are shown in Figure 1 and will be drilled to depths of up to 100 feet below the existing ground surface. Borehole videography will be used to further define the subsurface jointing in the bedrock. In the event that logistics or weather limit the number of borings that can be drilled, B-2 and B-3 will be drilled first.

Excavate six to eight shallow test pits into the bedrock along the roadways at the lower creole and Quit-n-Time ski runs (TP-2 through TP-9. This would provide valuable information on surface bedrock jointing at an area that would create minimal disturbance to the site.

Excavate one test pit in the Creole drainage (TP-1) in the area proposed for significant fill.

Optionally, dig two additional test pits in the proposed cut areas behind proposed building 1B and 5D (TP-10 and TP-11). This would provide valuable information on bedrock jointing and excavatability at the locations of the large proposed cuts. However, it would require extensive tree removal and the creation of access roads on the mountainside.

Subsurface conditions will be logged and samples obtained for laboratory and engineering analysis.

# 2. Laboratory Testing

Conduct a laboratory testing program to determine the following characteristics of the subsurface soil and rock:

- Classification
- Moisture Content
- Dry Density
- Strength

# 3. Engineering and Geological Analysis

Analyze the results of the field and laboratory investigations to determine the following:

- Characterize the subsurface conditions with respect to the proposed construction.
- Provide cut and fill recommendations, based on slope stability analysis.

### 4. Report

Prepare a report which summarizes the information obtained from the study and presents our preliminary conclusions and recommendations. The study will be conducted under the supervision of a registered professional engineer and a registered professional geologist.

# EXHIBIT B - PROFESSIONAL SERVICES FEE SCHEDULE GEOTECHNICAL / GEOLOGIC / ENVIRONMENTAL ENGINEERING APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC.

ENGINEERING/GEOLOGY/TECHNICIANS		
Principal	\$200.00-\$300.00/hour sal / Materials) \$125.00-\$200.00/hour stal / Materials) \$100.00-\$175.00/hour stal / Materials) \$100.00-\$165.00/hour \$55.00-\$95.00/hour \$45.00-\$65.00/hour	
Materials Technician	\$45.00-\$85.00/hour	
FIELD OBSERVATION AND TESTING		
FIELD INVESTIGATION		
Drill Rig - Track Mounted (Mobilization / Drilling / Stand Drill Rig - Balloon Tire (Mobilization / Drilling / Standby) Drill Rig - Truck Mounted (Mobilization / Drilling /Stand Drill Rig Crew Travel Backhoe PVC Pipe . Hand Auger Equipment	lby) \$225.00/hour \$250.00/hour \$250.00/hour \$200.00/hour \$100.00/hour \$90.00/hour \$1.00/foot \$100.00/day \$100.00/day	
Manometer	\$100.00/day	
Other Materials & Equipment	Cost + 15%	
LABORATORY TESTING		
Moisture Content	Consolidated Drained	
Gradation Analysis (ASTM D-422)	Permeability	
All standard sieves to #200 \$85.00 Less than 1½" to #200 \$65.00	Rigid Wall - Undisturbed \$125.00 Flexible Wall	
Percent less than #200 sieve \$40.00	Samples up to 4" in diameter \$300.00	
Hydrometer Analysis	Per day after initial 4 days \$50.00 Additional confining pressures \$100.00	
Water Soluble Sulfates\$60.00	12" diameter samples \$750.00	
Resistivity At existing moisture content \$60.00	Per day after initial 4 days \$75.00  Additional confining pressures \$100.00	
Moisture conditioned to	Client-supplied permeant add \$300.00	
4 moisture contents \$125.00	Permeant damaged	
Consolidation	Equipment cost + 20% Gradient Ratio	
Unconfined Compression (ASTM D-2166) \$75.00	Pinhole Dispersion \$200.00	
Direct Shear, soil to soil or soil to any client-supplied	Moisture-Density Relationships	
material (per point)	ASTM D-698 / D-1557 (std./mod. Proctor) \$150.00	
Consolidated Undrained \$100.00 Consolidated Drained (ASTM D-3080) \$150.00	Check Point	
Triaxial Shear (per point)	California Bearing Ratio (ASTM D-1883)	
Unconsolidated Undrained (unsaturated) . \$100.00	One Point	
Consolidated Undrained w/pore pressure	Three Points	
Wipolo prossulo 174 (174 174 174 174 174 174 174 174 174 174	Rock Testing on request Sample Preparation at rates listed above	
DIRECT CHARGES		
Auto or 2-wheel drive Pickup		
Out-of-Town Living Expenses		
INTEREST CHARGE AFTER 30 DAYS FROM INVOICE DATE		
	odition y, 2011	

# APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC. GEOTECHNICAL ENGINEERING SERVICES AGREEMENT

THIS GEOTECHNICAL ENGINEERING SERVICES AGREEMENT (this "AGREEMENT') is made and entered into as of January 10, 2017, by and between MPE INCORPORATED ("CLIENT"), and APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC., a Utah professional corporation ("AGEC"), who agree as follows:

PROJECT. CLIENT desires to engage AGEC to provide geotechnical engineering, technical services, and other services as described 1. below in connection with CLIENT'S project (the "PROJECT"). The PROJECT is described as follows: Proposed Treasure Hill, Phase 3, Proposal No.1160503. The site of the PROJECT (the "PROJECT SITE") is located as follows: Park City, Utah 2. FEES. Specific fees for the PROJECT are as follows: Estimated Fee: \$28,500 - \$40,000 ■ Hourly Billing Rates plus Reimbursable Expenses ☐ Lump Sum Lump Sum Amount: ☐ Other (Attach Addendum specifying compensation) The AGEC fee schedule (the "FEE SCHEDULE") has been provided to and received by CLIENT. A copy of the FEE SCHEDULE is attached hereto within the standard proposal as Exhibit A. This Agreement may be withdrawn by AGEC if not signed by client within 90 days from the date of this Agreement. CLIENT hereby agrees that all fees and charges set forth in the FEE SCHEDULE are acceptable to CLIENT, and CLIENT further agrees to pay all fees and charges to AGEC in accordance with this AGREEMENT and the FEE SCHEDULE. A FEE SCHEDULE is not attached for a Lump Sum. SCOPE OF SERVICES. AGEC shall provide certain specified services (the "SERVICES") on the PROJECT in accordance with this AGREEMENT, the Applied Geotechnical Engineering Consultants, Inc. Standard Terms and Conditions ("STANDARD TERMS") attached hereto, and the Scope of Services ("SCOPE OF SERVICES") attached hereto as Exhibit B or as described in the cover letter. AGEC shall not be responsible to provide any services not expressly contained in the SCOPE OF SERVICES or the STANDARD TERMS. 4. HAZARDOUS SUBSTANCES AND HAZARDOUS CONDITIONS. CLIENT hereby represents, warrants, and covenants to and with AGEC that: No HAZARDOUS SUBSTANCES (as defined in the STANDARD TERMS) or HAZARDOUS CONDITIONS (as defined in the STANDARD TERMS) exist on the PROJECT or at the PROJECT SITE, except as specified as follows:\_ AGEC is entitled to rely upon the above-stated representations, warranties and covenants in performing the SERVICES. CLIENT acknowledges and confirms that AGEC is relying upon the above warranties in undertaking to perform the services described in this AGREEMENT. 5. ATTACHMENTS AND EXHIBITS. All attachments and exhibits referenced in or attached to this AGREEMENT are incorporated herein and are made a part of this AGREEMENT. 6. CLIENT has read and understood the terms and conditions set forth on this and the reverse side hereof and agrees that such items are hereby incorporated into and made a part of this agreement, IN WITNESS WHEREOF, CLIENT and AGEC have executed this AGREEMENT as of the date first-above written. CLIENT: By: Its: Federal ID No. or Social Security No. Applied Geotechnical Engineering Consultants, Inc. AGEC: 600 West Sandy Parkway

By:

Sandy, Utah 84070 Phone: (801) 566-6399 Fax: (801) 566-6493

NGINEER

# APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC. GEOTECHNICAL STANDARD TERMS AND CONDITIONS

The standard terms and conditions set forth herein are attached to and made a part of the Geotechnical Engineering Services Agreement (the "AGREEMENT") between Applied Geotechnical Engineering Consultants, Inc. ("AGEC"), a Utah corporation and CLIENT (as defined in the AGREEMENT).

All capitalized terms which are not specifically defined herein shall have the meanings assigned to such terms in the AGREFMENT.

ARTICLE 1. SERVICES. The SERVICES to be provided by AGEC are limited to and shall be as set forth in the SCOPE OF SERVICES attached to the AGREEMENT as Exhibit A.

ARTICLE 2. STANDARD OF CARE--LIMITATION OF DAMAGES. The SERVICES will be performed in accordance with generally accepted engineering principles and practices existing at the time of performance for the locality where the SERVICES were performed. AGEC will re-perform, without additional charge, any SERVICE which does not meet this standard. EXCEPT AS EXPRESSLY PROVIDED IN THIS ARTICLE 2, AGEC MAKES NO GUARANTEES OR WARRANTIES CONCERNING SERVICES, AND NO OTHER GUARANTEES OR WARRANTIES MAY BE IMPLIED. IN ADDITION, NOTWITHSTANDING ANY AGREEMENT TO THE CONTRARY, AGEC SHALL NOT BE LIABLE, UNDER ANY CIRCUMSTANCES, FOR CONSEQUENTIAL OR SPECIAL DAMAGES.

ARTICLE 3. RIGHT OF ENTRY. CLIENT grants a right of entry to the PROJECT SITE to AGEC, its employees, agents, consultants, contractors, and subcontractors, for the purpose of performing SERVICES, and all acts, studies, and research in connection therewith, including without limitation the obtaining of samples and the performance of tests and evaluations.

ARTICLE 4. PERMITS AND LICENSES. CLIENT represents and warrants that it possesses all necessary permits and licenses required for the performance of the SERVICES and the continuation of CLIENT and AGEC's activities at the PROJECT SITE.

ARTICLE 5. SAMPLING AND TESTING. Field tests or boring locations described by AGEC in any reports or shown on sketches are based on information furnished by others or estimates made in the field by AGEC. Any dimensions, depths or elevations in connection therewith are approximations and are not warranted to be exact.

ARTICLE 6.—DOCUMENTS.—CLIENT-shall-furnish, or cause to be furnished, such-reports,—data, studies,—plans, specifications, documents and other information deemed necessary by AGEC for the proper performance of the SERVICES. AGEC shall be entitled to rely upon documents provided by the CLIENT in performing the SERVICES.

All documents provided by CLIENT shall remain the property of CLIENT; provided, that AGEC shall be permitted at AGEC's discretion to retain copies of such documents for AGEC's files. All documents prepared by AGEC in connection with the performance of the SERVICES, including but not limited to drawings, specifications, reports, boring logs, field notes, laboratory test data calculations and estimates, shall remain the exclusive property of AGEC. CLIENT agrees that all documents of any nature furnished to CLIENT or CLIENT's agents or designees, if not paid for by CLIENT, will be returned to AGEC upon demand and will not be used by CLIENT for any purpose whatsoever. CLIENT further agrees that under no circumstances shall any documents produced by AGEC pursuant to this AGREEMENT be used at any location or for any project not expressly provided for in this AGREEMENT without AGEC's prior written permission. If CLIENT has used or uses any portion of AGEC's work without AGEC's consent, CLIENT shall indemnify and save AGEC harmless from any and all claims arising from or relating to, in any way, such unauthorized use. No part of any document AGEC delivers to CLIENT shall be reproduced or distributed, whether for advertising or any other purpose, without AGEC's prior written consent.

ARTICLE 7. AGEC PERSONNEL. AGEC'S personnel shall be present either full or part-time as determined by AGEC to provide observation and field testing of specific parts of the PROJECT (in accordance with the SCOPE OF SERVICES).

ARTICLE 8. CONTRACTORS. If contractor(s) are involved in the PROJECT, AGEC shall not be responsible for the supervision or direction of any contractor or its employees or agents, and CLIENT shall so advise the contractor(s). Neither the presence of AGEC's personnel nor any observation or testing by AGEC shall couse any contractor in any way for the acts or omissions of the contractor. AGEC shall not be responsible for job or site safety on the PROJECT or at the PROJECT SITE, and AGEC shall not have the right or obligation to stop the work of any contractor or other person at the PROJECT SITE.

ARTICLE 9. PUBLIC LIABILITY. AGEC maintains workers' compensation and employer's liability insurance for AGEC personnel, as may be required by state law. AGEC also maintains liability and auto liability insurance as required by state law. A Certificate of insurance evidencing the coverage currently held by AGEC may be supplied upon written request by CLIENT.

Notwithstanding any provision of the AGREEMENT to the contrary, AGEC shall not be liable or responsible for any costs, expenses, losses, damages, or liability beyond the amounts, limits, coverage, or conditions of the insurance held by AGEC. In the event any third party brings suit or claim against AGEC for any matter relating to or arising from the SERVICES, the PROJECT, or the PROJECT SITE (including, without limitation any suit alleging exposure to or damage from material, elements or constituents at or from the PROJECT or the PROJECT SITE or which is alleged to have resulted in or caused disease or any adverse health condition to any third party, or resulted in costs for remedial action, uninhabitability of the property, or other property damage), before, during or after the performance of the SERVICES, CLIENT agrees, at its sole cost and expense, to indemnify, defend and hold AGEC and its officers, employees, contractors, and representatives harmless from all costs (including without limitation attorneys fees, witness costs and court costs), expenses, losses and judgements. CLIENT shall have the right to investigate, negotiate and settle, with AGEC's concurrence, any such suit or claim, and AGEC shall cooperate in the defense of any such suit or claim.

ARTICLE 10. PROFESSIONAL LIABILITY. Unless otherwise agreed in writing by CLIENT and AGEC, AGEC liability to CLIENT or any third party in connection with or arising from any act, omission or error (including negligent or other acts, omissions or errors) for any cause and based upon any legal theory (including without limitation strict liability) shall not exceed, in the aggregate, \$50,000 or the total fee received by AGEC pursuant to this AGREEMENT, whichever is greater.

ARTICLE 11. SAMPLE HANDLING AND RETENTION. Test samples or specimens ("SAMPLES") obtained by AGEC may be consumed or substantially altered during testing and AGEC, at its sole discretion, shall dispose of any remaining residue immediately upon completion of tests, subject to the following:

- a. NON-HAZARDOUS SAMPLES. At CLIENT's written request, AGEC shall maintain preservable SAMPLES for 30 days after the report date, free of storage charges. After the initial 30 days, upon written request AGEC will retain SAMPLES for a storage charge and time period reasonably established by AGEC. AGEC shall not be responsible or liable for the loss of any SAMPLES retained in storage.
- b. HAZARDOUS OR POTENTIALLY HAZARDOUS SAMPLES. In the event that SAMPLES contain substances or constituents deemed hazardous or detrimental to health, safety, or the environment as defined by federal, state or local statutes, regulations or ordinances ("HAZARDOUS SUBSTANCES"), AGEC (i) shall after completion of testing and at client's expense return such SAMPLES to CLIENT, or (ii) using a manifest signed by CLIENT as generator, AGEC shall have such SAMPLES transported to a location selected by CLIENT for final disposal. CLIENT agrees to pay all costs associated with the storage, transport, and disposal of such SAMPLES, plus a reasonable handling charge to AGEC. CLIENT recognizes and agrees that AGEC is acting only as a bailee of SAMPLES in possession of AGEC, and AGEC has not and shall not at any time assume title to any SAMPLES, including without limitation SAMPLES containing HAZARDOUS SUBSTANCES.

ARTICLE 12. HAZARDOUS SUBSTANCES AND HAZARDOUS CONDITIONS. CLIENT represents and warrants that upon or prior to the execution of the AGREEMENT, it has advised AGEC of any and all i) HAZARDOUS SUBSTANCES and (ii) conditions existing in, on or near the PROJECT SITE which pose a potential danger to human health, the environment, or equipment ("HAZARDOUS CONDITIONS"). CLIENT agrees to immediately advise AGEC of the existence of any HAZARDOUS SUBSTANCES or HAZARDOUS CONDITIONS of which it becomes aware during or after the performance of the SERVICES. To the maximum extent permitted by law,

CLIENT shall indemnify, defend and hold AGEC harmless from and against any and all claims and liabilities resulting from:

- the violation by CLIENT or any other party of any federal, state or local statute, regulation or ordinanc relating to the disposal or handling of HAZARDOUS SUBSTANCES;
- the undertaking by CLIENT or any other party of, or the arrangement for, the handling, removal treatment, storage, transportation or disposal of HAZARDOUS SUBSTANCES;
- c. changed conditions, HAZARDOUS SUBSTANCES or HAZARDOUS CONDITIONS introduced at the PROJECT SITE by CLIENT or any other party before, during or after the performance of the SERVICES
- d. any allegation(s) that AGEC is a handler, generator, operator, treater, storer, transporter, or disposer unde the Resources Conservation and Recovery Act of 1976, as amended, the Comprehensive Environmenta Response Compensation and Liability Act, or any other similar federal, state or local regulation or law,
- any costs, losses, damages, claims, causes of action or liability which may be asserted against AGEC
  or which may arise out of any environmental clean up or response, including without limitation al
  attorneys fees, witness costs and court costs;
- f. any claims, causes of action or liability which may be asserted against AGEC or which may arise out o any alleged contamination of any aquifer (including without limitation any such claim which may aris as a result of contamination of certain subsurface areas, as for example when a probe, boring device o well device moves through a contaminated area, linking it to an aquifer, underground stream, or othe hydrous body not previously contaminated and which allegedly results in the spreading of HAZARDOUS SUBSTANCES to any other areas or hydrous bodies).

ARTICLE 13. NO SUPERVISION OR REPORTING DUTIES. AGEC shall not, under any circumstances, assume control of or responsibility for the PROJECT SITE or the persons operating on the PROJECT SITE not shall AGEC by responsible for reporting to any federal, state or local agencies any conditions at the PROJECT SITE that may presen potential dangers to public health, safety or the environment. CLIENT shall promptly notify the appropriate federal state or local agencies, or otherwise disclose—any information that may be necessary to prevent any danger to health, safety or the environment, in accordance with applicable law and in a timely manner.

ARTICLE 14. CONTAMINATED EQUIPMENT. Upon notification by AGEC to CLIENT, all laboratory and field equipment used in performing the SERVICES which, at any time and in AGEC's sole discretion, is determined to be contaminated and which, in AGEC's sole discretion, cannot be reasonably decontaminated (the "CONTAMINATEE EQUIPMENT") shall become the property and responsibility of CLIENT. Upon notification, AGEC shall deliver al CONTAMINATED EQUIPMENT to CLIENT, and CLIENT shall be solely responsible for the disposal, in accordance with law, of the CONTAMINATED EQUIPMENT. CLIENT shall pay AGEC for the fair market value to AGEC of an CONTAMINATED EQUIPMENT within 45 days from the date of the notice provided in this ARTICLE 14.

ARTICLE 15. UNFORSEEN OCCURRENCES. If, during the performance of services, any unforseen HAZARDOUS SUBSTANCES or other unforseen conditions or occurrences ("UNFORSEEN CONDITIONS") are encountered which in AGEC's sole judgement significantly affect or may affect the SERVICES, the risk involved in providing the SERVICES or the SCOPE of SERVICES, CLIENT and AGEC hereby agree to reasonably odify the AGREEMENT including the SCOPE OF SERVICES and the FEE SCHEDULE. AGEC further agrees to provide an estimate of additiona charges relating to the UNFORSEEN CONDITIONS. Any modification of the AGREEMENT shall be in writing and shall be signed by CLIENT and AGEC. If CLIENT and AGEC cannot come to a reasonable agreement with respect to a modification of the AGREEMENT as provided in this ARTICLE 15, AGEC shall have the right to terminate this AGREEMENT and to receive payment from CLIENT for all SERVICES performed by AGEC prior to the date of such terminates.

ARTICLE 16. DAMAGE AT PROJECT SITE. AGEC shall not be liable for any property damage or bodily injury arising from damage to or interference with surface or subterranean structures (including without limitation pipes, tanks telephone cables, and the like) which are not called to AGEC's attention in writing and correctly shown on the plans furnished by CLIENT in connection with the SERVICES. CLIENT acknowledges and accepts that the performance of the SERVICES, including without limitation the use of exploration and test equipment, any unavoidably affect alter, or damage the terrain and affect subsurface, vegetation, buildings, structures and equipment at or under the PROJECT SITE. CLIENT accepts and agrees to bear all risks inherent with the performance of the SERVICES and shall not hold AGEC liable or responsible for any such effect, alteration or damage.

ARTICLE 17. FORCE MAJEURE. AGEC is not responsible for damages or delays in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of AGEC.

ARTICLE 18. LITIGATION ASSISTANCE. The SCOPE OF SERVICES does not include costs of AGEC for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the CLIENT. All such services required or requested of AGEC except for suits or claims between the parties to the AGREEMENT will be reimbursed as mutually agreed, and payment for such services shall be in accordance with this AGREEMENT, unless and until otherwise required by a court or arbitrator.

ARTICLE 19, CHANGES. CLIENT may make or approve changes within the SCOPE OF SERVICES. CLIENT shall pay any additional costs of such changes at the rates set forth in the FEE SCHEDULE.

ARTICLE 20. NO THIRD PARTY BENEFICIARIES. No rights or benefits are provided by the AGREEMENT to any person other than the CLIENT and AGEC and the AGREEMENT has no third-party beneficiaries.

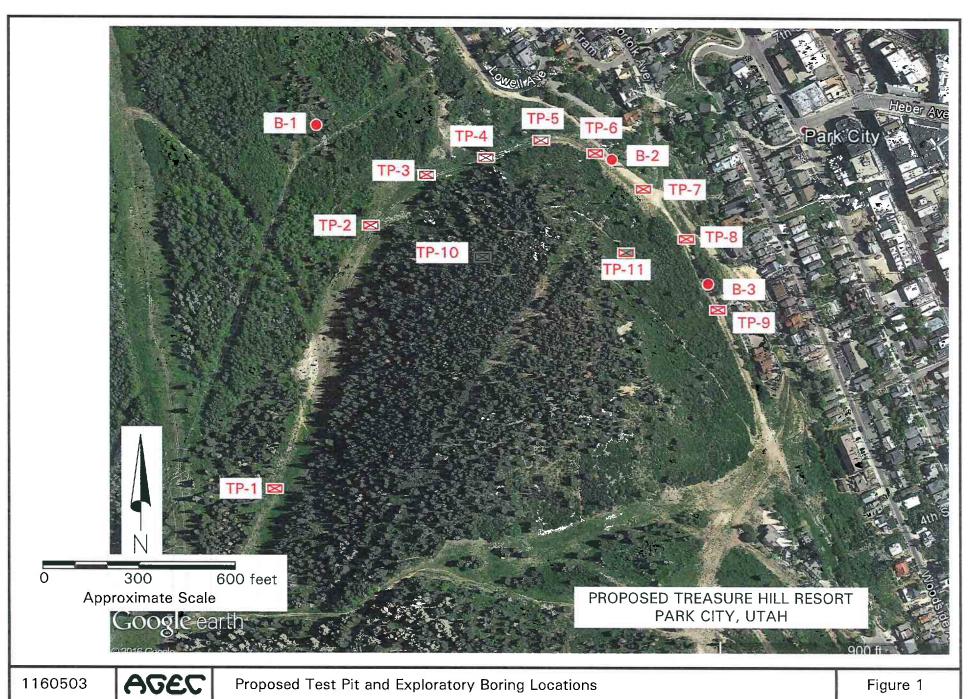
ARTICLE 21. LEGAL ACTION. All legal actions by either party against the other arising from the AGREEMENT, or for the failure to perform in accordance with the applicable standards of care provided in the AGREEMENT, or for any other cause of action, shall be barred 2 years from the date the claimant knew or should have known of its claim; provided, however, no legal actions shall be asserted by CLIENT or AGEC after 4 years from the date of substantial completion of the SERVICES.

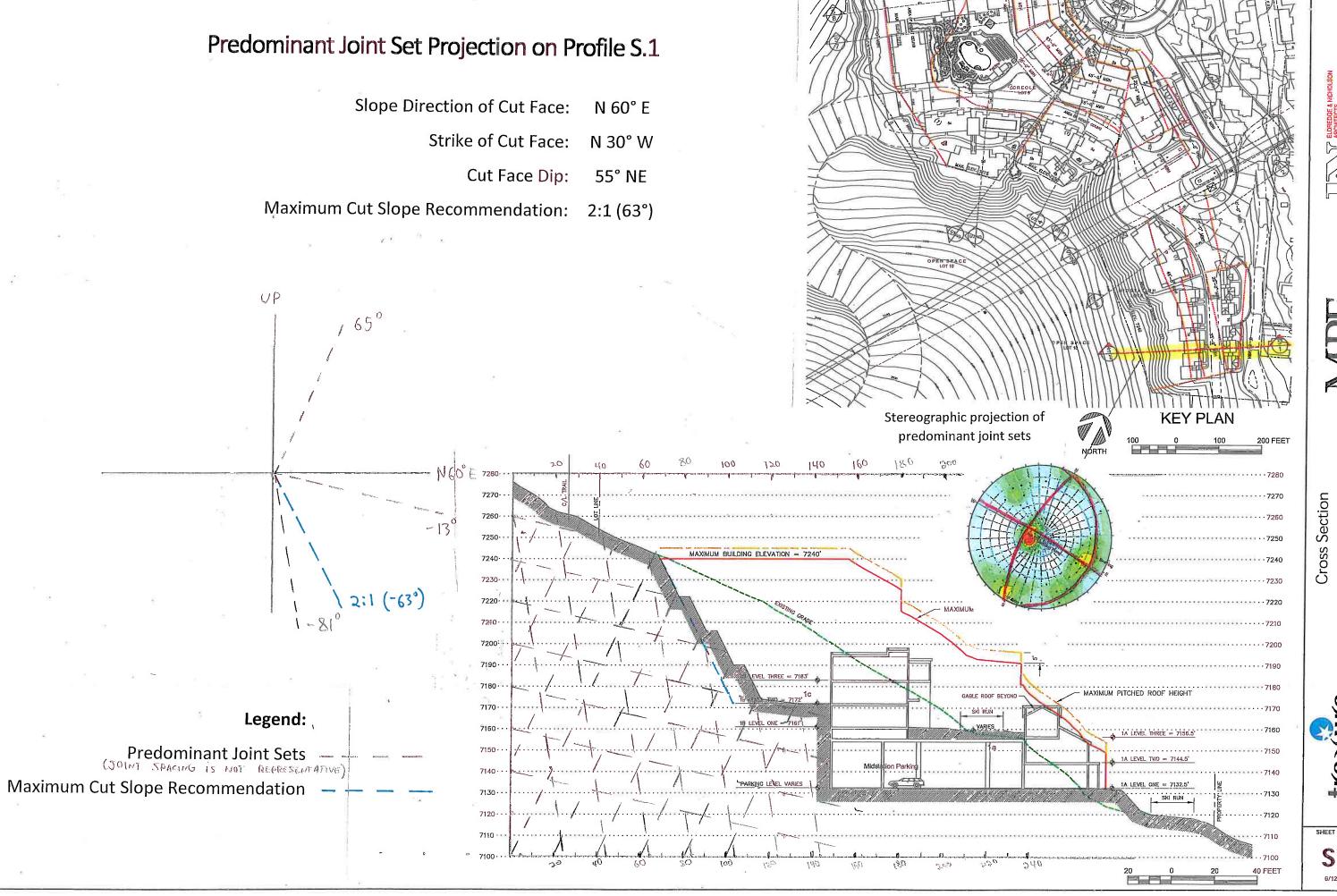
ARTICLE 22. BILLING. Unless otherwise expressly provided in the AGREEMENT, billings will be based on actual accrued time, test costs and expenses. CLIENT agrees to pay invoices upon receipt. If payment is not received by AGEC within 30 days of the invoice date, the amount due shall bear interest at a rate of 1.5 percent per month (18 percent per annum), before and after judgement and CLIENT shall pay all costs of collection, including without limitation reasonable attorneys' fees (provided, however, if interest provided in this ARTICLE 22 exceeds the maximum interest allowable under any applicable law, such interest shall automatically be reduced to the maximum interest allowable by applicable law). If CLIENT has any objection to any invoice or part thereof submitted by AGEC, CLIENT shall so advise AGEC in writing, giving CLIENT's reasons, within 14 days of receipt of such Invoice. Payment of the invoice shall constitute final approval of all aspects of the work performed to date as well as the necessity thereof. If the PROJECT or the AGREEMENT is terminated in whole or part prior to the completion of the SERVICES, then AGEC shall be paid for work performed prior to AGEC's receiving or issuing written notice of such termination and in addition AGEC shall be reimbursed for any and all expenses associated with the termination of the PROJECT or the AGREEMENT, including without limitation any "shut-down" costs.

ARTICLE 23. SURVIVAL. All obligations arising prior to the termination of the AGREEMENT and all provisions of the AGREEMENT allocating the responsibility or liability between CLIENT and AGEC shall survive the completion of the SERVICES and the termination of the AGREEMENT.

ARTICLE 24. INTEGRATION. The AGREEMENT and all the exhibits and attachments thereto constitute the entire agreement between the parties and cannot be changed except by a written instrument signed by all parties thereto.

ARTICLE 25. GOVERNING LAW. The AGREEMENT shall be governed in all respect by the laws of the State of Utah unless otherwise agreed in writing between the parties.





**S.1** 

