

SETTLEMENT AGREEMENT

This Settlement Agreement (the "**Agreement**") is made by and between UniFirst Corporation ("**UniFirst**") and Weber County ("**Weber County**"), collectively the "**Parties**," as of the date of the last signature on this Agreement.

RECITALS

The Parties entered into a Customer Service Agreement on May 9, 2016 (the "**CSA**"). The Parties have been involved in a dispute regarding the CSA. (the "**Dispute**"). The Parties now wish to enter into this Agreement to settle the Dispute in consideration of and pursuant to the promises and conditions in this Agreement.

AGREEMENT PROVISIONS

1. **Settlement Payment.** Weber County agrees to pay, and UniFirst agrees to accept, a monetary payment of \$5,108.89 ("**Settlement Payment**"), pursuant to the following conditions:

a. Lump Sum. A lump sum payment of \$5,108.89 must be delivered on or before Tuesday, April 28, 2020.

b. Form of Payments. The Settlement Payment must be made in the form of a check made payable to UniFirst Corporation.

c. Delivery of Payments. The check must be delivered to counsel for UniFirst at Crook & Taylor Law, 2150 S 1300 E, Suite 500, Salt Lake City, UT 84106.

2. **Default Interest Rate.** If Weber County breaches this Agreement, all outstanding amounts will bear interest at the rate of 18% per year.

3. **Remedies in the Event of Breach.** If Weber County breaches this Agreement, then UniFirst may: (1) without notice or demand, accelerate all amounts owed and declare them immediately due and payable; (2) seek damages caused by the breach, (3) seek specific performance of this Agreement, (4) seek injunctive relief if applicable, (5) void this Agreement and proceed with UniFirst's claims and defenses, including pursuit of enforcement of any Award or Judgment; and/or (6) pursue any other remedy available at law.

4. **Mutual Release.** Effective upon: (1) the full, mutual execution and delivery of this Agreement, including any and all exhibits, and (2) the receipt of the full Settlement Payment in accordance with this Agreement, the Parties, for and on behalf of themselves and anyone claiming by or through them, mutually release in full and forever discharge: each other, and as applicable, each of their respective entities, agents, representatives, principals, employees, predecessors, successors, subsidiaries, parents, affiliates, trustees, trusts, estates, attorneys, insurers, sureties, heirs, assigns, and all persons acting by, through, under, or in concert with them, from: any and all claims, obligations, damages, costs, attorneys' fees, injuries, and liabilities of every kind and nature whatsoever, whether known or unknown, arising from or in any way pertaining to the above recitals.

5. **Notice.** All notices pertaining to this Agreement must be sent via email to the following addresses:

If to UniFirst:

UniFirst Corporation
Attn: Ross Clark, General Manager
ross_clark@unifirst.com

With a copy to:

D. Scott Crook and Jeremiah Taylor
Crook & Taylor Law PLLC
scott@crooktaylorlaw.com
jerry@crooktaylorlaw.com

If to Weber County:

Courtlan Erickson
Deputy County Attorney
cerickson@co.weber.ut.us

6. **Miscellaneous Provisions.**

- a. Incorporation of Recitals. The above recitals are part of this Agreement.
- b. Choice of Law, Venue, and Jurisdiction. This Agreement will be interpreted in accordance with the laws of the State of Utah. Utah will have exclusive jurisdiction over any dispute arising from or related to this Agreement. Venue in Salt Lake County will be proper.
- c. Binding. This Agreement is binding upon the Parties and their agents, officers, principals, members, owners, employees, affiliates, representatives, insurers, executors, administrators, heirs, successors, and assigns of every kind.
- d. No Waiver. No breach of this Agreement will be waived unless it is waived

in writing.

e. No Oral Modification. This Agreement may be amended or modified only by written instrument executed by each of the Parties.

f. Authority to Execute. The undersigned declare that they have the full authority to bind the respective Parties to the terms of this Agreement.

g. Severability. If any provision of this Agreement proves to be invalid, the remaining provisions will remain in full force and effect.

h. Counterparts; Electronic Delivery. This Agreement may be executed electronically, including via email, and in counterparts.

i. Attorney Fees. In any action (including but not limited to demand, negotiation, mediation, arbitration, litigation, and judgment enforcement) related to or arising out of this Agreement, the prevailing party will be entitled to recover costs and expenses, including but not limited to reasonable attorney's fees, collection costs, and other expenses.

j. Entire Agreement. This Agreement and its exhibits represent the entire understanding, intent, and agreement between the Parties, and supersedes all prior oral or written agreements pertaining to the subject matter of this Agreement.

7. **Voluntary Act and Legal Representation.** The Parties represent that they (1) freely and voluntarily enter into this Agreement, (2) have thoroughly read this Agreement, (3) understand the terms of this Agreement, and (4) have conferred with, have had the opportunity to confer with, or waive the opportunity to confer with legal counsel and a tax advisor with regard to this Agreement.

*Remainder of This Page Left Blank Intentionally
Signature Page to Follow*

IN WITNESS WHEREOF, the Parties execute this Agreement and approve of its form and substance.

UNIFIRST CORPORATION

WEBER COUNTY

Sign:

Sign:

Print:

Print:

Title:

Title:

Date:

Date:

Attest:

Ricky Hatch, Clerk/Auditor



ATTORNEY'S OFFICE

2380 Washington Boulevard
Suite 230
Ogden, Utah 84401-1464
Telephone: (801) 399-8377
24 Hour FAX: (801) 399-830

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Kimberly A. Lee

▼
Investigations
Shane L. Minor
Steve Zaccardi

▼
Victim Assistance
Jamie Pitt
Diane Oberg Lowe
Becky Jones
Jessica Hancock
LeeAnn Nielson

November 20, 2019

UniFirst Corporation
1024 South 200 West
Salt Lake City, UT 84101

Re: Weber County contract #825293

To Whom It May Concern:

Weber County hereby notifies you of its intent to terminate contract #825293, which was entered into in May 2016, due to your breach of the terms of the contract.

The third paragraph of the Customer Service Agreement Terms on page 2 of the contract describes the conditions under which the County may terminate the contract:

Customer expressly waives the right to terminate this Agreement during the initial term or any extension thereof for deficiencies in services and/or quality of Merchandise unless: (1) complaints are first made in writing to UniFirst which set forth the precise nature of any deficiencies; (2) UniFirst is afforded at least sixty (60) days to correct any deficiencies complained of; and (3) UniFirst fails to correct those deficiencies complained of within sixty (60) days. In the event Customer complies with the foregoing and UniFirst fails to correct such deficiencies, Customer may terminate this Agreement by written notice to UniFirst; providing that all previous balances due UniFirst have been paid in full and that all other conditions to terminate have been satisfied.

Here is a description of the County's complaints and your failure to correct the deficiencies within 60 days:

- Paige Toll, from the County's Roads Division, called you and asked how she could make a written complaint, and you told her she needed to make complaints through the driver who was assigned to provide service to the County.
- Ms. Toll wrote her complaints down on the invoices and gave copies to the driver, so she provided the complaints to you in writing in the way that you told her to provide them.

- In January 2019, Ms. Toll notified you that Troy L. and Jed W. no longer worked for the Roads Division and that Steven Powell had moved to the Garage Division. You continued to bill the Roads Division for all three of those employees into April 2019, more than 60 days later, in spite of repeated written complaints. The documentation is enclosed.
- In January 2019, Ms. Toll notified you that a number of items that were used by the Garage Division were being improperly billed to the Roads Division. You did not correct the error until June 2019, more than 60 days later, in spite of repeated written complaints. The documentation is enclosed.
- After Colton C. and Tom T. began working for the Roads Division, it took almost three months for you to deliver their pants, and you still have not delivered the shirts that the County ordered. Additionally, you began charging the County for the clothes before you delivered them. Some documentation of the problem is enclosed. Even though the County does not have specific documentation of written notice to you more than 60 days before you cured the problem, it illustrates the trouble the County has had with your service.
- Similarly, it took you three months to return clothes for Shane E. after taking them for repairs. Again, the County does not have specific documentation of written notice to you more than 60 days before you cured the problem, but it illustrates the trouble the County has had with your service.

As a result of these issues, the County will soon seek the services of another company to replace you. The County will notify you of the exact date when the contract will terminate and will pay you for all services you satisfactorily provide through the termination date.

Sincerely,



Courtlan P. Erickson
Deputy County Attorney

Enclosures



CROOK & TAYLOR LAW

Phone: 801-326-1943

www.crooktaylorlaw.com

Facsimile: 801-665-1567

March 4, 2020

Via Regular Mail and Certified Mail, Return Receipt Requested:

Weber County
Courtlan P. Erickson, Deputy County Attorney
2380 Washington Blvd., Suite 230
Ogden, UT 84401-1464

Re: Contracts with UniFirst Corporation

Dear Mr. Erickson:

This law firm represents UniFirst Corporation ("**UniFirst**") in its operations in Utah. UniFirst requested that we review Weber County's cancellation of its contract with UniFirst per your letter dated November 20, 2019. This letter is subject to Rule of Evidence 408.

Attached to your letter are invoices with handwritten notes. Your letter indicates that these handwritten notes were given to UniFirst's driver. However, to date UniFirst has not located any record of these handwritten notes in its files. The copies of the invoices attached to your letter are the "customer copy," which is typically left with the customer. I invite any further information you might have that would indicate that these handwritten notes were delivered to UniFirst.

Weber County's cancellation of the contract was based on the premise that these handwritten notes were given to UniFirst. To the extent that they were not, there is no basis for cancellation, and Weber County terminated the contract prematurely. UniFirst values its relationship with Weber Road and Weber Garage and remains willing to discuss a mutually beneficial resolution, which may include resuming services to the Road and Garage Departments.

To the extent that the cancellation was premature, and if Weber County desires to maintain its cancellation, then the Agreement calls for liquidated damages. UniFirst began servicing Weber County under the Agreement on May 2, 2011 ("installation"). The original term of the Agreement was 60 months from the date of installation, with subsequent, automatic renewals. Accordingly, the Agreement does not expire until May 2, 2021. The

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2150 South 1300 East, Suite 500
Salt Lake City UT 84106

D. Scott Crook
scott@crooktaylorlaw.com

Jeremiah R. Taylor
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taylor@crooktaylorlaw.com

Bountiful Office
450 South 400 East, Suite 100
Bountiful, UT 84010

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March 4, 2020
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liquidated damages are calculated at 50 percent of the average weekly amounts invoiced in the preceding 26 weeks, multiplied by the number of weeks remaining in the current term. The amounts applicable to Weber County under the Agreement are as follows:

\$4,640.63 for Weber County Road, (50% x \$129.41 average weekly charges x 71.71 weeks remaining until expiration of the Agreement); and

\$4,177.14 for Weber County Garage, (50% x \$121.57 average weekly charges x 68.71 weeks remaining until expiration of the Agreement).

\$8,817.77 total

We request your response by the close of business Friday, March 13, 2020. UniFirst would prefer to continue a mutually beneficial relationship. Please know, however, that we have been instructed to pursue all available and applicable legal remedies in the event Weber County fails to fulfill its contractual obligations.

Sincerely,

CROOK & TAYLOR LAW PLLC



Jeremiah R. Taylor

cc: Ross Clark, UniFirst Corporation
John Giampapa, UniFirst Corporation
Curtis Thomas, UniFirst Corporation