

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is made effective as of the 26 day of October, 2010, by and between the City of Minneapolis (the "City") and SHAC, LLC d/b/a Sedgwick Heating & Air Conditioning ("Sedgwick").

WHEREAS, the City notified Sedgwick of alleged violations of the Minneapolis Code of Ordinances (the "Ordinances") Sections 278.190, 91.60, 85.20, 105.20 and 105.70 (the "Alleged Violations") and Sedgwick disputed the Alleged Violations.

WHEREAS, on October 18, 2010, the City and Sedgwick had a settlement conference to discuss the Alleged Violations.

WHEREAS, the City and Sedgwick now desire to settle the Alleged Violations.

NOW, THEREFORE, in consideration of the terms, conditions, and promises set forth herein, it is agreed as follows:

1. **Settlement Terms.** In order to settlement the Alleged Violations, the parties agree as follows:

- (a) Upon execution of this Agreement by the parties, Sedgwick shall pay the City the sum of \$2,000, of such amount, the sum of \$1,000 shall be stayed for a period of one year (the "Stayed Amount").
- (b) Sedgwick shall obtain permits in accordance with the Ordinances for all work in the City which requires a permit or otherwise subcontract the work to a properly licensed contractor; provided that if emergency work is requested by residents of the City during the evening or on weekends, Sedgwick may perform such work and Sedgwick shall verbally report such work to the City's area CCS inspector and obtain a permit on the next business day.
- (c) Sedgwick shall maintain the appropriate employees with Master competency cards as required by Ordinance 278.190 and Sedgwick will inform the City of any change in its employees with Master competency cards within fourteen (14) days of the change. If Sedgwick has no employees with a Master competency card for the licensed portion of its business, Sedgwick shall cease contracting work in the City for such portion of its business or shall otherwise subcontract the work to a properly licensed contractor.
- (d) If, during the period of one year after the date hereof, Sedgwick violates sections 1(b) and/or 1(c) above, then, after notice thereof from the City, Sedgwick shall pay the Stayed Amount to the City and any or all of the Alleged Violations may be pursued against Sedgwick by the City as determined by the City in its sole discretion.

- (e) This Agreement is entered into in compromise of disputed claims. The parties acknowledge that the execution of this Agreement shall not be construed in any way as an admission of wrongdoing or liability on the part of Sedgwick. The parties intend by their actions pursuant to this Agreement merely to avoid the expense, delay, and burden of further proceedings.

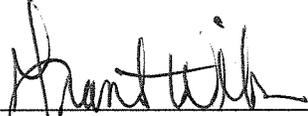
2. **Miscellaneous.** This Agreement is made and entered into in the State of Minnesota and shall in all respects be interpreted, enforced, and governed under the laws of the State of Minnesota. The language of all parts in this Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against either party. This Agreement may be executed in one or more counterparts by the parties. All counterparts shall be construed together and shall constitute one agreement. This Agreement sets forth the entire agreement between the parties with respect to the Alleged Violations and fully supersedes any and all prior agreements and understandings between the parties pertaining to the Alleged Violations.

IN WITNESS WHEREOF, this Settlement Agreement has been executed as of the day and year first above written.

SHAC, LLC

By 
Its General Manager

CITY OF MINNEAPOLIS

By 
Its Manager L.C.S.

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