

March 25, 2011

Tyrone Thompson  
c/o Mountain Communications & Electronics, Inc.  
Drawer 5150  
Avon, CO 81620

Hand Delivery 03-25-2011

Dear Mr. Thompson,

Thank you for the additional information you have provided to the City of Grand Junction ("City") regarding the back billing of 2009 work performed by Mountain Communications & Electronics, Inc. ("Company.") We appreciate the time you put into resolving our concerns. At this point we have completed our review of the billings and supporting documentation you have provided. This includes the December 2010 and January 2011 work done at the Ute Butte site. On page three of this letter is a summarization of the City's position by invoice and the resulting proposal for settlement of all outstanding invoices. It is important to note that the City has paid for all installed equipment associated with these invoices.

As previously discussed, you have acknowledged the Company's responsibility in late billing for the 2009 work. Because of a lack of timely billing and clear supporting documentation the City continues to be concerned. In an effort to resolve these matters and save both the Company and the City further time and effort in trying to reconcile invoices and recreate lost or missing work orders after the fact, we are offering to pay \$36,841.51 as full and final payment of all outstanding obligations from the City to the Company.

Upon acceptance of the City's offer and upon payment of the stipulated sum of \$36,841.51 the contract relationship between the Company and the City will be lawfully ended.

The following provisions are the mutually agreeable terms negotiated by and between and mutually acceptable to, the City and Company. In consideration of the mutual covenants and agreements contained herein, the Company and the City agree as follows:

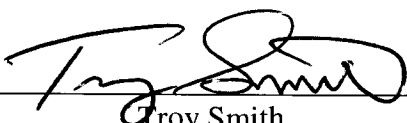
1. The Company and the City hereby end, quit and terminate their contract. Any formalities called for under that contract are waived and shall not be enforced or claimed to be enforced.
2. The Company agrees that upon the payment of \$36,841.51 that it is fully compensated under the contract and this agreement. Furthermore, the Company agrees that adequate consideration exists for the making and enforcement of this agreement.
3. This agreement shall provide for and be construed to release any and all claims, demands, or causes of action that the Company may have now or hereafter acquire against the City and the City may have now or hereafter acquire against the Company.

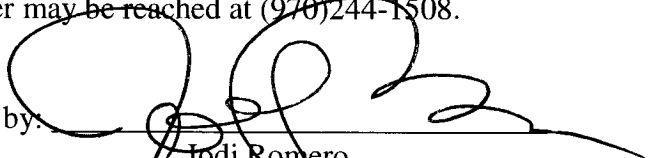
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4. Company affirmatively represents that it is aware of no liens of vendors, material men, laborers, craftsmen or tradesmen, no claims, demands, obligations or causes of action, liabilities or damages filed, pending or accrued against the Company arising out of the contract or Company's performance or non-performance thereof, for which the City may be named as a defendant or for which the City may be liable. Company agrees to indemnify and hold the City harmless for any and all such claims occurring or accruing on or before the date hereof.
5. The representations and agreements of this agreement are not mere recitals but are contractual in nature. An unjustified breach of this Agreement by either Company or the City shall be a basis for suit, claim or demand against the other.
6. By the signature below the Company acknowledges the foregoing and that any waiver, release and agreement is voluntarily made and is with full knowledge and understanding of the consequences. The Company by and through the signature below does bind all partners, officers and others claiming through Company to the foregoing terms, conditions, stipulations and agreements. Contractor represents that the signer has full and complete authority to bind Company and the partners, officers and others claiming through Company to each and every term of this agreement.

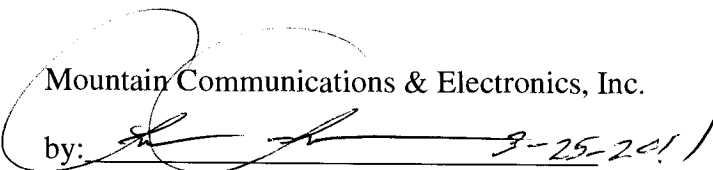
If these terms meet with your acceptance, please sign and date below.

Again we, on behalf of the City and the Grand Junction Police Department thank you for resolving these claims in an amicable, professional manner. If you have questions please feel call us or City Attorney John Shaver. Mr. Shaver may be reached at (970)244-1508.

by:   
Troy Smith  
Deputy Chief of Services  
Grand Junction Police Department

by:   
Jodi Romero  
Financial Operations Manager  
City of Grand Junction, Colorado

I have read, understand and agree to the foregoing terms of settlement and satisfaction of the contract by and between Mountain Communications & Electronics, Inc. and the City of Grand Junction, by and through the Grand Junction Police Department.

Mountain Communications & Electronics, Inc.  
by:  3-25-2011

Tyrone Thompson                      date

| Invoice #   | Approximate Date Work Performed | Invoiced | Description                              | Billed Amount |         | Proposed Settlement                                 | City Position   |
|---|---------------------------------|----------|--|---------------|---------|---|---|
| 204977  | February 2009                   | Dec-10   | Zetron Engineer/Command Van Truck        | \$ 2,525.00   |         | \$ 2,525.00   | <b>Pay as billed</b>  |
| 204990  | May 2009                        | Dec-10   | Horse Mountain battery explosion         | \$ 16,345.00  | (3)     | 16,345.00   | Invoiced twice/amount revised higher -No response to request for follow up information- <b>Pay original invoice</b>   |
| 204988  | May-09                          | Dec-10   | SO Tac Relay                             | \$ 4,852.99   | (3)     | 1,762.00  | 5/18/09 Quote for \$1,762- <b>Pay quoted amount</b>   |
| 204982  | Summer 2009                     | Dec-11   | Horse Mountain microwave system          | \$ 3,780.00   |         | -   | Equipment was invoiced and paid in September 2009-No response to request for follow up information- <b>No additional payment, this job has been paid for in full.</b>   |
| 204989  | July - August 2009              | Dec-10   | Water Plant R56 grounding                | \$ 12,770.00  | (1),(3) | 8,885.00  | Work was quoted at \$5,000- <b>Pay quoted amount plus 1/2 of additional costs to complete work.</b>   |
| 204920  | August -November 2009           | Dec-10   | Ute Butte R56 grounding, generator       | \$ 18,967.00  | (2),(3) | 18,967.00   | <b>Pay as revised in March 2011 communication from Company</b>  |
| 204991  | March - December 2009           | Dec-10   | "Unbilled service calls and site visits" | \$ 32,440.00  |         | -   | Invoiced twice/amount revised higher-Initial back up information for multitude of hours, for different technicians on different projects-No response to request for follow up information attributing work to specific projects- <b>No payment based on insufficient supporting documentation</b> |
| 205155  | December 2010                   | Jan-11   | Ute Butte power outage                   | \$ 3,460.00   |         | 3,460.00  | <b>Pay as billed</b>  |
| 205156  | January 2011                    | Jan-11   | Ute Butte generator, microwave alarm     | \$ 6,672.50   |         | 6,672.50  | <b>Pay as billed</b>  |
|   |                                 |          |  |               |         | <b>Subtotal</b>                                     | <b>\$ 58,616.50</b>   |
|   |                                 |          |  |               |         | <b>Less equipment already paid for</b>              | <b>(16,274.99)</b>  |
|   |                                 |          |  |               |         | <b>Less City staff research/reconciliation time</b> | <b>(5,500.00)</b>   |
|   |                                 |          |  |               |         | <b>Proposal for Settlement</b>                      | <b>\$ 36,841.51</b>   |
| <b>(1)</b> As revised by Company based on response to request for follow up information. "TOTAL CHARGE FOR BUILDING AND TOWER \$12,770.00"                |                                 |          |  |               |         |   |   |
| <b>(2)</b> As revised by Company based on response to request for follow up information. "Total labor charge \$13,240" (\$13,240+5,727equipment=\$18,967) |                                 |          |  |               |         |   |   |
| <b>(3)</b> Equipment portion paid.  |                                 |          |  |               |         |   |   |