INDEPENDENT CONTRACTOR AGREEMENT
(SCADA Programming for RO Plant Reduced Use)

This INDEPENDENT CONTRACTOR AGREEMENT (this "Agreement") is entered into and shall become effective as of the 2nd day of July 2013 by and between the GREATROCK NORTH WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and TIMBER LINE ELECTRIC & CONTROL CORPORATION, a Colorado corporation (the "Independent Contractor"). The District and the Independent Contractor are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq*., C.R.S. for the purpose of constructing, financing, operating and maintaining certain public facilities and improvements for itself, its taxpayers, residents and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire and retain agents, employees, engineers and attorneys; and

WHEREAS, the District desires to engage the Independent Contractor to perform certain additional services as are needed by the District to serve the property within and without its boundaries.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF SERVICES. The Independent Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Services"), using the degree of skill and knowledge customarily employed by other professionals performing similar services in the area of the District. Exhibit A may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern. The Independent Contractor shall perform the Services in a good and workmanlike manner, using reasonable diligence and caution, and in strict accordance with this Agreement. The District agrees to provide Independent Contractor with copies of reports, correspondence, estimates, plans and other documentation, as may be necessary and reasonably requested by the Independent Contractor, and access to the site as needed by the Independent Contractor to perform the Services. All work product produced and

all information collected by either the Independent Contractor or the District in connection with the Services shall become and remain the sole property of the District.

2. TERM OF AGREEMENT/RENEWAL. This Agreement shall become effective as of the date first above written and shall terminate at midnight on December 31, 2013, unless otherwise terminated by either Party in accordance with this Agreement. Notwithstanding the foregoing, this Agreement shall automatically renew on January 1st of each succeeding year for an additional one (1) year term unless: 1) terminated by the Parties in writing at least thirty (30) days prior to the automatic renewal date; 2) terminated by the Parties pursuant to this Agreement; 3) failure by the District to budget and appropriate funds for the succeeding year; or 4) completion of the Services set forth in Exhibit A.

3. SPECIAL SERVICES. The District may, in writing, request the Independent Contractor to provide special services not contemplated in Exhibit A. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Independent Contractor and the District pursuant to a written service order executed by an authorized representative of the District and the Independent Contractor.

4. TIME OF THE ESSENCE. The Services shall be undertaken and completed in such sequence as to assure their expeditious completion in light of the purposes of this Agreement. It is agreed that time is of the essence in the performance of all Services contemplated in this Agreement.

5. COMPENSATION. Compensation for the Services provided under this Agreement shall be in accordance with the "Fee Schedule", attached hereto as **Exhibit A**. The Independent Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in Exhibit A of this Agreement, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Independent Contractor's actual cost, provided that the Independent Contractor shall notify the District of the estimated amount of such reimbursable costs (or any material adjustments thereto subsequently identified) prior to commencing the requested services.

6. CHARGES AND COSTS. The Services to be provided by the Independent Contractor shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, save and except the payments to be made by the District to the Independent Contractor for the Services performed.

7. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of satisfactory and detailed invoices for that portion of the Services performed and not previously billed.

8. INDEPENDENT CONTRACTOR. The Independent Contractor is an independent contractor and nothing herein shall constitute or designate the Independent Contractor or any of its employees or agents as employees or agents of the District. The

Independent Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Independent Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits or insurance. The Independent Contractor shall be responsible for its safety, the safety of its employees, the public and the work site in general and shall comply with all applicable provisions of local, state and federal laws, regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970 (OSH Act). All personnel furnished by the Independent Contractor will be deemed employees of the Independent Contractor and will not for any purpose be considered employees or agents of the District, and the Independent Contractor will comply with all employment laws relative to such employees, including but not limited to Wage and Hour laws, Worker Compensation Laws, Immigration Laws and OSHA-type laws. **The Independent Contractor is not entitled to worker's compensation benefits, and the Independent Contractor is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

9. EQUAL OPPORTUNITY; EMPLOYMENT ELIGIBILITY. This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Independent Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

The Independent Contractor hereby states that it does not knowingly employ or contract with illegal aliens and that the Independent Contractor has participated in or has attempted to participate in the E-Verify Program or Department Program (formerly known as the Basic Pilot Program) (as defined in §8-17.5-101, C.R.S.) in order to verify that it does not employ any illegal aliens. The Independent Contractor affirmatively makes the follow declarations:

A. The Independent Contractor shall not knowingly employ or contract with an illegal alien who will perform work under the public contract for services contemplated herein and will participate in the E-Verify Program or Department Program (as defined in §8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services contemplated herein.

B. The Independent Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to the Independent Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the services contemplated herein.

C. The Independent Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the E-Verify Program or the Department Program.

D. The Independent Contractor is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

E. If the Independent Contractor obtains actual knowledge that a subcontractor performing the services under this Agreement knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

i. Notify the subcontractor and the District within three (3) days that the Independent Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien.

ii. Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required above the subcontractor does not stop employing or contracting with the illegal alien; except that the Independent Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

F. The Independent Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such Department is undertaking pursuant to the authority established in §8-17.5-102, C.R.S.

G. If the Independent Contractor violates a provision of the Agreement pursuant to §8-17.5-102, C.R.S., the District may terminate the Agreement. If the Agreement is so terminated, the Independent Contractor shall be liable for actual and consequential damages to the District.

10. INDEPENDENT CONTRACTOR'S INSURANCE.

A. The Independent Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit B**, attached hereto and incorporated herein by this reference. With the exception of automobile liability insurance, a waiver of subrogation and rights of recovery against the District, its directors, officers, employees and agents is required for each coverage provided. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District and its respective managers, members, officers, directors, partners and employees, as additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information or representations contained herein.

B. Prior to commencing any work under this Agreement, the Independent Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage. If the Independent Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance and automobile liability insurance in amounts satisfactory to the District and the Independent Contractor. If the coverage required expires during the term of this Agreement, the Independent Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

C. The Independent Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained herein; nor shall the purchase of the required insurance serve to limit the Independent Contractor's liability under any provision herein. The Independent Contractor shall be responsible for the payment of any deductibles on issued policies.

11. CONFIDENTIALITY AND CONFLICTS.

A. Confidentiality. During the performance of this Agreement, if the Independent Contractor is notified that certain information is to be considered confidential, the Independent Contractor, on behalf of its employees, agrees to enter into a confidentiality Agreement. Any information deemed confidential by the District and given to the Independent Contractor by the District, or developed by the Independent Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Independent Contractor shall hold in strict confidence, and shall not use in competition, any information which the Independent Contractor becomes aware under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, might reasonably be construed to be contrary to the best interests of the District.

B. Conflicts. Prior to the execution of, during the performance of this Agreement and prior to the execution of future agreements with the District, the Independent Contractor agrees to notify the owner of conflicts that impact the Services to the District.

12. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Independent Contractor prepared pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Independent Contractor of the invoices representing the work by which such materials were produced. The Independent Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services, shall make them available for the District's use and shall provide such copies to the District upon request.

13. LIENS AND ENCUMBRANCES. The Independent Contractor shall not have any right or interest in any District assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein. The Independent Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection

with this Agreement, and the Independent Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through or under the Independent Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Independent Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Independent Contractor will provide indemnification against all such liens for labor performed, materials supplied or used by the Independent Contractor and/or any other person in connection with the Services undertaken by the Independent Contractor, in accordance with Section 14(b) below.

14. INDEMNIFICATION.

A. The Independent Contractor shall defend, indemnify and hold harmless the District and each of its directors, officers, contractors, employees, agents and consultants, from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses, including reasonable legal expenses and attorneys' fees, arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Independent Contractor or any of its subcontractors, officers, agents or employees, in connection with this Agreement and/or the Independent Contractor's performance of the Services or work pursuant to this Agreement. The Independent Contractor is not obligated to indemnify the District for the District's own negligence. This indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for the Independent Contractor under worker's compensation acts, disability acts or other employee benefit acts.

B. The Independent Contractor will at all times indemnify, defend and hold the District and its directors, officers, managers, agents and employees harmless against any liability for claims and liens for labor performed or materials used or furnished in the performance of Independent Contractor's Services, including any costs and expenses incurred in the defense of such claims and liens, reasonable attorneys' fees and any damages to the District resulting from such claims or liens. After written demand by the District, the Contractor will immediately cause the effect of any suit or lien to be removed from the District's property. In the event the Independent Contractor fails to do so, the District is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed, and the costs thereof, together with reasonable attorneys' fees, will be immediately due and payable by the Independent Contractor or may, at the District's option, be offset against any sums due and payable to Independent Contractor pursuant to this Agreement. In the event a suit on such claim or lien is brought, the Independent Contractor will, at the option of the District, defend said suit at its own cost and expense, with counsel satisfactory to the District and will pay and satisfy any such claim, lien, or judgment as may be established by the decision of the Court in such suit. The Independent Contractor may litigate any such lien or suit, provided the Contractor causes the effect thereof to be removed promptly in advance from the District's property.

C. This indemnity coverage shall also cover the District's defense costs in the event that the District, in its sole discretion, elects to provide its own defense. The District

retains the right to disapprove counsel, if any, selected by the Independent Contractor to fulfill the foregoing defense indemnity obligation, which right of disapproval shall not be unreasonably exercised. Insurance coverage requirements specified herein shall in no way lessen or limit the liability of the Independent Contractor under the terms of this indemnification obligation. The Independent Contractor shall obtain, at its own expense, any additional insurance that it deems necessary for the District's protection in the performance of this Agreement. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

15. ASSIGNMENT. The Independent Contractor shall not have the right or power to assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment, delegation or subcontracting of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

16. SUB-CONTRACTORS. The Independent Contractor shall not subcontract any Services without prior written approval by the District. Independent Contractor agrees that each and every agreement of Independent Contractor with any sub-contractor to perform Services under this Agreement shall be terminable not-for-cause. The Independent Contractor further agrees that all such sub-contracts shall be terminated immediately upon termination of this Agreement.

17. TERMINATION. This Agreement may be terminated for cause or for convenience by the Independent Contractor upon delivery of thirty (30) days prior written notice to the District and by the District by giving the Independent Contractor thirty (30) days prior written notice. Such notice shall not be required for automatic expiration under Section 2 hereof. If this Agreement is terminated, the Independent Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination by either Party hereto, the Independent Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. Such transition shall be complete and all time associated with such transition shall not be billed by the Independent Contractor to the District.

18. DEFAULT. If either Party fails to perform in accordance with the terms, covenants and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 19 below, and the defaulting party will have fifteen (15) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such fifteen (15)-day period and the defaulting party gives written notice to the non-defaulting party within such fifteen (15)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the fifteen (15)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If

any default under this Agreement is not cured as described above, the non-defaulting party will, in additional to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

19. NOTICES. Any notices or other communications required or permitted by this Agreement or by law to be served on, given to, or delivered to either Party hereto, by the other Party shall be in writing and shall be deemed duly served, given, or delivered when personally delivered to the Party to whom it is addressed or in lieu of such personal services, three days after deposited in the United States' mail, first-class postage prepaid, properly addressed to the Parties at:

To the District:	Greatrock North Water and Sanitation District c/o Special District Management Services, Inc. Attention: Lisa A. Johnson, District Manager 141 Union Boulevard, Suite 150 Lakewood, Colorado 80228
With a copy to:	WHITE, BEAR & ANKELE Professional Corporation Attention: Jennifer Gruber Tanaka, Esq. 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122
To the Independent Contractor at:	Timber Line Electric & Control Corporation Attention: Anthony Ortolani 17591 Highway 8 Post Office Box 793 Morrison, Colorado 80465

Either Party may change its address for the purpose of this Paragraph by giving written notice of such change to the other Party in the manner provided in this Paragraph 19.

20. AUDITS. The District shall have the right to audit any of the Independent Contractor's books and records which may be necessary to substantiate any invoices and payments hereunder (including, but not limited to, receipts, time sheets, payroll and personnel records) and the Independent Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years thereafter and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

21. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This

Agreement may not be modified except by a writing executed by both the Independent Contractor and the District.

22. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

23. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

24. GOVERNING LAW AND DISPUTES. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Independent Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated. In the event of any litigation between the District and the Independent Contractor to enforce any provision of this Agreement or any right of either Party hereto, the Parties agree that the court shall award costs and expenses to the prevailing Party, such costs and expenses to include reasonable attorneys' fees. Otherwise, each Party shall pay its own costs and fees for litigation. At the District's request, the Independent Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Independent Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner or failure of the District to furnish timely information or to approve or disapprove of Independent Contractor's Services in a timely manner.

25. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District pursuant to this Agreement requiring budgeting and appropriation of funds are subject to annual budgeting and appropriations. The Independent Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District

funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

26. COMPLIANCE WITH LAW. This Agreement shall be performed in accordance with, and to the extent permitted by, all applicable laws, rules, regulations, ordinances and/or similar directives of the jurisdiction in which this Agreement is performed. The Independent Contractor declares that it has complied with all Federal, State and local laws, rules, regulations, ordinances and/or similar directives regarding business permits, certificates and licenses that are required to provide the services under this Agreement.

27. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, Title 24, Article 10, Part 1 of the Colorado Revised Statutes.

28. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

29. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

30. NO THIRD PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

31. WARRANTY. Independent Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services will be of good quality and new, unless otherwise required or permitted by the Agreement. Independent Contractor further warrants that the Services will conform to all requirements of the Agreement and the applicable building code and all other applicable laws, ordinances, codes, rules and regulations of any governmental authorities having jurisdiction over the Services. All materials are subject to the satisfaction and acceptance of the District, but payments for the completed Services will not constitute final acceptance nor discharge the obligation of the Independent Contractor to correct defects at a later date.

31.1 The Independent Contractor hereby warrants all of the work and the workmanship, equipment and materials for a period of one (1) year from the date of completion and acceptance of the Services. Independent Contractor will immediately correct or replace any work that is defective or not conforming to the Agreement at its sole expense to the reasonable satisfaction of the District. The Independent Contractor's guarantees and warranties shall in all cases survive termination of this Agreement. This warranty shall run with the land and shall be enforceable by the District and its successors and assigns.

31.2 The Independent Contractor agrees that if warranty issues appear before payment has been made for the Services, the District may withhold payment until such warranty issues are resolved to the District's satisfaction. If repair or replacement of any warranty or defective item is not made by the Independent Contractor promptly upon request by the District within the one-year warranty period, in addition to any other remedy, the District may withhold any payment the District may owe to the Independent Contractor, including payments under other contracts or agreements related or unrelated to the Services.

31.3 The Independent Contractor shall promptly notify the District of any work, whether by the Independent Contractor, its subcontractors or any third parties, which the Independent Contractor believes to be defective or not conforming with the Agreement.

31.4 The Independent Contractor shall at its expense obtain all permits, licenses and other consents required from all governmental authorities, utility companies and appropriate parties under any Restrictive Covenants in connection with its work, with the exception of residential building permits normally obtained by the District. The Independent Contractor shall comply with all of the terms and conditions of all permits, licenses and consents.

31.5 The Independent Contractor, at its expense, shall promptly repair or remedy to the satisfaction of the District all damage or loss to any property (including the work, utilities, concrete, asphalt, fixtures, landscaping and any other part of the Services or the development of which the Services is a part) caused in whole or in part by the Independent Contractor or any subcontractor.

32. COMPLIANCE WITH LAW. This Agreement shall be performed in accordance with, and to the extent permitted by, all applicable laws, rules, regulations, ordinances and/or similar directives of the jurisdiction in which this Agreement is performed. The Independent Contractor declares that it has complied with all Federal, State and local laws, rules, regulations, ordinances and/or similar directives regarding business permits, certificates and licenses that are required to provide the services under this Agreement.

33. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank].

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:

GREATROCK NORTH WATER AND SANITATION DISTRICT,
a quasi-municipal corporation and political subdivision of the State of Colorado

_____
Officer of the District

APPROVED AS TO FORM:

WHITE, BEAR & ANKELE,
Professional Corporation

_____
General Counsel to the District

District's Signature Page to Independent Contractor Agreement for SCADA Programming for RO Plant Reduced Use Services with Greatrock North Water and Sanitation District, dated July 2, 2013

INDEPENDENT CONTRACTOR:
TIMBER LINE ELECTRIC & CONTROL CORPORATION

_____

STATE OF COLORADO)
) *ss.*
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 2013, by _____, as the _____ of Timber Line Electric & Control Corporation, a Colorado corporation.

WITNESS my hand and official seal.

My commission expires: _____

(S E A L)

_____
Notary Public

Independent Contractor's Signature Page to Independent Contractor Agreement for SCADA Programming for RO Plant Reduced Use Services with Greatrock North Water and Sanitation District, dated July 2, 2013

EXHIBIT A
SCOPE OF SERVICES & FEE SCHEDULE

EXHIBIT B
INSURANCE REQUIREMENTS

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.

2. Commercial General Liability Insurance with minimum limits of liability of not less than $1,000,000 per occurrence for bodily injury and property damage liability; $2,000,000 designated location, general aggregate. Such insurance will include coverage for contractual liability, personal injury and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:

   a. premises operations;
   b. personal injury liability without employment exclusion;
   c. blanket contractual;
   d. broad form property damages, including completed operations;
   e. medical payments;
   f. products and completed operations;
   g. independent consultants coverage;
   h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant; and

   This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than $1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**

4. If applicable: Contractor shall secure and maintain a fidelity bond in favor of the District covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities, or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.