

JOINT RESOLUTION OF THE BOARDS OF DIRECTORS
OF THE
SOLVISTA METROPOLITAN DISTRICT
AND
GRANBY RANCH METROPOLITAN DISTRICT
AND
HEADWATERS METROPOLITAN DISTRICT

Regarding Road Excavations

WHEREAS, the SolVista Metropolitan District ("SolVista"), the Granby Ranch Metropolitan District ("Granby Ranch") and the Headwaters Metropolitan District ("Headwaters"); (SolVista, Granby Ranch and Headwaters collectively referred to herein as the "Districts") are quasi-municipal corporations and political subdivisions of the State of Colorado organized to provide services, programs and facilities, including the construction, completion, maintenance and operation of public infrastructure within and without the boundaries of the Districts, in accordance with and pursuant to the provisions of the Service Plans of the Districts; and

WHEREAS, the Districts are empowered to construct and finance infrastructure for the Granby Ranch community, including streets and roadways; and

WHEREAS, the Boards of Directors of the Districts desire to set forth a procedure by which excavating, trenching or other opening of streets and roadways owned by the Districts can be initiated.

NOW, THEREFORE, the Boards of Directors of the Districts hereby RESOLVE as follows:

1. REQUIREMENTS FOR ROAD EXCAVATIONS. The Districts hereby resolve that the following provisions shall apply to all road excavations on roads owned by the Districts:

- a. The latest date on which work can begin on any District road is October 15th unless otherwise approved by the Districts or their authorized designee in writing.
- b. Any party wishing to excavate a District road must submit a permit application (described herein) to the Districts for approval no later than September 15th unless otherwise approved by the Districts or their authorized designee in writing.
- c. Any party who submits a permit application must file with the Districts a surety bond, letter of credit, cashier's check or other security instrument acceptable to the Districts, in their sole discretion, in the amount of \$3,000 and conditioned upon: (1) the faithful performance of such work in strict compliance with this Resolution and other specifications, rules and regulations adopted by the Districts, from time to time, and within the specified time limit; (2) successful completion of a two year warranty period or extensions thereof during which time the work performed in connection with the permit shall survive free of defects; and (3) such

applicant shall indemnify and hold harmless the Districts against any and all damage or claims for damages, losses, costs, charges or expenses that may be brought against the Districts by any person by reason of such work. The bond or other security shall be discharged or released upon completion of the work, review and approval of said work by someone appointed by the Districts, a sworn statement by the applicant that he has done the work in strict compliance with the Districts' rules and regulations and this Resolution, and successful completion of the two year warranty period or any extension thereof. In the event that upon inspection by the Districts the work is not approved or if at any time during the warranty period a defect in the work is discovered or becomes evident, then the two year warranty period shall be extended until a date two years after the date such work is repaired or corrected to the satisfaction of the Districts, as evidenced in writing.

2. PERMITS. A permit application in substantially the form attached hereto as Exhibit A shall be submitted to the Districts for consideration not later than September 15th, unless otherwise approved by the Districts or their authorized designee in writing, along with a \$25.00 application fee. The Boards of Directors of the Districts shall notify the applicant in writing within ten days of receipt of the application of their decision.

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ADOPTED AND APPROVED this 16 day of January 2008.

SOLVISTA METROPOLITAN DISTRICT



President

ATTEST:



Secretary

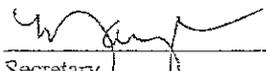
(SEAL)

HEADWATERS METROPOLITAN DISTRICT



President

ATTEST:



Secretary

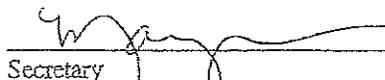
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GRANBY RANCH METROPOLITAN DISTRICT



President

ATTEST:



Secretary

(SEAL)

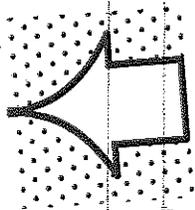


EXHIBIT A

HEADWATERS METROPOLITAN DISTRICT

c/o Roberston and Marchetti, P.C.
28 Second Street, Ste. 213
P.O. Box 600
Edwards, CO 81632-0600
Phone: (970) 926-6060
Fax: (970) 926-6040

PERMIT NO. _____

BOND NO. _____

HEADWATERS METROPOLITAN DISTRICT PERMIT FOR EXCAVATION, CUT, TRENCH, OR
OPENING IN OR UNDER ANY STREET, SIDEWALK, CURB, GUTTER, CURBWALK, ALLEY
OR OTHER PUBLIC PLACE

ALL APPLICATIONS FOR PERMITS MUST BE FILED WITH THE DISTRICT NO LATER THAN
SEPTEMBER 15TH, UNLESS OTHERWISE APPROVED BY THE DISTRICT OR ITS DESIGNATED
REPRESENTATIVE IN WRITING. NO EXCAVATION OF ANY KIND WILL BE DONE PRIOR TO MAY
1ST OR AFTER OCTOBER 15TH, UNLESS OTHERWISE APPROVED BY THE DISTRICT OR ITS
DESIGNATED REPRESENTATIVE IN WRITING. THIS PERMIT WILL EXPIRE THREE (3) MONTHS
FROM THE DATE OF ISSUE OR OCTOBER 15TH OF THE YEAR IN WHICH IT IS ISSUED, WHICHEVER
COMES FIRST.

PERMITTEE'S NAME: _____ PHONE NUMBER: _____

PERMITTEE'S ADDRESS: _____

DATE EXCAVATION TO BEGIN: _____

APPROXIMATE DATE OF COMPLETION: _____

LOCATION (property address, number of feet from nearest intersection, etc. in street or sidewalk, etc.),
LENGTH AND WIDTH (SQ. FOOTAGE) OF EXCAVATION: _____

PURPOSE OF EXCAVATION (electrical or phone line, sewer connection, gas line, etc.): _____

This Permit is granted subject to the following conditions and restrictions:

1. A fee of Twenty-Five Dollars (\$25.00) has been paid to the District prior to the issuance of Excavation Permit for paved or unpaved streets, sidewalks, etc.
2. Permittee has posted a Three Thousand Dollar (\$3,000) Surety Bond, Letter of Credit, or some other form of security acceptable to the District, payable to Headwaters Metropolitan District, which shall be forfeited if the work is not undertaken and completed under the terms of the District's requirements or the terms and conditions of this Permit. BOND MUST REFERENCE EXCAVATION PERMIT NUMBER.
3. Permittee shall complete the work in a reasonable amount of time, or an authorized agent for the District may order the excavation refilled and repaired as if the work contemplated had never been done, and the Bond, Letter of Credit or other security shall be forfeited. Any additional costs incurred by the District over and above the amount of the Bond, Letter of Credit or other security will be assessed to the excavator and/or owner of the property for which the Permit was issued.

4. Any excavation, cut, trench or opening in or under any paved street shall be repaired with asphalt substantially similar to that used in the original pavement of the street. The asphalt and dirt shall have a compaction of ninety five percent (95%), tested and approved by a certified person at Permitted's expense. A copy of the testing results must be provided to the District. In any excavation work on or under any paved street, the pavement must be cut with an asphalt spade or cutting wheels. The use of a backhoe in cutting the pavement is expressly prohibited. The width of all cuts in the pavement shall be sufficient so that all excavation in or under any paved street can be accomplished without disturbing or lifting the surrounding pavement. No opening or excavation shall be undercut or have a greater width at the bottom than at the top. In no case shall more than one-half of the width of any street, alley or other public place be opened or excavated at any one time, and, in all cases, one-half of such street, alley or other public place shall remain untouched for the accommodation of traffic until the other one-half is restored for safe use. All such work shall be performed in such a way as to cause minimum inconvenience and restrictions to the public and to both pedestrian and vehicular traffic. All ditches must be dug pursuant to OSHA requirements.
5. While the excavation and related work is in progress, the District or its authorized representative shall be entitled to, but not obligated to, inspect the work and the surrounding area and the Permittee shall cooperate fully with such inspections.
6. UPON COMPLETION OF THE WORK INVOLVED, THE PERMITTEE MUST NOTIFY THE DISTRICT OF THE COMPLETION. Within ten (10) days of such notification a designated employee of the District shall inspect the area covered by this Permit and ascertain whether or not the requirements of the District or the terms and conditions of this Permit shall have been fully complied with. Permittee will be notified by letter that the District has inspected the excavation. Permittee will be required to extend the date of the Bond or other form of security to cover the two (2) year warranty period.
7. If the Permittee has fully complied with this Permit and the District requirements, this Bond, Letter of Credit or other form of security shall be released at the end of the two year warranty period provided that the work survives the two year warranty period without defect. The refund must be requested, in writing, by the Contractor from the District. The Bond, Letter of Credit or other form of security shall be forfeited if the work does not comply with the District requirements or with the terms and conditions of this Permit. In the event that a defect in the work is discovered or becomes evident during the two (2) year warranty period, then the two (2) year warranty period shall be extended until a date two (2) years after the date such work is repaired or corrected to the satisfaction of the District and the Bond, Letter of Credit or other form of security shall not be released until completion of the extended warranty period. If necessary the security shall be renewed or extended to cover the additional warranty period.

ISSUED BY:

TERMS ACCEPTED:

Authorized Agent for the District

Permittee

COMPLETION ACCEPTED:

District Street Supervisor

Date

Permittee will be notified by letter that the District has inspected the excavation. Permittee will be required to extend the date of the bond or other security to cover the two (2) year warranty period.

A Two year warranty period begins on the _____ day of _____, _____ and ends on the _____ day of _____, _____. Inspection will be done within ten (10) days prior to expiration of warranty period.