

# Granby Ranch Metropolitan District Nos. 2-8

## 2014 Consolidated Annual Report

Pursuant to Section VII of the Consolidated Service Plan for Granby Ranch Metropolitan District Nos. 2-8 (the "Districts"), the Districts are required to submit an annual report to the Manager of the Office of Development Assistance of the Town Manager's Office with regard to the following matters:

1. Boundary changes made or proposed to the Districts' boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.
3. Copies of the Districts' rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation which involves the Districts' public improvements as of December 31 of the prior year.
5. Status of the Districts' construction of the public improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town as of December 31 of the prior year.
7. The assessed valuation of the Districts for the current year.
8. Current year budget including a description of the public improvements to be constructed in such year.
9. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any debt instrument.
11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

For the year ending December 31, 2014, the Districts make the following report:

1. Boundary changes made or proposed to the Districts' boundary as of December 31 of the prior year.

There were no boundary changes made or proposed to the boundaries of Granby Ranch Metro District Nos. 2 through 8.

## Granby Ranch Metropolitan District Nos. 2-8

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.

The Districts neither entered into nor proposed intergovernmental agreements with other governmental entities during 2014.

3. Copies of the Districts' rules and regulations, if any, as of December 31 of the prior year.

No rules and regulations have been adopted by the Districts as of December 31, 2014. However, the Districts did adopt a Resolution related to a Marijuana Policy on October 22, 2014, which is included with this report as **Exhibit C**.

4. A summary of any litigation which involves the Districts' public improvements as of December 31 of the prior year.

No litigation involving the Districts' public improvements was known as of December 31, 2014.

5. Status of the Districts' construction of the public improvements as of December 31 of the prior year.

No public improvements were constructed by the Districts in 2014.

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town as of December 31 of the prior year.

No facilities and improvements were dedicated to the Town by the Districts during 2014.

7. The assessed valuation of the Districts for the current year.

The assessed valuations certified by the Grand County Assessor for 2014 are:

- Granby Ranch Metropolitan District No. 2 \$ 58,290
- Granby Ranch Metropolitan District No. 3 \$ 7,480
- Granby Ranch Metropolitan District No. 4 \$ 7,480
- Granby Ranch Metropolitan District No. 5 \$ 7,480
- Granby Ranch Metropolitan District No. 6 \$ 7,480
- Granby Ranch Metropolitan District No. 7 \$ 7,480
- Granby Ranch Metropolitan District No. 8 \$ 1,101,400

8. Current year budget including a description of the public improvements to be constructed in such year.

## Granby Ranch Metropolitan District Nos. 2-8

Copies of the Granby Ranch Metro District Nos. 2 and 8 2015 budgets are attached as **Exhibit B**. Due to the Inactive status of Granby Ranch Metro District Nos. 3-7 no budgets were adopted.

9. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

Copies of the Applications for Exemption from Audit for Granby Ranch Metro District Nos. 2 and 8 for the year ended December 31, 2014 will be provided by March 31, 2015. Due to the Inactive status of Granby Ranch Metro District Nos. 3-7 no Applications for Exemption from Audit will be prepared or submitted.

10. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any debt instrument.


No uncured events of default by the Districts occurred in 2014.

11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

No inability of the Districts to pay their obligations as they came due occurred in 2014.

If you have questions on any of this information, please feel free to contact me.

Thank you,



Eric Weaver  
District Administrator

cc: Clint Waldron, Districts' Counsel  
Grand County Board of Commissioners  
Grand County Clerk and Recorder  
State Department of Local Government  
Colorado State Auditor  
Granby Ranch Metropolitan District Nos. 2-8 Boards of Directors

# GRANBY RANCH METROPOLITAN DISTRICT NO. 2

December 5, 2014

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203  
Filed Electronically: [dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)

RE: Granby Ranch Metropolitan District No. 2 LGID: 65935

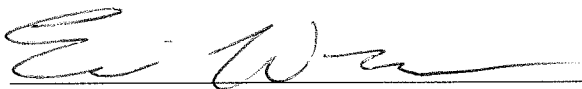
Attached is the 2015 Budget for the Granby Ranch Metropolitan District No. 2 in Grand County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 22, 2014. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Grand County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 50.000 mills for contractual obligations; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$58,290 the total property tax revenue is \$2,914.50. A copy of the certification of mill levies sent to the County Commissioners for Grand County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Grand County, Colorado.

I hereby certify that the enclosed is a true and accurate copy of the budget.

Sincerely,



District Administrator

Enclosure(s)

## **GRANBY RANCH METROPOLITAN DISTRICT NO. 2**

### 2015 BUDGET MESSAGE

Granby Ranch Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate and maintain certain public Improvements including but not limited to streets, water, parks & recreation, safety protection, sanitary sewer, and mosquito control.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

### 2015 BUDGET STRATEGY

Granby Ranch Metropolitan District No. 2 contracts with Headwaters Metropolitan District which is the “coordinating” district responsible for managing the construction, acquisition and operation of public facilities and improvements needed to serve the Granby Ranch project area. Granby Ranch Metropolitan District No. 2 will collect property taxes for payment of general administrative costs and for funding of operation of the infrastructure by Headwaters Metropolitan District to fulfill the District’s contractual obligations approved by the electors of the District.

**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 2**

**TO ADOPT 2015 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE GRANBY RANCH METROPOLITAN DISTRICT NO. 2, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2015 AND ENDING ON THE LAST DAY OF DECEMBER 2015.

WHEREAS, the Board of Directors of the Granby Ranch Metropolitan District No. 2 has appointed a budget committee to prepare and submit a proposed 2015 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 22, 2014, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Granby Ranch Metropolitan District No. 2, Grand County, Colorado:

- Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Granby Ranch Metropolitan District No. 2 for the year stated above.
- Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 2**  
**(CONTINUED)**

**TO SET MILL LEVIES**

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2014, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE GRANBY RANCH METROPOLITAN DISTRICT NO. 2, GRAND COUNTY, COLORADO, FOR THE 2015 BUDGET YEAR.

WHEREAS, the Board of Directors of the Granby Ranch Metropolitan District No. 2, has adopted the annual budget in accordance with the Local Government Budget Law, on October 22, 2014 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Granby Ranch Metropolitan District No. 2 finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations approved at election is \$2,914.50 and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the 2014 valuation for assessment for the Granby Ranch Metropolitan District No. 2, as certified by the County Assessor is \$58,290.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the GRANBY RANCH METROPOLITAN DISTRICT NO. 2, GRAND COUNTY, COLORADO:

Section 1. That for the purposes of meeting all general operating expenses of the Granby Ranch Metropolitan District No. 2 during the 2015 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2014.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2015 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.

Section 3. That for the purpose of meeting the contractual obligations of the Granby Ranch Metropolitan District No. 2 during the 2015 budget year, there is hereby levied a tax of 50.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2014.

**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 2**  
**(CONTINUED)**

**TO SET MILL LEVIES (CONTINUED)**

- Section 4. That for the purpose of meeting all capital expenditures of the Granby Ranch Metropolitan District No. 2 during the 2015 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2014.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the Granby Ranch Metropolitan District No. 2 during the 2015 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2014.
- Section 6. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Grand County, Colorado, the mill levies for the Granby Ranch Metropolitan District No. 2 as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Grand County, Colorado, the mill levies for the Granby Ranch Metropolitan District No. 2 as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 2**  
**(CONTINUED)**

**TO APPROPRIATE SUMS OF MONEY**  
**(PURSUANT TO SECTION 29-1-108, C.R.S.)**

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE GRANBY RANCH METROPOLITAN DISTRICT NO. 2, GRAND COUNTY, COLORADO, FOR THE 2015 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 31, 2014, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GRANBY RANCH METROPOLITAN DISTRICT NO. 2, GRAND COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

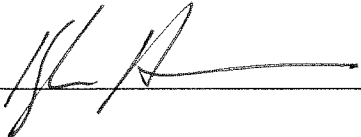
DEBT SERVICE FUND:	
Current Expenditures	\$3,655

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**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 2**  
**(CONTINUED)**

**TO ADOPT 2015 BUDGET, SET MILL LEVIES AND**  
**APPROPRIATE SUMS OF MONEY**  
**(CONTINUED)**

The above resolutions to adopt the 2015 budget, set the mill levies and to appropriate sums of money were adopted this 22nd day of October 2014.

Attest:  \_\_\_\_\_

Title: PRESIDENT



December 5, 2014

Board of Directors  
Granby Ranch Metropolitan District No. 2  
Granby, Colorado

We have compiled the accompanying balance sheet/statement of net position of Granby Ranch Metropolitan District No. 2 as of September 30, 2014 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended. We also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2014 and the adopted budget for calendar year 2015, in accordance with standards established by the American Institute of Certified Public Accountants.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

We serve in a dual role with the District, as a consulting financial manager and as an external accountant. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. We have prepared these financial statements in our capacity as a consulting financial manager for the District.

As an external accountant our responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with our participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The accompanying 2013 historical financial statements of the District were compiled by our predecessor firm, Robertson & Marchetti, P.C., and their report thereon stated that they did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if these omissions had been included, they might influence the user's conclusions about the District's 2013 financial position and results of operations. Accordingly, the 2013 financial statements are not designed for those who are not informed about such matters.

We are not independent from an accounting and auditing perspective with respect to Granby Ranch Metropolitan District No. 2 because we perform certain accounting services that impair our independence.

*Marchetti & Weaver, LLC*

**Mountain Office**  
28 Second Street, Suite 213  
Edwards, CO 81632  
(970) 926-6060

**Website & Email**  
[www.mwcpaa.com](http://www.mwcpaa.com)  
[Admin@mwcpaa.com](mailto:Admin@mwcpaa.com)

**Front Range Office**  
357 S. McCaslin Blvd., Suite 200  
Louisville, CO 80027  
(303) 376-6292

GRANBY RANCH METROPOLITAN DISTRICT NO. 2  
 BALANCE SHEET  
 September 30, 2014

Printed: 01/15/15

	<u>Debt Service Fund</u>	<u>Long Term Debt</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash	61		61
Due From GRMD	0		0
Prepaid Expenses	0		0
Property Tax Receivable	0		0
<b>Total Current Assets</b>	<b>61</b>	<b>0</b>	<b>61</b>
<b>Liabilities</b>			
Due to GRMD or HWMD	0		0
Deferred Revenue	0		0
Deferred Property Tax	0		0
Due to Developer		9,735	9,735
Obligation to HWMD		86,891	86,891
<b>Total Liabilities</b>	<b>0</b>	<b>96,626</b>	<b>96,626</b>
<b>Net Assets</b>			
Amt to be Provided		(96,626)	(96,626)
Fund Balance - General	61		61
<b>Total Fund Equity</b>	<b>61</b>	<b>(96,626)</b>	<b>(96,565)</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>61</b>	<b>0</b>	<b>61</b>
	=	=	=

See Accompanying Accountant's Report.

GRANBY RANCH METROPOLITAN DISTRICT NO. 2  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Printed: 01/15/15

Modified Accrual Basis

DEBT SERVICE FUND

	2013 Unaudited Actual	2014 Adopted Budget	Variance Positive (Negative)	2014 Forecast Budget	9 Months Ended 09/30/14 Actual	9 Months Ended 09/30/14 Budget	Variance Favorable (Unfavor)	2015 Adopted Budget	Budget Assumptions
Assessed Value	102,590	74,180		74,180			58,290	Nov Final AV	
Mill Levy Rate - O&M Costs	50.000	50.000		50.000			50.000		
Mill Levy Rate - Capital Costs		-		-			-		
<b>REVENUES</b>									
Property Taxes - IGA Services	5,129	3,709	-	3,709	3,709	3,709	2,915	Based on AV & Mill Levy	
Property Taxes - IGA Capital	-	-	-	-	-	-	-		
Tax Abatement & Interest	-	-	(1,000)	(1,000)	-	-	-	Completed in 2014	
SO Taxes - IGA Service Costs	237	148	82	230	145	108	240	Based on 2014	
SO Taxes - IGA Capital Costs	-	-	-	-	-	-	-		
Interest	18	50	-	50	1	36	500	High to avoid amendment	
HWMD Expense Reimbursemer	-	-	-	-	-	-	-		
<b>Total Revenues &amp; Transfers</b>	<b>5,385</b>	<b>3,907</b>	<b>(918)</b>	<b>2,989</b>	<b>3,854</b>	<b>3,853</b>	<b>1</b>	<b>3,655</b>	
<b>EXPENDITURES</b>									
Accounting & Administration	-	-	-	-	-	-	-		
Organizational Costs	-	-	-	-	-	-	-		
Legal Fees	-	-	-	-	-	-	-		
Audit Fees	-	-	-	-	-	-	-	Eligible for Exemption	
Insurance	2,209	2,500	(118)	2,618	2,618	2,500	2,675	Based on 2014	
Elections	-	-	-	-	-	-	-		
Office Expense, Dues	-	-	-	-	-	-	-		
Treasurer's Fees - IGA Services	257	185	-	185	185	185	146	5% of prop taxes	
Treasurer's Fees - IGA Capital	-	-	-	-	-	-	-		
Contingency	-	-	-	-	-	-	450	To avoid amendment	
<b>Total Expenditures</b>	<b>2,467</b>	<b>2,685</b>	<b>(118)</b>	<b>2,803</b>	<b>2,804</b>	<b>2,685</b>	<b>(118)</b>	<b>3,271</b>	
<b>Revenues Over (Under) Exp</b>	<b>2,918</b>	<b>1,222</b>	<b>(1,036)</b>	<b>186</b>	<b>1,051</b>	<b>1,168</b>	<b>(117)</b>	<b>384</b>	
<b>OTHER SOURCES &amp; USES</b>									
Developer Advance	-	-	-	-	-	-	-		
Developer Repayment	-	-	-	-	-	-	-		
Transfer to HWMD General Fun	(2,918)	(1,222)	1,036	(186)	(989)	(1,168)	179	Remaining Available	
Transfer to HWMD Capital Func	-	-	-	-	-	-	-		
<b>Total Other Fin Sources/Uses</b>	<b>(2,918)</b>	<b>(1,222)</b>	<b>1,036</b>	<b>(186)</b>	<b>(989)</b>	<b>(1,168)</b>	<b>179</b>	<b>(384)</b>	
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>-</b>	<b>61</b>	<b>-</b>	
Beginning Fund Balance	-	-	-	-	-	-	-	-	
<b>Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>-</b>	<b>61</b>	<b>-</b>	

See accompanying accountant's report.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Grand County, Colorado.

On behalf of the Granby Ranch Metropolitan District No. 2, the Board of Directors of the Granby Ranch Metropolitan Dist No. 2

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS

assessed valuation of: (Gross assessed valuation, Line 2 of the Certification of Valuation Form DLG 57) \$ 58,290

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the

NET assessed valuation of: (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 58,290

Submitted: December 5, 2014 for budget/fiscal year 2015
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

Table with columns: PURPOSE, LEVY<sup>2</sup>, REVENUE<sup>2</sup>. Rows include General Operating Expenses, Temporary General Property Tax Credit, General Obligation Bonds, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other. Total: 50.000 mills, \$ 2,914.50

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6

Signed: [Signature] Title: District Administrator

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 866-2156.

1 If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
2 Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**  
**GRANBY RANCH METROPOLITAN DISTRICT No. 2**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).**

Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS:**

1. Purpose of Issue: No outstanding bonds

Series:

Date of Issue:

Coupon rate:

Maturity Date:

Levy: 0.000

Revenue: \$0.00

**CONTRACTS:**

4. Purpose of Contract: To finance the construction, operation, and maintenance of certain public improvements, services, and facilities.

Title: District Facilities Construction and Service Agreement

Date: September 17, 2008

Maturity Date: None stated

Levy: 50.000

Revenue: \$2,914.50

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

# GRANBY RANCH METROPOLITAN DISTRICT NO. 8

December 5, 2014

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203  
Filed Electronically: [dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)

RE: Granby Ranch Metropolitan District No. 8 LGID: 65941

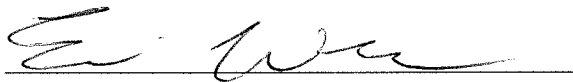
Attached is the 2015 Budget for the Granby Ranch Metropolitan District No. 8 in Grand County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 22, 2014. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number (970) 926-6060.

The mill levy certified to the County Commissioners of Grand County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for G.O. bonds; 0.000 mills for contractual obligations; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$1,101,400 the total property tax revenue is \$0.00. A copy of the certification of mill levies sent to the County Commissioners for Grand County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Grand County, Colorado.

I hereby certify that the enclosed is a true and accurate copy of the budget.

Sincerely,



District Administrator

Enclosure(s)



## **GRANBY RANCH METROPOLITAN DISTRICT NO. 8**

### 2015 BUDGET MESSAGE

Granby Ranch Metropolitan District No. 8 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate and maintain certain public Improvements including but not limited to streets, water, parks & recreation, safety protection, sanitary sewer, and mosquito control.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

### 2015 BUDGET STRATEGY

Granby Ranch Metropolitan District No. 8 was formed in 2008 and contracts with Headwaters Metropolitan District which provides the “coordinating” district responsible for managing the construction, acquisition and operation of public facilities and improvements needed to serve the Granby Ranch project area. Granby Ranch Metropolitan District No. 8 will not assess property taxes during 2014. Granby Ranch Metropolitan District No. 8 will obtain its funding in 2014 from inter-district contributions from Headwaters Metropolitan District, with the funding being used primarily for payment of general administrative costs.

**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 8**

**TO ADOPT 2015 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE GRANBY RANCH METROPOLITAN DISTRICT NO. 8, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2015 AND ENDING ON THE LAST DAY OF DECEMBER 2015.

WHEREAS, the Board of Directors of the Granby Ranch Metropolitan District No. 8 has appointed a budget committee to prepare and submit a proposed 2015 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 22, 2014 , and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Granby Ranch Metropolitan District No. 8, Grand County, Colorado:

- Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Granby Ranch Metropolitan District No. 8 for the year stated above.
- Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

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**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 8**  
**(CONTINUED)**

**TO SET MILL LEVIES**

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2014, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE GRANBY RANCH METROPOLITAN DISTRICT NO. 8, GRAND COUNTY, COLORADO, FOR THE 2015 BUDGET YEAR.

WHEREAS, the Board of Directors of the Granby Ranch Metropolitan District No. 8, has adopted the annual budget in accordance with the Local Government Budget Law, on October 22, 2014 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Granby Ranch Metropolitan District No. 8 finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations approved at election is \$0.00 and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the 2014 valuation for assessment for the Granby Ranch Metropolitan District No. 8, as certified by the County Assessor is \$1,101,400

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the GRANBY RANCH METROPOLITAN DISTRICT NO. 8, GRAND COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Granby Ranch Metropolitan District No. 8 during the 2015 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2014.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2015 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.
- Section 3. That for the purpose of meeting the contractual obligations of the Granby Ranch Metropolitan District No. 8 during the 2015 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2014.

**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 8**  
**(CONTINUED)**

**TO SET MILL LEVIES (CONTINUED)**

- Section 4. That for the purpose of meeting all capital expenditures of the Granby Ranch Metropolitan District No. 8 during the 2015 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2014.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the Granby Ranch Metropolitan District No. 8 during the 2015 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2014.
- Section 6. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Grand County, Colorado, the mill levies for the Granby Ranch Metropolitan District No. 8 as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Grand County, Colorado, the mill levies for the Granby Ranch Metropolitan District No. 8 as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 8**  
**(CONTINUED)**

**TO APPROPRIATE SUMS OF MONEY**  
**(PURSUANT TO SECTION 29-1-108, C.R.S.)**

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE GRANBY RANCH METROPOLITAN DISTRICT NO. 8, GRAND COUNTY, COLORADO, FOR THE 2015 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on October 22, 2014, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GRANBY RANCH METROPOLITAN DISTRICT NO. 8, GRAND COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

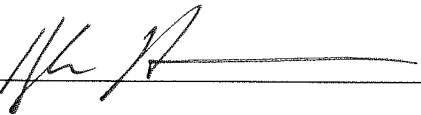
DEBT SERVICE FUND:	
Current Expenditures	\$5,494

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**RESOLUTIONS OF GRANBY RANCH METROPOLITAN DISTRICT NO. 8**  
**(CONTINUED)**

**TO ADOPT 2015 BUDGET, SET MILL LEVIES AND**  
**APPROPRIATE SUMS OF MONEY**  
**(CONTINUED)**

The above resolutions to adopt the 2015 budget, set the mill levies and to appropriate sums of money were adopted this 22nd day of October, 2014.

Attest: 

Title: PRESIDENT



December 5, 2014

Board of Directors  
Granby Ranch Metropolitan District No. 8  
Granby, Colorado

We have compiled the accompanying balance sheet/statement of net position of Granby Ranch Metropolitan District No. 8 as of September 30, 2014 and the related statement of revenues, expenditures and changes in fund balance with budgets for the nine month period then ended. We also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2014 and the adopted budget for calendar year 2015, in accordance with standards established by the American Institute of Certified Public Accountants.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

We serve in a dual role with the District, as a consulting financial manager and as an external accountant. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. We have prepared these financial statements in our capacity as a consulting financial manager for the District.

As an external accountant our responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with our participation) has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events or circumstances occurring after the date of this report.

The accompanying 2013 historical financial statements of the District were compiled by our predecessor firm, Robertson & Marchetti, P.C., and their report thereon stated that they did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and if these omissions had been included, they might influence the user's conclusions about the District's 2013 financial position and results of operations. Accordingly, the 2013 financial statements are not designed for those who are not informed about such matters.

We are not independent from an accounting and auditing perspective with respect to Granby Ranch Metropolitan District No. 8 because we perform certain accounting services that impair our independence.

*Marchetti & Weaver, LLC*

**Mountain Office**  
28 Second Street, Suite 213  
Edwards, CO 81632  
(970) 926-6060

**Website & Email**  
[www.mwcpaa.com](http://www.mwcpaa.com)  
[Admin@mwcpaa.com](mailto:Admin@mwcpaa.com)

**Front Range Office**  
357 S. McCaslin Blvd., Suite 200  
Louisville, CO 80027  
(303) 376-6292

GRANBY RANCH METROPOLITAN DISTRICT NO. 8  
 BALANCE SHEET  
 September 30, 2014

	<u>Debt Service Fund</u>	<u>Long Term Debt</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets:</b>			
Cash	-		-
Accounts Receivable	-		-
<b>Total Current Assests</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Due to Developer		9,735	9,735
Obligation to HWMD		3,497,381	3,497,381
<b>Total Liabilities</b>	<u>-</u>	<u>3,507,116</u>	<u>3,507,116</u>
<b>Net Assets</b>			
Amt to be Provided		(3,507,116)	(3,507,116)
Fund Balance - General	-		-
<b>Total Fund Equity</b>	<u>-</u>	<u>(3,507,116)</u>	<u>(3,507,116)</u>
<b>Total Liabilities &amp; Fund Equity</b>	<u>-</u>	<u>-</u>	<u>-</u>
	=	=	=

See Accompanying Accountant's Report



GRANBY RANCH METROPOLITAN DISTRICT NO. 8  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL, BUDGET AND FORECAST FOR THE PERIODS INDICATED

Modified Accrual Basis

DEBT SERVICE FUND

	2013 Unaudited Actual	2014 Adopted Budget	Variance Positive (Negative)	2014 Forecast Budget	9 Months Ended 09/30/14 Actual	9 Months Ended 09/30/14 Budget	Variance Favorable (Unfavor)	2015 Adopted Budget	Budget Assumptions
Assessed Value	2,418,090	1,274,120		1,274,120			1,101,400	Nov Final AV	
District 8 Mill Levy		-					-	Entire Mill Levy in GRMD	
<b>REVENUES</b>									
HWMD Expense Reimb	3,967	5,200	-	5,200	4,376	4,380	(4)	5,494	To cover expenses
<b>Total Revenues &amp; Transfers</b>	<b>3,967</b>	<b>5,200</b>	<b>-</b>	<b>5,200</b>	<b>4,376</b>	<b>4,380</b>	<b>(4)</b>	<b>5,494</b>	
<b>EXPENDITURES</b>									
Accounting & Administration	-	-	-	-	-	-	-	-	Covered by HWMD
Legal Fees	-	-	-	-	-	-	-	-	Covered by HWMD
Organizational Costs	-	-	-	-	-	-	-	-	
Audit Fees	-	-	-	-	-	-	-	-	Audit Exemption
Insurance	3,967	4,200	(176)	4,376	4,376	4,200	(176)	4,494	Based on 2014
Elections	-	-	-	-	-	-	-	-	Covered by HWMD
Office Expense, Dues	-	-	-	-	-	-	-	-	Covered by HWMD
Contingency	-	1,000	176	824	-	180	180	1,000	To avoid budget amendment
<b>Total Expenditures</b>	<b>3,967</b>	<b>5,200</b>	<b>-</b>	<b>5,200</b>	<b>4,376</b>	<b>4,380</b>	<b>4</b>	<b>5,494</b>	
<b>REVENUES OVER (UNDER) EXP</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>OTHER SOURCES &amp; USES</b>									
Developer Advance	-	-	-	-	-	-	-	-	
Developer Repayment	-	-	-	-	-	-	-	-	
Trfr to HWMD General Fund	-	-	-	-	-	-	-	-	
<b>Total Other Fin Sources/Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Beginning Fund Balance	-	-	-	-	-	-	-	-	
<b>Ending Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

See accompanying accountant's report

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Grand County, Colorado.

On behalf of the Granby Ranch Metropolitan Dist No. 8, the Board of Directors of the Granby Ranch Metropolitan District No. 8

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS

assessed valuation of: (Gross assessed valuation, Line 2 of the Certification of Valuation Form DLG 57) \$ 1,101,400

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the

NET assessed valuation of: (NET assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) \$ 1,101,400

Submitted: December 5, 2014 for budget/fiscal year 2015
(not later than Dec 15) (dd/mm/yyyy) (yyyy)

Table with columns: PURPOSE, LEVY<sup>2</sup>, REVENUE<sup>2</sup>. Rows include General Operating Expenses, (MINUS) Temporary General Property Tax Credit, SUBTOTAL FOR GENERAL OPERATING, General Obligation Bonds and Interest, Contractual Obligations Approved at Election, Capital Expenditures, Refunds/Abatements, Other (specify), and TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7].

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
Signed: [Signature] Title: District Administrator

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 866-2156.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**  
**GRANBY RANCH METROPOLITAN DISTRICT No. 8**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.)**. Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS:**

1. Purpose of Issue: No outstanding bonds  
Series:  
Date of Issue:  
Coupon rate:  
Maturity Date:  
Levy: 0.000  
Revenue: \$0.00

**CONTRACTS:**

4. Purpose of Contract: To finance the construction, operation, and maintenance of certain public improvements, services, and facilities.  
Title: District Facilities Construction and Service Agreement  
Date: September 17, 2008  
Maturity Date: None stated  
Levy: 0.000  
Revenue: \$0.00

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**JOINT RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
HEADWATERS METROPOLITAN DISTRICT AND GRANBY RANCH  
METROPOLITAN DISTRICTS NOS. 2 AND 8**

WHEREAS, **HEADWATERS METROPOLITAN DISTRICT AND GRANBY RANCH METROPOLITAN DISTRICTS NOS. 2 AND 8** (the "Districts") are quasi-municipal corporations and political subdivisions of the State of Colorado, duly organized pursuant to §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Boards are empowered with management, control, and supervision of all business and affairs of the Districts; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Boards of Directors of the Districts (the "Boards") are authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of Colorado for carrying on the business, objects, and affairs of the Boards and the District; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Boards are authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the Districts; and

WHEREAS, the voters of Colorado approved Amendment 64 at the 2012 general election, creating a new Section 16, Article XVIII of the Colorado Constitution ("Amendment 64"), which authorizes the limited cultivation, possession and use of one ounce or less of marijuana by persons twenty-one years (21) of age and older; and

WHEREAS, Amendment 64 permits the personal use of marijuana and marijuana products by persons twenty-one (21) years of age or older, and further provides that nothing in Amendment 64 shall permit consumption that is "conducted openly and publicly or in a manner that endangers others"; and

WHEREAS, Amendment 64 provides that any person or entity who occupies, owns or controls a property may prohibit or otherwise regulate the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of marijuana on or in that property; and

WHEREAS, the Boards wish to prohibit marijuana possession, consumption, display, transfer, distribution, sale, transportation, and growing of marijuana on property or facilities occupied, owned or controlled by the Districts; and

WHEREAS, the Boards also recognize the legal protections afforded to individuals by Amendment 64, § 12-43.3-101, *et seq.*, C.R.S. (the "Colorado Medical Marijuana Code"), and § 12-43.4-101, *et seq.*, C.R.S. (the "Colorado Retail Marijuana Code") regarding recreational and medical marijuana, and desires to affirm these protections as they may be interpreted and amended by the General Assembly from time to time.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF DIRECTORS OF THE DISTRICTS AS FOLLOWS:

1. Prohibition. It shall be unlawful for any person to possess, consume, use, display, transfer, distribute, sell, transport or grow marijuana or marijuana related items on property occupied, owned or controlled by the District.

2. Use of Facilities/Recreation Amenities. Disciplinary measures will be administered by the Districts and their authorized representatives without the necessity of any action of the Boards for any person found violating the provisions of this Resolution. The District's authorized representatives shall have authority to remove an offending party or suspend an offending party's District facilities and/or recreation amenities privileges for up to six (6) months. Any such suspension may be appealed to the Board at the next regular District meeting. Any person refusing removal from the District facilities or recreation amenities or attempting to enter or remain on the premises of the District facilities or recreation amenities after their privileges have been revoked may be subject to arrest and prosecution for criminal trespass under Colorado law.

3. Effective Date. The provisions of this resolution shall take effect as of the date of this resolution.

4. Penalties. Violators of any of the provisions of this resolution shall be subject to civil penalties. A violation of any the rules and regulations is subject to any and all civil remedies available to the Districts under Title 32, C.R.S. or other applicable laws, including a civil penalty hereby imposed in the amount of \$250 for the first violation, \$500 for the second violation, and \$1,000 for the third and subsequent violations, and actual costs and attorneys' fees incurred by the Districts. The Districts may collect such penalties, charges, costs and fees by any means authorized by law.

5. Enforcement. The Districts and their authorized representatives may request any person to cease conduct that is in violation of any provision of this Resolution or other rules, regulations or policies of the Districts. In the event that the offending party fails to cease such conduct after being requested and warned to do so, the District representative is authorized to use all reasonable means he or she deems necessary to stop such conduct, including, but not limited to, having the offending party removed from the District property. In the event a person is to be removed from District property the District representative shall first contact law enforcement.

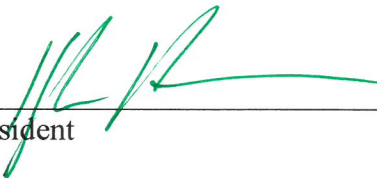
6. Amendment. The Districts expressly reserve the right to amend, revise, redact, and/or repeal the rules and regulations adopted hereby in whole or in part, from time to time in order to further the purpose of carrying on the business, objects, and affairs of the Districts. The foregoing shall specifically include, but not be limited to, the right to adopt new rules and regulations and/or policies and procedures as may be necessary, in the Board's discretion.

7. Severability. If any term or provision of this resolution or if any rule or regulation is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the remainder of the resolution or rules and regulations, as a whole, but shall be severed, leaving the remaining terms or provisions in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

*Signature page follows.*

ADOPTED AND APPROVED this 22<sup>nd</sup> day of October, 2014.

HEADWATERS METROPOLITAN  
DISTRICT AND GRANBY RANCH  
METROPOLITAN DISTRICTS NOS.2 AND 8

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the Districts