

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
HELD
FEBRUARY 2, 2007

A regular meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Friday, the 2nd day of February, 2007, at 9:00 a.m., at the offices of Lowe Enterprises Real Estate Group, 1515 Arapahoe Street, Tower III, Suite 900, Denver, Colorado 80202. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

John R. Waggoner, President
Donald E. Hunt
J. Eric Eckberg
Charlie Garing
Timothy W. Bertoch

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Matthew R. Dalton, Esq.; Grimshaw & Harring, P.C.

Josh Dudley; Clifton Gunderson, LLP

Paul R. Yourick; Lowe Enterprises Real Estate Group, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Attorney Dalton noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted

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that all Directors' Disclosure Statements have been filed.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's regular meeting. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, and upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Minutes: The Board reviewed the minutes of the December 1, 2006 regular meeting. Following discussion, upon motion duly made by Director Hunt, seconded by Director Garing and, upon vote, unanimously carried, the minutes of the December 1, 2006 regular meeting were approved.

Resolution No. 2007-02-1 regarding 24-hour posting place: The Board considered Resolution No. 2007-02-1 designating the place at which notice will be posted at least 24 hours prior to each meeting. Following review, upon motion duly made by Director Garing, seconded by Director Hunt, and upon vote, unanimously carried, the Board adopted Resolution 2007-02-1 as presented. A copy of the Resolution is attached hereto and incorporated herein by this reference.

FINANCIAL MATTERS

Checking account for the District: Mr. Dudley advised the Board that the District should consider opening a checking account with CSAFE.

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Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board authorized Mr. Dudley to open a checking account for the District with CSAFE. It was also noted by the Board that two signatures would be required for checks over \$5,000.00 and that all Directors would be signatories on the account.

LEGAL MATTERS

Castle Rock Fire Protection District Agreement: Attorney Dalton presented an Intergovernmental Agreement between the District, Crowfoot Valley Ranch Metropolitan District No. 2 and the Town of Castle Rock regarding the provision of fire protection and emergency response services and pledged taxes.

Following discussion, upon motion duly made by Director Hunt, seconded by Director Eckberg and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement between the District, Crowfoot Valley Ranch Metropolitan District No. 2 and the Town of Castle Rock. It was noted by the Board that the IGA has been approved by the Town Council of the Town of Castle Rock.

Operation Funding Agreement: Attorney Dalton reviewed for the Board the Operation Funding Agreement between the District and Canyons South, LLC.

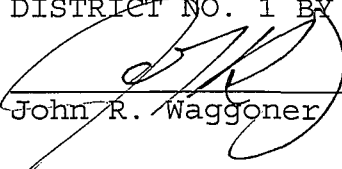
Following review and discussion, upon motion duly made by Director Waggoner, seconded by Director Garing and, upon vote, unanimously carried, the Board ratified approval of the Operation Funding Agreement between the District and Canyons South, LLC.

Facilities Funding and Acquisition Agreement: Attorney Dalton reviewed for the Board the Facilities Funding and Acquisition Agreement between the District and Canyons South, LLC.

Following review and discussion, upon motion duly made by Director Bertoch, seconded by Director Eckberg and, upon vote, unanimously carried, the Board ratified approval of the Facilities Funding and Acquisition Agreement between the District and Canyons South, LLC.


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THESE MINUTES APPROVED AS THE OFFICIAL FEBRUARY 2, 2007
MINUTES OF THE CROWFOOT VALLEY RANCH METROPOLITAN
DISTRICT NO. 1 BY THE BOARD OF DIRECTORS SIGNING BELOW:



John R. Waggoner

Donald E. Hunt



J. Eric Eckberg

Charlie Garing

Timothy W. Bertoch

RESOLUTION NO. 2007-02-1
RESOLUTION OF THE BOARD OF DIRECTORS
OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
REGARDING POSTING FOR MEETINGS

WHEREAS, Special Districts are required by Subsection 24-6-402(2)(c), C.R.S., to designate annually at the District Board's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1 AS FOLLOWS:

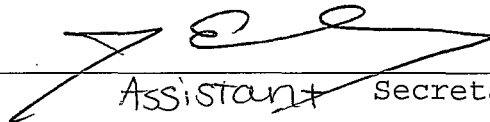
1. Notices of meetings of the District Board required pursuant to Section 24-6-401, et seq., C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

The windmill at 4688 Crowfoot Valley Ranch Road

2. Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least three days prior to said meeting shall continue to be made pursuant to Section 32-1-903(2), C.R.S.

ADOPTED this 2nd day of February, 2007.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1



Assistant Secretary