

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
HELD
MAY 9, 2007

A special meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Wednesday, the 9th day of May, 2007, at 3:00 p.m., at the offices of Lowe Enterprises Real Estate Group, 6312 S. Fiddlers Green Circle, Suite 100E, Greenwood Village, Colorado 80111. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

John R. Waggoner, President
J. Eric Eckberg
Timothy J. Hedrick
Liliana M. Mendes

Following discussion, upon motion duly made by Director Mendes, seconded by Director Waggoner and, upon vote, unanimously carried, the absence of Donald E. Hunt was excused.

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

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

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disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted 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 special meeting. Following discussion, upon motion duly made by Director Mendes, seconded by Director Waggoner 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 Mendes, seconded by Director Waggoner 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.

Change of Regular Meeting Location: The Board considered approval of a change of regular meeting location to the new offices of Lowe Enterprise Real Estate Group, 6312 S. Fiddlers Green Circle, Suite 100E, Greenwood Village, Colorado 80111.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the Board determined to change its regular meeting location to 6312 S. Fiddlers Green Circle, Suite 100E, Greenwood Village, Colorado 80111.

Minutes: The Board reviewed the minutes of the March 2, 2007 regular meeting. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the minutes of the March 2, 2007 regular meeting were approved.

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FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period ending April 12, 2007, totaling \$16,870.86.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Mendes and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending April 12, 2007, as presented.

The Board then considered approval of the payment of claims for the period ending May 9, 2007, totaling \$12,041.27.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Mendes and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending May 9, 2007, as presented.

Checking account for the District: Mr. Dudley discussed with the Board opening a checking account for the District.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the Board authorized Mr. Dudley to open a checking account for the District with Wells Fargo.

Schedule of Cash Position: Mr. Dudley presented for the Board's review the schedule of cash position as of April 30, 2007, updated as of May 9, 2007.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the Board accepted the schedule of cash position statement as presented.

LEGAL MATTERS

New Illegal Alien Contract Language: Attorney Dalton discussed with the Board the new illegal alien contract language required pursuant to the newly adopted HB07-1073. No action was taken by the Board.

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Adoption of a Joint Resolution Imposing Facilities Fees: Attorney Dalton discussed with the Board the imposition of facilities fees within the boundaries of the District.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the Board adopted a Joint Resolution Imposing Facilities Fees in the amount of \$3,000.00 per single family dwelling unit to be paid on or before the date of issuance of a building permit by the Town of Castle Rock.

Amendment to the District's Service Plan: Attorney Dalton discussed with the Board the need to amend the District's Service Plan and the timing for obtaining approval of the Amendment from the Town of Castle Rock. No action was taken by the Board.

Regional Facilities Construction Agreement: Attorney Dalton discussed with the Board the need to amend the Regional Facilities Construction Agreement to conform with the updating bond issue.

November 2007 Election: Ms. Finn addressed the Board regarding the necessity for an election in November. Following discussion, the Board determined that a November election might be necessary.

Snow Removal Policy for the District: The Board entered into discussion regarding adopting a Snow Removal Policy for the District.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the Board adopted a Snow Removal Policy which would comply with Douglas County's Rules and Regulations on snow removal and authorized staff to transmit the Policy to the Castle Rock Fire Department.

Adoption of Water Regulations Pursuant to Water Service Agreement with the Town of Castle Rock: Attorney Dalton discussed with the Board the necessity to adopt the current water regulations established by the Town of Castle Rock pursuant to Section 4.02 of the Water Service IGA.

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Following review, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board acknowledges, reaffirms and certifies that the District has adopted the Town's current water regulations and is in full compliance with the Water Service Agreement, effective January 15, 2007.

CAPITAL IMPROVEMENTS

Engagement of Engineer for the District: The Board entered into discussion regarding the engagement of Guy Ford from Independent District Engineering Services, LLC (IDES, LLC) as engineer for the District.

Following discussion, the Board directed staff to verify it has received an engagement letter from IDES, LLC.

Status of Construction: Director Eckberg reported to the Board that there has been no construction activity on the Grading, Wet Utilities or Concrete and Asphalt Projects. Director Eckberg also noted for the Board that the grading permit has been issued and work is expected to begin in the near future.

OTHER BUSINESS

SDA 2007 Annual Conference: Ms. Finn discussed having Board Members attend the SDA 2007 Annual Conference. Following discussion, the Board noted that Directors Hedrick and Mendes would be interested in attending the Conference.

ADJORNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Hedrick, seconded by Director Eckberg and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By Ann E. Finn
Secretary for the Meeting

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THESE MINUTES APPROVED AS THE OFFICIAL MAY 9, 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



Timothy J. Hedrick



Liliana M. Mendes

RESOLUTION

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
FACILITIES FEE RESOLUTION**

WHEREAS, Crowfoot Valley Ranch Metropolitan District No. 1 (“District”) is situated in Douglas County, State of Colorado (“County”); and

WHEREAS, the District Board of Directors has determined that prior to maturation of its tax base it is necessary and appropriate to fix and charge rates for use of its services and facilities (collectively, “Public Improvements”) in order to pay all or a portion of construction, operation and maintenance costs of the Public Improvements (“Public Improvement Costs”); and

WHEREAS, the adoption of services and facilities rates in the form of a facilities fee (“Facilities Fee”) will serve a public purpose and promote the health, safety and general welfare of the District by providing for the orderly payment of the Public Improvement Costs; and

WHEREAS, the District Board of Directors (“Board”) is authorized to impose a Facilities Fee by Section 32-1-1001(1)(j), C.R.S.; and

WHEREAS, the Board now desires to impose and establish a Facilities Fee for Dwelling Units (defined below).

NOW, THEREFORE, be it resolved by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 1:

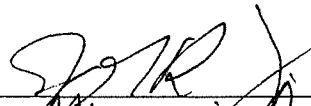
1. The Board hereby finds, determines and declares the necessity of providing for the orderly payment of the District’s Public Improvement Costs in order to ensure the full satisfaction of the District’s financial obligations incurred for the construction of the Public Improvements and to pay the costs of operating and maintaining such Public Improvements, all to ensure the health, safety and welfare of the inhabitants of the District.
2. The following words and phrases used herein shall have the following meaning:
 - (a) Board means the duly elected or appointed Board of Directors of the District, as constituted from time to time.
 - (b) District Service System means the system of Public Improvements constructed by the District.
 - (c) Dwelling Unit means a residential building located within the boundaries of the District intended for occupancy by one or more individuals and

consisting of one self-contained living unit, as reasonably determined by the District.

3. There shall be assessed and charged a Facilities Fee pursuant to Section 32-1-1001(1)(j), C.R.S. for use of the District Service System. The owners of all land within the District, other than governmental owners, shall be subject to the Facilities Fee.
4. The Facilities Fee for Dwelling Units shall be as follows:
 - (a) Three Thousand Dollars (\$3,000) per single-family Dwelling Unit.
5. The Board reserves the right to adjust the rates of the Facilities Fee for Dwelling Units by Resolution.
6. The Facilities Fee is due with respect to any Dwelling Unit on or before the date of issuance of a building permit by the County of Douglas, Colorado, as the case may be, for such Dwelling Unit.
7. The Facilities Fee shall be a perpetual charge and lien upon the property in the District from the date the same becomes due and payable until paid, and such lien may be foreclosed by the District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens.
8. Failure to make payment of the Facilities Fees due hereunder shall constitute a default in the payment of such Facilities Fees. Upon a default, interest shall accrue on such total amount of Facilities Fees due at the rate authorized by statute, and the District shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law including, but not limited to, foreclosure of its perpetual lien. The defaulting property owner shall pay all costs, including attorneys' fees, incurred by the District in connection with the foregoing. In foreclosing its lien, the District will enforce the lien only to the extent necessary to collect unpaid Facilities Fees, accrued interest thereon and costs of collection (including, but not limited to, reasonable attorneys' fees).
9. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.
10. Any inquiries pertaining to the Facilities Fee may be directed to the District's Manager at: 141 Union Blvd., Suite 150, Lakewood, CO 80228, (303) 987-0835.

11. The Facilities Fee set forth herein is hereby approved and adopted by this Resolution of the Crowfoot Valley Ranch Metropolitan District No. 1 Board of Directors adopted as of the 9th day of May, 2007, and effective upon Recordation.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1, a
quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Its: Managing Director

Attest:


Secretary