

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
HELD  
June 2, 2006

The regular meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 (referred to hereafter as "Board") was convened on Friday, the 2nd day of June, 2006, at 9:30 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

#### Also In Attendance Were:

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

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

J. Eric Eckberg; Lowe Enterprises Real Estate Group

### 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 that all Directors' Disclosure Statements have been filed.

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### 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 Hunt, seconded by Director Waggoner and, upon vote, unanimously carried, the Agenda was approved.

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 Hunt, 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.

Resignation of Director: The Board reviewed the letter of resignation from Allan H. Tenenbaum from the Board of Directors, effective May 8, 2006.

Following discussion, upon motion duly made by Director Hunt, seconded by Director Waggoner and, upon vote, unanimously carried, the Board accepted the resignation of Allan H. Tenenbaum from the Board of Directors.

Minutes: The Board reviewed the Minutes of the May 5, 2006 regular meeting. Following discussion, upon motion duly made by Director Hunt, seconded by Director Waggoner and, upon vote, unanimously carried, the Minutes of the May 5, 2006 regular meeting were approved.

### FINANCIAL MATTERS

Establish operating checking account: The Board deferred discussion.

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### LEGAL MATTERS

Operation Funding Agreement between Crowfoot Valley Ranch Metropolitan District No. 2 and the Developer: Attorney Dalton presented for the Board's review a draft Operation Funding Agreement between Crowfoot Valley Ranch Metropolitan District No. 2 and Canyon South, LLC. Following review, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board approved the Operation Funding Agreement, subject to final review by Counsel.

Facilities Funding and Acquisition Agreement between and the Crowfoot Valley Ranch Metropolitan District No. 2 and the Developer: Attorney Dalton presented the Facilities Funding and Acquisition Agreement between Crowfoot Valley Ranch Metropolitan District No. 2 and the Canyon South, LLC. Following review, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board approved the Facilities Funding and Acquisition Agreement, subject to final review by Counsel.

Resolution Crowfoot Valley Ranch Metropolitan District No. 2 Facility Fee Resolution: The Board deferred discussion on this matter.

Water Regulation Resolution to Amend the Water Regulations of the District: Attorney Dalton presented for the Board's review a Water Regulation Resolution to Amend the Water Regulations of the District. Following review, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board approved the Water Regulation Resolution, as amended pursuant to section 4.02 of the Intergovernmental Agreement with the Town of Castle Rock.

Assignment of Agreement between the District and Pinery Water and Sanitation District: The Board entered into discussion regarding the Assignment of Agreement between the District and Pinery Water and Sanitation District. No action was taken by the Board.

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Proposed 2006 Bond Issuance: The Board entered into discussion regarding the possibility of issuing bonds in the fall of 2006. No action was taken by the Board.

Reimbursement Resolution: Attorney Dalton presented for the Board's review a Reimbursement Resolution.

Following review, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board approved the Reimbursement Resolution.

Intergovernmental Agreement (IGA) between the District, Crowfoot Valley Ranch Metropolitan District No. 1 and the Town of Castle Rock for the Cost Reimbursement of the Canyons South Water Main Extension Project: Attorney Dalton presented for the Board's review a draft IGA. Following review, upon motion duly made by Director Hunt, seconded by Director Waggoner and, upon vote, unanimously carried, the Board ratified approval of the Intergovernmental Agreement between the District, Crowfoot Valley Ranch Metropolitan District No.1 and the Town of Castle Rock for the Cost Reimbursement of the Canyons South Water Main Extension Project, as adopted by the Town of Castle Rock.

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### OTHER BUSINESS

Appointment of Director to Fill Vacancy: The Board discussed the appointment of J. Eric Eckberg to fill a vacancy on the Board of Directors.

Following discussion, upon motion duly made by Director Hunt, seconded by Director Waggoner and, upon vote, unanimously carried the Board appointed J. Eric Eckberg to the Board of Directors.

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### ADJOURNMENT

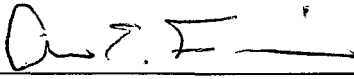
There being no further business to come before the Board at this time, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the meeting was adjourned.

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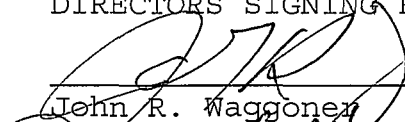
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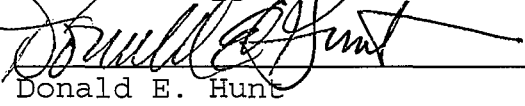
Respectfully submitted,


By 

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL JUNE 2,  
2006 MINUTES OF THE CROWFOOT VALLEY RANCH  
METROPOLITAN DISTRICT NO. 2 BY THE BOARD OF  
DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
John R. Waggoner

  
\_\_\_\_\_  
Donald E. Hunt

  
\_\_\_\_\_  
J. Eric Eckberg