

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
HELD
July 14, 2006

A special 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 14th day of July, 2006, at 8:30 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
J. Eric Eckberg

Also In Attendance Were:

Ann E. Finn and B.J. Murata; Special District Management Services, Inc.

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

Charlie Garing; Consolidated Investment Group

Timothy W. Bertoch; Consolidated Investment Group

Tim Hedrick; Consolidated Investment 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

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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 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.

Appointment of Director to fill vacancy: Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hunt, and, upon vote, unanimously carried, the Board appointed Charlie Garing as Director to fill a vacant position.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hunt, and, upon vote, unanimously carried, the Board appointed Timothy W. Bertoch as Director to fill a vacant position.

Minutes: The Board reviewed the Minutes of the June 2, 2006 regular meeting. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Minutes of the June, 2, 2006 regular meeting were approved.

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FINANCIAL MATTERS

Engagement of Accountant for District: The Board directed the District Manager to obtain a proposal from Clifton Gunderson for accounting services.

LEGAL MATTERS

Assignment of Agreement between the District and Pinery Water and Sanitation District: Attorney Dalton reported to the Board on the status of the Assignment of Agreement between the District and Pinery Water and Sanitation District. No action was taken by the Board.

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

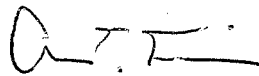
November 2006 Election: The Board determined that it would not be necessary to conduct a November 2006 election.

ADJOURNMENT

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

Respectfully submitted,

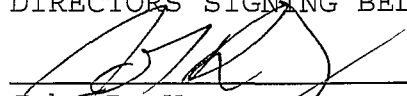
By




Secretary for the Meeting

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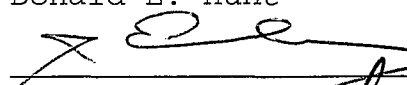
THESE MINUTES APPROVED AS THE OFFICIAL JULY 14,
2006 MINUTES OF THE CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2 BY THE BOARD OF
DIRECTORS SIGNING BELOW:



John R. Waggoner



Donald E. Hunt



J. Eric Eckberg



Charlie Garing



Timothy W. Bertoch