

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
HELD
SEPTEMBER 8, 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 8th day of September 2006, 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 and B.J. Murata; Special District Management Services, Inc.

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

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.

RECORD OF PROCEEDINGS

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 Waggoner, seconded by Director Eckberg 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 Eckberg 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 July 14, 2006 special meeting. Following discussion, upon motion duly made by Director Hunt, seconded by Director Eckberg and, upon vote, unanimously carried, the Minutes of the July 14, 2006 special meeting were approved.

General Liability Insurance: The Board entered into discussion regarding the District's current insurance coverage. Following discussion, the Board instructed staff to obtain quotes for additional coverage.

FINANCIAL MATTERS

Engagement of Accountant for District: The Board considered engagement of Clifton Gunderson LLP to serve as the Accountant for the District. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Garing and, upon vote, unanimously carried, the Board approved the engagement of Clifton Gunderson LLP to serve as the Accountant for the District.

RECORD OF PROCEEDINGS

District's Checking Account: The Board entered into discussion regarding opening a checking account for the District. Following discussion, the Board authorized the District Manager or Accountant to open a checking account for the District, subject to Director Waggoner's recommendation on which bank to use for the District.

2007 Budget: Following discussion, upon motion duly made by Director Garing, seconded by Director Waggoner and, upon vote, unanimously carried, the Board appointed Clifton Gunderson LLP to prepare the 2007 budget.

LEGAL MATTERS

Assignment of Agreement between the District and Pinery Water and Sanitation District: Discussion was deferred.

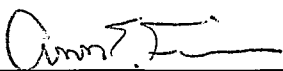
Proposed 2006 Bond Issue: The Board entered into discussion regarding the status of the 2006 bond issue. No action was taken by the Board.

November 2006 Election: Attorney Dalton discussed with the Board the necessity to conduct a November 2006 election. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Eckberg and, upon vote, unanimously carried, the Board adopted a Resolution calling for a November 2006 election.

CONTINUATION OF MEETING

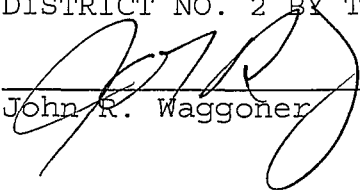
There being no further business to come before the Board at this time, upon motion duly made by Director Hunt, seconded by Director Garing and, upon vote, unanimously carried, the meeting was continued to October 13, 2006 at 9:00 a.m. at the regular meeting location.

Respectfully submitted,

By 
Secretary for the Meeting

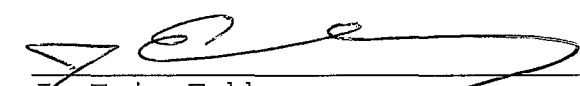
RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL SEPTEMBER 8,
2006 MINUTES OF THE CROWFOOT VALLEY RANCH METROPOLITAN
DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:




John R. Waggoner

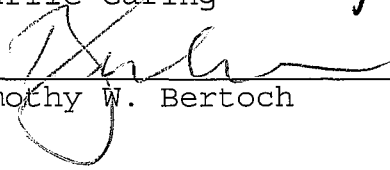
Donald E. Hunt



J. Eric Eckberg



Charlie Garing



Timothy W. Bertoch