

RECORD OF PROCEEDINGS

MINUTES OF A RECONVENED SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
HELD
OCTOBER 13, 2006

A reconvened 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 13th day of October 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
J. Eric Eckberg
Charlie Garing
Timothy W. Bertoch

Upon motion duly made, seconded and, upon vote, unanimously carried, the absences 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 disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all

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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 Reconvened Special Meeting. Following discussion, upon motion duly made by Director Bertoch, 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 Bertoch, 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.

Minutes: The Board reviewed the minutes of the September 8, 2006 special meeting. Following discussion, upon motion duly made by Director Garing, seconded by Director Eckberg and, upon vote, unanimously carried, the minutes of the September 8, 2006 special meeting were approved.

General Liability Insurance: Ms. Finn distributed for the Board's information quotes for insurance additional insurance coverage for the District. No action was taken by the Board.

FINANCIAL MATTERS

Engagement of Accountant: Mr. Dudley reviewed with the Board the Engagement Letter with Clifton Gunderson, LLP for accounting services. Following discussion, upon motion duly made by Director Garing, seconded by Director Bertoch and, upon vote, unanimously carried, the Board approved the engagement letter with Clifton Gunderson, LLP, subject to final review by the President of the District.

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2007 Budget: Mr. Dudley presented for the Board's review and discussion the 2006 Preliminary Certification of Assessed Valuation and the 2007 draft budget. The Board determined to schedule the public hearing to consider adoption of the 2007 budget on Friday, December 1, 2006 at 9:00 a.m. at the regular meeting location.

2006 Application for Exemption from Audit: Mr. Dudley noted for the Board that the District would be eligible for an exemption from audit for 2006. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Eckberg and, upon vote, unanimously carried, the Board authorized the engagement of Clifton Gunderson, LLP to prepare and file an Application for Exemption from 2006 Audit with the State Auditor.

LEGAL MATTERS

Proposed 2006 Bond Issue: The Board entered into discussion regarding the status of the 2006 bond issue. Following discussion, the Board determined not to issue bonds in 2006.

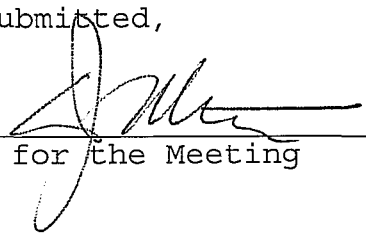
November 2006 Election: Attorney Dalton discussed with the Board the election questions and status of the November 2006 election.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Waggoner, seconded by Director Eckberg and, upon vote, unanimously carried, the Board determined to cancel the November 3, 2006 Board meeting and the meeting was adjourned.

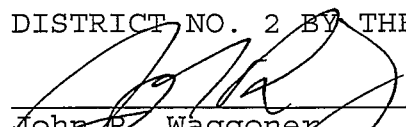
Respectfully submitted,

By

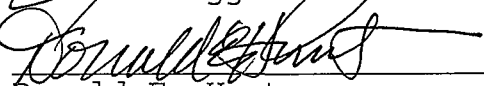

Secretary for the Meeting

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THESE MINUTES APPROVED AS THE OFFICIAL OCTOBER 13, 2006
MINUTES OF THE CROWFOOT VALLEY RANCH METROPOLITAN
DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:




John E. Waggoner



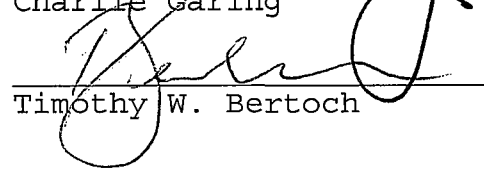
Donald E. Hunt



J. Eric Eckberg



Charlie Garing



Timothy W. Bertoch