

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 HELD OCTOBER 29, 2013

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 Tuesday, the 29th day of October, 2013, at 9:00 a.m., at the offices of Consolidated Investment Group, 18 Inverness Place, Englewood, Colorado 80112. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

John R Waggoner, President
Becky Medina
Tim Bertoch

Also In Attendance Were:

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

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

Jason Carroll; CliftonLarsonAllen, LLP

Erik Clore; candidate for vacant Board position

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures 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. Directors Bertoch and Medina noted that they are employees of the developer of the project and Director Waggoner noted that he has a contractual relationship with the developer to develop the project.

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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 Medina, seconded by Director Bertoch 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 Medina, seconded by Director Bertoch 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 December 7, 2012 special meeting.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Minutes of the December 7, 2012 special meeting were approved.

Resolution No. 2013-10-01 regarding 24-hour Posting Place: The Board considered Resolution No. 2013-10-01 designating the place at which notice will be posted at least 24 hours prior to each meeting.

Following review, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Board adopted Resolution No. 2013-10-01 regarding 24 hour posting place. A copy of the Resolution is attached hereto, and incorporated herein, by this reference.

Resignation of Directors: The resignation of Director J. Eric Eckberg, was acknowledged by the Board.

Consideration of Board Appointment After Publication of Notice of Vacancy: It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was made on October 17, 2013 in the Douglas

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County News-Press. No Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

Following discussion and upon motion duly made by Director Bertoch, seconded by Director Medina, Erik Clore was nominated to fill the vacant Board term of J. Eric Eckberg and, upon vote, unanimously carried, the Board appointed Erik Clore to fill the vacancy created by the resignation of J. Eric Eckberg. The Oath of Office was administered.

2014 Meeting Dates: Ms. Finn reviewed the business to be conducted in 2014 to meet the statutory compliance requirements.

Following discussion, upon motion duly made by Director Medina, seconded by Director Bertoch and, upon vote, unanimously carried, the Board determined to meet on Friday, November 7, 2014 at 9:00 a.m., at the offices of Consolidated Investment Group, 18 Inverness Place East, Englewood, Colorado.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification: Ms. Finn discussed with the Board §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Board determined to post the required transparency notice on the SDA Website.

FINANCIAL MATTERS

2012 Application for Exemption from Audit: The Board reviewed the 2012 Application for Exemption from Audit.

Following review and discussion, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Board ratified approval of execution and filing of the Application for Exemption from Audit for 2012.

Preparation of 2013 Application for Exemption from Audit: The Board discussed the requirements for an audit.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare and file the 2013 Application for Exemption from Audit with the State Auditor.

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Professional Services Agreement for Accounting Services: The Board reviewed the Professional Services Agreement with CliftonLarsonAllen, LLP to provide accounting services for 2014.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Board approved the Professional Services Agreement with CliftonLarsonAllen, LLP to provide accounting services for the District for 2014.

2013 Budget Amendment Hearing: The Chairman opened the public hearing to consider the Resolution to Amend the 2013 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2013 Budget and the date, time, and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

There were no comments from the public in attendance and the public hearing was closed.

Following review, it was determined that an amendment was not needed and no action was taken by the Board.

2014 Budget: The President opened the public hearing to consider the proposed 2014 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received and the public hearing was closed.

Mr. Carroll reviewed the estimated 2013 expenditures and proposed 2014 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2013 Budget and Appropriate Sums of Money and Set Mill Levies (for the General Fund at 70.000 mills, the Debt Service Fund at 0.000 mills and the Fire Protection and Emergency Response Intergovernmental Agreement at 6.750 mills, for a total mill levy of 76.750 mills). Upon motion duly made by Director

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Waggoner, seconded by Director Clore and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2013. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government, not later than December 15, 2013. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2014. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification: Ms. Finn discussed with the Board the DLG-70 Mill Levy Certification form.

Following discussion, upon motion duly made by Director Medina, seconded by Director Bertoch and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 mill levy certification form, for certification to the Board of County Commissioners and other interested parties.

2015 Budget: The Board discussed preparation of the 2015 Budget.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2015 Budget and to hold the public hearing to consider adoption of the 2015 Budget on Friday, November 7, 2014 at 9:00 a.m. at the regular meeting location.

LEGAL MATTERS

Resolution No. 2013-10-03, Resolution Concerning Regular Election to be Held May 6, 2014 Regular Election: The Board discussed the upcoming election and Resolution No. 2013-10-03 to call the May 6, 2014 Election.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Medina and, upon vote, unanimously carried, the Board adopted Resolution No. 2013-10-03 to Call the May 6, 2014 Election and appointed Leslie Larson as the Designated Election Official and authorized her to perform all tasks required for the May 6, 2014 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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Adoption of Public Records Policy: Attorney Dalton discussed with the Board revisions to the Colorado Open Records Act based on new legislation.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Clore and, upon vote, unanimously carried, the Board adopted a Public Records Policy. A copy of the adopted Policy is attached hereto and incorporated herein by this reference.

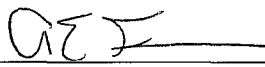
Adoption of Public Disclosure Document: Attorney Dalton advised the Board that the requirements of HB13-1186 are in addition to the Transparency Notice.

Following discussion, upon motion duly made by Director Bertochr, seconded by Director Clore and, upon vote, unanimously carried, the Board adopted the Public Disclosure Document, it was noted that Attorney Dalton will record the Document, as required. A copy of the adopted Policy is attached hereto and incorporated herein by this reference.

ADJORNMENT

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

Respectfully submitted,

By 
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL OCTOBER 29, 2013
MINUTES OF THE CROWFOOT VALLEY RANCH METROPOLITAN
DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:

John R. Waggoner



Becky Medina



Tim Bertoch



Erik Clore

RESOLUTION NO. 2013-10-01
RESOLUTION OF THE BOARD OF DIRECTORS
OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
REGARDING POSTING FOR MEETINGS

WHEREAS, Special Districts are required by Subsection 24-6-402(2)(c), C.R.S., to designate annually at the District Board's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 AS FOLLOWS:

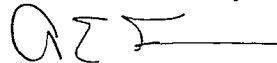
1. Notices of meetings of the District Board required pursuant to Section 24-6-401, et seq., C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

The Green Castle Gate entrance at 4688 Crowfoot Valley Ranch Road

2. Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall continue to be made pursuant to Section 32-01-903(2), C.R.S.

ADOPTED this 29th day of October, 2013.

CROWFOOT VALLEY RANCH METROPOLITAN
DISTRICT NO. 2



Secretary

**RESOLUTION
TO ADOPT 2014 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2014 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2014, AND ENDING ON THE LAST DAY OF DECEMBER, 2014,

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2013, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$30,217; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$2,914; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2013 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$431,671; and

WHEREAS, at an election held on November 2, 2002, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Crowfoot Valley Ranch Metropolitan District No. 2 for calendar year 2014.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. 2014 Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2014 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2014 budget year, there is hereby levied a tax of 70.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2013.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2013.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2014 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2013.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2014 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 6.750 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2013.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2014 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2013.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2013.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the President of the District is hereby authorized and directed to certify by December 15, 2013, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2013, in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

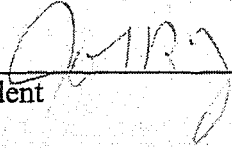
Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 29th day of October, 2013.



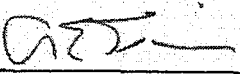
(SEAL)

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2



President

ATTEST:



Secretary

LETTER OF BUDGET TRANSMITTAL


Date: January 21, 2014
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2014 budget and budget message for CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 29, 2013. If there are any questions on the budget, please contact

Cristen van Neikerk
CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 600
Greenwood Village, Colorado 80111
Telephone number: (303) 779-5710

I, John R. Waggoner, President of the Crowfoot Valley Ranch Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2014 budget.

By:



John R. Waggoner



CliftonLarsonAllen

CliftonLarsonAllen LLP

www.cliftonlarsonallen.com

Accountant's Compilation Report

Board of Directors
Crowfoot Valley Ranch Metropolitan District No. 2
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Crowfoot Valley Ranch Metropolitan District No. 2 for the General Fund and Debt Service Fund for the year ending December 31, 2014, including the forecasted estimate of comparative information for the year ending December 31, 2013, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2012 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2012.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Crowfoot Valley Ranch Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 20, 2013

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 12,779	\$ 12,801	\$ 12,811
REVENUES			
1 Property taxes	23,511	20,106	30,217
2 Specific ownership taxes	1,980	1,800	2,650
3 Net investment income	22	10	32
4 Other income	-	-	2,000
5 Fire protection tax	2,266	1,939	2,914
Total revenues	<u>27,779</u>	<u>23,855</u>	<u>37,813</u>
Total funds available	<u>40,558</u>	<u>36,656</u>	<u>50,624</u>
EXPENDITURES			
6 General and administration			
7 Contingency	-	-	2,000
8 County Treasurer's fees	387	331	497
9 Payment to Town	2,232	1,910	2,870
10 Transfer to District No. 1	25,138	21,604	32,414
Total expenditures	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
Total expenditures and transfers out requiring appropriation	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
ENDING FUND BALANCES	\$ 12,801	\$ 12,811	\$ 12,843

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 36,960	\$ 36,960	\$ 32,800
Agricultural	32,910	32,910	34,500
State Assessed	265,980	217,360	364,371
Certified Assessed Value	<u>\$ 335,850</u>	<u>\$ 287,230</u>	<u>\$ 431,671</u>
MILL LEVY			
GENERAL FUND	70.000	70.000	70.000
FIRE PROTECTION	6.750	6.750	6.750
Total Mill Levy	<u>76.750</u>	<u>76.750</u>	<u>76.750</u>
PROPERTY TAXES			
GENERAL FUND	\$ 23,510	\$ 20,106	\$ 30,217
FIRE PROTECTION	2,267	1,939	2,914
Budgeted Property Taxes	<u>\$ 25,777</u>	<u>\$ 22,045</u>	<u>\$ 33,131</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 23,511	\$ 20,106	\$ 30,217
FIRE PROTECTION	2,266	1,939	2,914
	<u>\$ 25,777</u>	<u>\$ 22,045</u>	<u>\$ 33,131</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	23,511	20,106	30,217
2 Specific ownership taxes	1,980	1,800	2,650
3 Other income	-	-	2,000
4 Fire protection tax	2,266	1,939	2,914
Total revenues	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
Total funds available	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
EXPENDITURES			
General and administration			
5 Contingency	-	-	2,000
6 County Treasurer's fees	387	331	497
7 Payment to Town	2,232	1,910	2,870
8 Transfer to District No. 1	25,138	21,604	32,414
Total expenditures	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
Total expenditures and transfers out requiring appropriation	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 12,779	\$ 12,801	\$ 12,811
REVENUES			
1 Net investment income	22	10	32
Total revenues	<u>22</u>	<u>10</u>	<u>32</u>
Total funds available	<u>12,801</u>	<u>12,811</u>	<u>12,843</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 12,801</u>	<u>\$ 12,811</u>	<u>\$ 12,843</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2014 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on page 3 of the budget at the adopted total mill levy of 76.750 mills, which includes 70.000 mills for operations and 6.750 mills for fire protection and emergency response.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 8.0% of the total property taxes collected by the General Fund.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2014 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

Expenditures

General and Administrative Expenditures

District No. 1 is the operating District; therefore, general and administrative expenditures necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses will be incurred in District No. 1 for both Districts.

Transfer to District No. 1

The District will transfer its operating property tax and specific ownership tax revenues, net of any applicable fees, to District No. 1 to fund operating costs.

Payment to Town

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 6.750 mills and remit the proceeds, net of collection fees, to the Town annually.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Reserves

Emergency Reserve

The District anticipates transferring all of its operating revenues to District No. 1. Therefore, District No. 1 will provide for an emergency reserve fund equal to at least 3% of fiscal year spending for 2014, as defined under TABOR.

Debt and Leases

The District has no outstanding indebtedness, nor any operating or capital leases.

This information is an integral part of the accompanying forecasted budget.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

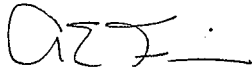
December 13, 2013

Board of County Commissioners
Douglas County Government
100 Third Street, #130
Castle Rock, CO 80104

Re: Certification of Crowfoot Valley Ranch Metropolitan District No. 2 Mill Levy

The above named district is certifying that their attached mill levy certification is in compliance with all Colorado statutory and constitutional requirements and limitations.

Sincerely,



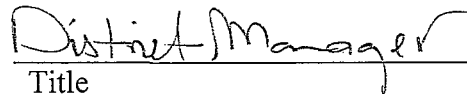
District Board Chairman or Approved
Signatory Member

12/11/13

Date

 Ann Finn

Printed Name



Title

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of DOUGLAS, Colorado.

On behalf of the CROWFOOT VALLEY RANCH METRO DISTRICT 2
(taxing entity)^A

the BOARD of DIRECTORS
(governing body)^B


of the CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 431,671 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 431,671 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 11/20/2013 for budget/fiscal year 2014
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>70.000</u> mills	\$ <u>30,217</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	70.000 mills	\$ 30,217
3. General Obligation Bonds and Interest ^J	- mills	\$ -
4. Contractual Obligations ^K	<u>6.750</u> mills	\$ <u>2,914</u>
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	76.750 mills	\$ 33,131

Contact person: (print) Jason Carroll  Daytime phone: (303) 779-5710
Signed: _____ Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS:

3. Purpose of Contract: Fire protection and emergency response
Title: Intergovernmental Agreement
Date: 2007
Principal Amount: 6.750 Mills
Maturity Date: Irrepealable unless otherwise agreed in writing
Levy: 6.750 Mills
Revenue: \$2,914

4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
CONCERNING REGULAR ELECTION TO BE HELD MAY 6, 2014

WHEREAS, regular elections are to be held on the Tuesday succeeding the first Monday of May in every even-numbered year, for the purpose of electing members to the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 ("District"); and

WHEREAS, three (3) four-year terms and one (1) two-year term for Director shall be open at the regular election held on May 6, 2014, by the District; and

WHEREAS, a designated election official shall be appointed by the Board of Directors to be responsible for conducting the election;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2 of Douglas County, Colorado:

1. That a regular election to be conducted by mail ballot be called and held within the District on Tuesday, the 6th day of May 2014, at which election the electors shall vote for four Directors;

2. That the terms of office for John R. Waggoner, Becky N. Medina and Erik Clore shall expire following the regular election to be held on the 6th day of May 2014. There is one vacancy on the Board;

3. That Leslie H. Larsen is hereby appointed to serve as the Designated Election Official for the conduct of the election. The Designated Election Official is hereby granted the authority to undertake all reasonable actions that are necessary or convenient for the conduct of the election;

4. That the election shall be held and conducted in accordance with the uniform Election Code of 1992, particularly including the applicable portions of Part 8 thereof, as amended and supplemented by Const. Colo. Art. X, Sec 20, the Current Rules and Regulations Governing Election Procedures of the Secretary of State of the state of Colorado, and Title 32, Article 1, Part 8, Colorado Revised Statutes, and other relevant Colorado and federal law (collectively, hereafter all such law and rules shall be referred to as the "Relevant Law");

5. That a nomination for Director to serve for any designated vacancy shall be made by written self-nomination and acceptance form or letter and filed with the Designated Election Official not less than sixty-seven (67) days prior to the date of said election and that an affidavit of intent to be a write-in candidate for Director to serve for any designated vacancy shall be filed with the Designated Election Official not less than sixty-four (64) days prior to the date of said election;

6. That pursuant to the provisions of Section 1-5-208, C.R.S., as amended, if the only matter before the eligible electors is the election of persons to office and if, at the close of business on the sixty-third day before the election or thereafter, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent, the Designated Election Official is authorized to cancel the election and by resolution declare the candidates elected. If the election is canceled, the Board of Directors shall: (a) provide notice by publication of the cancellation of the election; (b) post a copy of the published notice at each polling location within the

District, at the office of the Designated Election Official, and at the office of the clerk and recorder for each county in which the District is located; and (c) file a copy of the published notice with the Division of Local Government. The Board of Directors shall notify the candidates that the election was canceled and that they were elected by acclamation. If the election is canceled, the canvass board will not meet, and the Designated Election Official shall note the cancellation on the certified statement of results and shall indicate which candidates were elected by acclamation;

7. That no person will receive a ballot in this election unless the person is an eligible elector of the District in which such person desires to vote, as defined in Section 32-1-103(5), Colorado Revised Statutes;

8. That the Designated Election Official shall file within 30 days after the election, the results of election, including the business address, the telephone number, and the name of the contact person of the District, with the Division of Local Government.

9. That should any part or provision of this Resolution be adjudged unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the intention that the various provisions hereof are severable;

10. That all acts, orders, resolutions, or parts thereof, of the District that are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict;

11. That the provisions of this Resolution shall take effect immediately;

12. That all past actions taken by the District, its Board members individually and collectively, officers, agents, attorneys, and consultants directed toward the lawful conduct of the election were done in the best interests of the District and said actions are hereby ratified and confirmed as if originally taken with full authority.

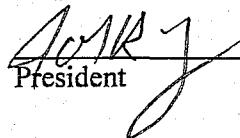
13. That in the event of a conflict between this Resolution and Relevant Law, the Relevant Law shall control.

ADOPTED AND APPROVED this 29th day of October, 2013.

CROWFOOT VALLEY RANCH METROPOLITAN
DISTRICT NO. 2

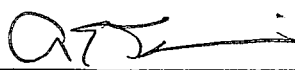
(SEAL)

By:



President

ATTESTED:



Secretary

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1-2

PUBLIC RECORDS POLICY

Adopted October 29, 2013

I. Purposes of the District's Public Records Policy

This Public Records policy of the Crowfoot Valley Ranch Metropolitan District Nos. 1-2 (the "Districts") shall be applied and interpreted with the following purposes in mind:

- A. To adopt a public records request policy pursuant to Section 24-72-203(1), C.R.S.;
- B. To provide access to and the protection and integrity of public records in the custody of the Districts;
- C. To prevent unnecessary interference with the regular discharge of the duties of the Districts and their manager in compliance with the Colorado Open Records Act, section 24-72-201 to 24-72-309, C.R.S. ("CORA");
- D. To establish reasonable and standardized fees for producing copies of and information from records maintained by the District and its manager as authorized by CORA; and
- E. To set forth a general procedure for providing consistent, prompt and equitable service to those requesting access to public records.

II. Public Records Requests

A. Applicability

This public records request policy applies to requests submitted to members of the Boards of the Districts and to its manager for the inspection of public records pursuant to CORA.

B. Definitions

1. "Custodian": Except as otherwise provided in this policy, the term "Custodian" shall mean Special District Management Services, Inc., or any successor that has been designated by the Boards of the Districts to act as manager of the Districts, where the duties of such manager include the collection, retention, and retrieval of public records of the Districts.

2. "Public Records": As defined in section 24-72-202(6)(a) and (6.5), C.R.S.:

a. "Public records" means and includes all writings made, maintained, or kept by the Districts, and used by the Districts in the exercise of functions required or authorized by law or administrative rule, or functions involving the receipt or expenditure of public funds. This term does not include writings that have not been seen by the Districts, and have not been used by the Districts to exercise its official functions.

b. "Public records" includes the correspondence concerning the Districts or their business, whether among board members, between board members and the manager, between board members and third parties, and between the manager and third parties, except to the extent that the correspondence or e-mail is:

i) Work product or privileged;

ii) Without a demonstrable connection to the exercise of the Districts' functions as required or authorized by law or administrative rule, or without a demonstrable connection to the receipt or expenditure of public funds of the Districts; or

iii) Communication from a constituent to a member of the Board of the District Board of the Districts that clearly implies by its nature or content that the constituent expects that it is confidential or a communication from the member in response to such a communication from a constituent.

c. "Public records" does not include documents not subject to disclosure because such inspection would be contrary to any state statute or federal statute or regulation, or is prohibited by rules promulgated by the Colorado Supreme Court or by the order of any court.

d. "Public records" does not include computer hardware, including desktop or laptop computers or storage devices such as computer hard drives or thumbdrives.

3. "Writings": As defined in section 24-72-202(7), C.R.S.:

a. "Writings" means and includes all books, papers, maps, photographs, cards, tapes, recordings, or other documentary materials, regardless of physical form or characteristics.

b. "Writings" includes digitally stored data including, without limitation, electronic mail messages, but does not include computer software.

c. "Writings" does not include data that is automatically created,

d. stored, or retained on an individual computer or on network equipment or servers, such as e-mail metadata that is not otherwise imprinted or stored as part of the visible content of an e-mail message, logs, web traffic statistics, browser cookies, browser cache, server logs, browser history, or firewall logs.

C. Submission of Requests

1. Requests for inspection of records should be submitted in writing on an official request form to the Custodian and must be sufficiently specific as to enable the Custodian to locate the information requested with reasonable *Req effort*. The Districts have determined that the use of an official request form is necessary for the efficient handling of public records requests.

2. Requests may be submitted by mail, fax, e-mail, or hand-delivery.

3. A request shall be considered made when the request is actually received by the Custodian:

a. A letter is received when it is opened in the usual course of

b. business by the recipient or a person authorized to open the recipient's mail;

c. A fax is received when it is printed during regular business hours, An e-mail is received when it is received and opened during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day.

4. An employee of the Districts' manager who receives a request for records shall immediately refer the request to the person designated by the manager for the receipt of such requests.

5. If a deposit is required, the request is not considered received until the deposit is paid.

D. Inspection

1. The Custodian or the Custodian's designee shall make the requested public records available for inspection during regular business hours, deemed to be from 8:30 a.m. to 4:30 p.m., Monday through Friday, except for times the Custodian's office is closed. During the inspection of records, the Custodian may request the requestor follow certain procedures to protect the integrity of the public record.

2. If a public record is not immediately or readily available for inspection, the Custodian or the Custodian's designee shall make an appointment or other arrangements with the applicant concerning the time at which the requested record will be available. The records shall be made available for inspection within a reasonable time, which is presumed to be three working days or less from the date of receipt of the request. Such three (3) day period may be extended by an additional seven (7)

working days if extenuating circumstances, as described in section 24-72-203(3)(b), C.R.S., exist. Responding to applications for inspection of public records need not take priority over the previously scheduled work activities of the Custodian or the Custodian's designee.

3. All public records to which the request applies shall be preserved from the date of the request for a period of 90 days, regardless of any records maintenance, retention, or deletion policy or practices utilized by the Custodian. At the end of the 90-day period, the Custodian should consider whether the preservation should be continued.

4. No one shall remove a public record from the Custodian's offices without the permission of the Custodian. Records may be removed from file folders or places of storage for photocopying by the Custodian or the Custodian's designee. The Custodian may allow a person to use his or her own portable electronic equipment to make copies of public records.

5. As a general practice, in response to a public records request:

a. Public records in hard copy, paper, published, or documentary form shall be made available for inspection;

b. A document will not ordinarily be created in order to respond to such a request;

c. Public records will not ordinarily be forwarded electronically in response to such a request;

d. In the case of e-mail that is a public record, paper copies of such e-mail that is a public record will be made available by the Custodian in response to such a request;

e. The person making the request shall not be allowed to access the Custodian's computer or any other computer for purposes of inspecting any public records;

f. Any portion of a public record containing non-public information that is not subject to inspection may be redacted by the Custodian prior to making the record available for inspection. The Custodian is not required to redact information from a writing that is not a public record in order to make the writing available for inspection. *Denver Publishing Co. v. Bd. of County Comm'rs of the County of Arapahoe*, 121 P.3d 190 (Col. 2005); *Colorado Republican Party v. Benefield, et al*, Court of Appeals No. 07CA 1216, Oct. 23, 2008 (Unpublished).

g. The Custodian, in consultation with the Districts' general counsel, will determine which information is no longer considered "work-in-progress" subject to the deliberative process or work product privilege and therefore eligible for release.

6. Where a request seeks in excess of 25 e-mails or other electronically stored public records, the Custodian may elect to produce public records in electronic form on a disk or comparable media. The following procedure shall apply in responding to such a request:

a. The Custodian shall solicit the comments of the requestor regarding any search terms to be used to locate and extract such records, and, in doing so, will seek *to* have the request refined so that it does not result in an inordinate number of irrelevant or duplicating documents, it being understood that the Custodian will make the final determination regarding search terms;

b. The Custodian shall designate an employee or another person with experience in performing electronic searches to locate and extract responsive records;

c. The person who is designated to perform the searches shall consult, as appropriate, with legal counsel to identify privileged records that should not be produced; and

d. Where appropriate, legal counsel shall conduct a final review to identify and withhold privileged records.

7. The Custodian or the Custodian's designee shall deny the inspection of the records if such inspection would be contrary to federal or state law or regulation or would violate a court order. In special circumstances, a Custodian shall deny inspection of the records if such inspection or would cause substantial injury to the public interest. Such a denial shall be made in writing by the Custodian to the person making the request and shall set forth with specificity the grounds of the denial. It is not necessary to state a ground for denial of access for each document if a specific ground is applicable to a group of documents.

8. If the public records requested are not in the custody or control of the Custodian, the Custodian shall notify the requestor of this fact in writing. In such notification, the Custodian shall state in detail to the best of his/her knowledge and belief the reason for the absence of the public records, the location of the public records, and what person then has custody or control of the public records.

9. All public records, regardless of storage format, will be administered in accordance with approved retention schedules. The Districts reserve the right to adopt the records retention policy that has been promulgated by the Custodian.

E. Fees for All Record Requests

1. **Fees for standard reproductions.** The Custodian or the Custodian's designee shall charge a fee not to exceed twenty-five cents per page for any photocopies of records that are required to make a record available. Printouts and other reproductions of records shall be provided at a cost not to exceed the actual cost of the printout or other reproduction. Such fees shall be

paid by the applicant prior to the receipt of copies of any public records. Requests expected to exceed a total charge of \$10.00 or more must be accompanied by a deposit equal to the reasonably-estimated reproduction costs. This deposit will be credited toward the total fee, and the total fee shall be paid prior to release of the requested records. In the event the deposit amount exceeds the actual costs, the balance will be refunded.

2. Fees for search and retrieval and privilege log:

a. In the case of any request requiring more than one hour of staff time for (1) search and retrieval or for supervision of inspection or copying; or (2) research and creation of a privilege log, the Custodian or the Custodian's designee may charge a nominal hourly fee for such staff time. The Custodian may base this hourly fee upon the estimated average salary and benefits paid by the Custodian for the staff involved. *See Black v. S. W. Water Conserv. Dist.*, 74 P.3d 462 (Colo. App. 2003). This nominal fee shall not exceed \$30.00 per hour. Prior to performing any services necessary to respond to a request, the Custodian or the Custodian's designee shall require the applicant to pay a deposit equal to the reasonably estimated fees that will be charged by the Custodian for such staff time. Before receiving any records, the applicant shall also pay the amount by which the cost of any open records services exceeds the deposit. The Districts shall promptly refund the amount by which the deposit exceeds the cost of any open records services. *See Mountain Plains Investment Corporation v. Parker Jordan Metropolitan District*, Court of Appeals No. 12CA1034 (Colo. App. 2013).

b. To the extent possible, the Custodian shall utilize administrative or clerical staff for search and retrieval of public records who are ordinarily responsible for such duties to ensure that the fees charged for staff time in connection with the request represent costs incurred in the ordinary course of business and not extraordinary charges.

Upon Recording Return to:
 Ann Finn
 Special District Management Services, Inc.
 141 Union Boulevard, Suite 150
 Lakewood, Colorado 80228-1837

NOTICE OF SPECIAL DISTRICT DISCLOSURE

Names of the Districts:	Crowfoot Valley Ranch Metropolitan District Nos. 1-2
Contact Information for the Districts:	Ann Finn, Manager Special District Management Services, Inc. 141 Union Boulevard, Suite 150 Lakewood, Colorado 80228-1837
Purpose of the Districts:	The Districts were created to implement planning, design, acquisition, construction, installation, and financing of certain public improvements serving the Crowfoot Valley Ranch Development located entirely within Douglas County, Colorado, as described further in the Districts' Consolidated Service Plan which is available from the Division of Local Government.
District Fees:	As a quasi-municipal corporation and political subdivision of the State of Colorado, each District has the authority pursuant to Section 32-1-1001(1)(j)(I), C.R.S. to assess fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the District.
Mill Levy Cap:	<p>The "Maximum Debt Mill Levy" shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of Debt, and shall be determined as follows:</p> <p>General obligation debt will be supported by ad valorem mill levies and other available revenues of the Districts described in the Districts' Service Plan. All bonds issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes to be imposed upon all taxable property within the Districts, which is not expected to initially exceed sixty (50) mills ("The Debt Mill Levy Cap"). The maximum mill levy the Financing District shall impose for the payment of general obligation debt and for operations and maintenance shall be seventy (70) mills District wide, and eighty (80) mills within the gated communities (see "Operating Plan" in the Districts' Amended and Restated Consolidated Service Plan). Commencing in 2007 for collection in 2008 an additional 6.75 mills will be designated to pay the Castle Rock Fire Protection District until such time as the District</p>

	<p>ceases to exist or merges with another fire protection entity. All mill levy caps described herein shall be subject to adjustment if the laws of the State change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In any of these events, the mill levy shall be automatically adjusted so that the overall tax liability of property owners neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the Financing District and overall tax payments from property owners. Any debt issued by the Districts must be issued in compliance with the requirements of Colorado law.</p>
District Boundaries:	See attached legal descriptions.

EXHIBIT A
Legal Descriptions for
Crowfoot Valley Ranch Metropolitan District Nos. 1-2

LEGAL DESCRIPTION
SHEET 1 OF 2

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SECTION 25 AND CONSIDERING THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 25 TO BEAR SOUTH 00°16'41" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE SOUTH 56°29'02" WEST A DISTANCE OF 1270.22 FEET TO A POINT ON THE NORTHEASTERLY EDGE OF A 225 FOOT P.S.CO. EASEMENT SAID POINT ALSO BEING THE POINT OF BEGINNING;

THENCE SOUTH 33°18'48" EAST ALONG THE NORTHEASTERLY BOUNDARY OF SAID EASEMENT A DISTANCE OF 193.60 FEET;


THENCE SOUTH 56°41'12" WEST A DISTANCE OF 225.00 FEET TO A POINT ON THE SOUTHWESTERLY EDGE OF SAID 225 FOOT P.S.CO. EASEMENT;

THENCE NORTH 33°18'48" WEST ALONG THE SOUTHWESTERLY BOUNDARY OF SAID EASEMENT A DISTANCE OF 193.60 FEET;

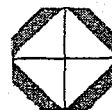
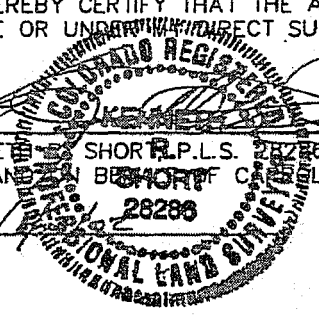
THENCE NORTH 56°41'12" EAST A DISTANCE OF 225.00 FEET MORE OR LESS TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 43,560 SQUARE FEET OR 1.00 ACRE, MORE OR LESS.

I, KENNETH R. SHORT, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.


KENNETH R. SHORT, P.L.S. 28286
FOR AND IN BEHALF OF CARROLL & LANGE, INC.

DATE



Carroll & Lange ^{INC}
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
(303) 980-0200

EXHIBIT

SHEET 2 OF 2

POINT OF COMMENCEMENT
NE CORNER SE 1/4 SEC 25
T7S R67W 6TH P.M. FOUND
3 1/4" ALUM. CAP LS. 17669

S 56°29'02" W 1270.22'

POINT OF BEGINNING

N56°41'12"E
225.00'

S53°18'48"E
193.60'

43,560 S.F. ±
1.00 AC. ±

N33°18'48"W
193.60'

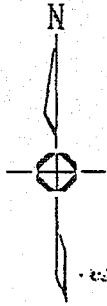
S56°41'12"W
225.00'

225' P.S.CO.
EASEMENT

S 00°16'41" W 2682.08'
EAST LINE SE 1/4 SEC 25
BASIS OF BEARINGS

SW 1/4
SEC 30
T7S, R68W

SW 1/4
SEC 25
T7S, R67W

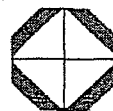


SCALE: 1" = 200'

SE CORNER SE 1/4 SEC 25
T7S R67W 6TH P.M. FOUND NO. 5
REBAR W/ALUM. CAP LS. 2928

NOTE:

- Denotes Change of Direction Only. This exhibit does not represent a monumented survey. It is intended only to depict the attached legal description.



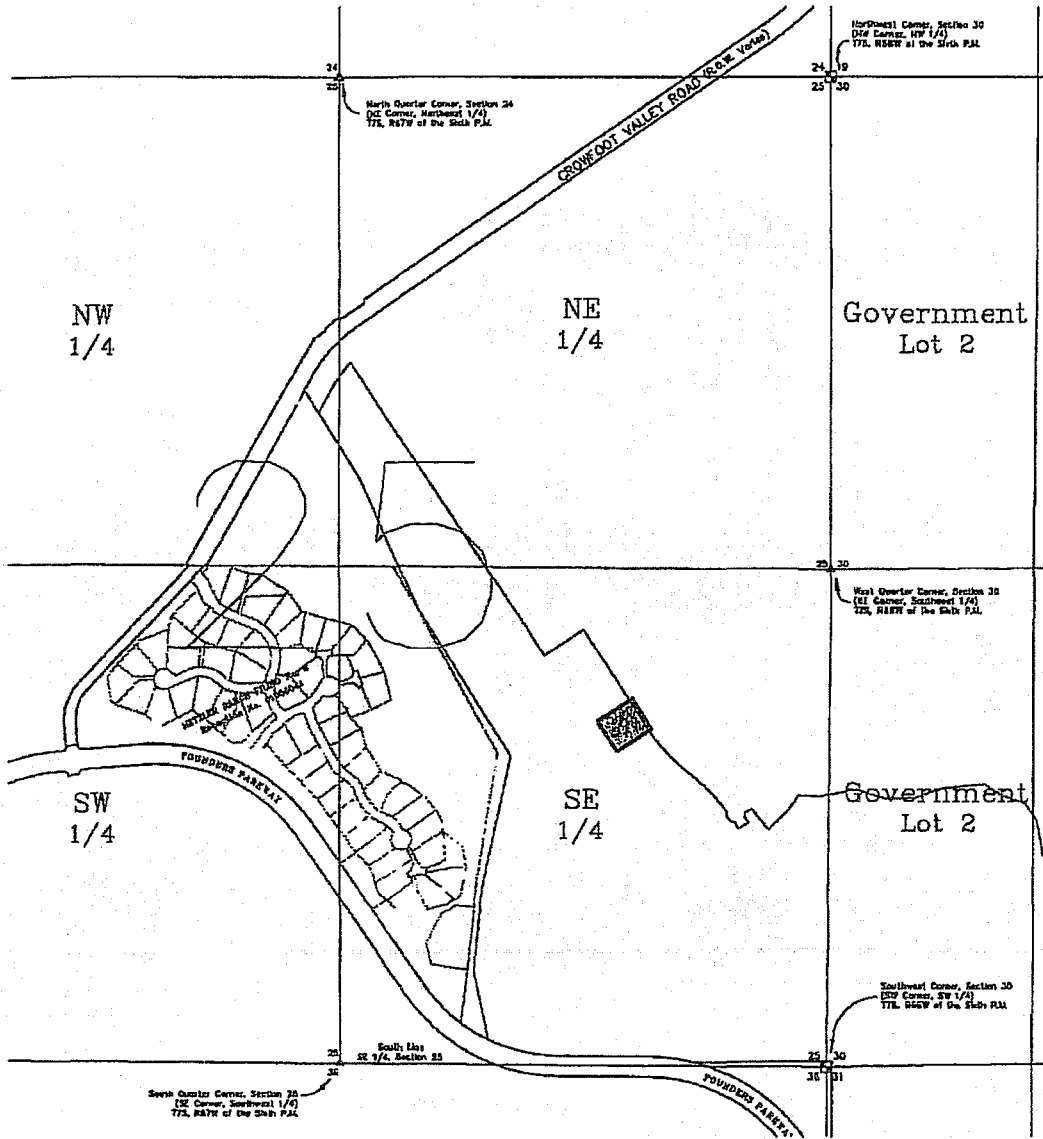
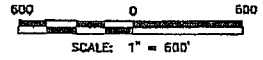
Carroll & Lange PC

Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
(303) 980-0200

EXHIBIT OF DISTRICT PARCEL



NORTH



CROWFOOT
DISTRICT 1

DATE: DECEMBER 22, 2009
PAGE 1 OF 1

W:\Users\mcc\Documents\Crowfoot\District 1\Map.dwg



Matrix Design Group, Inc.
Integrated Design Solutions 1601 8th Street, Suite 203
Denver, CO 80202
Phone 303-572-0200
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CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

LEGAL DESCRIPTION - HAPPY CANYON RANCH

09/09/02

A TRACT OF LAND BEING A PART OF SECTIONS 17, 18, 19, 20, 30 AND 31 OF TOWNSHIP 7 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN TOGETHER WITH A PART OF SECTIONS 24 AND 25 OF TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ALL IN THE COUNTY OF DOUGLAS, STATE OF COLORADO AND BEING DESCRIBED AS FOLLOWS:

"BEGINNING" AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 17, AND CONSIDERING THE WEST LINE OF SAID SOUTHWEST QUARTER TO BEAR SOUTH 00°04'04" WEST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE NORTH 89°28'08" EAST, ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 2623.87 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER; THENCE SOUTH 00°10'21" EAST, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 2651.91 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER, SAID POINT BEING ALSO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 20; THENCE SOUTH 00°23'13" EAST, ALONG THE EAST LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 2674.59 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE NORTH 89°04'35" EAST, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 20, A DISTANCE OF 1316.94 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 20; THENCE SOUTH 00°24'05" EAST, ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, A DISTANCE OF 1326.74 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 89°07'03" WEST, ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, A DISTANCE OF 1317.12 FEET TO THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 89°07'15" WEST, ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 20, A DISTANCE OF 1320.28 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 20; THENCE SOUTH 00°30'17" EAST, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 1324.72 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE SOUTH 89°10'00" WEST, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 1317.71 FEET TO THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 20, SAID POINT BEING ALSO THE NORTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 30; THENCE SOUTH 00°04'08" EAST, ALONG THE EAST LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 2646.96 FEET TO THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE SOUTH 00°03'57" EAST, ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 30, A DISTANCE OF 1323.63 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 30; THENCE SOUTH 89°33'50" WEST, ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, A DISTANCE OF 1319.45 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 30; THENCE SOUTH 00°04'19" EAST, ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, A DISTANCE OF 1325.27 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 30, SAID POINT BEING ALSO THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 00°07'26" EAST, ALONG EAST LINE OF SAID WEST HALF OF THE NORTHEAST QUARTER, A DISTANCE OF 2649.40 FEET TO THE SOUTHEAST CORNER OF SAID WEST HALF OF THE NORTHEAST QUARTER; THENCE SOUTH 89°23'45" WEST, ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 1323.26 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE SOUTH 89°23'45" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 30, A DISTANCE OF 2377.67 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF FOUNDERS PARKWAY AS DESCRIBED IN BOOK 558 AT PAGE 315 IN THE RECORDS OF THE OFFICE OF THE DOUGLAS COUNTY CLERK AND RECORDER; THENCE NORTH 00°12'47" WEST, ALONG SAID EASTERLY LINE, A DISTANCE OF 1689.76 FEET TO A POINT OF CURVE; THENCE CONTINUING ALONG SAID EASTERLY LINE, ALONG THE ARC OF A CURVE TO THE LEFT HAVING CENTRAL ANGLE OF 13°52'37"; A RADIUS OF 1005.00 FEET, AN ARC LENGTH OF 243.41 FEET AND A CHORD WHICH BEARS NORTH 07°09'05" WEST A DISTANCE OF 242.81 FEET TO A NON-TANGENT POINT ON THE EASTERLY LINE OF RIDGE ROAD; THENCE NORTH 00°01'17" EAST, ALONG SAID EASTERLY LINE, A DISTANCE OF 732.57 FEET; THENCE SOUTH 89°47'43" WEST, ALONG THE NORTHERLY LINE OF RIDGE ROAD, A DISTANCE OF 729.78 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF SAID FOUNDERS PARKWAY; THENCE NORTHWESTERLY ALONG SAID NORTHERLY LINE, ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 13°57'56", A RADIUS OF 1005.00 FEET, AN ARC LENGTH OF 244.97 FEET AND A CHORD WHICH BEARS NORTH 82°51'27" WEST, A DISTANCE OF 244.36 FEET; THENCE NORTH 89°50'28" WEST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 488.93 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE TO

THE RIGHT HAVING A CENTRAL ANGLE OF 25°36'11", A RADIUS OF 895.00 FEET, AN ARC LENGTH OF 399.94 FEET AND A CHORD WHICH BEARS NORTH 77°02'20" WEST, A DISTANCE OF 396.62 FEET TO A NON TANGENT POINT ON SAID EASTERLY LINE OF RIDGE ROAD; THENCE ALONG SAID EASTERLY LINE THE FOLLOWING 6 (SIX) COURSES:

- 1) NORTH 11°41'01" WEST, A DISTANCE OF 374.42 FEET;
- 2) NORTH 05°35'33" EAST, A DISTANCE OF 424.46 FEET;
- 3) NORTH 11°53'16" EAST, A DISTANCE OF 753.61 FEET;
- 4) NORTH 32°10'12" WEST, A DISTANCE OF 949.84 FEET;
- 5) NORTH 24°10'42" WEST, A DISTANCE OF 757.47 FEET;
- 6) NORTH 32°05'40" WEST, A DISTANCE OF 560.97 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF CROWFOOT VALLEY ROAD AS DETERMINED BY THAT RULE AND ORDER OF THE DOUGLAS COUNTY DISTRICT COURT RECORDED IN BOOK 1926 AT PAGE 2146, SAID DOUGLAS COUNTY RECORDS;

THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, THE FOLLOWING 9 (NINE) COURSES:

- 1) NORTH 24°25'15" EAST, A DISTANCE OF 2.16 FEET;
- 2) NORTH 27°59'53" EAST, A DISTANCE OF 83.08 FEET TO A POINT OF CURVE;
- 3) ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 27°22'19", A RADIUS OF 750.00 FEET, AN ARC LENGTH OF 358.30 FEET AND A CHORD WHICH BEARS NORTH 41°41'03" EAST, A DISTANCE OF 354.90 FEET;
- 4) NORTH 55°22'12" EAST, A DISTANCE OF 2677.30 FEET TO A POINT OF CURVE;
- 5) THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 15°16'35", A RADIUS OF 1687.00 FEET, AN ARC LENGTH OF 449.80 FEET AND A CHORD WHICH BEARS NORTH 47°43'55" EAST, A DISTANCE OF 448.46 FEET;
- 6) NORTH 54°05'18" EAST, A DISTANCE OF 14.99 FEET;
- 7) NORTH 34°14'38" EAST, A DISTANCE OF 46.24 FEET TO A NON-TANGENT POINT OF CURVE;
- 8) THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 03°54'24", A RADIUS OF 1687.00 FEET, AN ARC LENGTH OF 115.03 FEET AND A CHORD WHICH BEARS NORTH 36°05'01" EAST, A DISTANCE OF 115.01 FEET;
- 9) NORTH 34°07'48" EAST, A DISTANCE OF 2472.52 FEET TO THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 19;

THENCE NORTH 89°47'11" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 923.05 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER; THENCE NORTH 00°24'08" WEST, ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 19, A DISTANCE OF 536.00 FEET; THENCE SOUTH 89°47'11" WEST, ALONG A LINE LYING 536.00 FEET NORTHERLY OF AND PARALLEL WITH SAID NORTH LINE OF THE SOUTHWEST QUARTER, A DISTANCE OF 563.77 FEET TO SAID SOUTHERLY RIGHT-OF-WAY LINE OF CROWFOOT VALLEY ROAD; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING 5 (FIVE) COURSES:

- 1) NORTH 38°27'09" EAST, A DISTANCE OF 103.97 FEET;
- 2) NORTH 27°09'32" EAST, A DISTANCE OF 49.23 FEET;
- 3) NORTH 22°01'40" EAST, A DISTANCE OF 57.16 FEET TO A NON-TANGENT POINT OF CURVE;
- 4) THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 11°41'09", A RADIUS OF 5780.00 FEET, AN ARC LENGTH OF 1178.87 FEET AND A CHORD WHICH BEARS NORTH 23°51'05" EAST, A DISTANCE OF 1176.82 FEET;

5) NORTH 18°00'31" EAST, A DISTANCE OF 932.59 FEET TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 18;

THENCE NORTH 89°19'11" EAST, ALONG SAID SOUTH LINE OF THE SOUTHEAST QUARTER, A DISTANCE OF 996.80 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18; THENCE NORTH 00°03'55" WEST, ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, A DISTANCE OF 1324.58 FEET TO NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 89°15'52" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18, A DISTANCE OF 198.36 FEET TO SAID SOUTHERLY RIGHT-OF-WAY LINE OF CROWFOOT VALLEY ROAD; THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING 7 (SEVEN) COURSES:

- 1) NORTH 33°06'56" EAST, A DISTANCE OF 142.82 FEET;
- 2) NORTH 56°53'04" WEST, A DISTANCE OF 1.50 FEET;
- 3) NORTH 33°06'56" EAST, A DISTANCE OF 1238.11 FEET;
- 4) NORTH 40°26'55" EAST, A DISTANCE OF 428.29 FEET;
- 5) NORTH 46°20'29" EAST, A DISTANCE OF 370.86 FEET;
- 6) SOUTH 43°39'35" EAST, A DISTANCE OF 1.50 FEET;
- 7) NORTH 46°20'28" EAST, A DISTANCE OF 309.05 FEET TO THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18;

THENCE SOUTH 00°01'28" WEST, ALONG SAID EAST LINE OF THE NORTHEAST QUARTER, A DISTANCE OF 606.23 FEET TO THE "POINT OF BEGINNING". CONTAINING 2,043.296 ACRES OR 89,005,977 SQUARE FEET, MORE OR LESS.

I, PATRICK C. O'BRIEN, A PROFESSIONAL LAND SURVEYOR, LICENSED IN THE STATE OF COLORADO, HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.


PATRICK C. O'BRIEN - LICENSE 23515
for and on behalf of

ROCKY MOUNTAIN CONSULTANTS, INC.
8301 EAST PRENTICE AVE. #101
GREENWOOD VILLAGE, COLORADO 80111
(303) 741-5000

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

