

## RECORD OF PROCEEDINGS

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MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
HELD  
DECEMBER 1, 2006

A regular meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 (referred to hereafter as "Board") was convened on Friday, the 1st day of December 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.

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### ATTENDANCE

#### Directors In Attendance Were:

John R. Waggoner, President  
Donald E. Hunt  
J. Eric Eckberg  
Charlie Garing  
Timothy W. Bertoch

#### Also In Attendance Were:

BJ Murata; Special District Management Services, Inc.

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

Josh Dudley; Clifton Gunderson, LLP

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### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Attorney Dalton noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors' Disclosure Statements have been filed.

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## RECORD OF PROCEEDINGS

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### ADMINISTRATIVE MATTERS

Agenda: Ms. Murata distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hunt 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 Hunt 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 taxing electors within its boundaries.

Minutes: The Board reviewed the minutes of the October 13, 2006 reconvened special meeting. Following discussion, upon motion duly made by Director Garing, seconded by Director Bertoch and, upon vote, unanimously carried, the minutes of the October 13, 2006 reconvened special meeting were approved.

2007 Meeting Dates: The Board entered into discussion regular meetings 2007.

Following discussion, the Board set regular meeting dates for 2007 to be held on the first Friday of each month, at 9:00 a.m. at the offices of Lowe Enterprises Real Estate Group, 1515 Arapahoe Street, Tower III, Suite 900, Denver, Colorado 80202.

### FINANCIAL MATTERS

2007 Budget: The Chairman opened the public hearing to consider the proposed 2007 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

## RECORD OF PROCEEDINGS

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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. Dudley reviewed the estimated 2006 expenditures and proposed 2007 expenditures.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2007 Budget, Set Mill Levies, and Appropriate Sums of Money. Upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Resolution was 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, 2006. Ms. Finn was authorized to transmit the Certification of Mill Levy to the Board of County Commissioners of Douglas County, the Division of Local Government and the Division of Property Taxation, not later than December 15, 2006. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2007. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

### LEGAL MATTERS

Proposed 2007 Bond Issue: The Board discussed the timing of issuance of bonds, it was estimated that the District will issue bonds in April of 2007.

Assignment of Agreement between the District and Pinery Water and Sanitation: The Board deferred the discussion.

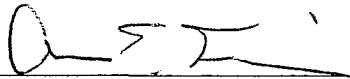
November 2006 Election: Attorney Dalton reported to the Board that all election questions passed and the results have been certified.

RECORD OF PROCEEDINGS

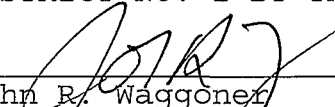
ADJOURNMENT

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

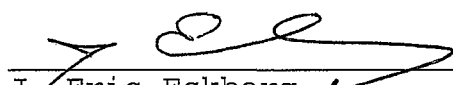
Respectfully submitted,

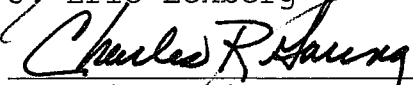
By   
Secretary for the Meeting

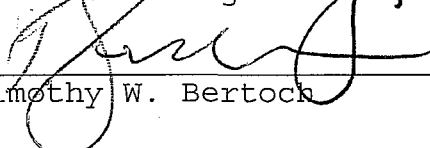
THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 1, 2006 MINUTES OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
John R. Waggoner

  
Donald E. Hunt

  
J. Eric Eckberg

  
Charlie Garing

  
Timothy W. Bertoch

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
TO ADOPT THE 2007 BUDGET;  
AND APPROPRIATE SUMS OF MONEY

ADOPT BUDGET

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has appointed a budget committee to prepare and submit a proposed 2007 budget to the Board; and

WHEREAS, such budget committee has submitted a proposed budget to this Board on or before October 15, 2006 for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on December 1, 2006, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

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

1. That estimated expenditures for each fund are as follows:

General Fund:	\$ 2,019
Debt Service Fund:	\$ 2,346,000
Capital Projects Fund:	\$29,480,000

2. That estimated revenues for this fund is as follows:

General Fund:

From unappropriated surpluses	\$	336
From sources other than general property tax		1,062
From the general property tax levy		621
Total General Fund	\$	<u>2,019</u>

Debt Service Fund:

From unappropriated surpluses	\$	2,020
From sources other than general property tax		7,120,310
From the general property tax levy		3,104
Total General Fund	\$	<u>7,125,434</u>

Capital Projects Fund:

From unappropriated surpluses	\$	-0-
From sources other than general property tax		29,980,000
From general property tax levy		-0-
Total Capital Projects Fund	\$	<u>29,980,000</u>

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the Crowfoot Valley Ranch Metropolitan District No. 2 for the 2007 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

SET MILL LEVIES

WHEREAS, the amount of money necessary to balance the budget for general operating expenses is \$621; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$3,104; and

WHEREAS, the 2006 valuation for assessment for the District, as certified by the Douglas County Assessor, is \$62,070.

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

1. That for the purposes of meeting all general operation expenses of the District during the 2007 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$621 in revenue.

2. That for the purposes of meeting all debt service expenses of the District during the 2007 budget year, there is hereby levied a tax of 50.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$3,104 in revenue.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levy for the District as hereinabove determined and set.

APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the District has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

General Fund:	\$ 2,019
Debt Service Fund:	\$ 2,346,000
Capital Projects Fund:	\$29,480,000

ADOPTED this 1st day of December, 2006.

  
\_\_\_\_\_  
Assistant Secretary

(SEAL)



**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, 2006

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

VIA FACSIMILE: 303-660-9661  
VIA FACSIMILE: 303-688-1293


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

Dear Commissioners:

Enclosed herewith is the Certification of Mill Levies for the 2007 fiscal year, as duly certified by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2. Please sign the receipt below and return it via facsimile to 303-987-2032.

If you have any questions, please contact me at 303-987-0835.

Sincerely,



Ann E. Finn  
District Manager

Enclosure

cc: Division of Local Government  
Division of Property Taxation  
Grimshaw & Harring, P.C. - Susan Schlerdorn  
Clifton Gunderson, LLP

The above referenced Certification of Mill Levies was received by the Board of County Commissioners of Douglas County on the \_\_\_ day of December, 2006.

BOARD OF COUNTY COMMISSIONERS OF  
DOUGLAS COUNTY

By \_\_\_\_\_

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>

of the CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 62,070 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 62,070 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**Submitted:** 12/15/2006 for budget/fiscal year 2007.  
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	10.000 mills	\$ 621
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< 0 > mills	\$ < 0 >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>10.000 mills</b>	<b>\$ 621</b>
3. General Obligation Bonds and Interest <sup>J</sup>	50.000 mills	\$ 3,104
4. Contractual Obligations <sup>K</sup>	0 mills	\$ 0
5. Capital Expenditures <sup>L</sup>	0 mills	\$ 0
6. Refunds/Abatements <sup>M</sup>	0 mills	\$ 0
7. Other <sup>N</sup> (specify): _____	0 mills	\$ 0
	0 mills	\$ 0
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>60.000 mills</b>	<b>\$ 3,725</b>

Contact person: (print) Ann E. Finn Daytime phone: (303) 987-0835  
Signed:  Title: President

Send one completed copy of this form to the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203 when the local government's adopted budget is submitted to DLG. Questions? Call DLG at (303) 866-2156.

<sup>1</sup> 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.  
<sup>2</sup> 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: Public infrastructure/developer reimbursement  
Series: Anticipated 2007  
Date of Issue: Unknown  
Coupon Rate: Unknown  
Maturity Date: Unknown  
Levy: 50.000  
Revenue: \$3,104
  
2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS:**

3. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to report all bond and contractual obligations.

**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

January 26, 2007

Division of Local Government  
1313 Sherman Street, Room 520  
Denver, Colorado 80203

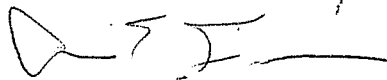
Re: Crowfoot Valley Ranch Metropolitan District No. 2;  
2007 Budget

Ladies and Gentlemen:

Enclosed is the 2007 Budget as certified by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 of Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S.

If there are any questions on the Budget, please contact Ann E. Finn, District Manager, at (303) 987-0835.

Sincerely,



Ann E. Finn  
District Manager

Enclosure

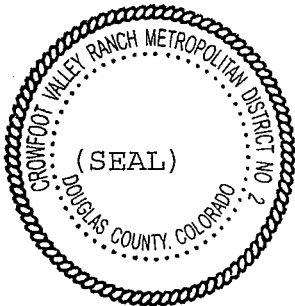
cc: Grimshaw & Harring, PC - Susan Schlerdorn  
Clifton Gunderson, LLP

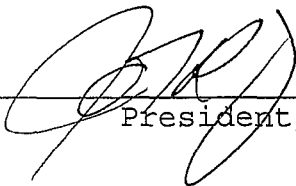
CERTIFICATION OF BUDGET

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for the Crowfoot Metropolitan District No. 2, for the budget year ending December 31, 2007, as adopted on December 1, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Crowfoot Metropolitan District No. 2 in Douglas County, Colorado, this 1st day of December, 2006.



  
\_\_\_\_\_  
President/Treasurer



## Accountant's Report

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

We have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of Crowfoot Valley Ranch Metropolitan District No. 2 for the General Fund, Debt Service Fund, and Capital Projects Fund for the year ending December 31, 2007, including the forecasted estimate of comparative information for the year December 31, 2006, 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 examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. 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 or circumstances occurring after the date of this report.

The actual historical information for the year 2005 is presented for comparative purposes only. Such information is taken from the application for exemption from audit for the period ended December 31, 2005.

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 Crowfoot Valley Ranch Metropolitan District No. 2.

*Clifton Gunderson LLP*

Greenwood Village, Colorado  
December 7, 2006

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
SUMMARY**

**FORECASTED 2007 BUDGET AS ADOPTED  
WITH 2005 ACTUAL AND 2006 ESTIMATED  
For the Years Ended and Ending December 31,**

12/7/06

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	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 2,356
REVENUE			
Property taxes	-	2,172	3,725
Specific ownership taxes	-	217	372
Investment income	-	-	600,000
Miscellaneous income	-	-	1,000
Developer advance	-	-	-
Bond proceeds	-	-	36,500,000
Total revenue	-	2,389	37,105,097
TRANSFERS IN		-	-
Total funds available	-	2,389	37,107,453
EXPENDITURES			
General			
Accounting	-	-	-
Audit	-	-	-
Insurance	-	-	-
Legal	-	-	-
Contingency	-	-	6,803
District management	-	-	-
County Treasurer's fees	-	33	56
Debt Service			
Paying Agent Fees	-	-	150
Bond principal	-	-	-
Bond interest	-	-	2,340,000
Capital Projects			
Bond issue costs	-	-	914,000
Transfer to Crowfoot Valley Ranch MD No. 1	-	-	28,567,010
Total expenditures	-	33	31,828,019
TRANSFERS OUT	-	-	-
Total expenditures and transfers out requiring appropriation	-	33	31,828,019
ENDING FUND BALANCES	\$ -	\$ 2,356	\$ 5,279,434

This financial information should be read only in connection with the accompanying accountant's 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,**

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	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
<b>ASSESSED VALUATION - DOUGLAS COUNTY</b>			
Residential	\$ -	\$ -	\$ -
Commercial/other	-	-	-
Vacant land	-	62,080	62,070
Personal property	-	-	-
Total Certified Assessed Value	\$ -	\$ 62,080	\$ 62,070
<b>MILL LEVY</b>			
General	0.000	5.000	10.000
Debt Service	0.000	30.000	50.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000
Refund and abatements	0.000	0.000	0.000
Total mill levy	0.000	35.000	60.000
<b>PROPERTY TAXES</b>			
General	\$ -	\$ 310	\$ 621
Debt Service	-	1,862	3,104
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	-	2,173	3,725
Adjustments to actual/rounding	-	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ -	\$ 2,173	\$ 3,725
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ 310	\$ 621
Debt Service	-	1,862	3,104
Total	\$ -	\$ 2,173	\$ 3,725

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



**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/06

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	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 336
REVENUE			
Property taxes	-	310	621
Specific ownership tax	-	31	62
Miscellaneous income	-	-	1,000
Developer advance	-	-	-
Total revenue	-	341	1,683
TRANSFERS IN			
Debt Service Fund	-	-	-
Capital Projects Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	341	2,019
EXPENDITURES			
Accounting	-	-	-
County treasurer's fees	-	5	9
Transfer to Crowfoot Valley Ranch MD No. 1	-	-	1,010
Insurance	-	-	-
Legal	-	-	-
Contingency	-	-	1,000
Total expenditures	-	5	2,019
TRANSFERS OUT			
Debt Service Fund	-	-	-
Capital Projects Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	5	2,019
ENDING FUND BALANCE	\$ -	\$ 336	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

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	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 2,020
<b>REVENUE</b>			
Property taxes	-	1,862	3,104
Specific ownership tax	-	186	310
Investment income	-	-	100,000
Bond proceeds	-	-	7,020,000
Total revenue	-	2,048	7,123,414
<b>TRANSFERS IN</b>			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	2,048	7,125,434
<b>EXPENDITURES</b>			
County Treasurer's fees	-	28	47
Paying Agent Fees	-	-	150
Bond principal	-	-	-
Bond interest	-	-	2,340,000
Contingency	-	-	5,803
Total expenditures	-	28	2,346,000
<b>TRANSFERS OUT</b>			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	28	2,346,000
ENDING FUND BALANCE	\$ -	\$ 2,020	\$ 4,779,434

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**CAPITAL PROJECTS FUND**  
**FORECASTED 2007 BUDGET AS ADOPTED**  
**WITH 2005 ACTUAL AND 2006 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/06

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	ACTUAL 2005	ESTIMATED 2006	ADOPTED 2007
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Investment income	-	-	500,000
Developer advance	-	-	-
Bond proceeds	-	-	29,480,000
Total revenue	-	-	29,980,000
TRANSFERS IN			
General Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	29,980,000
EXPENDITURES			
Bond issue costs	-	-	914,000
Transfer to Crowfoot Valley MD No. 1	-	-	28,566,000
Contingency	-	-	-
Total expenditures	-	-	29,480,000
TRANSFERS OUT			
General Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	29,480,000
ENDING FUND BALANCE	\$ -	\$ -	\$ 500,000

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2007 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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. The District's service area is located in Douglas County, Colorado. 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 prepares its budget on the modified accrual basis of accounting.

The District was formed by District Court Order on December 3, 2002 and held its organizational meeting thereafter. The District intends to receive developer advances to fund organizational, operating, and administrative and capital expenditures until other revenue is available to the District.

**Revenue**

**Property Taxes**

The primary source of revenue is property taxes. The calculation of the taxes levied is displayed on page 3 of the budget at the adopted total mill levy of 60.000, with 10.000 mills for operations and 50.000 for debt service.

**Specific Ownership Taxes**

This revenue is based on a sharing of the collection of vehicle ownership taxes pooled by the County. The estimate is based on a ratio of prior year's revenue to property taxes.

**Interest**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

**Bond Proceeds**

This budget assumes that bonds will be issued in 2007. The bonds are anticipated to include a senior and a subordinate series of bonds. The senior bonds are anticipated to be issued in the amount of \$29,000,000 and bear interest at 6%. The subordinate bonds are anticipated to be issued in the amount of \$7,500,000 and bear interest at 8%.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2007 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative Expenditures**

District No. 1 is the operating District; therefore, 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 anticipates issuing bonds in 2007. The proceeds from the bond issuance, less cost of issuance and capitalized interest, will be transferred to District No. 1 to finance the design, acquisition, installation and construction of improvements set forth in District No. 1's Service Plan. In addition, 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.

**Debt Service**

The District anticipates debt service payments in relation to the anticipated 2007 bond issuance as shown on page 5 of the budget.

**Bond Issue Costs**

The District anticipates incurring costs to issue bonds in 2007 as shown on page 5 of the budget.

**Reserves**

**Emergency Reserve**

The District anticipates transferring all of its operating revenues to District No. 1. District No. 1 will provide for an emergency reserve fund equal to at least 3% of fiscal year spending for 2007, as defined under TABOR.

**Debt and Leases**

The District has not entered into any operating or capital leases.

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