

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
HELD
DECEMBER 7, 2007

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 7th day of December, 2007, at 9:00 a.m., at the offices of Lowe Enterprises Real Estate Group, 6312 S. Fiddlers Green Circle, Suite 100E, Greenwood Village, Colorado 80111. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

John R. Waggoner, President
Donald E. Hunt
J. Eric Eckberg
Timothy J. Hedrick
Liliana M. Mendes

Also In Attendance Were:

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

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

Josh Dudley; Clifton Gunderson, LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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

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

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's regular meeting. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick 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 Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Minutes: The Board reviewed the minutes of the September 7, 2007 and October 5, 2007 regular meetings. Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hedrick and, upon vote, unanimously carried, the minutes of the September 7, 2007 and October 5, 2007 regular meetings were approved.

2008 Meeting Dates: Ms. Finn reviewed the business to be conducted in 2008 to meet the statutory compliance requirements.

Following discussion, upon motion duly made by Director Hunt, seconded by Director Hedrick and, upon vote unanimously carried, the Board determined to meet on the first Friday of every other month beginning in February, at 9:00 a.m., at the offices of Lowe Enterprises Real Estate Group, 6312 S. Fiddlers Green Circle, Suite 250E, Greenwood Village, Colorado.

FINANCIAL MATTERS

2008 Bond Issuance: Director Eckberg reported to the Board on the status of the 2008 Bond issuance.

RECORD OF PROCEEDINGS

Application for Exemption from Audit: The Board authorized the engagement of Clifton Gunderson LLP to prepare the Application for Exemption from Audit for 2007.

2008 Budget: The Chairman opened the public hearing to consider the proposed 2008 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. Dudley reviewed the estimated 2007 expenditures and proposed 2008 expenditures. Following discussion, the Board considered the adoption of the Resolution to Adopt the 2008 Budget, Set Mill Levies, and Appropriate Sums of Money. Upon motion duly made by Director Waggoner, seconded by Director Eckberg 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, 2007. 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, 2007. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2008. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

CAPITAL IMPROVEMENTS

Amendment to District's Service Plan: Attorney Dougherty reported to the Board that the forecast has been updated and is expected to be filed soon. Director Eckberg reviewed the assumption in the forecast for the Board.

RECORD OF PROCEEDINGS

November 2007 Election: Attorney Dalton reported that all issues passed at the November 6, 2007 election.

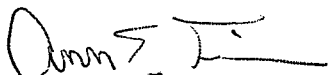
May 2008 Election: The Board discussed the upcoming election.

Following discussion, upon motion duly made by Director Hedrick, seconded by Director Mendes and, upon vote, unanimously carried, the Board appointed Dawn J. Fredette as Designated Election Official and authorized her to perform all tasks required for the May 6, 2008 Election of the Board of Directors for the conduct of a mail ballot election. The Board also determined that there would be no issues on the ballot.

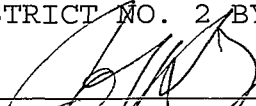
ADJORNMENT

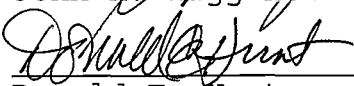
There being no further business to come before the Board at this time, upon motion duly made by Director Hunt, seconded by Director Hedrick and, upon vote, unanimously carried, the meeting was adjourned.

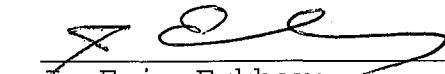
Respectfully submitted,


By 
Secretary for the Meeting

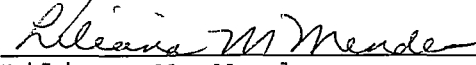
THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 7, 2007 MINUTES OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:


John R. Waggoner


Donald E. Hunt


J. Eric Eckberg


Timothy J. Hedrick


Liliana M. Mendes

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
CONCERNING REGULAR ELECTION TO BE HELD MAY 6, 2008
TO BE HELD AS A POLLING PLACE ELECTION

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 (the "District"); and

WHEREAS, two (2) four-year terms and one (1) two-year term shall be open at the regular election held on May 6, 2008, 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 the Crowfoot Valley Ranch Metropolitan District No. 2 of Douglas County, Colorado:

1. That a regular election be called and held within the Crowfoot Valley Ranch Metropolitan District No. 2 on Tuesday, the 6th day of May, 2008, between the hours of 7:00 a.m. and 7:00 p.m. of said day, at which election the electors shall vote for two Directors.

2. That the current terms of office for Eric Eckberg, Liliana Mendes, and Tim Hedrick shall expire following the regular election to be held on the 6th day of May, 2008.

3. That Dawn J. Fredette is hereby appointed to serve as the Designated Election Official for the conduct of the election and is authorized to cancel the election and by resolution declare the candidates elected, 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, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent. 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 the polling place, in the office of the Designated Election Official, and in the office of the clerk and recorder for each county in which the District is located; (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.

4. That the Board deems it expedient for the convenience of the eligible electors of the District that it designate only one precinct and polling place as follows:

Precinct Number	Boundaries	Polling Place
One	The present boundaries of the District	

This precinct shall also be designated for handicapped electors and nonresident electors.

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.

6. That pursuant to Section 1-6-105, C.R.S., as amended, the Designated Election Official shall appoint election judges no later than forty-five (45) days before the election. The election judges shall be eligible electors of the District or registered electors of the State of Colorado, shall attend a school of instruction conducted by the Designated Election Official not more than thirty-two (32) days prior to the election date, and each shall receive \$50.00 for his/her services.

7. That no later than the fortieth day preceding the date of the election, the Designated Election Official shall order the list of registered voters within the boundaries of the District and list of all property owners (recorded interest in real and personal property) within the boundaries of the District.

8. That ballots to be used in voting for Directors shall be prepared and furnished by the Designated Election Official, shall include the name and office of each candidate for whom a self-nomination form or letter has been filed with the Designated Election Official and any ballot issues or ballot questions to be submitted to the eligible electors, shall be certified by the Designated Election Official not later than sixty (60) days before the election date, and shall be supplied to the Judges of Election to be by them furnished to the electors.

9. That no ballot will be received by the Judges of Election unless the person offering the same shall be an eligible elector of the District. Registration pursuant to the Uniform Election Code of 1992, as amended, shall be required. Each eligible elector asserting property ownership as the basis for eligibility shall be required to execute an affidavit as to his or her qualifications for voting before being allowed to vote.

10. That the regular election shall be held and conducted as nearly as may be in the same manner as general elections are held and conducted in this State.

11. That pursuant to Section 32-1-804.1, C.R.S., as amended, the Designated Election Official shall provide notice by publication in The Douglas County News-Press, a newspaper published in the county which has general circulation within the District (there is no newspaper published within the boundaries of the District) of a call for nominations for the election. The notice shall contain all the information required by Section 32-1-804.1, C.R.S., as amended, and appear at least once in the newspaper not less than seventy-five (75) days nor more than ninety (90) days before the regular special district election.

12. That pursuant to Sections 1-5-205(1) and 206(2)(b), C.R.S., as amended, if the election is not canceled, the Designated Election Official shall give notice of the election by publication in The Douglas County News-Press. The notice shall contain all the information required by Sections 1-5-205(1) and 206(2)(b), C.R.S., as amended, and appear at least once in the newspaper, at least ten days prior to the election date. A copy of the notice shall be posted at least ten days prior to the election and until two days after the election in a conspicuous place in the office of the Designated Election Official, and shall be mailed to the clerk and recorder of each county in which the District is located.

13. That pursuant to Section 1-10-201(1.5), C.R.S., as amended, the Designated Election Official shall appoint no later than fifteen (15) days prior to the election, at least one member of the Board of Directors and at least one eligible elector of the District who is not a member of the Board of Directors to assist the Designated Election Official in the survey of returns. The persons so appointed and the Designated Election Official constitute the Canvass Board for the election. To the fullest extent possible, no member of the Canvass Board nor the member's spouse shall have a direct interest in the election.

14. Eligible electors who wish to vote by mail-in ballot (formerly known as absentee ballot) may apply for a mail-in ballot in writing or by fax using the application form furnished by the Designated Election Official, or in the form of a letter which includes the applicant's signature, residence address, and date of birth. Applications for a mail-in ballot shall be made to the Designation Election Official, c/o Grimshaw & Haring, P.C., 1700 Lincoln Street, Suite 3800, Denver, Colorado 80203 (telephone 303-839-3873), not earlier than January 1, 2008, nor later than the close of business (5:00 p.m.) on the Friday immediately preceding the election, except that, if the applicant wishes to receive the mail-in ballot by mail, the application shall be filed no later than the close of business on Tuesday, April 29, 2008. Mail-in ballots shall be in the hands of the Designated Election Official not later than the hour of 7:00 p.m. on the day of the election. Separate ballot boxes shall be used at the polls for ballots cast in person by voters at the polls and for mail-in ballots.

15. That a mail-in polling place shall be established at the offices of Grimshaw & Haring, P.C., 1700 Lincoln Street, Suite 3800, Denver, Colorado, where physically

disabled eligible electors may vote on election day by mail-in ballot. On the day of the election, mail-in voters may deposit mail-in ballots at the polling place.

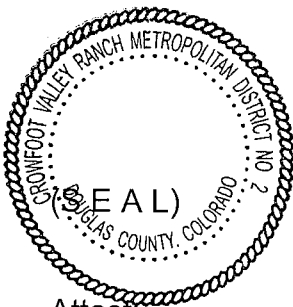
16. That immediately after the closing of the polls, the Judges shall open the ballot box, count the ballots cast, and promptly thereafter, certify the results. The returns of said election shall be canvassed by the canvass board no later than seven days after the election and the results declared at said meeting of the canvass board. The meeting to canvass and declare the results shall be held at a time and place as determined by the Designated Election Official.

17. That the Designated Election Official shall file the certified statement of election results with the Division of Local Government and after the required bond and oath are filed, shall make a certificate of election for each of the persons who were elected and shall deliver the certificates to those persons, and make a certificate of the votes cast for and against each ballot issue and for and against each ballot question.

18. That all past actions taken by the District, its Board members individually and collectively, designated election official, 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.

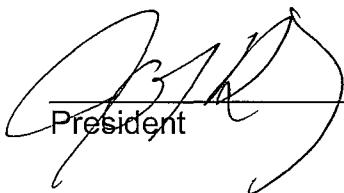
Adopted and approved this 7th day of December, 2007.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2



Attest.


Secretary


President

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO.2
TO ADOPT THE 2008 BUDGET

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has appointed the District Accountant to prepare and submit a proposed 2008 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2007, 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, a public hearing was held on December 7, 2007, 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

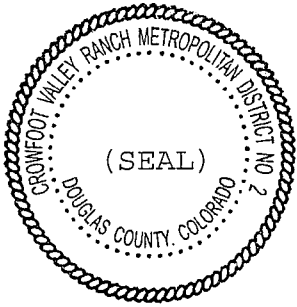
WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

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

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Crowfoot Valley Ranch Metropolitan District No. 2 for the 2008 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

ADOPTED this 7th day of December, 2007.



Donald Hunt
Secretary

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT No. 2
TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has adopted the 2008 annual budget in accordance with the Local Government Budget Law on December 7, 2007; and

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

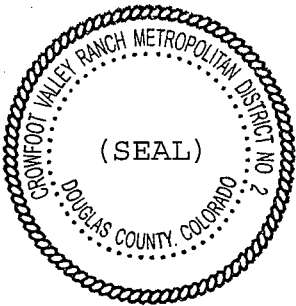
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

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:	\$	1,727
Debt Service Fund:	\$	1,807,200
Capital Projects Fund:	\$	27,800,000

ADOPTED this 7th day of December, 2007.


Secretary



A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO.2
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has adopted the annual budget in accordance with the Local Government Budget Law on 2008; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is \$667; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is \$3,334; and

WHEREAS, the 2007 valuation for assessment for the District, as certified by the Assessor for Douglas County, is \$66,670.

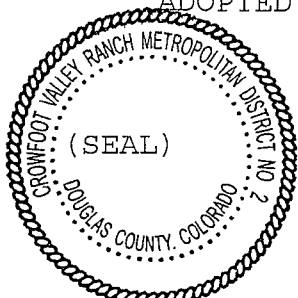
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2008 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 \$667 in revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2008 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 \$3,334 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 levies for the District as hereinabove determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 7th day of December, 2007.




Secretary

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 30, 2008

Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Re: Crowfoot Valley Ranch Metropolitan District No. 2

Ladies and Gentlemen:

Enclosed is the 2008 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,



Karen J. Steggs
Assistant to Ann E. Finn
District Manager

Enclosure

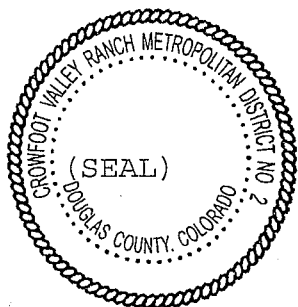
cc: Grimshaw & Herring, P.C. - Dawn J. Fredette
Clifton Gunderson LLP

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 Valley Ranch Metropolitan District No. 2, for the budget year ending December 31, 2008, as adopted on December 7, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Crowfoot Valley Ranch Metropolitan District No. 2 in Douglas County, Colorado, this 7th day of December, 2007.



By: 
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, 2008, including the forecasted estimate of comparative information for the year December 31, 2007, 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 2006 is presented for comparative purposes only. Such information is taken from the application for exemption from audit for the period ended December 31, 2006.

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, 2007

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

**FORECASTED 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/07

Page 2

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCES	\$ -	\$ 2,373	\$ 5,407
REVENUE			
Property taxes	2,140	3,725	4,001
Specific ownership taxes	245	372	360
Miscellaneous income	21	-	1,000
System development fees	-	-	69,000
Bond issuance	-	-	27,800,000
Total revenue	<u>2,406</u>	<u>4,097</u>	<u>27,874,361</u>
TRANSFERS IN		-	5,039,613
Total funds available	<u>2,406</u>	<u>6,470</u>	<u>32,919,381</u>
EXPENDITURES			
General			
Contingency	-	-	1,000
County Treasurer's fees	33	56	60
Debt Service			
Paying agent fees	-	-	150
Bond interest	-	-	1,807,000
Capital Projects			
Bond issue costs	-	-	740,000
Transfer to Crowfoot Valley Ranch MD No. 1	-	1,007	22,021,104
Total expenditures	<u>33</u>	<u>1,063</u>	<u>24,569,314</u>
TRANSFERS OUT	-	-	5,039,613
Total expenditures and transfers out requiring appropriation	<u>33</u>	<u>1,063</u>	<u>29,608,927</u>
ENDING FUND BALANCES	<u>\$ 2,373</u>	<u>\$ 5,407</u>	<u>\$ 3,310,454</u>

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,

12/7/07

Page 3

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
ASSESSED VALUATION - DOUGLAS COUNTY			
Residential	\$ -	\$ -	\$ -
Commercial/other	-	-	4,110
Vacant land	62,080	62,070	62,560
Personal property	-	-	-
Total Certified Assessed Value	\$ 62,080	\$ 62,070	\$ 66,670
MILL LEVY			
General	5.000	10.000	10.000
Debt Service	30.000	50.000	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	35.000	60.000	60.000
PROPERTY TAXES			
General	\$ 310	\$ 621	\$ 667
Debt Service	1,862	3,104	3,334
Temporary Mill Levy Reduction	-	-	-
Refund and abatements	-	-	-
Levied property taxes	2,172	3,725	4,001
Adjustments to actual/rounding	-	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ 2,172	\$ 3,725	\$ 4,001
BUDGETED PROPERTY TAXES			
General	\$ 310	\$ 621	\$ 667
Debt Service	1,862	3,104	3,334
	\$ 2,172	\$ 3,725	\$ 4,001

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 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

12/7/07

Page 4

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCE	\$ -	\$ 357	\$ 24
REVENUE			
Property taxes	306	621	667
Specific ownership tax	35	62	60
Miscellaneous income	21	-	1,000
Total revenue	362	683	1,727
TRANSFERS IN			
Debt Service Fund	-	-	-
Capital Projects Fund	-	-	-
Total transfers in	-	-	-
Total funds available	362	1,040	1,751
EXPENDITURES			
County treasurer's fees	5	9	10
Transfer to Crowfoot Valley Ranch MD No. 1	-	1,007	717
Contingency	-	-	1,000
Total expenditures	5	1,016	1,727
TRANSFERS OUT			
Debt Service Fund	-	-	-
Capital Projects Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	5	1,016	1,727
ENDING FUND BALANCE	\$ 357	\$ 24	\$ 24
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 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

12/7/07

Page 5

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCE	\$ -	\$ 2,016	\$ 5,383
REVENUE			
Property taxes	1,834	3,104	3,334
Specific ownership tax	210	310	300
System Development Fees	-	-	69,000
Total revenue	2,044	3,414	72,634
TRANSFERS IN			
Capital Projects Fund		-	5,039,613
General Fund		-	-
Total transfers in	-	-	5,039,613
Total funds available	2,044	5,430	5,117,630
EXPENDITURES			
County Treasurer's fees	28	47	50
Paying Agent Fees	-	-	150
Bond interest	-	-	1,807,000
Total expenditures	28	47	1,807,200
TRANSFERS OUT			
Capital Projects Fund	-	-	-
General Fund	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	28	47	1,807,200
ENDING FUND BALANCE	\$ 2,016	\$ 5,383	\$ 3,310,430

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 2008 BUDGET AS ADOPTED
WITH 2006 ACTUAL AND 2007 ESTIMATED
For the Years Ended and Ending December 31,

12/7/07

Page 6

	ACTUAL 2006	ESTIMATED 2007	ADOPTED 2008
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Bond issuance	-	-	27,800,000
Total revenue	-	-	27,800,000
TRANSFERS IN			
General Fund	-	-	-
Debt Service Fund	-	-	-
Total transfers in	-	-	-
Total funds available	-	-	27,800,000
EXPENDITURES			
Bond issue costs	-	-	740,000
Transfer to Crowfoot Valley MD No. 1	-	-	22,020,387
Total expenditures	-	-	22,760,387
TRANSFERS OUT			
General Fund	-	-	-
Debt Service Fund	-	-	5,039,613
Total transfers out	-	-	5,039,613
Total expenditures and transfers out requiring appropriation	-	-	27,800,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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
2008 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.

System Development Fees

The District intends to charge a System Development Fee of \$3,000 per single family equivalent unit. Collections on 23 units are expected during 2008.

Bond Issuance

The District expects to issue general obligation and/or revenue bonds during 2008 in the estimated amount of \$27,800,000.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2008 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 2008. 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 2008 bond issuance as shown on page 5 of the budget.

Bond Issue Costs

The District anticipates incurring costs to issue bonds in 2008 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 2008, as defined under TABOR.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2008 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

The District anticipates issuing general obligation bonds during 2008, in the amount of \$27,800,000 with interest at 6.5%. Proceeds are expected to be used for the purposes of (i) paying a portion of the costs of capital infrastructure improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; (ii) providing capitalized interest; (iii) paying costs of issuance of the Bonds and (iv) any other legal use as determined by the District.

The District has not entered into 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 14, 2007

Board of County Commissioners
Douglas County
Attn: Helen Kellog
100 Third Street
Castle Rock, CO 80104

REVISED

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

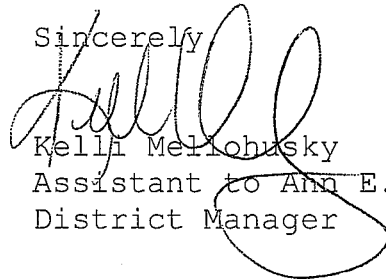
Re: Crowfoot Valley Ranch Metropolitan District No. 2;
Certification of Mill Levies

Dear Commissioners:

Enclosed herewith is the Certification of Mill Levies for the 2008 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 800-741-3254.

Sincerely



Kelli Mellohusky
Assistant to Ann E. Finn
District Manager

Enclosure

cc: Division of Local Government
Division of Property Taxation
Grimshaw & Harring, P.C. - Dawn Ferdette
Clifton Gunderson, LLP - Josh Dudley

The above referenced Certification of Mill Levies was received by the Board of County Commissioners of Douglas County on this ____ day of December, 2007.

BOARD OF COUNTY COMMISSIONERS
OF DOUGLAS COUNTY

By: _____

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of DOUGLAS COUNTY, Colorado.

On behalf of the CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 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 \$ 66,670 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: \$ 66,670 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted: 12/15/2007 for budget/fiscal year 2008
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.000 mills	\$ 666
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< 0.000 > mills	\$ < -0- >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 666
3. General Obligation Bonds and Interest ^J	50.000 mills	\$ 3,333
4. Contractual Obligations ^K	0.000 mills	\$ -0-
5. Capital Expenditures ^L	0.000 mills	\$ -0-
6. Refunds/Abatements ^M	0.000 mills	\$ -0-
7. Other ^N (specify): _____	0.000 mills	\$ -0-
	0.000 mills	\$ -0-
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	60.000 mills	\$ 3,999

Contact person: (print) Ann E. Finn Daytime phone: (303) 987-0835
Signed: *Donald E. Hunt* Title: Treasurer

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: | Public infrastructure/developer reimbursement |
| | Series: | Anticipated 2008 |
| | Date of Issue: | Undetermined |
| | Coupon Rate: | Undetermined |
| | Maturity Date: | Undetermined |
| | Levy: | 50.000 |
| | Revenue: | \$3,333 |
| | | |
| 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.