

CONTINUED MEETING FROM JULY 27, 2005 REGULAR MEETING OF THE BOARD OF DIRECTORS OF PLUM CREEK METROPOLITAN DISTRICT HELD AT 331 PLAYERS CLUB DRIVE, CASTLE ROCK, COLORADO, TO AUGUST 8, 2005, AT 9:00 A.M.

The following members of the Board of Directors were present: Paul Bombalicky, Peter Rinehart, Michael DiBlasi, and David Littler. Also present were: Kevin Collins, Ken Rudolf, Joe Culkin with Nolte Associates, James Folkestad and Adriana Miller. James Ellington was excused.

Mr. Bombalicky determined that a quorum of Directors was present.

Conflict Disclosure

The Board noted that disclosures of potential conflict of interest statements for all Directors required to file such disclosures pursuant to law are on file, and that the statements were filed at least 72 hours prior to the meeting in accordance with Colorado statutes.

Approval of Minutes of the July 27, 2005 Meeting

Upon a motion made by Mr. Rinehart, seconded by Mr. Littler, the minutes of the May 25, 2005 meeting were approved. Motion passed unanimously 3 – 0. Mr. Bombalicky, not being present at the May 25 meeting, abstained from voting.

Old Business

Update on Highlands Estates Public Improvements

Ken Rudolf, District Engineer, reported to the Board that a Notice for Bids was published, and bids for the following projects were received: (1) overlot grading and erosion control sanitary water and storm drainage improvements, (2) concrete curbs, gutters and sidewalks, and (3) asphalt paving. Nolte Associates will provide the District Legal Counsel an affidavit of publication for Mr. Folkestad's review.

Nolte Associates prepared a calculation showing which funds the District would have to provide based on the received bids. According to Nolte Associates, the amount necessary to complete the improvements within Plum Creek Subdivision Filing No. 1 was in the amount of \$1,300,000. Mr. Collins reported that the District currently has \$1,290,000 available in the Capital Projects Fund. The available capital projects funds are lower than the lowest bids.

A discussion regarding interest earned on the escrow account took place. Mr. Bombalicky stated that the District should keep interest earned on \$1,290,000.

Mr. Folkestad stated that before the District can accept the bids, the District is required to have sufficient funds to cover the successful bid. The District has \$1,290,000. Any amount above \$1,290,000 necessary for construction and completion of the improvements will have to be provided by the developer.

Mr. Culkin stated that until the escrow account is fully funded, contracts with the bidders would not be executed. Mr. Rudolf stated that the District should send out letters of apparent low bidder but that

notices of award of contract would not be sent until the money was in the District account. Mr. Culkin stated that it usually takes about 10 days for contractors to obtain the required bonds.

Mr. Folkestad will talk to the Town of Castle Rock regarding an escrow agreement. Mr. Folkestad stated that the District should approve the lowest bids, contingent upon the District Engineer providing the affidavit of publication to the District Legal Counsel for review, and contingent upon the District's having all funds on deposit to pay the winning bid.

Upon motion made by Mr. Rinehart and seconded Mr. Bombalicky, notices to lowest bidders contingent upon the approval of affidavit of publication and upon the developer providing funds to fully fund the escrow account in order for the District to accept the bids by the following contractors were approved:

1. ERS - sanitary sewer, water system and storm drainage
2. Concrete Curb & Paving - concrete curbs, gutters and sidewalks
3. Schmidt Construction - paving, stripping and signage

The motion to issue notices to lowest bidders was unanimously approved 4 - 0.

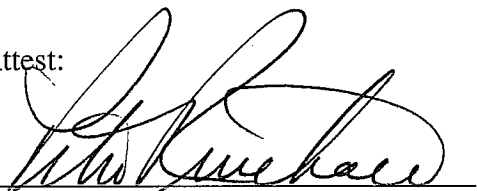
New Business

Discussion was held regarding continuing the meeting to August 16, 2005 at 9:00 a.m. The meeting agenda and any required notices would be posted by Mr. Folkestad's office. Upon motion of Mr. Rinehart, seconded by Mr. Littler, the meeting was continued to Tuesday, August 16, 2005 at 9:00 a.m. The motion was unanimously approved 4 - 0.



Paul Bombalicky, Chairman

Attest:



Peter Rinehart, Secretary