

REGULAR MEETING OF THE BOARD OF DIRECTORS OF
PLUM CREEK METROPOLITAN DISTRICT HELD AT 331 PLAYERS CLUB DRIVE,
CASTLE ROCK, COLORADO ON FEBRUARY 25, 2004 AT 9:00 A.M.

The following members of the Board of Directors were present: Paul Bombalicky, Peter Rinehart, Michael DiBlasi, Allen Brown, and Mike Der Manuel. Also present were: James Folkestad, Kevin Collins, Ken Rudolph, and Karen Oliver.

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

Conflict Disclosure

The Board noted that it has on file disclosures of potential conflict of interest statements for all directors, and that these statements were filed at least 72 hours in advance of the meeting in accordance with Colorado statutes.

Amend Minutes of November 26, 2003 Meeting.

Upon motion made by Mr. Bombalicky, seconded by Mr. Rinehart, the minutes of the November 26, 2003 were amended to read as follows:

“Mr. Bombalicky made a motion to continue the 2004 budget hearing and this meeting to December 4, 2003, at 9:00 a.m. at 331 Players Club Drive, Castle Rock, Colorado, and to continue discussion and approval of amending the 2003 budget and this meeting to February 25, 2004, at 9:00 a.m. at 331 Players Club Drive, Castle Rock, Colorado. Mr. Collins will send a revised copy of each of the respective budgets prior to each of those meetings.”

The motion passed 4-0. Mr. Der Manuel abstained.

Approve Minutes of January 28, 2004 Meeting.

Upon motion made by Mr. Rinehart, seconded by Mr. DiBlasi, the minutes of the January 28, 2004 meeting was approved. Motion passed 4 – 0. Mr. Der Manuel abstained.

Old Business

Amend 2003 Budget.

Mr. Collins stated that the 2003 budget needed to be amended to reflect \$14,000 increase in the general fund and the debt service fund increased by \$4,100,000. The \$4,100,000 reflects the issuance of the refunding bonds.

Upon motion made by Mr. Bombalicky, seconded by Mr. Der Manuel, the Resolution for

Supplemental Budget and Appropriation was approved and accepted as presented with one change to Section 2. The figure \$4,146,000 should be \$4,444,300. Motion passed 5 – 0.

Other old business.

Mr. Folkestad reported that Kristen Karabensh is still checking out all providers and will report back at the next meeting with a recommendation to the Board. Mr. Bombalicky would like to decide whether we go with a web site or drop the issue.

New Business

Treasurer's Report.

None.

Other new business.

Mr. Ken Rudolph, Nolte Engineering, is the District's engineer. Mr. Rudolph was asked to take a look at all invoices that have come in on Highland Estates. The developer, Douglas Group, is reimbursing the District for certain costs. He was asked to determine, as the District Engineer, which portions of the cost were properly payable by the District and which should be paid by the landowner. Mr. Rudolph said as a result the developer owes the District approximately \$35,000.

Mr. Folkestad recommended to the Board that Mr. Rudolph set forth his findings in a letter to the Board to be reviewed by Mr. Folkestad and Mr. Collins prior to acceptance of the owners reimbursement. Once Mr. Folkestad reviews the letter and approves it, the 2003 audit can be adjusted to reflect allocations. Mr. Folkestad will keep Mr. Collins advised.

Upon motion made by Mr. Bombalicky, seconded by Mr. Der Manuel, the report of the District Engineer, Nolte & Associates, is approved subject to receipt of an acceptable letter and review by Mr. Folkestad and Mr. Collins. Motion passed 5 – 0.

Mr. Collins presented the Board with a draft audit report of the financial statements of the District (copy attached) since he will not be able to attend the next meeting.

Discussion was held regarding the management letter regarding the audit of 2003 records by Clifton Gunderson. Mr. Collins stated that next year there will be changes that are addressed in the letter.

Upon motion made by Mr. Bombalicky, seconded by Mr. Der Manuel, the financial statement and audit report is accepted subject to changes that Mr. Collins is to make based upon the Nolte & Associates report. Motion passed 5 – 0.

There being no further business to come before the meeting and upon motion of Mr.

Bombalicky, seconded by Mr. Rinehart, the meeting was adjourned. The motion was approved 5 – 0.

Paul Bombalicky, President

Attest:

Peter Rinehart, Secretary