

**TO JOIN MEETING VIA PHONE, DIAL 720-931-2462 AND WHEN PROMPTED,
ENTER CODE 2462**

SUNLIGHT METROPOLITAN DISTRICT

450 E. 17th Avenue, Suite 400

Denver, Colorado 80203-1254

Phone: 303-592-4380

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: Wednesday, August 23, 2017
TIME: 8:30 a.m.
PLACE: THPK
330 S. Lincoln Avenue #101
Steamboat Springs, Colorado 80487

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Todd Pedersen	President	May 2020
LeAllyn "Bert" Svendsen	Secretary	May 2018
Matthew Tredway	Treasurer	May 2018
Nicholas M. Metzler	Assistant Secretary	May 2020
Thomas B. Fox	Assistant Secretary	May 2020

I. ADMINISTRATIVE MATTERS

A. Present disclosures of potential conflicts of interest.

B. Approve agenda; confirm location of meeting, posting of meeting notices and quorum.

C. Review and consider approval of minutes from the July 26, 2017, special meeting (enclosure).

II. LEGAL MATTERS

III. FINANCIAL MATTERS

- A. Conduct Public Hearing to consider Amendment to 2017 Budget and adoption of Resolution No. 2017-08-01; Resolution to Amend the 2017 Budget and Appropriate Expenditures (enclosure).
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IV. CONSTRUCTION MATTERS

- A. Discuss development / construction outlook.
 - a. Discussion regarding acceptance of improvements.
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V. COVENANT ENFORCEMENT / DESIGN REVIEW

- A. Discuss status of the Declaration of Covenants, Conditions and Restrictions of Sunlight.
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- B. Review and consider approval of Resolution Acknowledging and Adopting the Declaration of Covenants, Conditions, and Restrictions for Sunlight Residential Subdivision.
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- C. Review and consider Resolution Acknowledging and Adopting the Sunlight Design Guidelines for Sunlight Residential Subdivision.
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- D. Review and consider approval of Resolution Adopting the Policies and Procedures Governing the Enforcement of the Protective Covenants of Sunlight Residential Subdivision.
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VI. OTHER BUSINESS

VII. ADJOURNMENT

The next regular meeting will be held on Wednesday, October 11, 2017 at 8:30 a.m. at the offices of Colorado Group Realty.

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF SUNLIGHT METROPOLITAN DISTRICT (“District”)

Held: Wednesday, July 26, 2017 at 8:30 a.m. at:

Colorado Group Realty
509 Lincoln Avenue
Steamboat Springs, Colorado 80487

ATTENDANCE

The Special Meeting of the Board of Directors of the District, City of Steamboat Springs, County of Routt, Colorado (“**Board**”), was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following Directors present and acting:

LeAllyn “Bert” Svendsen
Matthew R. Tredway
Thomas B. Fox
Todd J. Pedersen

The absence of Director Metzler was excused.

Also present were:

Mary Jo Dougherty, McGeady Becher P.C. (via telephone)
Sarah McGrath, McGeady Becher P.C. (via telephone)
Eric Weaver, Marchetti & Weaver, LLC (via telephone)
Debbie Braucht, Marchetti & Weaver, LLC (via telephone)

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts of Interest: Attorney Dougherty discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested 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 statute. It was noted by Attorney Dougherty that disclosures of potential conflicts of interest were filed with the Secretary of State for all Directors.

Agenda: The Agenda for the District’s special meeting was distributed for the Board’s review. Following discussion and upon motion duly made by Director Pedersen, seconded by Director Svendsen and, upon vote, unanimously carried, the Board approved the Agenda 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 Pedersen, seconded by Director Svendsen 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 date, time and location. The Board noted that notice of this location was duly posted and that it had not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries. The Board further noted that the location of the special meeting is within a 20-mile radius of the boundaries of the District.

May 10, 2017 Special Meeting Minutes: The Board reviewed the May 10, 2017 Special Meeting Minutes. Following discussion, upon motion duly made by Director Pedersen, seconded by Director Svendsen and, upon vote, unanimously carried, the Board approved the May 10, 2017 Organizational Meeting Minutes.

LEGAL
MATTERS

No discussion.

FINANCIAL
MATTERS

Public Hearing on 2017 Budget Amendment: The Board determined to conduct the public hearing to amend the 2017 budget at a later date following publication pursuant to statutory requirements.

Payment of claims: The Board reviewed the claims as presented and approved payment of claims through July 5, 2017.

District Bank Account: Mr. Weaver confirmed the District's bank account has been opened with Alpine Bank and requested that advance requests be sent to Marchetti and Weaver LLC's attention.

CONSTRUCTION
MATTERS

2017 Development/Construction Outlook: Director Pedersen provided an update on the status of construction, reporting that significant progress has been made on Phase I of the project; asphalt is complete and awaiting approval by the City; and, the Plat has not yet been approved. The Board directed Attorney Dougherty to follow-up with Mr. Keefe regarding the timing and transfer of improvements to the District.

Master Service Agreement with Independent District Engineering Services LLC: The Board reviewed the Master Service Agreement with Independent District Engineering Services LLC for Cost Certification Services. Following discussion, upon motion duly made by Director Pedersen, seconded by Director Svendsen and, upon vote, unanimously

carried, the Board approved the Master Service Agreement with Independent District Engineering Services LLC for Cost Certification Services.

COVENANT
ENFORCEMENT/
DESIGN REVIEW

Status of Declaration of Covenants, Conditions and Restrictions of Sunlight Subdivision: The Board discussed the status of the Declaration of Covenants, Conditions and Restrictions of Sunlight Subdivision. Director Pedersen indicated that the Declaration is in final form and ready for recording.

Resolution Acknowledging and Adopting the Declaration of Covenants, Conditions, and Restrictions for Sunlight Residential Subdivision: Discussion deferred.

Resolution Acknowledging and Adopting the Sunlight Design Guidelines for Sunlight Residential Subdivision: Discussion deferred.

Resolution Adopting the Policies and Procedures Governing the Enforcement of the Protective Covenants of Sunlight Residential Subdivision: Discussion deferred.

OTHER BUSINESS

The Board discussed calling a special meeting once the final Plat has been approved.

ADJOURNMENT

There being no further business to come before the Board and following discussion, upon motion duly made by Director Svendsen, seconded by Director Pedersen and, upon vote, unanimously carried, the Board adjourned the meeting.

The foregoing record constitutes a true and correct copy of the Minutes of the above-referenced meeting.

Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 26, 2017 MINUTES OF THE SUNLIGHT METROPOLITAN DISTRICT BY THE MEMBERS OF THE BOARD OF DIRECTORS SIGNING BELOW:

Todd Pedersen

LeAllyn "Bert" Svendsen

Matthew Tredway

Nicholas Metzler

Thomas Fox

RESOLUTION NO. 2017-08-01

RESOLUTION TO AMEND BUDGET

**RESOLUTION OF THE SUNLIGHT METROPOLITAN DISTRICT TO AMEND THE
2017 BUDGET**

Pursuant to Section 29-1-109, C.R.S., the Board of Sunlight Metropolitan District (the “**District**”), hereby certifies that an organizational meeting of the Board of Directors of the District, was held on April 5, 2017, at the offices of Colorado Group Realty, 509 Lincoln Ave., Steamboat Springs, Colorado 80487.

A. At such meeting, the Board of Directors of the District adopted that certain Resolution No. 2017-04-02 to Adopt Budget appropriating funds for the fiscal year 2017 as follows:

General Fund	\$48,500
Capital Projects Fund	0

B. The necessity has arisen for additional Capital Fund appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2017.

C. The source and amount of revenues for such expenditures, the purposes for which such revenues are being appropriated, and the fund(s) which shall make such supplemental expenditures are described on **Exhibit A**, attached hereto and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sunlight Metropolitan District shall and hereby does amend the budget for the fiscal year 2017 as follows:

Capital Projects Fund	\$4,230,272
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BE IT FURTHER RESOLVED, that such sum is hereby appropriated from unexpected revenues available to the District to the General Fund for the purpose stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION OF THE SUNLIGHT METROPOLITAN
DISTRICT TO AMEND THE 2017 BUDGET]**

RESOLUTION APPROVED AND ADOPTED on August 23, 2017.

SUNLIGHT METROPOLITAN DISTRICT

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A

Original and Amended Budget Appropriations

Sunlight Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

	2017 Adopted Budget	2017 Amended Budget	2018 Prelim Budget	Notes/Assumptions
PROPERTY TAXES				
Assessed Valuation	74,510	74,510	740,830	Prelim AV Per County Wesbite - May 2017
Mill Levy - Debt	-	-	-	Intended to be 20 mills once Bonds are issued
Mill Levy - Operations	-	-	35,000	Intended to be 15 mills once Bonds are issued
Total	-	-	35,000	
Property Tax Revenue - Debt	-	-	-	AV * Mill Levy / 1,000
Property Tax Revenue - Operations	-	-	25,929	AV * Mill Levy / 1,000
Total	-	-	25,929	
Less Provision For Uncollectible - Debt	-	-	-	Assume all collected
Less Provision For Uncollectible - Operations	-	-	-	Assume all collected
Total	-	-	-	
Net Property Tax Collections - Debt	-	-	-	
Net Property Tax Collections - Operations	-	-	25,929	
Total	-	-	25,929	

Sunlight Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2017 Adopted Budget	2017 Amended Budget	2018 Prelim Budget	Notes/Assumptions
COMBINED FUNDS				
REVENUE				
Property taxes	-	-	25,929	See Prior Page
Specific ownership taxes	-	-	1,815	Estimated at 7% of property taxes
Design review fees	-	2,000	7,500	4 homes in 2017 & 15 in 2018 at \$500 each
Interest & other income	-	-	-	
TOTAL REVENUE	-	2,000	35,244	
EXPENDITURES				
<u>Administration</u>				
Accounting	10,000	10,000	10,000	financials, budgeting, payables, exemption
Audit	500	-	5,000	Audit required in 2018 for infrastructure
Legal	20,000	20,000	20,000	Administration, agreements, other needs
Management	10,000	-	10,000	Covenant enforcement & on-site services
Design review	-	2,000	7,500	
Treasurer's fees	-	-	389	3% of property taxes
Director's fees	-	-	-	
Election	-	-	2,000	Only in even years, assume canceled
Insurance, bonds & SDA dues	5,000	5,000	5,000	D&O, liability & property Insurance. SDA dues.
<u>Operations</u>				
Landscaping & snow removal	-	2,000	10,000	District property
Irrigation Maintenance	-	1,000	1,000	Blowout and maintenance for common areas
Utilities	-	-	5,000	Street lights, water, irrig controllers, etc.
Miscellaneous	2,000	2,000	2,000	Misc other costs
Contingency	2,500	8,000	10,000	For unforeseen needs
<u>Debt Service</u>				
Debt service	-	-	-	No bonds issued yet
Debt issuance expense	-	-	-	No bonds issued yet
<u>Capital Outlay</u>				
	-	4,230,272	-	See Capital Fund
TOTAL EXPENDITURES	50,000	4,280,272	87,889	
REVENUE OVER / (UNDER) EXPENDITURES	(50,000)	(4,278,272)	(52,645)	
OTHER SOURCES / (USES)				
Developer advances- cash	50,000	60,000	54,000	To cover operating shortfall
Developer advances- infrastructure	-	4,220,272	-	
Bond proceeds	-	-	-	Per Projection
TOTAL OTHER SOURCES / (USES)	50,000	4,280,272	54,000	
CHANGE IN FUND BALANCE	-	2,000	1,355	
BEGINNING FUND BALANCE	-	-	2,000	
ENDING FUND BALANCE	-	2,000	3,355	See breakdown below
	=	=	=	
COMPONENTS OF FUND BALANCE				
TABOR emergency reserve	1,500	1,500	2,637	3% of operating expenditures
Restricted For debt service	-	-	-	
Unassigned	(1,500)	500	718	
TOTAL ENDING FUND BALANCE	-	2,000	3,355	
	=	=	=	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Sunlight Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2017 Adopted Budget	2017 Amended Budget	2018 Prelim Budget	Notes/Assumptions
GENERAL FUND				
REVENUE				
Property taxes	-	-	25,929	General fund portion of mill levy
Specific ownership taxes	-	-	1,815	Estimated at 7% of property taxes
Design Review Fees	-	2,000	7,500	4 homes in 2017 & 15 in 2018 at \$500 each
Interest income	-	-	-	
Other income	-	-	-	
TOTAL REVENUE	-	2,000	35,244	
EXPENDITURES				
<u>Administration</u>				
Accounting	10,000	10,000	10,000	financials, budgeting, payables, exemption
Audit	500	-	5,000	Audit required in 2018 for infrastructure
Legal	20,000	20,000	20,000	Administration, agreements, other needs
Management	10,000	-	10,000	Covenant enforcement & on-site services
Design review administration	-	2,000	7,500	4 homes in 2017 & 15 in 2018 at \$500 each
Bank Fees	-	-	-	
Treasurer's fees	-	-	389	3% of property taxes
Director's fees	-	-	-	
Interest - developer advances	-	-	-	
Election	-	-	2,000	Only in even years, assume canceled
Insurance, bonds & SDA dues	5,000	5,000	5,000	D&O, liability & property Insurance. SDA dues.
<u>Operations</u>				
Landscape maintenance	-	-	-	District property e.g. tree lawns
Snow removal	-	2,000	10,000	District sidewalks & streets
Irrigation Maintenance	-	1,000	1,000	Blowout and maintenance for common areas
Utilities	-	-	5,000	Street lights, water, irrig controllers, etc.
Miscellaneous	2,000	2,000	2,000	Misc other costs
Contingency	2,500	8,000	10,000	For unforeseen needs
TOTAL EXPENDITURES	50,000	50,000	87,889	
REVENUE OVER / (UNDER) EXPENDITURES	(50,000)	(48,000)	(52,645)	
OTHER SOURCES / (USES)				
Transfers in/(out)	-	-	-	
Developer advances	50,000	50,000	54,000	
TOTAL OTHER SOURCES / (USES)	50,000	50,000	54,000	
CHANGE IN FUND BALANCE	-	2,000	1,355	
BEGINNING FUND BALANCE	-	-	2,000	
ENDING FUND BALANCE	-	2,000	3,355	

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Sunlight Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

	2017 Adopted Budget	2017 Amended Budget	2018 Prelim Budget	Notes/Assumptions
DEBT SERVICE FUND				
REVENUE				
Property taxes	-	-	-	No bonds issued yet
Specific ownership taxes	-	-	-	
Interest income	-	-	-	
TOTAL REVENUE	-	-	-	
EXPENDITURES				
Treasurer's fees	-	-	-	
Bond interest	-	-	-	
Bond principal	-	-	-	
Developer advance interest	-	-	-	
Developer advance principal	-	-	-	
Paying agent / trustee fees	-	-	-	
Debt issuance expense	-	-	-	
Miscellaneous	-	-	-	
TOTAL EXPENDITURES	-	-	-	
REVENUE OVER / (UNDER) EXPENDITURES	-	-	-	
OTHER SOURCES / (USES)				
Transfers in/(out)	-	-	-	
Developer advances received / (paid)	-	-	-	
Bond proceeds	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	
CHANGE IN FUND BALANCE	-	-	-	
BEGINNING FUND BALANCE	-	-	-	
ENDING FUND BALANCE	-	-	-	

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Sunlight Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

	2017 Adopted Budget	2017 Amended Budget	2018 Prelim Budget	Notes/Assumptions
CAPITAL FUND				
REVENUE				
Interest income	-	-	-	
Other income	-	-	-	
TOTAL REVENUE	-	-	-	
EXPENDITURES				
ROADS & SIDEWALKS				
Phase 1	-	1,146,298		Preliminary cost estimate
Indian Trail		140,301		Preliminary cost estimate
WATER				
Phase 1	-	683,224		Preliminary cost estimate
SEWER				
Phase 1	-	604,355		Preliminary cost estimate
Indian Trail		66,065		Preliminary cost estimate
PARKS AND RECREATION				
Phase 1 landscaping	-	145,550		Preliminary cost estimate
SOFT/ALLOCATABLE COSTS				
Phase 1	-	408,430		Preliminary cost estimate
Indian Trail	-	26,050		Preliminary cost estimate
Cost certification consultant fees	-	10,000		Independent engineer to certify costs
Contingency	-	1,000,000		Additional eligible items, cost increases, etc
TOTAL EXPENDITURES	-	4,230,272	-	
REVENUE OVER / (UNDER) EXPENDITURES	-	(4,230,272)	-	
OTHER SOURCES / (USES)				
Transfers in/(out)	-	-	-	
Developer advances- conveyances	-	4,220,272	-	Infrastructure conveyed and added to note
Developer advances- cash	-	10,000	-	Cost certification consultant fees
TOTAL OTHER SOURCES / (USES)	-	4,230,272	-	
CHANGE IN FUND BALANCE	-	-	-	
BEGINNING FUND BALANCE	-	-	-	
ENDING FUND BALANCE	-	-	-	

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