

RECORD OF PROCEEDINGS

MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS OF
THE CANYONS METROPOLITAN DISTRICT NO. 7 (THE "DISTRICT")
HELD
AUGUST 11, 2021

A special meeting of the Board of Directors of The Canyons Metropolitan District No. 7 (referred to hereafter as the "Board") was convened on August 11, 2021, at 9:00 a.m. This meeting was held via Zoom, and was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jeff Kappes, President
Skyler Hager, Vice-President/Secretary
Teresa Kershnik, Treasurer
Michele Miller, Assistant Secretary
Jessica McDonagh, Assistant Secretary

Also, In Attendance Were:

Denise Denslow and Carrie Beacom; CliftonLarsonAllen LLP ("CLA"), District Manager and Accountant;
Zachary P. White, Esq.; White Bear Ankele Tanaka & Waldron P.C. ("WBA"), District General Counsel; and
Ryan McDermed; Shea Canyons, LLC, Construction Manager

ADMINISTRATIVE MATTERS

Call to Order/Declaration of Quorum: Director Kappes called the meeting to order at 9:05 a.m.

Director Conflict of Interest Disclosures: Mr. White advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. White reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. White inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Approval of Agenda: The Board reviewed the Agenda for the meeting. Following discussion, upon motion duly made by Director Kershnik, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the

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Agenda, as presented.

Minutes of June 9, 2021 Special Meeting: The Board reviewed the Minutes of the June 9, 2021 Special Meeting. Following review and discussion, upon motion duly made by Director Kershisnik, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the Minutes, as amended to incorporate comments from Director Miller.

Public Comment: There was no public comment.

FINANCIAL MATTERS

Payables and Schedule of Cash Position: Ms. Beacom reviewed the Payables and Schedule of Cash Position with the Board. Following review and discussion, upon a motion duly made by Director Hager, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved the Payables and Schedule of Cash Position noting the total for the claims is \$796,311.57. The Board requested invoices from Altitude Law for covenant enforcement be included in the legal budget, and requested a separate budget line item for covenant enforcement in the future.

Other: None.

LEGAL MATTERS

Resolution Designating the Location of Meetings of the Board of Directors: Mr. White reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director Kershisnik, seconded by Director Hager and, upon vote, unanimously carried, the Board determined to keep the Board of Directors meetings virtual for the time being.

Operation Mill Levy IGA with the City of Castle Pines: Mr. White briefed the Board on the need for IGA with the City regarding operations and maintenance mill levy and conveyance of improvements to the City. Mr. White reported that District No. 4 is currently negotiating an IGA with the City in order to comply with requirements in development agreements. District No. 4 would like the Board's input on the draft IGA prepared by the City. Mr. White discussed key provisions of the draft IGA with the Board and the Board expressed a desire to discuss the IGA with District No. 4. Following discussion, the Board determined that a meeting with District No. 4 would be appropriate and requested Mr. White to schedule this with Directors Kershisnik and Hager to attend.

Other: None.

MANAGER / OPERATIONS MATTERS

Managers' Report: Ms. Denslow reported that the Design Review applications are steady and the violations for landscaping installation were sent out in July. There is one covenant violation with Altitude Law. No action was needed by the Board.

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Other: None.

CONSTRUCTION MATTERS

Summary and Status of Construction Matters, Review Construction Manager Board Communication: Mr. McDermed gave a brief overview of construction activities, noting that the pool and pool house opened the week prior.

Independent Contractor Agreements:

First Addendum to Independent Contractor Agreement with Sage Design Group: Mr. McDermed reviewed the Addendum with the Board. Following discussion, upon a motion duly made by Director Hager, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the First Addendum to the Independent Contractor Agreement with Sage Design Group.

Change Orders:

Change Order No. 4 to Canyons Filing 1, 3rd Amendment Construction Agreement with ESCO Construction: Following discussion, upon a motion duly made by Director Kershnik, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved Change Order No. 4 to Canyons Filing 1, 3rd Amendment Construction Agreement with ESCO Construction in the amount of \$4,410.00.

Change Order No. 3 to Canyons Filing 2B West & Filing 1, 2nd Amendment Construction Agreement with Fiore and Sons, Inc.: Following discussion, upon a motion duly made by Director Kershnik, seconded by Director Miller and, upon vote, unanimously carried, the Board approved Change Order No. 3 to Canyons Filing 2B West & Filing 1, 2nd Amendment Construction Agreement with Fiore and Sons, Inc. in the amount of \$39,683.84.

Change Order No. 4 to Canyons Filing 2B West & Filing 1, 2nd Amendment Construction Agreement with Fiore and Sons, Inc.: Following discussion, upon a motion duly made by Director Hager, seconded by Director Kappes and, upon vote, unanimously carried, the Board approved Change Order No. 4 to Canyons Filing 2B West & Filing 1, 2nd Amendment Construction Agreement with Fiore and Sons, Inc. in the amount of \$7,341.25.

Change Order No. 2 to Canyons Filing 1, 3rd Amendment Construction Agreement with Schmidt Construction: Following discussion, upon a motion duly made by Director Miller, seconded by Director McDonagh

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and, upon vote, unanimously carried, the Board approved Change Order No. 2 to Canyons Filing 1, 3rd Amendment Construction Agreement with Schmidt Construction in the amount of \$53,887.57.

Change Order No. 1 to Canyons Filing 2B West & Filing 1, 2nd Amendment Construction Agreement with Schmidt Construction:

Following discussion, upon a motion duly made by Director Miller, seconded by Director Kappes and, upon vote, unanimously carried, the Board approved Change Order No. 1 to Canyons Filing 2B West & Filing 1, 2nd Amendment Construction Agreement with Schmidt Construction in the deductive amount of -\$13,185.67.

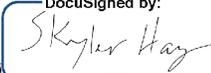
OTHER BUSINESS

It was noted that Director Kappes will not be attending the September 8, 2021 Board meeting.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Kershisnik, seconded by Director Hager and, upon vote, unanimously carried, the Board adjourned the meeting at 10:05 a.m.

Respectfully submitted,

DocuSigned by:

By: _____
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Secretary for the Meeting

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Client Number: 011-043719-OS03-2021

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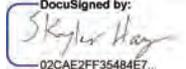
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Skyler Hager

skylar.hager@sheahomes.com

Secretary

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