

RECORD OF PROCEEDINGS

MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS OF
THE CANYONS METROPOLITAN DISTRICT NO. 7 (THE "DISTRICT")
HELD
JULY 13, 2022

A regular meeting of the Board of Directors of The Canyons Metropolitan District No. 7 (referred to hereafter as the "Board") was convened on Wednesday, July 13, 2022, 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
Michele Miller, Vice-President/Secretary
Teresa Kershisnik, Treasurer
Jessica McDonagh, Assistant Secretary
Skyler Hager, Assistant Secretary

Also, In Attendance Were:

Denise Denslow, Stephanie Odewumi and Shelby Clymer; CliftonLarsonAllen LLP ("CLA"), District Manager and Accountant
Zachary P. White, Esq.; White Bear Ankele Tanaka & Waldron P.C., District General Counsel; and
Dave Birt and Ryan McDermed; Shea Canyons, LLC, Construction Managers

ADMINISTRATIVE MATTERS

Call to Order/Declaration of Quorum: Denise Denslow called the meeting to order at 9:05 a.m. A quorum was confirmed.

Director Conflict of Interest Disclosures: Attorney White advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Attorney 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. Attorney 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 review, upon motion duly made by Director Miller, seconded by Director Kershisnik and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

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Public Comment: None.

CONSENT AGENDA

Ms. Odewumi presented the Board with the Consent Agenda items. Upon motion duly made by Director Miller, seconded by Director Hager and, upon a vote, the Board unanimously took the following actions:

- a. Approval of Minutes of June 08, 2022 Regular Meeting

FINANCIAL MATTERS

Payables: Ms. Clymer reviewed the Payables with the Board. Following review, upon a motion duly made by Director Kershisnik, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved the Payables in the amount of \$3,687,275.78, as presented.

May 31, 2022 Financial Statements: Ms. Clymer reviewed the May 31, 2022 Financial Statements with the Board. Following review, upon a motion duly made by Director Kershisnik, seconded by Director McDonagh and, upon vote, unanimously carried, the Board accepted the May 31, 2022 Financial Statements, as presented.

Schedule of Cash Position and Property Tax Reconciliation: Ms. Clymer reviewed the Schedule of Cash Position and Property Tax Reconciliation with the Board. Following review, upon a motion duly made by Director Kershisnik, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved the Schedule of Cash Position and Property Tax Reconciliation, as presented.

Draft Audit: Ms. Clymer noted that the field work is being completed and legal is working through their review. No action was taken.

Other: None.

LEGAL MATTERS

Resolution Adopting Temporary Parking Policy: Attorney White reviewed the Resolution with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director Kappes and, upon vote, unanimously carried, the Board adopted the Resolution Adopting Temporary Parking Policy.

Other: The Board asked about the landscaping company issues with the ARC and if they have an obligation to inform owners the vendor they have chosen is less than reputable. Attorney White recommended not to specifically identify any particular contractors, but the ARC can reiterate that only property owners may submit the applications, and to be aware and mindful of who they contract with and ask their neighbors for recommendations.

MANAGER /

Managers' Report: Ms. Denslow provided an update to the Board noting that

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OPERATIONS MATTERS

design review is processing a lot of applications and there are currently no legal violations.

Other: None.

CONSTRUCTION MATTERS

Summary and Status of Construction Matters, Review Construction Manager Board Communication: Mr. McDermed provided an update to the Board noting that they are working through several items, the task force is meeting regularly to oversee the trash cleanup and site cleanliness, and the heat wave is causing stress on the landscaping.

Independent Contractor Agreements:

Third Addendum to Independent Contractor Agreement with Sage Design Group for Construction Administration Services in the amount of \$35,000: Mr. McDermed reviewed the Third Addendum with the Board. Following review, upon a motion duly made by Director Kappes, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the Third Addendum to Independent Contractor Agreement with Sage Design Group for Construction Administration Services in the amount of \$35,000, as presented.

Second Addendum to Independent Contractor Agreement with Terracina Design for Planning Area 11 Construction Document Services in the amount of \$33,500: Mr. McDermed reviewed the Second Addendum to the Independent Contractor Agreement with the Board. Following review, upon a motion duly made by Director Kappes, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the Second Addendum to Independent Contractor Agreement with Terracina Design for Planning Area 11 Construction Document Services in the amount of \$33,500, as presented.

Second Addendum to Independent Contractor Agreement with Terracina Design for Planning Area 11 Construction Document Services in the amount of \$17,000: Mr. McDermed reviewed the Second Addendum to the Independent Contractor Agreement with the Board. Following review, upon a motion duly made by Director Kappes, seconded by Director Miller and, upon vote, unanimously carried, the Board approved the Second Addendum to Independent Contractor Agreement with Terracina Design for Planning Area 11 Construction Document Services in the amount of \$17,000, as presented.

Change Orders:

Change Order No. 11 to Canyons – Superblock No.2 Concrete -

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Construction Agreement with ESCO Construction Co. in the amount of \$92,705.00: Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Change Order No. 11 to Canyons – Superblock No.2 Concrete - Construction Agreement with ESCO Construction Co. in the amount of \$92,705.00, as presented.

Change Order No. 12 to Canyons – Superblock No.2 Concrete - Construction Agreement with ESCO Construction Co. in the amount of \$29,642.00: Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Change Order No. 12 to Canyons – Superblock No.2 Concrete - Construction Agreement with ESCO Construction Co. in the amount of \$29,642.00, as presented.

Change Order No. 8 to Canyons – Filing 2 1st Amendment - Construction Agreement with Iron Woman Construction in the amount of \$16,581.30: Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Change Order No. 8 to Canyons – Filing 2 1st Amendment - Construction Agreement with Iron Woman Construction in the amount of \$16,581.30, as presented.

Change Order No. 5 to Canyons 2020 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$122,735.00: Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Change Order No. 5 to Canyons 2020 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$122,735.00, as presented.

Change Order No. 5 to Canyons Ramble Park Ph II Construction Agreement with Brightview Landscape Development in the amount of \$39,882.00: Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Change Order No. 5 to Canyons Ramble Park Ph II Construction Agreement with Brightview Landscape Development in the amount of \$39,882.00, as presented.

Change Order No. 6 to Canyons Ramble Park Construction Agreement

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with Brightview Landscape Development in the amount of \$4,225.00: Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Change Order No. 6 to Canyons Ramble Park Construction Agreement with Brightview Landscape Development in the amount of \$4,225.00, as presented.

Change Order No. 1 to Canyons Canyonside Blvd Storm Construction Agreement with Fiore and Sons Inc. in the amount of \$58,543.11: Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Change Order No. 1 to Canyons Canyonside Blvd Storm Construction Agreement with Fiore and Sons Inc. in the amount of \$58,543.11, as presented.

Construction Agreements:

Bids for 2022 Trails Construction Project and Construction Manager Recommendation, Consider Award of Construction Agreement and Notices of Award for Canyons 2022 Trails Construction Project

Canyons 2022 Trails (Concrete) to Fiore and Sons in the amount of \$1,244,610.35: Mr. McDermed reviewed the proposed Construction Agreement with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Canyons 2022 Trails (Concrete) to Fiore and Sons in the amount of \$1,244,610.35, as presented.

Canyons 2022 Trails (Single Track) to Higher Ground Earthworks in the amount of \$49,995.25: Mr. McDermed reviewed the proposed Construction Agreement with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Canyons 2022 Trails (Single Track) to Higher Ground Earthworks in the amount of \$49,995.25, as presented.

Canyons 2022 Landscaping & 3 Year Maintenance/Warranty to Brightview Landscape Development in the amount of \$2,193,480: Mr. McDermed reviewed the proposed Construction Agreement with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote, unanimously carried, the Board approved of Canyons 2022 Landscaping & 3 Year Maintenance/Warranty to

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Brightview Landscape Development in the amount of \$2,193,480, as presented.


OTHER BUSINESS

Other: None

ADJOURNMENT

There being no further business to come before the Board at this time, Ms. Denslow adjourned the meeting at 10:07 a.m.

Respectfully submitted,

By 
 DocuSigned by:
 Michele Miller
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 Secretary for the Meeting