

## RECORD OF PROCEEDINGS

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MINUTES OF A MEETING OF  
THE BOARD OF DIRECTORS OF  
THE CANYONS METROPOLITAN DISTRICT NO. 7 (THE “DISTRICT”)  
HELD  
DECEMBER 14, 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, December 14, 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 Kershnik, 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, Eric Sandri and Ryan McDermed; Shea Canyons, LLC, Construction Managers  
Homeowners Geri Durbin, John Maier, Denise Cox, Alan and Sarah Silverman, Jack McLaine and Cameron D. were also present at the meeting.

### ADMINISTRATIVE MATTERS

**Call to Order/Declaration of Quorum:** Denise Denslow called the meeting to order at 9:08 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.

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Following review, upon motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

**Public Comment:** Owner John Mair asked about parking in the community. The Board noted that visitors are allowed to park in the streets, but residents are supposed to park in their driveway and garage. It was noted that enforcement of the parking can be challenging but violations do get sent out and they rely on the residents to notify of non-visitor violations.

### CONSENT AGENDA

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

- a. Approval of Minutes of November 9, 2022 Regular Meeting
- b. Approval of CliftonLarsonAllen LLP Master Service Agreement and related statements of work
- c. Approval of Letter to City of Castle Pines for Grading Authorization re BMC Acquisitions, LLC

### FINANCIAL MATTERS

**Payables:** Ms. Clymer reviewed the Payables with the Board. Following review, upon a motion duly made by Director McDonagh, seconded by Director Kershisnik and, upon vote, unanimously carried, the Board approved the Payables in the amount of \$1,388,322.98, as presented.

**October 31, 2022 Financial Statements:** Ms. Clymer reviewed the October 31, 2022 Financial Statements with the Board. Following review and discussion, upon a motion duly made by Director McDonagh, seconded by October 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 McDonagh, seconded by Director Hager and, upon vote, unanimously carried, the Board approved the Schedule of Cash Position and Property Tax Reconciliation, as presented.

**Other- DLG 70 Certification of Tax Levies Form:** Ms. Clymer noted that following discussions after the November 9, 2022 meeting, it was determined that CLA would continue to sign the DLG-70 instead of the Board appointed representative designated at the November 9, 2022 meeting.

### LEGAL MATTERS

**Discussion Regarding Construction Transition from District to Shea Canyons, LLC:** Attorney White reviewed with the Board noting that Shea

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Canyons, LLC taking over the construction items versus the District is consistent with the Master Reimbursement Agreement between the District, Shea Canyons, LLC, The Canyons Metropolitan District No. 5, and The Canyons Metropolitan District No. 6. The Board noted they are prepared to move forward with this transition. Attorney White noted the District and Shea Canyons, LLC will need to negotiate an agreement providing the process by which the District may accept for ownership public improvements constructed by Shea Canyons, LLC. Attorney White will begin negotiations with Shea Canyons, LLC and will bring a formal agreement to the Board in the new year. It was noted the District will complete the existing contracts excluding the 2023 Landscaping Agreement.

**2023 Construction Budget:** Ms. Clymer discussed with the Board noting that the 2023 capital projects fund budget, which was previously adopted by the Board, was prepared as though the District would continue constructing improvements. The Board discussed and provided direction to Ms. Clymer to work with Shea Canyons, LLC to determine which contracts would be completed by the District. A budget amendment, if needed, may be presented to the Board at a later meeting.

**Other:** None.

### MANAGER / OPERATIONS MATTERS

**Managers' Report:** Ms. Denslow noted there is another mediation is scheduled for December 14, 2022.

**Covenant Enforcement Report:** Ms. Odewumi reviewed the report with the Board noting that they will also be doing educational notices to owners.

**Other- Reserve Study Proposal:** Ms. Odewumi reviewed the Reserve Study Proposal from McCaffery Reserve Consulting with the Board. No action was taken at this time.

### CONSTRUCTION MATTERS

**Summary and Status of Construction Matters, Review Construction Manager Board Communication:** Mr. McDermed provided an update to the Board.

### **Independent Contractor Agreements:**

**Third Addendum to the Independent Contractor Agreement with Terracina Design for Canyons Planning Area 11- Construction Documents in the additional amount of \$6,800:** Following review, upon a motion duly made by Director Kershisnik, seconded by Director Hager and, upon vote, unanimously carried, the Board approved the Third Addendum to Independent Contractor Agreement with Terracina Design for Canyons Planning Area 11 – Construction Documents in the additional amount of \$6,800.

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### Change Orders:

**Change Order No. 8 to Canyons 2020 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$3,484.00:** Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved of Change Order No. 8 to Canyons 2020 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$3,484.00, as presented.

**Change Order No. 8 to Canyons 2021 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$31,525.00:** Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved of Change Order No. 8 to Canyons 2021 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$31,525.00, as presented.

**Change Order No. 1 to Canyons 2022 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$14,025.90:** Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved of Change Order No. 1 to Canyons 2022 Roadways Construction Agreement with Brightview Landscape Development in the amount of \$14,025.90, as presented.

**Change Order No. 12 to Canyons – Filing 2-1st Amendment - Construction Agreement with Iron Woman Construction in the amount of \$8,917.22:** Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved of Change Order No. 12 to Canyons – Filing 2-1st Amendment - Construction Agreement with Iron Woman Construction in the amount of \$8,917.22, as presented.

**Change Order No. 5 to Canyons – Filing 2-1st Amendment - Construction Agreement with ESCO Construction Co. in the amount of \$12,598.89:** Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved Change Order No. 5 to Canyons – Filing 2-1st Amendment

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- Construction Agreement with ESCO Construction Co. in the amount of \$12,598.89, as presented.

**Change Order No. 4 to Canyons – Filing 1 – 6th Amendment - Construction Agreement with Fiore & Sons, Inc. in the amount of \$23,160.66:** Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved of Change Order No. 4 to Canyons – Filing 1 – 6th Amendment - Construction Agreement with Fiore & Sons, Inc. in the amount of \$23,160.66, as presented.

**Change Order No. 19 to Canyons Filing 1 Construction Agreement with Fiore & Sons, Inc. in the amount of \$40,366.55:** Mr. McDermed reviewed the proposed Change Order with the Board. Following review, upon a motion duly made by Director Miller, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved of Change Order No. 19 to Canyons Filing 1 Construction Agreement with Fiore & Sons, Inc. in the amount of \$40,366.55, as presented.

**Change Order No. 2 to Canyons Filing 1 – 2nd Amendment Phase 4 Construction Agreement with Advanced Concrete Construction in the amount of \$7,212.11:** Mr. McDermed noted that this is not ready to be approved at this time. No action was taken.

**Construction Agreements:** None.

**OTHER BUSINESS**

**Other:** None.

**ADJOURNMENT**

There being no further business to come before the Board at this time, upon a motion duly made by Director Kappes, seconded by Director McDonagh and, upon vote unanimously carried, the Board adjourned the meeting at 10:12 a.m.

Respectfully submitted,

DocuSigned by:  
By Michele Miller  
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Secretary for the Meeting