

## 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  
February 8, 2023

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, February 8, 2023, at 10:00 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

Director Hager was absent and excused.

Also, In Attendance Were:

Denise Denslow, Stephanie Odewumi, Ashley Heidt 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 Manager Dylan Futrell and Will Medellin; BrightView Landscaping

### ADMINISTRATIVE MATTERS

**Call to Order/Declaration of Quorum:** Denise Denslow called the meeting to order at 10:02 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

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Director McDonagh and, upon vote, unanimously carried, the Board approved the Agenda, as presented.

**Public Comment:** None.

### CONSENT AGENDA

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

- a. Approval of Minutes of January 11, 2023 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 \$409,792.44, as presented.

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

**Other:** Ms. Clymer discussed the transfer of construction contracts from the District to Shea Canyons LLC and asked what the next steps are. She noted that an amendment to the 2023 budget can be made to lower the expenditures for Capital Projects Fund. Discussion followed.

### LEGAL MATTERS

**Election Update:** Attorney White provided an update to the Board noting that the Call for Nominations form has been posted on the website, emailed and mailed to the community.

**Other:** None.

### MANAGER / OPERATIONS MATTERS

**Managers' Report:** Ms. Denslow provided an update on the covenant enforcement case noting that she is working with the District's special counsel regarding legal fee reimbursement but has not heard back. Ms. Odewumi noted that CLA would be doing another audit of all violations within the next week.

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There was also discussion regarding owners not getting their mail. The Board gave direction to management to direct all complaints to the Postmaster.

**Covenant Enforcement Report:** Ms. Odewumi reviewed the report with the Board.

**Other:** Director Kershisnik asked on the status of the delinquency report.

### CONSTRUCTION MATTERS

**Summary and Status of Construction Matters, Review Construction Manager Board Communication:** Mr. McDermed noted that BrightView is going to start attending meetings and sending out monthly reports.

Mr. Medellin from BrightView provided an update on pet waste removal stations, snow removal and their communication plan for future storms.

### **Independent Contractor Agreements:**

**Independent Contractor Agreement with Brightview Landscape Development for Landscape and Irrigation Damages and Repairs in the amount of up to \$50,000:** Mr. McDermed reviewed the agreement with the Board. Following review, upon a motion duly made by Director Kappes, seconded by Director McDonagh and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement with Brightview Landscape Development for Landscape and Irrigation Damages and Repairs in the amount of up to \$50,000.

### **Change Orders:**

**Change Order No. 9 to Canyons Ramble Park 2 Construction Agreement with Brightview Landscape Development in the amount of \$5,774.40:** Mr. McDermed reviewed the change order 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 Change Order No. 9 to Canyons Ramble Park 2 Construction Agreement with Brightview Landscape Development in the amount of \$5,774.40.

**Change Order No. 1 to Canyons 2022 Single Track Trails Construction Agreement with Higher Ground Earthworks in the amount of \$3,027.94:** Mr. McDermed reviewed the change order 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 Change Order No. 1 to Canyons 2022 Single Track Trails Construction Agreement with Higher Ground Earthworks in the amount of \$3,027.94

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**Change Order No. 13 to Canyons – Filing 2-1st Amendment – Construction Agreement with Iron Woman Construction in the amount of \$14,135.40:** Mr. McDermed reviewed the change order 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 Change Order No. 13 to Canyons – Filing 2-1st Amendment – Construction Agreement with Iron Woman Construction in the amount of \$14,135.40.

**Change Order No. 2 to Canyons 22 Roadways Construction Agreement with Brightview Landscape Development in the amount of -\$1,148,733.25:** This item was deferred.

**Construction Agreements:** None.

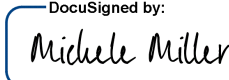
### OTHER BUSINESS

**Other:** Director Kershisnik asked who is covering for Ms. Odewumi while she is out on maternity leave.

### ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director McDonagh, seconded by Director Miller and, upon vote unanimously carried, the Board adjourned the meeting at 10:43 a.m.

Respectfully submitted,

By    
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 Secretary for the Meeting