

**HIGHLANDS-MEAD METROPOLITAN DISTRICT  
RESCINDING A PRIOR RESOLUTION ACCPETING THE HIGHLANDS, FILING NO. 1  
PUBLIC LANDSCAPE IMPROVEMENTS FOR DISTRICT MAINTENANCE**

WHEREAS, the Highlands-Mead Metropolitan District (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado, organized pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, on February 27, 2023, and ratified on May 20, 2024, the then District’s Board of Directors, constituted with representatives from the Developer/Builder (Highlands Mead, LLC), and pursuant to a Public Improvements Acquisition and Reimbursement Agreement, dated December 9, 2019 (the “PIARA”), by and between the District and Highlands Mead, LLC (“HMLLC”), adopted a resolution (the “Prior Resolution”) regarding acquisition of The Highlands, Filing No. 1 public landscape improvements for maintenance (the “Phase 1 Improvements”) subject to and which referenced that HMLLC provided a Letter of Credit (the “LOC”) to the Town of Mead (the “Town”) in connection with the such landscape improvements in accordance with The Highlands, Filing No. 1 Subdivision Improvement Agreement (“SIA”) between the Town and HMLLC, and in accordance with the Letter of Credit Agreement, dated February 27, 2023, by and between the District, HMLLC and the Town, the District relied on the Town having the LOC to ensure corrective actions would be taken by the HMLLC and/or enforced by the Town within the two-year warranty period required by the Warranty Agreement, dated February 27, 2023 between the District and HMLLC and as required by the Town’s Code two-year warranty period from the date of the Town’s conditional acceptance; and

WHEREAS, at the time the Prior Resolution was adopted, the Town had given its conditional acceptance of the Phase 1 Improvements and stated to the District that such improvements were substantially complete, would be monitored by the Town throughout the warranty period, and that conditional acceptance requires that HMLLC shall, at its own expense, take all actions necessary to maintain the Phase 1 Improvements and make needed repairs or replacements that, in the reasonable opinion of the Town, shall become necessary; and if HMLLC fails to make necessary repairs to such improvements, the Town may withhold final acceptance thereof, may proceed to withhold building permits, temporary certificates of occupancy or certificates of occupancy, or may take any other action authorized by the SIA; and

WHEREAS, none of the Phase 1 Improvements have received final acceptance from the Town, and significant punch-list items and deficiencies remained outstanding such that the Town did not enforce and HMLLC did not make the needed and necessary repairs or replacement during the applicable warranty periods; and

WHEREAS, the Town confirmed that final acceptance of the Phase 1 Improvements has not been granted, and that HMLLC remains responsible for completing required improvements in accordance with Town standards; and

WHEREAS, the Board finds that the environment in which the Prior Resolution was passed has materially and fundamentally changed due to the ongoing and continued failure of HMLLC to take actions necessary to maintain the Phase 1 Improvements and otherwise take all actions necessary to make needed repairs and replacement thereto required to achieve final acceptance by the Town, and due to the Town's lack of enforcement of: (i) the Mead Municipal Code, (ii) the LOC (including failure to draw on the LOC), and (iii) the SIA against HMLLC, both during and after the applicable two-year warranty periods, and the Town's inability to give final acceptance, the District's conditional acceptance of the Phase 1 Improvements for maintenance is no longer in the best interest of the District and exposes the District to unnecessary financial risk that were not previously considered (collectively the "Findings"); and

WHEREAS, the current Board of Directors is now homeowner-controlled and has the authority to review, rescind, or amend prior Board actions that are contrary to the District's best interest, and the purpose and goal for which the Prior Resolution was passed has failed to produce the intended outcome given the Findings; and

WHEREAS, the Board desires to clarify that responsibility for the Phase 1 Improvements reverts to HMLLC until such time as the Town grants final acceptance and responsibility is appropriately transferred to the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Rescission of Prior Resolution. The Prior Resolution is hereby rescinded and of no further force or effect. The decision to rescind the Prior Resolution is deemed to be a reasonable risk mitigation effort, based on the Findings, and the decision is neither arbitrary nor capricious.
2. Developer Responsibility Reaffirmed. The Board affirms that, consistent with the Town's requirements and customary practice, HMLLC remains solely responsible for the completion, maintenance, repair, replacement, watering, and warranty obligations associated with the Phase 1 Improvements until final acceptance is granted by the Town.
3. No Assumption of Obligations. The District has not assumed, and does not assume by this Resolution, any obligation for costs associated with incomplete or unaccepted landscape improvements, including but not limited to water usage, dead or dying tree replacement, winter watering, staking or strap removal, or landscape maintenance services attributable to HMLLC's failure to complete required work.

4. Cost Recovery Authorized. District staff and consultants are authorized to identify, document, and pursue reimbursement from HMLLC and/or the LOC for any District funds expended as a result of HMLLC's incomplete or deficient landscaping work and failure of the Town to enforce HMLLC to make needed repairs and replacement required to achieve final acceptance by the Town, to the extent permitted by law.
5. Future Acceptance. Nothing in this Resolution prohibits the District from assuming responsibility for landscape improvements after final acceptance by the Town, provided such acceptance and transfer are approved by the Board at a duly noticed public meeting and are supported by appropriate documentation.
6. Ratification. All actions taken to date by District officers, staff, and consultants that are consistent with this Resolution are hereby ratified and approved.

ADOPTED AND APPROVED this 21st day of January, 2026.

**HIGHLANDS-MEAD METROPOLITAN DISTRICT**

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*Bryon Fessler*

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Bryon Fessler, President

ATTEST:

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*[Signature]*

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Officer