

**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
HIGHLANDS-MEAD METROPOLITAN DISTRICT
Regarding Policies, Procedures and Penalties for the Enforcement of the Governing
Documents**

Effective: January 20, 2026

WHEREAS, Highlands-Mead Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to the terms and conditions of the Declaration of Covenants, Conditions and Restrictions of the Highlands Community recorded in the real property records of the Clerk and Recorder of Weld County, Colorado at Reception No. 4580422 on April 3, 2020, (the “**Covenants**”), the District is permitted to send demand letters and notices, levy and collect fines and interest, impose liens, and negotiate, settle, and take any other actions with respect to any violations or alleged violations of the Governing Documents (as defined below); and

WHEREAS, the Board of Directors (the “**Board**”) of the District is authorized to promulgate adopt, enact, modify, amend, repeal, and re-enact rules and regulations concerning and governing the Property (as that term is defined in the Covenants) (the “**Rules and Regulations**”); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District; and

WHEREAS, such fees, rates, tolls, penalties, or charges, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the Board desires to set establishing policies, procedures, and penalties for violations of the Covenants, any guidelines, rules and regulations, and other policies and procedures of the District, as the same may be adopted, amended, and supplemented from time to time (collectively, the “**Governing Documents**”).

NOW THEREFORE, the Board hereby adopts this Resolution and the following policies and procedures:

1. Intent of District. This Resolution is adopted to ensure the protection of the health, safety, and welfare of the residents and property owners of the District, to preserve property values, enhance the quality of life for all District residents, and provide a fair and consistent enforcement process of the Governing Documents.

2. Enforcement Policy. The District may enforce the Governing Documents through administrative proceedings or judicial action, and any non-compliance with the Governing Documents by any owner, renter, or guest will be the responsibility of the owner of the respective property subject to this Resolution (“the “**Owner**”). This Resolution is intended to serve as guidance to the Board and the District’s authorized representative(s) (the “**District Representative**”) and does not limit or restrict the authority of the Board. The Board may intervene at any time with respect to any authority granted to or action undertaken by the District

Representative. In addition, this Resolution shall not supersede the procedures for approval, disapproval, or notice of noncompliance related to improvements as set forth in the Governing documents.

3. Investigative Procedure. Upon receipt of a written complaint alleging a violation of the Governing Documents, the District Representative will conduct an investigation to determine whether a violation of the Governing Documents has occurred. The submitter of the complaint shall have observed the alleged violation and shall identify themselves, the alleged violator, if known, the date on which the violation exists or occurred, and a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, if known, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the District.

4. Notice of Violation. If the District Representative determines that a Violation of the Governing Documents exists, either through the investigative process as set forth above, or through independent inspections or observations of the District Representative, the District Representative will send an “Notice of Violation.”

a. The District Representative will send a written notice of any asserted violation of any provisions of the governing documents to the Owner in accordance with this policy. The notice will describe: (i) the nature of the violation; (ii) the action or actions required to cure the violation; (iii) any fines that may be imposed; (iv) the right to request a hearing to contest the violation or possible fine; and (v) if a hearing is requested, a date by which such request must be received and a timeline for the hearing process (“Notice of Violation”).

b. Notices from the District Representative will be sent in English; provided, however, that the Owner may send written notice to the District with an alternate language preference. The District Representative will attempt to provide an accurate translation of the original English version, but due to nuances in translating to a foreign language, slight differences may exist.

c. An Owner may send written notice to the District Representative identifying another person to serve as a designated contact for the Owner for notices and correspondence. The District Representative will send the same written communications to the designated contact that it sends to the Owner. If the Owner wishes to change or cease the designated contact, the Owner must send the District Representative written notice.

d. For the purpose of this policy to comply with Colorado law, a notice is deemed received when sent by and according to the following timelines:

- i. Email or text – Upon successful transmission of electronic mail or text;
- ii. Certified Mail/First-Class Mail – 3 business days after deposit for delivery;
- iii. Posting – Upon physical posting at the Owner’s Property; or
- iv. Actual Notice – Upon hand-delivery.

5. Violations That Threaten Public Safety or Health.

a. If the District reasonably determines that a violation threatens the public safety or health, the District Representative will send the Owner a written Notice of Violation informing the Owner that the Owner has 72 hours to cure the violation, or the District may impose a fine.

b. The written Notice of Violation may be sent by electronic delivery if the Owner has provided an electronic mail or delivery address to the District; otherwise, the written Notice of Violation must be sent by U.S. mail, postage prepaid, addressed in the name of such Person at such registered mailing address. The District Representative may send additional notice by any of the following means: certified mail; text message to a cellular number that the District has on file because the Owner has provided the number to the District; or hand-delivery.

c. After 72 hours from receipt of notice, the District Representative will inspect the Property and determine whether the violation has been cured. If the Owner has not cured the violation, the District Representative may impose fines on the Property Owner every other day in accordance with the fine schedule below and/or commence legal action to enforce the governing documents and cure the violation.

6. Violations That DO NOT Threaten Public Safety or Health.

a. If the District reasonably determines that a violation occurred, other than a violation that threatens the public safety or health, the District Representative will send the Owner a Notice of Violation informing the Owner that the Owner has 30 days to cure the violation, or the District, after conducting an inspection and determining that the violation has not been cured, may impose a fine. The Notice of Violation must be sent by certified mail, return receipt requested. The District may send additional copies of the notice by first-class mail, email, text message to a cellular number that the District has on file because the Owner has provided the number to the District, and/or hand-delivery.

b. After 30 days, if the District has not received notice from the Owner that the violation has been cured, the District Representative will inspect the Property within 7 days of the initial 30-day cure period. After inspection, if the District Representative determines that the violation has not been cured, the District may impose the fine stated in the Notice of Violation and will send a second Notice of Violation with a second 30-day cure period.

c. After the second 30-day cure period, if the District has not received notice from the Owner that the violation has been cured, the District Representative will inspect the Property within 7 days of the second 30-day cure period. After inspection, if the District Representative determines that the violation has not been cured, the District may impose a second fine in accordance with fine schedule below, send additional notices and opportunity to cure, and/or commence legal action. The District may not commence legal action until a second 30-day cure period has elapsed.

d. If an Owner cures the violation within the required cure period, the Owner may notify the District Representative in writing, including visual evidence that the violation has been corrected. If the Owner provides visual evidence of the cure, the violation will be deemed cured on the date the Owner sends the notice. If the Owner does not provide visual evidence of

the cure, the District Representative will inspect the Property as soon as practicable to determine if the violation has been cured. If the visual evidence provided is insufficient for the District Representative to determine if a violation has been cured, at the District Representative's sole discretion, the District Representative can provide notice to the Owner that it intends to inspect the Property to verify the violation has been cured.

7. Additional Required Notices. If an Owner cures a violation, the District Representative will notify the Owner: (i) of any outstanding fine balance owed to the District, and (ii) that the Owner will not be further fined with regard to the violation.

8. Request for Hearing. If an Owner desires a hearing to contest any alleged violation and possible fine or to discuss any mitigating circumstances, the Owner must request the hearing, in writing, prior to the deadline stated in the Notice of Violation. The request for hearing should describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If a timely request for a hearing is not made, the right to a hearing is deemed forever waived. If a hearing is not requested by the deadline, the hearing board will determine if there was a violation based upon the information available to it, and if so, assess a fine as set forth in the fine schedule upon expiration of any applicable cure period(s).

9. Hearing Board to Conduct Hearing. Hearings regarding violations of the Governing Documents shall be conducted by the Board, or a tribunal consisting of District residents or other persons as selected by the Board.

10. Conflicts. Any Owner who desires a hearing will be afforded a fair and impartial fact-finding process by "impartial decision makers" (persons with authority to make a decision on a claimed covenant, rule, or architectural violation and without a direct personal or financial interest in the outcome of the hearing). Any decision-maker who is incapable of objective and disinterested consideration will disclose this to the presiding officer prior to the hearing, if possible. If advance notice is not possible, the disclosure will be made at the hearing, and the decision-maker will be disqualified from all proceedings related to the hearing. If disqualification of any decision-maker results in an even number of individuals eligible to hear a case, the presiding officer may appoint a District Member, in good standing, to serve as a voting member of the hearing board.

11. Hearings. The District Representative will inform the Owner of the scheduled time, place, and date of the requested hearing at least 10 days prior to the hearing by any of the following means: first-class mail; certified mail; email; text message to a cellular number that the District has on file because the Owner has provided the number to the District; or hand-delivery. Hearings may be conducted during or subsequent to any applicable cure period(s). The presiding officer may grant continuances for good cause. At the beginning of each hearing, the presiding officer will explain the rules, procedures, and guidelines by which the hearing will be conducted. The complaining parties and the Owner will have the right, but not the obligation, to attend the hearing. Each party may present evidence, testimony, and witnesses. The decision will be based on the matters set forth in the notice of alleged violation, request for hearing, and evidence as may be presented at the hearing. Unless otherwise requested by the Owner, all hearings will be conducted during executive session. If a complaining party is unable to attend the hearing, the complainant may submit a letter to the hearing board explaining the basis of the complaint.

12. Decision. After the District has taken the hearing steps as outlined above, and upon a finding that an Owner is in violation of the Governing Documents, the District Representative shall send notice of violation (“Notice of Violation”) to the Owner’s Address. The District may revoke or suspend the Owner’s privileges, impose fines in accordance with the fine schedule set forth below, and take such other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents.

13. Fine Schedule.

a. Limitation on Fines. With the exception of violations that threaten public safety or health, CCIOA provides that the total amount of fines imposed for each violation of the governing documents may not exceed \$500. In accordance with limitations set forth in CCIOA, the District has adopted the following schedule of fines. These fines supersede and replace any existing fines greater than \$500 adopted prior to the date of this policy.

b. General Fine Schedule.

Unless otherwise specified in the governing documents, the following fines may be imposed for each violation of the governing documents occurring within a one-year period:

Warning Letter:	\$0.00
First violation	\$25.00
Second violation :	\$50.00
Third violation:	\$100.00
Fourth and subsequent violations:	\$100.00

A Notice of Violation may be sent for any first violation. Additional or subsequent violations of the same provision occurring within one year from the date of the first Notice of Violation will be considered repeat or recurring violations, subject to additional fines as set forth above. After the one-year period, any subsequent occurrence of the same violation will be treated as a new first violation.

c. Continuing Violation Fine Schedule.

For any violation that does not threaten public safety or health and is continuing in nature, the District may impose fines in accordance with the general fine schedule, or the District may impose fines on a weekly or monthly basis in the amount of \$25 per week or \$100 per month up to a maximum of \$500. The District may impose a fine every other day in the amount of \$50 for violations that threaten public safety or health until the violation is cured.

For purposes of this policy, a violation is considered “continuing in nature” if the violation is uninterrupted by time, or by the nature of the violation, it occurs at such frequency to create a continuous pattern of occurrence. Examples of continuing violations include failure to paint your house, unsightly yard, unauthorized improvements, parking an unauthorized vehicle in the community on a nightly or other regular basis, etc.

The total amount of fines will not exceed \$500 for each violation of the same covenant, restriction, rule, or regulation. However, the District reserves the right to impose fines greater than \$500 for violations that threaten public safety or health.

14. Waiver of Fines and Other Amounts. The District may determine enforcement actions on a case-by-case basis and take other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents. The District Representative and/or the Board may, either in its sole discretion, waive all or any portion of any fines and other amounts levied under this Resolution. Additionally, the District Representative and/or the Board may condition waiver of any fine or other amount(s), upon the Owner coming into and staying in compliance with the Governing Documents.

15. Other Enforcement Means. The provisions of this Resolution shall be in addition to all other enforcement means which are available to the District through the Governing Documents, or by law. Application of this Resolution does not preclude the District from using any other enforcement means, including, but not limited to, the recording of liens, foreclosure, and any other legal or equitable remedies available to the District.

16. Legal Action. Any violation of the Governing Documents may, in the discretion of the Board, be turned over to legal counsel engaged for covenant enforcement matters to take appropriate legal action either in lieu of, or in addition to, the imposition of any fines or other penalties under this Resolution, and Owners shall be responsible for all attorney's fees and costs incurred in enforcing this Resolution and in collecting amounts due and owing the District.

17. Foreclosure of Lien. All amounts imposed pursuant to this Resolution shall, until paid, constitute a statutory, perpetual lien on and against the Property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j), C.R.S., such lien being a charge imposed for the provision of services and facilities to the property. Said lien may be foreclosed at such time as the District, in its sole discretion, may determine. The District shall not proceed with a foreclosure action unless such action is authorized by the Board. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land.

18. Deviations. The District may deviate from the procedures set forth herein if, in its sole discretion, such deviation is reasonable under the circumstances.

19. Amendment. The policies, procedures, and fine schedule set forth in this Resolution may be supplemented and/or amended from time to time by the District, in its sole and absolute discretion.

20. Payment. Payment for all fines shall be by check or equivalent form acceptable to the District, made payable in care of its managing agent. The District may change the payment address from time and time, and such change shall not require an amendment to this Resolution.

21. Severability. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

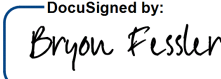
22. Administrative Expenses. Enforcement costs imposed by the District related to covenant and rule enforcement will be the obligation of the Owner and may be posted to the

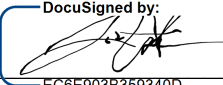
Owner's account. Examples include, but are not limited to, certified mailings or costs to translate a notice to a language other than English.

23. Effective Date. This Resolution shall become effective immediately and shall supersede in its entirety any prior resolution.

APPROVED AND ADOPTED this January 20, 2026.

HIGHLANDS-MEAD METROPOLITAN DISTRICT, a quasi-municipal corporation, and political subdivision of the State of Colorado

By: 
 Officer of the District

ATTEST:
 By: 

APPROVED AS TO FORM:

ORTEN CAVANAGH HOLMES & HUNT, LLC
Attorneys at Law



Jonah G. Hunt, Esq.
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