

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF HIGHLANDS-MEAD METROPOLITAN DISTRICT

April 20, 2026 at 5:30 p.m. via in teleconference and in person

Attendance / Qualification

The special meeting of the Board of Directors of the Highlands-Mead Metropolitan District was called and held as shown above in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve, were in attendance:

Bryon Fessler, President
Richard Felter, Vice President
Rene Singer, Treasurer
Janice Bachmann, Assistant Secretary

Joshua Crites, Secretary (excused absence)

Also present: Dan Cordova, Public Alliance LLC, District Manager; Sean Allen, WBA, District General Counsel; Alex Fink, District Accountant, MDAS; and members of the public.

Call to Order / Quorum

Director Fessler called the meeting to order at 5:30 p.m. Director Bachman conducted roll call. Director Fessler noted that a quorum of the Board was present.

Conflict of Interest Disclosures

Mr. Cordova inquired into whether members of the Board had any disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. Each Board member confirmed there were no conflicts of interest.

Approval of Agenda

The Board reviewed the agenda. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.

Public Comment

A public comment was made indicated that the Town of Mead issues Certificates of Occupancy on newly built homes even though there are concerns and issues with the developer's landscape installation.

Consent Agenda

The Board reviewed the items on the consent agenda. No items were requested to be removed from the consent agenda. Following discussion and consideration, upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved:

- Approve January 20, 2026 Meeting Minutes
- Approve March 28, 2026 Meeting Notes
- Ratify Approval of Claims
- Accept March 31, 2026 Financial Statements
- Accept March 31, 2026 Aging Report
- Adopt Resolution Regarding Policies, Procedures, and Penalties for the Enforcement of the Governing Documents and Dispute Resolution
- Ratify ICA for Management Services with Public Alliance

Elected Officials' Report

President

- Director Fessler reported that the current Board has received historical District records, including meeting minutes, resolutions, contracts, and Board packets dating back to prior administrations and management consultant. The records are being uploaded to the District's Google Drive to improve Board continuity and document access.
- Director Fessler provided an update on ongoing communications with the Town of Mead regarding negotiations with the Highlands Mead developer. He summarized recent discussions with Town officials, attendance at Trustee meetings, and the Town's demand letter to the developer identifying outstanding landscaping and infrastructure deficiencies and establishing deadlines for corrective action.
- Director Fessler reported that the March 28, 2026 Board retreat was productive and resulted in several strategic goals.

Vice President

- Director Felter reported positive responses to recent covenant violation notices, with many violations having been corrected.

Treasurer

- Director Singer reported that a landscaping invoice for tree stake removal was successfully reduced following discussions with the District Manager, with an additional credit issued to the District.
- First-quarter financials were reviewed and found to be consistent with the adopted 2026 budget; no budget amendment was necessary.
- Director Singer reported anticipated cost savings in 2026 from new accounting and management contracts.
- The Board reviewed information explaining how property tax revenues and operations fees are allocated, which will be included in the District newsletter and posted on the District website.
- Director Singer reported approximately \$125,000 in available cash and recommended establishing a Capital Reserve Account with ColoTrust. Following discussion, upon a motion duly made and seconded, the Board unanimously

approved establishing a Reserve Account with an initial \$25,000 transfer from the Operations Fund.

- An update on delinquent accounts noted that recent foreclosure matters are being resolved through payment plans, although approximately \$30,000 in operations fees remain more than 90 days delinquent.
- The Board discussed reviewing the timing of annual operations fee billing and agreed to continue the discussion at the July 2026 meeting.

District Manager's Report

- District Manager reported receiving homeowner requests for repairs to common area fencing and additional pet waste stations throughout the community.
- The Compliance Manager issued 34 warning letters in February and 14 additional warning letters in March. Residents were generally responsive, and no repeat violations were identified during the March inspection. The most common violations involved seasonal decorations, commercial signage, and unsightly items. No fines have been assessed pending the Board's review of proposed updates to the Covenant Enforcement Policy.
- Seven (7) design review applications have been approved in 2026, with four (4) additional applications currently under review.
- The Board reviewed the status of District service contracts. Mill Brothers Landscape Group has begun seasonal landscape maintenance, including irrigation system activation, spring cleanup, weekly maintenance, fertilization, and scheduled turf aeration. The contractor also reduced the approved winter watering invoice from \$2,068.80 to \$451.50 based on actual time and materials.
- The Board received updates on two delinquent accounts. Homeowner with account number ending in wxyz entered into a payment plan with special counsel, and homeowner with delinquent account number ending in qrstwas substantially satisfied through a payment made in March.
- The 2025 District Audit is due to the Office of the State Auditor by July 31, 2026.
- Director Singer asked how Directors should report covenant violations they observe. The Board agreed that concerns should be forwarded to Director Felter, the Design Review Committee liaison, who will coordinate with Public Alliance for follow-up.
- The Board requested that covenant warning letters be uploaded to the District's Google Drive. Mr. Cordova advised that the letters could be uploaded but noted that the District is evaluating the SmartWebs software platform, which may become the primary repository for enforcement records.
- The Board requested that the District Manager obtain a schedule of collection and legal fees associated with covenant enforcement violations.
- The Board also directed that the snow removal contract and the renewal of the American Conservation & Billing Solutions (AmCoBi) contract be placed on the July 20, 2026 meeting agenda for review.

Approval of 2025 Audit Report

- District Accountant presented the District's 2025 Audit, prepared by Crady, Puca & Associates. The audit was pending final partner review but was presented to the Board for review and approval.
- Director Fessler requested clarification of the language regarding economic loss on page 16 and noted that all Letters of Credit from the developer to the Town of Mead referenced in the audit had expired, according to the Town Attorney.
- Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the changes to the scope of engagement letter.
- Following discussion, upon a motion duly made and seconded, the Board unanimously approved the 2025 Audit, subject to final partner review by Crady, Puca & Associates, including formatting and grammatical corrections and clarification of the language regarding economic loss.

Other Matters

- **District Goals for 2026.** The Board reviewed and discussed the goals developed during the District Board Retreat and established three strategic priorities: enhancing communication and transparency, strengthening financial stability, and fostering community and engagement. The Board also identified key objectives under each goal. The Board agreed to prioritize several objectives during 2026, including consistent covenant enforcement, resolution of public improvement deficiencies with the Town and developer, operating within the approved budget, and organizing community events. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the 2026 Community Goals.
- **SmartWebs Platform for Covenant Enforcement and Design Review.** District Manager presented information on the SmartWebs platform, noting a monthly cost of \$75. The Board requested a demonstration of the software before the President and Vice President decided and directed the item to remain on the agenda for the next Board meeting.
- **Interim Maintenance and Repairs and Requests for Additional Improvements.** The District Manager asked the Board for guidance on addressing maintenance and safety repairs involving developer installed public improvements that the District has not yet accepted. Following discussion, upon a motion duly made and seconded, the Board unanimously authorized Public Alliance to immediately address safety-related issues including tripping hazards, exposed wiring, damaged signage, broken fencing, etc. and notify the Board withing 24 to 48 hours of completion. The Board further agreed that other maintenance items involving developer installed public improvements that are deemed deficient and lacking Town enforcement of standards and acceptance would be evaluated under a "do no harm" approach to prevent further deterioration and damage thereto and completed as necessary with prior Board approval.
- **Summer Community Event.** Consistent with the Board's community engagement goals, the Board discussed forming a committee to organize community-wide events. Following discussion, upon a motion duly made and seconded, the Board

unanimously appointed Dana Buglak Nemitz as Chair of the Community Events Committee, designated Director Singer as the Board liaison, and authorized a budget not to exceed \$500 for the first event.

Executive Session

Following discussion, upon a motion duly made and seconded, the Board unanimously agreed to go into Executive Session at 7:35 pm for: (i) the purpose of receiving legal advice pursuant to Section 24-6-402(4)(b) and (e), Colorado Revised Statutes; and (ii) for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators as these purposes relate to Phase 1 Landscape conditions, Town conditional acceptance, Town enforcement, Town final acceptance, and past, current and future Phase 1 Landscape maintenance and costs.

Pursuant to § 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the portion of this executive session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to § 24-6-402(4)(b), C.R.S.

Also pursuant to § 24-6-402(4), C.R.S., the Board did not adopt any proposed policy, position, resolution, rule, regulation or take formal action during execution session.

The Board reconvened in regular session at 8:14 p.m.

Adjourn

After each director was accounted for as having returned to regular session, upon a motion duly made and seconded, the Board unanimously adjourned the meeting at 8:18 p.m.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

DocuSigned by:

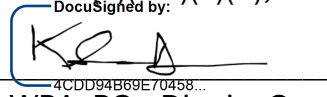
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Janice Bachmann, Assistant Secretary
Highlands-Mead Metropolitan District

ATTORNEY STATEMENT REGARDING PRIVILEGED ATTORNEY-CLIENT COMMUNICATION

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Highlands-Mead Metro District, I attended the executive session referenced above: (i) the purpose of receiving legal advice pursuant to Section 24-6-402(4)(b), Colorado Revised Statutes; and (ii) for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations, and instructing negotiators as these purposes relate to Phase 1 Landscape

conditions, Town conditional acceptance, Town enforcement, Town final acceptance, and past, current and future Phase 1 Landscape maintenance and costs pursuant to Section 24-6-402(4)(e), Colorado Revised Statutes. I further attest it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by Section 24-6-402(4)(b), C.R.S. and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to Section 24-6-402(2)(b), C.R.S. or Section 24-6-402(2)(d.5)(II)(B), C.R.S.

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Sean Allen, Esq., for WBA, PC – District General Counsel