

MINUTES OF THE JOINT SPECIAL MEETING OF THE
BOARDS OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NOS. 1 & 2

Held: Thursday the 19th day of November 2015, at 2:00
p.m. at: 5740 Olde Wadsworth Boulevard, Arvada,
Colorado 80002

Attendance

The joint special meeting of the Boards of Directors of the Hawthorn Metropolitan District Nos. 1 & 2, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Boards, were in attendance:

Chris Elliott
C. Regan Hauptman
Matthew Cavanaugh
Corey Elliott
P. Ron Hauptman

All director absences are deemed excused unless otherwise specified.

Also present: Kristin Tompkins, Esq. and Megan L. Taggart, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Sarah Hunsche, CliftonLarsonAllen, LLP, District Accountant; Scott Bristol, Stillwater Community Management; Christian Matthew Janke, E5X Management; and Zach Bishop, D.A. Davidson & Co.

Call to Order

It was noted that a quorum of the Boards were present and the meeting was called to order.

Combined Meeting

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of each District. Where necessary, action taken by an individual District will be so reflected in these minutes.

Conflict of Interest

Disclosures

Ms. Tompkins advised the Boards that pursuant to Colorado law, certain disclosures by the directors may be required prior to taking official action at the meeting. The Directors reviewed the agenda for the meeting, following which each Board member confirmed the contents of any written disclosure previously made stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Additionally, the Boards determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Boards to act.

Written disclosures of conflicts of interest were filed with the Secretary of State at least 72 hours prior to the meeting.

Agenda

Ms. Tompkins presented the Boards with the agenda for the meeting for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the agenda as presented.

Public Comment

None.

Approval of Minutes from the July 28, 2015 Meeting

The Boards reviewed the minutes from the July 28, 2015 meeting. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the minutes.

Legal Matters

Consider Adoption of 2016 Joint Administrative Matters Resolution

Ms. Tompkins presented the Boards with the 2016 Joint Administrative Matters Resolution. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Consider Adoption of Joint Resolution Regarding May 2016 Election

Ms. Tompkins presented the Boards with the Joint Resolution Regarding the May 2016 Election. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Insurance

Ms. Tompkins presented the Boards with the Property and Liability Schedule Limits from 2015. Following discussion, upon a motion duly made and seconded, the Boards unanimously determined to maintain the same insurance as 2015 for 2016, and also approved renewal of the Special District Association Membership Renewal and the T. Charles Wilson Agency Fee Agreement.

Consider Approval of Disclosure Notice Pursuant to § 32-1-809, C.R.S.

Ms. Tompkins presented the Boards with the Disclosure Notice Pursuant to § 32-1-809, C.R.S. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved

the Disclosure Notice

Consider Approval of Engagement of White Bear Ankele Tanaka & Waldron, Attorneys at Law, for General Counsel Services

Ms. Tompkins presented the Boards with the Engagement Letter from White Bear Ankele Tanaka & Waldron, Attorneys at Law, for General Counsel Services. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the engagement.

Consider Extension of Independent Contractor Agreement with Stillwater Community Management, LLC and increase in fee for District Management Services for 2016

Mr. Bristol presented the Boards with the Extension of Independent Contractor Agreement with Stillwater Community Management, LLC. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the extension.

Consider Adoption of Amended and Restated Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges

Ms. Tompkins presented the Boards with the Amended and Restated Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Consider Adoption of Seconded Amended and Restated Resolution Concerning the Imposition of an Operations Fee

Ms. Tompkins presented the Boards with the Seconded Amended and Restated Resolution Concerning the Imposition of an Operations Fee. Following discussion, upon a motion duly made and seconded, the Boards unanimously adopted the resolution.

Consider Approval of Independent Contractor Agreement with Keesen Landscape Management, Inc. for Snow Removal Services for the 2015-2016 Season

Ms. Tompkins presented the Boards with the Independent Contractor Agreement with Keesen Landscape Management, Inc. for Snow Removal Services for the 2015-2016 Season. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Independent Contractor Agreement as of November 19, 2015.

Financial Matters

Schedule of Cash Position Dated September 30, 2015, Updated as of October 31, 2015 (District No. 1)

Ms. Hunsche presented the Board of District No. 1 with the Schedule of Cash Position Dated September 30, 2015, updated as of October 31, 2015. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously accepted the Schedule of Cash Position. The Board of District No. 1 discussed the need for a developer advance of approximately \$43,000.

Consider Approval of Claims

Ms. Hunsche presented the Board of District No. 1 with the

(District No. 1)

Claims Payable. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously approved the Claims Payable in the amount of \$43,101.17, subject to funding. Mr. C. Regan Hauptman, on behalf of the developer, indicated that the developer will enter into a contract for landscaping services for the remainder of 2015 and 2016 season, and will pay the invoices directly, subject to future reimbursement from District No. 1, which will reduce the developer advance necessary.

2015 Budget Amendment
Hearing and Consider
Adoption of Resolution to
Amend 2015 Budgets

Director Christopher Elliott opened the public hearings for the 2015 budget amendments. Ms. Tompkins noted that notice for the public hearings were made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearings. After no public comment was made, the public hearings were closed. It was noted that no budget amendments were needed for District No. 1.

Ms. Hunsche presented the Board of District No. 2 with the 2015 budget amendment for consideration. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved to amend the 2015 General Fund to \$17,000, and the 2015 Capital Projects Fund to \$2,100,000.

2016 Budget Hearing and
Consider Adoption of
Resolution to Adopt 2016
Budget and Set Mill Levies

Director Christopher Elliott opened the public hearings on the 2016 budgets. Ms. Tompkins noted that notice for the public hearings were made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearings. After no public comment was made, the public hearings were closed.

Ms. Hunsche presented the Boards with the 2016 budgets for consideration. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the 2016 budgets and budget resolutions, and certified the following mill levies:

District No. 1: 0.00 mills

District No. 2: 12.500 mills in the General Fund and 50.000 mills
in the Debt Service Fund

The Boards also directed legal counsel and the Districts' accountant to certify the Districts' mill levies by December 15, 2015 and to file the 2016 budgets by January 30, 2016.

Consider Engagement of
CliftonLarsonAllen, LLP for
Accounting Services

Ms. Hunsche presented the Boards with the Engagement Letter from CliftonLarsonAllen, LLP for Accounting Services, and is working on finalizing their Engagement Letter. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the engagement, subject to final review by

legal counsel.

Consider Engagement of CliftonLarsonAllen, LLP for Services Related to Financial Forecast for Bonds (District No. 2)

Ms. Hunsche presented the Board of District No. 2 with the Engagement Letter from CliftonLarsonAllen, LLP for Services Related to Financial Forecast for Bonds. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the engagement.

Discuss and Consider Approval of Engagement of CliftonLarsonAllen, LLP for Municipal Advisor Services related to the 2015 Bonds (District No. 2)

Ms. Hunsche presented the Board of District No. 2 with the Engagement Letter from CliftonLarsonAllen, LLP for Municipal Advisor Services related to the 2015 Bonds. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the engagement.

Consider Engagement of Dazzio & Associates, PC to Perform 2015 Audit (District No. 2)

Ms. Hunsche presented the Board of District No. 2 with the Engagement Letter from Dazzio & Associates, PC to Perform 2015 Audit. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the engagement.

Review and Consider Approval of Term Sheet for Series 2015 Limited Tax General Obligation Subordinate Cash Flow Bonds (District No. 2)

Mr. Bishop presented the Board of District No. 2 with the Term Sheet for Series 2015 Limited Tax General Obligation Subordinate Cash Flow Bonds. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the Term Sheet. It was noted that closing is scheduled for December 2015.

Other Financial Matters

None.

Construction Matters

None.

Management Update

Discuss Letter from KT Engineering Regarding Detention Pond Maintenance Recommendations

Ms. Tompkins presented the Boards with the Letter from KT Engineering Regarding Detention Pond Maintenance Recommendations. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Letter from KT Engineering Regarding Detention Pond Maintenance Recommendations.

Other Business

None.

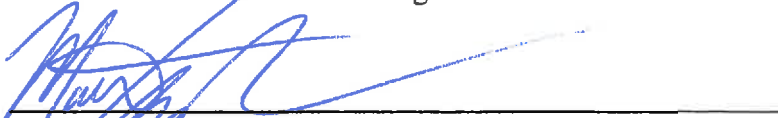
Next Meeting

The next regular meeting is scheduled for December 7, 2015 meeting.

Adjournment

There being no further business to come before the Boards, and following discussion and upon motion duly made, seconded and unanimously carried, the Boards determined to adjourn the meeting.

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

A handwritten signature in blue ink, appearing to be "M. J. ...", is written over a horizontal line.

Secretary for the Meeting