

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NO. 2

Held: Monday, December 6, 2021, at 2:00 p.m. via
Teleconference

This meeting was held via teleconference.

Attendance

The special meeting of the Board of Directors of the Hawthorn Metropolitan District No. 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 Board, were in attendance:

Krystal Bigley
Carly Fenton
Andrea Stewart
Brittany Lutz

Also present were Trish Harris, Esq. White Bear Ankele Tanaka & Waldron, District General Counsel; Alex Fink, CliftonLarsonAllen, LLP, District Accountant; and Marco Buttram, Environmental Landworks.

Homeowners: Anita Kielty, Brian Dobler, Evan Kahn, Melissa Kahn, Heather Rogers, Katie Kienzle, Michael Dillon, Kim Defeo, Linda Bigley, Mary Kay Monville, Nicole Starkey, "Rezzy", Stephen Daniels, Julie Sullivan, Filip von Reiche, Tyler Lutz, Ash Brandin, and other homeowners only identified by telephone numbers.

Call to Order

It was noted that a quorum of the Board was present and Director Bigley called the meeting to order at 2:02 p.m.

Conflict of Interest Disclosures

Ms. Harris advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Harris 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. Ms. Harris 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

Ms. Harris presented the agenda to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda, subject to moving item 4.f. to the Facilities/Management Matters Section, moving items 8.b. to before the discussion of paint color schemes, and moving item 9 (Other Business) to after the Public Comment section.

Consent Agenda

Ms. Harris reviewed the items on the consent agenda with the Board. Ms. Harris advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. The Ratification of Environmental Landworks Addendum regarding winter water was requested to be removed from the consent agenda and moved to the Facilities/Management Matters section. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:

- Minutes from September 13, 2021 Special Meeting
- Minutes from November 9, 2021 Special Meeting
- 2022 Annual Administrative Resolution (subject to changing the meeting schedule so that the September meeting is to be held on the second Monday of the month at 6:00 p.m.)
- Renewal of Property and Liability Schedule and Limits, Workers
- Compensation Coverage, and SDA Membership for 2022
- Updated Fee Schedule for Altitude Law

Financial Matters

Acceptance of Unaudited Financials and Approval of Claims

Mr. Fink presented the Unaudited Financials and Claims to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the financials and approved the claims.

Public Hearing on 2021 Budget Amendment

An Amendment to the 2021 Budget was not needed.

Consider Adoption of Resolution to Amend 2021 Budget

An Amendment to the 2021 Budget was not needed.

Public Hearing on 2022 Budget

Mr. Fink reviewed the 2022 Budget Resolution with the Board. It was noted that the 2022 budget eliminated the existing maintenance fee, and instead all maintenance expenses will be funded via a slightly increased mill levy. The Board discussed that the result is actually a lower overall burden on the owners due to reduced administrative expenses related to the collection of the fee.

Director Bigley opened the public hearing on the proposed 2022 Budget. Ms. Harris noted that the notice of public hearing was provided in accordance with Colorado Law. No written objections have been received prior to the meeting. Stephen Daniels and Ash Brandin provided comments. After comments, the hearing was closed.

Consider Adoption of Resolution Approving 2022 Budget and Set Mill Levies

Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution adopting the 2022 Budget, appropriating funds therefor and certifying 24.337 mills for the General fund, 55.663 mills for the Debt Service fund, 0.000 mills for the Capital Projects Fund, and 0.000 mills for the Contractual Obligation fund.

The Board noted that the Community will be notified of the elimination of the maintenance fee via an e-mail blast, and the website.

Consider Auditor Proposals for 2021 Audit

Mr. Fink presented Auditor Proposals for the 2021 Audit to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement of Dazzio & Associates, PC for the audit.

Consider Approval of CLA Master Services Agreement

Mr. Fink presented the CliftonLarsonAllen Master Services Agreement to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agreement, subject to final legal review.

Facilities/Management Matters

Consider Approval of Independent Contractor Agreement with Environmental Landworks for 2022 Landscape Maintenance

Mr. Buttram presented the Independent Contractor Agreement with Environmental Landworks for 2022 Landscape Maintenance to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously, subject to the addition of #5 on Exhibit B.

Consider Approval of Proposal from Environmental Landworks for Seeding Work

Mr. Buttram noted that this proposal was included as part of Exhibit B in the Independent Contractor Agreement with Environmental Landworks for 2022 Landscape Maintenance. The Board discussed that there is no guarantee that the seeding would work, given the erosion and prairie dog issues on the hill. The Board posted questions to Mr. Buttram, which he will look into. The Board deferred this matter until the March, 2022 meeting.

Ratification of Environmental Landworks Addendum regarding winter watering

Mr. Buttram reviewed the Environmental Landworks Addendum regarding winter watering with the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the addendum.

Review and Discuss Manager's Violation Summary

Director Bigley reviewed and discussed the Manager's Violation Summary with the Board. No action was taken.

Update Regarding Erosion Near 93rd and 58th by Jefferson County

Ms. Harris updated the Board on the Erosion near 93rd and 58th by Jefferson County. Ms. Harris advised that she had reached out to a contact she has at Colorado Department of Transportation, and that, to date, erosion barriers have been put in place, and the culverts created by the erosion have been graded. Ms. Harris will follow up with CDOT regarding further details and any possible long-term solution.

Legal Matters

Consider Approval of Amendment to Amended and Restated Residential Improvement Guidelines and Site Restrictions

Ms. Harris presented the Amendment to Amended and Restated Residential Improvement Guidelines and Site Restrictions to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment.

Consider Adoption of Resolution Calling the May 3, 2022 Elections and Designation of Method for Providing Notice of Call for Nominations

Ms. Harris presented the Resolution Calling the May 3, 2022 Elections and Designation of Method for Providing Notice of Call for Nominations to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution, and designated the website as the method for providing notice of Call for Nominations to the Board.

Discussion of Status of the Bark Yard Easement and Related Work

Ms. Harris discussed the status of the Bark Yard Easement and Related Work with the Board. Ms. Harris reported that the necessary easements for Bark Yard to install water and sewer lines to their property have been finalized. Under the Temporary Construction Easement, the Bark Yard was required to reimburse

the District for legal fees incurred in relation to the same, which reimbursement has been received. The Bark Yard has advised the District that construction likely won't start until Spring of 2022.

Director Matters

Review of Management Company Proposals

Director Lutz presented Management Company Proposals to the Board. The Board discussed issues that the District has had with Special District Management Services, Inc, and that, as a result, the District solicited proposals from other management companies. Director Bigley and Director Lutz spoke with representatives from both MSI, LLC and Advance HOA, both of which submitted proposals.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the termination of the existing management agreement with Special District Management Services, Inc, giving them 30 days' notice and demanding that all documents requested be provided to legal counsel. The Board directed Ms. Harris is draft the termination letter.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the engagement of MSI, LLC as the new management company.

Consider Approval of Proposal from Compost Colorado for Compost Services

Director Bigley presented a Proposal from Compost Colorado for Compost Services to the Board. The composting services would be provided to individual homeowners who chose to participate, but Director Bigley noted that the more that participate, there is a greater chance for a lower rate for services.

Following discussion, upon a motion duly made and seconded, the Board unanimously approved an expense of up to \$400 to sign up for Survey Monkey, so that the Board can conduct a survey with the community to determine interest in composting services, and other items as needed.

Discussion of Paint Color Schemes and Directions to the ARC

Director Bigley discussed the background of the Paint Color Schemes.

Public Comment

The following members of the public expressed views, primarily related to the paint color issue.

- Nicole Starkey
- Filip von Reiche
- Kim Defeo

- Julie Sullivan
- Anita Keilty
- Tyler Lutz
- Nicole Starkey on behalf of Laura Baron
- Nichole Starkey on behalf of Jill Sausto
- Michelle Stobble
- Katherine Kienzle
- Ash Brandin
- Michael Dillion

Other Business

Director Bigley discussed the following:

- Seeding project at the March, 2022 meeting
- Meeting dates and times for 2022, noting that the September meeting should be set for the second Monday of September at 6:00 p.m.
- The purchase of new soccer goals should be discussed with the new management company and put on the March 2022 agenda.
- Inspection of the playground equipment with the new management company

Next Meeting

April 4, 2022 at 2:00 p.m.

Adjournment

There being no further business to come before the Board and following discussion and upon motion duly made, seconded and unanimously carried, the Board determined to adjourn the meeting at 5:17 p.m.

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

Carly Fenton
Carly Fenton (Apr 6, 2022 06:08 MDT)

Secretary for the Meeting

The foregoing minutes were approved by the Board of Directors on the 4th day of March, 2022.