

MINUTES OF THE JOINT REGULAR MEETING OF
THE BOARDS OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NOS. 1 & 2

Held: Monday the 4th day of November, 2013, at 1:30
p.m. at: 9468 W. 58th Avenue, Arvada, Colorado
80002

Attendance

The joint regular 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
P. Ron Hauptman
Matthew Cavanaugh
Corey Elliott

All director absences are deemed excused unless otherwise specified.

Also present: Kristin J. Bowers, Esq., White, Bear & Ankele, Professional Corporation, General Counsel; Sarah Hunsche, CliftonLarsonAllen, LLP, District Accountant; Doug Edwards, Remington Homes; and Scott Bristol, Stillwater Community Management.

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. Bowers 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. Bowers presented the proposed agenda to the Boards. After consideration, the Boards unanimously approved the agenda.

Public Comment None.

Administrative Matters

Approval of Minutes from the January 7, 2013 Meeting The Boards reviewed the minutes from the January 7, 2013 meeting. After review and discussion, upon a motion duly made and seconded, the Boards unanimously approved the minutes.

Legal Matters

Consider Adoption of 2014 Annual Administrative Resolution Ms. Bowers presented the proposed 2014 Annual Administrative Resolution to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously adopted the resolution, subject to changes regarding the meeting location.

Discuss Future Conveyance of Tracts to District No. 1 No tracts are ready to be conveyed at this time. Ms. Bowers is to review the plat and prepare a list of Tracts to be owned by District No. 1.

2014 Insurance Coverage and Renewal Ms. Bowers reviewed the insurance liability limits and property schedule and the workers' compensation coverage applications with the Boards for the fiscal year 2014. Director Cavanaugh indicated that there were not any changes in the Districts' owned improvements in 2013.

Consider Adoption of Resolution Regarding the Regular Special District Election to be Held on May 6, 2014 Ms. Bowers presented the proposed Resolution Regarding the Regular Special District Election to be Held on May 6, 2014 to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously adopted the resolution.

Discuss Segregation of Funds Received from General Operations Fees and Working Capital Fees

Ms. Bowers discussed with the Boards the need to account for the fee revenues and legitimate expenditures separately. The Boards noted that the General Operations Fee is to be used only for the purposes listed, including landscaping, recreation, and trash removal services. The Working Capital Fee is to be set aside for future capital expenditures. The Boards instructed Ms. Hunsche to line item the revenues/expenditures separately in the budgets and financial statements. Ms. Hunsche noted that no fees have been received to date.

Financial Matters

Cash Position/Claims Payable (District No. 1)

Ms. Hunsche presented the cash position updated as of August 31, 2013 to the Board of District No. 1 for consideration. Following discussion, upon motion duly made and seconded, the Board of District No. 1 unanimously accepted the cash position.

Ms. Hunsche presented the claims payable in the amount of \$78,463.63 to the Board of District No. 1 for ratification. Following discussion, upon motion duly made and seconded, the Board of District No. 1 unanimously ratified the claims payable.

Conduct 2013 Budget Amendment Hearing (District No. 1)

Director Chris Elliott opened the public hearing on the 2013 budget amendment. Ms. Bowers noted that publication of Notice stating that the Board would consider an amendment to the 2013 budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Ms. Hunsche noted that a 2013 budget amendment was only needed for District No. 1. Ms. Hunsche presented the 2013 budget amendment for District No. 1 to the Board for consideration. Following discussion, upon motion duly made and seconded, the Board unanimously approved the budget amendment and resolution to amend the General Fund.

Conduct 2014 Budget Hearing

Director Chris Elliott opened the public hearing on the 2014 budgets. Ms. Bowers noted that publication of Notice stating that the Boards would consider the 2014 budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the Districts. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Ms. Hunsche presented the 2014 budgets to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously approved the budgets and budget resolutions, subject to final changes and receipt of the 2013 final assessed valuation, appropriated the funds as reflected in the same, and imposed the following mill levies:

District No. 1: 0.000 mills

District No. 2: 60.000 mills in the General Fund

Discuss and Consider
Engagement of
CliftonLarsonAllen, LLP for
2014 Accounting Services

Ms. Hunsche presented the CliftonLarsonAllen, LLP engagement letter for 2014 accounting services to the Boards for consideration. Following discussion, upon motion duly made and seconded, the Boards unanimously approved the engagement.

Other Financials

None.

Construction Matters

Discuss Status of
Construction of Water and
Sanitary Sewer System and
Conveyance to North Table
Mountain Water and
Sanitation District (District
No. 1)

Director Cavanaugh informed the Board of District No. 1 that he anticipates the water and sanitary sewer system to be installed and completed in 2014. Ms. Bowers is to review the agreement with North Table Mountain regarding payment of annual fees.

Discuss Status of
Construction of Underdrain
System (District No. 1)

Director C. Regan Hauptman noted the Underdrain System is not yet complete, but District No. 1 will not have any operation expenses related to the system in 2014. Ms. Bowers noted that the agreement with Jefferson County requires testing every three (3) years.

Other Business

Next Meeting

The Boards determined to cancel the December 2, 2013 meeting.

2014 Meeting Dates

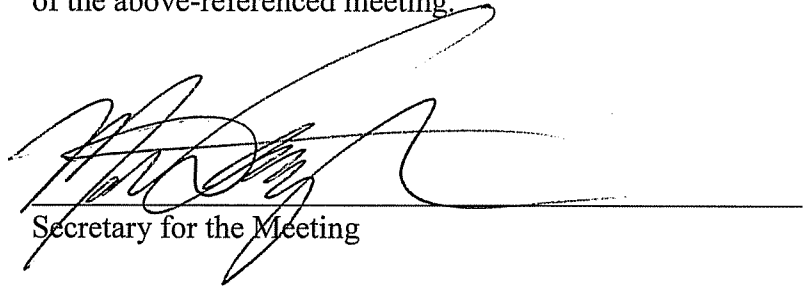
The Boards determined to continue to hold regular meetings in 2014 on the first Monday of every month at 1:30 p.m.

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.



Secretary for the Meeting