

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

HAWTHORN METROPOLITAN DISTRICT NOS. 1 & 2

Held: Monday the 7<sup>th</sup> day of December 2015, at 3:30 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., 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 Ken Guckenberger, Kutak Rock LLP.

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 amended.

Public Comment

None.

Approval of Minutes from  
the November 19, 2015  
Meeting

The Boards reviewed the minutes from the November 19, 2015 meeting. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the minutes.

**Legal Matters**

Consider Engagement of  
Kutak Rock, LLP for Bond  
Counsel Services related to  
District No. 2's Subordinate  
General Obligation Bonds,  
Series 2015 (District No. 2)

Ms. Tompkins presented the Board of District No. 2 with the Engagement Letter from Kutak Rock, LLP for Bond Counsel Services related to District No. 2's Subordinate General Obligation Bonds, Series 2015. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the engagement.

Consider and Make Final  
Determination to Issue  
General Obligation  
Indebtedness; Consider  
Adoption of Resolution  
Authorizing the Issuance of  
Limited Tax Subordinate  
General Obligation Bonds,  
Series 2015, in the  
approximate aggregate  
principal amount of  
\$2,500,000, and, in  
connection therewith, adopt a

The Board of District No. 2 discussed and considered and making a Final Determination to Issue General Obligation Indebtedness; Considered Adoption of a Resolution Authorizing the Issuance of Limited Tax Subordinate General Obligation Bonds, Series 2015, in the approximate aggregate principal amount of \$2,500,000, and, in connection therewith, adopting a resolution authorizing the issuance of the same and authorizing a Trust Indenture, a Bond Purchase Agreement, Continuing Disclosure Agreement and other related documents; ratifying and confirming the execution of certain documents; making determinations and findings as to other matters related to such transaction; authorizing incidental action; and repealing prior inconsistent actions. Following discussion, upon a motion duly made and seconded, the Board of

resolution authorizing the issuance of the same and authorizing a Trust Indenture, a Bond Purchase Agreement, Continuing Disclosure Agreement and other related documents; ratifying and confirming the execution of certain documents; making determinations and findings as to other matters related to such transaction; authorizing incidental action; and repealing prior inconsistent actions (District No. 2)

District No. 2 unanimously approved the resolution and other related documents. Ms. Tompkins and Mr. Guckenberger noted that the restrictions on issuing additional bonds were included in the Indenture that was not in the original term sheet.

Amendment to Senior Indenture (District No. 2)

Mr. Guckenberger presented the Board of District No. 2 with the Amendment to the Senior Indenture. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the amendment.

Discuss and Consider Termination of Funding and Reimbursement Agreement (Operations and Maintenance) between District No. 1 and Golden Peaks, LLC, and acknowledged by District No. 2, dated December 10, 2012

Ms. Tompkins presented the Boards with the Termination of Funding and Reimbursement Agreement (Operations and Maintenance) between District No. 1 and Golden Peaks, LLC, and acknowledged by District No. 2, dated December 10, 2012. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the termination.

Discuss and Consider Approval of Funding and Reimbursement Agreement (Operations and Maintenance) between District No. 2 and Golden Peaks, LLC

Ms. Tompkins presented the Board of District No. 2 with the Funding and Reimbursement Agreement (Operations and Maintenance) between District No. 2 and Golden Peaks, LLC. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the agreement, subject to revisions discussed.

Discuss and Consider Approval of Funding and Reimbursement Agreement (Operations and Maintenance) between District No. 2 and Hawthorn

Ms. Tompkins presented the Board of District No. 2 with the Funding and Reimbursement Agreement (Operations and Maintenance) between District No. 2 and Hawthorn Development, Inc. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the agreement, subject to revisions discussed.

Development, Inc.

Discuss and Consider Termination of Infrastructure Acquisition and Reimbursement Agreement between District No. 1 and Golden Peaks, LLC, and acknowledged by District No. 2, dated December 10, 2012

Ms. Tompkins presented the Boards with the Termination of Infrastructure Acquisition and Reimbursement Agreement between District No. 1 and Golden Peaks, LLC, and acknowledged by District No. 2, dated December 10, 2012. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the termination.

Discuss and Consider Termination of Infrastructure Acquisition and Reimbursement Agreement with Hawthorn Development, Inc. dated August 11, 2014

Ms. Tompkins presented the Boards with the Termination of Infrastructure Acquisition and Reimbursement Agreement with Hawthorn Development, Inc. dated August 11, 2014. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the termination, subject to changes discussed.

Discuss and Consider Approval of Infrastructure Acquisition and Reimbursement Agreement between Hawthorn Development, Inc. and District No. 2

Ms. Tompkins presented the Board of District No. 2 with the Infrastructure Acquisition and Reimbursement Agreement between Hawthorn Development, Inc. and District No. 2. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously approved the agreement, subject to changes discussed.

Discuss and Consider Repeal and Termination by District No. 1 of Second Amended and Restated Joint Resolution of the Boards of Directors Concerning the Imposition of an Operations Fee and Consider Adoption by District No. 2 of Resolution Imposing an Operations Fee

The Board of District No. 1 discussed the Termination of the Second Amended and Restated Joint Resolution of the Boards of Directors Concerning the Imposition of an Operations Fee. Following discussion, upon a motion duly made and seconded, the Board of District No. 1 unanimously approved the termination.

Ms. Tompkins presented the Board of District No. 2 with the Resolution Imposing an Operations Fee. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously adopted the resolution.

Discuss and Consider Repeal and Termination by District No. 1 of Amended and Restated Resolution Establishing Guidelines for the Processing and Collection of Delinquent

The Board of District No. 1 discussed the Termination of 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 Board of District No. 1 unanimously approved the termination.

Fees and Charges and Consider Adoption by District No. 2 of Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges

Ms. Tompkins presented the Board of District No. 2 with the Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges. Following discussion, upon a motion duly made and seconded, the Board of District No. 2 unanimously adopted the resolution.

Discuss and Consider Quit Claim Deed from District No. 1 to District No. 2 conveying Tracts A, C, F, and G of the Hawthorn Subdivision

Ms. Tompkins presented the Boards with the Quit Claim Deed from District No. 1 to District No. 2 conveying Tracts A, C, F, and G of the Hawthorn Subdivision. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Quit Claim Deed.

Discuss and Consider Assignment of Independent Contractor Agreement (Waste/Recycle Services) between District No. 1 and Waste Management of Colorado dated October 12, 2014 to District No. 2 and Consider Extension of same

Ms. Tompkins presented the Boards with the Assignment of Independent Contractor Agreement (Waste/Recycle Services) between District No. 1 and Waste Management of Colorado dated October 12, 2014 to District No. 2 and Extension of same. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the assignment and extension.

Discuss and Consider Assignment of Independent Contractor Agreement (District Management) between District No. 1 and Stillwater Community Management, LLC dated January 3, 2013 (as revised and extended through December 31, 2016) to District No. 2

Ms. Tompkins presented the Boards with the Assignment of Independent Contractor Agreement (District Management) between District No. 1 and Stillwater Community Management, LLC dated January 3, 2013 (as revised and extended through December 31, 2016) to District No. 2. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the assignment.

Discuss and Consider Assignment of Independent Contractor Agreement (Snow Removal Services – 2015/2016) between the Districts and Keesen Landscape Management, Inc. dated November 1 to District No. 2

Ms. Tompkins presented the Boards with the Assignment of Independent Contractor Agreement (Snow Removal Services – 2015/2016) between the Districts and Keesen Landscape Management, Inc. dated November 1 to District No. 2. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the assignment.

Discuss and Consider Termination of District Operating Agreement between the Districts dated December 10, 2012

Ms. Tompkins presented the Boards with the Termination of District Operating Agreement between the Districts dated December 10, 2012. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the termination.

Consider Approval of Delegation, Transfer, and Assignment of Rights of District No. 1 to District No. 2 under the Covenants and Restrictions of Hawthorn

Ms. Tompkins presented the Boards with the Delegation, Transfer, and Assignment of Rights of District No. 1 to District No. 2 under the Covenants and Restrictions of Hawthorn. Following discussion, upon a motion duly made and seconded, the Boards unanimously approved the Delegation, Transfer, and Assignment of Rights of District No. 1 to District No. 2 under the Covenants and Restrictions of Hawthorn.

Discuss and Consider Assignment and Delegation of Easement Deed (Trail) from District No. 1 to District No. 2

The Boards discussed the Assignment and Delegation of Easement Deed (Trail) from District No. 1 to District No. 2 and instructed legal counsel to prepare the assignment.

Discuss and Consider Assignment and Delegation of Easement Deed (Drainage) from District No. 1 to District No. 2

The Boards discussed the Assignment and Delegation of Easement Deed (Drainage) from District No. 1 to District No. 2 and instructed legal counsel to prepare the assignment.

Discuss and Consider Assignment of Intergovernmental Agreement between District No. 1 and North Table Mountain Water and Sanitation District dated November 13, 2012 to District No. 2

The Boards discussed the Assignment of Intergovernmental Agreement between District No. 1 and North Table Mountain Water and Sanitation District dated November 13, 2012 to District No. 2 and instructed legal counsel to prepare the assignment.

Discuss and Consider Assignment of Subsurface Groundwater Collection System Maintenance Plan between District No. 1 and Lennar Colorado, LLC dated January 22, 2013 to District No. 2

The Boards discussed the Assignment of Subsurface Groundwater Collection System Maintenance Plan between District No. 1 and Lennar Colorado, LLC dated January 22, 2013 to District No. 2 and instructed legal counsel to prepare the assignment.

**Financial Matters** Ms. Hunsche noted that the subordinate bonds are anticipated to net \$1,730,000 in project costs to reimburse the Developer. Ms. Hunsche also noted that the Districts will need a 2016 budget amendment to reflect District No. 2 keeping its revenues and not transferring to District No. 1.

**Other Financial Matters** None.

**Construction Matters** Mr. C. Regan Hauptman informed the Boards that he anticipates having a conveyance package ready for acceptance at the January 2016 meeting.

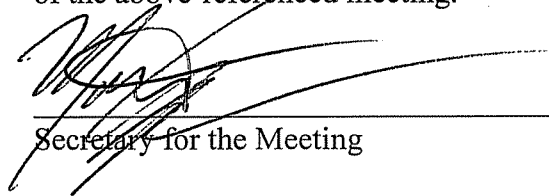
**Management Update** Mr. Bristol indicated that some homeowners are interested in serving on the Board of District No. 2.

**Other Business** None.

**Next Meeting** It was noted that the Board of District No. 2 may schedule a special meeting in December 2015 based on timing for closing on the bonds if necessary.

**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