

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NO. 2

Held: Monday, June 6, 2022, at 2:00 p.m. via Teleconference

This meeting was held via teleconference.

Attendance

The regular 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
Steve Daniels

Also present were Megan Murphy, Esq. White Bear Ankele Tanaka & Waldron, District General Counsel; Alex Fink, CliftonLarsonAllen, LLP, District Accountant; Michael Lund and Sydney Burnett, Piper Sandler & Co; Raven Whitaker and Mark Becker, Manager with MSI; and Julie Sullivan and Jerry Wyman, members of the public.

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

Director Bigley presented the agenda to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda.

Consent Agenda

Director Bigley reviewed the items on the consent agenda with the Board. Director Bigley advised the Board that any item may be removed from the consent agenda to the regular agenda upon the request of any director. Upon a motion duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:

- Minutes from April 4, 2022 Special Meeting

Appointment of Officers

The Board engaged in general discussion regarding the Election of Officers. Following discussion, upon a motion duly made and seconded, the Board elected Director Bigley as President, Director Lutz as Treasurer, Director Fenton as Secretary, Director Stewart as Assistant Secretary and Director Daniels as Assistant Secretary.

Director Bigley noted that each Board member has taken an Oath of Office and agreed to uphold the U.S. Constitution, Constitution of the State of Colorado, and has a fiduciary duty to the District.

Financial Matters

Acceptance of Unaudited Financials and Approval of Claims

Mr. Fink stated that there are no claims to discuss today and the approval of claims will be presented at the next meeting from March 29, 2022 through the next meeting in September.

Director Bigley noted that each Board member receives \$100 per meeting attended.

Discussion of Possible Bond Refinancing

Mr. Lund and Ms. Burnett presented to the Board regarding all the potential refinancing opportunities.

Following discussion, upon a motion duly made and seconded, the Board of District unanimously approved proceeding with bond refinancing through a bank loan with Vectra.

Approval of Engagement Letter with Piper Sandler

Following discussion, upon a motion duly made and seconded, the Board of District unanimously approved the Engagement Letter with Piper Sandler with a fee of 0.5% of par amount.

Approval of Engagement Letter with External Financial Advisor

Ms. Murphy presented to the Board regarding options of an external financial advisor. It was further noted that North Slope has a fee of \$10,000 and MuniCap's fee is \$6,000-\$8,000. Following discussion, upon a motion duly made and seconded, the Board of District unanimously approved the Engagement Letter with MuniCap.

Facilities/Management Matters

Consider Ratification of Proposal for Irrigation Repairs from EDI

Director Bigley presented the Proposal from Environmental Landworks Company, Inc., the proposal amount being \$747.50. Following discussion, upon a motion duly made and seconded, the Board of District unanimously ratified the proposal for irrigation repairs from Environmental Landworks Company, Inc.

MSI HOA District Management

Ms. Whitaker advised that, that starting June 2, 2022, Mark Becker with MSI will be taking over as the District Manager.

Consider Prairie Dog Removal Options

The Board engaged in discussion regarding the prairie dog issue on Tract A. Don Scadden from Animal and Pest Control Specialists presented his proposal to the Board. Following discussion, upon a motion duly made and seconded, the Board of District unanimously approved the proposal from Animal and Pest Control Specialists to install a silt screen netting and/or fencing.

Consider Options for Seeding Work

Ms. Whitaker presented the proposal from Environmental Landworks, quoting the District \$3,300 for seeding work. It was further stated that a lower bid was not found and that vendor availability is an issue as well as vendors not accepting work to seed an area that houses many prairie dogs because the seeding process is usually not successful. The Board determined to defer this issue until the prairie dog issue is addressed.

Consider Cell Tower Lease Proposal

Ms. Whitaker requested a more thorough proposal but the vendor declined to provide additional information. Following discussion, the Board decided to table the matter until more information could be provided.

Review and Discuss Manager's Violation Summary

Ms. Whitaker noted that some of the items in the more recent summary have already been resolved. It was confirmed that Mr. Becker will do weekly inspections on Fridays.

Discussion of Covenant Violation Process and Recent Violation Letters Sent

The Board of Director engaged in a discussion and requested clear communication from Ms. Whitaker regarding the violations and how they can be cured. The Board requested that a homeowners'

guide to violations be included in the newsletter and posted on the district website. It was further requested that MSI provide is advisory letters to the Board and legal counsel for review.

Director Daniels requested a report showing the type and frequency of homeowner violations.

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

Director Bigley advised that CDOT does not have funds appropriated for additional repairs in this area and does not plan on making additional improvements in the area to address the erosion. It was noted that Directors Bigley and Lutz met with ECI regarding additional improvements that could be made such as fencing and berms.

Legal Matters

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

Ms. Murphy presented the Third Amended and Restated Resolution Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges to the Board of Directors. Following discussion, upon a motion duly made and seconded, the Board of Directors unanimously approved the Third Amended and Restated Resolution.

Consider Amended and
Restated Resolution
Regarding Policies,
Procedures and Penalties for
the Enforcement of the
Governing Documents

Ms. Murphy presented the Amended and Restated Resolution Regarding Policies, Procedures and Penalties for the Enforcement of the Governing Document to the Board of Directors. Following discussion, upon a motion duly made and seconded, the Board of Directors unanimously approved the Amended and Restated Resolution regarding Policies, Procedures and Penalties for the Enforcement of the Governing Documents.

Consider Engagement of
Special Counsel for
Foreclosure Actions

This matter was deferred to the next meeting.

Consider Adoption of the
Resolution Regarding
Changing the Name of the
District

Ms. Murphy presented the Resolution Regarding Changing the Name of the District to the Board of Directors. Following discussion, upon a motion duly made and seconded, the Board of Directors unanimously approved the Resolution Changing the Name of the District.

Update on the Status of the
Bark Yard Work

Director Bigley provided the Board with an update that The Bark Yard is seeking easements and permits to provide water and sewer facilities to their property and construction is 14-18 weeks out.

Director Matters

Discuss Assignment of Duties to Review Monthly Statements and Architectural Review Committee Requests

No action taken. It was noted that Director Stewart is assisting with the monthly statements, and Directors Fenton and Bigley are still on the ARC.

Consider Letter Regarding Variance for Paint Colors

Ms. Murphy presented the letter to the Board of Directors. Following discussion, upon a motion duly made and seconded, the Board of Directors unanimously approved the Letter Regarding Variance for Paint Colors.

Other

None.

Public Comment

Bela Marosy inquired as to where the silt fencing would be installed, information regarding paint color scheme and noted that the management companies have not been very communicative regarding architectural review. Director Bigley noted that the Facebook page is not monitored by the Board and is not the official communication channel for the Board members or District business.

Brian Dobler noted that he is in agreement with putting predator perches behind his property.

Stephen Bodo stated that he is happy that the shutter issue was resolved and inquired if the Board is open to an alternative to requiring shutters. Director Bigley responded stating that ARC would consider that request if it were officially submitted.

Gene Gray inquired about community fence staining and had other questions regarding debris in the natural area and inch worms infesting the area and killing trees. Director Lutz addressed the issue of debris and tree maintenance, stating that she and Director Bigley met with the landscape company and the types of chemicals used are limited because of the proximity to the homes. It was noted that the Board is currently looking at quotes to clean up the debris and provide maintenance to the trees which might help solve the issue. Director Bigley stated that there has been some interest in a community cleanup day. Director Bigley addressed the question of fence staining and stated that the Board is to establish a fence maintenance policy to be approved at the meeting in September.

Other Business

None

Next Meeting

September 12, 2022 at 6:00 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 4:51 p.m.

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

Carly Fenton

Carly Fenton (Jul 21, 2022 06:56 MDT)

Secretary for the Meeting

The foregoing minutes were approved by the Board of Directors on the 19th day of July, 2022.