

**HAWTHORN METROPOLITAN DISTRICT**

**REGULAR MEETING**

Monday, December 4, 2023 at 2:00 P.M.

<https://www.hawthornmetrodistrict.org>

*This meeting will be held at the Golden Recreation Center, at 1470 10<sup>th</sup> Street, Golden, Colorado, and via teleconferencing and can be joined through the directions below:*

<https://us06web.zoom.us/j/82517578951?pwd=VE00eEd6dzZlZ0Z2empwalVwN1pFQT09>

Meeting ID: 825 1757 8951

Passcode: 902974

Call-in Number: (720) 707-2699

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Krystal Bigley, President	Term to May 2027
Brittany Lutz, Treasurer	Term to May 2025
Stephen Daniels, Secretary	Term to May 2027
Andrea Stewart, Assistant Secretary	Term to May 2025
Stephen Bonneau, Assistant Secretary	Term to May 2027

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**NOTICE OF REGULAR MEETING AND AGENDA**

1. Call to Order/Declaration of Quorum
2. Director Conflict of Interest Disclosures
3. Approval of Agenda
4. Consent Agenda –The items listed below are a group of items to be acted on with a single motion and vote by the Board. An item may be removed from the consent agenda to the regular agenda, by any Board member. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.
  - a. Approval of Board Meeting Minutes from the September 11, 2023 Meeting (**enclosure**)
  - b. Ratification of 2022 Annual Report (**enclosure**)
  - c. Approval of Renewal of General Liability Schedule and Limits and Property Schedule and Authorization to Bind Coverage (**enclosure**)
  - d. Authorization of Renewal of Special District Association of Colorado Membership for 2024
  - e. Approval of Workers’ Compensation Coverage with Colorado Special Districts Property and Liability Pool (**enclosure**)

5. Financial Matters

- a. Review and Consider Acceptance of Unaudited Financials (**enclosure**)
- b. Review and Consider Approval of Claims (**enclosure**)
- c. Conduct Public Hearing on 2024 Budget
  - i. Consider Adoption of Resolution Adopting 2024 Budget, Imposing Mill Levy and Appropriating Funds (**enclosure**)
- d. Consider Auditor Engagement Letter for 2023 Audit (**enclosure**)

6. Legal Matters

- a. Consider Adoption of 2024 Annual Administrative Resolution (**enclosure**)

7. Facilities/Management Matters

- a. Consider Approval of Independent Contractor Agreement with Environmental Landworks for 2024/2025 Landscape Maintenance (**enclosure**)
- b. Discuss Status of Erosion Along Highway 93 and Discussions with CDOT
- c. Discuss Berm Construction
- d. Retaining Wall Damage
  - i. Discuss Status of Insurance Claim
  - ii. Consider Approval of Independent Contractor Agreement with Environmental Landworks for Retaining Wall Repair (**enclosure**)

8. Other Business

9. Public Comment – Members of the public may express their views to the Board(s) on matters that affect the District(s) that are not otherwise on the agenda. Comments will be limited to three (3) minutes per person.

10. Adjourn

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT

Held: Monday, September 11, 2023, at 2:00 p.m. via teleconference

**Attendance**

The regular meeting of the Board of Directors of the Hawthorn Metropolitan District 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  
Andrea Stewart  
Brittany Lutz  
Steve Daniels  
Stephen Bonneau

Also present were Trisha Harris, Esq. White Bear Ankele Tanaka & Waldron, District General Counsel; Allison Williams, CliftonLarsonAllen, LLP, District Accountants; Mark Becker, MSI HOA, District Manager; and Melissa Kuhn, Gene Gray and Brian Dobler, 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. 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**

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. Each item on the Consent Agenda was considered separately. Upon motions duly made and seconded, the following items on the consent agenda were unanimously approved, ratified and adopted:

- Minutes of June 5, 2023 Regular Meeting

**Financial Matters**

Review and Consider  
Acceptance of Unaudited  
Financials

Ms. Williams presented the unaudited financials to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the financials.

Review and Consider  
Approval of Claims

Ms. Williams presented the claims to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified the claims.

**Facilities/Management  
Matters**

Discuss Status of Erosion  
Along Highway 93 and  
Discussions with CDOT

Ms. Bigley reported that she, Mr. Daniels and Ms. Harris met onsite with CDOT representatives on August 2<sup>nd</sup> and discussed the erosion issue along Highway 93. CDOT suggested some alternative solutions to the berm originally contemplated by the District. CDOT will be coming out to do some work on the area of Highway 93 and 58<sup>th</sup>. The District may still build a berm for prairie dog mitigation to the east side of the sidewalk in that area once CDOT has completed its work.

Review and Consider  
Approval of Proposal from  
Environmental Landworks  
for Repair of Retention Wall

Ms. Bigley presented the proposal from Environmental Landworks for the repair of the retention wall, noting that there are some areas of the retaining wall that have completely collapsed and some that are leaning. Mr. Becker has contacted the District’s insurance company and will be meeting onsite with the adjuster to determine what insurance coverage there may be for the repair. No action was taken, pending the outcome of the meeting with the adjuster. The Board may schedule a special meeting to discuss further.

Review and Consider  
Approval of Independent  
Contractor Agreement with  
Environmental Landworks

Ms. Bigley presented the Independent Contractor Agreement with Environmental Landworks for 2023/2024 snow removal to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the

for 2023/2024 Snow  
Removal

agreement subject to updating the map to include the sidewalk at the corner of Gilbert Way and 60<sup>th</sup> to the west of the mailbox kiosk.

**Legal Matters**

Review and Consider  
Approval of Amendment to  
the Residential  
Improvement Guidelines  
and Site Restrictions

Ms. Harris presented the Amendment to the Residential Improvement Guidelines and Site Restrictions to the Board for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the amendment subject to revisions as discussed.

Discuss Write-off of Past  
Due Balance

Ms. Harris discussed the recommendation from special collection counsel to write-off the balance on a past due account due to not having an adequate ledger, stemming from unpaid fees that were imposed prior to the Board terminating the operation fee. Following discussion, upon a motion duly made and seconded, the Board unanimously approved writing off this balance and any other past due balances for which there is not an adequate ledger.

**Other Business**

Ms. Bigley discussed the District’s newsletter and directed MSI to send out a newsletter at least once per year.

The Board discussed the timing for ARC reviews, noting that the 45-day deadline for a reply starts from complete submission of the plans.

**Public Comment**

Ms. Kuhn thanked the Board for working on the retaining wall issue. She noted that there are ARC documents on the public website and on NABR that are inconsistent. Ms. Kuhn offered to work with Ms. Bigley to identify those items and offered to assist with the newsletter.

Mr. Gray thanked the Board for continuing to work on the Highway 93 erosion issue and for its work on the retaining wall issue. He also addressed the Board regarding exterior fence staining and concerns with debris in the nature area. The Board will add an annual sweep of that area to the scope of work of the landscape maintenance contract for the next year.

**Next Meeting**

December 4, 2023 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 4:23 p.m.

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

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Secretary for the Meeting

The foregoing minutes were approved by the Board of Directors on the 4th day of December, 2023.

**HAWTHORN METROPOLITAN DISTRICT  
(FORMERLY HAWTHORN METROPOLITAN DISTRICT NO. 2)  
2022 ANNUAL REPORT**

Pursuant to §32-1-207(3)(c) and the Service Plan for Hawthorn Metropolitan District (formerly Hawthorn Metropolitan District No. 2) (the “**District**”), the District is required to provide an annual report to the with regard to the following matters:

For the year ending December 31, 2022, the District makes the following report:

**§32-1-207(3) Statutory Requirements**

**1. Boundary changes made.**

There were no changes or proposed changes to the District’s boundaries in 2022.

**2. Intergovernmental Agreements entered into or terminated with other governmental entities.**

No intergovernmental agreements were entered into or terminated during 2022.

**3. Access information to obtain a copy of rules and regulations adopted by the board.**

<https://www.hawthornmetrodistrict.org/documents>.

**4. A summary of litigation involving public improvements owned by the District.**

To our actual knowledge, based on review of the court records in Jefferson County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2023.

**5. The status of the construction of public improvements by the District.**

The District did not construct any Public Improvements in 2022.

**6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.**

The District did not construct any facilities or improvements in 2022.

**7. The final assessed valuation of the District as of December 31<sup>st</sup> of the reporting year.**

The final assessed valuation of the District as of December 31, 2022, was \$9,833,770. A copy of the 2022 Certification of Valuation is attached hereto as **Exhibit A**.

**8. A copy of the current year's budget.**

A copy of the 2023 Budget is attached hereto as **Exhibit B**.

**9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The District's 2022 Audit is attached as **Exhibit C**.

**10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

The District is not aware of any uncured events of default by the District.

**11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

The District is not aware of any inability to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.



## Service Plan Requirements

- 1. Boundary changes made or proposed to a District's boundary as of December 31 of the prior year.**

There were no changes or proposed changes to the District's boundaries in 2022.

- 2. Intergovernmental Agreements with other governmental entities, either entered into or proposed as of December 31 of the prior year.**

No intergovernmental agreements were entered into or proposed during 2022.

- 3. A summary of any litigation which involves the Districts' Public Improvements as of December 31 of the prior year.**

To our actual knowledge, based on review of the court records in Jefferson County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's public improvements as of December 31, 2023.

- 4. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year.**

The District did not construct any Public Improvements in 2022.

- 5. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by another governmental entity as of December 31 of the prior year.**

The District did not construct any facilities or improvements in 2022.

- 6. The assessed valuation of the Districts for the current year.**

The final assessed valuation of the District as of December 31, 2022, was \$9,833,770. A copy of the 2022 Certification of Valuation is attached hereto as **Exhibit A**.

- 7. Current year budget including a description of the Public Improvements to be constructed in such year.**

A copy of the 2023 Budget is attached hereto as **Exhibit B**. No public improvements are to be constructed in 2023.

- 8. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

The District's 2022 Audit is attached as **Exhibit C**.

**9. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.**

The District is not aware of any uncured events of default by the District.

**10. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

The District is not aware of any inability to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

**EXHIBIT A**

**2022 Certification of Valuation**

## CERTIFICATION OF VALUATION BY JEFFERSON COUNTY ASSESSOR

New Tax Entity  YES  NO

Date: December 5, 2022

**NAME OF TAX ENTITY:** HAWTHORN METRO NO 2
**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY**

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	9,922,210
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	9,833,770
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	9,833,770
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Ⓞ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 &amp; 52A.

Ⓞ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

**USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY**

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	138,776,750
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

**DELETIONS FROM TAXABLE REAL PROPERTY**

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

\* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	139,422,226
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	0
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\*\* The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

**EXHIBIT B**

**2023 Budget**

**HAWTHORN METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**HAWTHORN METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 490,180	\$ 656,350	\$ 327,150
REVENUES			
Interest Income	181	5,050	8,800
Operations Fees	108,783	-	-
Loan Issuance	-	8,715,000	-
Property Taxes	683,135	793,777	688,364
Specific Ownership Taxes	52,291	53,301	48,186
Total revenues	<u>844,390</u>	<u>9,567,128</u>	<u>745,350</u>
TRANSFERS IN	<u>87,658</u>	-	-
Total funds available	<u>1,422,228</u>	<u>10,223,478</u>	<u>1,072,500</u>
EXPENDITURES			
General Fund	102,503	255,429	385,000
Operations Fund	196,441	-	-
Debt Service Fund	379,276	9,640,899	450,000
Total expenditures	<u>678,220</u>	<u>9,896,328</u>	<u>835,000</u>
TRANSFERS OUT	<u>87,658</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>765,878</u>	<u>9,896,328</u>	<u>835,000</u>
ENDING FUND BALANCES	<u>\$ 656,350</u>	<u>\$ 327,150</u>	<u>\$ 237,499</u>
Emergency Reserve	\$ 6,100	\$ 7,800	\$ 8,600
Available for Operations	101,614	102,226	1,575
Surplus Fund	548,636	-	-
TOTAL RESERVE	<u>\$ 656,350</u>	<u>\$ 110,026</u>	<u>\$ 10,175</u>

No assurance provided. See summary of significant assumptions.

**HAWTHORN METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential	\$ 8,987,083	\$ 9,922,007	\$ 9,644,512
State assessed	-	-	1,867
Vacant land	203	203	203
Personal property	-	-	187,188
Certified Assessed Value	<u>\$ 8,987,286</u>	<u>\$ 9,922,210</u>	<u>\$ 9,833,770</u>
<b>MILL LEVY</b>			
General	20.382	24.337	27.100
Debt Service	55.663	55.663	42.900
Total mill levy	<u>76.045</u>	<u>80.000</u>	<u>70.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 183,179	\$ 241,477	\$ 266,495
Debt Service	500,259	552,300	421,869
Levied property taxes	683,438	793,777	688,364
Adjustments to actual/rounding	(303)	-	-
Budgeted property taxes	<u>\$ 683,135</u>	<u>\$ 793,777</u>	<u>\$ 688,364</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 183,098</b>	<b>\$ 241,477</b>	<b>\$ 266,495</b>
Debt Service	<b>500,037</b>	<b>552,300</b>	<b>421,869</b>
	<u><b>\$ 683,135</b></u>	<u><b>\$ 793,777</b></u>	<u><b>\$ 688,364</b></u>

No assurance provided. See summary of significant assumptions.



**HAWTHORN METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 100,742	\$ 107,714	\$ 110,026
<b>REVENUES</b>			
Interest Income	19	50	-
Property Taxes	183,098	241,477	266,495
Specific Ownership Taxes	14,016	16,214	18,655
Total revenues	197,133	257,741	285,150
Total funds available	297,875	365,455	395,176
<b>EXPENDITURES</b>			
General and administrative			
Accounting	25,915	28,600	30,000
Audit	4,900	5,500	6,000
County Treasurer's Fee	2,747	3,622	3,997
Covenant enforcement	-	5,000	5,000
Directors' Fees	2,400	2,000	2,000
District management	-	12,500	18,000
Dues	542	554	750
Elections	-	2,477	-
Insurance	11,651	10,993	12,300
Legal	53,480	50,000	50,000
Miscellaneous	868	1,000	2,203
Operations and Maintenance			
Electricity	-	250	250
Grounds Cleanup	-	2,500	3,500
Irrigation repairs	-	2,500	3,000
Landscape improvements	-	15,000	130,000
Landscape Maintenance Contract	-	28,245	30,000
North Table Mtn IGA	-	16,618	17,250
Snow Removal	-	16,000	17,250
Trash Removal	-	46,600	48,000
Water	-	5,000	5,000
Website	-	470	500
Total expenditures	102,503	255,429	385,000
<b>TRANSFERS OUT</b>			
Transfer to other fund	87,658	-	-
Total expenditures and transfers out requiring appropriation	190,161	255,429	385,000
ENDING FUND BALANCE	\$ 107,714	\$ 110,026	\$ 10,175
Emergency Reserve	\$ 6,100	\$ 7,800	\$ 8,600
Available for Operations	101,614	102,226	1,575
TOTAL RESERVE	\$ 107,714	\$ 110,026	\$ 10,175

No assurance provided. See summary of significant assumptions.

**HAWTHORN METROPOLITAN DISTRICT  
OPERATIONS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Operations Fees	108,783	-	-
Total revenues	<u>108,783</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from Other Fund	<u>87,658</u>	<u>-</u>	<u>-</u>
Total funds available	<u>196,441</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Covenant Enforcement	14,403	-	-
District Management	6,915	-	-
Operations and Maintenance			
Electricity	171	-	-
Grounds Cleanup	1,346	-	-
Landscape Improvements	74,397	-	-
Landscape Maintenance Contract	26,517	-	-
North Table Mtn IGA	15,406	-	-
Snow Removal	9,387	-	-
Trash Removal	43,931	-	-
Water	3,968	-	-
Total expenditures	<u>196,441</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>196,441</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HAWTHORN METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 389,438	\$ 548,636	\$ 217,124
<b>REVENUES</b>			
Interest income	162	5,000	8,800
Property Taxes	500,037	552,300	421,869
Specific Ownership Taxes	38,275	37,087	29,531
Loan Issuance	-	8,715,000	-
Total revenues	538,474	9,309,387	460,200
Total funds available	927,912	9,858,023	677,324
<b>EXPENDITURES</b>			
Bond Interest - Series 2017A	293,775	145,313	-
Bond Principal - Series 2017A	70,000	-	-
Loan interest	-	180,000	337,041
Loan principal	-	165,000	90,000
County Treasurer's Fee	7,501	8,285	6,328
Paying Agent Fees	8,000	8,000	8,000
Refunding bond payment	-	8,889,901	-
Loan issue costs	-	244,400	-
Contingency	-	-	8,631
Total expenditures	379,276	9,640,899	450,000
Total expenditures and transfers out requiring appropriation	379,276	9,640,899	450,000
ENDING FUND BALANCE	\$ 548,636	\$ 217,124	\$ 227,324
Surplus Fund	\$ 548,636	\$ -	\$ -
TOTAL RESERVE	\$ 548,636	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HAWTHORN METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado (originally as Hawthorn Metropolitan District No. 2), was organized by court order and decree of the District Court for the County of Jefferson on December 5, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District was organized in conjunction with Hawthorn Metropolitan District No. 1, which is now dissolved.

The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided as part of an intergovernmental agreement with the County.

On November 6, 2012, the District's voters authorized total indebtedness of \$300,000,000 for the above listed facilities and \$30,000,000 for operations and maintenance, \$30,000,000 for both intergovernmental and private agreements, and \$30,000,000 for refunding. The election also approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operation and maintenance costs. Per the District's service plan, the maximum debt mill levy is 50.000 mills, as adjusted. The maximum mill levy is 55.663 mills. Additionally the service plan limits the total amount of debt issued between both Districts to \$10,000,000.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting and in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property Taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**HAWTHORN METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Property Taxes (continued)**

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Administrative Expenditures**

Administration expenses include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues and membership, and other administrative expenses.

**Operations and Maintenance Expenditures**

Anticipated operations and maintenance expenditures, such as landscaping, trash removal and snow removal, are shown on the General Fund page of the budget.

**Debt Service**

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2022 General Obligation Refunding Loan (discussed under Debt and Leases).

**HAWTHORN METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On August 3, 2022, the District issued its \$8,715,000 General Obligation Refunding Loan, Series 2022 (2022 Loan). The proceeds from the 2022 Loan was applied to refunding the 2017 Bonds of the District, reimbursing and paying the costs of issuing the 2022 Loan. The 2022 Loan bears interest at 3.942% and 4.928%, payable semi-annually on June 1 and December 1, beginning on December 1, 2022. Principal payments are due on December 1, beginning on December 1, 2022. The 2022 Loan matures on December 1, 2052.

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022*
Bonds Payable:				
Series 2017A	\$ 5,950,000	\$ -	\$ 5,950,000	\$ -
Series 2017B	820,000	-	820,000	-
Series 2017C	928,000	-	928,000	-
Accrued Interest - 2017B	268,415	-	268,415	-
Accrued Interest - 2017C	436,691	-	436,691	-
Bond Premium	91,574	-	91,574	-
Other Debts:				
Series 2022 Loan	8,715,000		165,000	8,550,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	69,813	9,600	-	79,413
Total	<u>\$ 17,399,493</u>	<u>\$ 9,600</u>	<u>\$ 8,659,680</u>	<u>\$ 8,749,413</u>

	Balance at December 31, 2022*	Additions	Reductions	Balance at December 31, 2023*
Other Debts:				
Series 2022 Loan	\$ 8,550,000	\$ -	\$ 90,000	\$ 8,460,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	79,413	9,600	-	89,013
Total	<u>\$ 8,749,413</u>	<u>\$ 9,600</u>	<u>\$ -</u>	<u>\$ 8,669,013</u>

\*Estimated

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

**This information is an integral part of the budget.**

**HAWTHORN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$8,715,000**

**General Obligation Refunding Loan**

**Series 2022, Dated August 3, 2022**

**Interest Rate 3.942% to 4.928%**

**Payable June 1 and December 1**

**Principal Due December 1**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,000	\$ 337,041	\$ 427,041
2024	115,000	333,493	448,493
2025	120,000	328,960	448,960
2026	130,000	324,230	454,230
2027	140,000	319,105	459,105
2028	155,000	313,586	468,586
2029	160,000	307,476	467,476
2030	175,000	301,169	476,169
2031	180,000	294,270	474,270
2032	200,000	287,175	487,175
2033	205,000	279,290	484,290
2034	225,000	271,210	496,210
2035	235,000	262,340	497,340
2036	250,000	253,076	503,076
2037	260,000	243,221	503,221
2038	280,000	232,972	512,972
2039	295,000	221,935	516,935
2040	315,000	210,306	525,306
2041	325,000	197,888	522,888
2042	340,000	193,955	533,955
2043	340,000	195,975	535,975
2044	365,000	180,675	545,675
2045	390,000	164,250	554,250
2046	405,000	146,700	551,700
2047	425,000	128,475	553,475
2048	445,000	109,350	554,350
2049	465,000	89,325	554,325
2050	485,000	68,400	553,400
2051	505,000	46,575	551,575
2052	530,000	23,850	553,850
	<u>\$ 8,550,000</u>	<u>\$ 6,666,273</u>	<u>\$ 15,216,273</u>

No assurance provided. See summary of significant assumptions.

**EXHIBIT C**

**2022 Financial Statements and Supplementary Information (Audit)**



**HAWTHORN METROPOLITAN DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**HAWTHORN METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>26</b>
<b>OTHER INFORMATION</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY</b>	<b>28</b>
<b>SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>29</b>



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Dazzio & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Hawthorn Metropolitan District  
Jefferson County, Colorado

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hawthorn Metropolitan District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the District, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Duggio & Associates, P.C.*

May 31, 2023

## **BASIC FINANCIAL STATEMENTS**

**HAWTHORN METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 138,188
Cash and Investments - Restricted	279,077
Receivable from County Treasurer	3,510
Accounts Receivable	3,608
Prepaid Expenses	450
Property Taxes Receivable	688,364
Capital Assets, Net of Accumulated Depreciation	883,594
Total Assets	1,996,791
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Refunding	710,931
Total Deferred Outflows of Resources	710,931
<b>LIABILITIES</b>	
Accounts Payable	41,703
Accrued Interest Payable	28,087
Noncurrent Liabilities:	
Due Within One Year	90,000
Due in More Than One Year	8,659,413
Total Liabilities	8,819,203
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	688,364
Total Deferred Inflows of Resources	688,364
<b>NET POSITION</b>	
Net Investment in Capital Assets	(340,573)
Restricted for:	
Emergency Reserves	7,800
Debt Service	245,632
Unrestricted	(6,712,704)
Total Net Position	\$ (6,799,845)

See accompanying Notes to Basic Financial Statements.

**HAWTHORN METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 318,527	\$ -	\$ -	\$ -	\$ (318,527)
Interest and Related Costs on Long-Term Debt	764,579	-	-	-	(764,579)
Total Governmental Activities	\$ 1,083,106	\$ -	\$ -	\$ -	(1,083,106)
 <b>GENERAL REVENUES</b>					
Property Taxes					792,419
Specific Ownership Taxes					54,490
Interest Income					6,832
Total General Revenues					853,741
 <b>CHANGE IN NET POSITION</b>					
					(229,365)
Net Position - Beginning of Year					(6,570,480)
 <b>NET POSITION - END OF YEAR</b>					
					\$ (6,799,845)

See accompanying Notes to Basic Financial Statements.



**HAWTHORN METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 138,188	\$ -	\$ 138,188
Cash and Investments - Restricted	7,800	271,277	279,077
Receivable from County Treasurer	1,068	2,442	3,510
Accounts Receivable	3,608	-	3,608
Prepaid Expenses	450	-	450
Property Taxes Receivable	266,495	421,869	688,364
	<u>\$ 417,609</u>	<u>\$ 695,588</u>	<u>\$ 1,113,197</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 41,703	\$ -	\$ 41,703
Total Liabilities	<u>41,703</u>	<u>-</u>	<u>41,703</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax Revenue	266,495	421,869	688,364
Total Deferred Inflows of Resources	<u>266,495</u>	<u>421,869</u>	<u>688,364</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expenses	450	-	450
Restricted for:			
Emergencies (TABOR)	7,800	-	7,800
Debt Service	-	273,719	273,719
Assigned for:			
Subsequent Year Expenditure	99,851	-	99,851
Unassigned	1,310	-	1,310
Total Fund Balances	<u>109,411</u>	<u>273,719</u>	<u>383,130</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 417,609</u>	<u>\$ 695,588</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets are reported as assets on the statement of net position but are recorded as expenditures in the funds.			
Capital Assets, Net of Accumulated Depreciation			883,594
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.			
Cost of Refunding			710,931
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Loan Payable			(8,550,000)
Loan Interest Payable			(28,087)
Developer Advances Payable			(120,000)
Accrued Interest on Developer Advances			(79,413)
Net Position of Governmental Activities			<u>\$ (6,799,845)</u>

See accompanying Notes to Basic Financial Statements.

**HAWTHORN METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 241,064	\$ 551,355	\$ 792,419
Specific Ownership Taxes	16,576	37,914	54,490
Interest Income	112	6,720	6,832
Total Revenues	<u>257,752</u>	<u>595,989</u>	<u>853,741</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	28,134	-	28,134
Audit	4,900	-	4,900
County Treasurer's Fees	3,618	8,274	11,892
Covenant Enforcement	318	-	318
Directors' Fees	2,000	-	2,000
District Management	13,437	-	13,437
Dues	554	-	554
Election	2,879	-	2,879
Grounds Cleanup	1,793	-	1,793
Insurance	10,993	-	10,993
Irrigation Repairs	1,647	-	1,647
Landscape Improvements	20,538	-	20,538
Landscape Maintenance Contract	29,055	-	29,055
Legal	51,237	-	51,237
Miscellaneous	2,680	-	2,680
North Table Mountain IGA	16,618	-	16,618
Snow Removal	12,625	-	12,625
Trash Removal	47,389	-	47,389
Water	5,076	-	5,076
Website	564	-	564
Debt Service:			
Bond Interest - Series 2017A	-	145,313	145,313
Loan Interest	-	125,018	125,018
Loan Issue Costs	-	244,400	244,400
Loan Principal	-	165,000	165,000
Paying Agent Fees	-	8,000	8,000
Total Expenditures	<u>256,055</u>	<u>696,005</u>	<u>952,060</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,697	(100,016)	(98,319)
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan Issuance	-	8,715,000	8,715,000
Payment to Escrow Agent	-	(8,889,901)	(8,889,901)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(174,901)</u>	<u>(174,901)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,697	(274,917)	(273,220)
Fund Balances - Beginning of Year	<u>107,714</u>	<u>548,636</u>	<u>656,350</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 109,411</u>	<u>\$ 273,719</u>	<u>\$ 383,130</u>

See accompanying Notes to Basic Financial Statements.

**HAWTHORN METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (273,220)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of any cost of any depreciable asset over the estimated useful life of the asset.

Depreciation (62,472)

Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Principal Refunded	7,698,000
Bond Premium Refunded	91,574
Bond Interest Refunded	910,839
Deferred Costs of Bond Refunding	(535,816)
Deferred Costs of Loan Refunding	725,304
Loan Issuance	(8,715,000)
Loan Principal Payment	165,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of Deferred Cost of Refunding	(14,373)
Accrued Interest on Developer Advances - Change in Liability	(9,600)
Accrued Interest on Bonds - Change in Liability	(181,514)
Accrued Interest on Loans - Change in Liability	(28,087)
	(227,574)

Change in Net Position of Governmental Activities \$ (229,365)

**HAWTHORN METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 241,477	\$ 241,064	\$ (413)
Specific Ownership Taxes	16,903	16,576	(327)
Interest Income	100	112	12
Total Revenues	<u>258,480</u>	<u>257,752</u>	<u>(728)</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	28,600	28,134	466
Audit	5,500	4,900	600
County Treasurer's Fees	3,622	3,618	4
Covenant Enforcement	15,000	318	14,682
Design Review	5,000	-	5,000
Directors' Fees	2,000	2,000	-
District Management	18,000	13,437	4,563
Dues	750	554	196
Election	4,000	2,879	1,121
Electricity	250	-	250
Engineering - Underdrain	5,000	-	5,000
Grounds Cleanup	3,500	1,793	1,707
Insurance	12,300	10,993	1,307
Irrigation Repairs	3,000	1,647	1,353
Landscape Improvements	75,000	20,538	54,462
Landscape Maintenance Contract	25,000	29,055	(4,055)
Legal	40,000	51,237	(11,237)
Miscellaneous	2,003	2,680	(677)
North Table Mtn IGA	16,275	16,618	(343)
Postage and Copies	500	-	500
Snow Removal	15,000	12,625	2,375
Social Activities	3,000	-	3,000
Trash Removal	46,200	47,389	(1,189)
Water	5,000	5,076	(76)
Website	500	564	(64)
Total Expenditures	<u>335,000</u>	<u>256,055</u>	<u>78,945</u>
<b>NET CHANGE IN FUND BALANCE</b>	(76,520)	1,697	78,217
Fund Balance - Beginning of Year	<u>129,950</u>	<u>107,714</u>	<u>(22,236)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 53,430</u>	<u>\$ 109,411</u>	<u>\$ 55,981</u>

See accompanying Notes to Basic Financial Statements.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Hawthorn Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the County of Jefferson, Colorado on December 5, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized as Hawthorn Metropolitan District No. 2, and subsequently on July 8, 2022, pursuant to an order of the District Court for the County of Jefferson, the District's name was changed to Hawthorn Metropolitan District.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District provides covenant control and was organized in conjunction with Hawthorn Metropolitan District No. 1 (District No. 1), which previously served as the Operating District, and was dissolved pursuant to an Order for Dissolution, issued on September 10, 2021.

On December 7, 2015, District No. 1 approved, and the District accepted, the assignment of any of District No. 1's rights, duties, and obligations under the Covenants and Restrictions of Hawthorn which have been recorded and filed with the County Clerk and Recorder.

The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate, or maintain fire protection facilities or services, unless such facilities and services are provided as part of an intergovernmental agreement with the County.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees, and all operations and administrative functions are contracted.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)**

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2022.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Structures	20 Years
Landscaping	20 Years
Parks and Recreation	20 Years

**Amortization**

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.



**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows/Outflows of Resources (Continued)**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

**Net Position**

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 138,188
Cash and Investments - Restricted	279,077
Total Cash and Investments	\$ 417,265

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 145,988
Investments	271,277
Total Cash and Investments	\$ 417,265

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank balance and carrying balance of \$145,988.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- \* Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Morgan Stanley Liquid Government Money Market Funds	Weighted-Average 6 Days	<u>\$ 271,277</u>

**Fair Value Measurement**

The District categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are the quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of December 31, 2022:

**Level 1 Inputs**

**Morgan Stanley Institutional Liquidity Funds**

At December 31, 2022, all of District's funds held in trust accounts at United Missouri Bank were invested in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio that are valued using quoted market prices in active markets for identical assets. This portfolio is managed by Morgan Stanley and each share is equal in value to \$1.00. The fund is AAAM rated by Standard and Poor's and invests in a process that seeks to select maturities based on the shape of the money market yield curve and on expectations as to future shifts in the level and shape of the curve, taking into consideration such factors as current short-term interest rates, Federal Reserve policy regarding interest rates, and U.S. economic activity. The average maturity of the underlying securities is 6 days.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

<u>General Government Activities</u>	<u>Balance - December 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance - December 31, 2022</u>
Capital Assets, Being Depreciated:				
Structures	\$ 187,200	\$ -	\$ -	\$ 187,200
Landscaping	623,091	-	-	623,091
Parks and Recreation	439,144	-	-	439,144
Total Capital Assets, Being Depreciated	1,249,435	-	-	1,249,435
Less Accumulated Depreciation for:				
Structures	(46,800)	(9,360)	-	(56,160)
Landscaping	(146,784)	(31,155)	-	(177,939)
Parks and Recreation	(109,785)	(21,957)	-	(131,742)
Total Accumulated Depreciation	(303,369)	(62,472)	-	(365,841)
Total Capital Assets, Being Depreciated, Net	946,066	(62,472)	-	883,594
Capital Assets, Net	<u>\$ 946,066</u>	<u>\$ (62,472)</u>	<u>\$ -</u>	<u>\$ 883,594</u>

At December 31, 2022, depreciation expense was charged to the general government function of the District in the amount of \$62,472.

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	<u>Balance - December 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance - December 31, 2022</u>	<u>Due Within One Year</u>
Bonds Payable:					
G.O. Bonds - Series 2017A	\$ 5,950,000	\$ -	\$ 5,950,000	\$ -	\$ -
G.O. Bonds - Series 2017B	820,000	-	820,000	-	-
G.O. Bonds - Series 2017C	928,000	-	928,000	-	-
G.O. Loan - Series 2022	-	8,715,000	165,000	8,550,000	90,000
Accrued and Unpaid Interest - 2017B	268,415	75,493	343,908	-	-
Accrued and Unpaid Interest - 2017C	436,691	130,240	566,931	-	-
Bond Premium	91,574	-	91,574	-	-
Total Bonds Payable	8,494,680	8,920,733	8,865,413	8,550,000	90,000
Other Debts:					
Developer Advances	120,000	-	-	120,000	-
Accrued Interest - Developer Advances	69,813	9,600	-	79,413	-
Total Long-Term Obligations	<u>\$ 8,684,493</u>	<u>\$ 8,930,333</u>	<u>\$ 8,865,413</u>	<u>\$ 8,749,413</u>	<u>\$ 90,000</u>

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$6,210,000 Series 2017A General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds**

**\$820,000 Series 2017B Subordinate Limited Tax General Obligation Refunding and Improvement Bonds**

**\$928,000 Series 2017C Limited Tax Junior Lien Subordinate General Obligation Bonds**

On December 14, 2017, the District issued its \$6,210,000 General Obligation Refunding Bonds, Series 2017A (2017A Bonds), its \$820,000 Subordinate Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017B (2017B Bonds) and its \$928,000 Limited Tax Junior Lien Subordinate General Obligation Bonds (2017C Bonds). The proceeds from the sale of the 2017A Bonds were applied to refunding the Series 2014 and Series 2015 Bonds of the District and paying the costs of issuing the 2017 Bonds. The proceeds from the sale of the 2017B Bonds were applied to refunding the remainder of the Series 2015 Bonds, reimbursing Developer advances related to public improvements for the District and paying the costs of issuing the 2017B Bonds. The proceeds from the sale of the 2017C Bonds were used to reimburse Developer advances related to public improvements for the District and paying certain costs of issuing the 2017C Bonds.

Concurrently with the refunding of the Series 2014 and Series 2015 bonds, the Developer forgave \$3,186,259 in outstanding obligations. Restrictions on the monies restricted for interest payments and the reserve account pertaining to the defeased bonds were removed under the new refunding. The defeased bonds are not considered a liability of the District since sufficient funds in the amount of \$6,685,765 were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds until the call date, at which point the bonds will be repaid in their entirety from the remaining funds in the escrow account. The Series 2014 Bonds were redeemed on December 1, 2019. The Series 2015 Bonds were redeemed on December 15, 2019.

The 2017A Bonds bear interest at 4.5% and 5.0%, payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2018. The 2017A Bonds mature on December 1, 2032 and December 1, 2047.

The 2017A Bonds are also secured by the amounts on deposit in the Surplus Fund. Prior to the date upon which the Debt to Assessed Ratio is equal to 50% or less, 2017A Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$621,000. Pursuant to the 2017A Indenture, the Surplus Fund will be terminated when the Debt to Assessed Ratio is equal to or less than 50% (if ever) and, any monies therein applied to any legal purpose of the District. Under the 2017B Indenture, any amounts in the Surplus Fund upon termination of such funds are pledged to the payment of the 2017B Bonds.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$6,210,000 Series 2017A General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds**

**\$820,000 Series 2017B Subordinate Limited Tax General Obligation Refunding and Improvement Bonds**

**\$928,000 Series 2017C Limited Tax Junior Lien Subordinate General Obligation Bonds (Continued)**

The 2017A Senior Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 2022, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2022 to November 30, 2023	3.00 %
December 1, 2023 to November 30, 2024	2.00
December 1, 2024 to November 30, 2025	1.00
December 1, 2025 and Thereafter	-

The 2017B Bonds bear interest at 7.25% per annum, are payable annually from Subordinate Pledged Revenue, if any, on December 15, beginning on December 15, 2018, and mature on December 15, 2047. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017B Bonds compounds annually on each December 15. All of the 2017B Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 15, 2057, regardless of the amount of principal and interest paid on the 2017B Bonds prior to such Subordinate Termination Date.

The 2017B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 15, 2022, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2022 to December 14, 2023	3.00 %
December 15, 2023 to December 14, 2024	2.00
December 15, 2024 to December 14, 2025	1.00
December 15, 2025 and Thereafter	-

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$6,210,000 Series 2017A General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds**

**\$820,000 Series 2017B Subordinate Limited Tax General Obligation Refunding and Improvement Bonds**

**\$928,000 Series 2017C Limited Tax Junior Lien Subordinate General Obligation Bonds (Continued)**

The 2017C Bonds bear interest at the rate of 10.00% per annum, and are payable annually from Junior Subordinate Pledged Revenue, if any available, on each December 15, commencing on the first December 15 occurring after the 2017B Bonds have been paid in full or are no longer outstanding, and mature on December 15, 2051. The 2017C Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017C Bonds compounds annually on each December 15. All of the 2017C Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 15, 2057, regardless of the amount of principal and interest paid on the 2017C Bonds prior to such Termination Date.

The 2017C Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 15, 2022, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2022 to December 14, 2023	3.00 %
December 15, 2023 to December 14, 2024	2.00
December 15, 2024 to December 14, 2025	1.00
December 15, 2025 and Thereafter	-

In the government-wide statements, the purchase price of the Series 2017A bonds included a premium in the amount of \$113,094, which has been deferred and is being amortized over the life of the new debt.

Proceeds from the issuance of the Series 2022 General Obligation Refunding Loan (discussion follows) were placed in an irrevocable trust under an escrow agreement. The funds were used to pay the outstanding principal and interest on the Series 2017A Bonds on December 1, 2022, and the Series 2017B Bonds and Series 2017C Bonds on December 15, 2022.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$8,715,000 Series 2022 General Obligation Refunding Loan**

On August 3, 2022, the District issued its \$8,715,000 General Obligation Refunding Loan, Series 2022 (the Loan) maturing on December 1, 2052. The Loan was issued for the following purposes: to refund and pay \$5,950,000 of the outstanding portion of the District's General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds, Series 2017A; to refund and pay \$820,000 of the outstanding portion of the District's Subordinate Limited Tax General Refunding and Improvement Bonds, Series 2017B; to refund and pay \$928,000 of the outstanding portion of the District's Limited Tax Junior Lien Subordinate General Refunding, Series 2017C; and to pay for issuance costs of the Loan. The District refunded the Series 2017A, 2017B and 2017C Bonds, having interest rates ranging from 4.500% to 10.000%, with the Series 2022 Loan, having an average interest rate of 3.919%, to reduce its total debt services payments over the next 31 years by \$1,986,253 and to obtain an economic gain of \$1,785,103. The Loan is not subject to acceleration. The Loan does not have any unused lines of credit. No assets have been pledged as collateral on the Loan.

In the event that any amount of principal of or interest on the Loan (or any other outstanding Annual Debt Requirements) remains unpaid after the application of all Pledged Revenue available therefor on December 1, 2057, the Loan, the Note and any lien of the Loan Agreement and the Note securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and the Loan Agreement and the Note shall terminate.

Subject to the Maximum Interest Rate, unless the Default Rate applies, the unpaid principal balance of the Loan will bear interest at the applicable Base Rate. The Base Rate on the Loan was 4.928% per annum until the Tax-Exempt Reissuance Date occurred on September 16, 2022 and 3.942% per annum thereafter.

The Default Rate means a rate of interest equal to the lesser of the Wall Street Journal Prime Rate in effect as of the date of any Material Event of Default, as indicated in the applicable Default Rate Notice, plus 4.00%; or 18.00%.

The maximum Net Effective Interest Rate that the District is authorized to pay with respect to the Loan is the Maximum Rate of 18.000%, and the Loan shall not bear interest at a rate in any particular Interest Period that would cause the Net Effective Interest Rate on the Loan, calculated as of the end of such Interest Period, to exceed the Maximum Rate. If the Applicable Interest Rate with respect to any portion of the Loan is in excess of the amount actually paid by the District as a result of the Maximum Rate the difference between the amount of interest that would have been payable on such portion of the Loan had it accrued interest at the Applicable Interest Rate and the actual interest paid by the District on such portion of the Loan (the "Interest Differential") shall remain an obligation of the District. If at any time there is an Interest Differential owed to the Bank, any reduction in interest rate that would result from the application of the Maximum Rate to the Applicable Interest Rate shall not reduce the rate of interest below the Maximum Rate until the total amount due has been paid to the Bank as if the Applicable Interest Rate had at all times been utilized.



**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$8,715,000 Series 2022 General Obligation Refunding Loan (Continued)**

On and after the Interest Reset Date of December 1, 2042 for the period commencing with the Interest Reset Date to the date upon which such portion of the Loan has been paid in full, the Base Rate on such portion of the Loan shall be the greater of: (A) the sum of the 10-Year U.S. Treasury Rate plus 175 basis points, multiplied by 80%, or (B) 3.75%. For purposes of estimating the Schedule of Debt Service Requirements to Maturity and calculating the net present value saving of the issuance a Base Rate of 3.75% is assumed on and after the Interest Reset Date

The Loan is secured by and payable from the Pledged Revenues consisting of monies derived by the district from the following sources, net of any collection costs: (1) all property tax revenues from the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available moneys which the Board determines in its sole discretion to apply as pledged revenue. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Loan as the same become due and payable. The District is required to levy an ad valorem tax to pay the principal of, and interest on, the Loan without limitation as to rate and in an amount sufficient to pay the Loan when due. For collection year 2022, the District levied 55.663 mills for Debt Service.

The Required Mill Levy means, prior to the first date on which the Debt to Assessed Ratio is 50% or less, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount necessary to generate Property Tax Revenues sufficient, when combined with moneys then held in the Loan Payment Fund and the Pledged Revenue Fund, to pay the Annual Debt Requirements for the next Fiscal Year, but not in excess of 50 mills; provided however, that if, on or after January 1, 2012, there were or are any changes in the method of calculating assessed valuation, or any constitutionally mandated tax credit, cut, or abatement was or is changed by law, the maximum mill levy of 50 mills provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes (for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation).

+

After the first date on which the Debt to Assessed Ratio is 50% or less, the Required Mill Levy means, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Property Tax Revenues sufficient, when combined with moneys then held in the Loan Payment Fund and the Pledged Revenue Fund, to pay the Annual Debt Requirements for the next Fiscal Year.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$8,715,000 Series 2022 General Obligation Refunding Loan (Continued)**

The occurrence of any one or more of the following events or conditions will constitute an event of default unless remedied.

- (a) failure or refusal to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Loan Agreement;
- (b) failure to observe or perform any of the covenants, agreements or conditions of the Loan agreement or other Financing Documents, and the District fails to remedy the same within 30 days after the bank has provided the District provided notice thereof; failure to pay the principal, interest, or other amount payable to the Bank when due; the pledge of the Pledged Revenue or any other security interest created under the loan agreement or under the Custodial Agreement fails to be fully enforceable with the priority required;
- (c) failure to pay principal of or interest when due on the Loan and continuance of such default beyond any grace period;
- (d) the pledge of the Pledged Revenue or any other security interest created under the Loan Agreement or under the Custodial Agreement fails to be fully enforceable with the priority required under the respective agreement;
- (e) commencement of any case, proceeding, or other action relating to bankruptcy, insolvency, reorganization, or relief of debtors;
- (f) the Loan Agreement, the Custodial Agreement, or any other Financing Document, or any material provision of those, ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party;
- (g) any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established under the Loan Agreement or under the Custodial Agreement shall become subject to any writ, judgment, warrant, attachment, execution, or similar process

The Loan is not subject to acceleration, thus acceleration is not an available remedy for an event of default.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$8,715,000 Series 2022 General Obligation Refunding Loan (Continued)**

The District's Series 2022 Loan will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,000	\$ 337,041	\$ 427,041
2024	115,000	333,493	448,493
2025	120,000	328,960	448,960
2026	130,000	324,230	454,230
2027	140,000	319,105	459,105
2028-2032	870,000	1,503,676	2,373,676
2033-2037	1,175,000	1,309,138	2,484,138
2038-2042	1,555,000	1,048,178	2,603,178
2043-2047	1,925,000	680,062	2,605,062
2048-2052	2,430,000	281,250	2,711,250
Total	<u>\$ 8,550,000</u>	<u>\$ 6,465,133</u>	<u>\$ 15,015,133</u>

**Debt Authorization**

At December 31, 2022, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	<u>Authorized November 6, 2012 Election</u>	<u>Series 2014 Authorization Used</u>	<u>Series 2015 Authorization Used</u>	<u>Series 2017 Authorization Used</u>	<u>Series 2022 Authorization Used</u>	<u>Remaining at December 31, 2022</u>
Streets	\$ 30,000,000	\$ 1,328,745	\$ 613,000	\$ 501,000	\$ -	\$ 27,557,255
Parks and Recreation	30,000,000	122,231	56,000	46,000	-	29,775,769
Water	30,000,000	548,248	253,000	207,000	-	28,991,752
Sanitation/Storm Sewer	30,000,000	2,130,776	983,000	804,000	-	26,082,224
Transportation	30,000,000	-	-	-	-	30,000,000
Mosquito Control	30,000,000	-	-	-	-	30,000,000
Safety Protection	30,000,000	-	-	-	-	30,000,000
Fire Protection	30,000,000	-	-	-	-	30,000,000
Television & Relay	30,000,000	-	-	-	-	30,000,000
Security	30,000,000	-	-	-	-	30,000,000
Operations & Maintenance	30,000,000	-	-	-	-	30,000,000
Refunding of Debt	30,000,000	-	-	6,400,000	8,715,000	14,885,000
Governmental IGA's	30,000,000	-	-	-	-	30,000,000
Private IGA's	30,000,000	-	-	-	-	30,000,000
Total	<u>\$ 420,000,000</u>	<u>\$ 4,130,000</u>	<u>\$ 1,905,000</u>	<u>\$ 7,958,000</u>	<u>\$ 8,715,000</u>	<u>\$ 397,292,000</u>

Pursuant to the Service Plan, the total debt that the District shall be permitted to issue shall not exceed \$10,000,000, exclusive of refundings. Additionally, the Maximum Debt Mill Levy is 50.000 mills, subject to adjustment for changes in the residential assessment rate occurring after January 1, 2012. For the portion of any aggregate Debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 6 NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 883,594
Outstanding Long-Term Debt Applicable to Capital Assets	<u>(1,224,167)</u>
Net Investment in Capital Assets	<u>\$ (340,573)</u>

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022, as follows:

Restricted Net Assets:	
Emergency Reserves	\$ 7,800
Debt Service	<u>245,632</u>
Total Restricted Net Assets	<u>\$ 253,432</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of debt issued for public improvements, the majority of which were conveyed to other governmental entities, and the repayment of Developer advances and accrued interest on those advances.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 7 DISTRICT AGREEMENTS**

**Funding and Reimbursement Agreement**

On December 7, 2015, the District and Golden Peaks, LLC entered into a Funding and Reimbursement Agreement for operations and maintenance. This agreement entirely replaced the previously disclosed agreement dated December 10, 2012, between District No. 1 and Golden Peaks (Prior Funding Agreement). The District acknowledged the Prior Funding Agreement for the purpose of providing funding for payment obligations set forth in the Prior Funding Agreement. Golden Peaks agrees to loan up to \$500,000 to the District through December 31, 2017, and the District agrees to reimburse Golden Peaks on an annual appropriations basis at a rate of 8% per annum. Pursuant to the Prior Funding Agreement, Golden Peaks loaned \$80,000 to the Districts, which has been assumed by the District under this Agreement. The District has agreed to reimburse the prior advances to Golden Peaks in addition to any future advances.

On December 7, 2015, the District and the Developer (Hawthorn Development, Inc.) entered into a Funding and Reimbursement Agreement for operations and maintenance. This agreement states that the District does not presently have financial resources to provide funding for payment of its operations and maintenance costs that are projected to be incurred prior to the anticipated availability of funds, and that the Developer is willing to loan funds to the District for such costs. Specifically, the Developer agrees to loan up to \$500,000 to the District through December 31, 2017, and the District agrees to reimburse the Developer on an annual appropriations basis at a rate of 8% per annum. Total principal unpaid as of December 31, 2022 totaled \$120,000. Accrued interest unpaid as of December 31, 2022 totaled \$79,413.

**NOTE 8 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, workers compensation, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**HAWTHORN METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 6, 2012, the District's voters approved for an annual increase in taxes of \$5,000,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**HAWTHORN METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 552,300	\$ 552,300	\$ 551,355	\$ (945)
Specific Ownership Taxes	38,661	38,661	37,914	(747)
Interest Income	650	650	6,720	6,070
Other Income	-	371,225	-	(371,225)
Total Revenues	<u>591,611</u>	<u>962,836</u>	<u>595,989</u>	<u>(366,847)</u>
<b>EXPENDITURES</b>				
Bond Interest - Series 2017A	290,625	145,313	145,313	-
Bond Interest - Series 2017B	100,000	-	-	-
Bond Principal - Series 2017A	85,000	-	-	-
Contingency	8,090	371,225	-	371,225
County Treasurer's Fees	8,285	8,285	8,274	11
Loan Interest	-	180,000	125,018	54,982
Loan Issue Costs	-	244,042	244,400	(358)
Loan Principal	-	140,236	165,000	(24,764)
Paying Agent Fees	8,000	8,000	8,000	-
Total Expenditures	<u>500,000</u>	<u>1,097,101</u>	<u>696,005</u>	<u>401,096</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	91,611	(134,265)	(100,016)	34,249
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Issuance	-	8,755,000	8,715,000	(40,000)
Payment to Escrow Agent	-	(8,902,899)	(8,889,901)	12,998
Total Other Financing Sources (Uses)	<u>-</u>	<u>(147,899)</u>	<u>(174,901)</u>	<u>(27,002)</u>
<b>NET CHANGE IN FUND BALANCE</b>	91,611	(282,164)	(274,917)	7,247
Fund Balance - Beginning of Year	<u>541,614</u>	<u>548,636</u>	<u>548,636</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 633,225</u>	<u>\$ 266,472</u>	<u>\$ 273,719</u>	<u>\$ 7,247</u>



## **OTHER INFORMATION**

**HAWTHORN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2022**

\$8,715,000 General Obligation Refunding Loan  
Series 2022, Dated August 3, 2022  
Interest Rate 3.942% to 4.928%  
Payable June 1 and December 1  
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,000	\$ 337,041	\$ 427,041
2024	115,000	333,493	448,493
2025	120,000	328,960	448,960
2026	130,000	324,230	454,230
2027	140,000	319,105	459,105
2028	155,000	313,586	468,586
2029	160,000	307,476	467,476
2030	175,000	301,169	476,169
2031	180,000	294,270	474,270
2032	200,000	287,175	487,175
2033	205,000	279,291	484,291
2034	225,000	271,210	496,210
2035	235,000	262,340	497,340
2036	250,000	253,076	503,076
2037	260,000	243,221	503,221
2038	280,000	232,972	512,972
2039	295,000	221,935	516,935
2040	315,000	210,306	525,306
2041	325,000	197,888	522,888
2042	340,000	185,077	525,077
2043	340,000	163,312	503,312
2044	365,000	150,562	515,562
2045	390,000	136,875	526,875
2046	405,000	122,250	527,250
2047	425,000	107,063	532,063
2048	445,000	91,125	536,125
2049	465,000	74,437	539,437
2050	485,000	57,000	542,000
2051	505,000	38,813	543,813
2052	530,000	19,875	549,875
Total	<u>\$ 8,550,000</u>	<u>\$ 6,465,133</u>	<u>\$ 15,015,133</u>

**HAWTHORN METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2018	\$ 7,676,385	20.241	55.277	\$ 579,706	\$ 579,706	100.00 %
2019	7,856,472	20.241	55.277	593,305	591,875	99.76
2020	8,987,316	20.382	55.663	683,440	683,441	100.00
2021	8,987,286	20.382	55.663	683,438	683,135	99.96
2022	9,922,210	24.337	55.663	793,777	792,419	99.83
Estimated for the Year Ending December 31, 2023	\$ 9,833,770	27.100	42.900	\$ 688,364		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

## Renewal Documents and Invoice 1/1/2024 to EOD 12/31/2024

Acceptance of this coverage is evidenced only by payment of the enclosed invoice by January 1, 2024.

The following renewal documents are attached where applicable:

1. Invoice: Payment is due upon receipt. Please return a copy of the invoice with your payment to ensure that it is applied correctly. We have attached a Coverage Contribution instructions sheet which provides details about your payment.
2. Comparison of Annual Contributions.
3. Deductible Options:
  - Provides the difference in cost by coverage line if you were to increase or decrease the deductible for that specific coverage.
4. Quote for Excess Liability limits for your consideration:
  - Limits of up to \$8 million, in excess of the primary \$2 million Liability limit, are available. Although the primary \$2 million Liability limit is sufficient to cover the CGIA tort cap, we do recommend you consider purchasing higher limits primarily due to special districts' unlimited liability to federal civil rights, discrimination, harassment, whistle blowing, and other employment-related practices claims.
5. Coverage Declaration Pages: Informational page summarizing the key points about the coverage provided including limits and deductible descriptions for all coverage provided. Full coverage forms will be available at [csdpool.org/documents](https://csdpool.org/documents) by January 1, 2024.
6. Schedules: Lists of exposures and values.
7. Certificates of coverage: Originals are mailed directly to the Certificate Holders.
8. Automobile identification cards: Hard copies will be mailed.



Colorado Special Districts  
Property and Liability Pool

## Property and Liability Coverage Invoice

**Named Member:**

Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker of Record:**

Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

Coverage No.	Entity ID	Effective Date	Expiration Date	Invoice Date
24PL-61168-2887	61168	1/1/2024	EOD 12/31/2024	11/8/2023

Coverage	Contribution
General Liability	\$2,003.00
Property	\$7,632.00
Crime	\$135.00
Non-Owned Auto Liability	\$132.00
Hired Auto Physical Damage	\$65.00
Equipment Breakdown	\$150.00
No-Fault Water Intrusion & Sewer Backup	\$162.00
Public Officials Liability	\$1,163.00
Excess	\$692.00
Pollution	\$0.00

<b>Total Contribution</b>	<b>\$12,134.00</b>
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Estimated Annualized Contribution (for budgeting purposes only) \$12,134.00

**Please note: where included above, Hired Auto Physical Damage and Non-Owned Auto Liability are mandatory coverages and may not be removed. No-Fault Water Intrusion & Sewer Backup coverage may only be removed with completion of the No-Fault Opt Out Endorsement.**

**The following discounts are applied (Not applicable to minimum contributions):**

4.39% Continuity Credit Discount

8% Multi Program Discount for WC Program Participation

**Payment Due Upon Receipt**

**The total contribution includes a 10% Commission, which calculates to \$1,213.40, paid to the broker reflected above.**

Payment evidences "acceptance" of this coverage. The terms of the Intergovernmental Agreement (IGA) require timely payment to prevent automatic cancellation of coverage. Please return this invoice and reference the coverage number on your check to help us apply your payment correctly. Only prior notice to the board of directors of the Colorado Special Districts Property and Liability Pool and subsequent approval may extend cancellation provision.

**Remit checks to:** Colorado Special Districts Property and Liability Pool  
c/o McGriff Insurance Services, LLC  
PO Box 1539  
Portland, OR 97207-1539

We accept online payments at [E-Bill Express](#)  
Refer to Payment Instructions page for additional options  
billing@csdpool.org  
800-318-8870 ext. 3



## Payment Instructions

The annual contribution for coverage with the Pool is due upon receipt of this invoice. We accept the following payment methods:

1. Online using **E-Bill Express** ([www.e-billexpress.com/ebpp/CSDPool](http://www.e-billexpress.com/ebpp/CSDPool)). For detailed instructions, please click [here](#) or go to [csdpool.org/documents](http://csdpool.org/documents). You can also find an FAQ [here](#) or go to the E-Bill Express logon screen.

2. Mail your check to:

Colorado Special Districts Property and Liability Pool  
c/o McGriff Insurance Services, LLC  
PO Box 1539  
Portland, OR 97207

For express or overnight mail services, please use the address below:

[Our office is moving December 1, 2023, so we have two addresses for a short time:](#)

[Use our current address until November 30, 2023:](#)

Colorado Special Districts Property and Liability Pool  
c/o McGriff Insurance Services, LLC  
1800 SW 1<sup>st</sup> Ave, Suite 400  
Portland, OR 97201

[Starting December 1, 2023, use the following address:](#)

Colorado Special Districts Property and Liability Pool  
c/o McGriff Insurance Services, LLC  
5400 Meadows Road, Suite 240  
Lake Oswego, OR 97035

**To ensure your payment is accurately applied, always include a copy of the invoice.**

3. Wire or ACH transfer from your own bank account. Let us know if you wish to use this method and we will be happy to provide you with the instructions.

In accordance with the Intergovernmental Agreement (IGA), you have sixty (60) days after the due date shown on the invoice to make your contribution payment. If you fail to make payment, automatic cancellation of coverage will occur on the 61<sup>st</sup> day. If you wish to reinstate your district's coverage after cancellation has occurred, a \$100 reinstatement fee will apply.

If your district requires a payment extension, please submit a written request within ten (10) business days from the date of the invoice, for consideration by the CSD Pool Board of Directors.

Finally, all members of the Pool must be members in good standing with the Special District Association of Colorado (SDA). Please visit the SDA website at [sdaco.org](http://sdaco.org) for member information.

Please contact us at [billing@csdpool.org](mailto:billing@csdpool.org) or 800-318-8870 ext. 3 for billing questions.

**Annual Comparison of 2024 and 2023 contributions.**  
**Loss Ratios based on participation years from 2016 to 2023**

**Hawthorn Metropolitan District**

Year	Contribution
2024	\$12,134.00
2023	\$11,719.00
Difference	\$415.00
% Difference	3.54%

General Liability	Contribution	TOE
Yr. 2024	\$2,003.00	\$400,000.00
Yr. 2023	\$1,557.00	\$252,725.00
Difference	\$446.00	NaN
% Difference	28.64%	0.00%
Loss Ratio	0.00%	

Equipment Breakdown	Contribution
Yr. 2024	\$150.00
Yr. 2023	\$179.00
Difference	-\$29.00
% Difference	-16.20%
Loss Ratio	0.00%

Auto Liability	Contribution	Auto Count
Yr. 2024	\$132.00	0
Yr. 2023	\$132.00	0
Difference		0
% Difference	NaN	0.00%
Loss Ratio	0.00%	

Crime	Contribution
Yr. 2024	\$135.00
Yr. 2023	\$135.00
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Auto Physical Damage	Contribution	TIV
Yr. 2024	\$65.00	\$0.00
Yr. 2023	\$65.00	\$0.00
Difference		\$0.00
% Difference	NaN	0.00%
Loss Ratio	0.00%	

Public Officials Liability	Contribution	EE Count
Yr. 2024	\$1,163.00	0
Yr. 2023	\$1,163.00	0
Difference	\$0.00	0
% Difference	0.00%	0.00%
Loss Ratio	0.00%	

Property/Inland Marine	Contribution	TIV
Yr. 2024	\$7,632.00	\$1,620,196.00
Yr. 2023	\$7,766.00	\$1,588,429.00
Difference	-\$134.00	\$31,767.00
% Difference	-1.73%	2.00%
Loss Ratio	118.98%	

Excess Liability	Contribution
Yr. 2024	\$692.00
Yr. 2023	\$596.00
Difference	\$96.00
% Difference	16.11%
Loss Ratio	0.00%

Earthquake	Contribution
Yr. 2024	\$0.00
Yr. 2023	\$0.00
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

Flood	Contribution
Yr. 2024	\$0.00
Yr. 2023	\$0.00
Difference	\$0.00
% Difference	0.00%
Loss Ratio	0.00%

No Fault	Contribution
Yr. 2024	\$162.00
Yr. 2023	\$126.00
Difference	\$36.00
% Difference	28.57%
Loss Ratio	0.00%

## Deductible Options

### Hawthorn Metropolitan District

Based on Coverage 24PL-61168-2887 data as of 11/8/2023

Auto Liability	
	\$12,134.00

General Liability	
\$0.00	\$2,003.00
\$500.00	\$1,562.00
\$1,000.00	\$1,458.00
\$2,500.00	\$1,354.00
\$5,000.00	\$1,250.00
\$7,500.00	\$1,210.00
\$10,000.00	\$1,146.00

Auto Physical Damage	
Comprehensive and Collision Deductibles	
Both	\$12,134.00

Property	
Property and Inland Marine Deductibles (IM Max	
Both \$250.00	\$8,908.00
Both \$500.00	\$7,632.00
Both \$1,000.00	\$7,512.00
Both \$2,500.00	\$7,407.00
Both \$5,000.00	\$7,331.00
Property \$7,500.00	\$7,255.00
Property \$10,000.00	\$7,160.00
Property \$25,000.00	\$6,831.00
Property \$50,000.00	\$6,498.00
Property \$100,000.00	\$6,109.00
\$5,000)	



No-Fault	
\$500.00	\$162.00
\$1,000.00	\$113.00
\$2,500.00	\$105.00
\$5,000.00	\$81.00
\$7,500.00	\$73.00

Public Officials Liability	
<b>EPLI \$100,000 &amp;:</b>	
POL \$1,000.00	\$1,163.00
POL \$2,500.00	\$1,163.00
POL \$5,000.00	\$1,163.00
POL \$7,500.00	\$1,163.00
POL \$10,000.00	\$1,163.00
<b>POL \$1,000 &amp;:</b>	
EPLI \$5,000.00	\$2,654.00
EPLI \$7,500.00	\$2,368.00
EPLI \$10,000.00	\$2,083.00
EPLI \$25,000.00	\$1,512.00
EPLI \$50,000.00	\$1,226.00
EPLI \$100,000.00	\$1,163.00

Equipment Breakdown	
\$1,000.00	\$150.00
\$2,500.00	\$150.00
\$5,000.00	\$150.00
\$7,500.00	\$150.00
\$10,000.00	\$150.00



## 2024 Excess Liability Options Proposal

### This Proposal Does Not Bind Coverage

This report demonstrates what it would cost your district to increase coverage from your current limit of liability to a higher limit.

**Named Member:** Hawthorn Metropolitan District

**Certificate Number:** 24PL-61168-2887

<u>Excess Limit</u>	<u>Annual Excess Contribution</u>	<u>Change in Contribution</u>
\$1,000,000	\$477	-\$215
\$2,000,000*	\$692	\$0
\$3,000,000	\$810	\$118
\$4,000,000	\$1,020	\$328
\$5,000,000	\$1,250	\$558
\$6,000,000	\$1,500	\$808
\$7,000,000	\$1,750	\$1,058
\$8,000,000	\$2,000	\$1,308

\* This is your current excess limit.

**Note: This is not your Coverage Document. It was created solely for informational purposes.**

11/8/2023



**Colorado Special Districts  
Property and Liability Pool**

**Public Entity Liability and Auto Physical Damage Certificate Holder Declaration**

**Master Coverage Document Number:** CSD Pool CTC 01 01 24 and CSD Pool PEL 01 01 24

**Certificate Number:** 24PL-61168-2887

**Coverage Period:** 1/1/2024 to EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker of Record:**

Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

Coverage is provided only for those coverages indicated below for which a contribution is shown.

Coverage	Per Occurrence Limit	Annual Aggregate Limit	Deductible	Contribution
<b>Public Entity Liability Coverage including:</b>	\$2,000,000	None		
General Liability	Included	None	None	\$2,003
Medical Payments - Premises	\$10,000	None	None	Included
Employee Benefits Liability	Included	None	None	Included
Public Officials Liability	Included	None	\$1,000	\$1,163
Employment Practices Liability	Included	None	*\$100,000	Included
Pre Loss Legal Assistance	\$3,500	\$7,000	None	Included
No-Fault Water Intrusion & Sewer Backup	\$200,000 limited to \$10,000 Any One Premises	***\$1,000,000	\$500	\$162
Cyber	\$200,000	**\$200,000	\$1,000	Included
Fiduciary Liability	\$200,000	**\$200,000	\$1,000	Included
Excess Liability - Coverage agreements	\$2,000,000	None	None	\$692
Auto Liability	No Coverage	No Coverage	N/A	No
Medical Payments – Auto	No Coverage	No Coverage	N/A	No
Non-Owned and Hired Auto Liability	Included	None	None	\$132
Uninsured/Underinsured Motorists Liability	No Coverage	No Coverage	N/A	No
<b>Auto Physical Damage</b>	No Coverage	No Coverage	N/A	No
Hired Auto Physical Damage	\$50,000	N/A	\$500/\$500	\$65
Auto Physical Damage - Employee Deductible	\$2,500	N/A	None	Included
<b>Total Contribution</b>				<b>\$4,217</b>

\*Employment Practices Liability Deductible: 50% of loss including Indemnity and Legal Expenses subject to a maximum deductible of \$100,000 each occurrence.

\*\*A \$5,000,000 All Member Annual Aggregate Limit shall apply to Cyber.

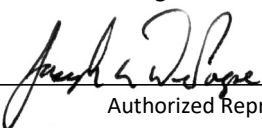
\*\*A \$1,000,000 All Member Annual Aggregate Limit shall apply to Fiduciary Liability.

\*\*\*No-Fault Water Intrusion & Sewer Backup has \$1,000,000 All Member Annual Aggregate Limit.

**Additional Endorsements applicable to Member:**

Additional Covered Member - Designated Person or Organization Automatic Status when Required under a written contract or agreement with the Member

This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Public Entity Liability Coverage Document. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage Document for actual coverage, terms, conditions, and exclusions.

Countersigned by:   
Authorized Representative

<b>Named Member</b> Hawthorn Metropolitan District	<b>Endorsement</b> CSD Pool Additional Covered Member – Designated Person or Organization 01 01 22
<b>Certificate Number</b> 24PL-61168-2887	<b>Effective Date of Endorsement</b> 1/1/2024
<b>Issued By</b> Colorado Special Districts Property and Liability Pool	

This endorsement modifies coverage provided under the following:

**PUBLIC ENTITY LIABILITY COVERAGE DOCUMENT**

**ADDITIONAL COVERED MEMBER – DESIGNATED PERSON OR ORGANIZATION AUTOMATIC STATUS  
WHEN REQUIRED UNDER A WRITTEN CONTRACT OR AGREEMENT WITH THE MEMBER**

**PLEASE READ CAREFULLY**

**Automatic Status of Additional Covered Member, Person(s), or Organization(s)**

Note: Additional Covered Member Status may only be provided to a person or organization who the **Member** has agreed to include as an Additional Covered Member under a written contract or agreement, provided such contract was executed prior to the date of loss.

**Section I – Coverage Agreements** is amended to include as Additional Covered Member any person or organization when the **Member** and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an Additional Covered Member on the **Member’s** policy. Such person or organization is an Additional Covered Member with respect to liability for those sums which the **Member** shall be legally obligated to pay as damages for “bodily injury”, “personal injury”, “property damage”, or a “wrongful act(s) caused, in whole or in part, by the **Member’s** acts or omissions, or the acts or omissions of those acting on its behalf.

- A. In the performance of ongoing operations performed by the **Member**.
- B. A person’s or organization’s status as an Additional Covered Member under this Endorsement ends when their written contract or agreement with the **Member** ends.
- C. With respect to the coverage afforded to the Additional Covered Members, this coverage does not apply to any “occurrence” which takes place after the written contract or agreement expires.



**Property Certificate Holder Declaration**

**Master Coverage Document Number:** CSD Pool CTC 01 01 24 and CSD Pool Property 01 01 24

**Certificate Number:** 24PL-61168-2887

**Coverage Period:** 1/1/2024 to EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker of Record:**

Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

**Limit of Coverage per Occurrence:**

- \$1,620,196 Reported Buildings, Business Personal Property, Other Scheduled Items, Outdoor Property and EDP per Schedule.
- \$250,000 Business Income including Extra Expense/Rental Income sublimit unless a higher amount is specified on Schedule.  
\$ Inland Marine Scheduled items.
- \$0 Excess of \$2,000,000 Earthquake Limit per occurrence and annual aggregate per Property Schedule.
- \$0 Excess of \$2,000,000 Flood Limit per occurrence and annual aggregate per Property Schedule.  
Flood Zone A and Flood Zone V are subject to an all member combined limit of \$60,000,000 per occurrence and annual aggregate.

**Locations Covered:**

Per Schedules on file. Property in Course of Construction must be shown on the Schedule to be covered.

**Report of Values:**

Annual Statement of Values must be submitted and additions/deletions are to be reported as they occur.

**Perils Covered:**

Risk of Direct Physical Loss subject to the terms, conditions, and exclusions in the Master Property Coverage Document.

**Deductibles:**

\$500 Per Occurrence, except where noted on Member's Schedules  
Earthquake - 2% Per Occurrence of the value of the covered damaged property at the time of loss, subject to a \$5,000 minimum and \$50,000 maximum.  
Flood - 2% Per Occurrence of the value of the covered damaged property at the time of loss, subject to a \$5,000 minimum and \$50,000 maximum.

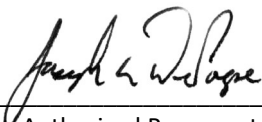
**Contribution:**

\$7,632

**Additional Endorsements applicable to Member:**

- Cosmetic Damage Exclusion
- Wind and Hail Deductible Endorsement

**This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Property Coverage Document. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage Document for actual coverage, terms, conditions, and exclusions.**

Countersigned by:   
Authorized Representative

<b>Named Member:</b> Hawthorn Metropolitan District	<b>Endorsement:</b> CSD Pool Wind Hail Deductible 01 01 23
<b>Certificate Number:</b> 24PL-61168-2887	<b>Effective Date of Endorsement:</b> 1/1/2024
<b>Issued By:</b> Colorado Special Districts Property and Liability Pool	

This endorsement modifies coverage provided under the following:

**PROPERTY COVERAGE DOCUMENT**

**WIND AND HAIL DEDUCTIBLE**

**PLEASE READ IT CAREFULLY**

The following is added to Section 2. **DEDUCTIBLE:**

**E. Wind and/or Hail damage to a building or structure identified in the Member District property schedule as Real Property or Outdoor Property:**

In respect to Member District's whose total scheduled property values are below \$25M, 2% per **Occurrence** of the value of the covered damaged property and applicable business income at the time the loss occurs, subject to a \$5,000 minimum and \$50,000 maximum per **Occurrence**, unless a higher deductible is scheduled at the damaged location.

In respect to Member District's whose total scheduled property values are over \$25M, 2% per **Occurrence** of the value of the covered damaged property and applicable business income at the time the loss occurs, subject to a \$5,000 minimum and \$75,000 maximum per **Occurrence**, unless a higher deductible is scheduled at the damaged location.

**ALL OTHER TERMS AND CONDITIONS OF THE PROPERTY COVERAGE FORM REMAIN UNCHANGED.**

<b>Named Member:</b> Hawthorn Metropolitan District	<b>Endorsement:</b> CSD Pool Cosmetic Damage Exclusion 01 01 23
<b>Certificate Number:</b> 24PL-61168-2887	<b>Effective Date of Endorsement:</b> 1/1/2024
<b>Issued By:</b> Colorado Special Districts Property and Liability Pool	

This endorsement modifies the coverage provided under the following:

**PROPERTY COVERAGE DOCUMENT  
COSMETIC DAMAGE EXCLUSION  
PLEASE READ IT CAREFULLY**

The following is added to Section 7 PERILS EXCLUDED:

**V. Against Cosmetic Damage to Roof Surfacing** caused by or resulting from wind and/or hail to a building or structure identified in the **Member District** property schedule as **Real Property** or **Outdoor Property**.

For purposes of this endorsement, the following is added to SECTION 32 ADDITIONAL DEFINITIONS:

**Roof Surfacing** means the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing, vent covers and gutters.

**Cosmetic Damage** means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

However, this exclusion shall not apply to **Cosmetic Damage** to the front entry, areas of **Roof Surfacing** visibly apparent to a pedestrian from the street or sidewalk composing less than 25% of the roof area of a **Member District's** scheduled building or structure identified as **Real Property** or **Outdoor Property**. The **Pool** will pay for **Cosmetic Damage** to such areas, limited to less than 25% of the roof area of the scheduled building or structure, subject to all other terms, conditions and exclusions of the Property Coverage Form.

**ALL OTHER TERMS AND CONDITIONS OF THE PROPERTY COVERAGE FORM REMAIN UNCHANGED.**

## Equipment Breakdown Declarations

**Master Coverage Document Number:** CSD Pool EB 01 01 21

**Certificate Number:** 24PL-61168-2887

**Coverage Period:** 1/1/2024 to EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker of Record:**

Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

**Covered Equipment:**

Equipment that (1) generates, transmits or utilizes energy, including electronic communications and data processing equipment; or (2) which during normal usage, operates under vacuum or pressure, other than the weight of its contents.

**Locations:**

Property must be at a location described in the Named Member's current Schedule of Property on file with the CSD Pool and must be owned, leased, or operated under the control of the Member District.

**Equipment Breakdown Limit:** \$205,976 Scheduled Property

**Sub Limits:**

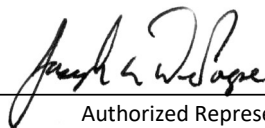
Newly Acquired Locations (90 Days Reporting)	\$2,500,000
Business Income / Extra Expense	\$1,000,000
Expediting Expenses	\$1,000,000
Rental Income	\$1,000,000
Demolition & Increased Cost of Construction	\$1,000,000
Off-Premises Equipment Breakdown	\$500,000
Service Interruption	\$250,000
Hazardous Substances	\$250,000
Perishable Goods	\$250,000
Data Restoration	\$250,000
Green Property Upgrade	\$100,000
Public Relations Coverage	\$5,000

**Deductible:** \$1,000 per Occurrence

**Contribution:** \$150

This Equipment Breakdown Declarations is made and is mutually accepted by the CSD Pool and the Member District subject to all terms which are made a part of the Equipment Breakdown Coverage Document. This Certificate represents only a brief summary of coverages. Please refer to the Equipment Breakdown Coverage Document for actual coverage, terms, conditions, and exclusions.

Countersigned by: \_\_\_\_\_



Authorized Representative



**Crime Certificate Holder Declaration**

**Master Coverage Document Number:** J05931794  
**Certificate Number:** 24PL-61168-2887

**Insurer:** Federal Insurance Company (Chubb)  
**Coverage Period:** 1/1/2024 to EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker of Record:**

Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

**Covered Designated Agent(s):**

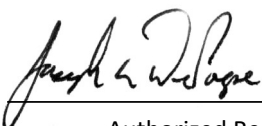
**Coverages and Limits:**

<b>Employee Theft:</b>	\$5,000
<ul style="list-style-type: none"> <li>· Limit is maximum for each loss</li> <li>· Employee includes executives, full-time, part-time, seasonal, leased and temporary employee(s), interns or non-compensated volunteer.</li> <li>· Includes funds from a sponsored benefit plan.</li> </ul>	
<b>Public Official Faithful Performance of Duty:</b>	\$5,000
<b>Client Theft:</b>	\$5,000
<b>Forgery or Alteration:</b>	\$5,000
<b>On Premises:</b>	\$5,000
<b>In Transit:</b>	\$5,000
<b>Computer System Fraud:</b>	\$5,000
<b>Funds Transfer Fraud:</b>	\$5,000
<b>Debit, Credit or Charge Card Fraud:</b>	\$5,000
<b>Money Orders and Counterfeit Paper Currency Fraud:</b>	\$5,000
<b>Social Engineering Fraud:</b>	\$5,000
<b><u>Deductible(s):</u></b>	
<b>All Crime except Social Engineer Fraud:</b>	\$100
<b>Social Engineering Fraud:</b>	20% of Social Engineering Fraud Limit
<b><u>Contribution:</u></b>	\$135

**Policy Forms:**

PF-52815 (04/20)	The Chubb Primary <sup>SM</sup> Commercial Crime Insurance
PF-52853 (04/20)	Governmental Entity (Colorado Special Districts Pool) Endorsement
PF-53127 (04/20)	Colorado Amendatory Endorsement
PF-52851 (04/20)	Add Corporate Credit Card Coverage

**This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Master Crime Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Policy Documents for actual coverage, terms, conditions, and exclusions.**

Countersigned by:   
 \_\_\_\_\_  
 Authorized Representative



## Identity Recovery Certificate Holder Declaration

**Master Coverage Policy Number:**

CSD 2009 CP IDR Form 01 01 21

**Insurer:**

The Hartford Steam Boiler Inspection  
and Insurance Company

**Certificate Number:** 24PL-61168-2887

**Coverage Period:** 1/1/2024 to EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker of Record:**

Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

**Member:**

All permanent employees and District Board members participating in the Colorado Special Districts Property and Liability Pool; Special District Association of Colorado staff and Board of Directors.

**Coverage:**

Reimbursement coverage for expenses arising from a defined "Identity Theft" event. Including: legal fees for answer of civil judgements and defense of criminal charges; phone, postage, shipping fees; notary and filing fees; credit bureau reports; lost wages; child/elder care and mental health counseling.

This coverage does not reimburse the member for monies stolen or fraudulently charged to the member, and excludes loss arising from the member's fraudulent, dishonest or criminal act.

**Annual Aggregate Limit per Member:** \$35,000

Case Management Service Expenses - does not reduce the limit available

Legal Costs - reduces the limit available

**Sub Limits:**

\$5,000	Lost Wages and Child/Elder Care
\$1,000	Mental Health Counseling
\$1,000	Miscellaneous Expenses

**Coverage Trigger:** Coverage is provided on a discovery basis with a 60-day reporting requirement

**Claims:** For Recovery Assistance and Counseling, please call 1-800-945-4617

**This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Identity Recovery Coverage Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage document for actual coverage, terms, conditions, and exclusions.**

Countersigned by:

A handwritten signature in black ink, appearing to read "Joseph L. W. Rague", is written over a horizontal line.

Authorized Representative

## Environmental Legal Liability Certificate Holder Declaration

**Master Policy Number:** ER00A9V24  
**Certificate Number:** 24PL-61168-2887  
**Named Member:**  
Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Insurer:** Aspen Specialty Insurance Company  
**Coverage Period:** 1/1/2024 to EOD 12/31/2024  
**Broker of Record:**  
Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

### Claims-Made Coverage:

1. **First Party Protection:** For coverages 1.a – 1.d, the pollution incident must be first discovered by the responsible insured and reported to the insurer during the policy period.
  - a. **Clean up:** Covers clean-up costs resulting from a pollution incident on, at, under, or migrating from or through an insured location.
  - b. **Emergency Response:** Covers emergency response cost resulting from a
  - c. **Pollution Incident:** (i) on, at, under or migrating from or through an insured location; (ii) caused by transportation; or (iii) caused by covered operations.
  - d. **Environmental Crisis:** Covers crisis cost resulting from a crisis event.
  - e. **Business Interruption:** Covers business interruption cost and extra expense incurred by the insured and solely and directly by a pollution incident on, at or under an insured location, provided the pollution incident results in clean-up cost covered by this policy.
  
2. **Legal Liability Protection:** For coverages 2.a – 2.d, the claim for damages because of such bodily injury or property damage, or a claim for such clean-up cost, is first made against an insured and reported to the insurer during the policy period.
  - a. **Insured Location:** Covers sums the insured becomes legally obligated to pay: (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident on, at under, or migrating from or through an insured location.
  - b. **Non-owned Site:** Covers sums the insured becomes legally obligated to pay (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident on, at under, or migrating from or through any non-owned site.
  - c. **Transportation:** Covers sums the insured becomes legally obligated to pay (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident caused by transportation.
  - d. **Covered Operations:** Covers sums the insured becomes legally obligated to pay (1) as damages because of bodily injury or property damage; or (ii) for clean-up costs, resulting from a pollution incident caused by covered operations or completed operations.

**Limits of Liability:** \$1,000,000 Each Pollution Incident  
\$5,000,000 Total Policy and Program Aggregate – Shared All Members  
**Sublimits:** \$500,000 Environmental Crisis Aggregate  
\$250,000 Business Interruption Aggregate  
\$100,000 Perfluorinated Compounds Aggregate

**Member Deductible:** \$1,000 Each Pollution Incident

**Retroactive Date:** January 1, 2009 (unless otherwise specified)  
**Defense Costs:** Legal defense expenses and settlement shall erode the Limits of Liability

**Partial List of Exclusions:**

Asbestos, Contractual Liability, Criminal Fines and Criminal Penalties, Cross Liability (Insured vs. Insured), Damage to Insured's Product/Work, Divested Property, Employers Liability, Fraud or Misrepresentation, Intentional Non-Compliance, Internal Expenses, Known Conditions, Lead-Based Paint, Material Change in Risk, Non-Owned Disposal Sites, Underground Storage Tanks and Above Ground Storage Tanks excluded unless scheduled, Vehicle Damage, War or Terrorism, Workers Compensation, Lead at all gun or shooting ranges, Maintenance, Upgrades, Improvements or Installations where required by law, Microbial Matter with carveback for sudden and accidental water intrusion; 10-day discovery period/30 day reporting period, Prior Claims, Communicable Disease

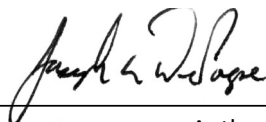
**Policy Forms:**

ASPENV110 06 17	Environmental Legal Liability Policy
ASPENV098 11 17	Cap on Losses from Certified Acts of Terrorism
ASPENV340 05 17	Insured Location(s) Schedule Endorsement
ASPENV310 05 17	Known Conditions Exclusion Endorsement
ASPENV316 05 17	Legal Expense Aggregate Limit of Liability Endorsement
ASPENV117 11 17	Self-Insured Retention Aggregate (Erosion by Underlying Policies)
ASPENV117 11 17	Sewage Back-up Deductible Amendatory Endorsement
ASPENV117 11 17	Perfluorinated Compounds, Sublimit and Retroactive Date Amendatory Endorsement
ASPENV117 11 17	Cancellation Amendatory Endorsement
ASPENV117 11 17	Microbial Matter Exclusion Endorsement
ASPENV117 11 17	Maintenance, Upgrade, Improvements or Installations Exclusion Endorsement
ASPENV117 11 17	Retroactive Date All Coverage Endorsement
ASPENV117 11 17	Microbial Matter Sudden and Accidental Coverage Limitation Amendatory Endorsement
ASPENV117 11 17	Insured Location/Acquired Property Endorsement
ASPENV117 11 17	Public Entity Amendatory Endorsement
ASPENV322 05 17	Minimum Earned Premium Endorsement
ASPENV341 05 17	Named Insured Schedule Endorsement
ASPENV118 11 17	Nuclear, Biological, Chemical, or Radiological Terrorism Exclusion
ASPENV003 05 17	Other Insurance Condition Amendatory Endorsement
ASPER334 01 14	Prior Claim Exclusion Endorsement
ASPENV338 04 19	Schedule of Crisis Management Firms Endorsement
ASPENV431 11 17	Aspen Environmental Emergency Response Hotline
SNCO 1021	Colorado Surplus Lines Notice
ASPENV117.EL.0920.X	Communicable Disease Exclusion

**Additional Endorsements Applicable to Named Member:**

**This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all coverage terms under the Pollution Liability Policy #EV00A9V23 issued by Aspen Specialty Insurance Company. This Certificate represents a brief summary of coverages. Please refer to the Master Coverage Document for all coverage terms, conditions and exclusions.**

Countersigned by:



Authorized Representative

**Terrorism, Sabotage and Malicious Attack Certificate Holder Declaration**

**Master Coverage Policy Number:**

TER P 004 CW (06/11) physical loss or damage  
33HIS00151 Terrorism Combined Liability  
TER P0027CW (05/17) Malicious Attack  
10/17 Malicious Attack combined liability

**Insurer:**

Lloyds, Hiscox Syndicate 33

**Certificate Number:** 24PL-61168-2887

**Coverage Period:** 1/1/2024 to EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District  
c/o White, Bear, Ankele, Tanaka, & Waldron  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker of Record:**

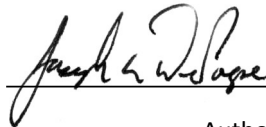
Highstreet TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

Coverage for All CSD Pool Members combined	Per Occurrence Limit	Annual Aggregate Limit	Deductible
<b>All Coverages Combined</b>	n/a	<b>\$105,000,000</b>	n/a
Terrorism and Sabotage – Physical Loss or Damage	\$100,000,000	\$100,000,000	\$10,000
Terrorism – Combined Liability	\$10,000,000	\$10,000,000	\$10,000
Malicious Attack – Physical Loss or Damage & Combined Liability	\$5,000,000	\$5,000,000	\$5,000
<i>Malicious Attack Sub-limits applicable:</i>			
Prevention or Restriction of Access	\$2,500,000	\$2,500,000	\$5,000
Utilities	\$2,500,000	\$2,500,000	\$5,000
Personal Accident Costs	\$250,000	\$250,000	\$5,000
Crisis Management Costs	\$250,000	\$250,000	\$5,000

**Report all Claims to:** Phone: (800) 318-8870, ext. 1  
Email: claims@csdpool.org

**This Certificate Holder Declaration is made and is mutually accepted by the CSD Pool and the Named Member subject to all terms which are made a part of the Terrorism, Sabotage and Malicious Attack Coverage Policy. This Certificate represents only a brief summary of coverages. Please refer to the Master Coverage document for actual coverage, terms, conditions, and exclusions.**

Countersigned by:



Authorized Representative

**General Liability Schedule  
Metropolitan District**

**Policy Number:** 24PL-61168-2887  
**Named Member:** Hawthorn Metropolitan District

**Coverage Period:** 1/1/2024 – EOD 12/31/2024  
**Broker:** Highstreet TCW Risk Management

Code	Description	Unit	Amount	Effective Date	Expiration Date
1	1-Number of Skate Board Parks	Total	0.00	1/1/2024	12/31/2024
2	2-Number of Diving Boards	Total	0.00	1/1/2024	12/31/2024
3	3-Number of Water Slides	Total	0.00	1/1/2024	12/31/2024
4	4-Maximum Bond Issued	Dollars	461,339.00	1/1/2024	12/31/2024
5	5-Number of Bonds Issued	Total	2.00	1/1/2024	12/31/2024
20	20-Day Care Operations - Total Annual Payroll	Dollars	0.00	1/1/2024	12/31/2024
30	30-Number of EMT Personnel	Total	0.00	1/1/2024	12/31/2024
32	32-Paid Firefighters - Non-EMT	Total	0.00	1/1/2024	12/31/2024
37	37-Pipe Line - Under Drain	Miles	0.00	1/1/2024	12/31/2024
39	39-Pipe Line	Miles	0.00	1/1/2024	12/31/2024
43	43-Pipe Line - Sewer / Storm Drainage Combined	Miles	0.00	1/1/2024	12/31/2024
50	50-Number of Teachers	Total	0.00	1/1/2024	12/31/2024
70	70-Number of Golf Courses	Total	0.00	1/1/2024	12/31/2024
80	80-Number of Go Cart Tracks	Total	0.00	1/1/2024	12/31/2024
98	98-Additional First Named Members	Total	0.00	1/1/2024	12/31/2024
105	105-Total Operating Expenses - Any other	Dollars	400,000.00	1/1/2024	12/31/2024
130	130-Total Operating Expenses - Park & Recreation	Dollars	0.00	1/1/2024	12/31/2024
131	131-Total Operating Expenses - Cemetery	Dollars	0.00	1/1/2024	12/31/2024
132	132-Total Operating Expenses - Soil & Water Conservation	Dollars	0.00	1/1/2024	12/31/2024

133	133-Total Operating Expenses - Pest Control	Dollars	0.00	1/1/2024	12/31/2024
134	134-Total Operating Expenses - Hospital / Health	Dollars	0.00	1/1/2024	12/31/2024
135	135-Total Operating Expenses - Drainage	Dollars	0.00	1/1/2024	12/31/2024
136	136-Total Operating Expenses - Library	Dollars	0.00	1/1/2024	12/31/2024
137	137-Total Operating Expenses - Water Control	Dollars	0.00	1/1/2024	12/31/2024
138	138-Total Operating Expenses - Fire / Ambulance	Dollars	0.00	1/1/2024	12/31/2024
139	139-Total Operating Expenses - Water	Dollars	0.00	1/1/2024	12/31/2024
140	140-Total Operating Expenses - Irrigation	Dollars	0.00	1/1/2024	12/31/2024
141	141-Total Operating Expenses - Sanitation	Dollars	0.00	1/1/2024	12/31/2024
142	142-Total Operating Expenses - Transit	Dollars	0.00	1/1/2024	12/31/2024
143	143-Total Operating Expenses - Improvement	Dollars	0.00	1/1/2024	12/31/2024
151	151-Total Operating Expenses - Sanitation MW Discounted	Dollars	0.00	1/1/2024	12/31/2024
215	215-Buildings & Premises Occupied by District	Sq. Ft.	0.00	1/1/2024	12/31/2024
250	250-Number of Homes – Covenant Enforcement/Design Review Services under District Authority	Total	199.00	1/1/2024	12/31/2024
270	270-Number of Aboveground Storage Tanks (excluding water tanks)	Total	0.00	1/1/2024	12/31/2024
331	331-Number of Paid Firefighters - Full-Time	Total	0.00	1/1/2024	12/31/2024
332	332-Number of Paid Firefighters - Part-Time	Total	0.00	1/1/2024	12/31/2024
333	333-Number of Volunteer Firefighters	Total	0.00	1/1/2024	12/31/2024
334	334-Number of Paid EMT - Full-Time	Total	0.00	1/1/2024	12/31/2024
335	335-Number of Paid EMT - Part-Time	Total	0.00	1/1/2024	12/31/2024
341	341-Time Spent by Club/Recreation/Camp Volunteers	Hours	0.00	1/1/2024	12/31/2024
342	342-Time Spent by Day Care Volunteers	Hours	0.00	1/1/2024	12/31/2024
344	344-Time Spent by Event Organizer Volunteers	Hours	0.00	1/1/2024	12/31/2024
345	345-Time Spent by General Volunteers	Hours	0.00	1/1/2024	12/31/2024

348	348-Number of Board Members	Total	5.00	1/1/2024	12/31/2024
350	350-Number of Permanent Employees - Full-Time	Total	0.00	1/1/2024	12/31/2024
351	351-Number of Permanent Employees - Part-Time	Total	0.00	1/1/2024	12/31/2024
366	366-Total Payroll	Dollars	0.00	1/1/2024	12/31/2024
400	400-Number of Boats - Under 26'	Total	0.00	1/1/2024	12/31/2024
411	411-Total Water Delivered Annually - Millions of Gallons (MGAL)	MGAL	0.00	1/1/2024	12/31/2024
414	414-Playground/parks (Area)	Acres	0.00	1/1/2024	12/31/2024
415	415-Number of Grandstands/Stadiums	Total	0.00	1/1/2024	12/31/2024
420	420-Vacant Land	Acres	0.00	1/1/2024	12/31/2024
450	450-Miles of Road Maintained	Miles	0.00	1/1/2024	12/31/2024
522	522-Number of Ponds, Lakes & Reservoirs	Total	0.00	1/1/2024	12/31/2024
550	550-Fire Department Area Served	Sq Miles	0.00	1/1/2024	12/31/2024
671	671-Number of Parks	Total	0.00	1/1/2024	12/31/2024
710	710-Dams - Class 1 - Low Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2024	12/31/2024
712	712-Dams - Class 1 - Low Hazard - Number of Dams	Count	0.00	1/1/2024	12/31/2024
720	720-Dams - Class 2 - Med Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2024	12/31/2024
722	722-Dams - Class 2 - Med Hazard - Number of Dams	Count	0.00	1/1/2024	12/31/2024
730	730-Dams - Class 3 - High Hazard - Total Acre-Feet	Acre Ft.	0.00	1/1/2024	12/31/2024
732	732-Dams - Class 3 - High Hazard - Number of Dams	Count	0.00	1/1/2024	12/31/2024
811	811-Number of Spillways	Total	0.00	1/1/2024	12/31/2024
900	900-Services Contracted out to Others	Dollars	313,225.00	1/1/2024	12/31/2024
924	924-Revenue from use of Swimming Pools	Dollars	0.00	1/1/2024	12/31/2024
925	925-Number of Swimming Pools	Total	0.00	1/1/2024	12/31/2024
945	945-Number of Sewage Taps	Total	0.00	1/1/2024	12/31/2024



946	946-Number of Water Mains or Connections	Total	0.00	1/1/2024	12/31/2024
947	947-Sewer and/or Sanitation Line Maintenance (budget)	Dollars	0.00	1/1/2024	12/31/2024
948	948-Water Line Maintenance (budget)	Dollars	0.00	1/1/2024	12/31/2024
997	997-Number of district sponsored Events/Fundraisers - No Alcohol Served	Total	0.00	1/1/2024	12/31/2024
998	998-Number of District sponsored Events/Fundraisers – With Alcohol Served	Total	0.00	1/1/2024	12/31/2024
999	999-Prior Acts Coverage Under a Previous "Claims Made" Policy	Premium	0.00	1/1/2024	12/31/2024

**If your district has exposures not listed on the General Liability schedule above, such as airplanes, security staff, bridges, drones, etc., please furnish details. Certain activities may be excluded or restricted.**

**Property Schedule**

Coverage Period: 1/1/2024-EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District

**Broker:**

Highstreet TCW Risk Management

Per Occurrence Deductible: \$ 500.00

Location/Premise Address / Description	Construction Class	Prot. Class	Valuation	Values	Property Contrib.	Quake Contrib.	Flood Contrib.
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<b>Location / Premise#</b>	001-001	<b>Unique#</b>	PROP-00001179	Frame	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$ 97	\$	\$
Gazebo Structure	<b>Year Built:</b>	2016	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>	0	<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	1.00	<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No	<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$18,875.00				

<b>Location / Premise#</b>	001-002	<b>Unique#</b>	PROP-00001178	Frame	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$ 24	\$	\$
5 Park Benches	<b>Year Built:</b>	2015	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>	0	<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	0.00	<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No	<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$4,650.00				

<b>Location / Premise#</b>	001-003	<b>Unique#</b>	PROP-00001177	Noncombustible	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$2,977	\$	\$
Concrete Paths	<b>Year Built:</b>	2014	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
Throughout District	<b>Sq. Feet:</b>	0	<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	0.00	<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No	<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$576,983.00				

Property Schedule

Coverage Period: 1/1/2024-EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District

**Broker:**

Highstreet TCW Risk Management

Per Occurrence Deductible: \$ 500.00

Location/Premise Address / Description	Construction Class	Prot. Class	Valuation	Values	Property Contrib.	Quake Contrib.	Flood Contrib.
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<b>Location / Premise#</b>	001-004	<b>Unique#</b>	PROP-00112079	Not Assigned	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$ 91	\$	\$
Playground Structure & Swingset	<b>Year Built:</b>	2016	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>		<b>County:</b>	Jeffers on	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
							<b>Business Inc:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>		<b>Flood Zone:</b>	Zone X			<b>UG Pipes:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$17,575.00			

<b>Location / Premise#</b>	001-005	<b>Unique#</b>	PROP-00001181	Frame	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$751	\$	\$
133 Landscape Trees (\$800 each)	<b>Year Built:</b>	2015	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
Throughout District	<b>Sq. Feet:</b>	0	<b>County:</b>	Jeffers on	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
							<b>Business Inc:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	0.00	<b>Flood Zone:</b>	Zone X			<b>UG Pipes:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$145,523.00			

<b>Location / Premise#</b>	001-006	<b>Unique#</b>	PROP-00001180	Frame	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$564	\$	\$
1333 Shrubs (\$60 each)	<b>Year Built:</b>	2015	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
Throughout District	<b>Sq. Feet:</b>	0	<b>County:</b>	Jeffers on	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
							<b>Business Inc:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	0.00	<b>Flood Zone:</b>	Zone X			<b>UG Pipes:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$109,389.00			

Property Schedule

Coverage Period: 1/1/2024-EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District

**Broker:**

Highstreet TCW Risk Management

Per Occurrence Deductible: \$ 500.00

Location/Premise Address / Description	Construction Class	Prot. Class	Valuation	Values	Property Contrib.	Quake Contrib.	Flood Contrib.
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<b>Location / Premise#</b>	001-007	<b>Unique#</b>	PROP-00112081	Noncombustible	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$106	\$	\$
Monument	<b>Year Built:</b>	2016	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>		<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>		<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> Yes	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>UG Pipes:</b>	\$ 0.00			
							<b>Otherwise Classified:</b>	\$20,516.00			

<b>Location / Premise#</b>	001-008	<b>Unique#</b>	PROP-00112078	Fire Resistive	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$546	\$	\$
Underdrain System	<b>Year Built:</b>	2014	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>		<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>		<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>UG Pipes:</b>	\$246,872.00			
							<b>Otherwise Classified:</b>	\$ 0.00			

<b>Location / Premise#</b>	001-009	<b>Unique#</b>	PROP-00112077	Fire Resistive	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$957	\$	\$
Irrigation System Components	<b>Year Built:</b>	2015	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>		<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>		<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> Yes	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>UG Pipes:</b>	\$ 0.00			
							<b>Otherwise Classified:</b>	\$185,460.00			

Property Schedule

Coverage Period: 1/1/2024-EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District

**Broker:**

Highstreet TCW Risk Management

Per Occurrence Deductible: \$ 500.00

Location/Premise Address / Description	Construction Class	Prot. Class	Valuation	Values	Property Contrib.	Quake Contrib.	Flood Contrib.
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<b>Location / Premise#</b>	001-010	<b>Unique#</b>	PROP-00001176	Noncombustible	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$1,000	\$	\$
Modular Block Wall	<b>Year Built:</b>	2015	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>	0	<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	1.00	<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>UG Pipes:</b>	\$ 0.00			
							<b>Otherwise Classified:</b>	\$193,804.00			

<b>Location / Premise#</b>	001-011	<b>Unique#</b>	PROP-00001175	Fire Resistive	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$ 11	\$	\$
2 Pet Waste Stations	<b>Year Built:</b>	2015	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>	0	<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	0.00	<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>	0.00	<b>Flood Zone:</b>	Zone X			<b>UG Pipes:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$2,189.00			

<b>Location / Premise#</b>	001-012	<b>Unique#</b>	PROP-00112076	Not Assigned	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$ 23	\$	\$
Soccer Goals and Volleyball Nets	<b>Year Built:</b>	2016	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>	\$ 0.00				
5900 Gilbert Street	<b>Sq. Feet:</b>		<b>County:</b>	Jefferson	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>		<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>		<b>Flood Zone:</b>	Zone X			<b>UG Pipes:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>Otherwise Classified:</b>	\$4,445.00			

**Property Schedule**

Coverage Period: 1/1/2024-EOD 12/31/2024

**Named Member:**

Hawthorn Metropolitan District

**Broker:**

Highstreet TCW Risk Management

Per Occurrence Deductible: \$ 500.00

Location/Premise Address / Description	Construction Class	Prot. Class	Valuation	Values	Property Contrib.	Quake Contrib.	Flood Contrib.
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<b>Location / Premise#</b>	001-013	<b>Unique#</b>	PROP-00112080	Not Assigned	6	Replacement	<b>Buildings:</b>	\$ 0.00	\$485	\$	\$
3 4-Ft. Rail Fences	<b>Year Built:</b>	2014	<b>Term:</b>	1/1/2024 to 12/31/2024		<b>Contents:</b>		\$ 0.00			
Throughout District	<b>Sq. Feet:</b>		<b>County:</b>	Jeffers on	Ded:	\$ 500.00	<b>EDP:</b>	\$ 0.00			
Golden, CO 80403	<b># Stories</b>		<b>Flood Zone:</b>	Zone X			<b>Business Inc:</b>	\$ 0.00			
<b>NOC Equipment Breakdown Applies:</b> No	<b>Excess Quake Applies:</b> No		<b>Excess Flood Applies:</b> No				<b>UG Pipes:</b>	\$ 0.00			
							<b>Otherwise Classified:</b>	\$93,915.00			

Totals:	<b>Buildings:</b>	\$0.00	\$7,632.00	\$0.00	\$0.00
	<b>Contents:</b>	\$0.00			
	<b>EDP:</b>	\$0.00			
	<b>Business Inc:</b>	\$0.00			
	<b>UG Pipes:</b>	\$246,872.00			
	<b>Otherwise Classified:</b>	\$1,373,324.00			

Minimum Property Contribution: \$425



# CERTIFICATE OF COVERAGE

Certificate Number  
CERT-007431

<b>ADMINISTRATOR</b> Colorado Special Districts Property and Liability Pool c/o McGriff Insurance Services, LLC PO Box 1539 Portland, OR 97207-1539	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
<b>NAMED MEMBER</b> Hawthorn Metropolitan District 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122	<b>COMPANIES AFFORDING COVERAGE</b> COMPANY A: Colorado Special Districts Property and Liability Pool COMPANY B: COMPANY C: COMPANY D: COMPANY E:

### COVERAGES

THIS IS TO CERTIFY THAT COVERAGE DOCUMENTS LISTED HEREIN HAVE BEEN ISSUED TO THE NAMED MEMBER HEREIN FOR THE COVERAGE PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE COVERAGE AFFORDED BY THE COVERAGE DOCUMENTS LISTED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH COVERAGE DOCUMENTS.

CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	LIMITS	
A	General Liability	24PL-61168-2887	01/01/24	12/31/24	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence				*Except that for claims, occurrences or suits to which the monetary limits of the Colorado Immunity Act, C.R.S. & 24-10-101, et.seq., as amended, apply, there shall be a further sublimit of (a) \$387,000 for an injury to any one person in any single occurrence; and (b) \$1,093,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$387,000 for each injured person.	Each Occurrence*
	Automobile Liability <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos				Each Occurrence*	
	Auto Physical Damage <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos					
	Excess Liability <input type="checkbox"/> Other Than Umbrella Form				General Aggregate	
					Each Occurrence*	
	Property <input type="checkbox"/>					

Description:  
Evidence of coverage only.

<b>CERTIFICATE HOLDER</b>  Spire Financial 2460 W. 26th Ave. Ste 390-C Denver, CO 80211	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE COVERAGE FORM PROVISIONS.
	AUTHORIZED REPRESENTATIVE: By: Joseph E. DePaepe
	Date: November 8, 2023



# CERTIFICATE OF COVERAGE

Certificate Number CERT-007626
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<b>ADMINISTRATOR</b> Colorado Special Districts Property and Liability Pool c/o McGriff Insurance Services, LLC PO Box 1539 Portland, OR 97207-1539	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
<b>NAMED MEMBER</b> Hawthorn Metropolitan District 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122	<b>COMPANIES AFFORDING COVERAGE</b> COMPANY A: Colorado Special Districts Property and Liability Pool COMPANY B: COMPANY C: COMPANY D: COMPANY E:

### COVERAGES

THIS IS TO CERTIFY THAT COVERAGE DOCUMENTS LISTED HEREIN HAVE BEEN ISSUED TO THE NAMED MEMBER HEREIN FOR THE COVERAGE PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE COVERAGE AFFORDED BY THE COVERAGE DOCUMENTS LISTED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH COVERAGE DOCUMENTS.

CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	LIMITS	
A	General Liability	24PL-61168-2887	01/01/24	12/31/24	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence	*Except that for claims, occurrences or suits to which the monetary limits of the Colorado Immunity Act, C.R.S. & 24-10-101, et.seq., as amended, apply, there shall be a further sublimit of (a) \$387,000 for an injury to any one person in any single occurrence; and (b) \$1,093,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$387,000 for each injured person.		Each Occurrence*	\$2,000,000	
	Automobile Liability <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos				Each Occurrence*	
	Auto Physical Damage <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos					
	Excess Liability <input type="checkbox"/> Other Than Umbrella Form				General Aggregate	
					Each Occurrence*	
	Property <input type="checkbox"/>					

**Description:**  
 Evidence of coverage only. Re: Loan #30092008384758 for borrowers: Michael and Marilyn Martin, 6056 Gilbert Way, Golden, CO 80403

<b>CERTIFICATE HOLDER</b>  Nations Lending Corporation NMLS# 32416 4 Summit Park Drive Suite 200 Independence, OH 44131	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE COVERAGE FORM PROVISIONS.  AUTHORIZED REPRESENTATIVE: By: Joseph E. DePaepe
	Date: November 8, 2023





# CERTIFICATE OF COVERAGE

Certificate Number CERT-008099
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<b>ADMINISTRATOR</b> Colorado Special Districts Property and Liability Pool c/o McGriff Insurance Services, LLC PO Box 1539 Portland, OR 97207-1539	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
<b>NAMED MEMBER</b> Hawthorn Metropolitan District 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122	<b>COMPANIES AFFORDING COVERAGE</b> COMPANY A: Colorado Special Districts Property and Liability Pool COMPANY B: COMPANY C: COMPANY D: COMPANY E:

### COVERAGES

THIS IS TO CERTIFY THAT COVERAGE DOCUMENTS LISTED HEREIN HAVE BEEN ISSUED TO THE NAMED MEMBER HEREIN FOR THE COVERAGE PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE COVERAGE AFFORDED BY THE COVERAGE DOCUMENTS LISTED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH COVERAGE DOCUMENTS.

CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	LIMITS	
A	General Liability	24PL-61168-2887	01/01/24	12/31/24	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence	*Except that for claims, occurrences or suits to which the monetary limits of the Colorado Immunity Act, C.R.S. & 24-10-101, et.seq., as amended, apply, there shall be a further sublimit of (a) \$387,000 for an injury to any one person in any single occurrence; and (b) \$1,093,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$387,000 for each injured person.			Each Occurrence*	\$2,000,000
	Automobile Liability <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos				Each Occurrence*	
	Auto Physical Damage <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos					
	Excess Liability <input type="checkbox"/> Other Than Umbrella Form				General Aggregate	
					Each Occurrence*	
	Property <input type="checkbox"/>					

Description:  
Evidence of coverage only.

<b>CERTIFICATE HOLDER</b>  To Whom It May Concern	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE COVERAGE FORM PROVISIONS.
	AUTHORIZED REPRESENTATIVE: By: Joseph E. DePaepe
	Date: November 8, 2023



# CERTIFICATE OF COVERAGE

Certificate Number CERT-008785
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<b>ADMINISTRATOR</b> Colorado Special Districts Property and Liability Pool c/o McGriff Insurance Services, LLC PO Box 1539 Portland, OR 97207-1539	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
<b>NAMED MEMBER</b> Hawthorn Metropolitan District 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122	<b>COMPANIES AFFORDING COVERAGE</b> COMPANY A: Colorado Special Districts Property and Liability Pool COMPANY B: COMPANY C: COMPANY D: COMPANY E:

### COVERAGES

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CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	LIMITS	
A	General Liability	24PL-61168-2887	01/01/24	12/31/24	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence	*Except that for claims, occurrences or suits to which the monetary limits of the Colorado Immunity Act, C.R.S. & 24-10-101, et.seq., as amended, apply, there shall be a further sublimit of (a) \$387,000 for an injury to any one person in any single occurrence; and (b) \$1,093,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$387,000 for each injured person.			Each Occurrence*	\$2,000,000
	Automobile Liability <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos				Each Occurrence*	
	Auto Physical Damage <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos					
	Excess Liability <input type="checkbox"/> Other Than Umbrella Form				General Aggregate	
					Each Occurrence*	
A	Property <input checked="" type="checkbox"/>	24PL-61168-2887	01/01/24	12/31/24	See below if applicable.	

Description:  
Evidence of Coverage only. Re: 19632 W 59th Avenue, Golden, CO, 80403

<b>CERTIFICATE HOLDER</b>  To Whom It May Concern	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE COVERAGE FORM PROVISIONS.
	AUTHORIZED REPRESENTATIVE: By: Joseph E. DePaepe
	Date: November 8, 2023

<b>Code</b>	<b>Description</b>	<b>Address</b>	<b>Value</b>
61168P14585	Playground Structure & Swingset	5900 Gilbert Street	17,575.00



# CERTIFICATE OF COVERAGE

Certificate Number  
CERT-008899

<b>ADMINISTRATOR</b> Colorado Special Districts Property and Liability Pool c/o McGriff Insurance Services, LLC PO Box 1539 Portland, OR 97207-1539	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
<b>NAMED MEMBER</b> Hawthorn Metropolitan District 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122	<b>COMPANIES AFFORDING COVERAGE</b> COMPANY A: Colorado Special Districts Property and Liability Pool COMPANY B: COMPANY C: COMPANY D: COMPANY E:

## COVERAGES

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CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	LIMITS	
A	General Liability	24PL-61168-2887	01/01/24	12/31/24	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence	*Except that for claims, occurrences or suits to which the monetary limits of the Colorado Immunity Act, C.R.S. & 24-10-101, et.seq., as amended, apply, there shall be a further sublimit of (a) \$387,000 for an injury to any one person in any single occurrence; and (b) \$1,093,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$387,000 for each injured person.			Each Occurrence*	\$2,000,000
	Automobile Liability <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos				Each Occurrence*	
	Auto Physical Damage <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos					
	Excess Liability <input type="checkbox"/> Other Than Umbrella Form				General Aggregate	
					Each Occurrence*	
A	Property <input checked="" type="checkbox"/>	24PL-61168-2887	01/01/24	12/31/24	See below if applicable.	

**Description:**  
 Evidence of coverage only. Borrower: Margo Gibbons, Adam Gibbons Property Address: 19691 W. 59th Avenue Golden CO 80403 Loan #: 799577

<b>CERTIFICATE HOLDER</b>  Union Home Mortgage Corp. ISAOA/ATIMA P.O. Box 1173 Sylvania, OH 43560	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE COVERAGE FORM PROVISIONS.
	AUTHORIZED REPRESENTATIVE: By: Joseph E. DePaepe
	Date: November 8, 2023

**Linked Property Items**

<b>Code</b>	<b>Description</b>	<b>Address</b>	<b>Value</b>
61168P14588	Gazebo Structure	5900 Gilbert Street	18,875.00
61168P14585	Playground Structure & Swingset	5900 Gilbert Street	17,575.00



# CERTIFICATE OF COVERAGE

Certificate Number CERT-009023
-----------------------------------

<b>ADMINISTRATOR</b> Colorado Special Districts Property and Liability Pool c/o McGriff Insurance Services, LLC PO Box 1539 Portland, OR 97207-1539	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
<b>NAMED MEMBER</b> Hawthorn Metropolitan District 2154 E. Commons Avenue, Suite 2000 Centennial, CO 80122	<b>COMPANIES AFFORDING COVERAGE</b> COMPANY A: Colorado Special Districts Property and Liability Pool COMPANY B: COMPANY C: COMPANY D: COMPANY E:

### COVERAGES

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CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	LIMITS	
A	General Liability	24PL-61168-2887	01/01/24	12/31/24	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Public Officials Liability <input checked="" type="checkbox"/> Employment Practices <input checked="" type="checkbox"/> Occurrence	*Except that for claims, occurrences or suits to which the monetary limits of the Colorado Immunity Act, C.R.S. & 24-10-101, et.seq., as amended, apply, there shall be a further sublimit of (a) \$387,000 for an injury to any one person in any single occurrence; and (b) \$1,093,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$387,000 for each injured person.			Each Occurrence*	\$2,000,000
	Automobile Liability <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos				Each Occurrence*	
	Auto Physical Damage <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos					
	Excess Liability <input type="checkbox"/> Other Than Umbrella Form				General Aggregate	
					Each Occurrence*	
	Property <input type="checkbox"/>					

**Description:**  
 North Table Mountain Water and Sanitation District is listed as an additional covered member under General Liability as required under written contract. Only those liabilities covered by the Pool's coverage document for the Member District shall apply, subject to the provisions and limitations contained in the Colorado Governmental Immunity Act C.R.S. 24-10-101, as amended.

<b>CERTIFICATE HOLDER</b>  North Table Mountain Water and Sanitation District 14806 W. 52nd Avenue Golden, CO 80403	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED COVERAGES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE COVERAGE FORM PROVISIONS.
	AUTHORIZED REPRESENTATIVE: By: Joseph E. DePaepe
	Date: November 8, 2023

Attached are the district's **2024 Workers' Compensation Board Member Only (BMO)** renewal documents, which includes the renewal invoice, payment instructions, declarations page, and certificates if applicable.

The minimum stipend per board member continues to be \$1,200 a year for each board member (i.e.: the minimum total stipend for five (5) board members is \$6,000). The annual minimum contribution remains the same at \$450.

**There are a couple of important dates to mark on your calendar:**

- By **October 20, 2023**, let us know if you would like to make any changes to the renewal coverage.
- By **January 1, 2024**, renewal payment is due.
- By **January 30, 2024**, WC coverage is subject to cancellation for non-payment. If the CSD Pool does not receive payment by January 30, 2024, Workers Compensation coverage will cancel for non-payment.

As a reminder, BMO coverage is designed only for work-related injuries and illness for board members while in the course and scope of their duties as board members, which are strictly administrative functions. If any of the following scenarios apply to your district, you must report it to us for proper classification:

- Non-administrative functions performed by any board member, such as occasionally working at a water/sewer, or other plant operations, helping with landscaping or maintenance, meter reading, plowing snow, and so forth.
- Entering into a contract with a party, whether verbally or written, to perform work for your district, when the party does not provide proof of his/her own workers' compensation insurance coverage.
- Hiring district employee(s).

Not reporting accurately may also affect prior years' coverages as the NCCI administrative rules allow for Audits to be conducted and reconciled for corrected contribution payments for the prior three (3) years.

It is important to note that board members are considered employees under the current Colorado Revised Statute while in the course and scope of their board member administrative duties; therefore, coverage is required unless the district opts out by filing a statement with the Colorado Division of Workers' Compensation no less than 45 days before the start of the coverage year along with an annual resolution adopted and signed by each board member. If the district decides to opt out, please send us a copy of the statement and resolution so that we can properly update our file and non-renew the district's coverage. **Please also note that opting out or canceling BMO coverage will lead to the loss of the 8% Multi Program Discount associated with the district's Property & Liability coverage.**

Finally, the district may qualify for the CSD Pool's SDA Conference Scholarship Program. The CSD Pool sponsors board members who have never attended a Special District Association of Colorado (SDA) Annual Conference in September.

Thank you for renewing your Workers' Compensation Board Member Only coverage with us. If you have any questions regarding your renewal, please do not hesitate to contact us.

**TCW Risk Management Renewal Team**

On behalf of Nikki Rickord & Sebastian Arulraj

303.872.1930 • [tcwinfo@tcwrm.com](mailto:tcwinfo@tcwrm.com)



If the recipient of this email is not the intended recipient or has otherwise received the email in error, please notify the sender immediately by return email and delete the original email (together with any copies of it) from the recipient computer system without retaining, using, or reproducing the email or its contents.

## Workers' Compensation Coverage Invoice

**District:** Hawthorn Metropolitan District  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

**Broker:** TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

Coverage No.		Entity ID		Effective Date		Expiration Date		Invoice Date	
24WC-61168-0390		61168		1/1/2024		EOD 12/31/2024		8/14/2023	
Class Code	Description	No. of Employees		No. of Volunteers	2024 Rate	2024 Estimated Employee Payroll	2024 Estimated Volunteer Payroll	Estimated Manual Contribution	
		FT	PT						
8811	Board Member Coverage	0	0	5	0.75		\$6,000.00	\$45.00	

Manual Contribution:		\$45.00
Experience Modification:	×	1.00
Modified Contribution:	=	\$45.00
Minimum Contribution:		\$450.00
Contribution Volume Credit:	-	\$0.00
Designated Provider Discount:	-	\$0.00
Cost Containment Credit:	×	1.00
Manual Adjustment:	×	
Multi-Program Discount:	×	1.00
<hr/>		
Estimated Annual Contribution:	=	\$450.00
Pro Rata Factor:	×	1.00
<b>Total Estimated Contribution:</b>	<b>=</b>	<b>\$450.00</b>
<b>Total Amount Due:</b>		<b>\$450.00</b>

**Estimated payroll is subject to yearend audit.**

Payment evidences "acceptance" of this coverage. The terms of the Intergovernmental Agreement (IGA) require timely payment to prevent automatic cancellation of coverage. Please return this invoice and reference the coverage number on your check to help us apply your payment correctly. Only prior notice to the board of directors of the Colorado Special Districts Property and Liability Pool and subsequent approval may extend cancellation provision.

**Please remit to:** Colorado Special Districts Property and Liability Pool  
c/o McGriff Insurance Services, LLC  
PO Box 1539  
Portland, OR 97207-1539

We accept online payments at [E-Bill Express](#)  
Refer to Payment Instructions page for additional options  
billing@csdpool.org  
800-318-8870 ext. 3





## Workers' Compensation and Employer's Liability Declarations Page

Coverage Number: 24WC-61168-0390  
Coverage Period: 1/1/2024 — EOD 12/31/2024

FEIN: 38-3896510  
Entity ID: 61168

**Named Member:**  
Hawthorn Metropolitan District  
2154 E. Commons Avenue, Suite 2000  
Centennial, CO 80122

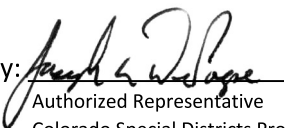
**Broker of Record:**  
TCW Risk Management  
384 Inverness Parkway  
Suite 170  
Englewood, CO 80112

Coverage is provided for only those coverages and classifications indicated below.

State: Colorado  
Limits of Liability: Coverage A Workers' Compensation Statutory  
Coverage B Employer's Liability \$2,000,000  
Annual Contribution: \$450.00

Class	Description	2024 Estimated Employee Payroll	2024 Estimated Volunteer Payroll
8811	Board Member Coverage		\$6,000.00

This Declarations page is made and is mutually accepted by the Pool and Named Member subject to all terms that are made a part of the Workers' Compensation Coverage Document. This Declarations page represents only a brief summary of coverages. Please refer to the Coverage Document at [csdpool.org](http://csdpool.org) for actual coverages, terms, conditions, and exclusions. Named Member must be a member of the Special District Association of Colorado and must adopt the Pool's Intergovernmental Agreement.

Countersigned by:   
Authorized Representative  
Colorado Special Districts Property and Liability Pool

Date: 8/14/2023

HAWTHORN METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

**SEPTEMBER 30, 2023**

**Hawthorn Metro District No. 2**  
**Balance Sheet - Governmental Funds**  
**September 30, 2023**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>Assets</b>			
Checking Account	\$ 73,078.63	\$ 2,891.56	\$ 75,970.19
CSAFE	94,609.38	-	94,609.38
Zions Payment Fund - Series 2022	-	265,847.29	265,847.29
Zions Pledged Revenue Fund - Series 2022	-	280,570.92	280,570.92
Accounts Receivable	3,257.40	-	3,257.40
Receivable from County Treasurer	1,566.34	2,479.53	4,045.87
<b>Total Assets</b>	<u>\$ 172,511.75</u>	<u>\$ 551,789.30</u>	<u>\$ 724,301.05</u>
<b>Liabilities</b>			
Accounts Payable	\$ 9,724.89	\$ -	\$ 9,724.89
<b>Total Liabilities</b>	<u>9,724.89</u>	<u>-</u>	<u>9,724.89</u>
<b>Fund Balances</b>	<u>162,786.86</u>	<u>551,789.30</u>	<u>714,576.16</u>
<b>Liabilities and Fund Balances</b>	<u>\$ 172,511.75</u>	<u>\$ 551,789.30</u>	<u>\$ 724,301.05</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**Hawthorn Metro District No. 2**  
**General Fund Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending September 30, 2023**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 266,495.00	\$ 266,489.88	\$ 5.12
Specific ownership taxes	18,655.00	14,509.87	4,145.13
Interest income	-	1,661.08	(1,661.08)
Total Revenue	<u>285,150.00</u>	<u>282,660.83</u>	<u>2,489.17</u>
Expenditures			
Accounting	30,000.00	20,517.73	9,482.27
Auditing	6,000.00	5,100.00	900.00
County Treasurer's fee	3,997.00	3,998.13	(1.13)
Directors' fees	2,000.00	900.00	1,100.00
Dues and membership	750.00	581.81	168.19
Insurance	12,300.00	12,169.00	131.00
District management	18,000.00	10,352.36	7,647.64
Covenant Enforcement	5,000.00	604.00	4,396.00
Legal	50,000.00	34,554.95	15,445.05
Miscellaneous	2,203.00	2,748.67	(545.67)
Election	-	3,731.53	(3,731.53)
Repairs and maintenance	-	662.00	(662.00)
Irrigation repairs	3,000.00	9,361.54	(6,361.54)
Landscape improvements	130,000.00	38,997.45	91,002.55
Landscape maintenance contract	30,000.00	23,178.00	6,822.00
Grounds cleanup	3,500.00	1,985.00	1,515.00
Snow removal	17,250.00	3,365.50	13,884.50
Water	5,000.00	2,065.32	2,934.68
Electricity	250.00	631.92	(381.92)
Trash Collection	48,000.00	35,934.83	12,065.17
North Table Mtn IGA	17,250.00	17,657.44	(407.44)
Website	500.00	172.91	327.09
Total Expenditures	<u>385,000.00</u>	<u>229,270.09</u>	<u>155,729.91</u>
Net Change in Fund Balances	(99,850.00)	53,390.74	(153,240.74)
Fund Balance - Beginning	110,026.00	109,396.12	629.88
Fund Balance - Ending	<u>\$ 10,176.00</u>	<u>\$ 162,786.86</u>	<u>\$ (152,610.86)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

## SUPPLEMENTARY INFORMATION

**Hawthorn Metro District No. 2**  
**Debt Service Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending September 30, 2023**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 421,869.00	\$ 421,860.89	\$ 8.11
Specific ownership taxes	29,531.00	22,969.26	6,561.74
Interest income	8,800.00	12,962.55	(4,162.55)
Total Revenue	<u>460,200.00</u>	<u>457,792.70</u>	<u>2,407.30</u>
Expenditures			
County Treasurer's fee	6,328.00	6,329.14	(1.14)
Paying agent fees	8,000.00	3,000.00	5,000.00
Loan Interest - Series 2022	337,041.00	170,392.95	166,648.05
Loan Principal - Series 2022	90,000.00	-	90,000.00
Contingency	8,631.00	-	8,631.00
Total Expenditures	<u>450,000.00</u>	<u>179,722.09</u>	<u>270,277.91</u>
Net Change in Fund Balances	10,200.00	278,070.61	(267,870.61)
Fund Balance - Beginning	217,124.00	273,718.69	(56,594.69)
Fund Balance - Ending	<u>\$ 227,324.00</u>	<u>\$ 551,789.30</u>	<u>\$ (324,465.30)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**HAWTHORN METROPOLITAN DISTRICT**  
**Schedule of Cash Position**  
**September 30, 2023**  
**Updated as of November 14, 2023**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total Funds</b>
<b><u>First Bank - Checking Account</u></b>			
Balance as of 9/30/23	\$ 73,078.63	\$ 2,891.56	\$ 75,970.19
Subsequent activities:			
10/06/23 Hawthorn Metro Credits	117.00	-	117.00
10/10/23 Jefferson County Taxes - September	1,566.34	2,479.53	4,045.87
10/18/23 Bill.com payables	(15.00)	-	(15.00)
10/20/23 Pledged Revenue Transfer	-	(5,371.09)	(5,371.09)
10/23/23 Bill.com payables	(11,578.63)	-	(11,578.63)
10/24/23 Waste Management ACH	(4,107.92)	-	(4,107.92)
10/27/23 North Table Mountain - Water Payment	(1,914.92)	-	(1,914.92)
11/01/23 Bill.com payables	(175.00)	-	(175.00)
11/10/23 Jefferson County Taxes - October	1,696.26	2,685.20	4,381.46
<i>Anticipated activities:</i>			
<i>Anticipated Bill.com Payments</i>	(6,781.51)	-	(6,781.51)
<i>Anticipated Pledged Revenue Transfer</i>	-	(2,685.20)	(2,685.20)
<i>Anticipated Balance</i>	<b>\$ 51,885.25</b>	<b>\$ -</b>	<b>\$ 51,885.25</b>
 <b><u>CSAFE</u></b>			
Balance as of 9/30/23	\$ 94,609.38	\$ -	\$ 94,609.38
10/31/23 Interest Income	439.74	-	439.74
Subsequent activities:			
	<b>\$ 95,049.12</b>	<b>\$ -</b>	<b>\$ 95,049.12</b>
 <b><u>Zion Bank 2022 Loan Payment Fund</u></b>			
Balance as of 9/30/23	\$ -	\$ 265,847.29	\$ 265,847.29
Subsequent activities:			
10/31/23 Interest Income	-	1,093.00	1,093.00
<i>Anticipated Balance</i>	<b>\$ -</b>	<b>\$ 266,940.29</b>	<b>\$ 266,940.29</b>
 <b><u>Zion Bank 2022 Pledged Revenue Fund</u></b>			
Balance as of 9/30/23	\$ -	\$ 280,570.92	\$ 280,570.92
Subsequent activities:			
10/20/23 Pledged Revenue Transfer	-	5,371.09	5,371.09
10/31/23 Interest Income	-	1,153.52	1,153.52
<i>Anticipated activities:</i>			
<i>Anticipated Pledged Revenue Transfer</i>	-	2,685.20	2,685.20
<i>Anticipated Debt Service Payment</i>	-	(261,329.18)	(261,329.18)
<i>Anticipated Balance</i>	<b>\$ -</b>	<b>\$ 28,451.55</b>	<b>\$ 28,451.55</b>
<b>Anticipated Balances</b>	<b>\$ 51,885.25</b>	<b>\$ 295,391.84</b>	<b>\$ 347,277.09</b>
 <b><u>Yield as of 9/30/23</u></b>			
UMB invested in CSAFE - 5.44%			

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**HAWTHORN METROPOLITAN DISTRICT  
PROPERTY TAX RECONCILIATION  
2023**

	Current Year							Prior Year				
	Property Taxes	Delinquent Taxes, Rebates & Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 1,601.67	\$ -	\$ 4,370.48	\$ -	\$ (24.03)	\$ -	\$ 5,948.12	0.23%	0.23%	\$ 12,926.02	1.01%	1.01%
February	301,272.54	-	4,125.26	-	(4,519.09)	-	300,878.71	43.77%	44.00%	352,985.43	44.58%	45.58%
March	38,403.50	-	4,323.63	15.03	(576.28)	-	42,165.88	5.58%	49.58%	35,765.12	3.96%	49.55%
April	38,083.27	-	3,566.15	-	(571.25)	-	41,078.17	5.53%	55.11%	52,262.91	6.16%	55.71%
May	55,816.67	-	4,397.71	33.08	(837.75)	-	59,409.71	8.11%	63.22%	35,810.36	4.01%	59.72%
June	251,591.19	-	3,925.30	53.78	(3,774.67)	-	251,795.60	36.55%	99.77%	307,747.38	38.87%	98.59%
July	1,581.93	-	4,006.55	31.64	(24.20)	-	5,595.92	0.23%	100.00%	8,367.92	0.49%	99.08%
August	-	-	4,718.18	-	-	-	4,718.18	0.00%	100.00%	10,021.56	0.51%	99.59%
September	-	-	4,045.87	-	-	-	4,045.87	0.00%	100.00%	4,663.22	0.00%	99.59%
October	-	-	-	-	-	-	-	0.00%	100.00%	4,885.90	0.00%	99.59%
November	-	-	-	-	-	-	-	0.00%	100.00%	6,437.51	0.23%	99.83%
December	-	-	-	-	-	-	-	0.00%	100.00%	3,509.48	0.00%	99.83%
	<b>\$ 688,350.77</b>	<b>\$ -</b>	<b>\$ 37,479.13</b>	<b>\$ 133.53</b>	<b>\$ (10,327.27)</b>	<b>\$ -</b>	<b>\$ 715,636.16</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 835,382.81</b>	<b>99.83%</b>	<b>99.83%</b>

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
--------------	-------------	--------------------------	------------------------------

**Property Tax**

General Fund	\$ 266,495	38.71%	\$ 266,489.88	100.00%
Debt Service Fund	421,869	61.29%	421,860.89	100.00%
	<b>\$ 688,364</b>	<b>100.00%</b>	<b>\$ 688,350.77</b>	<b>100.00%</b>

**Specific Ownership Tax**

General Fund	\$ 18,655	38.71%	\$ 14,509.88	77.78%
Debt Service Fund	29,531	61.29%	22,969.25	77.78%
	<b>\$ 48,186</b>	<b>100.00%</b>	<b>\$ 37,479.13</b>	<b>77.78%</b>

**Treasurer's Fees**

General Fund	\$ 3,997	38.71%	\$ 3,998.13	100.03%
Debt Service Fund	6,328	61.29%	6,329.14	100.02%
	<b>\$ 10,325</b>	<b>100.00%</b>	<b>\$ 10,327.27</b>	<b>100.02%</b>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.



**HAWTHORN METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado (originally as Hawthorn Metropolitan District No. 2), was organized by court order and decree of the District Court for the County of Jefferson on December 5, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District was organized in conjunction with Hawthorn Metropolitan District No. 1, which is now dissolved.

The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided as part of an intergovernmental agreement with the County.

On November 6, 2012, the District's voters authorized total indebtedness of \$300,000,000 for the above listed facilities and \$30,000,000 for operations and maintenance, \$30,000,000 for both intergovernmental and private agreements, and \$30,000,000 for refunding. The election also approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operation and maintenance costs. Per the District's service plan, the maximum debt mill levy is 50.000 mills, as adjusted. The maximum mill levy is 55.663 mills. Additionally the service plan limits the total amount of debt issued between both Districts to \$10,000,000.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting and in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property Taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**HAWTHORN METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Property Taxes (continued)**

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Administrative Expenditures**

Administration expenses include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues and membership, and other administrative expenses.

**Operations and Maintenance Expenditures**

Anticipated operations and maintenance expenditures, such as landscaping, trash removal and snow removal, are shown on the General Fund page of the budget.

**Debt Service**

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2022 General Obligation Refunding Loan (discussed under Debt and Leases).

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**HAWTHORN METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On August 3, 2022, the District issued its \$8,715,000 General Obligation Refunding Loan, Series 2022 (2022 Loan). The proceeds from the 2022 Loan was applied to refunding the 2017 Bonds of the District, reimbursing and paying the costs of issuing the 2022 Loan. The 2022 Loan bears interest at 3.942% and 4.928%, payable semi-annually on June 1 and December 1, beginning on December 1, 2022. Principal payments are due on December 1, beginning on December 1, 2022. The 2022 Loan matures on December 1, 2052.

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022*
<b>Bonds Payable:</b>				
Series 2017A	\$ 5,950,000	\$ -	\$ 5,950,000	\$ -
Series 2017B	820,000	-	820,000	-
Series 2017C	928,000	-	928,000	-
Accrued Interest - 2017B	268,415	-	268,415	-
Accrued Interest - 2017C	436,691	-	436,691	-
Bond Premium	91,574	-	91,574	-
<b>Other Debts:</b>				
Series 2022 Loan	8,715,000		165,000	8,550,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	69,813	9,600	-	79,413
Total	<u>\$ 17,399,493</u>	<u>\$ 9,600</u>	<u>\$ 8,659,680</u>	<u>\$ 8,749,413</u>

	Balance at December 31, 2022*	Additions	Reductions	Balance at December 31, 2023*
<b>Other Debts:</b>				
Series 2022 Loan	\$ 8,550,000	\$ -	\$ 90,000	\$ 8,460,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	79,413	9,600	-	89,013
Total	<u>\$ 8,749,413</u>	<u>\$ 9,600</u>	<u>\$ -</u>	<u>\$ 8,669,013</u>

\*Estimated

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**HAWTHORN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$8,715,000**

**General Obligation Refunding Loan**

**Series 2022, Dated August 3, 2022**

**Interest Rate 3.942% to 4.928%**

**Payable June 1 and December 1**

**Principal Due December 1**

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 90,000	\$ 337,041	\$ 427,041
2024	115,000	333,493	448,493
2025	120,000	328,960	448,960
2026	130,000	324,230	454,230
2027	140,000	319,105	459,105
2028	155,000	313,586	468,586
2029	160,000	307,476	467,476
2030	175,000	301,169	476,169
2031	180,000	294,270	474,270
2032	200,000	287,175	487,175
2033	205,000	279,290	484,290
2034	225,000	271,210	496,210
2035	235,000	262,340	497,340
2036	250,000	253,076	503,076
2037	260,000	243,221	503,221
2038	280,000	232,972	512,972
2039	295,000	221,935	516,935
2040	315,000	210,306	525,306
2041	325,000	197,888	522,888
2042	340,000	193,955	533,955
2043	340,000	195,975	535,975
2044	365,000	180,675	545,675
2045	390,000	164,250	554,250
2046	405,000	146,700	551,700
2047	425,000	128,475	553,475
2048	445,000	109,350	554,350
2049	465,000	89,325	554,325
2050	485,000	68,400	553,400
2051	505,000	46,575	551,575
2052	530,000	23,850	553,850
	<u>\$ 8,550,000</u>	<u>\$ 6,666,273</u>	<u>\$ 15,216,273</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**Hawthorn Metropolitan District**  
**Interim Claims Listing - 9/6/23 - 11/28/23**

<b>Process Date</b>	<b>Vendor</b>	<b>Invoice Number</b>	<b>Payment Reference</b>	<b>Amount</b>
9/13/2023	Animal & Pest Control Specialist, Inc	93425	P23091301 - 3020262	(175.00)
9/14/2023	CliftonLarsonAllen LLP	3829472	P23091301 - 3020245	(997.46)
9/14/2023	Diversified Underground	Multiple	P23091301 - 3020169	(180.00)
9/14/2023	Environmental Landworks Company, Inc.	Multiple	P23091301 - 3020195	(6,995.23)
9/14/2023	MSI, LLC	Multiple	P23091301 - 3020173	(1,235.79)
9/14/2023	POOP 911	Multiple	P23091301 - 3020216	(350.00)
9/14/2023	Rock Property Services	25829-2	P23091301 - 3020240	(331.00)
9/14/2023	UNCC	223080765	P23091301 - 3020266	(3.87)
9/14/2023	White Bear Ankele Tanaka & Waldron	Multiple	P23091301 - 3020184	(7,532.50)
9/22/2023	Waste Management	8342557-2514-7	P23102001 - 7863987	(55.61)
10/18/2023	Golden Opportunities LLC	19673W58th	P23101701 - 6903425	(15.00)
10/22/2023	Waste Management	8392047-2514-8	P23102001 - 7864312	(4,107.92)
10/23/2023	CliftonLarsonAllen LLP	3871835	P23102001 - 7863695	(1,449.54)
10/23/2023	Diversified Underground	28452	P23102001 - 7863705	(20.00)
10/23/2023	Environmental Landworks Company, Inc.	Multiple	P23102001 - 7863689	(5,293.93)
10/23/2023	MSI, LLC	MSI038719	P23102001 - 7863724	(1,030.00)
10/23/2023	POOP 911	Multiple	P23102001 - 7863679	(265.00)
10/23/2023	UNCC	223090770	P23102001 - 7863710	(5.16)
10/23/2023	White Bear Ankele Tanaka & Waldron	30675	P23102001 - 7863716	(3,515.00)
10/27/2023	North Table Mountain W & S District	11250-01Sep23	P23110301 - 0212632	(1,910.97)
11/3/2023	Animal & Pest Control Specialist, Inc	93427	P23102001 - 7863726	(175.00)
11/15/2023	Animal & Pest Control Specialist, Inc	93428	P23111401 - 2471346	(175.00)
11/15/2023	CliftonLarsonAllen LLP	3924128	P23111401 - 2471337	(1,610.26)
11/15/2023	Colorado Special Districts Property and Liability Pool	24WC-61168-0390	P23111401 - 2471331	(450.00)
11/15/2023	Environmental Landworks Company, Inc.	Multiple	P23111401 - 2471326	(170.00)
11/15/2023	POOP 911	Multiple	P23111401 - 2471313	(255.00)
11/24/2023	Waste Management	8439998-2514-7	P23111401 - 2471240	(4,121.25)
			<b>Grant Total</b>	<b><u>(42,425.49)</u></b>

**HAWTHORN METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**HAWTHORN METROPOLITAN DISTRICT  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

10/4/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 656,350	\$ 327,150	\$ 383,130	\$ 383,130	\$ 378,728
REVENUES					
Property taxes	792,419	688,364	686,768	688,364	925,493
Specific ownership taxes	54,490	48,186	24,709	49,418	64,785
Interest income	6,832	8,800	7,979	15,958	21,500
Loan Issuance	8,715,000	-	-	-	-
Total revenues	<u>9,568,741</u>	<u>745,350</u>	<u>719,456</u>	<u>753,740</u>	<u>1,011,778</u>
Total funds available	<u>10,225,091</u>	<u>1,072,500</u>	<u>1,102,586</u>	<u>1,136,870</u>	<u>1,390,506</u>
EXPENDITURES					
General Fund	256,055	385,000	180,008	316,773	400,000
Debt Service Fund	9,585,906	450,000	176,707	441,369	473,500
Total expenditures	<u>9,841,961</u>	<u>835,000</u>	<u>356,715</u>	<u>758,142</u>	<u>873,500</u>
Total expenditures and transfers out requiring appropriation	<u>9,841,961</u>	<u>835,000</u>	<u>356,715</u>	<u>758,142</u>	<u>873,500</u>
ENDING FUND BALANCES	<u>\$ 383,130</u>	<u>\$ 237,500</u>	<u>\$ 745,871</u>	<u>\$ 378,728</u>	<u>\$ 517,006</u>
EMERGENCY RESERVE AVAILABLE FOR OPERATIONS	\$ 7,800	\$ 8,600	\$ 8,300	\$ 8,600	\$ 11,700
	101,611	1,576	196,927	70,427	54,206
TOTAL RESERVE	<u>\$ 109,411</u>	<u>\$ 10,176</u>	<u>\$ 205,227</u>	<u>\$ 79,027</u>	<u>\$ 65,906</u>

**HAWTHORN METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

10/4/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>					
Residential	\$ 9,922,007	\$ 9,644,512	\$ 9,644,512	\$ 9,644,512	\$ 13,027,303
State assessed	-	1,867	1,867	1,867	1,858
Vacant land	203	203	203	203	-
Personal property	-	187,188	187,188	187,188	192,175
Certified Assessed Value	<u>\$ 9,922,210</u>	<u>\$ 9,833,770</u>	<u>\$ 9,833,770</u>	<u>\$ 9,833,770</u>	<u>\$ 13,221,336</u>
<b>MILL LEVY</b>					
General	24.337	27.100	27.100	27.100	27.100
Debt Service	55.663	42.900	42.900	42.900	42.900
Total mill levy	<u>80.000</u>	<u>70.000</u>	<u>70.000</u>	<u>70.000</u>	<u>70.000</u>
<b>PROPERTY TAXES</b>					
General	\$ 241,477	\$ 266,495	\$ 266,495	\$ 266,495	\$ 358,298
Debt Service	552,300	421,869	421,869	421,869	567,195
Levied property taxes	793,777	688,364	688,364	688,364	925,493
Adjustments to actual/rounding	(1,358)	-	(1,596)	-	-
Budgeted property taxes	<u>\$ 792,419</u>	<u>\$ 688,364</u>	<u>\$ 686,768</u>	<u>\$ 688,364</u>	<u>\$ 925,493</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 241,064	\$ 266,495	\$ 265,877	\$ 266,495	\$ 358,298
Debt Service	551,355	421,869	420,891	421,869	567,195
	<u>\$ 792,419</u>	<u>\$ 688,364</u>	<u>\$ 686,768</u>	<u>\$ 688,364</u>	<u>\$ 925,493</u>



**HAWTHORN METROPOLITAN DISTRICT  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

10/4/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 107,714	\$ 110,026	\$ 109,411	\$ 109,411	\$ 79,027
REVENUES					
Property taxes	241,064	266,495	265,877	266,495	358,298
Specific ownership taxes	16,576	18,655	9,566	19,132	25,081
Interest income	112	-	381	762	3,500
Total revenues	<u>257,752</u>	<u>285,150</u>	<u>275,824</u>	<u>286,389</u>	<u>386,879</u>
Total funds available	<u>365,466</u>	<u>395,176</u>	<u>385,235</u>	<u>395,800</u>	<u>465,906</u>
EXPENDITURES					
General and administrative					
Accounting	28,134	30,000	16,460	32,920	35,000
Auditing	4,900	6,000	5,100	5,100	6,000
County Treasurer's fee	3,618	3,997	3,989	3,997	5,374
Covenant Enforcement	318	5,000	604	1,208	5,000
Directors' fees	2,000	2,000	600	2,000	2,000
District management	13,437	18,000	7,057	14,114	18,000
Dues and membership	554	750	582	582	750
Election	2,879	-	3,732	3,732	-
Insurance	10,993	12,300	12,169	12,169	12,800
Legal	51,237	50,000	23,507	47,014	52,000
Miscellaneous	2,680	2,203	1,999	3,998	1,551
Operations and maintenance					
Electricity	-	250	632	1,264	1,300
Grounds cleanup	1,793	3,500	1,030	2,060	3,500
Irrigation repairs	1,647	3,000	2,466	4,932	3,200
Landscape improvements	20,538	130,000	38,297	76,594	130,000
Landscape maintenance contract	29,055	30,000	15,411	30,000	31,500
North Table Mtn IGA	16,618	17,250	17,657	17,657	18,275
Snow removal	12,625	17,250	3,366	6,732	17,250
Trash Collection	47,389	48,000	23,812	47,624	51,000
Water	5,076	5,000	1,034	2,068	5,000
Website	564	500	173	346	500
Fence and sign maintenance	-	-	331	662	-
Total expenditures	<u>256,055</u>	<u>385,000</u>	<u>180,008</u>	<u>316,773</u>	<u>400,000</u>
Total expenditures and transfers out requiring appropriation	<u>256,055</u>	<u>385,000</u>	<u>180,008</u>	<u>316,773</u>	<u>400,000</u>
ENDING FUND BALANCES	<u>\$ 109,411</u>	<u>\$ 10,176</u>	<u>\$ 205,227</u>	<u>\$ 79,027</u>	<u>\$ 65,906</u>
EMERGENCY RESERVE	\$ 7,800	\$ 8,600	\$ 8,300	\$ 8,600	\$ 11,700
AVAILABLE FOR OPERATIONS	101,611	1,576	196,927	70,427	54,206
TOTAL RESERVE	<u>\$ 109,411</u>	<u>\$ 10,176</u>	<u>\$ 205,227</u>	<u>\$ 79,027</u>	<u>\$ 65,906</u>

**HAWTHORN METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

10/4/23

	ACTUAL 2022	BUDGET 2023	ACTUAL 6/30/2023	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 548,636	\$ 217,124	\$ 273,719	\$ 273,719	\$ 299,701
REVENUES					
Property taxes	551,355	421,869	420,891	421,869	567,195
Specific ownership taxes	37,914	29,531	15,143	30,286	39,704
Interest income	6,720	8,800	7,598	15,196	18,000
Loan Issuance	8,715,000	-	-	-	-
Total revenues	<u>9,310,989</u>	<u>460,200</u>	<u>443,632</u>	<u>467,351</u>	<u>624,899</u>
Total funds available	<u>9,859,625</u>	<u>677,324</u>	<u>717,351</u>	<u>741,070</u>	<u>924,600</u>
EXPENDITURES					
County Treasurer's fee	8,274	6,328	6,314	6,328	8,508
Paying agent fees	8,000	8,000	-	8,000	8,000
Loan Interest - Series 2022	125,018	337,041	170,393	337,041	333,493
Loan Principal - Series 2022	165,000	90,000	-	90,000	115,000
Loan issue costs	244,400	-	-	-	-
Bond Interest - Series 2017A	145,313	-	-	-	-
Refunding bond payment	8,889,901	-	-	-	-
Contingency	-	8,631	-	-	8,499
Total expenditures	<u>9,585,906</u>	<u>450,000</u>	<u>176,707</u>	<u>441,369</u>	<u>473,500</u>
Total expenditures and transfers out requiring appropriation	<u>9,585,906</u>	<u>450,000</u>	<u>176,707</u>	<u>441,369</u>	<u>473,500</u>
ENDING FUND BALANCES	<u>\$ 273,719</u>	<u>\$ 227,324</u>	<u>\$ 540,644</u>	<u>\$ 299,701</u>	<u>\$ 451,100</u>

**HAWTHORN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado (originally as Hawthorn Metropolitan District No. 2), was organized by court order and decree of the District Court for the County of Jefferson on December 5, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security. The District was organized in conjunction with Hawthorn Metropolitan District No. 1, which is now dissolved.

The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided as part of an intergovernmental agreement with the County.

On November 6, 2012, the District's voters authorized total indebtedness of \$300,000,000 for the above listed facilities and \$30,000,000 for operations and maintenance, \$30,000,000 for both intergovernmental and private agreements, and \$30,000,000 for refunding. The election also approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operation and maintenance costs. Per the District's service plan, the maximum debt mill levy is 50.000 mills, as adjusted. The maximum mill levy is 55.663 mills. Additionally, the service plan limits the total amount of debt issued between both Districts to \$10,000,000.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting and in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property Taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and, generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**HAWTHORN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Property Taxes (continued)**

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Administrative Expenditures**

Administration expenses include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues and membership, and other administrative expenses.

**Operations and Maintenance Expenditures**

Anticipated operations and maintenance expenditures, such as landscaping, trash removal and snow removal, are shown on the General Fund page of the budget.

**Debt Service**

Principal and interest payments in 2024 are provided based on the debt amortization schedule from the Series 2022 General Obligation Refunding Loan (discussed under Debt and Leases).

**HAWTHORN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On August 3, 2022, the District issued its \$8,715,000 General Obligation Refunding Loan, Series 2022 (2022 Loan). The proceeds from the 2022 Loan was applied to refunding the 2017 Bonds of the District, reimbursing and paying the costs of issuing the 2022 Loan. The 2022 Loan bears interest at 3.942% and 4.928%, payable semi-annually on June 1 and December 1, beginning on December 1, 2022. Principal payments are due on December 1, beginning on December 1, 2022. The 2022 Loan matures on December 1, 2052.

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023*
Other Debts:			-	
Series 2022 Loan	\$ 8,550,000	\$ -	\$ 90,000	\$ 8,460,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	79,413	9,600	-	89,013
Total	<u>\$ 8,749,413</u>	<u>\$ 9,600</u>	<u>\$ 90,000</u>	<u>\$ 8,669,013</u>
	Balance at December 31, 2023*	Additions	Reductions	Balance at December 31, 2024*
Other Debts:				
Series 2022 Loan	\$ 8,460,000	\$ -	\$ 115,000	\$ 8,345,000
Developer Advances	120,000	-	-	120,000
Accrued Interest - Developer Advance	89,013	9,600	-	98,613
Total	<u>\$ 8,669,013</u>	<u>\$ 9,600</u>	<u>\$ 115,000</u>	<u>\$ 8,563,613</u>

\*Estimated

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

**This information is an integral part of the budget.**

**HAWTHORN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$8,715,000**

**General Obligation Refunding Loan**

**Series 2022, Dated August 3, 2022**

**Interest Rate 3.942% to 4.928%**

**Payable June 1 and December 1**

**Principal Due December 1**

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 115,000	\$ 333,493	\$ 448,493
2025	120,000	328,960	448,960
2026	130,000	324,230	454,230
2027	140,000	319,105	459,105
2028	155,000	313,586	468,586
2029	160,000	307,476	467,476
2030	175,000	301,169	476,169
2031	180,000	294,270	474,270
2032	200,000	287,175	487,175
2033	205,000	279,290	484,290
2034	225,000	271,210	496,210
2035	235,000	262,340	497,340
2036	250,000	253,076	503,076
2037	260,000	243,221	503,221
2038	280,000	232,972	512,972
2039	295,000	221,935	516,935
2040	315,000	210,306	525,306
2041	325,000	197,888	522,888
2042	340,000	193,955	533,955
2043	340,000	195,975	535,975
2044	365,000	180,675	545,675
2045	390,000	164,250	554,250
2046	405,000	146,700	551,700
2047	425,000	128,475	553,475
2048	445,000	109,350	554,350
2049	465,000	89,325	554,325
2050	485,000	68,400	553,400
2051	505,000	46,575	551,575
2052	530,000	23,850	553,850
	<u>\$ 8,460,000</u>	<u>\$ 6,329,232</u>	<u>\$ 14,789,232</u>

PRELIMINARY DRAFT – SUBJECT TO REVISION

No assurance provided. See summary of significant assumptions.

**RESOLUTION**  
**ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES**  
**FOR THE CALENDAR YEAR 2024**

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The Board of Directors of Hawthorn Metropolitan District (the “**Board**”), County of Jefferson, Colorado (the “**District**”) held a special meeting via teleconference on Monday, December 4, 2023, at the hour of 2:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

*[Remainder of Page Intentionally Left Blank]*

NOTICE AS TO PROPOSED 2024 BUDGET

Colorado Community Media  
750 W. Hampden Ave. Suite 225  
Englewood, CO 80110

Hawthorn Metro District (wba) \*\*  
c/o White Bear & Ankele, P.C.  
2154 East Commons Avenue, Suite 2000  
Centennial CO 80122

**AFFIDAVIT OF PUBLICATION**

State of Colorado }  
County of Jefferson } ss

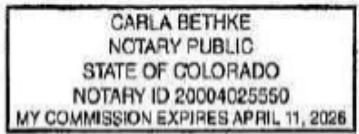
This Affidavit of Publication for the Golden Transcript, a weekly newspaper, printed and published for the County of Jefferson, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 11/16/2023, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

For the Golden Transcript

State of Colorado }  
County of Jefferson } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 11/16/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-638845  
Carla Bethke  
Notary Public  
My commission ends April 11, 2026



Public Notice

**NOTICE OF PUBLIC HEARING  
ON THE PROPOSED 2024 BUDGET  
AND  
NOTICE OF PUBLIC HEARING  
ON THE AMENDED 2023 BUDGET**

The Board of Directors (the "Board") of the HAWTHORN METROPOLITAN DISTRICT (the "District"), will hold a public hearing via teleconference on December 4, 2023, at 2:00 p.m., to consider adoption of the District's proposed 2024 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2023 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

<https://us06web.zoom.us/j/82517578951?pwd=VE00eEd6dzZlZ0Z2empwajVwN1pFQT09>  
Meeting ID: 825 1757 8951  
Passcode: 902974  
Call In: 720-707-2699

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at <https://www.hawthornmetrodistrict.org/> or by calling (303) 858-1800.

**BY ORDER OF THE BOARD OF DIRECTORS:  
HAWTHORN METROPOLITAN DISTRICT,**  
a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE  
TANAKA & WALDRON  
Attorneys at Law

Legal Notice No. 417228  
First Publication: November 16, 2023  
Last Publication: November 16, 2023  
Publisher: Golden Transcript



WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of .000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of .000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of .000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of .000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Jefferson County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

*[Remainder of Page Intentionally Left Blank]*

ADOPTED DECEMBER 4, 2023.

**DISTRICT:**

**HAWTHORN METROPOLITAN DISTRICT,**  
a quasi-municipal corporation and political  
subdivision of the State of Colorado

By: \_\_\_\_\_  
Officer of the District

Attest:

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF JEFFERSON  
HAWTHORN METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Monday, December 4, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_ day of December, 2023.

\_\_\_\_\_  
Signature

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**



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**Dazzio & Associates, PC**  
**Certified Public Accountants**

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October 9, 2023

To the Board of Directors and Management  
Hawthorn Metropolitan District  
c/o CliftonLarsenAllen, LLP  
8390 E Crescent Pkwy Suite 300  
Greenwood Village, Colorado 80111

We are pleased to confirm our understanding of the services we are to provide Hawthorn Metropolitan District (the District) for the year ended December 31, 2023.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2023.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedule of Debt Service Requirements to Maturity

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal

control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional



time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

**Reporting**

We will issue a written report upon completion of our audit of the District’s financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Dazio & Associates, P.C.*

Dazio & Associates, PC

**RESPONSE:**

This letter correctly sets forth the understanding of Hawthorn Metropolitan District.

Board signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**HAWTHORN METROPOLITAN DISTRICT  
ANNUAL ADMINISTRATIVE RESOLUTION  
(2024)**

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WHEREAS, Hawthorn Metropolitan District (the “**District**”), was organized as a special district pursuant to an Order and Decree of the District Court in and for the County of Jefferson, Colorado (the “**County**”) and located entirely within the County; and

WHEREAS, the Board of Directors (the “**Board**”) of the District has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its consultants to take the following actions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board directs the District’s legal counsel to cause an accurate map of the District’s boundaries to be prepared in accordance with the standards specified by the Division of Local Government (“**Division**”) and to be filed in accordance with § 32-1-306, C.R.S.

2. The Board directs the District’s legal counsel to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of any municipality in which the District is located, and the Division of the name of the chairman of the Board, the contact person, telephone number, and business address of the District, as required by § 32-1-104(2), C.R.S.

3. The Board directs the District’s legal counsel to prepare and file with the Division, within thirty (30) days of a written request from the Division, an informational listing of all contracts in effect with other political subdivisions, in accordance with § 29-1-205, C.R.S.

4. The Board directs the District’s accountant to cause the preparation of and to file with the Department of Local Affairs the annual public securities report for nonrated public securities issued by the District within sixty (60) days of the close of the fiscal year, as required by §§ 11-58-101, et seq., C.R.S.

5. The Board directs the District’s legal counsel to: (a) obtain proposals for auditors to be presented to the Board; (b) cause an audit of the annual financial statements of the District to be prepared and submitted to the Board on or before June 30; and (c) cause the audit to be filed with the State Auditor by July 31, or by the filing deadline permitted under any extension thereof, all in accordance with §§ 29-1-603(1) and 606, C.R.S. Alternatively, if warranted by § 29-1-604, C.R.S., the Board directs the District’s accountant to apply for and obtain an audit exemption from the State Auditor on or before March 31 in accordance with § 29-1-604, C.R.S.

6. The Board directs the District’s legal counsel, if the District has authorized but unissued general obligation debt as of the end of the fiscal year, to cause to be submitted to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District the District’s audit report or a copy of its application for exemption from audit in accordance with § 29-1-606(7), C.R.S.

7. The Board directs the District's accountant to submit a proposed budget to the Board by October 15th and prepare the final budget and budget message, including any amendments thereto, if necessary. The Board also directs the District's accountant to perform the property tax limit calculation, if required by §§ 29-1-306, et seq., C.R.S., and to inform the Board of the result of such calculation. The Board directs legal counsel to schedule a public hearing on the proposed budget or amendments, as applicable, and to post or publish notices thereof. The Board directs legal counsel to prepare all budget resolutions. The Board directs legal counsel to file the budget, budget resolution, and budget message with the Division on or before January 30th, all in accordance with §§ 29-1-101, et seq., C.R.S.

8. The Board directs the District's accountant to monitor all expenditures and, if necessary, to notify the District's legal counsel, the District's Manager, and the Board when expenditures are expected to exceed appropriated amounts. The Board directs legal counsel to prepare all budget amendment resolutions. The Board directs legal counsel to schedule a public hearing on a proposed budget amendment and post or publish notices thereof in accordance with § 29-1-106, C.R.S. The Board directs legal counsel to file the amended budget with the Division on or before the date of making such expenditure or contracting for such expenditure, all in accordance with §§ 29-1-101, et seq., C.R.S.

9. The Board directs legal counsel to cause the preparation of the Unclaimed Property Act report and submission of the same to the State Treasurer by November 1st if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with § 38-13-110, C.R.S.

10. The Board directs the District's accountant to prepare the mill levy certification form and directs legal counsel to file the mill levy certification form with the Board of County Commissioners on or before December 15th, in accordance with § 39-5-128, C.R.S.

11. The Board directs that all legal notices shall be published in accordance with § 32-1-103(15), C.R.S.

12. The Board determines that each director shall not receive compensation for their services as directors subject to the limitations set forth in §§32-1-902(3)(a)(I) & (II), C.R.S.

13. The District hereby acknowledges, in accordance with § 32-1-902, C.R.S., the following officers for the District:

Chairman/President:	Krystal Bigley
Treasurer:	Brittany Lutz
Secretary:	Stephen Daniels
Assistant Secretary:	Andrea Stewart
Assistant Secretary:	Stephen Bonneau
Recording Secretary:	Legal Counsel

14. The Board hereby determines that each member of the Board shall, for any potential or actual conflicts of interest, complete conflicts of interest disclosures and directs legal counsel to file the conflicts of interest disclosures with the Board and with the Colorado Secretary of State at least seventy-two (72) hours prior to every regular and special meeting of the Board, in accordance with § 32-1-902(3)(b) and § 18-8-308, C.R.S. Written disclosures provided by Board members required to be filed with the governing body in accordance with § 18-8-308, C.R.S., shall be deemed filed with the Board when filed with the Secretary of State. Additionally, at the beginning of each year, each Board member shall submit information to legal counsel regarding any actual or potential conflicts of interest and, throughout the year, each Board member shall provide legal counsel with any revisions, additions, corrections, or deletions to said conflicts of interest disclosures.

15. The Board confirms its obligations under § 24-10-110(1), C.R.S., with regards to the defense and indemnification of its public employees, which, by definition, includes elected and appointed officers.

16. The Board hereby appoints the District's legal counsel as the official custodian for the maintenance, care, and keeping of all public records of the District, in accordance with §§ 24-72-202, et seq., C.R.S. The Board hereby directs its legal counsel, accountant, Manager, and all other consultants to adhere to the Colorado Special District Records Retention Schedule as adopted by the District.

17. The Board directs the District's Manager to post notice of all regular and special meetings in accordance with §32-1-903(2) and §24-6-402(2)(c), C.R.S. The Board hereby designates <https://www.hawthornmetrodistrict.org/> as the District's website for the posting of its regular and special meeting notices. The Board also hereby designates, unless otherwise designated by the Board, the three mailbox kiosks as the locations the District will post notices of meetings in the event of exigent or emergency circumstances which prevent the District from posting notice of the meeting on the District's website. The Board directs legal counsel to provide the website address set forth above to the Department of Local Affairs for inclusion in the inventory maintained pursuant to §24-32-116, C.R.S.

18. The Board determines to hold regular meetings on the first Monday of March, June, and December, at 2:00 p.m. and the second Monday of September at 2:00 p.m., by telephone, electronic, or other means not including physical presence. All notices of meetings shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

19. The Board determines to hold an annual meeting, pursuant to § 32-1-903(6), on the **first Monday of December at 1:30 p.m.**, subject to change by action of the Board. Notice of the annual meeting shall designate whether such meeting will be held by electronic means, at a physical location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable. The District's Manager shall be responsible for coordinating the required presentations for the annual meeting.

20. In the event of an emergency, the Board may conduct a meeting outside of the limitations prescribed in § 24-6-402(2)(c), C.R.S., provided that any actions taken at such emergency meeting are ratified at the next regular meeting of the Board or at a special meeting conducted after proper notice has been given to the public.

21. The Board directs District's Manager to maintain the District's website in compliance with state and federal requirements and to make such documents and information required by § 32-1-104.5, C.R.S. available to the public on the District's website.

22. For the convenience of the electors of the District, and pursuant to its authority set forth in § 1-13.5-1101, C.R.S., the Board hereby deems that all regular and special elections of the District shall be conducted as independent mail ballot elections in accordance with §§ 1-13.5-1101, *et seq.*, C.R.S., unless otherwise deemed necessary and expressed in a separate election resolution adopted by the Board.

23. Pursuant to the authority set forth in §1-1-111, C.R.S., the Board hereby appoints Ashley B. Frisbie of the law firm of White Bear Ankele Tanaka & Waldron, Attorneys at Law as the Designated Election Official (the "DEO") of the District for any elections called by the Board, or called on behalf of the Board by the DEO, and hereby authorizes and directs the DEO to take all actions necessary for the proper conduct of the election, including, if applicable, cancellation of the election in accordance with §1-13.5-513, C.R.S.

24. In accordance with § 1-11-103(3), C.R.S., the Board hereby directs the DEO to certify to the Division the results of any elections held by the District and, pursuant to § 32-1-1101.5(1), C.R.S., to certify results of any ballot issue election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District and file a copy of such certification with the Division of Securities.

25. The Board directs legal counsel to cause a notice of authorization of or notice to incur general obligation debt to be recorded with the County Clerk and Recorder within thirty (30) days of authorizing or incurring any indebtedness, in accordance with § 32-1-1604, C.R.S.

26. Pursuant to the authority set forth in § 24-12-103, C.R.S., the Board hereby designates, in addition to any officer of the District, Andrea L. Bobb of the law firm of White Bear Ankele Tanaka & Waldron, Attorneys at Law, as a person with the power to administer all oaths or affirmations of office and other oaths or affirmations required to be taken by any person upon any lawful occasion.

27. The Board directs legal counsel to cause the preparation of and filing with the Board of County Commissioners or the governing body of the municipality that adopted a resolution of approval of the District, if requested, the application for quinquennial finding of reasonable diligence in accordance with § 32-1-1101.5(1.5), (2), C.R.S.

28. The Board directs legal counsel to cause the preparation of and the filing with the Board of County Commissioners or the governing body of any municipality in which the District is located, the Division, the State Auditor, the County Clerk and Recorder, and any interested

parties entitled to notice pursuant to § 32-1-204(1), C.R.S., an annual report in accordance with § 32-1-207(3)(c), C.R.S.

29. The Board directs the District's legal counsel to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with §§ 24-10-115, *et seq.*, C.R.S. The Board directs District's accountant to review and update the District's property schedule as needed, and no less than annually. The Board directs the District's accountant to pay the annual SDA membership dues, agency fees, and insurance premiums, as applicable, in a timely manner. The Board appoints the District's legal counsel for the SDA Annual meeting for voting and quorum purposes.

30. The Board hereby opts to include elected or appointed officials as employees within the meaning of § 8-40-202(1)(a)(I)(A), C.R.S., and hereby directs the District's legal counsel to obtain workers' compensation coverage for the District.

31. The Board hereby directs District's legal counsel to prepare the disclosure notice required by § 32-1-809, C.R.S., and to disseminate the information to the electors of the District accordingly. Further, the Board hereby designates the following website as the District's official website for the purposes thereof: <https://www.hawthornmetrodistrict.org/>.

32. The Board hereby directs legal counsel to prepare and record with the County Clerk and Recorder updates to the disclosure statement notice and map required by § 32-1-104.8, C.R.S., if additional property is included within the District's boundaries.

33. In accordance with § 38-35-109.5(2), C.R.S., the District hereby designates the President of the Board as the official who shall record any instrument conveying title of real property to the District within thirty (30) days of any such conveyance.

34. The Board hereby affirms the adoption of the corporate seal in substantially the form appearing on the signature page of this resolution in accordance with § 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document to "affix" the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction, or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use in accordance with the authority provided by § 24-71.3-118, C.R.S.

35. The Board directs District's accountant to prepare and submit the documentation required by any continuing disclosure obligation signed in conjunction with the issuance of debt by the District.

36. The Board directs legal counsel to monitor, and inform the Board of, any legislative changes that may occur throughout the year.

***[Remainder of Page Intentionally Left Blank, Signature Page Follows]***

ADOPTED DECEMBER 4, 2023

(SEAL)

**DISTRICT:**

**HAWTHORN METROPOLITAN DISTRICT,**  
a quasi-municipal corporation and political  
subdivision of the State of Colorado

By: \_\_\_\_\_  
Officer of the District

Attest:

By: \_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the District

**INDEPENDENT CONTRACTOR AGREEMENT**  
**(LANDSCAPE MAINTENANCE 2024-2025)**

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This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the 4<sup>th</sup> day of December 2023, by and between HAWTHORN METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and ENVIRONMENTAL LANDWORKS COMPANY, INC., a Colorado corporation (the “**Contractor**”). The District and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating, and maintaining certain public facilities and improvements for itself, its taxpayers, residents, and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire, and retain agents, employees, engineers, and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill, and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**TERMS AND CONDITIONS**

1. SCOPE OF SERVICES; PERFORMANCE STANDARDS. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference, or disruption to the residents, tenants, occupants, and invitees within the District. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever,



except to the extent specifically provided in this Agreement (including **Exhibit A**) or through other authorization expressly delegated to or authorized by the District through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of April 1, 2024, and shall expire on March 31, 2025 (the “**Initial Term**”). Notwithstanding the foregoing, unless terminated pursuant to subsection 18 below, or unless the District determines not to appropriate funds for this Agreement for the next succeeding year, this Agreement shall automatically renew on April 1, 2025 (and each succeeding year) through March 30, 2026 (and each succeeding year) (each a “**Renewal Term**”), on the same terms and conditions as the Initial Term, subject to changes to the compensation schedule as set forth below. Where used in this Agreement, “Term” shall include the Initial Term and any Renewal Term. For any Renewal Term, the Contractor may submit an amendment to the compensation schedule to the District for approval, no later than January 1 for the Renewal Term to commence on April 1 of that year. Upon written approval of the District, the amendment to the compensation schedule shall replace the compensation schedule attached to this agreement as Exhibit B.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor provide additional services not set forth in **Exhibit A**. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor or an addendum to this Agreement. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District’s option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents, or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information, which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment, and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the

Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill, and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor agrees that it has complied and will continue to comply with all Laws while providing Services under this Agreement. "Laws" means: (i) federal, state, county, and local or municipal body or agency laws, statutes, ordinances, and regulations; (ii) any licensing, bonding, and permit requirements; (iii) any laws relating to storage, use, or disposal of hazardous wastes, substances, or materials; (iv) rules, regulations, ordinances, and/or similar directives regarding business permits, certificates, and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws.

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant, or employee of the District. Review, acceptance, or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions, or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25th of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("**Monthly Report**").

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit B**. The Contractor

shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit B** of this Agreement, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall make a reasonable attempt to notify the District of the estimated amount of such reimbursable costs (or any material adjustments thereto subsequently identified) prior to commencing the requested services. Concurrent with the execution of this Agreement, the Contractor shall provide the District with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) ("**W-9**"). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B-1**.

b. Invoices. Invoices for the Services shall be submitted monthly, by the 10<sup>th</sup> of each month, during the term of this Agreement and shall contain the following information:

- i. An itemized statement of the Services performed.
- ii. Any other reasonable information required by the District to process payment of the invoice, including project and/or cost codes as provided in any applicable written service/work order.

The District shall be charged only for the actual time and direct costs incurred for the performance of the Services. Invoices received by the District after the 10<sup>th</sup> of each month may be processed the following month.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory, and detailed invoice in the form required by Section 7; and (ii) if applicable, a reasonably satisfactory and detailed Monthly Report, for that portion of the Services performed and not previously billed. The District may determine to waive or extend the deadline for filing the Monthly Report, or may make payment for Services to the Contractor notwithstanding a delay in filing the Monthly Report, upon reasonable request of the Contractor, if it is in the interest of the District to do so. In the event a Board meeting is not scheduled in time to review payment of an invoice, the Board hereby authorizes payment for Services, subject to the appropriation and budget requirements under Section 27 hereof, without the need for additional Board approval, so long as any payment required to be made does not exceed the amounts appropriated for such Services as set forth in the District's approved budget. Such payment shall require review and approval of each Monthly Report and invoice by two officers of the District.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner, and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income,

or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits, or insurance. The Contractor shall be responsible for its safety, and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the District. **The Contractor is not entitled to worker's compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

10. **EQUAL OPPORTUNITY.** This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

11. **CONTRACTOR'S INSURANCE.**

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees, and agents is required for Commercial General Liability and workers' compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information, or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance, and automobile liability insurance in amounts satisfactory to the District and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the District to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement, nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the District. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the District; or (iii) independently developed by the Contractor without use of the District's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the District and the Contractor. The Contractor agrees that any of its employees, agents, or subcontractors with access to any information designated thereunder as confidential information of the District shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the District may disclose Personal Identifying Information to the Contractor. "**Personal Identifying Information**" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the District of conflicts known to the Contractor that impact the Contractor's provision of Services to the District.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files, and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the District's request the Contractor will provide the District with all documents produced by or on behalf of the Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's, or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through, or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers, and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed and/or materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15, below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify, and hold harmless the District and each of its directors, officers, contractors, employees, agents, and consultants (collectively, the "**District Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents, or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the District Indemnitees for the negligence of the District or the negligence of any other District Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for the Contractor under workers' compensation acts, disability acts, or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 15 within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth in Section 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the District's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities, or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the District harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days' prior written notice to the District and by the District by giving the Contractor thirty (30) days' prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 19. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors, or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees, and costs associated with such transition shall not be billed by the Contractor to the District.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants, and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right

to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 20 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Hawthorn Metropolitan District  
c/o MSI, LLC  
11022 Benton St.  
Attention: Westminster, CO 80020  
Phone: Mark Becker  
Email: [mbecker@msiho.com](mailto:mbecker@msiho.com)

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON  
2154 E. Commons Ave., Suite 2000  
Centennial, CO 80122  
Attention: Trisha K. Harris, Esq.  
Phone: (303) 858-1800  
E-mail: [tharris@wbapc.com](mailto:tharris@wbapc.com)

Contractor: Environmental Landworks Company, Inc.  
17173 Mount Vernon Road  
Golden, CO 80401  
Attention: Mike Sittaro  
Phone: (303) 888-7996  
Email: [michael@elciworks.com](mailto:michael@elciworks.com)

21. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll, and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and



to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

23. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner, or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

26. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, consent, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, consent, or extension of time required or requested pursuant to this Agreement.

27. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement, or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

29. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

30. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void, or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

31. NO THIRD-PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the "**Work**") will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work

will conform to all requirements of this Agreement and all other applicable laws, ordinances, codes, rules, and regulations of any governmental authorities having jurisdiction over the Work. All Services are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

34. TAX EXEMPT STATUS. The District is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

*[Signature pages follow].*

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

**DISTRICT:**  
HAWTHORN METROPOLITAN DISTRICT, a  
quasi-municipal corporation and political  
subdivision of the State of Colorado

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Officer of the District

ATTEST:

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

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General Counsel for the District

*District's Signature Page to Independent Contractor Agreement for Landscape Maintenance 2024-2025 Services with Environmental Landworks Company, Inc., dated December 4, 2023*



## EXHIBIT A

### SCOPE OF SERVICES

#### A. Site map

1. Areas where services will be performed (property boundary lines) shall be clearly marked on a site map. The site map shall be provided to the Contractor by the District before work is to be performed. The District shall inform the Contractor of the location and nature of any and all hazards, concealed improvements, impediments, special circumstances or conditions known to the District and ensure that these are marked on the site map. Should no site map be created, the District agrees that the Contractor may use its reasonable discretion in defining the area to be serviced. The District shall be under a continuing duty to inform the Contractor about the location and nature any and all hazards, concealed improvements, impediments, special circumstances or conditions known to the District so that hazards and improvements may be properly marked.

#### B. Mowing - Turf Grass Areas: *26 services included*

1. (May through September All turf grass areas to be mowed on a weekly basis at an approximate height of three (3) to four (4) inches during the active growing season). All turf grass areas to be mowed a minimum of one time when the turf grass is growing at a slower rate (April and October).
2. Turf grass clippings will be mulched, and excessive clumps will be distributed or gathered and removed from the Premises. Catchers will be used as the Contractor deems necessary. turf grass clippings will be swept or blown from hardscape, and curbs.
3. The Contractor reserves the right to postpone/reallocate service until the next visit for any area deemed unsafe due to:
  - Excessive wetness due to improper drainage
  - Areas with large concentrations of pet droppings
  - Areas under construction
  - Areas in use at the time of mowing by groups of residents, children, or special groups
  - Early/late season weather

#### C. Trimming - Turf Grass Areas: *26 services included*

1. All turf grass areas will be trimmed by mechanical means as necessary to present a well-groomed appearance.

#### D. Edging - Turf Grass Areas: *13 service included*

1. Hardscape (including concrete curbs) adjacent to turf grass areas are to be hard edged bi-weekly during the growing season with a steel-bladed edger.
2. Drain pan hard edging adjacent to turf grass areas are not included in this Agreement.

E. Mowing - Native Grass Areas: *2 services included*

1. All established irrigated native grass areas will be mowed (2) times per year. All established non-irrigated native areas will be mowed 2 times per year. All native grass areas to be mowed at an approximate height of six (6) to seven (7) inches.
2. One-time hazard removal is not included in this Agreement and may be required before native mowing services can be safely performed.

F. Trimming - Native Grass Areas: *2 services included*

1. All native grass areas will be trimmed by mechanical means as necessary to present a well-groomed appearance.

G. Edging - Native Grass Areas: *2 services included*

1. Hardscape (including concrete curbs) adjacent to native grass areas are to be string trimmed with service.

H. General Clean-Up: *26 services included*

1. All turf grass and landscape beds shall be policed for the removal of debris and weeds over three (3) inches in height at the time of weekly services.
2. Native grass area cleanup is not included in this Agreement. Pricing available upon request.

I. Fertilization - Turf Grass: *3 services included*

1. All irrigated turf grass areas will be fertilized three (3) times during the growing season with a slow release, liquid application product.

J. Aeration - Turf Grass Areas: *1 service included*

1. All irrigated turf areas will be core aerated one (1) time in the Spring.
2. Additional core aeration in the fall is recommended and will be performed upon District approval. Pricing available upon request.

K. Seasonal Clean-up: *3 services included*

1. The Contractor shall remove leaves and litter from all landscaped areas within the Premises one (1) time in the spring. Debris will be removed from Premises.
2. The Contractor shall remove leaves and litter from all landscaped areas within the Premises two (2) times in the fall. The District understands that this service will be performed after the majority of leaves have fallen OR be completed by November 30<sup>th</sup>, as weather conditions permit. Debris will be removed from Premises.
3. Additional fall cleanup can be performed on a T&M basis.

4. Concrete walks adjacent to turf areas will be edged with a steel-bladed edger.
5. Ornamental grasses will be cut back in the spring to approximately eight (8) to (12) inches to promote new growth.
6. Perennials will be cut back in the fall.

L. Chemical Weed Control: *3 services included*

1. The Contractor shall provide complete chemical program for the control of weeds. The District understands that “weed free” is not a reasonable expectation. Complete control of weeds is not guaranteed. The program shall provide preventative control where required, as well as curative chemical control. The Contractor shall be selective in the chemical controls used as to ensure against an improper application that may cause further damage to turf grass, trees, or shrubs. The Contractor shall provide for the complete safety of the user public, residents, and their properties. The Contractor shall be responsible for meeting all Colorado State and Environmental Protection Agency (EPA) licensing requirements.
  - a. One (1) pre-emergent application(s) to mulch/rock bed areas is included in this Agreement.
  - b. Three (3) post-emergent herbicide applications to irrigated turf grass areas are included in this Agreement
2. Non-selective herbicides will be applied as necessary to sidewalk cracks, curb lines, and mulch beds. Paved area weed control will be coordinated and approved with the District and billed at the hourly rates as outlined in Exhibit B attached hereto.
3. Consistent with industry standards, a buffer area will be established by chemical application around all trees and wooden fence-lines in irrigated turf two (2) times during the growing season. The District must notify the Contractor if a buffer area is to be established by other means.
4. Turf grass insect, pests, and disease control by spraying, injection or granular applications are not included in this Agreement. Price can be provided upon District request.
5. Broadleaf native weed control application is not included in this Agreement. Price can be provided upon District request.

M. Tree and Shrub Care: *2 services included*

1. Pruning shall be performed consistent with reasonable industry standards to provide a well-groomed appearance. Trees and Shrubs under (10) feet in height are included as a part of this Agreement.
2. The Contractor shall perform aesthetic pruning of all deciduous and evergreen shrubs two (2) times during the growing season. Pruning will be scheduled and performed pursuant to environmental conditions as the Contractor deems necessary in order to provide a well-groomed appearance. The Contractor will provide recommendations to the District if environmental conditions warrant additional pruning cycles. Additional pruning cycles will be performed upon approval from the District at the hourly rates as outlined in Exhibit B



attached hereto.

3. Nuisance growth, including suckers, from shrubs and trees will be pruned as needed during the growing season to maintain reasonable access on walkways and parking areas.
4. Trees less than (10) feet will be pruned as needed to maintain sidewalk, roadway, and signage clearance.
5. Debris resulting from pruning operations shall be collected and removed by Contractor at the time of pruning.
6. Structural, renewal, or corrective pruning is not included in this Agreement. These services are available at the hourly rates as outlined in Exhibit B attached hereto.
7. Chemical insect control by spraying, injection, or granular applications are not included in this Agreement. Price can be provided upon District request.
8. Dead trees and shrubs will be removed after request from the District and will be billed at the hourly rates as outlined in Exhibit B attached hereto.

N. Irrigation Management and Operation: *13 services included*

1. Contractor shall activate the irrigation system in the spring, in accordance with any governmental restrictions and regulations when the environmental conditions allow.
2. Contractor shall inspect the irrigation system to ensure proper operation. Controller programming will be performed as the Contractor deems necessary. Watering schedules shall be set in accordance with governmental restrictions and regulations, irrigation system capabilities, and reasonable industry standards.
3. Irrigation system repairs are not included as a part of this Agreement. This includes, but is not limited to, pattern adjustments, raising or lowering heads, clearing of plugged lines, nozzles, and replacement of broken or missing heads due to circumstances other than those related to the services of the Contractor in this Agreement. Other services that are not included: backflow certification, design, irrigation system evaluation, valve location, electrical work, and anything that requires digging or excavation.

Irrigation system repairs shall be performed as agreed upon by the District and Contractor at the hourly rates as outlined in Exhibit B attached hereto plus materials and additional equipment, if required. The District agrees the Contractor shall perform irrigation repairs that do not exceed the dollar amount indicated in Exhibit B (irrigation NTE), per occurrence. In the event that an irrigation system repair is estimated to exceed the value of the irrigation NTE, the Contractor will contact the District for approval.

All repairs made to the irrigation system will be billed to the District and not to any third parties. The District is responsible for collecting on third party claims.

4. Contractor shall winterize the irrigation system *prior to December 1st*, in accordance with any governmental restrictions and regulations. *Contractor reserves the right to preemptively wrap/drain backflow if unseasonal weather conditions arise.*

5. Wrapping the above ground backflow prevention devices prior to winterization is not included in the Agreement. The Contractor will wrap above ground backflow prevention devices upon District request. See pricing in section XIII. Payment Schedule.
6. Testing backflow prevention devices is not included in the Agreement. The Contractor will test backflow prevention devices upon District request. See pricing in Exhibit B.

O. Winter Season Services: *10 services included*

1. Twice a month policing of landscaped areas November through March is included as a part of this Agreement.
2. Monthly site inspections of the Premises December through March are included as a part of this Agreement.

P. Miscellaneous Services

1. Flower design, installation and maintenance is not included as a part of this Agreement. This service is available through a separate Color Management Agreement upon request of the District.
2. Snow Management is not included as a part of this Agreement. This service is available to existing landscape management Districts through a separate Snow Management Agreement upon request of the District.
3. Any work not covered in this Agreement shall be done at the hourly rates as outlined in Exhibit B attached hereto. If requested by the District, the Contractor will provide a proposal for services not included in this Agreement.

**EXHIBIT B**

April 2024	\$2,667.00
May 2024	\$2,667.00
June 2024	\$2,667.00
July 2024	\$2,667.00
August 2024	\$2,667.00
September 2024	\$2,667.00
October 2024	\$2,667.00
November 2024	\$2,667.00
December 2024	\$2,667.00
January 2025	\$2,667.00
February 2025	\$2,667.00
March 2025	\$2,667.00
<b>Contract Total:</b>	<b>\$32,004.00</b>

IRRIGATION NTE: \$500.00

*\*IRRIGATION NOT TO EXCEED (NTE) IS A PRE-APPROVED DOLLAR AMOUNT ALLOWING CONTRACTOR TO MAKE REPAIRS WITHOUT APPROVAL UP TO SPECIFIED AMOUNT.*

### Extra Work Rates

\$70.00	Per hour, Foreman.
\$65.00	Per hour, Laborer, General Labor.
\$83.00	Per hour, Irrigation Technician.
\$112.00	Per backflow – Backflow Testing.
\$65.00	Per hour, Irrigation Helper.

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- Billable time will be rounded to nearest ½ hour.
- Winter water carries a two hour minimum.
- Mobilization costs, portal to portal, will be included in the hourly services for each visit.
- Dump fees, material costs, subcontractor fees and equipment fees will be added to invoices as applicable.
- A proposal for landscape projects is available upon request.
- Landscape architect/design charges may be removed upon approved proposal.
- Emergency Calls should only be made to prevent damage to persons or property (including but not limited to continuously running water). An Emergency Call is defined as a call for service outside of normal business hours, Monday through Friday 8:00 am to 5:00 pm, and holidays. Please contact the office at (303) 862-9480.

## Additional Services

### Initialed items to be included

*Please initial in spaces provided for approved services.*

- i. Additional Fall Aeration: \$570.00 \_\_\_\_\_
- ii. Native Edge to Edge Mow: \$ 13,750.00 \_\_\_\_\_
  - Bi-weekly (11) mows total per year (two included in contract)
- iii. ELCI Suggested Native Edge to Edge Mow: \$ 5,000.00 \_\_\_\_\_
  - Monthly (4) mows total per year (two included in contract)
- iv. Native Fence Line Mowing: \$ 2,119.00 \_\_\_\_\_
  - 4 mows total per year
- v. Wrap & Unwrap Trees: \$ 24/Tree \_\_\_\_\_
  - Up to 20-22 deciduous trees
- vi. Playground Mulch Fluff/ Rake: \$ 1,191.00 \_\_\_\_\_
  - 17 services total: 2 Spring, 13 Summer, 2 Fall
- vii. Native Broadleaf Spray: \$ 3,500.00 \_\_\_\_\_
  - Two applications for Native (58,000 SF)



- viii. Irrigation Pump System Maintenance: \$ 2,210.00 \_\_\_\_\_
  - Performed by irrigation pump specialist in Spring, Summer, and Fall.
- ix. Turf Top Dressing & Over Seeding East & West Fields Only (x2): \$5,000.00 \_\_\_\_\_
- x. Open Space Clean Up (x1): \$ 1,315.00 \_\_\_\_\_
- xi. Drain Pan Clean Up (x1): \$4,800.00 \_\_\_\_\_
- xii. Tree Healthcare Program:
  - Spring Tree & Shrub Feeding (March-May): \$3,210.00 \_\_\_\_\_
  - IPS Beetle Preventive Spray (Feb-May): \$1,278.00 \_\_\_\_\_
    - o For all conifer trees. The Ponderosa, Austrian, and White Pine trees have matured enough that they are susceptible to beetle damage.

- Box Elder Spray (July-Aug): \$325.00 \_\_\_\_\_
  - Box Elder Spray (Aug-Sept): \$325.00 \_\_\_\_\_
  - Fall Tree & Shrub Feeding (Oct-Dec): \$3,210.00 \_\_\_\_\_
  - Anti-Desiccant Moisture Lock Application: \$1,878.00 \_\_\_\_\_
  - Winter watering per application: \$ 3,288.00 \_\_\_\_\_
- xiii. Backflow Wrapping (per device): \$70.00 \_\_\_\_\_
- xiv. Backflow Testing (per device): \$112.00 \_\_\_\_\_

EXHIBIT B-1

CONTRACTOR'S COMPLETED W-9

Form **W-9**  
 (Rev. October 2018)  
 Department of the Treasury  
 Internal Revenue Service

**Request for Taxpayer  
 Identification Number and Certification**

**Give Form to the  
 requester. Do not  
 send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

**1 Name** (as shown on your income tax return). Name is required on this line; do not leave this line blank.  
**Environmental Landworks Company, Inc.**

**2 Business name/disregarded entity name, if different from above**

**3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.**

Individual/sole proprietor or single-member LLC     C Corporation     S Corporation     Partnership     Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ \_\_\_\_\_

**Note:** Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶ \_\_\_\_\_

**4 Exemptions** (codes apply only to certain entities, not individuals; see instructions on page 3):  
 Exempt payee code (if any): \_\_\_\_\_  
 Exemption from FATCA reporting code (if any): \_\_\_\_\_  
 (Applies to accounts maintained outside the U.S.)

**5 Address** (number, street, and apt. or suite no.) See instructions.  
**17173 Mount Vernon Road**

**6 City, state, and ZIP code**  
**Golden, CO 80401**

**7 List account number(s) here (optional)**

**Requester's name and address (optional)**

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

**Social security number**

			-						
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**OR**

**Employer identification number**

2	0	-	8	7	7	8	4	9	7
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**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign Here**    Signature of U.S. person ▶ *Scott K. Isaacs*    Date ▶ *1/4/22*

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

## EXHIBIT C

### INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury, and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
  - a. premises operations;
  - b. personal injury liability without employment exclusion;
  - c. limited contractual;
  - d. broad form property damages, including completed operations;
  - e. medical payments;
  - f. products and completed operations;
  - g. independent consultants coverage; and
  - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant.

**This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. If applicable: Contractor shall secure and maintain a third-party fidelity bond in favor of the District, covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities,



or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.

**EXHIBIT C-1**

**CERTIFICATE OF INSURANCE**

**EXHIBIT D**

**CERTIFICATE OF GOOD STANDING WITH COLORADO SECRETARY OF STATE**

**OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO**

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Environmental Landworks Company, Inc.

is a

Corporation

formed or registered on 04/04/2007 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20071167852 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 11/30/2022 that have been posted, and by documents delivered to this office electronically through 12/05/2022 @ 15:58:16 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 12/05/2022 @ 15:58:16 in accordance with applicable law. This certificate is assigned Confirmation Number 14513084 .



*Jena Griswold*

Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*  
*Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*

**INDEPENDENT CONTRACTOR AGREEMENT  
(RETAINING WALL REPAIR)**

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This INDEPENDENT CONTRACTOR AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is entered into as of the 4th day of December 2023, by and between HAWTHORN METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and ENVIRONMENTAL LANDWORKS COMPANY, INC., a Colorado corporation (the “**Contractor**”). The District and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

WHEREAS, the District was organized pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S. for the purpose of constructing, financing, operating, and maintaining certain public facilities and improvements for itself, its taxpayers, residents, and users; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is empowered to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(1)(i), C.R.S., the District is empowered to appoint, hire, and retain agents, employees, engineers, and attorneys; and

WHEREAS, the District desires to engage the Contractor to perform certain services as are needed by the District to serve the property within and without its boundaries; and

WHEREAS, the Contractor has represented that it has the professional experience, skill, and resources to perform the services, as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

**TERMS AND CONDITIONS**

1. SCOPE OF SERVICES; PERFORMANCE STANDARDS. The Contractor shall perform the services described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Services**”): (a) in a professional manner, to the satisfaction of the District, using the degree of skill and knowledge customarily employed by other professionals performing similar services; (b) within the time period and pursuant to the Scope of Services specified in said **Exhibit A**; and (c) using reasonable commercial efforts to minimize any annoyance, interference, or disruption to the residents, tenants, occupants, and invitees within the District. **Exhibit A** may take any form, including forms which may include price and payment terms. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in **Exhibit A**, the terms in the body of this Agreement shall govern. Contractor shall have no right or authority, express or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement

(including **Exhibit A**) or through other authorization expressly delegated to or authorized by the District through its Board of Directors.

2. TERM/RENEWAL. This Agreement shall be effective as of the dated date hereof and shall terminate on the earlier to occur of: (i) termination pursuant to Section 18 hereof; (ii) completion of the Services; or (ii) December 31, 2024.

3. ADDITIONAL SERVICES. The District may, in writing, request the Contractor provide additional services not set forth in **Exhibit A**. The terms and conditions of the provision of such services shall be subject to the mutual agreement of the Contractor and the District pursuant to a written service/work order executed by an authorized representative of the District and the Contractor or an addendum to this Agreement. Authorization to proceed with additional services shall not be given unless the District has appropriated funds sufficient to cover the additional compensable amount. To the extent additional services are provided pursuant to this Section 3, the terms and conditions of this Agreement relating to Services shall also apply to any additional services rendered.

4. REPAIRS/CLAIMS. The Contractor shall notify the District immediately of any and all damage caused by the Contractor to District property and that of third parties. The Contractor will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Contractor or its employees, agents, or equipment. In addition, the Contractor shall promptly notify the District of all potential claims of which it becomes aware. The Contractor further agrees to take all reasonable steps to preserve all physical evidence and information, which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Services and shall provide all reasonable protection to prevent damage or injury to persons and property, including any material and equipment related to the Services, whether in storage on or off site, under the care, custody, or control of the Contractor or any of its subcontractors.

5. GENERAL PERFORMANCE STANDARDS.

a. The Contractor has by careful examination ascertained: (i) the nature and location of the Services; (ii) the configuration of the ground on which the Services are to be performed; (iii) the character, quality, and quantity of the labor, materials, equipment, and facilities necessary to complete the Services; (iv) the general and local conditions pertaining to the Services; and (v) all other matters which in any way may affect the performance of the Services by the Contractor. Contractor enters into this Agreement solely because of the results of such examination and not because of any representations pertaining to the Services or the provision thereof made to it by the District or any agent of the District and not contained in this Agreement. The Contractor represents that it has or shall acquire the capacity and the professional experience and skill to perform the Services and that the Services shall be performed in accordance with the standards of care, skill, and diligence provided by competent professionals who perform services of a similar nature to those specified in this Agreement. If competent professionals find that the Contractor's performance of the Services does not meet this standard, the Contractor shall, at the

District's request, re-perform the Services not meeting this standard without additional compensation.

b. The Contractor shall use reasonable commercial efforts to perform and complete the Services in a timely manner. If performance of the Services by the Contractor is delayed due to factors beyond the Contractor's reasonable control, or if conditions of the scope or type of services are expected to change, Contractor shall give prompt notice to the District of such a delay or change and receive an equitable adjustment of time and/or compensation, as negotiated between the Parties.

c. The Services provided under this Agreement shall be adequate and sufficient for the intended purposes and shall be completed in a good and workmanlike manner.

d. The Contractor agrees that it has complied and will continue to comply with all Laws while providing Services under this Agreement. "**Laws**" means: (i) federal, state, county, and local or municipal body or agency laws, statutes, ordinances, and regulations; (ii) any licensing, bonding, and permit requirements; (iii) any laws relating to storage, use, or disposal of hazardous wastes, substances, or materials; (iv) rules, regulations, ordinances, and/or similar directives regarding business permits, certificates, and licenses; (v) regulations and orders affecting safety and health, including but not limited to the Occupational Safety and Health Act of 1970; (vi) Wage and Hour laws, Worker Compensation laws, and immigration laws; and (vii) rules and regulations of the Colorado Department of Public Health and Environment..

e. The responsibilities and obligations of the Contractor under this Agreement shall not be relieved or affected in any respect by the presence of any agent, consultant, sub-consultant, or employee of the District. Review, acceptance, or approval by the District of the Services performed or any documents prepared by the Contractor shall not relieve the Contractor of any responsibility for deficiencies, omissions, or errors in said Services or documents, nor shall it be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

6. MONTHLY STATUS REPORT. The Contractor shall provide to the District, at the District's request, on or before the 25th of each month, a narrative progress and status report describing work in progress and results achieved during the reporting period, including a description of the Services performed during the invoice period and the Services anticipated to be performed during the ensuing invoice period ("**Monthly Report**").

7. COMPENSATION AND INVOICES.

a. Compensation. Compensation for the Services provided under this Agreement shall be in accordance with the compensation schedule attached hereto as **Exhibit A**. The Contractor shall be responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as provided in **Exhibit A** of this Agreement, unless said reimbursement or compensation is approved in writing by the District in advance of incurring such expenses. Any direct reimbursable costs for materials will be reimbursable at the Contractor's actual cost, provided that the Contractor shall make a reasonable attempt to notify the District of the estimated amount of such reimbursable costs (or

any material adjustments thereto subsequently identified) prior to commencing the requested services. Concurrent with the execution of this Agreement, the Contractor shall provide the District with a current completed Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) (“**W-9**”). No payments will be made to the Contractor until the completed W-9 is provided. The W-9 shall be attached hereto and incorporated herein as **Exhibit B**.

8. TIME FOR PAYMENT. Payment for the Services shall be made by the District within thirty (30) days of receipt of: (i) a timely, satisfactory, and detailed final invoice upon completion of the Services.

9. INDEPENDENT CONTRACTOR. The Contractor is an independent contractor and nothing in this Agreement shall constitute or designate the Contractor or any of its employees or agents as employees or agents of the District. The Contractor shall have full power and authority to select the means, manner, and method of performing its duties under this Agreement, without detailed control or direction from the District, and shall be responsible for supervising its own employees or subcontractors. The District is concerned only with the results to be obtained. The District shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or its employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state or federal income, or other tax contributions, insurance contributions (e.g. FICA taxes), workers’ compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits, or insurance. The Contractor shall be responsible for its safety, and the safety of its employees, sub-contractors, agents, and representatives. All personnel furnished by the Contractor will be deemed employees or sub-contractors of the Contractor and will not for any purpose be considered employees or agents of the District. **The Contractor is not entitled to worker’s compensation benefits or unemployment insurance benefits, unless unemployment compensation coverage is provided by the Contractor or some other entity other than the District, and the Contractor is obligated to pay federal and state income taxes on moneys by it earned pursuant to this Agreement.**

10. EQUAL OPPORTUNITY. This Agreement is subject to all applicable laws and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law or executive order.

11. CONTRACTOR’S INSURANCE.

a. The Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverage in the minimum amounts set forth in **Exhibit C**, attached hereto and incorporated herein by this reference. A waiver of subrogation and rights of recovery against the District, its directors, officers, employees, and agents is required for Commercial General Liability and workers’ compensation coverage. The Commercial General Liability and Comprehensive Automobile Liability Insurance policies will be endorsed to name the District as an additional insured. All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the

District may carry, and any insurance maintained by the District shall be considered excess. The District shall have the right to verify or confirm, at any time, all coverage, information, or representations contained in this Agreement.

b. Prior to commencing any work under this Agreement, the Contractor shall provide the District with a certificate or certificates evidencing the policies required by this Agreement, as well as the amounts of coverage for the respective types of coverage, which certificate(s) shall be attached hereto as **Exhibit C-1**. If the Contractor subcontracts any portion(s) of the Services, said subcontractor(s) shall be required to furnish certificates evidencing statutory workers' compensation insurance, comprehensive general liability insurance, and automobile liability insurance in amounts satisfactory to the District and the Contractor; provided, however, that sub-contractors of the Contractor shall not be required by the District to provide coverage in excess of that which is required hereunder of the Contractor. If the coverage required expires during the term of this Agreement, the Contractor or subcontractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

c. The Contractor's failure to purchase the required insurance shall not serve to release it from any obligations contained in this Agreement, nor shall the purchase of the required insurance serve to limit the Contractor's liability under any provision in this Agreement. The Contractor shall be responsible for the payment of any deductibles on issued policies.

## 12. CONFIDENTIALITY AND CONFLICTS.

a. Confidentiality. Any information deemed confidential by the District and given to the Contractor by the District, or developed by the Contractor as a result of the performance of a particular task, shall remain confidential. In addition, the Contractor shall hold in strict confidence, and shall not use in competition, any information which the Contractor becomes aware of under or by virtue of this Agreement which the District deems confidential, or which the District has agreed to hold confidential, or which, if revealed to a third party, would reasonably be construed to be contrary to the interests of the District. Confidential information shall not include, however, any information which is: (i) generally known to the public at the time provided to the Contractor; (ii) provided to the Contractor by a person or entity not bound by confidentiality to the District; or (iii) independently developed by the Contractor without use of the District's confidential information. During the performance of this Agreement, if the Contractor is notified that certain information is to be considered confidential, the Contractor agrees to enter into a confidentiality agreement in a form reasonably acceptable to the District and the Contractor. The Contractor agrees that any of its employees, agents, or subcontractors with access to any information designated thereunder as confidential information of the District shall agree to be bound by the terms of such confidentiality agreement.

b. Personal Identifying Information. During the performance of this Agreement, the District may disclose Personal Identifying Information to the Contractor. "**Personal Identifying Information**" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S.,



the Contractor agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to the Contractor; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

c. Conflicts. Prior to the execution of, and during the performance of this Agreement and prior to the execution of future agreements with the District, the Contractor agrees to notify the District of conflicts known to the Contractor that impact the Contractor's provision of Services to the District.

13. OWNERSHIP OF DOCUMENTS. All documents produced by or on behalf of the Contractor prepared pursuant to this Agreement, including, but not limited to, all maps, plans, drawings, specifications, reports, electronic files, and other documents, in whatever form, shall remain the property of the District under all circumstances, upon payment to the Contractor of the invoices representing the work by which such materials were produced. At the District's request the Contractor will provide the District with all documents produced by or on behalf of the Contractor pursuant to this Agreement. The Contractor shall maintain electronic and reproducible copies on file of any such instruments of service involved in the Services for a period of two (2) years after termination of this Agreement, shall make them available for the District's use and shall provide such copies to the District upon request at no cost.

14. LIENS AND ENCUMBRANCES. The Contractor shall not have any right or interest in any District assets, or any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated in this Agreement. The Contractor, for itself, hereby waives and releases any and all statutory or common law mechanic's, materialmen's, or other such lien claims, or rights to place a lien upon the District's property or any improvements thereon in connection with any Services performed under or in connection with this Agreement, and the Contractor shall cause all permitted subcontractors, suppliers, materialmen, and others claiming by, through, or under the Contractor to execute similar waivers prior to commencing any work or providing any materials in connection with the Services. The Contractor further agrees to execute a sworn affidavit respecting the payment and lien releases of all subcontractors, suppliers, and materialmen, and release of lien respecting the Services at such time or times and in such form as may be reasonably requested by the District. The Contractor will provide indemnification against all such liens for labor performed and/or materials supplied or used by the Contractor and/or any other person in connection with the Services undertaken by the Contractor, in accordance with Section 15, below.

15. INDEMNIFICATION.

a. The Contractor shall defend, indemnify, and hold harmless the District and each of its directors, officers, contractors, employees, agents, and consultants (collectively, the "**District Indemnitees**"), from and against any and all claims, demands, losses, liabilities, actions, lawsuits, damages, and expenses (the "**Claims**"), including reasonable legal expenses and attorneys' fees actually incurred, by the District Indemnitees arising directly or indirectly, in whole or in part, out of the errors or omissions, negligence, willful misconduct, or any criminal or tortious act or omission of the Contractor or any of its subcontractors, officers, agents, or employees, in connection with this Agreement and/or the Contractor's performance of the Services or work

pursuant to this Agreement. Notwithstanding anything else in this Agreement or otherwise to the contrary, the Contractor is not obligated to indemnify the District Indemnitees for the negligence of the District or the negligence of any other District Indemnitee, except the Contractor. Except as otherwise provided by applicable law, this indemnification obligation will not be limited in any way by any limitation on the amount or types of damages, compensation, or benefits payable by or for the Contractor under workers' compensation acts, disability acts, or other employee benefit acts, provided that in no event shall the Contractor be liable for special/consequential or punitive damages.

b. In the event the Contractor fails to assume the defense of any Claims under this Section 15 within fifteen (15) days after notice from the District of the existence of such Claim, the District may assume the defense of the Claim with counsel of its own selection, and the Contractor will pay all reasonable expenses of such counsel. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation.

c. Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary with respect to its obligations under this Agreement, including the indemnity obligations set forth in Section 15. This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

16. ASSIGNMENT. The Contractor shall not assign this Agreement or parts thereof, or its respective duties, without the express written consent of the District. Any attempted assignment of this Agreement in whole or in part with respect to which the District has not consented, in writing, shall be null and void and of no effect whatsoever.

17. SUB-CONTRACTORS. The Contractor is solely and fully responsible to the District for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by the Contractor or a subcontractor engaged by the Contractor, and neither the District's approval of any subcontractor, suppliers, or materialman, nor the failure of performance thereof by such persons or entities, will relieve, release, or affect in any manner the Contractor's duties, liabilities, or obligations under this Agreement. The Contractor shall not subcontract any Services without prior written approval by the District. The Contractor agrees that each and every agreement of the Contractor with any subcontractor to perform Services under this Agreement shall contain an indemnification provision identical to the one contained in this Agreement holding the District harmless for the acts of the subcontractor. Prior to commencing any Services, a subcontractor shall provide evidence of insurance coverage to the District in accordance with the requirements of this Agreement. The Contractor further agrees that all such subcontracts shall provide that they may be terminated immediately without cost or penalty upon termination of this Agreement, other than payment for services rendered prior to the date of any such termination.

18. TERMINATION. In addition to the termination provisions contained in Section 2, above, this Agreement may be terminated for convenience by the Contractor upon delivery of thirty (30) days' prior written notice to the District and by the District by giving the Contractor

thirty (30) days' prior written notice. Each Party may terminate this Agreement for cause at any time upon written notice to the other Party setting forth the cause for termination and the notified Party's failure to cure the cause to the reasonable satisfaction of the Party given such notice within the cure period set forth in Section 19. If this Agreement is terminated, the Contractor shall be paid for all the Services satisfactorily performed prior to the designated termination date, including reimbursable expenses due. Said payment shall be made in the normal course of business. Should either Party to this Agreement be declared bankrupt, make a general assignment for the benefit of creditors, or commit a substantial and material breach of this Agreement in the view of the other Party, said other Party shall be excused from rendering or accepting any further performance under this Agreement. In the event of termination of this Agreement, the Contractor shall cooperate with the District to ensure a timely and efficient transition of all work and work product to the District or its designees. All time, fees, and costs associated with such transition shall not be billed by the Contractor to the District.

19. DEFAULT. If either Party fails to perform in accordance with the terms, covenants, and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of the default, at the address specified in Section 20 below, and the defaulting party will have ten (10) days from and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such ten (10)-day period and the defaulting party gives written notice to the non-defaulting party within such ten (10)-day period that it is actively and diligently pursuing a cure, the defaulting party will have a reasonable period of time given the nature of the default following the end of the ten (10)-day period to cure the default, provided that the defaulting party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting party will, in addition to any other legal or equitable remedy, have the right to terminate this Agreement and enforce the defaulting party's obligations pursuant to this Agreement by an action for injunction or specific performance.

20. NOTICES. Any notice or communication required under this Agreement must be in writing, and may be given personally, sent via nationally recognized overnight carrier service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight carrier service, a notice will be deemed to have been given and received on the first to occur of: (i) one business day after being deposited with a nationally recognized overnight air courier service; or (ii) delivery to the party to whom it is addressed. Any party hereto may at any time, by giving written notice to the other party hereto as provided in this Section 20 of this Agreement, designate additional persons to whom notices or communications will be given, and designate any other address in substitution of the address to which such notice or communication will be given. Such notices or communications will be given to the parties at their addresses set forth below:

District: Hawthorn Metropolitan District  
c/o MSI, LLC  
11022 Benton Street  
Westminster, CO 80020  
Attention: Mark Becker  
Phone: (720) 974-4140  
Email: mbecker@msiho.com

With a Copy to: WHITE BEAR ANKELE TANAKA & WALDRON  
2154 E. Commons Ave., Suite 2000  
Centennial, CO 80122  
Attention: Trisha K. Harris, Esq.  
Phone: (303) 858-1800  
E-mail: tharris@wbapc.com

Contractor: Environmental Landworks Company, Inc.  
17173 Mount Vernon Road  
Golden, CO 80401  
Attention: Michael Sittaro  
Phone: (303) 862-9480  
Email: michael@elciworks.com

21. AUDITS. The District shall have the right to audit, with reasonable notice, any of the Contractor's books and records solely as are necessary to substantiate any invoices and payments under this Agreement (including, but not limited to, receipts, time sheets, payroll, and personnel records) and the Contractor agrees to maintain adequate books and records for such purposes during the term of this Agreement and for a period of two (2) years after termination of this Agreement and to make the same available to the District at all reasonable times and for so long thereafter as there may remain any unresolved question or dispute regarding any item pertaining thereto.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date, and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to the Services, whether written or oral. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Contractor and the District.

23. BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors, and assigns of the Parties hereto.

24. NO WAIVER. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

25. GOVERNING LAW.

a. Venue. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise. At the District's request, the Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the District shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

b. Choice of Law. Colorado law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado.

c. Litigation. At the District's request, the Contractor will consent to being joined in litigation between the District and third parties, but such consent shall not be construed as an admission of fault or liability. The Contractor shall not be responsible for delays in the performance of the Services caused by factors beyond its reasonable control including delays caused by Act of God, accidents, failure of any governmental or other regulatory authority to act in a timely manner, or failure of the District to furnish timely information or to approve or disapprove of Contractor's Services in a timely manner.

26. GOOD FAITH OF PARTIES. In the performance of this Agreement, or in considering any requested approval, acceptance, consent, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, consent, or extension of time required or requested pursuant to this Agreement.

27. SUBJECT TO ANNUAL APPROPRIATION AND BUDGET. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The Contractor expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and shall not constitute a mandatory charge, requirement, or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the District, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the District or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of District funds. The District's obligations under this Agreement exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this Agreement.

28. GOVERNMENTAL IMMUNITY. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

29. NEGOTIATED PROVISIONS. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed to the preparation of this Agreement.

30. SEVERABILITY. If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void, or unenforceable, such decision shall not affect the validity of any other portion of this Agreement which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

31. NO THIRD-PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

32. OPEN RECORDS. The Parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, §§ 24-72-202, *et seq.*, C.R.S.

33. WARRANTY AND PERMITS. The Contractor shall and does by this Agreement guarantee and warrant that all workmanship, materials, and equipment furnished, installed, or performed for the accomplishment of the Services (collectively, the “**Work**”) will be of good quality and new, unless otherwise required or permitted by this Agreement. The Contractor further warrants that the Work will conform to all requirements of this Agreement and the applicable building code and all other applicable laws, ordinances, codes, rules, and regulations of any governmental authorities having jurisdiction over the Work. All materials are subject to the satisfaction and acceptance of the District, but payments for the completed Work will not constitute final acceptance nor discharge the obligation of the Contractor to correct defects at a later date. Such warranties set forth in this Agreement are in addition to, and not in lieu of, any other warranties prescribed by Colorado law.

a. The Contractor hereby warrants the Work for a period of one (1) year from the date of completion and initial acceptance of the Work. The Contractor will immediately correct or replace any Work that is defective or not conforming to this Agreement at its sole expense to the reasonable satisfaction of the District. The Contractor’s guarantees and warranties shall in all

cases survive termination of this Agreement. This warranty shall be enforceable by the District, its successors and assigns.

b. Prior to final payment for any Services involving Work, and at any time thereafter but before the final inspection, as set forth below, the Contractor and the District shall, at the request of the District, conduct an inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit B** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit B**, the Contractor is deemed to have waived these fees and costs. After completion of the inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. The Contractor agrees to correct or replace the defective Work within a reasonable time, as agreed to by the Parties, but in no event later than thirty (30) calendar days from the date of notice from the District, unless otherwise agreed to by the District.

c. The Contractor agrees that if warranty issues appear before payment has been made under this Agreement, the District may withhold payment until such warranty issues are resolved to the District's satisfaction. If repair or replacement of any warranty or defective Work is not made by the Contractor promptly upon request by the District as set forth in this Agreement, in addition to any other remedy, the District may withhold any payment the District may owe to the Contractor, including payments under other contracts or agreements related or unrelated to the Work and Services.

d. The Contractor shall promptly notify the District of any Work, whether by the Contractor, its subcontractors or any third parties, which the Contractor believes to be defective or not conforming with this Agreement.

e. The Contractor shall, at its expense, obtain all permits, licenses, and other consents required from all governmental authorities, utility companies, and appropriate parties under any restrictive covenants in connection with the Work. The Contractor shall comply with all the terms and conditions of all permits, licenses, and consents.

f. At or around eleven (11) months, but no more than one (1) year, after the completion and acceptance of the Work, the Contractor and the District shall, at the request of the District, conduct a final inspection of the Work for the purpose of determining whether any Work is defective or otherwise not in conformance with this Agreement. The Contractor's fees and costs associated with the inspection shall be included in the compensation schedule set forth in **Exhibit A** and shall not be billed separately to the District. In the event the Contractor neglects to include the fees and costs associated with the inspection in the compensation schedule set forth in **Exhibit A**, the Contractor is deemed to have waived these fees and costs. After completion of the final inspection, the District will provide the Contractor with written notice of any Work requiring corrective action. In the event the Contractor does not correct or replace the defective Work within thirty (30) calendar days from the date of notice from the District, or within such other reasonable time as agreed to by the Parties, the District may correct or replace the defective Work and the Contractor shall reimburse the District for the related costs and fees.

34. TAX EXEMPT STATUS. The District is exempt from Colorado state sales and use taxes. Accordingly, taxes from which the District is exempt shall not be included in any invoices submitted to the District. The District shall, upon request, furnish Contractor with a copy of its certificate of tax exemption. Contractor and subcontractors shall apply to the Colorado Department of Revenue, Sales Tax Division, for an Exemption Certificate and purchase materials tax free. The Contractor and subcontractors shall be liable for exempt taxes paid due to failure to apply for Exemption Certificates or for failure to use said certificate.

35. COUNTERPART EXECUTION. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

*[Signature pages follow].*



IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

**DISTRICT:**  
HAWTHORN METROPOLITAN DISTRICT,  
a quasi-municipal corporation and political  
subdivision of the State of Colorado

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Officer of the District

ATTEST:

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

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General Counsel for the District

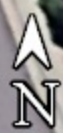
*District's Signature Page to Independent Contractor Agreement for Retaining Wall Repair  
with Environmental Landworks Company, Inc., dated December 4, 2023*



**EXHIBIT A**

**SCOPE OF SERVICES/COMPENSATION SCHEDULE**





**EXHIBIT B**

CONTRACTOR'S COMPLETED W-9

## EXHIBIT C

### INSURANCE REQUIREMENTS

NOTE: All insurance required and provided hereunder shall also comply with the provisions of Section 11 of this Agreement.

1. Standard Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor involved with the performance of the Services, with policy amounts and coverage in compliance with the laws of the jurisdiction in which the Services will be performed.
2. Commercial General Liability Insurance with minimum limits of liability of not less than \$2,000,000 per occurrence for bodily injury and property damage liability; \$2,000,000 designated location, general aggregate; and \$1,000,000 umbrella. Such insurance will include coverage for contractual liability, personal injury, and broad form property damage, and shall include all major divisions of coverage and be on a comprehensive basis including, but not limited to:
  - a. premises operations;
  - b. personal injury liability without employment exclusion;
  - c. limited contractual;
  - d. broad form property damages, including completed operations;
  - e. medical payments;
  - f. products and completed operations;
  - g. independent consultants coverage; and
  - h. coverage inclusive of construction means, methods, techniques, sequences, and procedures, employed in the capacity of a construction consultant.

**This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**

3. Comprehensive Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used in connection with the performance of the Services, with limits of liability of not less than \$1,000,000 combined single limit bodily injury and property damage. **This policy must include coverage extensions to cover the indemnification obligations contained in this Agreement to the extent caused by or arising out of bodily injury or property damage.**
4. If applicable: Contractor shall secure and maintain a third-party fidelity bond in favor of the District, covering the Contractor and its employees and agents who may provide or be responsible for the provision of Services where such activities contemplate the responsibility for money or property of the District. Such bond shall protect the District against any fraudulent or dishonest act which may result in the loss of money, securities,

or other property belonging to or in the possession of the District. Said bond shall be in an amount as determined by the District, from a surety acceptable to the District.

5. Any other insurance commonly used by contractors for services of the type to be performed pursuant to this Agreement.



**EXHIBIT C-1**

**CERTIFICATE(S) OF INSURANCE**