

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF

HAWTHORN METROPOLITAN DISTRICT NO. 2

Held: Monday, June 26, 2017, at 2:00 p.m. at 5740 Olde
Wadsworth Boulevard, Arvada, Colorado 80002

Attendance

The special meeting of the Board of Directors of the Hawthorn Metropolitan District No. 2, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado. The following directors, having confirmed their qualification to serve on the Board, were in attendance:

Christopher Elliott
Corey Elliott
Matthew Cavanaugh
Krystal Bigley
Carly Fenton

All director absences are deemed excused unless otherwise specified.

Also present: Kristin Tompkins, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Sarah Hunsche, CliftonLarsonAllen, LLP, District Accountant; Scott Bristol and Melissa Sykes, Stillwater Community Management, District Manager; and Christian Matt Janke, E5X Management.

Members of the public in attendance at the meeting are reflected on the attached sign-in sheet.

Call to Order

It was noted that a quorum of the Board was present and the meeting was called to order.

Conflict of Interest
Disclosures

Ms. Tompkins advised the Board that pursuant to Colorado law, certain disclosures by the directors may be required prior to taking official action at the meeting. The agenda for the meeting was reviewed, following which each director confirmed that nothing appeared on the agenda for which disclosure certificates had not been filed. The disclosure certificates were reviewed by the directors and were ordered to be made part of the official minutes of the meeting.

The Board determined that participation by the directors with potential conflicts of interest was necessary to obtain a quorum or otherwise enable lawful action to occur.

Agenda

Ms. Tompkins presented the Board with the agenda for the meeting for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda as presented.

Public Comment

Mr. Steve Pate informed the Board that he would like to see the District's Service Plan and Order and Decree Organizing the District. He also inquired into the Board positions and he would also like to see an Advisory Committee established.

Ms. Crystal Wilson informed the Board that she would like a community update provided discussing the differences between the District and a Homeowner's Association. She would also like to see the 2017 Budget.

Ms. Lynda Haulenbeek informed the Board of the weeds in the flower beds off of 58th Place. Ms. Sykes noted that she will look at this issue.

Ms. Patricia Berman informed the Board that there is a community drainage issue behind the walkout homes and that a lot of homes have overactive sump pumps. She noted that she would like to have the Board's contact information provided and be more transparent. She also noted that the parks and open space are not being maintained. She discussed the communication issues with Stillwater Community Management.

Mr. C. Regan Hauptman offered to meet with Ms. Berman and the County. Mr. Elliott noted that the underdrain issues on individual lots are the responsibility of Lennar and the individual lot owners, while the main collection lines were installed by the developer and will ultimately be conveyed to the District. The Board will also speak with Lennar about these issues.

Ms. Melissa Kuhn informed the Board that there are broken fence posts within the community, and she would like to know how long it will take the Board to make a decision about fixing them. She also noted that Stillwater Community Management needs to have better response times on issues.

Mr. Eric Killian discussed the adversarial tone of the residents, offered an apology on behalf of the residents, and expressed his desire for residents to approach the residents in a respectful manner. He also inquired into what Mr. Cavanaugh and Mr.

Corey Elliott's qualifications are for sitting on the Board.

Ms. Angelina McCollom informed the Board that there are moths and inch worms at the community park. Mr. Bristol noted that he will have proposals to address this matter available during budget season.

Administrative Matters

None.

Consent Agenda

Upon a motion duly made and seconded, the Board unanimously approved the consent agenda items as follows:

- Approval of Minutes from the December 5, 2016 Regular Meeting
- Adoption of Resolution Designating District's 24-Hour Posting Location

Legal Matters

Consider Approval of 2016 Annual Report

Ms. Tompkins presented the Board with the 2016 Annual Report. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the 2016 Annual Report.

Discuss and Consider Approval of Funding and Reimbursement Agreement (O&M) between the District and Remington Homes Co. for Landscape Maintenance

Ms. Tompkins presented the Board with the Funding and Reimbursement Agreement (O&M) between the District and Remington Homes Co. for Landscape Maintenance. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agreement.

Consider Adoption of Resolution Establishing Policies and Procedures for Acceptance of Underdrain Improvements

Ms. Tompkins presented the Board with the Resolution Establishing Policies and Procedures for Acceptance of Underdrain Improvements. Following discussion, upon a motion duly made and seconded, the Board adopted the resolution. Ms. Bigley abstained from voting on this matter.

Facilities Management

Management Update

Mr. Bristol informed the Board that the damage to the open space has been repaired and the District is sending an invoice to the responsible party. He also noted that Stillwater Community Management is working to obtain a contractor to repair all of the fences.

Social Committee Update

Mr. Bristol informed the Board that he will let Ms. Ashley Scobey know about the \$3,000 budget for the social committee. The first event was held last week.

Update on Bids for
Management Services

The Board determined to defer this matter.

Discuss and Consider
Approval of Reduction of
Transfer Fee Charged by
Stillwater Community
Management from \$200 to
\$100 for 2017

Following discussion, upon a motion duly made and seconded, the Board unanimously approved the reduction of the transfer fee charged by Stillwater Community Management from \$200 to \$100 for 2017, and authorized legal counsel to update the Management Agreement with Stillwater Community Management.

Discuss Sound Wall Along
Highway 93

The Board discussed the request for a sound wall along Highway 93. The Board estimates the cost to be between \$1,800,000 - \$2,000,000 to install a sound wall. It was noted that the District only has a 10 foot easement in the ROW, and CDOT will not allow trees or walls within its ROW. No action was taken.

Discuss Status of
Conveyance of Underdrain
System

The Board discussed the status of conveyance of the underdrain system. It was noted that the main collection line has not yet been conveyed to the District. It was also noted that Mr. C. Regan Hauptman will work with Ms. Patricia Berman and Jefferson County on the underdrain issues.

Update on Damage to
District Property by Lennar

The Board discussed the damage to District property by Lennar. Mr. Bristol indicated that the damage was repaired by Lennar.

Financial Matters

Consider Acceptance of
Unaudited Financial
Statements dated May 31,
2017

Ms. Hunsche presented the Board with the Unaudited Financial Statements dated May 31, 2017. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the Unaudited Financial Statements.

Claims Payable

Ms. Hunsche presented the Board with the Claims Payable. Following discussion, upon a motion duly made and seconded, the Board unanimously approved check numbers 1000 through 1031 in the amount of \$92,550.85.

Conduct 2016 Budget
Amendment Hearing and
Consider Adoption of
Resolution to Amend 2016
Budget

Director Cavanaugh opened the public hearing for the 2016 budget amendment. Ms. Tompkins noted that notice for the public hearing was made in accordance with the applicable Colorado statutes. No written objections were received prior to the public hearing. After no public comment was made, the public hearing was closed.

Following discussion, upon a motion duly made and seconded, the Board determined to amend the 2016 General Fund to \$230,000.

Consider Acceptance of 2016
Audit

Ms. Hunsche presented the Board with the 2016 Audit. Following discussion, upon a motion duly made and seconded, the Board

unanimously accepted the 2016 Audit, subject to final review by Ms. Bigley and legal counsel.

Discuss Outstanding Reimbursements owed to Hawthorn Development Inc. under the Infrastructure Acquisition and Reimbursement Agreement, and Potential Issuance of Super Subordinate Bonds to Reimburse Same

The Board discussed Outstanding Reimbursements owed to Hawthorn Development Inc. under the Infrastructure Acquisition and Reimbursement Agreement. Ms. Hunsche informed the Board that as of June 30, 2017, approximately \$1,000,000 is owed for capital costs and \$433,000 in interest. No action was taken.

Other Business

Mr. Eric Killian informed the Board that he would like to have an Advisory Committee established to discuss management matters.

Ms. Patricia Berman inquired into resident's voting rights and how they may effect change.

Ms. Melissa Kuhn informed the Board about landscaping problems and requested that the District post the landscaper's scope of work on the District's website.

Next Meeting

The Board determined to cancel the next regular meeting scheduled for September 4, 2017.


The Board scheduled a community meeting on July 26, 2017 at 6:30 p.m. at the Leyden Rock Clubhouse, 17685 W. 83rd Drive, Arvada, Colorado.

The Board also scheduled a special meeting on September 11, 2017 at 2:00 p.m. at the Leyden Rock Clubhouse, 17685 W. 83rd Drive, Arvada, Colorado.

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.

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


Secretary for the Meeting

Please mark
"X" if you
would like to
speak before
the Board

SIGN-IN SHEET

HAWTHORN METROPOLITAN DISTRICT NO. 2

June 26, 2017

	FULL NAME
X	STEVE PATZ
	Steve Daniels
	Mantha Daniels
X	Crystal Wilson
X	Lynnda Haalendeev
X	Patricia Bernan
X	Eric Killian
X	Melissa Kuhn
X	ANGELINA MCCOLLOM